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# The Implementation of a New Information System for the Finance Department in a Private Hospital

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# Module 8: Dissertation

MSc. in Healthcare Management, 2010/2012

## Assignment:

The Implementation of a New Information System for the  
Finance Department in a Private Hospital

A dissertation submitted in part fulfilment of the degree of MSc in Healthcare  
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## **Abstract**

This change management project focused on the implementation of a new electronic information system for the Finance Department. This was carried out primarily to achieve a greater level of accurate, concise and complete billing information for the Finance staff. It was a move away from a system that was reliant on paper and folders to store information. For this project, I utilised Kotter's (1996) 8 Steps model of change to help me to initiate the change process. I used this change model because I believed the step by step approach would be beneficial to me as I had limited experience of implementing a change process. The sequential steps also ensured attention to detail and on what aspects the change agent was required to focus on at all times. I utilised a Likert scale to ascertain the impact the change had on the Finance staff. The initial findings were favourable, with all staff expressing an opinion that the way information was presented had improved. The throughput of invoicing has also increased. This is based on information extracted from the in house billing system prior to and post change. The training provided for staff to utilise the system was evaluated. The feedback gathered was positive. To conclude, the new information system is now seen as a beneficial support tool for employees to utilise on a daily basis and for Senior Managers when they are agreeing future contracts with Healthcare Insurance providers.



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## **Chapter 1: Introduction**

### **1.1 Introduction**

The change management project I chose for this dissertation was the implementation of a new information system for the Finance Department. This new information system encompasses all the billing information required for the finance team to carry out their daily tasks and routines. It was a move away from an information system that required billing data to be stored as hard copies in folders on each individual employee's desk. This system had limitations. Information periodically was misplaced and employees found managing hard copy folders both time consuming and inefficient. This was also partly due to the high volume of paper work the accounts staff required to carry out their billing duties.

I decided one of the key ways to improve this situation was by organising, collating and presenting complete, relevant and accurate data from a concentrated source. This source was an electronic Excel database that was accessible to the finance staff on a shared network drive. Having provided an overview of this project, I will now comment on the structure of the assignment.

### **1.2 The Structure of this Dissertation**

The project will be presented in the following way. There are five chapters. Each chapter will have its own brief introduction and summary. Following on in chapter one, I will detail my aims and objectives of this project. I will also discuss in depth the rationale for

this project. Chapter two will commence with a literature review to provide evidence in support of the change I have chosen. I have based this review on the importance of information and knowledge. The aspect of change will then be discussed in chapter three, focussing on issues such as the change process, planning for change and the change models. For this assignment, I utilised Kotter's (1996) 8 Steps change model. I will comment on the rationale for choosing this model and detail the steps I went through to implement this change project. An evaluation of the change will be discussed in chapter 4 with a final chapter dealing with the strengths and weaknesses of the change process. I will also discuss recommendations for future improvements.

I will now present the aims and objectives of this project. This is to ensure the project remains focussed and the reader has a clear understanding of the central purposes for this organisational change.

### **1.3 Aims and Objectives**

The main objectives of this project are:

- To provide current and accurate pricing information for the finance team on electronic Excel database that was accessible to the relevant staff.
- To train employees within the Finance Department to access this database information.
- Evaluate the effectiveness of the staff training for the implementation of this new database.
- To increase the accuracy of billing knowledge among the finance staff.

- To eliminate the billing folders and paper based information.
- To increase the throughput of invoices.

Linked to these objectives is the rationale for the change. This rationale will now be outlined.

#### **1.4 The Rationale for Carrying out this Change**

To put this change management project in context, I am working as a Patient Accounts Supervisor in a Private Hospital for eleven years. My primary work objective is to ensure the finance staff invoice all patients who are admitted to the hospital. As the hospital is privately funded, cash flow is critical to the life blood of the organisation. It is necessary that patient invoicing is expedited as quickly and efficiently as possible. Linked to this invoicing process, is the attitudes and behaviour of the finance staff. It is important that staff members feel confident when carrying out their duties. It is my belief that any issues that affect this confidence can have an adverse effect on motivation. Motivation is important as it helps to stimulate and focus human behaviour in attaining a goal. (Morley *et al* (2004). Herzberg (1950), as cited by Morley *et al* (2004) offers a Two Factor Theory relating to motivation and work. This model proposes that satisfiers or motivators for staff include a sense of achievement and the nature of work. Dissatisfiers or hygiene factors on the other hand can demotivate staff. Herzberg (1950) state that these dissatisfiers include company policy, administration and working conditions. Linking this theory to my own workplace, it had come to my attention through observation and informal chats with staff members that employees were finding it more and more difficult

to find the accurate information to answer queries and invoice patients. It appeared that staff, in some circumstances, had become de-motivated and frustrated with the lack of one reliable source of information. This links to Herzberg's (1950) dissatisfiers and the issue of administration. Having reflected on this situation, I decided to implement a change to the way information was managed in the department. I began by analysing the information flow in the Finance Department that existed prior to the change process. I considered the current process was too complex and this first step would help me to clarify this. The information flow will now be discussed.

#### *1.4.1 The Information Flow*

It was my opinion, prior to the change implemented, that the process of information management in the Finance Department required improvement. I have provided a process map (Appendix1) to demonstrate the way the information flowed prior to this change process. Before I implemented the change process, the information flowed from the insurance companies to the organisation. This information was disseminated by the Finance Director to the Patient Services Manager and finally to me and my team. Each member of staff was responsible for the management of their own billing information and ensuring this was up to date. The finance staff had large folders on their desks containing pricing information and billing rules that were paper based. For example, the folder I utilised had 450 pages of information stored in it. The folders were cumbersome and required constant updating on an individual basis. There was a tendency for some of the information to be misplaced resulting in the restriction of invoicing due to the time required to check the billing information. In my opinion the information flow was

complex and involved too many steps. My aim was to minimise the steps and keep the flow of information concise.

#### *1.4.2 The Computerised Billing System*

It is important to comment on the Finance Department's computerised billing system. Although, from a reporting point of view, it had many advantages and could provide excellent reports, the actual prices and billing rules in the system required constant checking by the accounts staff when invoicing. I also considered another important reason to implement this change was the amount of varying billing rules associated with each Service Level Agreement and the subsequent changes in procedure prices. The Service Level Agreement is a contract between the author's organisation and the various insurance companies who send patients to the hospital. This agreement outlines the prices the insurance companies will pay the hospital for the procedures carried out. It also outlines the terms and conditions of payment. These contracts are important as this is the source of the information required for the finance department. It is also the source of many of the changes to the accounts staff billing information. I will now discuss this in detail.

#### *1.4.3 Changes in Health Insurers Procedures*

The private healthcare market is fluid. It is constantly changing as the demands and expectations of the public and shareholders seek ever higher levels of care and financial return. This is reflected by the number of procedures contained in the Service Level Agreements the hospital has with the eight insurance companies. For example, in total

there are 4432 separate prices agreed for surgical procedures, pathology tests, x-rays and high cost drugs with the eight insurance companies. One of the private healthcare insurance incumbents has 1632 procedure codes agreed with the hospital on their Service Level Agreement. These procedures are often modified or added to by the insurer. Associated with these procedures are prices that the insurer has agreed to pay the hospital for surgical and medical procedures carried out. Further consideration also has to be given to the billing rules for each of the insurers. Each of these insurers has individually agreed billing contracts that vary considerably from one insurer to the next. The result of this is a complex myriad of prices and billing rules that staff were required to interpret accurately.

### **1.5 Summary**

This introduction was the first step in identifying why I chose to implement this information system. I discuss the fact that in my opinion, the old system of information management did not meet the needs of the department. I provide the reader with a vision of how I see this information issue could be transformed by utilising an electronic database. I discuss the adverse effect this system had on the morale of the staff. I linked this to Herzbergs (1950) Two Factor Theory of motivation. I also discuss the need to complete invoicing in a timely and efficient manner. Linked to this were the ever increasing levels of information given to the accounts staff associated with Service Level Agreements between the hospital and the insurers. In my opinion, this change was an opportunity to improve a system for the benefit of all the staff involved.

## **Chapter 2: The Literature Review**

### **2.1 Introduction**

The main consideration for this change process was to improve the way information was collated and presented to the key stakeholders in the Finance Department. As commented by Daft *et al* (1986), organisations primarily process information to minimise uncertainty. For this change process, minimising uncertainty involved developing a new information system to improve the availability of data. My change project was also about enhancing the finance team's level of knowledge by providing complete billing information in a centralised location.

While completing this literature review, I located research relating to information and knowledge management and the benefits and issues this can bring to the organisation. My research methods included utilising several databases, including the Emerald database, research journals, academic books and the college library. However, I was unable to find specific information to reinforce the advantages of utilising one electronic computer database to enhance the performance levels of an organisation. The information is more general in its findings. I have where possible, linked the research I carried out in the literature review with my project. The aim of this is to demonstrate how the research connects with the practicality of my project and to reinforce the reasons why I have implemented this change project.

This chapter will commence with a discussion on information. I will then detail the importance of knowledge and discuss issues such as knowledge management. I will



conclude this review by outlining the benefits and issues for organisations utilising information and knowledge management.

## **2.2 Information**

### *2.2.1 The Importance of Information*

To begin this discussion, it is beneficial to provide the reader with a definition of information. Lillrank (2003) comments that information is logically derived from theories and principles. Nonaka (1999), on the other hand states that information is a commodity and has to be internalized and embodied through thought and action to have any meaning. Due to the extraordinary economic turndown, it is possible to make the business case that now, more than ever, accurate information is essential to organisations. Ashton *et al* (1995) comment that information has been described as the cement that binds an organisation together. Ashton *et al* (1995) continue by stating that without a regular supply of appropriate information, the organisation would fall apart. Another way of discussing the importance of information is discussed by Huang *et al* (1999), cited by Lillrank (2002). Huang *et al* (1999) consider information should not be treated as a by-product of various activities however, it should be viewed with the same seriousness as products. Linking this to my change project, before I implemented the information system, the level of errors and time wasted trying to locate information had not been monitored. However, due to my project highlighting these problems, there has been a realisation by senior management that information is as important as the actual invoicing, as the incomplete information has contributed to billing errors.

### *2.2.2 The Information Based Organisation*

In business today, there is an increased emphasis on the information based organisation. Drucker (1988) discusses this concept. These are organisations such as hospitals that employ specialist staff. Examples of specialist staff are Clinicians and Financial Managers. Drucker (1988) explains that one of the key requirements of this type of organisation is that all employees take information responsibly. Employees need to determine which members of staff depend on them for information within the organisation. Drucker (1998) also emphasises the importance of information coordination among colleagues. This aspect is important for this change project. I work in an organisation that requires staff to have specialist knowledge. My team receive phone calls and emails on a daily basis requesting information relating to procedure prices and billing rules. These requests can either come from senior management, colleagues or subordinates. Prior to the implementation of the information system, sourcing this information was difficult especially when people required the information in a quick and efficient manner. There was no one person who was responsible for the information.

A further consideration when discussing information is decision making. As commented by Lillrank (2002), a primary concern of an organisation should be to have information stating, what are the right things to do here and now? Lillrank (2002) explain this is particularly true in times of instability. This is relevant to the project as the new information system provides immediate financial information to allow management to make decisions quickly with regard to increasing or decreasing prices for procedures. Due to the current economic difficulties, it is more important now to have access to this

information as time is money. Although information is important, it is widely accepted that without knowledge, this information would have little purpose. I will now discuss how knowledge interacts with information.

## **2.3 Knowledge**

To begin this discussion, it is important to differentiate between information and knowledge. There are many contributors to this discussion. For example, as commented by Nonaka *et al* (2001), ‘if information reveals something about what the world is, knowledge tells something about how the world works’ (p.2.). Nonaka *et al* (2001) further explain that knowledge is meaning that is added to this information. Davenport *et al* (1999) provide a slightly different emphasis to knowledge by stating knowledge is context specific as it depends on a particular time and space. Bhatt (2000) develops the definition of knowledge by stating that it is ideas and procedures that are organised.

The issue of knowledge was important for my project. I was presenting an information system for the staff that captured all the billing information required for the billing process. This information had meaning added to it by a training schedule that I implemented. This training demonstrated to staff how the application of the rules and procedures could result in a more efficient process.

### *2.3.1 Tacit and Explicit Knowledge*

When discussing knowledge, it is important to distinguish between tacit knowledge and explicit knowledge. As discussed by Noe (2008), there are two distinct categories of

knowledge, explicit and tacit knowledge. Tacit knowledge is personal knowledge that is influenced by beliefs and values. As discussed by Hartmann *et al* (2008), organisations who exploit tacit knowledge transfer can improve organisations innovative capabilities. Hartmann *et al* (2008) explain that this innovation is achieved by organisations tapping in to employee's personal knowledge of how the system works within the organisation. Hartmann *et al* (2008) conclude by stating that organisations achieve true innovation by making personal knowledge available to others.

Explicit knowledge however, is focussed on formulas, manuals and specifications that are described in formal language. Nonaka *et al* (2001) state explicit information can be embodied in a code or a language. Nonaka *et al* (2001) comments that explicit language can easily be verbalised or stored. It is the sort of knowledge that can be shared in the form of data. For this project, I focussed on explicit knowledge as the database was specifically designed to capture formulas and specifications. A further key aspect of knowledge is knowledge management. I will now discuss this.

### *2.3.2 Knowledge Management*

Robbins (2005) states that knowledge management is the process of collating and distributing an organisations collective wisdom so the right information goes to the right people at the right time. Beardwell *et al* (2007) develops this definition further by stating knowledge management 'embraces knowledge creation, validation presentation, distribution and application' (p.263).

If an organisation is actively pursuing a strategy that includes knowledge management then it is important to know how to implement the basic foundations. Noe (2008) describes a step by step guide to how organisations may share and create knowledge.

Some of these key principles are:

- Use the companies intranet site to allow people to share and store information with others.
- Publish directories with the employee's job title and the level of specific knowledge they might have.
- Create an on line library of learning resources such as journals, technical manuals, training opportunities, and seminars.

When examining knowledge management, it is important to look at reasons why in certain circumstances this strategy fails. According to Noe (2008) knowledge management fails for two specific reasons:

- The technology is too complicated.
- Organisations do not allow enough consideration on how to motivate employees to share knowledge.

Bartlett (1999) develops the reasons why knowledge management may not always succeed. Bartlett (1999) explains that although it is recognised that knowledge management is important some organisations are not suited to implementing this as a strategy. For example Barlett (1999) comments that some organisations are too complex and that strategic decisions made at the top of an organisation are separated from the real

knowledge and expertise resided. Barlett (1999) also comments that fragmentation and beurocracy can have a detrimental affect on the implementation of knowledge management.

## **2.4 The Outcomes of Information and Knowledge Management**

### *2.4.1 Competitive Advantage*

As suggested by the research carried out for this project, the primary reason for the utilisation of information and knowledge management by organisations is to gain a competitive edge. This point is discussed by Nonaka (1991) who comments that although the business environment may be uncertain, one source of competitive advantage is knowledge. Nonaka (1991) continues by stating the companies that manage to create and disseminate knowledge throughout the organisation are the ones who are successful. The ever changing business environment is another reason why knowledge management is important. Birinder *et al* (2010), cites Wheeler (2002) and D'Aveni (1994), who both state that knowledge management is important in changing dynamic markets as knowledge management allows organisations to adapt quickly to market conditions. A further advantage of accurate information is discussed by Drucker (1999). Drucker (1999) comments that accurate information based on the external business environment may be the most important information an executive has as this allows for strategising. Linking this to my project, the private healthcare industry is constantly changing. This is evident with the main insurance companies who are continually trying to cut costs for procedures that they pay private hospitals for. In my opinion, it is essential for senior

managers to have all the necessary financial information relating to prices when negotiating with these companies. The new information system provides this.

#### *2.4.2 Issues with regard to Knowledge and Information*

There are however, important issues to consider when discussing organisational information and knowledge. This point is discussed by Noe (2008). Noe (2008) warns that organisations need to be aware of what information is necessary and what is surplus. Noe (2008) states that although knowledge management may give an organisation an advantage, it needs to be acknowledged that more knowledge does not necessarily mean better knowledge. Noe (2008) further explains that information overload can have a detrimental affect on an organisation by allowing managers to focus on irrelevant information. This wastes valuable resources such as time. Daft *et al* (1983) develops this point by discussing the issue of ‘information richness’ (p.1). This relates to the quality of the information utilised by an organisation. Daft *et al* (1983) states that organisations face the dilemma of trying to make sense of a confusing amount of ill defined information that intrudes on the organisation. In order to achieve clarity, Daft *et al* (1983) suggest organisations need to process information through teams, task forces or vertical information systems. Daft *et al* (1983) concludes that this will lead to improved information.

### **2.5 Summary**

This literature review focussed on two key areas. The first was the importance of information. The evidence provided by researchers and authors suggested information

was essential to the survival and growth of an organisation. The second key principle of the literature review was the concept of knowledge. This review provides evidence to support the important role knowledge management plays in modern business. This is particularly true in competitive dynamic markets. Examples of how to successfully implement knowledge management were discussed. These include using the companies intranet site to allow people to share and store information. Although much of the literature suggests that knowledge management can lead to a competitive advantage, it was suggested that the information and knowledge must be concise and relevant to the organisation in question.

In closing, Robbins (2005) suggests that if a company wishes to take advantage of a knowledge management strategy, then a computer database that is accessible to employees needs to be established. This system needs to have pertinent information for the staff. Robbins (2005) further suggests that this is to build on the realisation by the organisation that intellectual assets are now as important as physical or financial assets. I believe that the database I have implemented will provide senior management with a platform for information and knowledge to be utilised for the benefit of the organisation.



## **Chapter 3: Methods**

### **3.1 Introduction**

This section of the project will commence with a discussion on the change process. This discussion is to set the context of change in today's busy world. It will incorporate issues such as the different types of change and change fatigue. I will then provide the reader with an overview of two different change models. I will continue by stating the rationale for choosing the change model I utilised for this change project. The issue of preparation will also be discussed, with a particular focus on me as the change agent and the completion of a Force Field analysis. Following this, I will discuss in detail the various steps I used to implement my change. I will provide the reader with an in depth analysis of the stages I went through to ensure the completion of my change project. I will discuss topics such as resistance to change, culture and training. To conclude, I will provide the reader with a summary of the main issues discussed.

### **3.2 The Change Process**

Change is inevitable in life and organisations. This is especially true in the current economic turndown. Change can be varied in intensity. To use a useful analogy, Senior *et al* (2006), compare change to winds that can be small summer breezes that require little management, to hurricane force storms that requires a transformation of the entire organisation. Regardless of the size of change, issues such as culture, leadership, and change management tools need to be considered to ensure a smooth transition. Initially, it is the drivers of change that need to be considered. These are the issues that force

institutions and facilities to disturb the status quo within the organisation. Change fatigue is a further consideration when discussing the change process. As discussed by Garside (2004), improvements in both quality and performance require change. When an organisation aspires to both of these changes over a concentrated period of time there is a serious risk of change fatigue. Garside (2004) explains that a way to ensure this fatigue is minimised is by ensuring the prize at the conclusion of the change is greater than the sacrifices people are making.

### **3.3 The Change Models**

In order to successfully achieve a holistic view of change management, it is important to examine different approaches to the change models. I will start this section by discussing two models of change.

#### *3.3.1 Nadler and Tushmans Congruence Model*

Nadler and Tushman (1997) provide a model based on the level of congruence within an organisation. This model of change states that an organisation is a collection of sub systems that are integrated and communicate with each other. Its central paradigm is the more in line the sub systems are with each other, the greater the level of congruence which translates to increased performance. The model further proposes that the four central components key to any successful change management are the work, the people, the formal organisation and the informal organisation. The model also provides the reader with the view that inputs such as strategy and resources are utilised and transform into outputs such as team organisational and individual performance.

### *3.3.2 Kotter's 8 Steps of Change Model*

This model is a road map to achieving change with regular sign posts along the way. Kotter (1996) does more than just provide one model of change but also provides excellent research on why transformation fails. This is done for each of the eight steps. For example, step 2 of the model states that if you do not form a powerful guiding coalition then you may encounter resistance and may not be able to implement the change. Not only does Kotter (1995) point out the cause and effect relationship in terms of how the change is affected but also provides insight into specific reasons as to why this happened. Continuing with the example of step 2, Kotter (1995) blames the lack of prior experience in teamwork as a possible reason for this step failing. This was particularly relevant to me as I am in middle management and have to rely on the support of others to help with key decisions.

Having identified why the initiation of a change process can fail, Kotter (1996) proposes the eight sequential steps to overcome these problems. One of Kotter's (1996) central themes is that these steps need to be completed in turn and in a logical manner. These steps are listed in the following diagram.

### *Kotter's 8 Steps Model of Change*



(Google Images, 2012)

Looking in detail at these steps, it is possible to see how the momentum for change starts to build as you go through the different stages. For example, this is demonstrated by Kotter (1996) detailing in step 1, the importance of establishing a sense of urgency. This is the foundation and initial starting block for the change. This is soon followed by the vital aspect of forming a guiding coalition. Kotter (1996) spends the next three steps dealing with the vision of change. All of these steps lead the change agent to the last three critical aspects of the change model and what you hope will be a successful change initiative.

It is also important to acknowledge the relevance of this model in today's economic turndown. For example, Kotter (1995) states that step one means the organisation must examine the market for potential crises. In my opinion, this must be the reality for many businesses today in these times of uncertainty. Having discussed these two models of

change, I will comment on the reason why I chose the particular change model for this change project.

### **3.4 Rational for the change model selected**

#### *3.4.1 Choosing the Right Change Model*

When deciding which change model to utilise for this assignment, there were important considerations to reflect on. This issue is discussed by Hayes (2007). The author comments that three important characteristics of a relevant change model are:

- The model is relevant to the issues you are about to change.
- The model assists the change agent to identify cause and affect relationships.
- The model helps the change agent to focus on the aspects of change they can influence.

#### *3.4.2 Nadler and Tushmans Model of Change*

One of the primary reasons I did not utilise this model of change was I had not completed a change previously and I was concerned about the complexity of the model itself. I did consider there were similarities between this model of change and Kotter's (1996) 8 Steps change model. Hayes (2007) discusses this point by stating how Nadler and Tushmans (1997) model of change like Kotter's (1995) change model does more than describe the components of the organisation but also considers the relationships between these components.

I researched further literature with regard to utilising this approach to change. It was interesting to read that Cameron *et al* (2009) consider this model is problem focused rather than solution focused. Cameron *et al* (2009) further comment that there is a lack of emphasis on the guiding vision. Due to these limitations, and the fact I found this model of change difficult to understand in the context of this change assignment, I decided not to utilise this model.

### *3.4.3 Kotter's 8 Steps Change Model*

I chose this model partly based on Hayes (2007) research on the three important characteristics of a relevant change model. These are outlined below.

- Kotter's (1996) model in my opinion was relevant to my change project as it clearly detailed issues such as the vision I had for the change prior to its implementation and allowed time to create the urgency required for my change.
- The model also allowed me time to judge what might happen with each of the steps. This relates to Hayes (2007) discussion about cause and effect. For example, when considering Kotter's (1996) step five and empowering others to act on the vision I implemented a training plan as part of my strategy to deal with this.
- Finally I chose Kotter's (1996) model because it helped me to identify the parts of the change I could directly influence. For example, when creating the sense of urgency, I considered that by presenting a Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis, senior management would act on the change in an urgent manner.

I also considered some of the critiques of Kotter's (1996) model provided by the research I carried out for this project. For example, Cameron *et al* (2009) describe the tendency for Kotter's (1996) framework to encourage 'an early burst' of activity which is preceded by 'distance and delegation' (p.115). Cameron *et al* (2009) particularly refer to step 7 and 8 and how managers do not seem to require as much energy as they do in the early stages. I considered however, prior to the change that awareness of this issue would help to ensure a continuum of energy and focus on all the 8 steps. Having discussed my reasons for choosing Kotter's (1996) model, I will now discuss the importance of planning.

### **3.5 Preparation for the Change**

'Fail to plan, plan to fail' (Gogler 2005, p.246). I was aware of the importance of this statement prior to the change project. Although there were many issues to consider, I considered two of these to be crucial. The first issue were my characteristics as an effective change agent and the second were the forces both for and against the change. I will now discuss both of these aspects in detail.

#### *3.5.1 The Change Agent*

The success of any change initiative must be linked to the abilities of the individual charged with driving the initiative. The task of driving and implementing this change was my responsibility. To try to ensure maximum results, I focussed on the traits that a successful agent required according to the literature. Senior *et al* (2006), cites Buchanan *et al* (1992) who provide a detailed description of the competencies required for an effective change agent. These include:

### *Goals*

- The change agent must be sensitive to changes in key stakeholders.
- Be clear in what goals need to be achieved.
- Be flexible when responding to changes.

### *Roles*

- Networking skills.
- Team building activities.
- Tolerance of ambiguity.

### *Communication*

- Be able to communicate effectively to colleagues and subordinates.
- Interpersonal skills including listening, collecting appropriate information, identifying the concerns of others and managing meetings.
- Personal enthusiasm in expressing plans and ideas.
- Stimulating motivation and commitment in others.

### *Negotiation*

- Selling plans and ideas to others.
- Negotiating with key players for resources.

### *Managing up*

- Political awareness when identifying potential coalitions.
- Influencing skills to gain commitment.
- Be able to stand back and get an overview of the immediate project.



Although all the information contained in the above table is most beneficial, I focussed on certain traits that I considered would have maximum benefit for me. I will discuss these in turn.

### *3.5.2 Interpersonal Skills*

I considered the need for excellent interpersonal skills when collecting information was a primary concern for this change project. A priority was to get complete finance information from the Finance Director and the Patient Services Support Manager. I had meetings with these key stakeholders. The aim of this meeting was to get the billing information I required for the new system. This also linked to Buchanan *et al's* (1992) discussion on managing up and being politically aware. At the commencement of this project, I was aware of the importance the Finance Director and the Patient Services Support Manager. These two key stakeholders were an important coalition without whom I would not have been in a position to implement the change.

### *3.5.3 Goals*

Goals were a further trait that I considered most important for this change. The data sheet was an extensive body of work. It became clear that in order to fulfil my commitment to this, I required a clear focus. I set myself a deadline and worked to this at all stages. This was helped with the use of the Gantt chart (Appendix 9). The Gantt chart demonstrates the deadlines I utilised to ensure conflicting priorities did not hinder the end result. I also allowed a certain level of flexibility for the task which was built into the Gantt chart. The result was the comprehensive database that provided the foundations to this change

(Appendix 4). The database in this appendix represents a sample of the main database and is presented to give the reader an idea of how the billing information is presented to the staff.

#### *3.5.4 Team Building*

Team Building was an aspect of this change project that I had never previously had to consider. Looking at this reflectively, I considered team building prior to the change process happened within the Finance Department organically and on a daily basis without any premeditated help. I believe this happens because the team I am in charge of, both for the change project and on a daily basis, are mature and have worked in the Finance Department for some time. I have known some of these employees for eleven years. I believe these people are excellent team workers and realise the benefits of a team approach.

Researching the literature, Morley *et al* (2004) maintains that for teams to be effective it is essential to focus on the team's tasks and the team's process. The team process includes issues such as insuring a good working atmosphere exists. It also promotes keeping communication open between the teams at all times. The team I supervise communicate with each other regularly. Communication usually occurs informally on breaks and lunch time. If there is an important issue, a formal meeting is arranged by me or my manager. The team tasks refer to activities such as agreeing and proposing goals, solving problems and collecting relevant information about the tasks that need to be done (Morley *et al* 2004). Referring back to the change project, I brought the team together to

achieve a change project that was for the benefit of the department. The team were aware that I required them to utilise the new system. I believe this was not going to be an issue as I had volunteered to complete the database and take responsibility for this action. I consider that by bringing the group together to solve an issue, the group had become more cohesive.

### *3.5.5 The Force Field Analysis*

In preparation for this change task, a Force Field analysis based on Lewins (1951) work was carried out in the Finance Department (Appendix 3). Lewin (1951) states that for any change to occur, due consideration must be given to the forces both for the change and those opposing the change. Analysing the diagram, I comment on the driving forces that are driving the change forward. These include encouragement from the top, staff supporting the change and a motivated workforce.

The resisting factors include the time taken to physically transfer the information onto the database and conflicting priorities. The Finance Department is target driven. Meeting these daily work targets is essential. I identified this as a concern as completing the change could conflict with meeting these targets. A further key concern I identify as a potential resisting factor was I had no past experience of change management. I considered that awareness of this fact integrated with the literature I researched for this project, would help me with this issue. I analysed the drivers and resisters of change and concluded the drivers for change proved stronger than the resisters to this change. Having

discussed the preparation stage, I will now comment on the implementation of the change.

### **3.6 The Change Model**

#### *3.6.1 Kotter's 8 Steps of Change*

I utilised Kotter's (1996) change model for this dissertation. Kotter (1996) provides the reader with a series of steps that require to be carried out in a logical step by step manner. The following are the key steps taken to implement the change in the Finance Department:

#### *3.6.2 STEP 1 - Establish a sense of urgency*

Kotter (1995) comments an acceptable urgency rate for change is when 75% of management are convinced that continuing with the old way of doing business is no longer an option. The challenge for this assignment was to convince management that the implementation of the database was necessary. The first way of achieving this was to analyse the drivers of change.

#### *3.6.3 Drivers of Change*

When discussing change, it is important to ask what is driving the need for change? Oakland *et al* (2007) provide data relating to triggers of change within organisations. Oakland *et al* (2007) state that although there appeared to be two distinct sets of drivers, internal and external, both were intrinsically linked. For example, external drivers could be customer requirements. Internal drivers might be a need to improve the quality of services and products. The conclusion reached was that all change was driven initially by

external strategic drivers but the operational context also required attention. In order to successfully manage a change process, it is important to focus on both the strategic and operational issues. As part of Kotter's (1996) 8 Steps change model, I utilised a PESTEL and SWOT analysis to create a sense of urgency. I will begin by providing the reader with a PESTEL framework based on my organisation.

#### *3.6.4 The PESTEL framework*

One primary change management tool that the author utilised in this project, to identify the external drivers for change was the PESTEL framework. This, as described by Johnson *et al* (2008), is a framework that allows the analysing of the 'broad macro environment' (p. 55). The environment discussed in the context of change includes all issues, or groups outside the organisation being analysed but have a potential threat on the organisation (Senior *et al* 2006). PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal. The following is an outline of the external drivers for change in the author's organisation. I will firstly present the main drivers, following each of these headings with an explanation of how this affects the Finance Department.

#### *3.6.5 The External Drivers for Change in a Private Hospital*

##### *1. Political*

- Government pass levy's onto private insurers such as the community rating levies.
- Withdrawing funding for the National Treatment Purchase Fund.

With regard to the levy's, this primarily means the insurance companies will have to pass this increase to its members, Rising premiums means a drop in insurance membership which ultimately means a decrease in patients with private insurance. With regard to point two, the hospital receives valuable revenue from the National Treatment Purchase Fund. This is funded by the Government. Without these patients, the hospital will loose revenue.

## *2. Economic*

- Exceptional downturn in both the national and international economies fuelling recession.
- Insurance companies demanding lower contractual prices for procedures.

Any recession for a privately funded organisation is worrying. This has lead to a decrease in the number of patients having the funds to access the hospital. In relation to the insurance companies they are in a position of power and can dictate to privately funded hospitals. The insurance companies are looking for ever more reductions in prices.

## *3. Social*

- People more aware of value for money.
- Greater awareness and demands for excellence with regard to care.

Historically my organisation had a strong brand name and did not worry about competition in the healthcare market. This has changed. People now demand better value for money and with increased competition are ready to receive treatment in a competing healthcare provider.

#### *4. Technological.*

- More advanced medicines and specialist theatre machinery available.

More and more clinicians are using high tech drugs and theatre consumables. These cost money and frequently, insurance companies do not want to pay for these.

#### *5. Environmental.*

- Greater need for compliance with waste and decontamination.

Waste compliance costs are high. Failure to comply can also be expensive.

#### *6. Legal.*

- Greater awareness of legal entitlements and recourse in the event of malpractice.

Legal costs are high in the case of malpractice suite.

The above frame work was designed to show management the immense pressures the private healthcare provider was under from external influences. As is clearly demonstrated by the explanations, most of this framework linked directly to the Finance Department and the issue of cash flow.

It is perhaps worthwhile to point out that although the PESTEL framework is an excellent framework, it does have its limitations. For example, the business environment is changing at fast rate. The PESTEL is limited in it can only offer a snapshot in time of the external environment. This is demonstrated by the fact that although originally I stated

that under the heading of Economic, funding for the National Treatment Purchase Fund had been withdrawn, the hospital has now received notification that patients are going to be resent to the author's hospital for treatment.

### *3.6.6 Strengths, Weaknesses, Opportunities and Threats (SWOT)*

A SWOT analysis is a key tool that helps to pre-empt challenges and opportunities within the organisation. Johnson *et al* (2008), state a SWOT analysis helps to identify issues from the business environment that are likely to affect strategy development. It is helpful to be aware of two limitations and shortfalls of this type of analysis. Johnson *et al* (2008) describe how a SWOT analysis can provide the change agent with a long list of strengths weaknesses, opportunities or threats. There is a need for absolute clarity with regard what information is important and what information can be disposed of. Secondly, Johnson *et al* (2008) state it is important to be aware this analysis can lead to over generalising with regard to underlying reasons for issues. The SWOT analysis is not a substitute for a more vigorous and in-depth analysis. In the SWOT analysis, I presented the internal factors that could both help and hinder the future of the hospital (Appendix 5). This analysis was useful for two reasons in relation to my change management assignment:

1. As part of the weaknesses, I had identified the issue of systems and processes within the organisation. The system that I focussed on was the flow of billing and pricing information within the Finance Department. I considered that this weakness was an issue that I could try to improve.



2. The second advantage of this internal analysis was the highlighted strengths and opportunities section. I had already identified the staff as being motivated and considered the change process would further build on this strength. The opportunities section of the analysis also integrated in to the reason for my change process. I discuss the need for the hospital to offer a greater variety of procedures. The result of increased procedures means an increase amount of billing and pricing data.

Having completed the PESTEL and the SWOT analysis I arranged a meeting with the Patient Services Support Manager and presented the facts. The Manager agreed to sponsor the project and offered me support to continue with the change process.

#### *3.6.7 STEP 2 - Form powerful and guiding coalition*

Kotter (1996) comments there are four key characteristics that are important to effective coalitions. They are position power, expertise, credibility and leadership. For this stage of the change process, I utilised a power/interest matrix to identify some of these characteristics. This will now be discussed.

#### *3.6.8 The Power/Interest Matrix*

When considering this change assignment, I was aware the important role power would have if the change was to succeed. Power, as discussed by Robbins (2005), is the ability of person A to influence the behaviour of person B so that person B does what person A wants. I utilised the power/interest matrix to help me to strategise and map the key

personnel in this change project (Appendix 6). As commented by Johnson *et al* (2008), the power/interest matrix allows a change agent to analyse and classify the power stakeholders have and the level of interest these stakeholders may have in supporting a possible change process. This matrix is also important as it allows a change agent to think through the stakeholders influence. I identified the key stakeholders involved in this change process and allocated the associated levels of interest and power with each of the stakeholders.

As is demonstrated by the power/interest matrix, I allocated all the groups associated with this change as key players. This was done with due consideration for all the other possible headings however, I believed the individuals all had high interest and power in this circumstance. For example, the Patient Services Support Manager had a high level of interest as a process of recording data would improve the throughput of invoicing and therefore increase cash flow. This person also had high levels of power as this manager was the sponsor of the change assignment.

The accounts staff were also key players. Without their co-operation, I would not have been in a position to change the current way the office processed the invoices. This group also had high levels of interest in the change process as it directly affected their daily task routines. Although I identified all of the groups as key players, ultimately the guiding coalition driving this change consisted of me and the Patient Services Support Manager.

Although the stakeholder analysis for this change project presented me with a straight forward approach to managing the stakeholders, it was important for my learning to understand what approach would have been appropriate for the other segments of the matrix. The following is a brief discussion on this.

The group of stakeholders in segment C who have high power and low interest are considered to be the most difficult by many writers and researchers. This point is discussed by Johnson *et al* (2008) who state that this group can have a disastrous affect on a change project as their interest can be underestimated and suddenly they are repositioned in segment D. This is where stakeholders have both high interest and high power. Senior *et al* (2006) state that the best strategy to adopt with this group of stakeholders is to keep them satisfied and to communicate to them how the change might benefit them. Similarly, it is important not to alienate the stakeholders in group B. This group has a high level of interest but low power. Johnson *et al* (2008) state that this group of stakeholders need to be kept informed as they may influence other powerful stakeholders.

### *3.6.9 STEP 3 - Create a vision*

Kotter (1995) states that in a successful change, the guiding coalition prepare a picture that is simple to communicate and is amiable for employees. This was at the foremost of my strategy for this stage of the change process. The issue of creating a vision can be linked to the traits of a charismatic leader. Robbins (2005) describes this type of leader as possessing vision and articulation, environmental sensitivity and sensitive to employers

needs. While carrying out this change I endeavoured to follow this type of approach to leadership. Robbins (2005) suggests that charismatic leaders influence individuals by four steps:

- It starts by communicating an appealing vision. Robbins (2005) comments that this offers the followers a sense of continuity between the present and the future of the organisation.

To achieve this, I arranged a meeting with the finance staff. The meeting was chaired by me and the Patient Services Support Manager. I discussed at length with the accounts team the issues that had persisted prior to the introduction of the new data system. By identifying where the department was currently with the information process and the draw backs and the consequences of the paper based system, I created a vision of an accounts team who no longer utilised paper and cumbersome folders every time an invoice was raised. The finance team could however, have all the relevant information open on the computer. This was verbally discussed by me at the meeting to the staff.

- The second step involves communicating high performance expectations. Robbins (2005) suggests this is done to increase confidence among employees that his can be achieved.

For this step, I had analysed the length of time it had taken me to find information for queries utilising the old information system. I based my analysis on one week and noted the time in a log. I compared this to how long it would take to find the information if it was available instantly. I then discussed how this saved time could result in increased

invoicing. I carefully explained to employees that the benefits of this system would mean less pressure from management as the number of invoices will increase.

- Finally Robbins (2005) suggests that a charismatic leader makes self sacrifices.

I discussed with the team that I would be responsible for the implementation and the updating of the system. I believe that this action was perceived by the staff in a positive manner and I was fulfilling my obligation as a symbol of change.

#### *3.6.10 STEP 4 - Communicate the vision*

Following on from the initial meeting, I arranged a workshop with the staff and a demonstration with the employees who were directly affected in the change process. The database was almost completed and I was using the database in a parallel run with the pricing folders. This was to ensure the accuracy of the information. I demonstrated the efficiency gains by utilising the database in real time. I billed a range of invoices showing the advantages of instant access to the required information on the computer screen. I also ensured the Patient Services Support Manager was seen to utilise the new database. This coincides with Kotter's (1995) discussion when he states that for most successful changes it is important for executives to 'walk the walk' (p.7). They need to become a symbol of the new change.

From a practical view, I created a poster showing a fictional character called 'Disorganised Dave' (Appendix 11). It depicted an individual who worked in a Finance Department and found carrying out these duties cumbersome. This was due to the large

amount of folders and data that were incomplete. This character metamorphasized into ‘Organised Dave’ thanks to the new information system. The poster was put on the wall of each staff cubicle. The staff reacted well to this strategy with many of the employees stating that they could relate to the issues ‘Disorganised Dave’ had with his information problems. It also encouraged conversations on break time among staff, resulting in other department members requesting to see the posters. I consider humour is sometimes a positive way to get a message across to people. A further reason I utilised this poster was due to research carried out in relation to changing culture. This is discussed by Johnson *et al* (2008). Johnson *et al* (2008) maintain that organisational culture is like a web. This web consists of many components including symbols. Johnson *et al* (2008) states that symbols are objects or acts that represent meaning. Part of a change in culture, requires presenting new symbols to an existing group of people until this becomes the norm. The symbol of this change was partly represented by these posters. I will now discuss the issue of culture in detail. Culture played a major part in Kotter’s (1996) next step in the change model.

### *3.6.11 STEP 5 - Empower others to act on the vision*

Kotter (1995) states that this step of the change often fails due to individual’s resistance. It is widely acknowledged that people do not like change. Strebel (1996) states managers and employees have opposing views of change. The author comments that senior managers view change as an opportunity to increase the links between business and strategy. Managers may consider change as an ideal time for career advancement. However, conversely, employees find change unsettling. Strebel states for this group of

individuals change can be intrusive and can ‘upset the balance’ (p.86). It is important to ask the question, what is the correct way to manage this resistance? Waddell *et al* (1998) comment that the overwhelming research leads to a participative approach to management may yield the best results. The authors continue that research provides for two way communication, shared information and consultation can lead to a more committed workforce with regard to any change process.

### *3.6.12 Resistance and this Change Assignment*

At the commencement of this change management task, I considered I was fortunate with the employees involved in the process and resistance was not going to be a challenge. The staff wanted to solve the information issue however the ethos within the department was ‘it’s not my job’. I had taken on the task of improving the access and the quality of the information for the department and initially, I did not experience any resistance. However, this changed when I implemented the change. One staff member was reluctant to utilise the new system. This culminated in the employee still utilising the old folder system when the other accounts staff were using the new data spreadsheet. As discussed by Kotter *et al* (2008) people resist change for four main reasons:

- Parochial Self Interest. This occurs when people think they will miss out on something they value.
- Misunderstanding and lack of trust. Kotter *et al* (2008) comment this occurs when individuals do not realise what the implications are of the change.
- Low tolerance of change. This happens when people believe they do not have the skills and behaviour the change may require.

In my opinion, the reason this individual initially resisted the change was due to a belief that they did not have the required skills to adapt to the new system. This opinion was based on knowing the person for eight years and having a sense of that person's personality. As is discussed later in the project, I provided a training schedule for all the staff. This helped the employee in question who is now actively using the new information system.

### *3.6.13 Culture*

When discussing a change process, it is inevitable culture will need to be considered. As stated by Zabit *et al* (2004), although there are many definitions of culture, organisational culture has been viewed as 'holistic, historically determined and socially constructed' (p.164). Schein (2004) comments that culture are assumptions held by a group that helps them to solve the problems of adapting to the external environment and the integration to the internal organisational environment.

An increasing amount of literature discusses how culture can challenge or undermine a change process. This point is discussed by Burnes *et al* (1995), who comment that perhaps the most successful approach to managing threats from culture is to involve those individuals involved in the change. This is done for two reasons: employees have valuable knowledge of the situation which can help the change implementation. The second reason is to gain the employees commitment.



#### *3.6.14 The Culture Type in the Finance Department*

When focusing on the change I needed to implement, I utilised a cultural model to help me diagnose the type of culture within the organisation. Handy (1978), who draws on Harrison's (1972) studies, provides a model that is based on the structural view of the organisation. Handy (1978) proposes that within organisations, four types of cultures exist; power, role, task and person culture. From this model, I identified the finance department as having a role culture. Handy discusses this 'role culture' in detail.

#### *3.6.15 The Role Culture*

Handy (1978) likens the role culture approach to a Greek temple. The pillars of the temple are strong and are controlled by rules and regulations. The emphasis is on defined roles and occupants are expected to fulfil these roles. The work carried out in the finance department is, by its very nature, methodical and rational. It deals with figures and facts and operates in a scientific and stable environment. The staff are governed by financial cycles, dictated by the month end financial reports and strict deadlines. These tasks are achieved primarily within the defined roles of each of the employees.

#### *3.6.16 The Approach used to Manage Culture for the Change Process*

I was aware of the importance of inclusion when considering culture. I decided to utilise a questionnaire as part of my strategy to manage the culture in the Finance Department. I constructed the questionnaire for the staff prior to implementing the change process (Appendix 2). Questions varied from asking how satisfied the staff were with the current recording and presenting of billing and pricing data to how confident they felt carrying

out their duties. This was done to capture the information I required for evaluation but also to allow for the perception of collaboration for the employees involved. This approach is in line with both Waddel *et al's* (1998) and Burnes *et al's* (1995) participative approach as previously mentioned.

Due to the nature of this change, empowering the accounts staff to progress with this change was a straight forward process. Once the database was complete, I ensured that the Excel sheet was saved onto the shared drive. This allowed all staff to access the information and ensured there were no barriers to its use. One critical factor in this stage of the change process was to ensure training was provided for the staff. Having read this literature, I utilised a training schedule for all staff members with a view to promoting the use of the data system and also to deal with any potential resistance. I will now comment on this.

### *3.6.17 Training*

As commented by Hayes (2007), training interventions during a change process tend to target two groups. The first is the people who are required to manage the change. The second are those who due to the change are required to behave differently and achieve new standards of performance. As the information system I introduced was a new initiative, I utilised a training schedule targeting the second group of people; the employees. This was done for two primary reasons:

- To ensure the finance staff were empowered to utilise the data to its full potential.

- As part of the cultural management strategy as participation can help potential resistor's to change.

Training is defined by Noe (2008), as a planned effort by an entity to allow an 'employees learning of job related competencies' (p.4).

The type of training I utilised was on the job training. The reason I chose this method was for the following reasons:

- It allowed me to sit with each member for a specific allocated time and demonstrate where the information was on the shared drive.
- I could also use real time demonstrating where the pricing information was when patients called the department with queries.

### *3.6.18 Training Needs Analysis*

I commenced a training needs analysis based on the task demands the new database would present to the employees. The database was set up on a shared computer system. The main advantage of this system is the amount of information populated in the database. Consequently, it is vital employees can locate the required information easily and efficiently. Following this, a task analysis was completed. This allowed me to identify the competencies (knowledge, skill, attitude and behaviour) that the employees would require to perform the new roles. The employee would need a certain level of computer literacy in order to effectively utilise the system. I also evaluated the training given to the staff. This is discussed in chapter 4.

### *3.6.19 STEP 6 - Plan for short term wins*

As discussed by Kotter (1995), 'renewal effort risks losing momentum if there are no short term goals to meet and celebrate' (p.8). I had a discussion with the team one week after the database was implemented. The computerised billing system provided me with details of how many invoices had been processed. The level of invoicing had increased. I made sure this was communicated to the staff. I also requested that the Patient Services Support Manager send a detailed email to Senior Management outlining the improvement. This email was copied to the accounts staff. This good work was acknowledged by the Senior Management team. I considered this course of action could help the finance team to feel empowered. As commented by Morley *et al* (2004) empowerment happens when staff are actively and willingly engaged. This according to Morley *et al* (2004) does not just happen. Managers need to foster this by acknowledging the work that is carried out.

### *3.6.20 STEP 7 - Consolidate improvements and produce still change*

Kotter (1996) comments that change is in a fragile state until this change becomes a part of the culture. To ensure the finance staff did not return to the manual folders, I withdrew them from their office tables. The database was made accessible to staff immediately. I also made it known that some of the billing information contained in the folders was no longer in date. This meant the staff had to utilise the new data system. The database I produced was initially for a specific purpose. This was to provide the billing information for 2012. However, I considered this data could also be used when negotiating contract renewals for the forthcoming years. It allows for comparisons to be made between

different years that can highlight revenue increases or decreases. My vision is to have a complete set of rules and prices for each year so comparisons can be made when negotiating with insurance companies.

#### *3.6.21 STEP 8 - Institutionalise new approaches*

As commented by Kotter (1995), change becomes embedded when it becomes the way people carry out their tasks. New behaviours have to become the social norm. When I carried out the training for this change process, I suggested to the staff, the database should be opened on their computers as part of the morning routine. I explained that if the database is opened initially in the morning, this would allow the staff to easily extract information when the need arose continually during the day. I demonstrated this when a doctors secretary phoned in looking for a price of a procedure for a self paying patient. This information was immediate. I used the 'Ctrl' and 'F' key on the computer and entered the procedure code and received the information. It is my hope that for the staff this will become the accepted way of starting the day.

### **3.7 Summary**

This chapter provided the reader with an overview of organisational change and aspects of change theory. I discussed the importance of what drives change, the change models and the reason I chose Kotter's (1996) 8 Steps change model. I then discussed the importance of planning with a particular focus on the characteristics of an effective change agent and the use of a Force Field Analysis. I outlined Kotter's (1996) 8 Steps model of change and discussed how this was implemented; detailing how the role of culture, resistance to change and training played a significant part in this change project.

## **Chapter 4: Evaluation**

### **4.1 Introduction**

This section of the dissertation will analyse and discuss the types on evaluation used for this change process. I will outline the questionnaire used as a quantative approach to assessing staff opinion before and after the change process. I will also comment on empirical evidence to support findings in relation to the new process and the throughput of invoices. Finally, I will comment on the evaluation of the training carried out.

### **4.2 Evaluation Methods and Tools**

To begin this section, I consider it is appropriate to ask why evaluate? Butler (2002) states that evaluation can help to provide the evidence required to make informed decisions across all levels of an organisation. In today's economic turndown, these decisions may have a contributory affect as to whether an organisation survives or not. It is also important to define evaluation. As commented by Ovretveit (1998), evaluation is assessing the value of an intervention based on relevant information that is collected. The intervention I have utilised for this change management process was the database.

It is important to address the type of evaluation method used for this project. The Likert Scale was the questionnaire used to determine the effectiveness of the change implemented. The Likert scale is based on the quantitative approach to evaluation. As discussed by Ovretveit (1998), quantitative methods only collect data in numerical form. Ovretveit (1998) continues by stating it is a form of measurement. Qualitative methods

on the other hand, are used to determine people's feelings and the meanings given to events.

#### *4.2.1 The Reason a Quantitative approach was used*

I decided to utilise this approach for two primary reasons:

- I was aware of the problems associated with information in the Finance Department. I have worked in this department for eleven years. I was familiar with the reasons why there were problems with incomplete information and how these came about. I considered a qualitative approach was not necessary as I already knew the reasons for the issues and did not require the understanding or observations of the staff involved. I also consider that if I had used a qualitative approach to this change process, I would have received a lot of negative comments about the information systems we had prior to the change. I don't think that this information would have helped me to initiate the change. However, it might have made the staff feel better by allowing them to communicate their frustrations with the information system they had at that time.
- The second reason I chose the Likert Scale was my intervention was primarily a top down approach. As previously discussed, step 1 of Kotter's (1996) 8 Steps to implementing change requires the change agent to develop a 'sense of urgency'. I stated that part of this sense of urgency was based on economic factors. These factors included the need for improved cash flow. This could be seen as a priority for top management. Lazenbatt (2002) states the quantitative approach to

evaluation tends to support a top down approach when an intervention is ‘delivered’ (p75). The benefits of this approach to analyse data are it offers the researcher clear figures relating to a change issue. These figures can then be analysed and presented in a clear and concise manner.

As part of a top down approach to change, it was important for me to be aware of issues that may affect the behaviour of my team. For example, employees may feel less inclined to co-operate with the change initiative as they may feel removed from the reason and decision making process. To ensure this did not happen, I utilised the literature on effective change as proposed by Beer *et al* (1993), as cited by Senior *et al* (2006). Beer *et al* (1993) state that one of the crucial steps to ensure effective change is to mobilise commitment through joint diagnosis. I called an informal meeting in the Finance Department prior to the change project with the seven of the finance staff. It was at this meeting that I outlined my thoughts on the change required for the department. By introducing this first discussion on the information system, other employees in the department began to offer possible solutions and further improvements that could be made to the system I was about to introduce. I consider this meeting greatly enhanced the teams attitude to the change process that I was about to implement.

### **4.3 Evaluation Results**

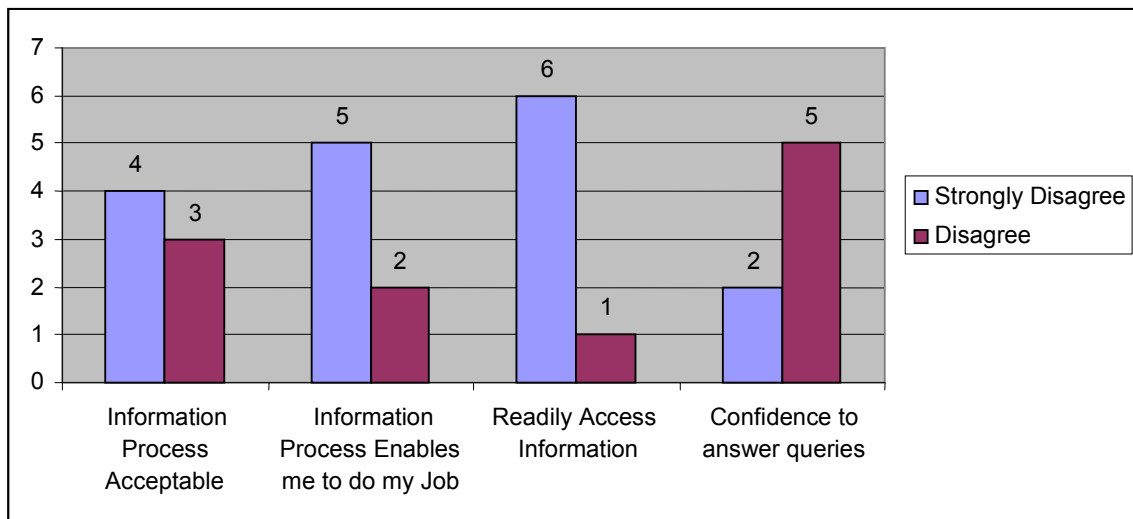
#### *4.3.1 Evaluation of Employee Satisfaction*

I utilised a Likert Scale to evaluate the employees satisfaction levels with the information system both prior to and post the change process (Appendix 2). The first survey was

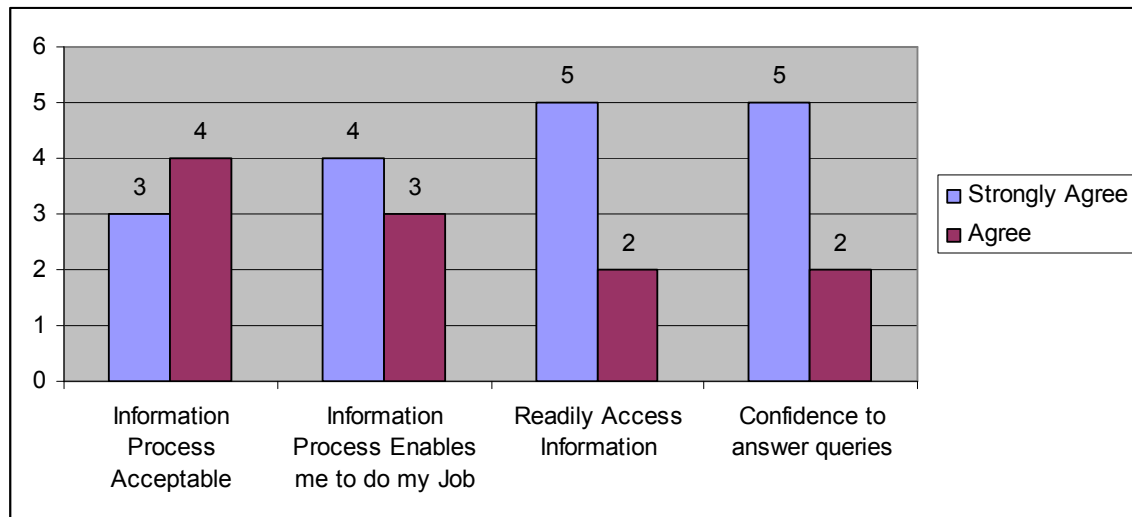


carried out in the Finance Department two weeks before the change process was implemented. The core group that I focussed on were the seven staff members within the department. This group was comprised of the Patient Services Support Manager with overall responsibility for the running of the office, the Claims Supervisor and two Clerical Officers. The remainder of the group was comprised of Accounts Officers. I arranged an informal meeting with the staff with the primary objective to discuss the survey with the employees and outline what I required the staff to do. This process was repeated one month after the implementation of the database. The results of this survey are detailed in the following graphs.

4.3.2 Graph 1 - Employee response prior to change process



### 4.3.3. Graph 2 - Employee response post change process



### 4.3.4 The graphs explained

Graph 1 demonstrates employees dissatisfaction with the information process prior to the change. For example, 4 people of the 7 people asked to complete this questionnaire strongly disagreed that the information process prior to the change was acceptable. This translates to 57% of the group. The remaining 3 people disagreed that the information process was acceptable. Question 2 dealt with the link between the employee's job and the information process. 6 employees of the 7 who answered this survey strongly disagreed that the system allowed employees to perform their jobs. The response for the final two questions provided me with evidence that employees felt the system was not easy to access with regard information and this information did not allow employees the to anwer billing queries with confidence.

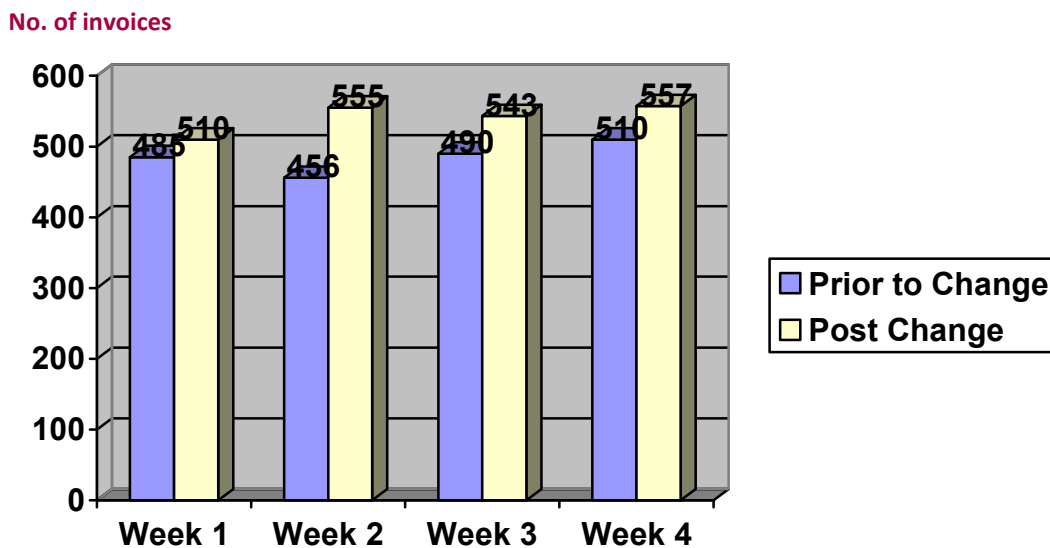
Graph 2 shows a change in attitude to the information system that was introduced. For example, when asked if the new information process was acceptable, 4 of the 7 staff

members agreed it was, with 3 employees strongly agreeing to this statement. There was a change in attitude with regard to accessing information and whether the new system gave the employees the confidence to answer queries. The evidence suggested employees attitudes to this were positive.

#### 4.3.5 Quantative evidence and the throughput of invoices

A further objective of this change initiative was to increase the throughput of invoicing. In order to capture the evidence required to substantiate this, I utilised the in-house computer system the accounts staff use to bill all insurance companies. The computerised billing system records on a daily basis, the total number of invoices final billed. I took the information from the billing system for one month prior to the change process and recorded this on a bar chart. I also carried out the same exercise one month post change.

Graph 3 demonstrating number of invoices prior and post change.



The above graph shows that in the month prior to the implementation, 1941 invoices were final billed. For the month post implementation, 2165 invoices were final billed. This shows an increase of 224 invoices final billed between the two months.

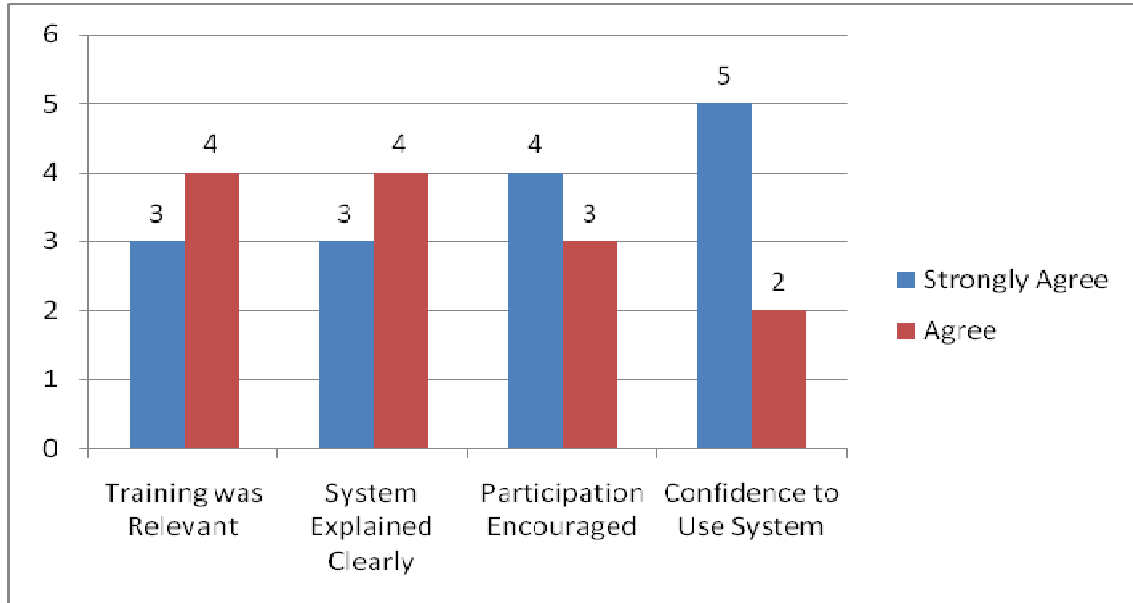
#### *4.3.6 The evaluation of the training for utilisation of the information system*

Kirkpatrick (1983), cited by Hayes (2007), comments there are four levels that training can be evaluated:

- How did the trainees react to the training? This refers to issues such as whether the trainees felt the training was relevant.
- What the trainees learned. This refers to trainees stating they viewed the training as beneficial however this may not translate into actual newly learned competencies.
- Behaviour. Has the behaviour of the trainee changed regarding the job?
- Results. Did it achieve the desired outcomes?

The evaluation of the training was achieved by the staff completing a questionnaire (Appendix 7). The questionnaire contained a series of questions regarding various aspects of the training that was provided for the implementation of the database. The evidence provided by the evaluation of the training I carried out suggests the staff were satisfied with the content and the delivery of the training. This information is demonstrated in the following diagram.

#### 4.3.7 Graph 4 Showing Employees Attitude to Training



The above graph demonstrates a positive attitude among the employees toward the training for the information system.

#### 4.4 Sustaining the change

The change project was implemented two months ago. The organisation that I work in is rapidly changing which is having a positive influence on this change project. For example, the Admissions Department are now performing certain duties that the Accounts Department used to perform. For example, when a booking form arrives to the Admissions Department, the admissions officer will contact the patient if they are self payers or if they have an insurance excess that is payable to the hospital. I was asked by the management if the Admissions Department could access the new information system. This would help the staff to locate the required information in a more efficient manner. I also provided training to the staff to ensure they had the confidence to complete their new tasks. Management have also informed me that the information system may be used by

the Day Care staff to access the billing information they require. This is to facilitate the ever growing numbers of enquiries from members of the public. It is my belief that these actions will help to sustain this change project.

#### **4.5 Delegation to Staff**

One final consideration for this project is the issue of delegation. The information system requires updating when the Finance Department receives new information. I discussed this issue with my manager and it was agreed that in my absence, my manager would update the system. We both felt that this was the correct decision due to the attention to detail that is required when inputting the information and the fact that my manager has the expertise and the knowledge to query any billing information that may be inaccurate.

#### **4.6 Summary**

This chapter has addressed the issue of evaluating the change process. I discuss how evidence provided suggests the change initiative has been successful. The level of invoices has increased and the questionnaire distributed to the staff has provided positive feedback both for me as the change champion and for senior management. I also reflected on the training I provided for the staff and provide feedback to enable improvements to be carried out for future training. Finally, the folders that contained the billing information are no longer on the employee's desks.

## **Chapter 5: Discussion and Conclusion**

### **5.1 Introduction**

This part of the dissertation will give a commentary on the strengths and limitations of the project. The author will consider what aspects of the change project achieved the desired outcome and which aspects did not. When discussing the strengths of the project I will make reference to the poster that was created for this project as it provides a visual synopsis of this project (Appendix 12). I will also make reference to the organisational impact statement (Appendix 10) when discussing the implications of the change for management.

### **5.2 The strengths and limitations of the project**

#### *5.2.1 Strengths*

On reflection, I consider this change process was worthwhile, rewarding and constructive. It has taken this assignment for this change to be implemented and for that I am grateful. The principle strength of this dissertation is the fact that the implemented change has achieved its primary objectives. This is summarised in the poster that I developed for this project (Appendix 12). The database has improved the flow of accurate and complete information within the finance department. It has increased efficiencies with regard the processing of invoices and has greatly improved the way in which information is utilised. This manifests itself in an increased level of confidence among staff members when dealing with patients billing queries over the telephone. It has also greatly reduced the complexity of the information flow (Appendix 8). The billing folders

are kept on shelves at the back of the office and are no longer cluttering the accounts staff desks.

### *5.2.2 Limitations*

Perhaps one of the most difficult aspects of this change assignment was the length of time taken to collate and update the information on to the spreadsheets. The time scale to achieve this was three weeks. When considering the future of the information system, one of the primary issues is that the Service Level Agreements with all insurance companies change on an annual basis with all the insurers. If it is a flat percentage rate increase per year, the database could be formulated to allow the figures to be increased at a press of a button. However, some of the insurance companies may not increase or decrease the prices by a set percentage. The amount of time taken to update the system therefore, may be an issue in the future.

### *5.2.3 Personal reflections*

I consider my own personality may have had an adverse effect on some of the steps I went through during this change. For example, I could have been more forceful when dealing with the one member of staff who did not want to utilise the new system. I also consider being in a position of power can greatly enhance a change project. I am in a middle management position and would consider a higher position might make a change process easier to complete.



There is one final aspect of this project that I consider needs to be addressed. The issue is regarding one of the objectives of this project. I originally stated that one of my aims was to increase the throughput of invoices. I did not state the exact increase I was hoping to achieve. I did achieve an increase with the change project, however if I am to complete a further project, I realise that being specific is important. This is especially important when evaluating the objective.

### **5.3 Implications of the Change for Management**

One of the core principles of management, as suggested by Tiernan *et al* (2001), is the allocation of resources in order to achieve organisational goals. The new data system I have devised and implemented is one such resource that will allow management to achieve several organisational goals. These goals are as follows:

- This is the first time the pricing information for all eight insurance companies has been centralised on one information system. The database will be used for yearly comparisons between the insurers when contracts require negotiations. The database will also assist the cost accountants to compare prices for procedure codes across the range of insurers. If one insurer is paying less for a particular procedure, the information can help to formulate a more structured approach to agreeing prices.
- This new system has helped to increase the levels invoices final billed.
- The hospital is part of a group incorporating three other hospitals. I consider that relevant managers within these hospitals may in the future also utilise the database and integrate their pricing information onto one centralised database.

- The centralised information also helps the Patient Services Support Manager with the smooth transition of cover for annual leave or sick leave. Staff who have to cover for these two situations will benefit from a more structured layout of information.

### *5.3.1 The Project Impact Statement*

I completed a project impact statement having implemented the change project (Appendix 10). It allowed me to analyse where the Finance Department is now with regard to the information system and where I hope we will be in the future. As is demonstrated by the various headings in the impact statement, there has been a positive change with regard to all aspects of the sourcing information. For example, with regard to culture and where the department is now, there has been a shift away from the ‘blame culture’ that existed previously. Employees feel now that the information is correct and this results in increased levels of confidence when completing their daily tasks. My role as Supervisor means that I will continue to lead by example and ensure the information is maintained in an appropriate manner.

### **5.4 Recommendation for Future Improvements**

As discussed previously, one of the weaknesses of this change process was the time taken to assimilate the required information. As this database was new, I had to begin with a blank piece of paper. When I was transferring the codes and prices from the hard copy price lists to the Excel sheet, I carried this out manually. Having reflected on this, I would utilise a formula approach to any changes to the prices. If for example, one of the

insurers increased their prices, I would use Excel and the formulas they provide to add the rate across the range of prices.

## **5.5 Conclusion**

This change management process involved the design and implementation of a new information system that captured billing data for the finance staff. It was introduced as a cost effective way to ensure staff had access to valuable financial information. The database was implemented utilising Kotter's (1996) 8 Steps change model. Although initially it was time consuming to collate all the necessary information, I consider the system to be worth while due manly to its accurate information. This is also supported by quantitive evidence and positive feedback from colleagues and senior management.

This new system represents a more structured approach to presenting information. It also aligns the Finance Department with the overall strategy of the organisation, primarily to maximise its competitive position in the private healthcare market.

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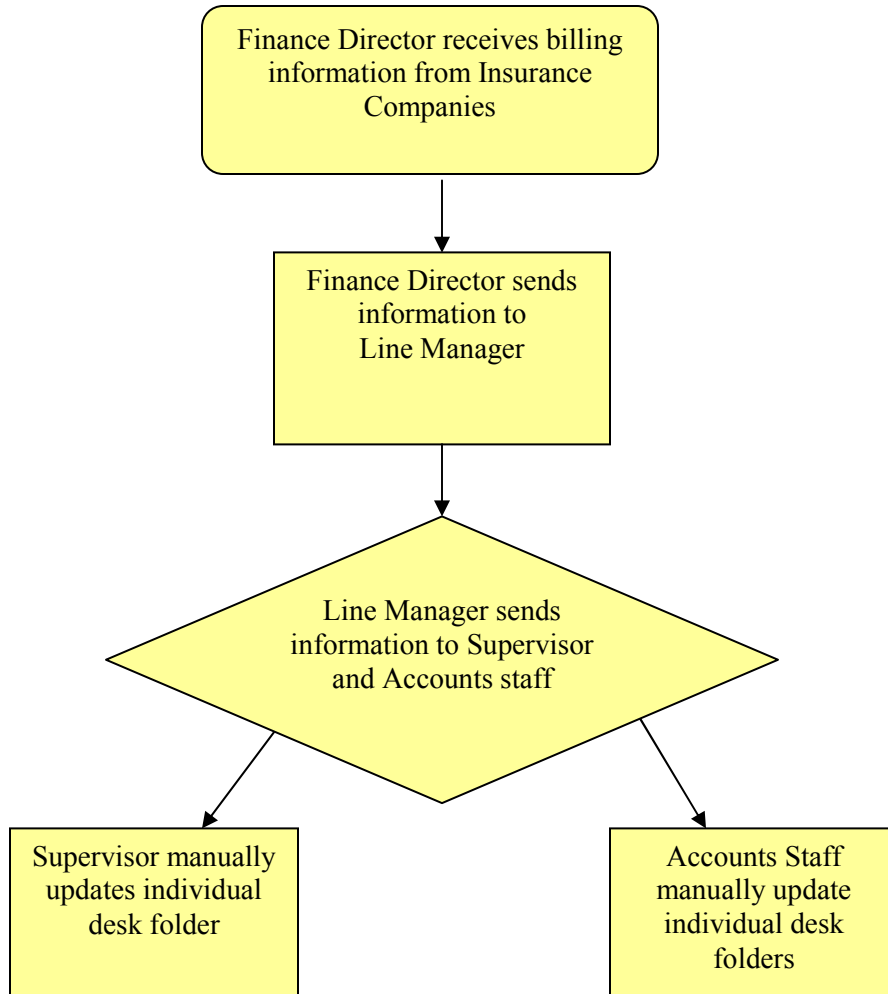
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**Appendix 1.**

*Diagram Showing Process of Information Flow Before the Change Process*



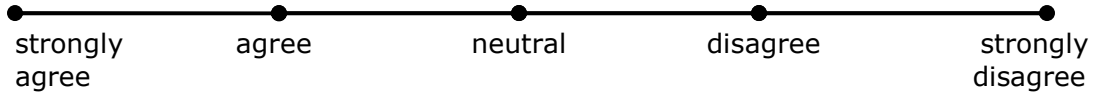


## Appendix 2

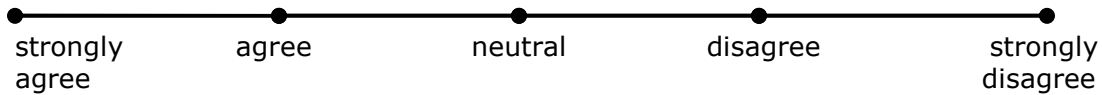
### Likert Questionnaire for Staff

Please circle the most appropriate answer

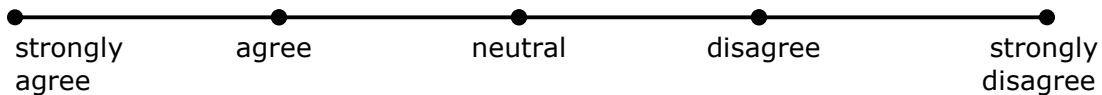
1. The current process relating to recording prices and billing rules is acceptable



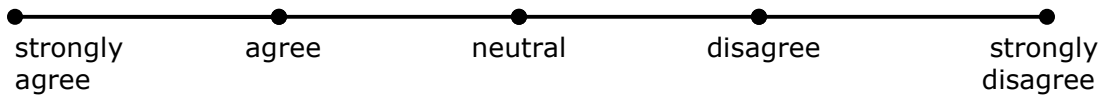
2. The billing information currently recorded enables me to perform my job to the best of my capabilities



3. I can readily access the required billing information from the current recording of data



4. The current recording of billing information allows me the confidence to answer patient queries



### Appendix 3.

#### *Diagram Showing Force Field Analysis in Finance Department*

#### **Driving Forces**



#### **Resisting Forces**



|   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Encouragement and support of change from the top</li><li>• Feedback from staff- staff want change in how the information process can be improved</li><li>• Motivated and committed employees</li><li>• Hard work ethic that deliver results</li></ul> | <ul style="list-style-type: none"><li>• Time taken to physically transfer all the information onto the database</li><li>• No past experience of change</li><li>• Conflicting Priorities e.g. Cash Flow Targets</li><li>• Turn Over of Senior Management</li></ul> |
|---|---|

**Appendix 4.**

| Description  | Insurer 1 |       |         |         |              |           | Insurer 2 |       |         |         |              |           | Insurer 3 |       |         |         |              |           | Insurer 4 |       |         |         |              |           |
|--|-----------|-------|---------|---------|--------------|-----------|-----------|-------|---------|---------|--------------|-----------|-----------|-------|---------|---------|--------------|-----------|-----------|-------|---------|---------|--------------|-----------|
|  | Code      | Aelos | Outlier | Private | Semi Private | Side room | Code      | Aelos | Outlier | Private | Semi Private | Side room | Code      | Aelos | Outlier | Private | Semi Private | Side room | Code      | Aelos | Outlier | Private | Semi Private | Side room |
| Adhesions, division of by laporotomy or laparoscopy  | 15        |       |         |         |              |           | 15        |       |         |         |              |           | 15        |       |         |         |              |           | 15        |       |         |         |              |           |
| Laparoscopy with or without Biopsy (I.P.)  | 35        |       |         |         |              |           | 35        |       |         |         |              |           | 35        |       |         |         |              |           | 35        |       |         |         |              |           |
| Appendectomy (with or without Complications) (I.P.)  | 110       |       |         |         |              |           | 110       |       |         |         |              |           | 110       |       |         |         |              |           | 110       |       |         |         |              |           |
| Cholecystectomy with Exploration of Common Bile Duct   | 132       |       |         |         |              |           | 132       |       |         |         |              |           | 132       |       |         |         |              |           | 132       |       |         |         |              |           |
| Laparoscopic Cholecystectomy Including Per-Operative Cholangiogram                               | 134       |       |         |         |              |           | 134       |       |         |         |              |           | 134       |       |         |         |              |           | 134       |       |         |         |              |           |
| Cholecystectomy Including Per-Operative Cholangiogram  | 135       |       |         |         |              |           | 135       |       |         |         |              |           | 135       |       |         |         |              |           | 135       |       |         |         |              |           |
| Percutaneous insertion of gall bladder catheter for MTBE installation including catheter removal | 152       |       |         |         |              |           | 152       |       |         |         |              |           | 152       |       |         |         |              |           | 152       |       |         |         |              |           |
| Insertion of naso biliary tube and administration of CDC/URSO                                    | 153       |       |         |         |              |           | 153       |       |         |         |              |           | 153       |       |         |         |              |           | 153       |       |         |         |              |           |
| Comprehensive inpatient investigation when upper GI endoscopy                                    | 194       |       |         |         |              |           | 194       |       |         |         |              |           | 194       |       |         |         |              |           | 194       |       |         |         |              |           |

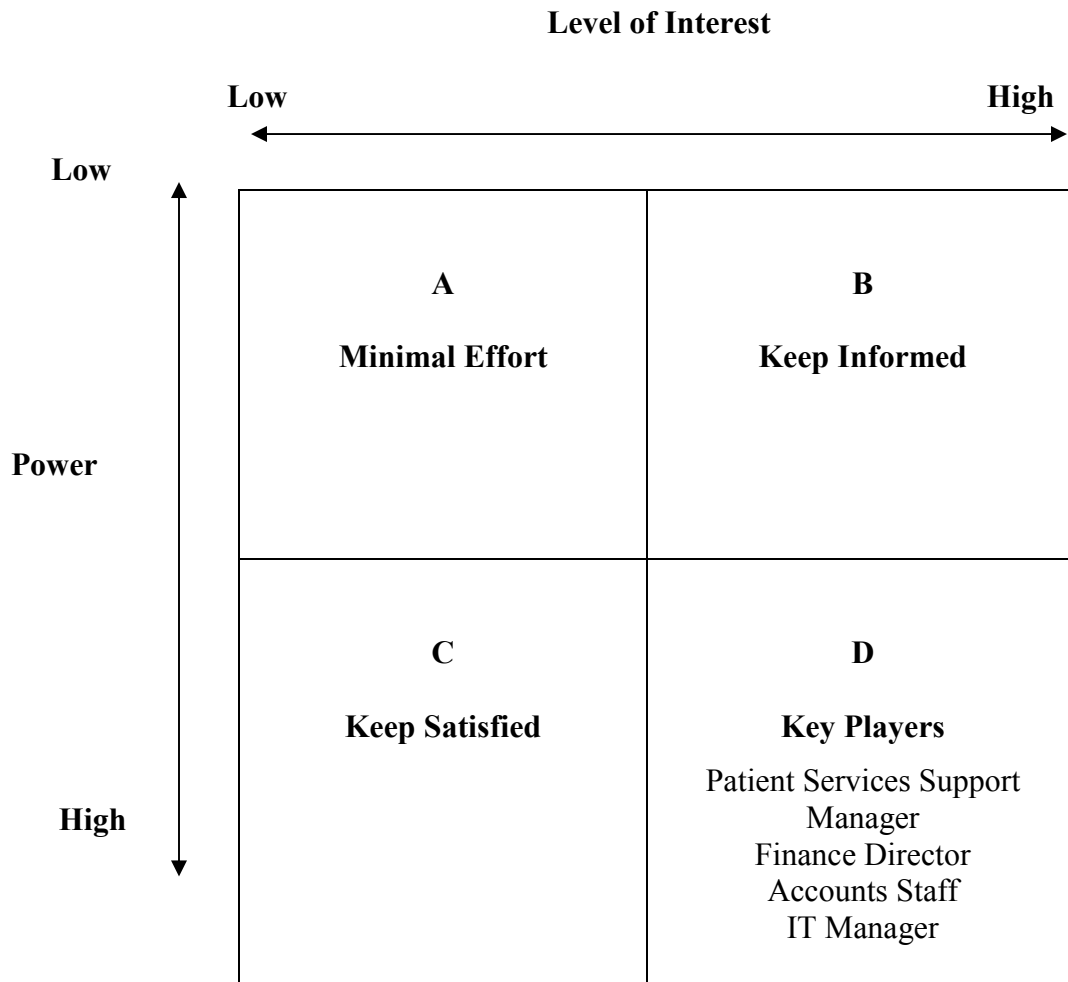
## Appendix 5

### *A SWOT Analysis*

|  |   |
|--|---|
| <p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"><li>• Motivated Staff</li><li>• Established Brand</li><li>• Incumbent in Healthcare market place</li></ul>                   | <p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"><li>• Lack of resources (financial and human)</li><li>• System issues and process problems</li></ul> |
| <p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"><li>• Offer greater variety of surgical procedures</li><li>• Develop Maternity services (baby boom in Ireland)</li></ul> | <p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"><li>• Continued Recession</li><li>• Health Insurers paying less for procedures</li></ul>                |

**Appendix 6.**

*Power/ Interest Matrix*

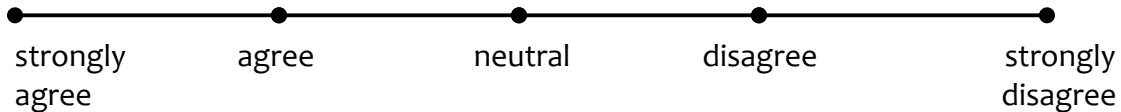


## Appendix 7

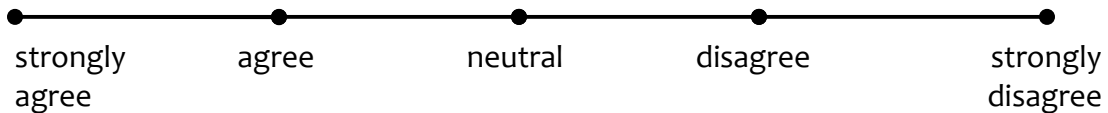
### Evaluation Questionnaire for Database Training

**Please circle the most appropriate answer**

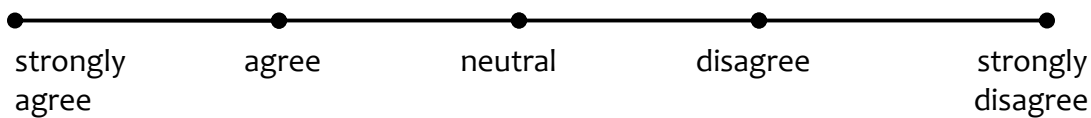
1. I found the training provided relevant to the introduction of the database



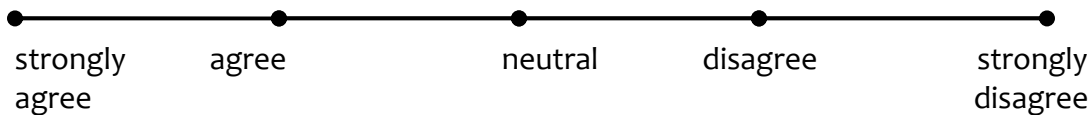
2. The content and practical use of the system was explained in a clear and concise manner



3. The trainer promoted participation and allowed interaction between fellow trainees and trainer



4. I feel confident to be able to utilise the database with the training given to me in this class



5. If you have any further suggestions with regard to how this training could be improved please write your comments here:

.....

.....

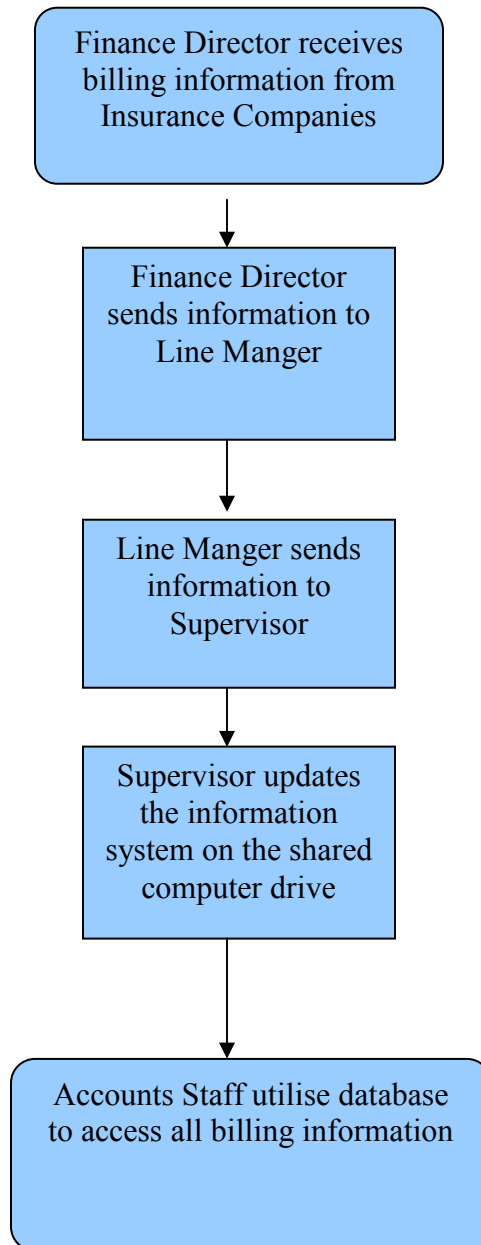
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## Appendix 8

*Diagram Showing Process of Information Flow After the Change Process*



**Appendix 9 - Gantt Chart 2011/2012**

| 2011/2012  | September                  |             |             |             | October                   |             |             |             | November                              |             |             |             | December                   |             |             |             | January                  |             |             |             | February   |             |             |             | March                                      |             |             |             | April   |             |             |             | May   |  |  |  |
|--|----------------------------|-------------|-------------|-------------|---------------------------|-------------|-------------|-------------|---------------------------------------|-------------|-------------|-------------|----------------------------|-------------|-------------|-------------|--------------------------|-------------|-------------|-------------|--|-------------|-------------|-------------|--|-------------|-------------|-------------|---|-------------|-------------|-------------|---|--|--|--|
|  | W<br>k<br>1                | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1               | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1                           | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1                | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1              | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1  | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1                                | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 | W<br>k<br>1   | W<br>k<br>2 | W<br>k<br>3 | W<br>k<br>4 |   |  |  |  |
| Arrange meeting with line manager and seek permission to implement change  | Completed 16 <sup>th</sup> |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             |  |             |             |             |   |             |             |             |   |  |  |  |
| Have informal meeting with key stakeholders<br>Carry out Stakeholder Analysis  |                            |             |             |             | Completed 5 <sup>th</sup> |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             |  |             |             |             |   |             |             |             |   |  |  |  |
| Devise questionnaire and distribute to staff members prior to change process   |                            |             |             |             |                           |             |             |             | Completed 10 <sup>th</sup>            |             |             |             |                            |             |             |             | Completed on 15.1.2012   |             |             |             |  |             |             |             |  |             |             |             |   |             |             |             |   |  |  |  |
| Analyse billing information prior to change implementation and document (cash flow)  |                            |             |             |             |                           |             |             |             |                                       |             |             |             | Completed 13 <sup>th</sup> |             |             |             |                          |             |             |             | Completed on 6 <sup>th</sup> January 2012                    |             |             |             |  |             |             |             |   |             |             |             |   |  |  |  |
| Assemble the billing information and contracts for the different insurers and input information onto spreadsheets  |                            |             |             |             |                           |             |             |             | Due 24 <sup>th</sup><br>Not completed |             |             |             |                            |             |             |             | Finished 2 <sup>nd</sup> |             |             |             |  |             |             |             | Completed on 24 <sup>th</sup> January 2012 |             |             |             |   |             |             |             |   |  |  |  |
| Set up spreadsheet on the shared drive and add security codes for those who require access. Have formal meeting with Key stakeholders to communicate actions taken |                            |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             | Completed on 1 <sup>st</sup> & 2 <sup>nd</sup> February 2012 |             |             |             |  |             |             |             |   |             |             |             |   |  |  |  |
| Devise a new questionnaire post change for staff members and distribute  |                            |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             | Completed 1 <sup>st</sup> March 2012       |             |             |             |   |             |             |             |   |  |  |  |
| Analyse billing levels post change   |                            |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             | Completed 5 <sup>th</sup> March 2012       |             |             |             |   |             |             |             |   |  |  |  |
| Write up project   |                            |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             |  |             |             |             | Editing adjustments to be completed by 19 <sup>th</sup> April |             |             |             | To be submitted prior to 10 <sup>th</sup> May |  |  |  |
| Submit project   |                            |             |             |             |                           |             |             |             |                                       |             |             |             |                            |             |             |             |                          |             |             |             |  |             |             |             |  |             |             |             |   |             |             |             | 10 <sup>th</sup> May 2012                     |  |  |  |



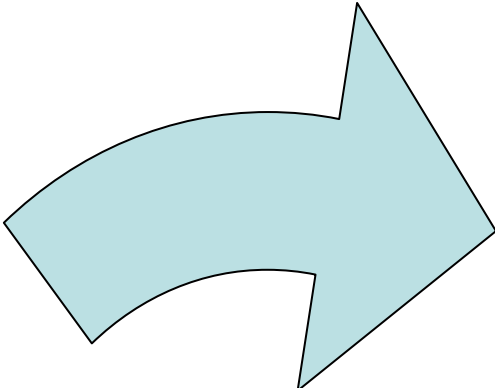
## Appendix 10 - Project Impact Statement

### Evaluating the impact of your project

Fill in the table, identifying up to 3 issues within each category (behavioural, structural, personal, cultural), each with a statement describing the situation now and a description of how you intend the situation to be in the future now the change has been implemented

| Describe here how things are now in relation to the issue   | Describe here how things will (ideally) be in the future now the change has been implemented   |
|---|--|
| <p><u>Behavioural</u>: describe current patterns of behaviour/ attitudes of the key people involved with the issue.<br/> <b>Staff are more confident when dealing with billing issues as a consequence of the new electronic data system.</b></p> <p><b>Staff are no longer de-motivated as the “why should I care as it’s not my job to fix this problem” culture that existed prior to the change.</b></p> <p><b>Management satisfied with increased levels of invoicing.</b></p> <p><b>Customers happy with information given with regard to prices.</b></p> | <p><u>Behavioural</u>: what sort of behaviours would (ideally) be evident?<br/> <b>Staff will continue to work in a confident manner when performing their billing tasks as the billing information will be transparent</b></p> <p><b>Job satisfaction will increase among staff due to the decrease in billing returns</b></p> <p><b>Management will be satisfied as cash flow should continue to increase</b></p> <p><b>Customers will continue to be satisfied with the level of correct information given when contacting the office</b></p> |
| <p><u>Structural</u>: describe the way roles and responsibilities are currently organised</p> <p><b>Manager is responsible for liaising with insurance companies with regard to prices. He then relays this to the me the Accounts Supervisor</b></p> <p><b>My role is to update the computerised Excel data sheet with this new information.</b></p> <p><b>Accounts staff utilise the billing information from the database</b></p>  | <p><u>Structural</u>: describe how roles/responsibilities will be organised</p> <p><b>Manager will still be responsible for liaising with insurance companies with regard to prices</b></p> <p><b>My role will continue to ensure the information on the shared computer drive is updated and current. This also applies to the billing contracts</b></p> <p><b>Any issues the accounts staff have with regard to the prices or contracts on the computer will be reported to me</b></p>   |
| <p><u>Personal</u>: describe how you participate in and contribute to the current reality<br/> <b>As the Supervisor I am responsible for providing my team with easy access to billing information</b></p> <p><b>I actively liaise with senior management to assist with information for contracts</b></p> <p><b>I try to motivate the staff by keeping the staff up to date with any information updates on the spread sheet</b></p>   | <p><u>Personal</u>: describe how you will participate in and contribute to the new reality<br/> <b>I will lead by example and fully utilise the spread sheets and billing information</b></p> <p><b>If there are any issues or inaccuracies I will deal with these and ensure they are corrected</b></p> <p><b>I will review the system regularly and take on any concerns individuals might have</b></p>  |
| <p><u>Cultural</u>: describe “how things are done around here” now, e.g. accepted ways of doing things, implicit understandings</p> <p><b>Many staff think “the information flow has improved”</b></p> <p><b>The “blame culture” that existed has diminished.</b></p> <p><b>Invoicing is carried out correctly and has moved from the thinking “let’s see what they insurance company will pay”.</b></p>  | <p><u>Cultural</u>: what will be “the way things are done around here” when the issue has been addressed?</p> <p><b>The new paradigm will be “we have a good body of work on the spreadsheets that benefit everyone so lets keep working at it”</b></p> <p><b>“I don’t have to worry about not knowing as the information is available”</b></p> <p><b>Staff are no longer processing incorrect invoices and thinking “lets see what they pay” but instead they will say “I know this is correct and this matters to me”</b></p>                  |

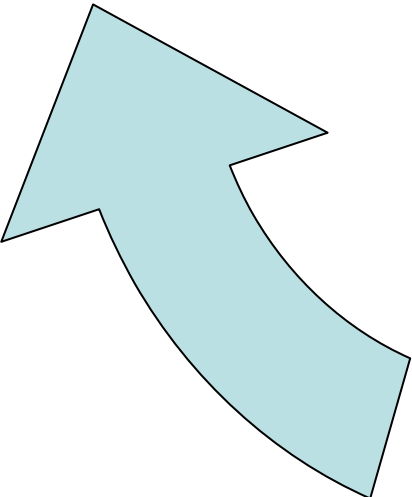
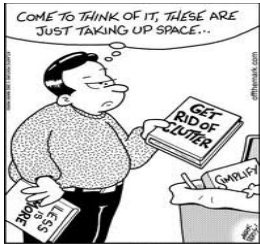
**Appendix 11 – Office Poster, Disorganised Dave**



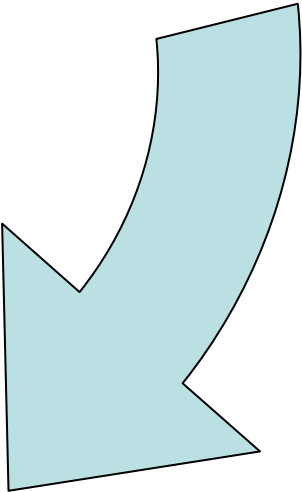
**DISORGANISED DAVE**



**DISORGANISED  
DAVE DECLUTTERS**



**ORGANISED  
DAVE  
RESULT!!!**



# The Implementation of a New Information System for the Finance Department in a Private Hospital

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## 1. Introduction & Background

The setting for this change assignment was the Finance Department in a Private Hospital. This department is key to ensuring invoices are processed in an efficient, timely manner. Central to this achievement, is the availability of accurate, concise and complete billing information. The rationale for this change was due to deficits identified in the information process prior to the change. Staff were challenged with having a high volume of complex billing data. Therefore, change was required.



## 2. Aims & Objectives

1. Provide Finance staff with a centralised accurate billing information database, accessible on a shared network drive.
2. Move away from paper based folders used to store information.
3. Build on the paradigm that Information reduces uncertainty<sup>1</sup>.
4. Enhance the quality of the billing process and employees billing knowledge.

## 3. Change Process

For this change Kotter's<sup>2</sup> 8 Step Model was used. Lewin's<sup>3</sup> Force Field Analysis was also utilised to analyse the forces for and against the initiative.

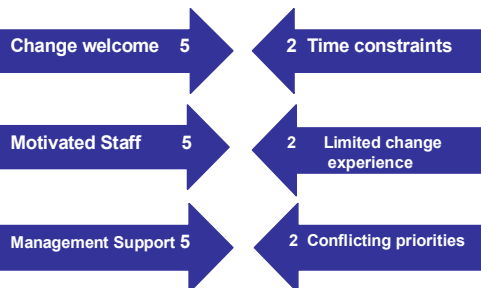


### References

1. Drucker, P. (1988); *The Coming of the New Organisation*, Harvard Business Review.
2. Kotter JP, (1996). *Leading change*. Boston: Harvard Business School Press.
3. Lewin, K. (1951). *Field theory in social science*. New York: Harper Row.

## Force Field Analysis

(+) Positive Forces      (-) Negative Forces



Greater positive forces were identified than negative forces.



## Kotter's 8 Steps

### 1. Establish a sense of urgency:

- PESTEL & SWOT Analysis.

### 2. Create a guiding coalition

- Carried out stakeholder analysis.

### 3. Develop a clear shared vision

- Discussed vision with finance staff in conjunction with management.

### 4. Communicate the vision

- Created posters and organised training.
- Ensured management participation.

### 5. Empower people to act on the vision

- Provide training.
- Organise workshop.

### 6. Create short term wins

- Praise from Management.

### 7. Consolidate and build on the gains

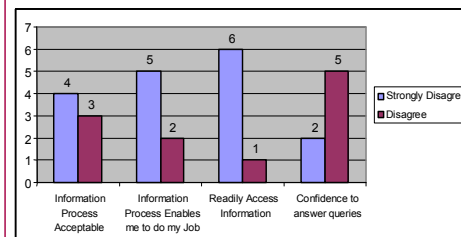
- Information folders withdrawn on the same day new system implemented.
- System to be used for contract negotiations.

### 8. Institutionalise the change

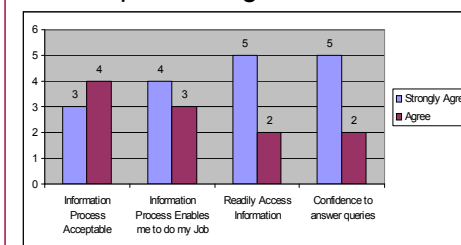
- Feedback from management and staff resulting in system utilised for long term use.

## 4. Evaluation

Graph 1 below demonstrates staff's attitude prior to change.

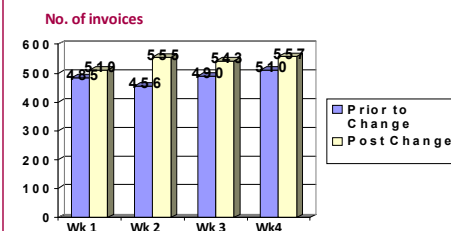


Graph 2 below demonstrates staff's attitude post change.



## 5. Organisational Impact

Increased throughput of invoicing improved cash flow.



Centralised information gives Management competitive advantage when agreeing Service Contracts with Insurance Companies.

## 6. Conclusion

The outcome of this project has been positive. Following the implementation of this change initiative, Finance staff have improved access to information they require to perform their duties and the new process has also increased throughput of invoices.



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