

Agency Organizational Diagnosis

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By

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## **INTRODUCTION:**

Marion General Hospital is the main provider for medical care in the Marion and Grant County area. They serve a direct population of about 72,000 people in Grant County and serve some portion of the population in the other seven counties that border Grant County. Marion General Hospital has provided health care to the area since 1896 and has undergone many changes during this time. Most of the dramatic changes have occurred in the last 10-15 years and will be described later in this paper.

As part of this assignment I interviewed Mr. Paul Usher, who is the Chief Executive Officer (CEO) for the hospital. Mr. Usher has been in the healthcare industry for over 41 years with 27 of those years being served at Marion General Hospital. Until his promotion to CEO about 1 ½ years ago Mr. Usher served as the Chief Financial Officer for the Hospital. He holds his degree in accounting and is a Certified Public Accountant. Most of the information contained in this analysis was retrieved during an interview with Mr. Usher on October 21, 2009.

## **ORGANIZATIONAL CHANGES:**

Marion General Hospital (MGH) began providing health care to the Marion area over 100 years ago and continues to be the only hospital located in Grant County. During the past 10 – 15 years MGH has undergone dramatic changes in both the physical structure of the campus and the organization itself. Until about 10 years ago the hospital had 300 acute care beds and provided very little specialty services to the patient. Some of the services provided during this time included the emergency room, surgical procedures, and a birthing center. In the past 10 years the hospital has added acute rehabilitation, critical care, telemetry, and obstetric services.

Historically, over the past 10 years the emergency room has handled on average 36,000

patient visits, but in the last couple of years this has increased to over 40,000 visits per year – making MGH one of the busiest emergency rooms in Indiana.

Today MGH looks much different when it comes to the services they provide. They currently maintain 99 acute care beds, 20 observation or 48-hour stay beds, 18 acute in-house rehabilitation beds, and 20 nursery beds. Much of the change in the number of beds can be attributed to some of the specialties offered today and the change of semi-private rooms into private rooms. This brings the total beds down from the 300 seen in the 1990's to 157 beds today. However, even with fewer beds available MGH treats more patients today than 10 years ago. This is because of advancements in technology and medical procedures have greatly reduced the amount of time spent in the hospital by a patient. Furthermore, some procedures 10 years ago that may have required a lengthy stay in the hospital is now done as an outpatient procedure.

In the past 10 years MGH has seen an increase in the total number of employees. In 2000 their number of employees was 964 and as of the end of fiscal year 2008 the total number of employees is 1,029 of which 804 are full-time. Much of this increase can be attributed to the specialty care and the increase in the number of off-campus facilities they currently manage – this will be discussed in more depth later in this analysis. Included in the current number of employees are 90 medical staff and what they refer to as 115 “courtesy staff” covering 30 different medical specialties. The remaining number of employees includes 242 registered nurses, 30 licensed practical nurses (LPN), 26 lab technicians, 16 managers, and the remaining employees making up the clerical staff, cafeteria staff, and maintenance staff.

It should also be noted that currently, MGH is in the process of eliminating the LPN positions by requiring them to receive their degree as a registered nurse. Previously, MGH had relied more on LPN's since they could be paid less and required a smaller amount of time to receive their degree. However, in today's medical field there is a push to require more education and training thus the phasing out of LPN's in place of registered nurses.

In keeping with the question concerning employee data, I also asked Mr. Usher about the problems they have seen when it comes to employee turnover. He believes there are fewer turnovers now than 10 years ago. However, he is quick to say there are several reasons for this drop in numbers. First of all he acknowledges the current economy is making it more difficult for people to leave a job and move on to one at another hospital. Generally, employees who have a job now feel secure with that job and are not willing to leave. However he believes the main reason employees are staying is because of better management within the hospital which is improving the working conditions and giving the employees a reason to stay.

Second, he does believe what turnover they have seen is currently around 3% and some of that can be attributed to the fact a spouse has lost a job and been forced to leave the area to search for employment. In turn the MGH employee has been forced to leave with the spouse.

In contrasting 10 years ago with today he believes the employees are different in that 10 years ago the employee was more loyal in staying with their current employer and certainly would not leave without first having arranged for employment elsewhere. He does not believe that to be the case today with many of the younger employees who will often quit one job before they have another.

Finally, Mr. Usher attributes the low turnover rate to several other things they have done as an organization such as; education reimbursement for nurses who are able to work at the hospital while getting their degree and have that degree paid for by MGH. In exchange the nurse will agree to a certain number of years, usually 3, in which they will remain employed at MGH. In another move which has been popular MGH's upper management has arranged for employees to have representation at many of the management meetings as way to ensure their voice is heard.

In short Mr. Usher agrees there is turnover and always will be to some extent but he also believes during the past 4 – 5 years MGH has done a very good job of proactively trying to reduce those numbers by some of the changes they have made. He gives most of the credit to the Studer Principles which they began using about 5 years ago. This program is based on the following 9 principles: visionary leadership, patient-focused excellence, organizational and personal learning, valuing staff and partners, agility, focus on the future, managing for innovation, management by fact, social responsibility and community health, focus on results and creating value, and systems perspective. One of the most valuable assets of the program is the employee evaluation. The employee performance is divided into three possible scores; high, medium, and low. He has found generally the range is 20% in the high, 10-15% in the low and the rest in the medium range. The idea behind the evaluation is to keep those in the high range there, move those in medium range up to the high range and either move the low range up or out of the organization. Mr. Usher believes this new evaluation tool has lowered the turnover rate by encouraging the medium to high producers to stay, because they are identifying those lower producers and either improving their performance or getting rid of them – either of which lowers the work load of those who are working harder to make up for the lower performers.

## **STRUCTURAL CHANGES IN ORGANIZATION:**

If you have lived in Grant County during the past 10 years it would be impossible to not recognize the structural changes that have occurred at MGH. When you look at the external shell of the hospital you are unable to find any of the old portions of the building. I asked Mr. Usher, who has been present for all of the changes over the past 10 –15 years to give me a list of what they have changed structurally during this time. In describing these changes we will begin with the exterior of the building and list all of the other structures that have been built or acquired.

1. One city street was closed to make room for the new parking garage.
2. A new 6 story medical center was built across the street from the main building but connected by a pedestrian bridge. This center houses the main power plant for the entire campus, doctor's offices on the top 3 floors, labs in the basement, a pediatric center, and neurology center.
3. Two existing office buildings across from the hospital were purchased and renovated into a human resources and billing office in one building, while the second building is used for computer and technology related training.
4. A new heliport was built across the street from the hospital with a pedestrian bridge built between the two structures. Prior to this construction all helicopters were forced to land about 1 mile from the hospital and the patients were driven back and forth to the helicopter by ambulance.
5. An existing street was closed to make room for a new cafeteria.
6. MGH currently maintains 6 off campus facilities that provide specialty services, diagnostic treatment and patient care ranging from MRI's to initial patient visits.

Internally, the entire main building has undergone renovation with the following changes:

1. A 27,000 square foot wing containing patient rooms was added.
2. Renovated and enlarged emergency room.
3. Renovated all patient rooms with most rooms now being private.
4. Renovated the birthing center and pediatrics.
5. Moved all administrative offices into the front of the hospital.
6. Remodeled the radiology department which is scheduled to be completed in December 2009.

Additionally, Mr. Usher felt it was important to mention the technology improvements over the past 5 years. They have replaced or updated all computer systems, added bed-side check in, updated all computer software with industry standard software, all buildings are wired and able to communicate with each other, and all employees are trained on the use of equipment for their respective areas. Finally, as a testament towards their drive to remain up to date when it comes to technology, MGH has received recognition as one of the top 5% wired hospitals in the country for the past two years.

### **CURRENT PROBLEMS:**

Mr. Ushers feels there has been great improvement in the MGH organization over the past 10 years but he is also aware that there are still problems that need addressed. He identified 5 problem areas that still need attention. Four of the problem areas are internal issues that he has been addressing since his promotion to CEO, the other area is a problem caused by external forces of which the organization has little control over. In addressing these problems I will list

the problem followed by a brief explanation for the problem. In the next section I will make recommendations on how each problem should be addressed.

### **1. Communication:**

Although Mr. Usher believes improved communication is one of their strengths and has seen tremendous improvement during the past 10 year period, he still believes there are some problems in this area. He views communication in several ways; one is the communication back and forth between upper management and the rank and file members of the organization. The second is communication between the individual units within the hospital, as an example the emergency room staff and the staff members on the floor. In his view there has been great improvement in the communication between the upper management and the rank and file, but communication issues still remain between the different units within the hospital.

As an example when a person arrives in the emergency room they are seen by a physician who may determine that the person needs admitted to the hospital. The person is then taken to an admitting site where they are checked in and assigned a room. The problem is broken communication between the emergency room, the admitting site, and the floor where the patient will be transported.

One additional problem when it comes to communication is between the medical staff and the hospital administration. Mr. Usher admits there have been several physicians who have left the hospital because of poor communication between the two groups. He would not elaborate on what the problems were, only that they had occurred from rumors that had spread throughout the hospital and they are working to fix the problem.

## **2. Staffing:**

Another problem area is recruiting new staff, in particular primary care physicians and to some extent nurses. He attributes these problems to current physician shortages and competition from other hospitals. As mentioned earlier there are also issues do to the previous mentioned communication problems that were present during his predecessor's time as CEO.

## **3. Turnover:**

Once again this is one area Mr. Usher believes MGH has made great progress in fixing but he still believes there is work to be done. The turnover rate, although low, is still robbing them of a value resource – employee knowledge, along with time and money needed to train someone new.

## **4. Stress:**

The health care profession is a stressful occupation with many long hours and constant work in dealing with people who are ill – some who are terminal. The physicians and nurses who deal with these patients are inundated day in and day out with sick and in some cases dying patients. The hospital as an organization needs to do a better job of dealing with the health of their employees who must work in this environment.

## **5. Healthcare Reform:**

In Mr. Ushers mind there is no greater issue facing his organization today than the healthcare reform debate. Depending on the reform that is finally passed there may be devastating and long lasting effects on how MGH will operate in the future. This can be from lower physician salaries which will deter future physicians from becoming doctors, to less

money coming into the hospital because of bureaucratic red-tape. This will in turn cause the hospital to cut staff and reduce the amount of money that is put back into the physical structure and technological updates. In the end the patient will be the one who will suffer because of reduced service and quality of care provided.

## **RECOMMENDATIONS:**

### **1. Communication:**

In speaking with Mr. Usher it seems as though he has fixed many of the communication issues between the upper staff and the rank and file employees. In his words he has been able to do this in several ways. First of all he has opened the channel of communication by allowing all employees to speak with him directly if there is a problem or a recommendation on how things can be accomplished better.

According to Jerald Greenberg (2005) in his book titled Managing Behavior in Organizations there are 3 means of formal communication; downward, upward, and horizontal. In MGH they have fixed the downward and upward communication issues but still need to work on communication between the different units.

My recommendation is that they form a committee which consists of representatives from each unit. All employees should be made aware of whom their committee representative is so they can bring concerns to this person. This committee should meet on a monthly bases and talk about the problems that exist between the units. As a way of bringing this full circle at least quarterly the unit committee members should be invited to meet with the executive staff.

In addition managers from each unit should take the time to visit the other units to get a better idea of what each unit does and the problems they face. As important as the communication meetings are in Jack Enter's (2006) book titled Challenging the Law Enforcement Organization: Proactive Leadership Strategies he states "meetings are highly overrated as a way to build commitment; it is in individual conversations that you earn the right to lead others". Although this statement deals with leadership I believe it is also important in gaining the trust of others. When you make that extra effort to go to their work space you gain their respect which will open the channel of communication even more. So with this in mind there needs to be a balance between the meetings and actual visits to the different units working environment.

Finally, a medical staff committee should be formed to meet with the upper management staff to talk about any communication issues that may be present and to clear the air about rumors that have in the past been spread by way of the grapevine.

## **2. Staffing and Turnover:**

I chose to put both of these problems in the same area because in some ways they are similar. There may be some issues that MGH cannot affect such as; the shortage in physicians and nurses caused by economic reasons or lack of people entering these professions. However, there may be some things they can do to attract those candidates that are out there looking for a job and to keep those employees who may be looking to leave.

First of all in recruiting new candidates MGH needs to accentuate the positives in their organization. They have a new and improved facility with up to date equipment and training. They are a top 100 hospital in the country, have been recognized two years in a row as one of the

top 5% most wired hospitals in the country, and they have achieved the Magnet designation in nursing accreditation. They offer tuition reimbursement for nursing education and are one of the top paying hospitals in the state.

Second, in trying to prevent employee turnover many of the same things apply to the current employees. If they are happy in their working environment they are much more likely to stay at MGH. In the book titled Public Administration; Clerkin et al. (2009) the author speaks about what makes humans satisfied in their working environment. In particular Maslow's Hierarchy of Needs list the 5 steps needed for a worker to achieve a greater level of satisfaction; physiological, safety, social, self-esteem, and self-actualization. Without interviewing individual employees it is difficult to know whether or not these needs are being met. However, with a turnover rate around 3% I would say MGH is doing a fairly good job.

My one recommendation in this area would be for Human Resources to conduct an exit interview with the employee to see why they are leaving. Once this information is known then they can work on those areas where they can have an influence. Mr. Usher is correct that some turnover is expected and they may not be able to fix such things as the employee's spouse having to relocate for another job.

### **3. Stress:**

In his book titled Managing Behavior in Organizations Jerald Greenberg (2005) defines stress as the pattern of emotional and physiological reactions occurring in response to demands from within or outside organizations. Every job has its own causes of stress, what is important for management to do is to identify the causes of stress in the workplace and in their employees, then try to remove or reduce those stressors.

Furthermore, according to Greenburg researchers have identified several features that make some jobs more stressful than others:

1. Making decisions
2. Constantly monitoring devices or materials
3. Repeatedly exchanging information with others
4. Working in unpleasant physical conditions
5. Performing unstructured rather than structured tasks

For many of the employees at MGH all 5 of these features are present. It is critical for the managers to identify employees who are exhibiting symptoms of stress and to get them help right away. Once the problem area is identified then appropriate help should be given in the way of counseling for issues such as proper diet, substance abuse, and financial help if needed. There are also stress management programs that teach employees how to relax and wellness programs that teach employees how to remain physically active.

I would recommend to MGH that they provide their employees with a membership to the local YMCA, bonuses for those employees who lose weight and quit smoking. They could form a local biggest loser contest for all employees who want to lose weight with each employee putting a set amount of money in each week. At the end of the contest the employee or team losing the most weight would receive all of the money. This not only causes the employees to get in shape but also allow them to socialize with other employees. Finally, I would recommend they develop a schedule where each employee is given a predetermined amount of time to work-out while on the clock.

#### **4. Healthcare Reform:**

During my conversation with Mr. Usher his biggest concern and what he felt was the biggest problem facing the organization is healthcare reform.

I must say I struggled with a recommendation for this problem, mainly because this is uncharted waters and no one knows what impact it will have on local hospitals. Until the government comes to a final consensus on healthcare it is difficult to recommend how to fix the problem not knowing what issues it may cause. Right now there is no way for me to make recommendations on this issue so I only included it in this analysis because it is one of the problems identified by Mr. Usher.

#### **CONCLUSION:**

As mentioned in the beginning of this analysis Marion General Hospital has been providing healthcare to the citizens of Grant County for many years. In these days of larger hospitals devouring smaller local hospitals MGH has remained untouched. When asked why this was the case Mr. Usher replied because of good management. I think it goes without saying that MGH still has its organizational issues like most organizations do, however, they have been successful in developing their organization physically inside and out, technologically, financially, and emotionally. Under the leadership of Mr. Usher they have closed the gap on communication issues, developed cooperation between the upper management and the rank and file employees, and they are a viable and fiscally stable business. I believe if they incorporate some of the recommendations that have been made in this analysis they will improve communication between their units and their physicians. They will be more successful in recruiting new employees and retaining current workers, and they will greatly reduce the stress

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level within their organization. All of which will lead to a more satisfied worker, better performance and ultimately the best possible care for their customers.

## References

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