

**CHANGE MANAGEMENT IN HIGH PERFORMANCE ORGANIZATIONS**

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**ABSTRACT**

This paper analyses the impact of a regulatory change ('shock') on a public service organization. Depending on the nature of the organization, various steps are under taken to investigate the shock. Since health care organizations are high performance entities and are a system of interrelated medical care units, they need to use theoretical frameworks that assisting change management of large systems. Currently there are a number of frameworks which can achieve this. In this paper, I will analyze two system change frameworks and propose a new approach based on these two frameworks.

**KEYWORDS-** Organisational change, behaviour of employees, climate, perception.

**IMPACT OF CHANGE ON HIGH PERFORMANCE**

**ORGANIZATIONSTHE PUNCTUATED EQUILIBRIUM MODEL: A MODEL TO EXPLAIN HOW AND WHY SHOCKS DEVELOP**

Organizational theorists has adopted evolutionary concepts from natural sciences and have developed an organizational punctuated equilibrium model of change. These punctuations, which I will also call environmental shocks<sup>1</sup>, tend to develop over time and eventually reach a breaking point before they become a reality that has to be dealt with (Haveman, Russo & Meyer 2001). The shocks can appear for a number of different reasons such as advances in technology, politics, societal changes, economic upheavals and government regulatory changes.

**OTHER WAYS IN WHICH ORGANIZATIONS REACT IN RESPONSE TO A SHOCK**

- **Fulfil expectations-**

Institutional theorist has argued that organizations (in our case, hospitals) tend to react to coercive pressures to conform to the edicts of the state and also fulfil cultural expectations (DiMaggio & Powell 1983). For instance, Canadians expect a high level of access to their health care providers. To cater to this demand of the public, the MOHLTC passed the 'Wait Times Reduction Strategy' in 2004 which was aimed at reducing the time a patient waits to

get medical care (Glynn, 2005). All hospitals in Hyderabad were required to report their wait times using enhanced IT systems (Kirby, 2007). Thus a pressure from the public and the government caused hospitals to invest time and money into creating previously nonexistent support system.

- **Modify strategy-**

Organizational changes, especially when it occurs in large systems, have associated costs with them [cost of learning new things, cost of resources being diverted to absorbing change etc]. However, these costs can be minimized under good leadership and existing processes (but only if these processes are flexible enough to ingest the changes). Along with flexible processes and good leadership, organizations also have to refresh their strategies when confronted with shocks. For instance, Singh (1991) found that after a large scale shift in Ontario governments funding for social service groups, voluntary social service groups changed their structures and strategic goals.

- **Behave unexpectedly-**

Sometimes regulatory changes can cause organizations to behave in an unexpected manner. For example in 1897, a ruling against anti-trust by the Supreme Court in the USA created an environment favourable for Massachusetts railroads to merge successfully and not in the expected predatory manner (Dobbin & Dowd, 2000).

### **SIDE EFFECTS AND FAILURE OF AN ORGANIZATION TO CHANGE**

Even though organizations, that are affected by regulatory punctuations, do act purposively, it does happen that there are certain unintended consequences. The aftermaths of changes do stabilize but only after a period of time has pass. In response to the regulatory change, performance can decline due to misalignment between organizations and post-punctuation conditions. In some case, especially more complex organizations, change induces serious risk of organizations failing completely. Hannan and Freeman's (1977, 1984) structural inertia theory states that organizations are relatively inflexible and it is difficult and hazardous to impose change on them. However, latest research indicates that there are models which can help organizations go through change management without failing.

### **MODELS TO MANAGE CHANGE IN A SYSTEM**

In this paper, we will present two models that can be used to manage organizational change successfully. Established system-change frameworks can be used to direct the organizations path to successful change management. The two models of system change management that were studied in detail include Golden and Martin's Star Model for Changing Canadian Health Care System(2004) and Coghlan & McAuliffe (Coghlan and McAuliffe, 2003) model of large system change.

### THE STAR MODEL



The Star Model is based on the premise that a system level change requires attention to six distinct areas of the organization/system. The individual vertices on the star work in tandem with each other but not all areas are equally important all the time. According to Golden and Martin (2004), there are six ideas implicit in the model and they are as follows:

- Organizational problems are not because of lazy, dumb, unskilled people. Rather, it is the entire system that is weak and this weakness is reflected in the attitude of its employees.
- There is no one right way to create a system. A systems construction is based on the requirements for change, its previous configuration and the external factors which are present in the proposed systems ecosystem.
- All points on the star are not equally important in re-designing the system. The level of importance for each area is dependent on the kind of change that is being pursued.
- The model is dynamic in nature and changing the conditions around one area of the star could lead to changes in some other area(s). Thus it is advisable to be cognizant of this fact before making wholesale changes based on the star.
- Health care leaders can indirectly influence their organizations by using the areas on the star.
- There is always a cultural backlash to all changes and tackling that is an important step.

### **COGLAN & MCAULIFFE'S MODEL FOR LARGE SYSTEM CHANGES**

This model is based on five phase approach which happens in a sequence:

1. Determining the need for change.
2. Defining the desired future state.
3. Assessing the present in terms of the desired future to determine the changes to be made.
4. Implementing the change and managing the transition.
5. Consolidation and sustaining the change.

Though the model calls each of the five items it investigates a phase, they can also be considered questions that are asked of the organizations management while going through change planning.

### **INTEGRATING THE TWO MODELS**

The Star Model looks at the six big themes (i.e. Strategy, Culture & Values, Information & Decision Making, Incentives, Human Resources and Structure) that are the life blood and driving force within an organization or a large system. It provides management a macro view of the things that are important for successful change implementation. However, the Star Model stops here. It does not provide users any hints on how to perform deeper analysis on each of the themes. On the other hand, Coghlan & McAuliffe's model provides a clear guideline for an inquiry that can be followed for finding elaborate answers to any organizational change query. This aspect of deep analysis is useful for change managers because they can understand all the moving parts in the organization that need to be catered to for successful change implementation. However, like the Star Model, the Coghlan & McAuliffe model does not go far enough and gives no guidance as to what broad themes of the organization should be drilled into. In this paper, I propose a more holistic and comprehensive system change management model which combines the breadth allowed by the Star Model and the depth of the Coghlan & McAuliffe's model.

### **CONCLUSION**

There is no scientific reasoning for a response of 'YES' to Q1. The responsibility falls on the change management leadership to use their experience and insight into the functioning of their organizational system to decide which domains need to be worked on. Management should adopt any of the model to get positive results. Both models have their own merits.

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