

## Change Management: A Case of National Railway Hospital\* in Pakistan

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**Abstract:** *This case is about a public hospital managed by a private medical college. Management of medical college decided to automate manual processing procedures of hospital. Medical and paramedical staff had no prior experience of heavy use of computer and adding to that no need analysis was conducted regarding the hospital automation, so as a result extreme resistance was faced by this project especially from the senior staff of the hospital. Planned change management process through formal practices of Project Management is the focus of this case. Rigorous requirement analysis and employees' involvement in situations like this lead to successful change management outcomes. The case also highlights the importance of ownership of stake holder in a change initiative for its successful execution.*

**Keywords:** Change management, project management, employee resistance, employee involvement, hospital management, Pakistan.

### INTRODUCTION

There was height of distress at National Railway Hospital (NRH). From hospital's top management to lower staff, medical and paramedical staff, everyone was in distressing condition. No body knew what "their demands" were? Everyone was saying that "Why hospital is going to be computerized"? And what was way forward, what the real expectation of organization's top management was by imposing "Computerized Hospital" philosophy and how this expectation could be met.

Aggressive deadlines were set and "IT World" fantasy was created. In the whole situation manager management information system (MIS) was the person who was compelled to lead the project in this awkward situation, who had been assigned the project with the stakeholders who do not want to get the service/outcome and who were showing extreme noncompliance with their attitude, and behavior. As a result some people were fired including frontline managers but too-no-avail, Hospital Information Management System (HIMS) could not be implemented in Hospital, instead created a bad impression of Information Technology (IT) Projects.

### BACKGROUND

NRH is a 400-bedded teaching hospital delivering local territory health care services including emergency, out-patients and in-patient services. Primarily built for Railway employees but then because of its poor condition like other departments of Railway, it gained the unique collaboration of private-public partnership. Under this collaboration, private medical college was given management and full control over hospital for 66 years. Old medical equipments were rebuilt. Management tried to rehabilitate the overall hospital's infrastructure which was provisionally recognized by National Medical and Dental Council. All processes were carried out in manual way from registering to discharging the patients. During this restructuring, Information Technology (IT) oriented CEO announced change in hospital's operations like any advanced and modern hospital in developed country by implementing Hospital Information Management System (HIMS).

### THE DECISION

CEO took charge of the medical college in Feb 2007. He was previously working with a multinational company and so inspired by use of state of the art Hi-Tech solutions. During the process of restructuring he decided to automate all the processes of hospital. For cost saving he

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went for an open source web based solution ZURUX HIMS, which was a smart solution and could easily have catered all the requirements i.e. from registration to discharge of patients of hospital. ZURUX HIMS software for hospitals and health care organizations is specially designed on European pattern. It can integrate almost all types of services, systems, departments, clinics, processes, data, communication etc that exists in a hospital. Its design could even handle non-medical services or functions like security, maintenance etc. All employees were asked to use ZURUX HIMS in a current status and in parallel, defining their requirements. The decision was purely based on CEO's experiences of success in the area of information technology. He did not involve hospital administration and employees in this decision.

In a meeting of selected members of hospital administration, he fanaticized that the new IT solution would change the whole atmosphere of hospital and would make it best health care service provider in the country like any developed country 21<sup>st</sup> century hospital where through automated registration, patients are enrolled throughout their life and are treated accordingly by having their disease history. Moreover the CEO explained that "Every doctor in hospital will be connected to every department and also with outside world's doctor to cure the patients with the latest research. Nurses by using their palm top will update the patients' record and will be able to give the input to doctors.

### THE PROBLEM

After launching HIMS project, employees were asked to use it. Besides this, they were asked to give their requirements of their expected health care solution along with the feedback of current systems. Moreover in parallel to all these activities tailoring of this open source solution was also decided. To tailor this open source application according to local needs, a programmer was hired who had not prior experience to tailor these sorts of applications. All these parallel activities i.e. use of automated untailed system along with manual system, requirement gathering and tailoring with incomplete business processes and procedures documents, increased the anxiety level. To do all this, manager management information system

(MIS) was given task of project management with aggressive deadlines. The more interesting aspect of this project was the registration of all railway employees which was unexpectedly promised with Railway administration. The purpose of this task was to have a Railway employee's and their dependents database so that the functionality of HIMS could be enhanced.

The real issue lied on employee's end. Because no need analysis was conducted for this, as according to one staff member there should be a bathroom in Emergency instead of Hi-Tech IT solution. Proper MIS requirement analysis before adopting HIMS was not conducted, as a result incomplete requirements gathering was made which added nothing but distress in shape of unrealistic scope, schedule and quality. All stake holders were not involved while choosing this application. Since it was an open source application so lot of tailoring and customization was required in order to have organizational compliance and proper customization couldn't be completed, so it delayed. Compliance by lower and middle management of PRH was not there so unwillingness was also one of the hurdles. People were not motivated to use this application. Reasons of low motivation were low income in the given context of increased work and unjustified distribution of work. Employee readiness for using and adopting HIMS was not there as it was a brain child of top management. Sufficient resources were not allocated for this project in addition to lack of proper/prerequisite infrastructure. ZURUX experience had already failed in the 3<sup>rd</sup> world countries. (According to 1<sup>st</sup> International Conference on Health Informatics) but even then top management was extremely emphasizing to use HIMS in hospital. No prior feasibility study was conducted for this project. There were some basic flaws in Project Management which include undefined scope of work, unidentified stakeholders and so their requirements, lack of required resources and allocation of budgeting for this, no work breakdown structure, no risk analysis, unrealistic schedule, scope creeping, week matrix organization where project manager was just a coordinator with no decision power, and part time job placement. Customer and end user with no prior experience of using MIS also caused this failure i.e. Staff's skill level did not

meet the required skill set for using HIMS. Top management commitment was not transferred to lower level. Lack of business processes documentation was another serious area as no proper gap analysis was conducted between actual practiced process and ZURUX HIMS functionalities. Medical staff resisted this change especially senior doctor. Due to uneven load of work, low salary there was a high turnover rate as employees were highly de-motivated so they did not welcome an IT solution.

### **DISCUSSION QUESTIONS**

1. How do you analyze CEO's decision to have "21st Century Oriented Hospital"?
2. Do you think CEO is justified for sudden IT change?
3. How CEO's project management practices can be mapped with Project Management Institute (PMI) body of knowledge?
4. What were the real issues faced by employees?
5. What could be done differently to attain the CEO's objective?

### **TEACHING NOTES**

#### **SYNOPSIS**

NRH is a local teaching hospital delivering territory health care services including emergency, out-patients and in-patient services to mediocre and lower level of community of the society in a better way.

Hospital's existing operational processes were manual since its start. Infrastructure of the hospital was not providing conducive work environment to its employees in order to be effective and efficient in daily routine processing. The employees were already de-motivated and there was a high turnover rate in the hospital; however routine processing were running in a smooth way.

When CEO took over the charge of Hospital, he decided to replace the traditional manual system with a hi-tech automated web based solution. Employees took this sudden change as an 'imposed' one, and showed their extreme frustration/reservation while using this system. The way the system was implanted in the

hospital severely affected the existing performance and hindered the adoptability of new system.

### **TEACHING OBJECTIVES**

The main focus area of this case is to management change through formal project management practices. This case may be helpful for the students to comprehend the following:

- Employees' involvement as a change catalyst and transitional smoothness.
- Standard project management practices' role in successful change management.
- Failure's causes in change management initiatives.
- Managerial decision making process.

### **SUGGESTED ANSWERS FOR DISCUSSION QUESTIONS**

#### **1. How do you analyze CEO's decision to have "21st Century Oriented Hospital"?**

CEO's decision of automation and "21st Century Oriented Hospital" fantasy may be analyzed under the light of too much ambitiousness without addressing the basic needs of the hospital and employees as top priority, since hospital's rehabilitation was in infancy stage.

#### **2. Do you think CEO was justified for sudden IT change?**

The change process could be conceded out in a different way. Firstly employees' computer literacy should have been enhanced and then a comprehensive need analysis regarding the HIMS may have been carried out. Then after success of pilot project in a department the whole hospital could be targeted. CEO had no clear change management plan.

#### **3. How CEO's project management practices can be mapped with Project Management Institute (PMI) body of knowledge?**

PMI's body of knowledge describe the project management process by having initiating, planning, executing , monitoring & controlling and closing process groups. CEO neither made any substantial effort to follow the standard practices nor facilitated the project manager to follow these standards. Moreover failure product (declared by 1<sup>st</sup> International Medical

conference on Health informatics) may have been avoided.

**4. What were the real issues faced by employees?**

Following were the main issues faced by the employees.

- Perception of deprivation of basic needs by employees.
- Misunderstandings about change process.
- De-motivation and lack of commitment of employees towards the organization and subsequently its change initiatives.
- No computer and MIS knowledge background.

**5. What could be done differently to attain the CEO's objective?**

There was need to involve all stakeholders in the initiative process to reduce the resistance to change and to increase the ownership of the project. Prior IT skill set to run the MIS could have been enhanced in employees. Feasibility study including operational, functional, and political aspects might have catered for the

success. It would be much better if system had been implemented in phases with standard project management practices.

**TIPS FOR CASE ANALYSIS**

The instructor should encourage the students for discussion and brainstorming on following aspects of the case:

- Identify the main issue of the case.
- Different courses of action could be discussed in order to address the issues.
- Thorough analysis regarding managerial decision process taken by CEO may be discussed by students in the perspective of specific context of hospital.
- Simulation techniques can also be used to understand the whole problem.

**\*NOTE:** This case was written on the basis of generalized experiences of the authors while working with the case organization. Real name of organization has been changed and dummy name has been used. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.