

MSO Thrives Amid Major Changes



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Problem to Solve

With change can come opportunity, if and when handled well.

Through a series of mergers and acquisitions, a regional management services organization (MSO) with aggressive operational goals was experiencing rapid growth – and concurrent growing pains.

The MSO's acquisitions added nearly 1,000 new employees within six months, a 50 percent head count increase, translating to a significant amount of leadership, team and job role changes. At the same time, the MSO began rolling out a new core operating software system for utilization management (UM) and claims.

The MSO's changes resulted in a highly stressful and challenging company culture, which now risked losing several highly valued and knowledgeable staff members. That could become very pricey. According to the [Society for Human Resources Management](#), the cost of replacing an employee is 90 to 200 percent of that employee's annual salary, depending on the position. That includes costs for advertising, hiring, training, reduced productivity, missed opportunity costs, etc. for each employee.

Rather than continuing to operate in this chaotic state, the MSO approached Freed Associates (Freed) to develop and implement an organizational change management plan to help the MSO's senior management better communicate across the enterprise and positively shift the culture. The MSO also requested a functional organizational chart for its claims and customer service departments, to help managers understand individual roles, correctly list job titles, and encourage promotional opportunities.

Strategy and Tactics

Based on input from the MSO's senior leadership on future-state goals and expectations, Freed built a cross-functional team of representatives from human resources, operations and IT to understand the cultural climate.

With input from these resources, Freed and the client developed and implemented a foundational change management plan. This plan encouraged broader employee understanding of the organization's goals, and spelled out how individual contributors would be part of that success. This was important as staff rumors suggested that the MSO's new technology would automate several manual job tasks, eliminating several positions. This was contrary to the management team's plans for the staff.

To encourage employee awareness and support for the [change management](#) plans, the MSO hosted a series of cross-functional employee forums and employee recognition activities. Notably, these were specifically not top-down monologues from senior staff to lower staff, but instead fun, collaborative events meant to foster team input and problem-solving.

Throughout the change management plan implementation, Freed and the MSO partnered to develop messaging explaining to staff members how the new software system was actually a positive for employees. For example, because of the new software implementation, staff members could now spend less time on lengthy and dull manual job tasks and more time on functions requiring greater thought and analysis, such as working on cases involving high-risk patients.

Freed also interviewed mid-level managers to obtain key information about frontline staff members' functional roles. From this input, a detailed functional organizational chart was created which included each employee's profile, including the employee's level of training, job responsibilities and areas of expertise (e.g. Medicare). Included with this functional organizational chart was a staff roster listing names and job titles with proposed title increases, based on each person's key job functions.

With the functional organizational chart, the MSO's leaders could now see, at a glance, the entirety of their workforce and have confidence that employees were assigned the correct job titles. The organizational chart also indicated career pathways, for employees and their managers, toward promotional opportunities.

Results and Conclusion

A post-change management plan survey among MSO employees revealed increases in both staff morale and trust in the organization's leadership. Employees said they greatly appreciated the effort the management team had put into transparently communicating with them about the changes, plans and goals for the organization. The MSO's leaders were grateful to reduce the risk of employee departures.

Employees who had previously reported a belief that their jobs were at risk were now reporting they felt assured about their job security and the future of the company. Understanding why – not just how – significant enterprise changes were occurring at the MSO led to additional employee engagement and job satisfaction, and a renewed focus on common business goals, increasing employee productivity.