

MITIGATING ORGANIZATIONAL STRESS

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Have you ever taken a personal stress test? If you have, then you know that change of any kind in large or small amounts increases the stress on your body's systems. When the cumulative stress reaches a high enough level, the human system breaks down. I believe the same kind of process occurs in organizations. Change within the organization, its culture, or its market environment causes stress. If that stress is too great, some kind of organizational breakdown is bound to follow. Some of the warning signs and subsequent effects might include: high turnover rate; absenteeism; internal political skirmishing; declining quality and productivity; inconsistent service delivery; poor customer relations; risk aversion, and eventually shrinking profitability and erosion of morale.

Each of these may have many causes, but when many appear at the same time, you can bet organizational stress is either the root cause or the result. Below are some situational examples of organizational stress:

- A health system hires a new CEO whose personality is much different from his predecessor's. The new CEO promptly changes three of the top five senior executives, reorganizes, and begins to adopt a radically different strategic plan with an ambitious timetable.
- A healthcare market leader loses significant market share to an emerging technology and is itself forced to adopt a new technology and hence a new strategy to defend itself. Simultaneously, it must shed 20% of its workforce with associated reorganization and consolidation to reverse this unanticipated change of fortune.
- A major healthcare entity is taken over and then sells one of its divisions to a company in a very different industry segment (this happens all the time in the IT and consulting sectors). The division's management is asked to develop/adopt new business approaches within the context of a new culture and mission.

You would think there would be a pretty high probability of organizational stress and potential breakdown in the above examples. In the third scenario, it is a near certainty.

Endless media stories further attest to the problems that follow new leadership teams, new strategies, and technological changes. Although poor management often contributes to these problems, it is not the common element. That is organizational stress. Unfortunately, we can't prevent the causes of stress from occurring given the three defining realities of today's healthcare business environment: unpredicted competitive intensity, accelerating change, and value-based reimbursement. What can be done about this? What mechanisms will enable an

organization to cope with stress-causing change? Intuitively, we look again at the individual professional who copes well. Typically that person does two things well, they have a source of inner stability that is unaffected by the stress-causing change and they possess a strong, realistic self-image. These folks have a firm foundation in place to deal with change, which they view as a challenge rather than a threat.

An organization's mission, comprised of commonly held shared purposes and values, forms a self-defense against crippling organizational stress and the ability to manage change and emerge stronger because of it. Shared values are the core set of beliefs held by members of an organization. They govern the way day-to-day operational decisions are made. They are the source of stability and never should change. Shared purposes are an organization's self-image. They are the means to meeting the needs of all its stakeholders.

The absence of these commonly held purposes and values almost ensures that some form of organization/personal breakdown will follow any substantive change. It's unlikely even the best leaders can restore the organization to its old self. So prevention is indeed better than the cure and it all starts with excellence in leadership selection. Strong leaders at all key operating levels understand how to mitigate organizational stress and, in some cases, how to harness it successfully.

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