

Prevention of Stress Sure Beats the Cure

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Have you ever taken a personal stress test be it physical, mental, or medically related? If so, you likely have been asked to identify from a set of possibilities incidents that have occurred recently in your life. Those incidents could be personal, professional or a combination of both. Those items typically are associated with a *change* of some kind (e.g., divorce, new job, relocation, personal loss, etc.) that increases, in large or small amounts, the stress on your body's system. When the cumulative stress reaches a high enough level, the human system just breaks down. That breakdown is reflected in sickness of some kind. The same thing occurs in organizations which hopefully can be defined as many people striving toward a common goal. Change either within an organization or its environment causes stress. Think how COVID for example has ravaged hospitals, health systems, physician groups, and exposed process related flaws in some cases such as revenue cycle and supply chain operations. If the stress is too great, some form of organizational breakdown will follow. In the extreme, it tears away the fabric of culture. Symptoms, effects, and the magnitude of each could include:

- High turnover and increased absenteeism.
- Noticeable increase in internal politics, unreliable delivery, and implementation, passing the buck.
- Shrinking productivity, deteriorating quality, and poor customer engagement.
- Focus only on maintaining the status quo, no risk taking, a growing inability to move strategies forward at the desired pace.
- Eventually shrinking productivity and perhaps losses.

Sound familiar? Each of these symptoms and effects may have many causes. However, when many start appearing at the same time, organizational stress is the culprit. Let's look at a couple of potential examples:

- A health system hires a new CEO with a personality and communication style that is very different from his/her predecessor. The CEO is brought in from the outside after a deterioration in the former CEO's or health systems' performance. Alignment and fit with senior leadership culture and the ability to retain that professional were an afterthought or perhaps given no credence at all. The CEO changes three of the top five direct reports, advocates for different strategies, and moves the corporate headquarters and its denizens off campus.
- A health system or perhaps a large independent physician group loses 80% of its elective surgeries, sees a radical change in its patient population and related acuity, and perhaps some market share to a game changing paradigm shift and must adopt new technologies and strategies to protect its financial posture. Simultaneously it must shed

a quarter of its workforce with associated reorganization, deal with declining morale and leave many key leadership positions unfilled along with other forms of consolidation to try and limit performance decline. This strikes a familiar chord, right?

- After a major healthcare enterprise is taken over, it sells one of its divisions to a company in a different industry sector. That divisions' leadership is asked to develop new approaches and strategies to a new mission within a new leadership culture. We are seeing more strange bedfellows in today's healthcare environment, correct?

These examples all illustrate common occurrences in today's extremely fluid healthcare marketplace, and we can likely agree that in each case there is a high probability of organizational breakdown. In the last example, it's a near certainty. Taken together, many studies of acquisitions support the conclusion that:

- Six or even seven out of 10 acquisitions fail to meet the objectives of the acquirer; if the acquirer even measures that in the ensuing years which they typically do not particularly in those related to hospitals and health systems.
- A large percentage of CEOs of acquired hospitals leave after the first two years.
- Over 50% of senior executive leadership also leave within the first 2-3 years.

Endless media stories further attest to the problems that stem from organizational change, new leadership, workforce shortages, the influence of outside and often unforeseen circumstances, and radical shifts in strategy, or financial circumstance. Although poor management contributes to the problems, it is not the root cause. The most common denominator is organizational stress.

We can't stop the stress or the influence of unforeseen circumstance because of the defining realities of the healthcare business environment: unprecedented competitive intensity, unanticipated business partnerships, disruptive technologies, and exponential change. What's to be done to enable the executives of an organization to better cope with stress causing change?

Let's revisit the analogy of an individual experiencing major change and see how they cope with it. Some individuals have a steady hand on the tiller and a source of stability that is not greatly influenced by stress-related change. They likely also have a strong, realistic self-image.

Disruptive events are viewed as a personal challenge rather than health threatening. Translated in organizational terms, the executive leadership team likely has shared values/purposes and a tight senior leadership culture that places a high value on talent retention. Shared values guide consistent day-to-day decision making and shared purposes are the organization's self-image. Taken together, they are the consistent way an organization meets the needs of its varied stakeholders. They form its defense against stress and its ability to work through ambiguity and mitigate change to emerge even more competitive in their marketplace. Also present on the executive leadership team are each executive's commitments to being agile learners and to ongoing leadership team development often aided by an executive coach.

In the absence of a well understood and aligned senior executive team culture and a commitment to leadership development and retention some degree of both personal and organizational breakdown will occur. It's unlikely to restore the patient entirely to its old self. We have witnessed this time and again during the pandemic. Prevention is much better than the cure.

I find it interesting that executive coaching, a long-time staple in most industry sectors, is still an undervalued newcomer to the hospital and health system niche. Talent retention and succession planning often fall into the same undervalued category. Our Talent Solution focuses on both senior leadership culture definition via perception and data-based assessment to put a laser focus on "fit" and positively impacts retention via executive coaching for the successful candidate for months following the placement. Numerous studies across industry sectors have shown that talent acquisition is important but what keeps CEOs up at night is its retention.