

Written Case 4: To Have or Not to Have Central Scheduling

QUESTIONS FOR DISCUSSION

1. Why did Mr. Holton believe that it was unnecessary for the physicians to participate in the decision-making process? Why did the physicians want to be involved in the decision making process?

- ◆ The structure of CMC was largely decentralized and horizontally differentiated. The professional employees have a substantial amount of formal education and training, and therefore, much of their work is completed independently. The physicians were accustomed to sharing information and decision making with the hospital's administrators since they had the clinical knowledge and the administrators understood the business and financial aspects of healthcare. Although Mr. Holton did use a committee to make the decision, no members of the medical staff were part of the committee.

- ◆ Mr. Holton's perspective: When he decided to implement a centralized scheduling system at CMC, he followed a proper decision-making process. He and other administrators gathered information about the scheduling process and data about centralized scheduling, they examined the information compiled, several administrators suggested scheduling alternatives to the current method, and he made a decision based on those findings. As far as he was concerned, he used a democratic and decentralized manner for choosing a solution to CMC's scheduling problem, since others had some control of the decision-making steps. Some were allowed to give their input and ideas and to help him choose the best alternative. As CEO, Mr. Holton was convinced that he had the proper authority to make the final decision.

- ◆ Physicians' perspective: Mr. Holton had too much control over the decision. The conclusion that the scheduling system at CMC would be changed was a large, far-reaching decision. The change would greatly affect the way in which physicians' clinics and schedules could be run; therefore, the physicians wanted to be a part of the decision. Also, the process to centralize the scheduling system would require a lot of physicians' feedback and cooperation to run smoothly.

2. What alternative methods could Mr. Holton have used in the decision-making process?

- ◆ He could have decentralized the decision-making process more to allow the physicians and the administrators to have a role in choosing a solution. Although he allowed others to interact with him in the decision-making process, Mr. Holton may have only chosen a committee to give the appearance of impartiality. The individuals who shared in the decision-making process with him were from a narrowly defined population of hospital employees – all were administrators who held similar ideas and perspectives of the hospital's needs; therefore, he may have seemed to have made a decentralized choice, when he only appeared to do so.

- ◆ If Mr. Holton received suggestions and data from both physicians and administrators, he would have been better informed of the subject and implications of centralized scheduling, and he may have been better able to choose an alternative for the hospital. For example, if he did choose to implement centralized scheduling, he may have first initiated a pilot program in a few clinics to gain the support of the physicians. Mr. Holton could have also chosen to integrate the scheduling system on a lesser scale initially by using a hub scheduling system – grouping similar clinics to one phone number, rather than immediately shrinking over 100 phone numbers down to one.

3. What changes should the new CEO enact to prevent a similar situation from happening again?

- ◆ To prevent the hospital from again being divided between medical staff and administrative staff, the new CEO must ensure that both divisions of the hospital are equally represented whenever necessary. Because CMC is decentralized in structure, formal policies often take the place of direct supervision. Therefore, the new CEO should write a policy that clearly states how the decision-making process will be carried out in the future on issues that concern both the medical and

administrative staff. Any unclear hierarchical lines in the hospital should be distinctly written and made aware to all employees.

◆ The new CEO should make an effort to join members of the medical staff and administrative staff as much as possible, even when the others' input is not required. For example, all major boards and committees within the hospital, such as the ambulatory care board, should have an equal administrative and medical representation. If this is not possible or feasible, at least one administrator should be a member of a physician committee and vice versa. Rebuilding trust, respect, and group spirit is essential to the future of CMC. The physicians and administrators need to regard one another as co-workers and group members and not enemies or opponents.