

CREATING AN INNOVATIVE NURSING ORGANIZATION

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There is a call to leaders today to confront and engage the challenge of creating innovative and transforming organizations that operate more relevantly within the global community in the 21st century. This transformative age, driven by globalization and growing digital technology, has eliminated the construct of traditional industrial-age organizations.

Even the health care system is fraught with the growing demand for reconfiguring both structure and clinical process in order to incorporate these new emerging digital realities. The onset of new clinical technologies has ushered in the age of mobility and portability in almost every arena of health care service. In an attempt to create truly effective organizations and to assure timely response, both leaders and organizations must be willing and competent to transform their historic service infrastructures to newer, more relevant models and contexts for service in a considerably abbreviated period of time. Today, organizations must be able to transform and retool their service infrastructure as quickly as new technology and therapeutics emerge.

The pace of change is unrelenting and inexorable. Technology innovations affecting the delivery of health care appear on the scene almost monthly. This barely gives leaders and practitioners enough time to accommodate the new technology, let alone provide time to acculturate and adapt to its functional and operational demands before something newer comes along. Based on more traditional models of organizational adaptation, it is difficult, if not impossible, for nurses to adjust to the demands of a new technology or systems change. Yet it should be clear to all leaders and practitioners that adjustment and adaptation to changing clinical reality is critical to sustaining and assuring that the organization thrives.

It is no longer appropriate for any organization, or any part of it, to fail to fully participate in responding to the demands of transformation. Engagement is essential to the adoption of emerging or transforming technology. As therapeutics become more rooted and embedded in technology, it is increasingly more difficult to separate human action from the application of technology. This critical interdependence removes the option of nonparticipation from health providers and creates, instead, an obligation to fully engage the implementation of this technology—bringing it into the very fabric of clinical practice.

Perhaps the single greatest impediment to accomplishing this in clinical organizations is the individual practitioner's growing sense of separation or dislocation from the very work they do. So much of clinical work has become ritualized by years of rote and routine that it has become second nature (some would say mindless or mind numbing) to the practitioner. These practitioners often fail to see that the work (functions and tasks) they are doing is no longer relevant to the enterprise, or is simply no longer achieving the same outcomes, nor is it providing the same satisfaction for provider or patient. Without fully investing in the transformative process, every practitioner takes the risk of participating in the slow and inexorable unfolding of her or his own potential irrelevance.

Innovation is central to the ability of any system or organization to thrive. Without an innovative urge, the organization cannot be prepared to honestly and directly confront its limitations and create new future opportunities. Some organizations lack innovation, yet they are surprised when they fall behind in technology, staffing, and therapeutics. When this happens, the organization feels driven to make changes and becomes reactive to the circumstances which affect the life of the organization. But innovation is not simply a process; it is a dynamic—the

lifeblood of sustainability. It reflects the condition and character of the system at its level of awareness and in its operation.

An innovative organization lives differently from the traditional operation. The innovative organization engages its members at a level of intensity and expectation that clearly affirms that everyone's full involvement in the life of the organization is mandatory. Health care systems are clearly intentional organizations, designed and structured to necessitate innovation as their fundamental way of doing business, inculcating it in the life of every element and process in the system.

The challenging reality is that a health care organization can no longer continue to thrive without an innovative urge. The good news, however, is that such an urge or overlay for innovation, can be generated and sustained with the right mix of strategy and engagement. There are several requisites necessary to create a truly innovative organization.

Requisite 1: Senior Administrative Commitment

Innovation requires organizational commitment and engagement. Without it, the energy necessary to maintain innovation dissipates. Innovation cannot be another program or initiative of the organization; it must become the organization's way of life. Every element of the system must see innovation as a value, indeed, the foundation for sustainability of the organization, to which each member holds a stake. The design, structure, processes, operations, and evaluation mechanisms must be imbued with the properties of an innovative context if they are to fully reflect innovation throughout the organization. Leaders must remember that staff has oftentimes become inured of the many initiatives that have been hoisted on them over time and are sometimes suspicious of new programs, plans, initiatives and all the catchy acronyms associated with them.

Innovation cannot be seen as another

er program acting as an overlay on the already burdened workload of the staff. Instead of new work, or more work, innovation must be inculcated into the very fabric of the work, affecting what is done and how it is done. Innovation makes it possible to question every activity in the organization, assuring that when necessary, it will change, and individual and collective efforts can be adjusted in ways that demonstrate accelerating value and impact on the experience of both the provider and patient. Since this dynamic has a major impact on the life and the work of the organization, the senior-most levels of leadership must demonstrate their commitment to it and their own willingness to live it and pursue innovation in every corner of the system.

Requisite 2: Create an Infrastructure for Innovation

Innovation does not frequently happen by accident; it needs a purposeful format for expression. It needs infrastructure. The purpose of structure is to create a context, a frame for behavior. Since leaders cannot change behaviors simply by addressing the behavior alone, a basic frame of structure is required. This contextual framework ultimately reflects the value and character of the organization. Constructing a format for innovation tells everyone in the organization that innovation is a fundamental part of his or her way of working. Since this requires a change in the system, infrastructure needs to be phased in. This begins with planning and design, moving through to experimentation and application, and ending with implementation and evaluation, and finally, reconfiguration. This is major work and will require involvement of the best people in your organization.

Creating a context for innovation and building the infrastructure to support it requires the reconfiguration of roles, performance expectations, the evaluation of work, and the construction of reward systems. Simply showing up, addiction to

ritual and routine, mindless obsession with policy and procedure, and rigid human resource applications and regimentation, must be confronted head-on if innovation has any chance of succeeding in the system. Innovation demands not only the retooling of the processes of a system; it requires the re-conceptualizing of the very thinking of the people in the organization and the reformatting of the structure within so that thinking is translated into action. This is the priority for the work of leadership in an innovative organization.

Requisite 3: It's All about People

Innovation is necessarily a human activity. It demands purpose, direction, and action. Talking about it and championing it does not create an innovative environment, nor does it advance the products of innovation. Innovation ultimately has to make a substantial difference and be evidenced through some impact on process or product. Innovation must achieve or change something. In health care systems, that achievement most often must be felt at the point-of-service since that is the primary focus of the purpose and processes of the system. Either the provider's life must be improved or enhanced by the innovation, or the patient's experience must be transformed into something better. Innovation must ultimately be owned by those who live and work at the point-of-service. Since real ownership requires engagement, the most significant stakeholders in the innovation process are professionals and workers predominately involved in the work of the organization at its various points-of-service.

Leaders must help their staff members to see themselves at the center of the system and ultimately, as the source-point of its creativity. The further away from the point-of-service a creative transformation occurs, the more challenging it is to implement. Making change real for point-of-service workers means actively engag-

ing them in the innovative process, giving each of them a role and specific expectations of involvement and experimentation. Creating an innovative organization means discovering and harnessing creative people inside the innovative process. There are no more innovative opportunities than those found in the work of those who are busy doing it. If there are better ways of working, providing service, doing business, caring, acting, and applying, those most engaged in the related activities will sense, discover, and suggest them. They need only have a forum, a medium for expression and experimentation, and the freedom and safe space necessary to undertake real and sustainable change.

Innovation as Context

Good leadership is at the heart of the truly innovative organization. Through personal demonstration and mentoring, leaders create the urge and context for innovation. It all starts here. Yes, context and format are essential to sustain innovation, but nothing is more important than the visible and ongoing commitment of leaders. The requisites suggested here are but a fraction of the needs of real innovation but they do provide the primary undercarriage for building innovative systems and harnessing the innovation in people. At a time when health care is ripe for major transformation, the work of creating a living context for innovation could not be more important. Indeed, it is one of the emerging requirements of sound leadership and sustainable organizations.



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HOSPITAL-PHYSICIAN INTEGRATION AND THE ROLE OF NURSING

Editor's Note: AONE will publish a quarterly column in *Voice of Nursing Leadership* contributed by the Healthcare Financial Management Association (HFMA) regarding financial management matters for nurse leaders. AONE and HFMA co-publish the *Business of Caring* newsletter.

Maggie Van Dyke

Hospital volumes are declining, as traditional hospitals are fighting for market share with imaging centers, surgicenters, and ambulatory care centers—in short, facilities without beds. For example, the percentage of outpatient surgeries performed in hospital-based facilities has fallen almost 10 percent over the past five years in comparison to those in nonhospital facilities, as reported in *HFMA's Healthcare Finance Outlook, 2008-2013*.

Competition for patients is particularly strong in services such as orthopedics and cardiology, and it is coming from physicians and investor-owned companies, sometimes in partnership. For example, in Houston, full-service, acute care hospitals of 20 to 80 beds are springing up, as a result of joint ventures between physicians and new hedge funds or Wall Street firms funded by venture capital.

How can hospitals maintain—or take back—patient volumes? Physician-hospital integration is key, according to a recent HFMA survey. Eighty percent of the financial executives and experts surveyed ranked physician-hospital integration as an extremely significant or significant future action to grow hospital volume.

The Nurse Leader's Role

Hospital-physicians affiliations can take

on a variety of forms, from offering physicians financial incentives (for example, stipends, management contracts, and gainsharing) to forming joint venture relationships with physicians. (See the information box on this page.) All of these strategies aim to enhance physician loyalty and patient referrals.

As unit managers, service line directors, and health care executives, nurse leaders are in a unique position to improve the bonds between referring physicians and the hospital—and lay the groundwork for more formal business arrangements. Savvy nurse leaders understand that physicians tend to refer more patients to a hospital, a program, or a unit when they are happy with the care provided there. Developing unit-based physician profiles or preference cards, ensuring that physicians are included on relevant committees, creating a physician recognition program, and informally surveying physicians about their expectations are a few ways to earn physician loyalty.

Physician relations may or may not be part of a nurse leader's actual job description. Regardless, these types of activities are key to meeting budgeted volume projections.

One Nurse Leader's Story

Part of Sue Sandberg's job as women's and children's service line administrator for Community Health Network, in Indianapolis, is to build business. "Part of my role is to foster strong relationships with physicians, says Sandberg, RN, MBA, vice president for the five-hospital health system. "There needs to be someone in place listening to physicians and helping to build the program."

Recently, Sandberg's listening paid off in a win-win solution for attending

Hospital-Physician Integration Strategies

- Selective, long-term employment contracts
- Adoption of a clinic model, in which the entire medical staff becomes one hospital-based, multispecialty group
- Short-term employment or loan guarantees
- Joint ventures

Strategies for Boosting MD Satisfaction

- Integrating physicians into strategic planning (for example, establishing physician advisory committees or holding joint retreats with medical staff leadership)
- Involving physicians in management (for example, creating a chief quality officer position)
- Integrating physicians into governance (for example, putting physician representatives on the board or committees)

physicians, the health system, and patients. The health system recently launched a new maternal-fetal medicine program at one of its hospitals, Community Hospital North. As service line administrator, Sandberg was in charge of hiring a director of maternal-fetal medicine and then building the program with that physician.

The need for after-hour OB laborists quickly became apparent. The program needed to be ready for an emergency "at the drop of a dime," says Sandberg. "Initially, I was going to hire independent physicians to work after-hours as OB in-house laborists," says Sandberg. "But our physicians told us, 'As an alternative, consider allowing the attending physicians to rotate through