

Prescription for effective change.

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To transform their organizations with lasting change, leaders must motivate and engage employees at all levels. This goes beyond *change management*, which implements plans and tactics, to *change leadership*, which inspires employees to embrace new ways of working. As two complementary forces, both change management and change leadership must be implemented simultaneously for lasting change to take hold.

Change is a constant in healthcare, driven by evolving market conditions, new technology, medical advancements and government regulation. Yet, many healthcare organizations struggle to move beyond outdated practices—even when innovative ideas and processes can reduce costs and improve patient care. Computerized physician order entry, for example, currently is used by only 17% of U.S. hospitals, even though the 10-year-old technology is known to reduce medication errors. And, only 1.5% of U.S. hospitals have a comprehensive electronic medical records (EMR) system and an additional 7.6% have a basic system.¹

Of course, technology isn't the only source of change, and healthcare organizations must embrace changes in all sectors to remain competitive, retain talent, and deliver the best possible patient care. They need to adapt quickly when external factors lead to internal challenges, such as budget or personnel cuts, redesigned work processes, revised organizational

structures, or an increasingly diverse workforce. Yet, change-efficient organizations that are agile; resilient; and able to anticipate, react to, and take advantage of new developments are few and far between.

In our work with hundreds of healthcare organizations, we find healthcare executives passionately pursuing changes in their organizations, but we also see many efforts toward change fail in the absence of a clear vision and an integrated change strategy. Those efforts that succeed share a common approach: combining a well-executed plan for change with the leadership needed to sustain that change over time.

Consider this example: *The chief executive officer of a large Midwestern medical center, passionate about using technology to improve patient care, invested significant time in creating a new care model in collaboration with other senior leaders. They quickly announced their idea to the organization, but were unable to move from talk to action because there was no thoughtful plan for implementing the change. Without a technical strategy, they lacked specific ways to address employee concerns and align their vision with the organization's overall goals. And, despite their passion for the idea, attention from the leaders waned and the project fizzled at the execution phase.*

Two key ingredients: management and leadership.

A successful change strategy comprises two essential elements: change management, the technical component, and change leadership, the cultural component. Just as an automotive engine needs both a mechanical system and an ignition spark to run smoothly, a change strategy must have both technical and cultural components working together to succeed.

“Change leaders are clear on what direction they need to take the organization. The most successful leaders are those who do the best job of aligning the company strategy, organization structure and, the most important piece, aligning the culture. The return on investment on this can be exponential,” says Steve Patscot, senior human resource leader for GE Healthcare Americas.

Many healthcare organizations do focus on the technical change strategy, **change management**, when executing tactical plans and projects. They are concerned with planning, budgeting, organizing, controlling, measuring, and problem-solving. Like the mechanical component of a car engine, change management produces predictability and order in the organization. It works best when an individual or team is made responsible for managing and tracking certain milestones and is held accountable for progress and completion.

In another example, a large hospital system in the southwestern United States was preparing to convert to an EMR system. The technical change strategy for all locations within the organization was led by an information technology project manager. The manager worked with a cross-functional team to oversee purchasing, logistics, and implementation of the technology, as well as necessary problem-solving to ensure timely and cost-effective implementation. Each hospital site designated its own dedicated EMR project manager responsible for implementing the local plan; this individual worked closely with a “change agent,” whose role was to assist with training and coaching colleagues to support the transformation in their departments. In this way, the organization established a structure of change management.

Visible behaviors of good change management.

In organizations that are adept at change, people at all levels demonstrate these visible change behaviors in their daily work:

- Adapting and being flexible
- Appreciating and celebrating successes
- Collaborating with others
- Communicating clearly and often
- Empowering others and themselves
- Embodying the values of the organization
- Focusing on priorities
- Listening and taking action on input
- Maintaining a positive attitude
- Valuing and respecting others

An essential but often-overlooked aspect of change strategy is **change leadership**, the human or cultural component that, in our metaphor of the car engine, provides the ignition spark needed to activate the mechanical system. Change leadership aligns employees with a shared vision for the future of the organization, then mobilizes and motivates them to make that vision a reality. A cultural strategy reinforces effective, lasting change by engaging key stakeholders, overcoming barriers to acceptance, delivering the information and support people need, and providing role models as the organization implements changes. Change leadership continually focuses the organization on the importance of evolution, energizes and engages employees, and ensures the long-term success of the change initiative.

The cultural component of the hospital system’s EMR conversion was led by the system CEO, who focused attention on the vision, modeled new behaviors, and united the management team behind the new direction. From the planning stages through the transition, the CEO’s consistent communication with the stakeholders reinforced the reasons for change, celebrated key

milestones, and illuminated ways in which the end result would improve the organization. Individual hospital CEOs followed suit with consistent change leadership efforts at each location. The system’s change effort was a combination of the technical strategy led by the project manager and the cultural strategy led by the CEO. Working together, they provided the critical ingredients that ensured success.

“My key advice to a CEO: The more you can involve your key leadership team members in the change process and ensure they play active leadership roles, the more likely you are to gain their buy-in and consequently the rest of the organizations’. It’s the coalition of the willing that will overcome the obstacles. If that means getting a new team with an orientation toward change management as a collective effort, then that change is necessary as part of the larger evolution of the organization,” Patscot says. While this message may be difficult to hear, other recognized leaders in organization Nadler and Tuchman say, “The leader has a role to be aware of both leading and managing responsibilities and, where and when appropriate, to pair him- or herself with someone to complement his or her skills and not overlook the essential managerial competencies needed for successful change.”ⁱⁱⁱ

Holistic approach leads to acceptance.

Organizations that achieve lasting change strike a synergistic balance between change management and change leadership, taking a holistic approach that provides both a framework for change and the energy to implement it. Change author Patricia McLagan suggests that often a rational and technical approach to change is made whereby energy is put into selecting the change and making sure it is sound and offers economic advantages to the organization. However, the mistakes are: in the belief that just introducing change guarantees that it will be adopted; and the failure to continue putting energy into the change until it becomes a way of life. Her research suggests that failed changes often focus too narrowly, typically locally instead of addressing the larger systems, structures, and forces.

Too often, we see organizations focus on only certain aspects of change strategy, neglecting some essential components for success. They are more likely to fail at change because they cannot fully engage employees to operationalize new behaviors and thereby deliver expected results. Worse still, too many failed attempts at change can lead to the sense among employees that new initiatives are merely flavors of the month they must simply wait out. The expectation shifts: The organization becomes unused to change and may be unable to cope at critical junctures.

“There should be a formal process to manage change. When you conduct change in an ad hoc manner, you risk becoming trapped in a doom loop of frustration and apathy,” Patscot says. “You know you’re in a doom loop when at meeting after meeting you sense a passive resistance from your team. And whether it’s obvious or not, at each and every one of these meetings you are losing momentum by not transforming. It’s better to have experts constantly illuminating the hard work of change, and you need a holistic change process to do that.”

The choice to change.

When implementing new systems or processes, executives often overlook an important and basic truth: Change is a choice. Employees choose whether to adopt a new approach or to reject it; their acceptance is essential to delivering long-term change. Change leadership is the critical element that engages employees and persuades them to align their attitudes and actions with the organization’s goals. Good change leaders understand that people do not transform overnight—it takes consistent effort, over time, to reinforce new behaviors until they become routine.

It is far more common to start change initiatives than to succeed at them, which explains why an estimated 30 percent of change efforts succeed. We see many senior executives launch initiatives, then move on to the next priority and leave the implementation to their management teams. This is a critical misstep for a change effort because employees assess the importance of change based on the actions of supervisors and leaders. “Walking the talk” has never been more important. Employees choose to embrace or reject change based on trust and confidence in their leadership team; if an executive appears to have lost interest in an initiative, what motivates his or her employees to pursue it to completion?

At a large national healthcare association, the CEO led an effort to change internal operations and create a customer-focused culture. As champion of the effort, the CEO gained support from two-dozen top leaders by asking them to help draft the definition of, need for, and scope of what he wanted to accomplish. The senior managers were trained in change leadership; in turn, they successfully transferred their leadership to key stakeholders deeper in the organization, who ultimately brought remaining stakeholders on board. Leaders and managers were held accountable for specific goals, rewarded for reaching key milestones, supported with change management tools, and motivated by the vision and passion of their CEO. This strong change leadership, combined with a well-executed implementation plan, ultimately transformed the organization’s culture so members could see and feel the positive change in the way they conducted their day-to-day hospital operations.

Five action steps for leading effective change.

As organizations go through transitions large and small, there are several steps leaders can take to ignite change leadership. Through working with more than 1,000 healthcare executives and their organizations, we have seen the following actions prove consistently effective in fostering change.

Be a role model for change behaviors

A CEO who embraces and models the new way of working shows employees that change is everyone’s responsibility. If you ask senior managers to attend training and adopt new practices, then show the initiative is your top priority by attending and changing your work process as well. If you want senior leaders to engage employees in providing feedback and input, then seek the same from them. Embracing the new approach demonstrates your priorities, while a hand-off to managers or the implementation team says you believe it is their responsibility rather than everyone’s responsibility.

Commit appropriate resources and attention

Devoting your time, passion, and focus to a desired change conveys its importance and sends a powerful message to employees. Consider your top five priorities and ask yourself how often you have communicated your passion for those priorities in the last month? If the answer is “very rarely,” then you might ask yourself whether your time is being diverted and determine how to get back on track. If you are off-track, then so is your organization. Ideally, a change leader will help people focus on the importance of a change until the desired behaviors are commonplace among employees. This can take several months or longer in some cases, especially in technology implementations that may take place in multiple phases.

Communicate throughout the process

Change leadership relies on a well-articulated vision and your ability to relate it both to the organization’s mission and to individual employee roles. Communication is the critical link for keeping all participants connected and engaged. Beyond reiterating the vision,

your communication with employees should share progress, detail challenges, and establish mid-course corrections. Make change a talking point in every conversation and meeting agenda, on good days and bad days, to both celebrate successes and keep the organization focused. Start communicating early in the planning stages, update key messages as situations change, and continue through the time frame required to make change last.

Rely on a proven framework

Using a change model such as GE's Change Acceleration Process (CAP) provides a common language, processes and tools to guide change activities in the organization. Working with a proven approach helps leaders systematically analyze situations, identify key stakeholders, anticipate obstacles, and create a strategy with the right balance of change management and change leadership. Utilizing a framework like CAP over time establishes structures and systems to adapt to change, develops change competencies throughout the organization, and instills key behaviors as a way of doing business.

Be consistent

Long-term consistency, both in behavior and in communication, is the foundation of all successful change efforts. Following your change model over time will help instill effective methodologies, tools, and practices in your organization for the long-term. When challenged, don't give up on change and revert back to old behaviors; change leadership should be a core competency for all leaders in the organization. With consistent practice, change will become a way of doing business that allows the organization to adapt successfully and easily whenever new developments or opportunities arise.

Change agents: leaders at all levels.

Healthcare executives can ensure ongoing success by nurturing change competencies within their organizations. Even the strongest leaders need armies behind them to drive successful change, with managers and other key stakeholders disseminating new knowledge throughout the organization. Individuals at all levels can become agents of change through skill development in an established change framework, as well as through emotional intelligence, sensitivity to others, and effective communication.

Change leadership behaviors

Change leaders, depending on their position in the organization, have varied responsibilities, all of which support consistent, long-term change efforts:

Senior executives are in charge of leading change and building momentum by proactively sharing information, reinforcing the strategy and vision, breaking down the silo mentality, and encouraging risk-taking to push the organization toward new ways of operating. They make their priorities visible by sharing their passion and time, measuring progress, and recognizing results. Employees will value their optimism, decisiveness, and integrity, especially in uncertain times.

Directors/vice presidents, under the senior leader's direction, establish clear priorities and leverage teamwork by actively encouraging collaboration, cooperation, and feedback. They embrace constructive conflict and use it to analyze how best to adjust and keep moving forward. Acknowledging challenges with candor and considering the well-being of others, as well as celebrating successes, earns trust and lasting respect from employees.

Managers/supervisors empower themselves and others by actively rallying and engaging their teams to create momentum for change. This includes meeting with those impacted by the change to seek input and clarify how their work connects to the bigger picture. These managers and supervisors send the message that people are valued by focusing on critical tasks, welcoming and acting on input, and showing confidence in their teams' abilities.

Front-line staff participate in and lead change by adapting, collaborating, and being flexible in their roles while demonstrating a positive attitude and embodying the values of the organization. Leaders empower individual contributors by creating opportunities for them to lead project teams and participate in developing solutions.

According to Lawler and Worley, distinguished authors and researchers on change leadership, a key “must do” is developing change management skills in the people of an organization. Many people have skills and knowledge in technical, financial, logistical, and other competencies, but knowledge related to change management account for only a small proportion of its intellectual capital. Lawler and Worley contest that a workforce that can continually renew itself and orchestrate change is rare, valuable, and difficult to imitate, therefore, can be seen as a competitive advantage.

Over time, organizations that develop strong change cultures do so by measuring change leadership as part of the performance evaluation process and promoting leaders based on these competencies. Leaders-in-training should practice change methodology early, beginning with small projects that prepare them to apply their skills to more critical issues. “When an organization is coping with a massive change, credible leadership is critical to the transformation. And it’s through learning to be a good change leader over time, and over the course of a career, that you can build that credibility,” Patscot says.

An organization is fully aligned around change when each employee—from senior leader to entry-level worker—understands his or her specific role and how it relates to the organization’s goals. In addition to providing the right balance of change management and change leadership, successful change strategies identify needs, evaluate skills, and create development plans to engage individual contributors and future change leaders.

In developing these “change agents” and establishing the processes they should follow, you render your organization more agile in the face of change. Armed with your understanding of how change works, you handle it efficiently and are accustomed to coping with the ambiguities that might derail a less experienced organization. You expect a model to be followed and that your organization will keep moving forward. When external change arises, your organization will automatically swing into action to establish the technical strategy needed to adapt internally. The technical structures and systems, ignited by a change leader’s enthusiasm and support, make your well-oiled machine ready to take on any challenge. The sky is the limit for new opportunities.

Change leadership as a priority.

Organizations that have developed change-related competencies improve their ability to cope with disruptive events and maximize opportunities. People throughout these organizations, from senior executives to individual contributors, understand the procedures and expectations related to change. Leaders know what employees need in terms of communication and support, and all participants are focused on goals, objectives, and teamwork to achieve the organization’s vision.

At GE Healthcare, we have experienced dramatic improvements from accelerating change consistently until it becomes a way of doing business. This is possible only when change leadership and change management are linked to the organization’s strategic plan, and department and individual goals are aligned with the strategic vision.

As you consider your top priorities for the next 6 to 12 months, take time to reflect on how change leadership could energize your organization’s transformation. How are you empowering your change agents to be responsive for tomorrow? What else is needed to embrace inevitable changes? What skills must your teams develop, and how can you help?

It is up to you, as a leader within your organization, to anticipate and address the increasing demands of change. Effective change begins or ends at the top. By integrating change processes into your business and incorporating change leadership as a critical competency, you will help develop an agile and resilient organization prepared to thrive long into the future.

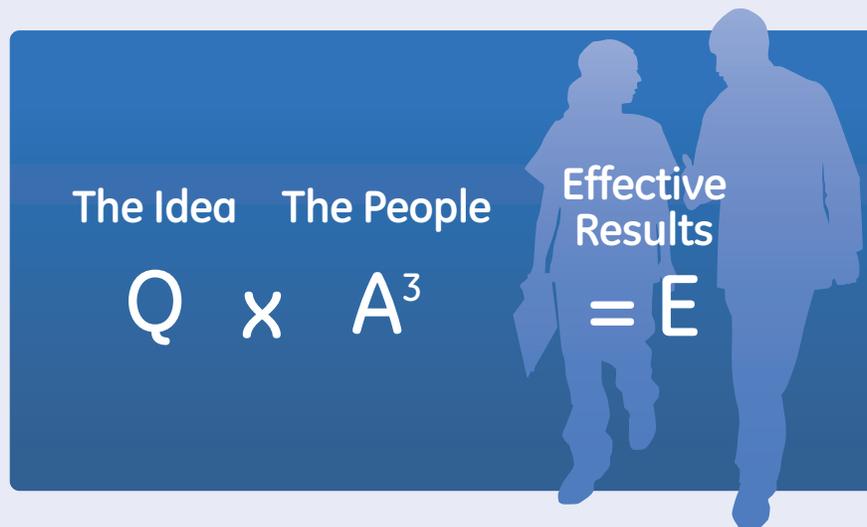
Formula for transformation: $Q \times A^3 = E$.

After decades of leading change initiatives, both internally and in client healthcare organizations, GE Healthcare has learned that effective change necessitates changing the culture of the organization. To achieve culture change, we have learned the quality of a solution (**Q**) can produce effective results (**E**) only to the extent that there is employee alignment, acceptance, and accountability (**A³**). GE experience shows that leaders must implement both change management and change leadership to achieve acceptance of change within the organization.

Change leadership is often the energy that drives change initiatives to completion. New processes become a way of life when a leader, infused with vision and enthusiasm, helps individuals to understand how change will benefit both themselves and the organization as a whole. This energy must flow not only from senior management to middle management, but throughout the organization: from the highest levels of administration to the front-line staff. If the flow is interrupted or the effort wanes before the change takes hold as a routine way of doing

business, the organization is at risk of returning to “the way we’ve always done it.”

The GE Change Acceleration Process (CAP) model, developed in the early 1990s under former CEO Jack Welch, is still being used to manage rapid adjustments in GE organizations. Over time, the CAP model has become a way of doing business, supporting GE’s cultural focus on goals and objectives and providing the accountability and structure necessary for continuous and lasting change.



Authors

Maureen Donahue's expertise in process improvement strategy and design, change management, team and leadership development, and facilitating strategic client meeting has been applied across public and private industries for over 13 years. Currently a senior manager with GE Healthcare Performance Solutions, she began her GE career as a Six Sigma® master black belt and recently retired from the U.S. Air Force as a colonel in the Air Force Reserve.

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