

EMBRACING CHANGE: FOUR CRITICAL CONCEPTS

■ Dale Benson, MD, CPE, FAAPL

In this article...

Discover why change, including inspired chaos, can empower employees to find new ways to get things done and achieve success.

THE HEALTH CARE SCENE IS CHANGING FAST.

In fact, in the words of health care futurist Leland Kaiser, “Change in health care is happening so fast that it is difficult to look out our front windshield to see what is happening. Often, we have to resort to looking in our rearview mirrors — to watch the change going by. Change is happening that fast!”¹

Chaos is everywhere. The greatest contributor to chaos is the one thing that is predictable in today’s health care environment: change and its impact. To quote John Huey, “The only constant in today’s world is exponentially increasing change.”²

Thus, in order to lead, manage and work in today’s health care world, we must embrace change, not resist it. You must embrace change to enable your organization to survive in this tumultuous environment. You must hug change, cherish change and take it up readily and gladly.

There are four important concepts that you must know in order to understand and successfully manage change:

1. CHANGE IS BOTH THE CAUSE OF AND THE SOLUTION TO ALL OF THE CHAOS AROUND US. — External change is the cause. Internal change is the solution. You respond to change with change. You do not respond to change by staying the same. If you want things to get better, you are probably going to have to change something. External change is not optional. It is happening. Internal change is optional, depending on whether you want to survive and thrive as an organization, and on whether you want to survive and thrive as a leader.

2. THERE ARE TWO TYPES OF EXTERNAL CHANGE — LINEAR INCREMENTAL CHANGE AND NONLINEAR DISCONTINUOUS

CHANGE. — Linear change is continuous and incremental. Plotting the change on graph paper looks like stair steps. In the 1980s and early 1990s, most of the world was in an era of linear incremental change. Being a leader or a manager was pretty easy, although we did not realize that at the time. If you showed up for work each day and did your job, you pretty much knew that your organization would be there the next year and that you would still have a job.

Linear change is manageable. We can manage stair steps one step at a time. The next step is fairly predictable. The change will be real, but it is not likely to be dramatic. There is not a whole lot of stress because you know the change is coming, it makes sense, you can plan for it, you can make a small incremental change to accommodate it and you can live with it. Examples of linear incremental change could be a new Joint Commission requirement or a new organizational procedure. The response to continuous incremental linear change is continuous incremental process improvement.

Nonlinear discontinuous change is dramatically different. This type of change as plotted on that graph paper is chaotic. It may not be predictable. It frequently is a surprise. It is often so abrupt and so dramatic that it can knock you over. Much of the time we are not ready for it.

Examples of nonlinear discontinuous change could be a new organizational structure or possibly something dramatic such as your state announcing a new payment mechanism or implementation of electronic medical records. The Affordable Care Act for many has created nonlinear discontinuous change. You will have to do many things very differently. It’s a whole new ball game.

We are clearly in an era of nonlinear and discontinuous external change. Nonlinear discontinuous change creates a challenge for survival. We have to recognize it and respond appropriately. We have to know that if we continue to do things the way we did them, we will not survive.

The response has to be transformational. We have to move from the paradigm of the past to the paradigm of the future. The response to discontinuous and nonlinear change cannot be incremental process improvement. By itself, incremental improvement is a prescription for losing. What got us to where we are now will not get us to where we need to be in the future.

Management guru Tom Peters says that “the way to respond to such situations is to do something; in fact, do a lot of somethings, and do them fast.” He goes on to say that “in today’s world incremental change won’t get the job done. The only way to keep up is to innovate and that means throwing out old ways of doing business and devising new ones.”³

Incremental process improvement is the correct methodology for incremental linear change. Transformational improvement has to be the correct methodology for discontinuous nonlinear change. We have to be inventing solutions as we go. To be transformational, we often have to go where no one has gone before. There is nothing incremental here.

Unlearning becomes an important component of the transformational response. We have to learn, then unlearn, then learn again. That is what transformation is all about. This is what Tom Peters is talking about when he says, “throwing out old ways of doing business and devising new ones.” We have to train, then untrain, then train again.

Mike Vance, for many years the director of creativity for Walt Disney, in talking about the kind of internal change that is necessary in responding to external nonlinear discontinuous change, affirms that we “must make a conscious effort to clear the table; push the delete key; and start out fresh if we hope to arrive at new and different solutions.”⁴

This is not to say that our incremental process improvement activity should be abandoned. Incremental improvements also are good. It is just that at this point, incremental change by itself will not get the job done. The external change is, and will continue to be, big-time. The response has to be big-time, too.

3. THERE ARE TWO MAJOR OBSTACLES TO TRANSFORMATIONAL CHANGE — ENTRENCHED SYSTEMS, STRUCTURES AND PROCESSES, AND ENTRENCHED MINDSETS OF PEOPLE.

— As James Belasco and Ralph Stayer observe in their book, *Flight of the Buffalo*, obstacles to change come about in two areas: entrenched systems and entrenched mindsets.⁵

The way you have always done things — systems, structures and processes — are likely well-entrenched. They seem to be set in concrete. Many are covered with barnacles because they have been around so long. It is easier to keep on doing things the way we have been doing them than it is to change.

The way we are is a significant obstacle to transformational change. Yet if we keep on doing what we have always done, we will keep on getting what we have always gotten. We have to be willing, indeed anxious, to innovate, to blow up

Chaos can become a powerful motivator in surmounting the obstacles to transformational change because chaos creates passion.



the systems, structures and processes that now hold us back and find a new path. We have to get beyond obstacle No.1.

ABSOLUTE COMMITMENT TO EMPOWERMENT BY LEADERS IS ESSENTIAL.

Obstacle No. 2 is the mindsets of our people. There are definitely barnacles and entrenchment here also. We have “hard-wired, over-my-dead-body” people among us. There is so much fear of change. There is so much resistance from people. In so many cases, the traditional culture is more dedicated to preserving itself than to meeting new challenges.

We have to get beyond obstacle No. 2. We must have a new mindset that recognizes that the entrenchment and resistance are there and that the organization cannot respond to the need for transformational change if the people are not willing to accept the responsibility of changing.

James Belasco and Richard Stayer stated, “I understand that I am the problem. Accepting that enables me to be the solution.”⁵ Each one of us must accept the responsibility for changing. Each one of us must be part of the solution.

How do we respond to these two entrenched obstacles? We need to create a culture for transformational change in our organizations.

4. TO CREATE A CULTURE FOR TRANSFORMATIONAL CHANGE, TWO THINGS ARE NEEDED: EMPOWERMENT AND CHAOS.

— Just as there are two obstacles to change, there are two catalysts for change. We need empowerment to address obstacle No. 1 — entrenched systems, structures and processes. And we need chaos (with its associated passion) to address obstacle No. 2 — the entrenched mindsets of our people. Empowerment plus chaos can lead to transformational change. Internal change that is transformational is necessary in order to respond to the nonlinear discontinuous external change that engulfs us every day.

To be able to successfully respond to nonlinear change, to be able to respond effectively to the need for transformational change, to be able to break fully through obstacle No. 1 (entrenched systems, structures and processes), we need to create an environment of empowerment. People have to believe that they are empowered to attack and break loose those entrenched systems, structures and processes.

We recognize that staff members know more about the processes they work with than we leaders do. We need our staff members to help make things better, because the fact of the matter is that we leaders don’t know how.

We need to empower our staff members to be creative, to think about how to make things better for our internal and external customers. We engage the minds of our people. With empowerment, we are saying to our staff: “We value you. We respect you. We need you.”

Obstacle No. 1 exists because the staff would rather continue doing things the old way than have to deal with management’s latest idea for improvement — an idea that they intuitively know is not likely to work.

With empowerment, we are saying to our staff: “You think of a better way, and we will do it.” Empowerment involves the staff. They become important. Their ideas become important. And when the solution is their solution, the staff becomes committed to making it work.

Empowerment sounds easy, but in reality it is quite difficult. To create an environment of empowerment takes several years. Empowerment is confusing. Management and staff can misunderstand how empowerment really works. Empowerment can become quite emotional. Empowerment expectations by staff can far exceed reality. Yet, empowerment is very powerful. It not only delivers the combined intelligence of the entire staff, but it also invests the entire staff in the solution. Empowerment can become a critical component in the quest to respond to and manage nonlinear change.

Absolute commitment to empowerment by leaders is essential. Leaders must open the door to empowerment and then get out of the way. They must accept and support the results of empowerment. Leaders must be willing to invest the time and energy to help the staff understand empowerment, to inspire the staff to believe in empowerment, and to encourage staff to walk through the newly opened doors to use this new found opportunity in a positive and creative way.

While at AltaMed in Los Angeles I told my people that if they had an idea to make things better, their idea was “pre-approved.” We called these ideas “pilots.” Pilots did not have to be approved by management or the vice president. “If you have an idea, try it. If you need help in piloting your idea, I am ready to help.” I only wanted to know two things before beginning the pilot: How will you know if your idea is an improvement and how long do you plan for the pilot to go? If it worked, their idea became the way we did things.

In addition to empowerment, transformational change requires chaos and passion. Chaos is when things don’t seem to be going well and there is too much happening at once. Chaos is useful in creating transformational change.

An important role of a leader is to create chaos. Transformational leaders understand that there is a place for chaos in addressing the “entrenched mindsets” obstacle. We think that the role of the leader and manager is to keep things settled down and under control. But truly transformational leaders do not believe that the world is orderly or that things will ever return to normal. That “normal” is past tense and will never exist again. The “new normal” is now.

George Labovitz, a highly regarded leadership consultant to *Fortune* 500 companies, says, “New Leaders continually focus on providing regular and appropriate doses of chaos. They push for ‘stretch goals,’ frequently reshuffle their followers’ roles and responsibilities, and openly challenge long-standing organizational assumptions. New Leaders thereby create unprecedented opportunities for innovation in responding to change.”⁶

Why is chaos important in inspiring your staff to move beyond obstacle No. 2 toward transformational change? Because

chaos creates the motivation for transformational change. The primary result of chaos is destruction. Destruction makes reconstruction possible. Chaos precedes change and reorganization. Chaos makes transformational change possible.

As Leland Kaiser said when talking about chaos dynamics, "Things have to fall apart before they can come together in a better way."¹

Is there any chaos at your organization? Do some things feel like they might be falling apart? If you are a smart leader, you might think about nurturing that chaos a bit, letting things fall apart a bit more. Why? Because chaos can become a powerful motivator in surmounting the obstacles to transformational change. Chaos creates passion.

Chaos creates passion because the chaos is so unsettling that staff becomes determined to change things to make them better. Change will not occur until the pain of staying the same exceeds the pain of changing. The pain of staying the same creates the passion. Staff become passionate about not having to live with this chaos any longer.

Become a leader who skillfully manages the linear and the nonlinear. Become a leader who understands and manages the two types of external change — incremental linear change and discontinuous nonlinear change. Become a leader who values the contribution that empowerment and chaos can make to an organization.

Parker Palmer, author, educator and activist, focusing on issues of leadership in a 1990 lecture titled "Leadership from Within" suggests that all leaders have a shadow side. He describes several of these shadows — one, for example, being a leader's deep insecurity about her/his own identity, his/her own worth.

The fourth shadow that he describes relates precisely to the question of how we respond to our fear of stepping out and managing nonlinear phenomena in a new and dramatically different way.



"The fourth shadow among leaders is fear. There are many kinds of fear, but I am thinking especially of our fear of the natural chaos of life. I think a lot of leaders become leaders because they have a life-long devotion to eliminating all remnants of chaos from the world. They are trying to order and organize things so thoroughly that the nasty stuff will never bubble up around us (such nasty stuff as dissent, innovation, challenge, change).

"In an organization, this particular shadow gets projected outward as rigidity or rules, procedures and personnel manuals. It creates corporate cultures that are imprisoning rather than empowering.

"What we forget from our spiritual tradition is that God created out of chaos! Chaos is the precondition to creativity, and any organization (or any individual) that doesn't have an arena of creative chaos is already half dead. When a leader is so fearful of chaos as to not be able to protect and nurture that arena for other people, there is deep trouble.

"The spiritual gift on the inner journey is to know that creation comes out of chaos and that even what has been created needs to be returned to chaos every now and then to get recreated in a more vital form. The empowering gift on this inner journey is the knowledge that in chaos I cannot only survive, but I can thrive, that there is vitality in that chaotic field of energy."⁷



The bottom line is we need to create a culture for change. The traditional culture is more dedicated to preserving itself than to meeting new challenges. We must move our people beyond that. Not just incremental change, important as that is, but transformational change. Change that will enable us to adapt and move forward with confidence to achieve our vision.

The secret is to embrace that change, understand and accept the fear of change, and then make it happen.



Dale Benson, MD, CPE, FAAPL, is the former vice president of innovation, quality and practice management, and director of the leadership development institute at AltaMed Health Services in Los Angeles, California.

REFERENCES

1. Leland Kaiser. Futurist. President of Kaiser and Associates. Brighton, Colorado. Notes from various ACPE lectures.
2. J Huey J. "The new post-heroic leadership." *Fortune*, Feb 21, 1994.
3. Tom Peters. Author and consultant on business management practices. Best known for *In Search of Excellence* (co-authored with Robert Waterman.)
4. Mike Vance. Former Dean of Disney University and co-founder of Creative Thinking Association of America. Personal notes from a presentation at an ACPE meeting.
5. Belasco J., Stayer R. *Flight of the Buffalo*. New York, NY: Warner Books, Inc. 1993, pp. 41 and 200.
6. Labovitz G., Rosansky V., Varian T. *Leadership: Taking Charge of Change*. Wolfeboro, NH: Organizational Dynamics, Inc. 1994.
7. Palmer P. *Let Your Life Speak*. San Francisco, CA: Jossey Bass, 2000. From Chapter Five, "Leading from Within."

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.