COMMUNICATION SETS THE TONE FOR A SOLID MERGER

To many, culture is a squishy concept. Yet, mismatched organizational cultures often sink a deal. RaNae Wright, MHA, a Studer Group coach leader with expertise in cultural transformation, has worked on organizational culture with more than 200 healthcare CEOs and recently shared insights on Studer Group’s webinar Why M&As Fail (and Tips for Success). Here, she shares why culture makes M&A so tricky and what to do to support success.

Q: What can leaders do during or after a merger or acquisition to maximize success and prevent problems regarding misaligned cultures?

A: Look for common ground. Everyone wants a great place to work and to make healthcare better for patients, so start there. If other values don’t match, step up communication about the organization’s shared mission, strengths and areas of opportunity, to create a single vision over time.

It’s important to come at this from two perspectives simultaneously. There’s the process piece and the people piece. Leaders typically go more quickly to strategy and financials. They ask, How are we doing on the bottom line? But they need to marry that approach with an equal emphasis on people by asking whether leaders have the skills to engage their stakeholders in this transformation.

When Community Health Systems in Franklin, Texas, acquired 70 Health Management Associates hospitals in 2014, it quickly communicated its culture of accountability by gathering the new C-suite executives for a few days to set measurable goals regarding safety, quality and patient experience. Then it delivered leadership training to build their skills to meet those goals.

Q: What kinds of communication are effective?

A: At the top of the list is Rounding for Outcomes®. It’s a prescriptive approach that involves a short one-on-one conversation between a leader and an employee or a leader and a physician that is designed to build trust and approachability, address concerns and ensure follow-up. Leaders use five specific questions that correlate to questions developed by the Gallup Organization to drive productivity, profitability, employee retention and customer satisfaction.

Because these conversations typically take place on an ongoing basis organizationwide, it’s easy for managers to shift the focus for a few weeks to recent merger activities. They might ask, “How are you personally handling the changes since the merger?” then listen and document a response for follow-up. They could recognize this employee’s efforts by saying, “Here’s what I see that you’ve been doing that’s been very helpful.”

They might even directly ask, “Is there anything that’s making life harder for you? Any reason you might not want to stay?” or “Are you getting to know people from the other company? How’s that going?” This kind of communication also allows a leader to answer employees’ tough questions like “Will I lose my job?”
If employees ask about the fate of their jobs, managers might respond, “I hear your concern and understand that uncertainty can be difficult.” Leaders can share what is known and draw from a list of answers to frequently asked questions so that they are speaking with one voice.

Once leaders share what is known about the merger, it’s helpful to add supportive statements like “I will be sure to keep you informed, and I want you to know that you are extremely valued on our team. I want you to be part of our future.” This skill isn’t natural for some leaders and can be learned and practiced. That’s very different than a drive-by communication.

Q: What’s the best way to ensure physicians are on board?
A: Here’s what drives physician engagement: quality, efficiency, input, responsive communication and appreciation. Get their input early and often. Focus groups, conversations with physicians and one-on-one interviews are all helpful. If you give physicians the data and connect the why, they will get on board much faster.

They also appreciate when you’re succinct and efficient with their time. Get skilled in explaining what’s going on in a 10-minute conversation, then follow up to let them know how you addressed their concern.

I recommend documenting issues raised by physicians, then tracking them as complete, in process or unable to be completed at this time.

Also, point out what you have fixed for the physician. It’s easy to focus on what still needs to be done, but make a point of saying, “We fixed that integration issue with our two systems that you brought up. How’s it working now?” or “We changed that process you had a problem with so you can order the supplies you used to order. Is it better now?”

Q: How can an organization avoid a spike in postmerger turnover?
A: The best way is to have strong nursing and employee engagement before the merger. Otherwise, the merger might be the tipping point. Every organization should measure employee engagement on an annual survey.

The No. 1 reason people leave an organization is their supervisor. That’s why communicating with employees regularly is so valuable. It ensures a personal connection so that employees feel valued. If you have a good supervisor-employee relationship prior to the merger, you’re less likely to lose that person afterward.

However, it’s also important to remember that when goals change, people change. The change process affects everyone differently. To manage varying emotions, always come back to what’s important to that individual.

And finally, remember that you may lose some good people because the new environment is not a fit for them or they are just too uncomfortable with change. In those cases, shift your perspective about losing them. It can be a good thing for some individuals to self-select out. If you have high trust from and engagement with those who remain, the new organization will be well-positioned to meet its goals.

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