

# Hospital Restructuring in Ontario: Lessons Learned and Next Steps

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The January-February issue of the Canadian Journal of Nursing Leadership contained three articles describing the outcomes of hospital restructuring and downsizing in Ontario. The results showed a consistent negative picture following these changes. The editor then asked “what is the answer?”. Here are some thoughts.

For the past four years, we have been interested in hospital restructuring in Ontario and its effects on nursing staff and hospital functioning. We undertook a longitudinal study of these transitions with the cooperation of the Ontario Nurses’ Association. Large samples of nursing staff and former nursing staff completed lengthy questionnaires in November 1996 (a time of widespread hospital change) and again in November 1999 (a time of less hospital change).

Organizational restructuring and downsizing is a challenging task at the best of times; organizations are as likely to fail to reach their objectives as they are to achieve them. In addition, how these transitions are undertaken is generally more important than what is undertaken.

We would like to highlight some general conclusions from this work, while not surprising given the difficulty of successfully restructuring and downsizing, are worrisome. First, nursing staff in 1996 reported widespread changes in their hospitals. Second, the majority of survivors of restructuring in 1996 reported negative reactions (cynicism, emotional exhaustion, anger, insecurity). Third, levels of these negative reactions were similar in 1996 and in 1999, though the pace of change had slowed and some concerns (job insecurity) had lessened. Fourth, nursing staff in hospital-based nursing were in worse shape (less job satisfaction, more psychosomatic symptoms) than former hospital-based nurses now working elsewhere or who were no longer working.

We would now summarize what we’ve learned about how to restructure and downsize so as to reduce negative reactions and support effective unit functioning during these transitions and what challenges still need to be addressed by hospitals in Ontario.

## **Restructuring Responsibility – What should have been done.**

### *A Three-Stage Guide for Managing Restructuring and Revitalization Efforts*

*Initiation: Planning and preparing for the transition*  
Integrate the change with the business strategy

- Begin with a goal in mind
- Frame the process positively, in terms of opportunities
- Communicate extensively and involve affected employees
- Consider alternatives to layoffs (attrition, hiring freezes, voluntary retirements)
- Determine the criteria for downsizing
- Establish empowered teams for managing the transition
- Develop timetables for enhancing predictability.

### *Implementation: Moving towards change*

Involve employees in all aspects of the implementation effort

- Communicate extensively
- Tell the truth
- Use a two-way process
- Overcommunicate
- Provide support to managers, survivors, and victims
- Give news face-to-face
- Allow for grief and goodbyes
- Treat all parties with dignity and respect
- Be generous and fair to displaced employees
- Monitor the transition efforts
- Be vigilant for signals of distress and burnout
- Don’t expect immediate positive results.

### *Institutionalization: Healing and refocussing*

Focus on the future and why changes are needed

- Clarify expectations and responsibilities
- Celebrate accomplishments
- Implement support groups for survivors
- Invest in retraining and development
- Establish a new psychological contract
- Evaluate the effectiveness of revitalization efforts
- Maintain individual and organizational health.

## **What needs to be done now?**

Hospitals in Ontario must actively take steps to

revitalize a battered and bruised nursing staff.

1. They must develop a clear purpose of what they would like to accomplish and why (their motives). They must put all their cards on the table in an open, honest and complete way.
2. They must make a commitment to long-term efforts to turn-around their situations; there is no quick fix.
3. Hospital leadership must be visible and available.
4. The senior management must spend time working together to clarify their objectives and motivations. Then senior management must spend time with lower levels of hospital administration communicating these objectives strategies and motivations and soliciting input.
5. They must make resources available during this period (time, financial).
6. These efforts should be undertaken in cooperation with the nursing associations (RNAO, ONA, etc).
7. The process must be a collaborative effort in which ownership, responsibility and accountability is widely shared.
8. Data must be collected from throughout the hospital to examine the events of the past few years (what worked, what didn't work), what is working well now, and what difficulties still exist that interfere with unit effectiveness and patient care.
9. Problem diagnoses and problem solving teams need to be developed, trained and worked.
10. Small irritations need to be addressed immediately; small wins acknowledged and celebrated.
11. Accountability for solutions and progress must be clearly identified and delegated. Follow up activities need to be undertaken to ensure that actions are being developed and implemented, and data collected to monitor their progress and effectiveness.
12. Once again, the how that underlies revitalization efforts is likely to be more important than the specific what is being done in the success of these efforts.
13. There is an important need to release these negative reactions, in a sense to grieve the events of the past few years, the loss of some friends who either voluntarily or involuntarily left their units, and the unfairness of the transition process. Nursing staff must deal with the pain of the past before they can come to grips with the demands of the present and future.
14. Trust needs to be re-established and strengthened.
15. Senior leadership must acknowledge the unintended consequences of the transition.
16. Nursing staff must understand the vision for the future (goals, mission, new behaviors).
17. Nursing staff need to know where they are headed.

18. Communication – lots, using various media with some repetition. Personal contact – one to one, and in work teams – is a must.

19. Senior leadership needs to be involved, show enthusiasm and excitement, be patient since change won't happen over night, and anticipate mistakes and difficulties.

20. Realize the importance of teams during the revitalization process. Teams invite participation, offer support to members, and may produce greater and more creative results.

21. It is important to view recovery and revitalization as an opportunity.

22. Patient care must be the paramount objective.

While all hospitals face the need for recovery and revitalization following the transitions of the past five years, the magnitude of these challenges and the resources available to deal with them are likely to vary from hospital to hospital. In fact, these two factors, the size of the current challenges and available resources are linked; hospitals facing greater challenges in 2001 are those that were less resourceful in 1996 and likely less resourceful in 2001.

Hospitals likely to be successful in recovery and revitalization are those whose senior managers are experienced in planning, preparing and executing, have time to plan and prepare for revitalization, possess a training orientation and can develop a caring culture within the hospital. Various levels of government have begun to restore funding for health care in Canada. We have yet to see one hospital executive state that money alone will transform health care in Canada.

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