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5 approaches to leading successful organizational change

How CFOs handle staff resistance to change is crucial.

Many of the ideas and concepts presented in this issue of *hfm* require numerous new approaches in the way things have always been done: new processes, new systems, new behaviors. In a word, change. To the human mind, change is a bad thing, something to be avoided—even feared. And this is all normal.

In my work with health systems across the country, I see this normal and natural resistance to change getting in the way of an otherwise well-planned new billing and collection system or the final implementation of a reengineered revenue cycle work flow. Senior executives often underestimate the variety of ways that people can react to organizational change, which can get in the way of completing a key project. The result: Goals are not met, results are not as planned, and staff begin to believe they were right to fear the change.

Although resistance to change is normal, you can adopt change leadership practices to help your organization meet revenue cycle goals with fewer breakdowns and less frustration.

Don't Resist Resistance

Denying resistance only creates more resistance. When people on your team question a change or seem reticent about a new approach, don't make them feel like they are wrong. Too often, we say things like, "They just don't get it" or "The train is leaving, and you are either on it or not." Staff resistance then tends to go underground where it cannot be seen or managed.

Your job is to lead the organization through resistance to acceptance and accomplishment by expecting and then including staff resistance in your plan. Think about:

- > How much resistance can I expect?
- > What is the level of trust between me and the potential resisters to the revenue cycle improvements?
- > How fast do we have to move? How dire is our situation? (The faster you move, the more the resistance to the project you should expect.)

Your answers to these questions will help you determine which of the following five approaches will be most helpful.

Education. People often resist revenue cycle changes because they simply do not understand why things can't stay the way they are. Early in the project, this educational component can help people see the need for and the logic of the project. It can begin the process of getting the entire team energized around how these new or redesigned processes will improve cash flow—and possibly make coming to work more interesting.

Education and communication programs are most appropriate when you expect staff resistance to be based on a lack of understanding or inaccurate information about the project. This is particularly important if you need help from potential resisters in implementing the project.

Participation and involvement. Another key approach to overcoming resistance to change is to

enroll people in the process of designing and implementing the new project. Participation allows people time to work through their resistance while they are solving problems and fixing processes.

Although utilizing an implementation team can be time-consuming, it is effective at getting more commitment behind a project when a high level of commitment is needed. Staff get to put their mark on the work as their courage to try new things grows. But if the process changes have to occur quickly, this high-involvement approach might take too long.

Facilitation and support. This approach works best when you expect significant fear and anxiety to be at the core of the organization's resistance. If your staff perceive the revenue cycle change as radical, you should consider facilitation and support.

The approach includes providing for new skill training, facilitated sessions to uncover specific issues, in-process consultant support for teams, time off after a particularly demanding period, and one-on-one emotional support.

Again, if the process changes have to occur quickly because the survival of the organization is at stake, this approach may be too time-consuming.

Negotiation. This approach is as straightforward as it sounds and is particularly important when it is apparent that people will lose out as a result of the process change and their resistance could be particularly disruptive. The most common example of this approach is early retirement incentives during downsizing.

Sometimes this approach comes in the form of negotiated management agreements that spell out what is expected from the potential resisters in return for other considerations. Then, during the implementation, these agreements can be used to help forestall the resistance, allowing the project to stay on track. All in all, this approach can be a fast way to overcome sources of major resistance.

Senior executives often underestimate the variety of ways that people can react to organizational change. How they handle people's resistance to change is crucial.

Straight talk. Finally, some people simply may not follow your leadership in building a better revenue cycle process. They can't or won't change, no matter what you do. Your situation requires fast change, and you are out of time. Now you need to threaten job loss or loss of promotion. Be honest and fair. But for the good of the organization, let them know there will be serious consequences for their noncompliance.

Change Starts with You

It's not easy to be a leader in healthcare organizations today. Many things are changing quickly. As a CFO, you need to build the structure that helps your staff adopt all the changes necessary to protect your organization's finances. This work requires courageous executives who are willing to examine themselves. You have to be big enough to realize that, if you're going to lead others, you may need to make changes to yourself first. The result is that people will see you take accountability and responsibility in a personal way, not just through your position, and will follow suit.

So who's going to make the first move? ●

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