Coping with health care reform

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Abstract

This paper describes the evaluation of a case study of health service reform in southern Adelaide. A mail survey, interviews and focus groups were used to gain an understanding of health care providers' perceptions and experiences of reform. The paper discusses lessons learnt about health service reform and its impact on people working in the health system. It finds that continual change that is not based on a well-articulated vision is likely to lead to 'reform fatigue' and low morale. An action research approach can be used by researchers to help managers and staff understand the context in which reform is happening, and thus give support to organisational learning.

Introduction

Health care organisations are undergoing a process of constant reform and have been caught up in an increasingly rapid cycle of change during the last decade in Australia as in other developed countries. Much of this reform has its origins in efforts for cost containment and demand management and is based predominantly on experiments with a market model of health care delivery (characterised by "purchaser-provider" arrangements and competition) and a neo-liberal perspective on public sector reform.

Changing demography, technology, consumer expectations and government policy combine in complex ways to drive health care reform. Coping with the frequent and often unpredictable change that can exemplify health service reform has a significant impact on health services staff and managers and has been found to contribute to feelings of uncertainty and confusion and to lowered staff morale. Where health service reforms lead to organisational changes that are not supported by staff values and beliefs about the health system and their role within it, their frustration and low morale can be exacerbated. Staff can feel that they are caught up in too much change and can experience what could be described as 'reform fatigue'.

This paper discusses some of the lessons learnt about health service reform and its impact on people working within the health system. It draws on findings from a research project that is evaluating health service reform in the southern metropolitan area of Adelaide, South Australia and discusses the potential contribution that can be made by researchers to organisations involved in health service reform.

Methods

The focus of the three-year research project is on the efforts of four health care agencies to increase their collaboration and integration in order to improve the way that services are provided in their region. The agencies involved in the research project include a large acute-care teaching hospital which is combined with a university medical school and has administrative responsibility for a number of community-based health care agencies; a domiciliary care service providing home and community-based health and supportive care for aged and disabled people and their carers; a veterans' repatriation hospital that provides acute care and rehabilitation

services for war veterans, war widows and community patients (also a university teaching hospital); and an integrated health service which incorporates a community hospital and a number of community health services for the outer southern metropolitan area.

Multiple data collection methods were used to enable the evaluation team to understand the perceptions and experiences of health care service providers, from front-line staff to managers within these agencies. Methods included an anonymous random staff survey across the four agencies to 768 staff (response rate: 36.6%), interviews and focus groups with key staff involved in implementing collaboration strategies and case studies of collaborative projects.

The research project is based on an action research approach enabling it to feed back information to the agencies, and to contribute to a learning organisational environment. Action research incorporates both gaining knowledge (through research) and achieving change (the action component) (Kemmis & McTaggart 1988). It is usually participative, involving the stakeholders in the research process. For the purposes of this paper, results from the interviews, staff survey and focus groups provide the basis for a discussion of the impact of continual health service reform on health care agencies.

Results

The impact of continuous change on staff

Much of the management literature on organisational change focuses on overcoming staff resistance to change (for example (Stoner, Yetton et al. 1994; Kotter 1995; Garside 1998)). While acknowledging that this is an issue for managers when planning and implementing organisational change processes, the counter-side of this issue is that where change is continuous and not based on a well-articulated vision or on goals that are seen to lead to health outcomes for consumers, staff are more likely to be resistant and obstructive to change, a reality rarely reflected in management literature. One focus group participant described the commonly expressed frustration of not having a clearly articulated direction:

I think rather than hinting at it, they need to say this is what we think needs to happen. … At the moment there are these interminable reviews going on, most of them just seem to get sat on the table without any action. So I think it seems to be reviews upon reviews, and where is it all going at the end of the day?

It is difficult and stressful for staff to cope with being caught up in a continual cycle of change. Garside (1998) found that trust is most difficult to establish during times of change and can be a significant barrier to its success. For leaders to achieve staff trust during organisational change processes, staff require predictability and capability - they want to know where a change process is leading before it begins and that the organisational change agents are capable of delivering the promised result (Garside 1998). Where these two factors cannot be assured, staff trust, and consequently their support for change processes are likely to be low. The staff survey undertaken for this project found that staff morale is also low at times when change processes appear rapid, unpredictable and confusing. A respondent to the staff survey expressed a commonly held view:

Constant change causes serious disorganisation and demoralisation. Funding cuts are appalling, workloads increasing, standards decreasing, much less goodwill among health workers. Great cynicism abounds. Affects standards, training and perceptions of junior staff which destroys their idealism.

The pressures experienced by health service staff and managers can also create conflicts with their professional values and ethics. In a 1997 survey of medical specialists in New South Wales, New Zealand and the UK, Perkins et al found a reported loss of enthusiasm over the preceding four years and a growing lack of congruity between clinicians' work goals and those of their employers (Perkins, Petrie et al. 1997).

Our research project found a similar result where the congruence between professional and organisational values and aims is seen as a major issue by staff in their commitment to their work and their support for organisational change. A survey respondent wrote:

I'm very sorry (and more than a little ashamed) of the way in which health system developments have impacted upon my work. I went to extraordinary lengths to join the unit I work in because of its world class reputation for excellence. Budget cuts, staffing restrictions and shortsighted hospital management have eroded the quality of the service over the last 5 years. I'm now paid 30-40% less than my colleagues in the private sector for the 'privilege' of working in an under-staffed, over-stressed environment.

The impact of continuous system-wide change on organisational change processes

The four participating agencies achieved a significant culture shift to the extent that senior staff from medical, nursing, allied health and administrative areas of the agencies, as well as their Boards of Management, were supportive of increased collaboration and the integration of services at a regional level. They were even prepared to merge their separate Boards of Management. The leadership and commitment of Executive level staff was seen by staff as crucial to shift the cultures of the organisations to focus more on interagency collaboration and the regional integration of services. A focus group participant commented:

There was a sort of imprimatur, the permission, support from the four Chief Executive Officers coming together to be able to say we are supporting working together. Now, I don't think we can ever underestimate what that really meant because what had occurred legitimised a lot of the contacts that were happening at the clinical level between whether it was allied health and nursing or joint projects, and to be able to really get successful collaboration it takes time but it also needs to have permission.

In contrast, the efforts of the four agencies to progress their planned change process were made more difficult by the changing policy context in which they were operating. At the time they were planning their integration strategies, there was a shift in government policy that led to the creation of the Department of Human Services with a broader focus on integrating health, community and public housing services. The shift in the policy environment in which the agencies were functioning contributed to their lack of progress in achieving effective organisational change in the direction that they had planned. Their chief proposal for increasing integration, the creation of a regional health service with one board, did not proceed.

The shift in policy did not have a clear and immediate effect on the agencies. Rather, there was a protracted period when policy was developed, refined and communicated, and it is apparent that in the minds of staff, this period was characterised by a lack of clear direction. The new approach also eroded the relative autonomy that the organisations had enjoyed. This relative loss of control and perception of lack of clear policy direction appear to have exacerbated the problems associated with the change itself.

The study highlighted the significance of the broader policy context when evaluating organisational change processes. Organisations do not exist in a vacuum but within an international, national and local context that can significantly affect what is achievable and acceptable. Continual change in health system environments challenges organisations that are seeking to implement strategic change. When staff do not understand the broader context in which their organisations are placed, they can feel disempowered, overwhelmed and frustrated.

It is also very difficult for managers to plan and be pro-active in times of change. An interview participant in senior management commented: "We don't know how to win anymore." There was a feeling amongst managers within the agencies that they have by necessity become more reactive in adapting to external changes and that there has been a consequent loss of control.

A belief that an understanding of the broader context could help to resolve some of these negative feelings and frustrations led the researchers to develop a discussion paper providing an overview of the changes affecting health systems worldwide. It was intended to show that the sorts of changes experienced in South Australia were typical of those happening internationally and to present preliminary research findings. The paper was used as a basis for focus group discussions so that participants could contribute from an assumed body of knowledge.

The adoption of an action research approach enabled the study to be sufficiently flexible to adapt to the developing understanding of the changing context. It enabled the research to focus on providing information to participants to support the capacity of the agencies as developing learning organisations.

Discussion

It became clear to the researchers that the health system is both adaptive (attempting to plan strategically to respond to emerging issues) and reactive (substantially influenced by changes in the external environment). Therefore, our thinking in trying to understand the complexities and unpredictability of the health system led us to consider the literature about complex adaptive systems (Eoyang & Berkas 1999). A complex adaptive system is a system made up of interdependent parts that are open to external influence, and change constantly and discontinuously. The relationships between components of a complex adaptive system are complicated and entangled so that outcomes may not be apparent or may not be attributable to any specific change within the system.

The health system fits this definition because of the complexity of relationships between the different players (levels of government, professional groups, community etc) and because of the rate and complexity of health care reform. As a result, it is often not possible to attribute causation to a particular policy or action because it cannot be isolated from all the other reform drivers within the health system.

The nature of complex adaptive systems also means that small changes can lead to significant and unpredictable consequences within the system. In the case study of the focus of this research, the agencies and the government both attempted to address the problem of lack of integration and co-ordination in different ways. Although the agencies' efforts to create an integrated service did not proceed, data from our study indicate that their efforts to do so and the groundwork they undertook to achieve their agreed solution have resulted in significant changes to the way staff work across agencies and to the way they view their role in the region, to the extent that this process appears to have contributed to an organisational culture change. A focus group participant commented:

... there's been a lot of tables around which people sat in groups they never would have sat before, and that's been multidisciplinary groups, it's been all sorts of different doctors at different levels, it's been with consumers, its hearing a whole lot of things and it has set the scene I think for people being more receptive to making other changes. New relationships have been established, a number of relationships... there is this groundswell of change.

This would suggest that the agencies' planning processes resulted in positive outcomes although their chosen strategy could not finally be implemented. It is not necessarily the case that repercussions from such actions will be positive. Some significant changes can lead to unanticipated negative consequences that can continue to affect the way the system operates into the future. We certainly found that the changes in policy directions have affected staff morale and led to growing levels of cynicism.

In large, complex systems, tension between the centre and agencies in the field is common. In health care, the emphasis of the centre is on large-scale issues such as epidemiological considerations, politics - with attendant accountability to the community via the media - and multiple, complex goals. In the field, a different set of influences predominates: for example, the needs of individual patients, ambitions of individuals and the desire for autonomy. The challenge for senior managers is to resolve this tension adequately to achieve a shared sense of purpose, or at least to ensure that it does not become destructive.

Our studies showed that an action research approach can help managers understand the apparently unpredictable and complex environment in which they are working. It can also help staff understand the context of the changes that affect their work. Action research has enabled researchers to have the flexibility and responsiveness to adapt to a changing environment in order to maintain relevance, and to contribute to the development of providers' understandings about change.

Conclusions

Health service organisation reform is ongoing and can have a significant impact on health care agencies and staff. The health system is complex and continually adapting and reacting to external and internal pressures. Changes resulting from health care reforms can have significant long-term implications, influencing organisational change processes, future policy directions and the thinking of policy makers and service providers. These changes are rarely evaluated. Researchers in health service management can have a role in helping to develop an understanding of the context of change and an action research approach can support this. This can contribute to increasing understanding among health service staff and managers to enable them better to cope with and respond to the challenge of ongoing health care reform.

Acknowledgements

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