Restructuring a Pharmacy Department: Leadership Strategies for Managing Organizational Change

Hospital Pharmacy
2018, Vol. 53(4) 225–229
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DOI: 10.1177/0018578718761021
journals.sagepub.com/home/hpx

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Abstract

Background: The Director's Forum series is designed to guide pharmacy leaders in establishing patient-centered services in hospitals and health-systems. This article focuses on leadership strategies for managing organizational change within a pharmacy department. **Objective:** The goals of this article are to describe the foundations of pharmacy organizational structure changes and strategies to efficiently and effectively manage the associated change. **Methods:** This article will aim to (1) describe the organizational structure change process, (2) list known rules to follow when redesigning an organizational structure, (3) briefly describe the organizational change at the Ohio State Wexner Medical Center, and (4) describe leadership strategies to overcome potential challenges of organizational changes. **Conclusion:** The strategies discussed in this article and proposed sample template for organizational change process may be used by a pharmacy department in an effort to restructure their department.

Keywords

management, pharmacists, education, staff development

Introduction

The American Society of Health-System Pharmacist's (ASHP) Pharmacy Practice Model Summit took place in 2010 that called for a monumental change in the health-system pharmacy's national agenda. This meeting consisted of one-hundred health-system pharmacy leaders who decided on three aggressive goals for health-system pharmacists. These goals include (1) pharmacists in health-systems must commit boldly to being totally accountable for the medication use process, (2) pharmacists should engage the institution's executives, physicians, and nurses in creating a strategic vision for the pharmacy department, and (3) pharmacists must advocate for reform in pharmacy practice laws to promote pharmacists practicing at the top of their license and as part of the health care team.

Since the ASHP Pharmacy Practice Model Summit, the Ohio State University Wexner Medical Center (OSUWMC) pharmacy department underwent many changes and growth including, but not limited to, expanded pharmacy services, implemented an integrated medical record, and opened a cancer hospital. With the growth and change within the department, along with the drive from ASHP to change health-system pharmacy, the leaders of the pharmacy department developed a new strategic plan in 2012. Even after the implementation and success of the new strategic plan, the need for a formal and holistic organizational restructure was

crucial to integrate all aspects of the pharmacy department and increase efficiency of the staff. In addition, there was a considerable amount of pressure on the pharmacy to comply with the public demand for improvements in medication availability, affordability, safety, and effectiveness. The senior leadership team of the OSUWMC supported a structure reorganization that allows for efficiency and effectiveness in a large and wide-scale pharmacy enterprise. The goals of the department's reorganization were as follows:

- Provide the highest level of pharmaceutical care, teaching, and research needs of patients, staff, faculty, and students
- Design a structure that is contemporary in its content and evidence-based in its approach
- Respect the diverse and potentially different needs of various patient populations
- Promote the strategic plan of the department and the organization

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Figure 1. Sample steps for change process.
Source. Adapted from Ray and Breland.³

The goals of this document are to describe the foundations of pharmacy organizational structure changes and strategies to efficiently and effectively manage the associated change. This article will aim to (1) describe the organizational structure change process, (2) list known rules to follow when redesigning an organizational structure, (3) briefly describe the organizational change at the OSUWMC, and (4) describe leadership strategies to overcome potential challenges of organizational changes. Each objective will be further discussed throughout this document.

The Organizational Structure Change Process

The organizational structure is defined as the coordination of individuals or groups within an organization.¹ Organizations can function within a number of different structures; structure helps to achieve coordination by delineating communication, channeling reporting relationships, and describing how separate actions of individuals are linked together.¹ The most common organizational structure for health care organizations is a functional organization structure; however, there is a wide variety of structure types.¹

The vastly changing environments of organizations create the need for flexible, fluid, and adaptable structures. Organizational change is the movement of an organization from one state of affairs to another involving the integration of structure, processes, and people to support the implementation of strategy.² There are various processes and models regarding organizational restructure and vast literature about the change process. Organizational change comprises

the processes that people follow, the management of individual performance, the recruitment of talent, and the development of employees' skills.² Organizational restructure involves the integration of structure, processes, and people to support the implementation of strategy.² A successful organizational restructure should better focus the resources of a company on its strategic priorities and other growth areas, reduce costs, and improve decision making and accountability.² Thus, a change in almost any aspect of an organization's workflow can be understandably met with resistance—strategies to help facilitate the restructure process in which we will discuss later in this article.

A critical component of organizational restructure is distinguishing how to plan and execute the change effectively. A useful tool for leaders and managers who are seeking to implement an organizational restructure is a published change model.³ A 3-stage model of planned change was developed in the 1950s by psychologist Kurt Lewin called Lewin's 3-Stage Process of Change.¹ The model simply assumes that change will encounter resistance; therefore, executing change without prior preparation is likely to lead to failure. When employees are not prepared, they are more likely to resist the change effort and less likely to function effectively under the new structure. In this model, it is proposed that organizations should start with "unfreezing," or making sure that organizational members are ready for and receptive to change.¹ This is followed by "change," or executing the planned changes. At this stage, the organization implements the planned changes on structure. Finally, "refreezing" involves ensuring that the change becomes permanent and the new habits, rules, or procedures become the norm.¹ The long-term success of a change effort depends on the extent to which the change becomes part of the company's culture.

A number of other models, described in the literature, have also been used with success in a variety of settings. Through an extensive literature review, there are many change models that can be used by leaders who are seeking to implement organizational change.³ A few examples of other and newer change models include Kotter's 8-Step Change Model, Sutevski's 8-Step Change Model, Institute for Healthcare Improvement Acceleration Model, and A Toolkit for Redesign in Health Care.³ Figure 1 provides a sample of steps that could be used in the change process, as based on a combination of the works of Kotter and Sutevski.³

Proven Methods to Follow When Changing an Organizational Structure

Aronowitz and colleagues have shown that less than a quarter of organizational-redesign efforts succeed. Forty-four percent of companies run out of steam after getting under way with the redesign, while a third fails to meet objectives or improve performance after implementation. As a result,

Figure 2. Nine rules to follow for organizational restructure.

Source. Adapted from Aronowitz et al.²

Aronowitz and colleagues created 9 rules to follow during an organizational restructure (see Figure 2) to help organizations with redesign. These rules were created after combining results of their research efforts incorporating insights from various companies they have worked with in the past. According to Aronowitz and colleagues, if all 9 rules are followed in a structured approach, the success rate of the redesign yields 86%.

The preparation and development of a new structure will be different depending on every organization and pharmacy department. The majority of preparation and development of a new structure falls to the new structure planning process. An understanding of the nature of change, familiarity with evidence-based change models, and a grasp of the factors influencing a decision to make change are all part of the

conceptual framework needed in creating change.³ After the need for restructure is established, one of the first steps is to develop a dedicated team to help with the leaders in health-system pharmacy, particularly the department directors from various areas of the hospital.³ This team must work to not only plan the restructure, they must all work together to come to a consensus and provide the vision and direction. To be effective, health-system pharmacy leaders will need to be guided by a well-thought through practice model that is based on the broad goals of the department. They will need to develop a plan for adoption and implementation of the new model and for assessing its effectiveness. Appropriately constituted and empowered project implementation teams will be essential to maintaining organizational consensus for the change.

Pharmacy Organizational Change at the OSUWMC

The OSUWMC pharmacy enterprise currently consists of 18 pharmacy locations, a staff of over 500 people, and expense and revenues reaching \$360M and \$1.2B respectively. With recent growth throughout the organization, it was critical for an organizational restructure to better facilitate one unified vision throughout the medical center and create an alignment of the key pharmacy areas of patient care services, operations, quality and safety, business operation, informatics, and academic integration.

The process to revise the net-neutral FTE (full-time equivalent) pharmacy organizational structure began in March 2016 with the appointment of a staff committee by the OSUWMC senior leadership to spearhead the restructure, organization, and timelines. The committee was comprised of current associate pharmacy directors, nursing director, pharmacy specialists, college of pharmacy department chair, and human resource representative. The general operating principles that guided the committee's work included (1) think broadly about the department as a whole—one that crosses over many service lines and departments; (2) foster relationships among the members characterized by mutual trust, responsiveness, flexibility, and open communication; (3) do not place any names with any part of the organizational chart—think about the function and structure of our department first, with specific names for positions being a larger leadership decision; (4) commit to spend the time and energy to carry out the committee's purpose; (5) be prepared to listen intently to the concerns of others and identify with the interests represented; (6) ask questions to seek clarification to understand fully the committee members views and concerns; (7) regard disagreements as problems to be solved rather than battles to be won; and (8) be prepared to think differently and develop a creative solution to address the many differences/needs within our pharmacy program.

In early September 2016, the new framework of the structure created by the committee was approved by the OSUWMC senior leadership. The leadership also approved the department to operate with an integrated administrative structure divided into 5 broad areas: Patient Care Services, Enterprise Operation Services, Safety and Quality, Pharmacy Informatics, and Finance and Supply Chain. The patient care services line focuses on patient care teams connected to various services lines; the enterprise operations line focuses on the foundational aspects of pharmacy profession: dispensing a pharmaceutically elegant product; the clinical education and research line focuses on the valued relationship with the College of Pharmacy and assuring competency of our entire staff, residents, and students in all areas of practice; the safety, quality, compliance, and policy line will focus on integrating our medication safety program with other quality programs (both internal and external) to the department; the pharmacy informatics line will be integrated across all

business units to provide for a more united and standard approach to technology management.

The next steps for the department included developing a broad communication plan for steps moving and interviewing and hiring positions internally into the five new roles. Once the 5 new director positions are filled, the department will sequentially implement the rest of the structure until the process is complete.

Leadership Strategies to Overcome Potential Challenges of Organizational Changes

Although change models have been used successfully by many organizations, there are times that they do not succeed. Aiken and Keller claim that most failures (ie, failure to achieve the desired change or unsuccessful in sustaining the change) result from a lack of understanding of certain predictable elements of human nature by leaders.⁴ One overwhelming topic surrounding structure reorganization is change; people do not like change. As a leader, it is your job to lead this change, and lead it with confidence and positivity throughout the entire process.

Before the structure reorganization at the OSUWMC, the pharmacy department struggled with fragmented communication and a disenfranchised feel from certain areas of the department. There was not a standard approach to the pharmacy practice model or procedure. It was vital for the leadership team at the OSUWMC to be aware of the weakness of the department before the restructure and use the restructure as a way to better communication efforts and inspire a unified feel. The biggest undertaking for the department was getting all staff to be open for the department to become a shared services department. There have been many obstacles along the way; however, with a structure plan, determined focus, and support from senior leadership, we hope to elevate the department beyond its current level of national prominence.

Throughout any structure reorganization process, there are many potential challenges that leaders may have to face. These key findings and related challenges and strategies are briefly summarized below:

1. **Timing:** The timing of an organizational restructure can be complicated. The first and foremost important strategy is to make sure the timing of the restructure is right—not just for the leaders but for the organization and the staff. With organizations that have many layers of managers, directors, and senior leaders, the timeline may get lengthened, but it is important to make a timeline in the beginning and allow for changes. It is important for not only the leaders to exhibit patience but to ask of patience from the employees. The leadership team should portray the change and timeline with an optimistic attitude at all times.

2. **Take Out Personal Bias:** This is easier said than done. It is imperative that all leaders and managers take out any and all personal bias during the process, especially during the organizational-redesign planning.
3. **Communication With Senior Leadership³:** When undergoing a large organizational restructure, it is essential to solicit support from hospital administration and nursing colleagues. During the restructure at the OSUWMC, we also incorporated human resources and the college of pharmacy. It is critical to explain the benefits and goals of the new structure to these leaders and show how it aligns with the goals of the hospital.
4. **Communication Within the Department:** The majority of the anxiety, lack of understanding, and distress of staff are usually related to lack of communication from the leadership team. The staff must be included in the change process in some sort of fashion. The leaders must convey their overall vision for the change and update staff with information regarding what is going to happen, when, and why. These communications should occur frequently; in return, leaders should encourage staff to voice their concerns.
5. **Anticipate Politics²:** With any change, there will be staff members who will see the change as threatening, unfair, unwarranted, and so on, and there will be staff members that lack faith in the change, experience anxiety, and fear the change. There will also be staff members who see the change as an opportunity to develop the department or potentially enhance their personal career. Leaders must anticipate the various reactions of the staff members and prepare to act appropriately.
6. **Lack of Measurement²:** During the reorganization process, it is important to not forget to establish new metrics for performance. These metrics should measure both short- and long-term success. After the reorganization is completed and working, all leaders should continue to assess the roll out.

It is essential that the organizational structure must be well understood and planned before, during, and after the change. A specific change model that fits to the department will need to be selected on a case-by-case basis. Leaders should develop a step-by-step plan that considers all aspects of the restructure and their department's specific needs to succeed. The preparation and development of a new structure will be different depending on every organization and pharmacy department. Once a committee of leaders is chosen to start the restructure, follow the 9 rules listed in Figure 2. Last, it is inevitable that there will be challenges and setbacks. Be mindful of the issues that may arise and address them in a timely matter.

The implementation of reorganization must be well-thought through and planned. At the OSUWMC, the appointed interprofessional committee played a crucial role in the success of the restructure planning. The goals of the restructure at the OSUWMC focus on both the staff desire for a unified vision and joined professional and personal relationships and the pharmacy leadership team desire to support the concept of "One Pharmacy" at the OSUWMC.

Conclusion

As discussed, there are various leadership strategies that must be addressed when managing organizational change for a pharmacy department restructure. Several fundamentals and strategies discussed in this article will result in an effective and efficient pharmacy department restructure. This purpose of this article was to (1) describe the organizational structure change process, (2) list known rules to follow when redesigning an organizational structure, (3) briefly describe the organizational change at the OSUWMC, and (4) describe leadership strategies to overcome potential challenges of organizational changes. The strategies discussed in this article and proposed sample template for organizational change process may be used by a pharmacy department in an effort to restructure their department.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

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