5 Steps To Healthcare Change Management:  
A Roadmap For Success
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Change Management Roadmap  

Summary
Overview

According to a recent McKinsey study, nearly three-quarters of all global businesses that achieved targeted change objectives used a rigorous, highly structured change management process. However an IBM study found that organizations that mainly improvised solutions to problems reported only a 36% success rate. It’s clear that organizations that hope to be successful with their change initiatives need to adopt a structured and formal approach. For healthcare organizations hoping to compete in a disruptive environment, mastering the change management process is essential.

Organizational change management (OCM) is a framework for managing changes in culture, organizational structure, or business processes. OCM helps organizations adapt to systemic change driven by transformative initiatives to improve competitive advantage, correct operational deficiencies, or expand capabilities. It involves identifying and addressing the resistance that normally occurs when people are asked to change the way they are accustomed to doing things. Effective OCM ensures that changes are properly implemented and that lasting benefits are achieved and retained.

A systematic approach to OCM helps people throughout an organization adjust to new behaviors and skills. By formally setting expectations, employing tools to improve communication, and proactively seeking ways to reduce misinformation, stakeholders are more likely to accept and embrace the change.

Failed organizational change initiatives result in cynical and burned out employees, making any future change objectives problematic. It is not surprising that the fear of managing change and its impacts is a leading cause of anxiety for executives. However, with the ever-changing nature of the healthcare industry, change is inevitable. Those organizations that are able to best manage these changes will be the ones that remain competitive and have the most success.

Visioning, prioritizing, planning, providing feedback, and rewarding success are the key leadership and management skills needed in any successful change initiative. By embracing a structured OCM program, organizations can overcome obstacles and provide their change initiative with a much greater chance of success.

Here are the five steps you should consider when implementing change in a healthcare organization.
Establishing Change Goals

The Change Driver
This is the principle cause and motivator of the change. This single sentence should summarize the business case for embarking on the change initiative.

The Importance of Clear Goals and Objectives
For a change initiative to succeed, key stakeholders must establish unambiguous and measurable strategic objectives along with clearly defined goals. The challenge for most executives is figuring out where to begin. A good place to start is with a joint decision-making design session. This “vision building” meeting allows the team to establish a rapport to create a shared vision and articulate the objectives until they are refined into specific goals.

Defining goals and establishing objectives engage stakeholders and commits them to the program. Goals are long-term targets that an organization wants to accomplish. Objectives are tangible milestones that can be achieved by following certain prescribed steps. Change objectives must link to the strategic objectives of the organization and have widespread and genuine support across the organization. More importantly, they must be specific, quantifiable and actionable. If not, then the project becomes like a race without a clearly marked finish line.

Goal Setting Tips
Setting goals properly can be more challenging than most executives expect. Before a change goal is set, it should pass the following “change management litmus test”:

• Is the stated goal linked directly and unambiguously to the mission, vision, and strategic direction of the organization?
• What is the objective of the change, why is it important, and what will indicate it has been achieved?
• Who is affected by this change, and how will they react to it?
• Can the change goal be achieved internally or will it require external assistance?

Once established, goals and objectives need to be communicated clearly and frequently to every level of the organization. There should be a documented strategy for communicating the goals and objectives as well as measuring the effectiveness of the communication plan.

Current performance in the targeted change area should be documented to form a baseline that can be used as a measure against future performance. If
the performance metrics are defined properly, sponsors and stakeholders should be able to objectively determine the effectiveness of the change effort.

2 Assembling the Change Management Team

Empowered people with specific experience and skill sets are needed to complete the necessary actions and to overcome the barriers a major change project is likely to encounter. This Change Management (CM) team will identify and communicate the various responsibilities required to achieve the program objectives.

During a change management project, individuals in the organization will fall into one of three broad categories:

• Change Implementers manage and perform the various tasks to bring about the desired change.
• Change Enablers establish and maintain the environment and conditions that facilitate the change.
• Change Recipients are the people expected to behave differently once the changes have been implemented.

Establish Key Drivers
People are the only resources that can truly make organizational change happen. Clearly defining the key roles and expectations across the enterprise is the key to successfully implementing a change initiative. It is crucial to identify the right people to handle each of the following roles:

The Change Leader
The change leader should be sufficiently senior in the organization and be able to command the attention of the executive team. The change leader has a strong personal commitment to the success of the program and is the principal trouble-shooter with ultimate responsibility for problem and conflict resolution.

The Program Sponsor
The program sponsor is the executive’s representative responsible for ensuring that the appropriate resources are committed to solve problems and help the program succeed. This differs from the change leader because it is a tactical role, rather than a strategic one.
The Steering Committee
Along with the program sponsor, the Steering Committee shares overall responsibility and oversight for the success of the program. The committee typically represents the key stakeholders and regularly reviews the progress of the project, providing guidance where necessary, and serving as an authoritative body that can help eliminate obstacles in the path of the project.

The Project Manager
The project manager has overall responsibility for detailed planning and implementation of one or more components of the change program. The PM defines the specific tasks to accomplish the objectives and assigns those tasks to the appropriate team members. The PM manages the daily tactical activities of the project and serves as the liaison to the steering committee and executive leadership.

Project Team Members
Project team members are responsible for completing the various project activities as assigned by the project manager. The team members are usually (but not always) representatives from the various organizational work units or departments affected by the change and are typically subject matter experts in specific operational areas.

Mid-Level Managers
Middle managers are responsible for supporting and communicating change initiatives and allocating the resources required within their area of control. They also help identify barriers to success and risks to the project. Managerial participation and support in a change initiative is absolutely essential.

Supervisors
Frontline supervisors and team leaders are the face of the organization to their employees and serve a critical role in supporting, counseling, and coaching employees throughout the change process. They are also especially helpful in identifying obstructionists and mitigating their potentially negative impact.

This team will be responsible for executing successfully on the change vision. The best results usually come from people working collaboratively in a team environment. One reason teams are more productive is that members are able to leverage each other’s strengths. Effective teams should have the right balance of natural working styles and “chemistry.” Putting together the right team is crucial in successfully accomplishing a change initiative.
Implementing Successful Change Strategies

The key to organizational change management success involves a specific, targeted, and tailored approach to the needs of an organization. However, there are also common strategies that improve the chances for success of any change management project, regardless of the particular organizational requirements.

Common OCM Elements

A successful change initiative includes the following:

• Agreement on a common vision for change - no competing initiatives.
• Strong executive leadership to communicate the vision and sell the business case for change.
• A program to educate employees on how their day-to-day work will change, emphasizing improvements and efficiencies to be gained.
• A documented plan for measuring the results of the change. Key metrics must be established to help assess the effectiveness of the project.
• Establishment of a reward structure, both monetary and social, that encourages individuals and groups to take ownership for their new roles and responsibilities.

The Effectiveness of Workshops

Change management workshops are an excellent way to bring attention to the initiative, address concerns, mitigate pushback, and help shape goals and objectives. Workshops also increase a sense of ownership and empowerment while breaking down barriers, improving communications, and integrating staff into the project.

Change initiatives need a force to get started and a boost to move it to each subsequent level. It is important to understand that if the driving forces are withdrawn or gradually dissipate, the program will eventually run out of steam. A “visioning” workshop is an excellent catalyst to help keep a change management project moving and on track.

Overcoming Obstacles and Resistance

Human beings dislike change. They get comfortable in their routine way of handling things and any disruption causes concern. It’s important to understand that dynamic and work the problems that result.
Reactions to Change
It is critical to anticipate the reaction to the changes proposed for an organization and take steps to create the desired reactions. People who oppose the changes should be treated with respect, acknowledging their concerns and listening genuinely to their issues. Ways to accomplish this include:

• Choosing people with refined interpersonal skills for key project positions
• Communicating openly with employees and other change stakeholders
• Meeting resisters face-to-face as often as possible
• Pointing out unacceptable behavior without being confrontational
• Keeping commitments in order to build trust and respect
• Handling bad news proactively.
• Communicating candidly, but sensitively

Resistance to Change
No matter how carefully and meticulously a change management initiative is structured, some employees will still resist the change. Members of the change management team shouldn’t take this personally and should not adopt an adversarial approach to dealing with it. But unless there is a well-planned strategy for dealing with them, the resisters can wear the project down until it eventually grinds to a halt.

The CM team has to identify and manage both the ‘overt resisters’ who openly criticize and sabotage the change management effort, and the ‘covert resisters’ who quietly create problems and sow dissent in the hope that the initiative will eventually fail. The CM team has to help uncover the reasons for resistance to the program and find ways to resolve them. This can be done by helping resisters work through the psychological process of change and turning them from obstructionists into active supporters of the change initiative.

Dealing with Resistance
Occasionally, the CM team discovers that the reason an individual is resistant to a proposed change is founded on a legitimate concern that had not been previously considered. This can benefit the project because it helps the project team resolve issues and avoids potential problems. It also allows the resister to see that their concerns are being taken seriously and properly addressed. This usually turns them from resisters into active and enthusiastic supporters of the change project.
Trying to “sell” change to skeptical people within the organization is not an effective strategy and will invariably fail. People usually see through this approach and feel that they are being manipulated, creating feelings of resentment leading to resistance. Instead, change needs to be managed in a way that people can accept as necessary and view as being beneficial to the organization.

### Sustaining Successful Change

Launching an effective change initiative is only half the battle. The greater challenge is sustaining the gains made through a successful change effort. Adopting a principled approach that emphasizes openness, trust and integrity will ensure the lasting effects of the change program.

**Principles for Maintaining Change**

These five principles will help sustain a strong change effort:

1. **Strong Sponsorship**
   The change program must have the visible support of key decision-makers willing to devote resources to the program. If executive leadership demonstrates a firm commitment to the success of the change initiative, the members of the organization are much more likely to get on board.

2. **Detailed Planning**
   Planning should be conducted methodically before program implementation. Plans need to be circulated and accepted by major stakeholders and the objectives, resources, roles, and risks must be clearly defined. An organized and structured approach will earn the respect of the employees and minimize resistance to the change.

3. **Specific Measurement**
   Program objectives must be stated in measurable terms and program progress monitored and communicated to the key stakeholders.

4. **Structured Support**
   Program implementers and change recipients have to be given the resources and supporting systems required during and after change implementation.

5. **Committed Engagement**
   Stakeholders should engage in genuine two-way dialogue in an atmosphere of openness, mutual respect and trust. Everyone in the organization has a stake in the success of the initiative and the greater number of people who are invested, the more likely the change management effort will be sustained.
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Techniques for Maintaining Momentum
These practical techniques can keep the change momentum going in the new operational environment:

• Align systems of reward and recognition
• Coordinate recruitment and selection criteria
• Keep employees informed about performance and progress
• Strive for quick wins
• Celebrate achievements and milestones
• Ensure managers work within the new framework
• Institutionalize the change

Common Reasons Why Change Initiatives Fail
Several factors contribute to the high rate of organizational change program failures. Avoiding these situations is the key to successfully implementing the change strategy.

Lack of executive sponsorship or senior management support
In one survey of change practitioners, 92% cited top management sponsorship as the single most important factor in a successful change program. 3 Poor communication from the management team or a lack of real executive commitment leads to employees quickly losing faith in the project and the failure of the change initiative.

Lack of employee engagement in the change process
Leaders who actively sought to engage employees in the change effort enjoyed a 70% success rate, according to another study. 4 Executives who can marshal the support of their employees consistently have better outcomes on their projects. This is the most effective strategy an organization can use to minimize “pushback” and mitigate resistance to systemic change.

Ineffective change leaders/sponsors
For change to succeed, the Change Leader and/or the Program Sponsor need to be focused primarily on the program, working to drive the desired change across the organization. Competing priorities can be detrimental to the success of the project. In a recent survey report, 55% of change practitioners cited having strong and fully engaged change agents as the key factor in a successful change initiative. 5

Underestimating the complexity of change
Nearly one in three change leaders admit that underestimating the complexity of the change was a significant barrier to the success of their
Changing an organization’s culture, level of innovation, or capabilities involves multiple organizational systems, departmental units, and organizational strategies. Change initiatives that fail begin with an overly simplistic ‘one-size-fits-all’ approach. A successful change strategy must be tailored to the specific needs of both the project and the organization.

**Change Management Roadmap**

This paper has endeavored to clearly define the concept of change management, the importance of setting strong goals, strategies for successful implementation, defining the roles of the participants and identifying the risks that can lead to failure. This final section puts the pieces together to illustrate a clear roadmap for executing successful organizational change.

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<thead>
<tr>
<th>Priorities by Phase</th>
<th>Description of Objectives by Phase</th>
<th>Key Deliverables</th>
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</table>
| **Phase I – Vision**| • Assess current state and level of change readiness for each stakeholder group. Conduct Business Needs Analysis to provide appropriate justification for project.  
• Design an integrated change management and readiness strategy for ongoing steps to address the issues identified and build buy-in, commitment and capacity for change across the organization  
• Define the required change management roles and match the appropriate resources  
• Clearly define the future state vision with quantifiable goals and metrics | • Change Management Plan  
• Change Management Approach  
• Change Readiness Assessment  
• Stakeholder Analysis & Classification  
• Communication Infrastructure Plan  
• Business Requirements/Justification  
• Progress Metrics |
| **Phase II – Plan**  
• Effective Communication  
• Solidify the Roles  
• Work Plan  
• Work Shops | • Create approach for communicating the new vision to the organization  
• Empower the roles assigned in the vision phase to take action toward the future state  
• Find quick, easy wins to establish momentum and credibility for the change initiative  
• Finalize the work plan and approach strategy  
• Conduct workshops to refine and solidify the vision | • Refined Communication Strategy Doc  
• Finalized Work Plan  
• Strategic Approach Planning Doc  
• Work Shop Schedule |
## Priorities by Phase

<table>
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<tr>
<th>Phase III – Design</th>
<th>Description of Objectives by Phase</th>
<th>Key Deliverables</th>
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<tr>
<td>• Identify/Mitigate Risks &lt;br&gt; • Training Approach &lt;br&gt; • Align Processes &lt;br&gt; • Change Metrics &lt;br&gt; • Retaining Change</td>
<td>• Evaluate risks across the organization and proactively address them &lt;br&gt; • Design training curriculum and training delivery approach &lt;br&gt; • Develop requirements for training materials (user manuals, job aids, etc.) &lt;br&gt; • Determine required workflows that optimize available system functionality &lt;br&gt; • Design test strategy for new software and workflows &lt;br&gt; • Leverage available metrics to gauge effectiveness</td>
<td>• Updated Risk Management Strategy Doc &lt;br&gt; • Issues Management Doc &lt;br&gt; • Training Needs Assessment &lt;br&gt; • Training Curriculum and Calendar &lt;br&gt; • Training Strategy and Delivery Options &lt;br&gt; • Work Flow Gap Analysis &lt;br&gt; • Test Strategy Doc &lt;br&gt; • Metric Tools Set</td>
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<th>Phase IV – Build</th>
<th>Description of Objectives by Phase</th>
<th>Key Deliverables</th>
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</thead>
<tbody>
<tr>
<td>• Workflows &lt;br&gt; • Training Materials &lt;br&gt; • Test Documents</td>
<td>• Create integrated workflows across the enterprise &lt;br&gt; • Create required training documents &lt;br&gt; • Create test scripts for all new software and new workflows &lt;br&gt; • Create strategy document for change retention</td>
<td>• Set of New Workflows &lt;br&gt; • Set of Training Docs &lt;br&gt; • Set of Test Scripts &lt;br&gt; • Strategy Retention Strategy Doc</td>
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<tr>
<th>Phase V – Deliver</th>
<th>Description of Objectives by Phase</th>
<th>Key Deliverables</th>
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<tbody>
<tr>
<td>• Deliver Training &lt;br&gt; • Conduct Testing &lt;br&gt; • Communications &lt;br&gt; • Cutover Strategy</td>
<td>• Finalize training schedule and conduct all requisite training across the enterprise &lt;br&gt; • Test software functionality &lt;br&gt; • Test workflow effectiveness &lt;br&gt; • Execute on Communication plan to prepare the organization for the impending change &lt;br&gt; • Finalize a cutover strategy to the new system and processes</td>
<td>• Training Delivery Results Summary &lt;br&gt; • Test Results (software/processes) &lt;br&gt; • Cutover Strategy Document</td>
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<tr>
<th>Phase VI – Operate</th>
<th>Description of Objectives by Phase</th>
<th>Key Deliverables</th>
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<tr>
<td>• Change Readiness &lt;br&gt; • Go-live &lt;br&gt; • Post Go-live Stabilization &lt;br&gt; • Metrics Analysis &lt;br&gt; • Change Retention</td>
<td>• Evaluate the readiness status of the organization and address urgent issues &lt;br&gt; • Evaluate go-live support readiness and make Go/No-go final decision &lt;br&gt; • Go-live with new systems and processes &lt;br&gt; • Resolve immediate issues and conduct training and modifications as necessary &lt;br&gt; • Analyze metrics and compare to baseline to determine change effectiveness &lt;br&gt; • Conduct workshops to discuss change retention strategy &lt;br&gt; • Reward and honor staff who have contributed to CM success</td>
<td>• Issues Management Doc (final) &lt;br&gt; • Post Go-live Training Plan Doc &lt;br&gt; • Post Go-live Metrics Evaluation &lt;br&gt; • Final Change Management Report to Executives &lt;br&gt; • Final Change Retention Doc</td>
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Summary
Implementing a successful change initiative can be challenging. Committed executive leadership, clear goals, and a dedicated change management team are all critical components of a successful program. Transforming your organization amid all of the changes that healthcare reform has produced is often a juggling act. Balancing resources for multiple complex initiatives can be tough especially when timelines are tight, close coordination is needed, and change is constant. During these times, you need a healthcare partner you can trust to manage the project to completion, on time and on budget.

At Hayes Management Consulting, we help optimize the business of healthcare by improving operational outcomes in a cost effective and sustainable way. We build a project strategy and resource plan that reflects your specific needs and work seamlessly to implement it on time and on budget. Contact us to see how we can help you with your change initiative.
Sources


