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Integrating Total Disability Management in a Climate of Change: A Case Study

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INTEGRATING TOTAL DISABILITY MANAGEMENT IN A CLIMATE OF CHANGE: A CASE STUDY

by

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ABSTRACT

Integrated disability management (IDM) is a cost-containment strategy increasingly being employed by human resources and risk management departments to address occupational and non-occupational illness and injury in a consistent manner. The goal is to both reduce on-the-job injury and minimize the loss of work time due to injury or illness.

Although a large number of organizations have embraced the IDM concept, implementing IDM often is difficult because of the complex array of contracts, policies, procedures, corporate cultures and structures. Although extensive research has examined leaders' influence on change in various types of businesses, to date, research has not specifically explored major change strategies utilized by leaders to help organizations adapt their programs in ways that facilitate IDM implementation. This study began to explore this topic. It was a qualitative case study of one organization's efforts to implement IDM. The study employed observations and document reviews, along with interviews with a variety of stakeholders, to investigate the IDM change process, in general, and leaders' actions, in particular. The research questions of the study were: (a) Does evidence support the existence of an IDM program in this site? (b) If so, what did leaders do to contribute to implementing IDM?

The study utilized two conceptual frameworks. One framework, developed from the IDM literature, consisted of four indicators signaling IDM program achievement (e.g., common reporting, injury prevention/management, a clear return-to-work policy and employing data management systems). The second framework, taken from the change literature, articulated eight indicators of leader behavior associated with

successful change initiatives. These indicators were: instilling urgency, utilizing teamwork, creating/communicating vision, empowering subordinates, insuring short-term wins, consolidating gains, and transforming organizational culture.

The findings of the study reveal that the site exhibited all four of the characteristics of IDM. Injury prevention strategies, however, were incorporated into the program design only after a change in risk management leadership occurred; significant cost containment also did not occur until this change occurred. The evidence also reveals that program leaders employed most of the strategies associated with successful change initiatives, though there was limited evidence to support claims about fundamental cultural change.

DEDICATION

To Paul

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Chapter I

Introduction

Background to the Study/Statement of the Problem

Loss associated with disabilities and injuries consumes the assets of organizations, insurance companies, and employees. Companies continue to be progressively impacted by increases in workers' compensation and disability related costs. Between 1989 and 1992, employers' biggest financial problem involved the escalating cost of employee disability and injury (Lacerte & Shrey, 1995). For example, Hunt and Habeck (1993) reported the following:

> 7 in every 100 workers suffer... work injury every year. These injuries resulted in 2.9 million lost workday cases, which included an average of 19 lost workdays per case, or 55 million total lost workdays... In 1989, nearly two million workers sustained injuries that resulted in disabilities. At that time, the cost of occupational injury was conservatively estimated at $83 billion (Hensler, 1991). Chelius, Galvin, and Owens (1992) found that total costs comprised slightly more than 8 percent of payroll in a small non-random sample of firms they studies. (p. 1, as quoted in Lacerte & Shrey, 1995, p. 9)

Citing a 2003 national comparison study, Kurlantzick noted, "The Insurance Information Institute, a research organization, estimates the average cost of workers' comp nationwide has increased by 50 percent since 2000" (2004, p. 58). In 2005, Princeton Survey Research Associates International, an independent research organization, conducted a national health and productivity survey for the health insurance corporation,

Commonwealth Fund. An analysis of the data determined the economic effect of disabilities on worker productivity. According to the study 18 million adults were not working due to a disability in 2004. The disabilities resulted in a total of 407 million lost work days, which included an estimated 260 billion dollars of lost labor (Collins, Davis, Doty, Ho & Holmgren, 2005).

To confront the workers' compensation crisis, state legislatures began to pass workers' compensation reform bills. In October, 2003 California passed legislation to control medical costs, encourage return to work and promote workplace safety. The intent of the bill, SB 899, is to slash 11 billion dollars from California's workers' compensation system to decrease insurance premiums. However, many employers suspect that, over time, the new bill will result in cost shifts of employee's workers' compensation benefits to alternative benefit provisions such as long-term or short-term disability insurance (Stevens, 2004).

Current economic challenges in California have created additional pressures in the workplace. Employers' budgets have decreased, yet the need to maintain productivity and performance has not changed. While historically, the primary focus on lost productivity and costs focused almost exclusively on work related disabilities, economic pressures have recently precipitated a shift in focus to include other causes of employee absence in controlling corporate cost and maintaining productivity. Integrated disability management (IDM) is one emerging strategy being implemented by employers to address employee absence and productivity associated with both occupational and non-occupational injuries and disabilities (Stevens, 2004). Integrated disability and absence

management is defined in the literature as "managing time lost from work consistently, regardless of whether an injury or illness was work related" (Douglas, 2004, p. 6). The implementation of integrated disability management is motivated by some rather obvious facts of contemporary business life: When workers experience absence due to disability or sickness, the organization not only absorbs the costs incurred as a result of medical treatment and employee lost wages, but is additionally impacted by costs associated with hiring and training replacement workers, overtime payments to deflect lost production, lost productivity with substitute employees, and increased demands on supervisors for instruction (Miller, as cited in Lacerte & Shrey, 1995).

To control costs and increase productivity, many employers have initiated integrated disability and absence management programs. Because of its emerging nature, integrated disability and absence management initiatives vary, but a frequent feature includes integrating occupational and non-occupational disability management, otherwise known as workers' compensation, short-term disability (SDT) and long-term disability (LTD) (Douglas, 2000).

Integrated disability and absence management programs also vary in scope, focus and design among employers' implementing or evolving their current programs toward benefit integration. Integration exists in varying stages of implementation, with many large companies attempting integration of benefit systems on some level. Integrated Benefits Institute (IBI), an insurance benefits research institute, cited the features and outcomes of integrated absence and disability benefits programs reported by 103 employers covering 2.5 million employees in integrated programs. Among other things,

the IBI cited the most significant practices in meeting their integration goals. The most important of these included a common return-to-work program for all employee injuries, regardless of cause, integrated medical management for all injuries and a common claim reporting system for all disabilities and absence (LexisNexis, 1/31/02 Business Wire, Inc.).

Douglas acknowledges that IDM is an evolving process in most organizations and that paths towards integration vary, however, four key criteria are critical for successful program integration. These criteria include an integrated intake system, integrated medical management, equal opportunity to return to work and an integrated data management system (2004).

A large number of organizations have officially embraced the IDM concept; actual organizational change, however, is often slow and tedious or unsuccessful because of the complex entanglement of state and federal laws, contracts, policies and procedures, corporate structure and culture and multiple subunits in which workers' compensation and disability programs generally reside. Kotter notes that major change efforts in organizations can be influenced by factors such as corporate culture, company bureaucracy, corporate politics, employee trust, investment in teamwork, attitudes about change and leadership/management (1996). Between 1979 and 1994, Kotter analyzed dozens of change initiatives to produce substantial positive change in organizations by way of restructuring, quality programs, cultural renewal and re-engineering. He found that successful transformation revealed two crucial patterns. One pattern is that effective change is often connected with a multiple step process that creates motivation and

directional force sufficient to overcome factors that negatively influence corporate change plans. A second pattern is that leadership and skilled management are critical to the effective application of the change process (Kotter, 1996).

Eight indicators of change leadership have been identified in the literature as crucial to successful organizational change. These factors (which are elucidated further in chapter two) include establishing urgency, teamwork, creating and communicating a vision, employee empowerment, short term reinforcement, consolidating gains and anchoring change in the culture (see, for example, Blumen, 1996; Goodman, 1982; Heskett & Kotter, 1992; Kotter, 1996). In addition, Kotter outlines change errors that can result in slowing or diverting needed change in organizations. The most common pitfalls to implementing program change include: allowing complacency, not creating a effective guiding team, not having or communicating a vision, allowing obstacles to block the vision, lack of short-term wins and declaring success before the change is anchored in the corporate culture. The consequence of not recognizing and mitigating these transformational pitfalls can result in weak strategy implementation, increased program costs, less than favorable results or program failure. Understanding the common mistakes made by organizations undergoing change provides a useful backdrop for assessing change strategies, change problems and qualitative change (1996).

A considerable number of studies and models examine what features are fundamental to effective integration of benefits (see, for example, Douglas 2000). However, my search to find studies regarding major change strategies and efforts utilized by employers to help organizations adapt to the shifting conditions associated with

disability benefit integration and absence management has netted very little. Integrated disability management program research, organizational change, industrial management and change leadership were key descriptors used to refine my search within ERIC, Dissertation Abstracts, Medline, PsycINFO and Social Sciences Abstracts. I was unable to identify any reference to studies that examine the influence of leadership in transforming change within integrated disability management programs. Consultation with researchers and professionals in the field of disability management also failed to point me to any significant research on the topic. Consequently, it appeared that a need existed to study the relationship between the role of disability management (DM) leadership in influencing organizational change towards benefit integration (managing time lost from work consistently, regardless of whether an injury or illness is work related).

Purpose of the Study

This study is a single case study of one organization's efforts to institute disability benefits integration. Two conceptual frameworks were utilized in this study. One framework was based on the principles of an effective integrated disability management program in business and industry alluded to above and discussed in more detail in the literature review. The framework was used to frame a study of the organization's respondents' perception concerning the role of leadership and management in facilitating transformation toward benefit integration. This conceptual framework included four key indicators, briefly mentioned in the prior section, that signal program integration; it helped organize findings and outcomes related to the sites current disability management

program.

The second conceptual framework consisted of eight indicators that Kotter (1996) suggests are often problematic in change initiatives. These were also briefly mentioned in the prior section, and they, too are, discussed in more detail in the literature review. This second framework was used to organize data about what leaders did and did not do while managing the program transformation process. In short, the former framework helped organize findings and outcomes; the latter was used to focus on the process of change.

Thus, the perceptions, attitudes and actions of a variety of the organization's respondents were studied in an attempt to determine how leadership strategies facilitated and constrained the organization's transformation toward benefit integration. By describing the role of leadership in facilitating or failing to facilitate this type of change, I was able to begin to address a void that currently exists in the literature.

Research Questions

The following research questions guided this study:

(a) Does evidence support the existence of an IDM program in this site?

(b) If so, what did leaders do to contribute to implementing IDM?

Research Design

A single qualitative case study design was employed to analyze an existing corporate disability and absence management program. The intent of the study was to determine the influence that leadership actions and behaviors have on facilitating or constraining its transformation towards disability benefit integration. Cresswell (1998) defined a case study as an "exploration of a *bounded system* or a case (or multiple cases)

over time through detailed, in depth data collection involving multiple sources of information rich in context" (p. 61). Cresswell asserts that the case study is an ideal research strategy when the researcher wants to understand a situation in great depth and when the situation is bound by time or place. Patton (1990) acknowledges that one limitation of a qualitative case study is diminished generalization due to its small sample size. However, he argues that it is because of the small sample size that depth and detail are derived. Specifically, he notes,

> Case studies become particularly useful where one needs to understand some special people, particular problem, or unique situation in great depth, and where one can identify cases rich in information in the sense that a great deal can be learned from a few exemplars of the phenomenon in question. (p. 54)

Case study research, when defined from a qualitative paradigm, focuses on theoretical breakthroughs, generation of insights, and understanding through the eyes of respondents (Merriam, 1988). Consequently, it offered an exceptional opportunity to effect important contributions to the knowledge base and practice in fields like management science, disability and healthcare benefit management.

Qualitative case studies in health care are frequently utilized to explore practical problems and policy related questions. Because they provide thick description and perspective, case studies that use a qualitative paradigm are often the research design and methodology of choice for evaluating health services and policy. Since a great deal of the daily function of health professionals involves qualitative decisions the findings that qualitative research methods net have direct application to health care and related fields

(see, for example, Devers, 1999).

The objective of this study is to examine the role played by disability management leadership in facilitating program transformation towards health and disability benefit integration. One unit of analysis in a case study is a program within an organization. One aim of the qualitative case study is to depict a unit of analysis in "depth and detail, in circumstance, and holistically" (Patton, 1990, p. 54). The emergence of an integrated disability management program as a means of containing disability related costs and the relationship between the role of disability management leaders' in facilitating program transformation towards benefit integration is one situation in which a case study is fitting. Though other members associated with the delivery of disability benefits from outside the selected program were interviewed to achieve triangulation (such as the insurance broker and insurance claims executive), the focus was on the strategies used by leaders within the corporate program with regard to their impact on program integration. Since the research is bounded around the single entity of the disability management program, a case study design was appropriate.

Significance

This study should contribute to the body of literature and hopefully fill voids existing in current research regarding leadership strategies used to transform corporate disability programs towards benefit integration. Results of the investigation may provide a basis for further research pertaining to the leadership components driving disability management program integration and absence management. Findings of this and future studies will serve to improve the practices associated with facilitating change in existing

programs in a manner that will economically benefit both the employer and employee. In this regard, the findings should be useful to institutions that seek to develop or improve existing programs in a manner that will minimize both financial and human resource losses associated with employee injuries and disabilities. The research discoveries may also serve as a basis for strategic planning, development and implementation of healthcare and disability management programs for institutions seeking to transform their existing programs towards one of greater benefit integration and absence management.

Chapter II

Literature Review

Introduction

Those who research organizational theory proposed that leadership has direct and substantive effects on facilitating large-scale change (e.g., Austin & Peters, 1985; Schlesinger, Sathe, Schlessinger & Kotter, 1992). This appears to be true in employment settings where leadership influences members' behavior in a manner which helps the organization achieve its goals and, in turn, impacts long term program change (Coleman, 1997; Devanna & Tichy, 1986).

Although researchers can not agree on a precise definition of leadership, some common descriptors relate a leader's role with facilitating change. These descriptors repeat throughout the literature and can be utilized to evaluate change strategies and processes (Hord, 1992; Moore, 2003; Rost, 1993). At the organizational level, leadership appears to be the fundamental theme that links organizational change theories and strategies together. Kotter (1996) consolidates the recurrent descriptors into a concise map for evaluating change problems and strategies.

The concepts of organizational change and leadership appear to be causally linked from a systems perspective. Leadership theorists have postulated that a leader's behaviors and actions are crucial determinants of the effectiveness of change strategies. Effective change strategies serve as the instruments for accomplishing goals and drive organizational change (Bennis & Nanus, 1985; Kouzes & Posner, 1987). However, there is little evidence that organizational change research has examined the relationship

between leadership strategies and change in a disability management setting in general, and more specifically, in a setting in which there is focus on program transformation towards greater integration of occupational and non-occupational disability and lost work time benefits. What little research exists appears to primarily focus on integrated disability management (IDM) program and process factors rather than the function of leadership in directing and implementing change strategies (Douglas, 2000).

Rather than providing an all-inclusive literature review of leadership and change theory, this chapter centrally focuses on Kotter's (1996) pivotal work and his *eight-stage change framework*, as it succinctly consolidates the recurrent descriptors found in the literature. This chapter also incorporates other threads of research that shaped my approach and had particular relevance to the study. These areas of scholarship included research on IDM origins and program components, leadership theory and organizational change, and conceptual frameworks for leadership change strategies.

Origins of Integrated Disability Management

Researchers, theorists and industry change agents interested in worker productivity examined disability as a major cost driver and cause of employee absence. They attempted to identify and describe the effects of evolving disability management program designs and components as a means of identifying proactive solutions for maintaining a healthier, more productive workforce and controlling costs related to disability. While multiple approaches identify and describe progressive disability management models, a common model that focuses on containing costs related to both occupational and non-occupational illnesses and injuries has been termed integrated

disability management (IDM).

Current strategies in IDM designs have roots in earlier programs that focused on saving costs in workers' compensation by examining the impact of medical expenses and lost work days (DiBenedetto, 2003; Hursh, 2006; Stevens, 2004). Initially programs focused primarily on return-to-work interventions after an occupational disability occurred. Because workers' compensation is driven by state laws and administrated individually, the costs associated with length of absence and medical expenses were fairly easy to identify and document and drew the attention of many in the industry. Transitional light work duty and modified/alternative work were identified as strategies that could control lost work time duration and wage replacement benefits (Stevens, 2004). Stevens notes that as time progressed, employers began examining injury prevention as a cost savings measure and means of addressing disability-related losses for both occupational and non-occupational disabilities. Integrated disability management was one strategy used by employers to control disability related costs. Stevens defines integrated disability management as, "a strategy that focuses on occupational and non-occupational illnesses and injuries" (p. 27). However, Stevens did not attempt to provide a precise definition of the descriptors that define an integrated disability management program. In addition, she did not explore the broader implications of program change from a non-integrated model despite the fact that she mentioned program change and integrated design requires "a shift in perspective" (p. 28).

Hursch (2006) commented on the evolving nature of disability management referring to it as "a continuation of an evolution" (p. 17). Hursch notes the origins of

disability management are rooted in workers' compensation with implementation of practices aimed at reducing the financial exposure and absences related to occupationally-caused disabilities. According to Hursch, from the 1980's through the 1990's, implementation of disability management directives were focused on getting employee's with work-related disabilities back to productive work as quickly as possible. Over time, an expansion from workers' compensation to an integrated approach involving injury prevention and return-to-work programs for workers with both non-work and work related disabilities emerged. Like Stevens, Hursch made no attempt to clearly define the components integral to an integrated disability management program design.

Douglas (2000), cited frequently as an IDM scholar, provides a historical analysis of the evolution of disability management. She notes state of the art practices involve incorporation of injury prevention program components focused on both preventing injuries and mitigating the wage earning effects associated with individuals who are at risk of re-injury. Douglas believes the historical roller coaster of health care reforms in the United States led to the impetus for change resulting in present day integrated disability management practices embracing both occupational and non-occupational medical conditions.

In her historical analysis, Douglas notes the underpinnings of current day initiatives began in the 1920's when a national health insurance movement was introduced. At that time, the launching of state workers' compensation programs caused employers to experience increased costs related to work-related disabilities. An integrated insurance program treating injury and illness regardless of cause failed to garner support,

as employers feared that similar unforeseen costs would emerge. The research counsel for the Social Security Board opposed the lines drawn between occupational and non-occupational disability in the 1930's, but his efforts to integrate health care were discarded due to influential interest groups looking to retain state control of workers' compensation programs. This was followed by attempts by Harry S. Truman to implement a national health care plan which again failed due to fear of "socialized medicine" and its perceived relationship to Communism during the 1940's. As federal Social Security Medicare and Medicaid programs implemented in the 1960's evolved to became more restrictive, workers' compensation insurance expanded medical coverage in the 1970's and 1980's resulting in increased indemnity payments. Costs were shifted from shrinking federal payment programs and restricted health maintenance organizations to the employer under the umbrella of workers' compensation (Douglas, 2000).

Expanding definitions of compensability under workers' compensation programs led to escalating costs during the 1980's and 1990's. The eligibility criterion of compensable work- related injury expanded during this period to include a range of non-work related chronic conditions that are aggravated by work. These trends and phenomena gave birth to current day disability management programs after employers started examining ways to contain ever rising costs to workers' compensation insurance plans (Isernhagen, 1995).

Multifaceted forms of the IDM philosophy and program transformation initiatives exist at many companies today. Implementation of IDM is viewed as a multi-stage process with many progressive companies choosing to transform their current disability

management programs towards greater integration of occupational and non-occupational disability benefits. While not all participating organizations have formal IDM policies, a number of program components were identified in the literature that signal an organization's integration of disability benefit systems (DiBenedetto, 2003; Douglas, 2000; Meisler, 2004). The main program strategies that consistently emerge in the literature involve an employer's use of transitional return-to-work programs, medical case management and injury prevention programs, common claims reporting processes, and integrated data management systems.

Integrated Disability Management Research

The impact of different strategies of disability management on cost reduction has been the interest of both researchers and disability practitioners. Significant interest has focused on early return-to-work, medical management by using injury prevention strategies, and effective claims and data management systems as core program components used to contain the cost of disability-related lost work time. As a result, disability program administrators, researchers and practitioners often use these terms when attempting to assess program components and their effectiveness.

A narrowly focused survey study conducted by Integrated Benefits Institute (IBI) in 1998, and cited by DiBenedetto, examined integrated return-to-work programs. An integrated return-to-work program assists all employees with work limitations with return to work, regardless of the cause of injury. Return-to-work is accomplished by allowing employees with physical or mental limitations to perform light duty job functions or by providing job accommodations. The IBI survey polled 121 employers who utilized early

return-to-work program initiatives to contain workers' compensation costs and examined their current programs to manage non-occupational disabilities. Seventy five percent of employers surveyed, reported the same strategies were used to help employee's with both work and non-work related disability return to work. The most common strategies were: making available modified or alternative work options and providing reasonable job accommodations (DiBeneddo, 2003).

Validating IBI's 1998 findings with other surveys, DiBeneddo (2003) contrasted the 2001/2002 joint management research project conducted by the Washington Business Group on Health and Watson Wyatt, a disability management research organization. However, unlike the prior IBI study, the Watson Wyatt survey examined cost-containment strategies used by employers for managing both occupational and non-occupational losses without limiting its scope to integrated return-to-work programs. The study demonstrated greater than half of all surveyed employers used transitional return-to-work strategies to contain costs associated with both occupational and non-occupational illness and injury. It also revealed alternative program strategies most commonly used by organizations to manage lost work time for both occupational and non-occupational disability. The findings identified medical management and injury prevention, as well as employee communication/education, as critical program components in an integrated disability management program design.

Confronted with rising insurance costs, the Union Pacific Railroad implemented a safety and health prevention program in 1990. The program focused on identifying health risk factors and promoting wellness and safety as preventative measures for all

employees. Program participants were largely unionized blue-collar workers working in manual labor jobs. The prevention program was promoted heavily during working hours and integrated in the organization's disability return-to-work program. Seven years later, Union Pacific commissioned a quantitative study by Medstat, a healthcare research agency. The study assessed the cost and quality of the railroad's disability prevention program. Using economic forecasting, Medstat analyzed the present and future workforce to project how health-care costs would be affected by its disability prevention efforts through 2008. The Medstat study predicted disability cost savings of $53 million and a cost-benefit ratio of $4.53 saved for every prevention dollar invested (Meisler, 2004).

Isernhangen (1995) provided a compilation of quantitative research findings which demonstrated the escalating heath care costs in workers' compensation and the strategies overlooked by employers to control disability related costs. Although the research is somewhat dated, it illustrates the evolution of escalating disability related costs facing employers and the missed opportunities for controlling the costs. She reported:

> Nowhere is rising costs a more acute problem than in the workers' compensation system. Workers' compensation costs have risen at 14 percent per year, or at nearly twice the rate for general medical costs. A Minnesota Blue Cross study of workers' compensation costs versus general liability claims reveals that for similar conditions, claims treated under workers' compensation were twice as costly... "Cumulative trauma injuries" are the fastest-growing claims, accounting for 56 percent of costs in 1990 compared to 21 percent in 1982. The average

> length of disability for these claims was 8 to 10 weeks at an average cost of $190,000 in 1990 versus $29,000 in 1982. (p. 702)

She concluded with a summary study by Berman (1991) that cites the primary causes for rising workers' compensation costs. The study concluded the rise in disability cost to be related to an organization's lack of prevention programs and lack of medical management resulting in undirected care and poor return-to-work planning.

Advancing quantitative findings to current times, Kurlantzick (2004) added, "Worker's comp premiums in California rose by more that 100 percent in the past two years alone, and insurers paid out nearly $20 billion in comp claims in California last year" (p. 57). Citing a national comparison study, Kurlantzick notes, "The Insurance Information Institute, a research organization, estimates the average cost of workers' comp nationwide has increased by 50 percent since 2000" (p. 58). As a solution to the raising crisis, employers are upgrading safety and ergonomic programs to keep their costs down and considering self insurance plans to address escalating premium costs.

The Integrated Benefits Institute (2006), a disability benefit research institute, conducted a quantitative study to assess the value of integrating occupational and non-occupational disability data into one database. In their study, IBI conducted an independent analysis of CIGNA's (a disability insurance company) integrated database consisting of 15,600 occupational and non-occupational disabilities and 53,000 medical diagnoses. The study concluded that databases that integrate occupational and non-occupational disability data provide an effective means to monitor injury risk factors, injury claim costs and track the cost of lost productivity. While the IBI study can not be

generalized to other data management systems (because the CIGNA database is limited to the medical conditions it tracks and by its unique methods for cross referencing disability data) it demonstrates the value of using an integrated database to track disability factors across different benefit plans.

Qualitative methodologies used by scholars such as Douglas (2000), Mitral, a contributing author in Lacerte and Shrey (1995) and others attempted to identify factors that can be examined in a more holistic way. Douglas (2000) identified five program element domains that signal an organization's progress toward integrated disability management. The first domain involves the use of a common claims intake system. A common claims intake system refers to having a single location at which to receive disability claims related to short- and long-term disability insurance and workers' compensation. The basic goal of having a common point of contact is that it creates streamlined administration that reduces costs by preventing the filing of duplicate claims for the same disability. The second variable stresses an integrated approach to medical case management. This system variable stresses an integrated approach to managing the medical aspects of employee disability for both occupational and non-occupational injuries and illness. The goal of medical management is to control medical costs and lost work time exposure by minimizing the impact of the injury or preventing an injury from re-occurring. The third component of an integrated disability program is a return-to-work program that assists all employees with return to work, regardless of the cause of their injury. The fourth component of an integrated disabilities program involves the use of an integrated reporting and data management system. An integrated record and data

management system refers to having a system design that provides a means to access and compare data both within and between occupational and non-occupational disability benefit plans. The fifth component of a disability management program involves the integration of an injury prevention program component with the four previous elements. Douglas reports that incorporation of the injury prevention component constitutes the most advanced form of IDM. She refers to the five component design as a "vertically integrated system" and states, "A system is vertically integrated when all programs related to illness and injuries, from prevention through return to work, are coordinated" (p. 7).

One program element that Mitral felt to be critical to effective disability management closely parallels Douglas' medical management and prevention component. However, Mitral combines the two domains, suggesting that a pro-active medical management model incorporating ergonomic and injury prevention strategies is a critical program component for medically managing costs related to both occupational and non-occupational disabilities. Ergonomic engineering, frequently referred to as ergonomics, is defined as the technological science of work design and involves the application of techniques and equipment to optimize a person's functioning in manual work. She suggests the overall goal of ergonomics is to create a fit between the work task and worker to ensure a safe work environment, eliminate or minimize injuries, minimize lost work time and maximize the workers' capacity for productive work (Lacerte & Shrey, 1995, chap. 5).

There appears to be no clear agreement concerning the most valid methodological

approach to determine the specific elements that define an integrated disability management program. In fact, Douglas (2000) points out, "Like all new and emerging programs, IDM means different things to different people." (p. 7). Regardless of the methodology employed, there appears to be some consensus concerning program components that appear to emerge from IDM research. These components appear to include: (a) a common claims reporting center through which all disability benefit claims are funneled; (b) a medical management component to control medical costs and lost work time exposure by minimizing the impact of the injury or preventing an injury from occurring or re-occurring; (c) a return-to-work program component that assists employee's with disabilities who have work limitations with job accommodations; and (d) a data management system design that allows a means to access and compare data both within and between occupational and non-occupational disability benefit plans (Douglas, 2000; Kurlantzick, 2004; Lacerte & Shrey, 1995).

Leadership and Organizational Change

The concepts of organizational change and leadership appear to be causally linked from a systems perspective. Leadership theorists have postulated that a leader's behaviors and actions are crucial determinants of driving organizational change and that the strategies they use are the vehicles for transformation (Bennis & Nanus, 1985; Kotter, 1996; Kouzes & Posner, 1987; Rost 1993). Scholars' emerging research concerned with leadership traits and behaviors incorporated management theory and social psychology in definitions of leadership, thus creating a paradigm that had more direct application for organizational change (e.g., Dachler, as cited in Hunt, Hosking, Schriesheim, & Stewart,

1984).

Rost conducted a comprehensive historical review of leadership theory from 1900 to 1979 and provided an analysis of its effects on emerging theoretical trends in the 1980's, 1990's and the future. Rost's analysis included his contribution and definition of leadership to the body of literature in his work. Contained in his work, *Leadership for the 21st Century*, are hundreds of leadership theories derived from 450 scholarly works across numerous disciplines, many of which are no longer available in print. His compendium of definitions and theories included those from notable leadership scholars in behavioral, social psychology, management and organizational disciplines (Rost, 1993). These disciplines have particular application and use in understanding leadership in the context of organizational change, and were selected for their relevance to this dissertation study.

Organizational theorists Cartwright and Zander (1953) provided a definition of leadership which included a focus on behaviors that facilitate groups to achieve established goals and objectives. They defined leadership as:

> The performance of those acts which help the group achieve its objectives... leadership consists of such actions by group members as those which aid in setting group goals, moving the group toward its goals, improving the quality of interactions among the members, building the cohesiveness of the group, or making resources available to the group. (p. 91, as quoted in Rost, 1993, p. 51)

Cartwright and Zander's theory, while proposing leaders' behaviors are influential in moving a group towards change, does not address leaders' effectiveness in achieving meaningful change.

Stogdill (1958) agreed with Cartwright and Zander's position that leaders' behaviors influence groups to act, but also stressed the importance of a leader's effectiveness noting, "Leadership may be considered as the process (act) of influencing the activities of an organized group in its effort towards goal setting and goal achievement (p. 33, as quoted in Rost, 1993, p. 52). Twenty years later, Moloney (1979) similarly placed emphasis on a leader's effectiveness when she defined leadership noting, "Leadership is defined as an interpersonal process of influencing the activities of an individual or group towards goal attainment in a given situation" (p. 11, as quoted in Rost, 1993, p. 59). Stogdill and Moloney's definitions view leadership as the primary element that drives a group toward change, as well as the force that ensures attainment of change. While their definitions have particular application to organizational change, they appear to blend the concepts of leadership and management together as part of the same process.

Rost (1993) is openly critical of Stogdill's and Moloney's definitions, stating they lack substance and refers to them as a reflection the times' "sloppy thinking" about the phenomenon of leadership, which contributed to the view that leadership and management were the same process. He agreed more with the definitions that emerged from exchange theory, a body of work that was predominant in the 1970's, and drew a clearer distinction between leadership and authority. Citing Jacobs (1970), he notes:

> Leadership is taken as an interaction between persons in which one presents information of a sort and in such a manner that the other becomes convinced that his outcomes (benefits/costs ratio) will be improved if he behaves in a manner

> suggested or desired. Communication skills are more important... than power or authority, because its essence is the development of a new state of knowledge, belief, or attitude. As defined ... leadership depends on the competence of the leader at the task at hand, on his ability to understand the motives of his followers in order to provide convincing evidence of the desirability of an act that he desires. The essence of social exchange is the development of relationship with other persons, such that the benefits of mutual value can by "traded" between participants of both equal and unequal status. (p. 60-61)

Like Jacobs, Hollander (1978) defined leadership along the lines of social exchange theory noting, "The process of leadership involves a social exchange between the leader and followers... social exchange, or transactional approach, involves a trading of benefits" (p. 7, as quoted in Rost, 1993, p. 61). Leadership, as defined through exchange theory, may lend some value to leaders within organizations, as it provides a psychological and sociological perspective that can motivate change by influencing personal relationships. However, it may not have direct application for leaders in organizations looking to influence large-scale change. The trading of benefits may not be an option, as implementing change often requires initial sacrifices be made, many of which are not in equal balance between all organization members.

Social psychologists Katz and Kahn (1966/1978) provided an organizational perspective of leadership, defining leaders' behaviors in organizational settings. They defined a number of leader behaviors and interventions that tend to manifest in changing organizations. The most notable interventions are introducing structural change or policy

and the use of formal structure to keep the system in motion and effectively operational (Rost, 1993). Similar to Katz and Kahn, Kracke's (1978) view of leadership is also group-oriented, but he views the phenomenon as primarily functional. He opines, "Leadership is a set of functions related to the formation of... a group and to maintaining its continuity and coordination" (pp. 84-85, as quoted in Rost, 1993, p. 64).

Building on the work of organizational behaviorists and psychologists of the 1970's, management researchers, scholars and organizational consultants developed conceptual models of change leadership throughout the 1980's and 1990's. Of particular application were models that built on the intellectual antecedents of theorists whose focus was directed toward understanding leaders' influence on group behavior and achieving organizational goals. One conceptual framework noted by Rost (1993) involves the concept of leadership influence. Rost stated, "If there are few other unifying elements to our collective thought about leadership, the notion of leadership as influence is one that clearly stands out... the notion of influence transcends several conceptual frameworks of leadership" (p.77). While Rosts' critique of many of the leadership scholars, frameworks and definitions contained in his text were bitingly critical, he relaxes his criticism in this particular framework stating it to be "a vast improvement over the other frameworks analyzed above... the definitions are fairly straightforward... (and include) a distinction between leadership and management" (p. 81).

Along the lines of leadership influence emerged the work of Kotter. At the organizational level, influential leadership appears to be a fundamental theme that links organizational change and strategies together. Kotter (1996) consolidates the behavioral

descriptors and strategies seen in various leadership models into a concise template for evaluating change problems and strategies. Management and leadership are differentiated by Kotter in his definition of leadership in which he notes:

> Management is a set of processes that can keep a complicated system of people and technology running smoothly. Leadership is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision and inspires them to make it happen despite the obstacles. (p. 25)

Models for Leadership Change Strategies

The leadership model literature which focuses on organizational change and related strategies is too vast to be addressed in its entirety in a single literature review. This section considers the pivotal scholarly work of John P. Kotter (1996) on leadership and organizational change processes, in general, and juxtaposes works from other scholars that appear in the literature. The other scholars describe parallels in how the processes of change occurs and describe leaders' behaviors, actions and strategies as key factors influencing major organization change.

A variety of factors appear in the literature which characterize leaders' use of behaviors, actions and strategies to influence organizational change. Numerous scholars address the significance of strategies used by leaders that focus on establishing urgency (Fullan, as cited in Hord, 1992; Kotter, 1996), building effective teams (Barcza, Smith, & Wilemon, contributing authors in Schlesinger et al., 1992), creating vision (Hord, 1992; Morse, 1993), empowering group action (Beer, Eiserstat & Spector, contributing authors

in Schlesinger et al., 1992; Fetterman, 1996), using short-term reinforcement (Schlesinger et al., 1992), consolidating gains to produce more change (Goodman et al., 1982) and changing culture (Heskett & Kotter, 1992).

Kotter's Eight-Stage Process for Creating Change

In *Leading Change*, Kotter (1996) explored reasons organizations attempting change tend to fail. Kotter contrasts common errors made by organizations attempting change with strategies used by leaders to avoid and mitigate mistakes that interfere with large-scale organizational transformation. Kotter analyzed the reasons why systems resist change and offered a practical eight stage process that leaders can use to successfully drive transformation forward. His strategies are focused on fostering enough energy and motivation to surmount organizational inertia and correct errors. This *eight-stage process for creating major change* involves the following: (1) establishing a sense of urgency; (2) creating the guiding coalition; (3) developing a vision and strategy; (4) communicating the change vision; (5) empowering broad-based action; (6) generating short-term wins; (7) consolidating gains and producing more change; and (8) anchoring new approaches in the culture.

Establishing a Sense of Urgency

Kotter (1996) reports, "By far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees" (p. 4). He views crisis as a useful element for change because it gets people's attention, lowers complacency and raises the level of urgency in an organization. Urgency in turn is viewed as a crucial determinant in gaining

members' cooperation for implementation of change initiatives.

Complacency, according to Kotter, is the nemesis of urgency and originates from any number of sources. The most common cause of complacency is when no obvious crisis is seen, resulting in an organizations' failure to feel compelled to address existing problems. Another reason can be related to the organizations' structure, which may place focus on "narrow functional goals instead of broad business performance" (p. 40) and cause managers and employees to attend to their departmental objectives rather than contribute to the organization's overall success. Failure to obtain and examine performance feedback from sources other than those internal to the organization is viewed as another contributing factor to high levels of complacency. Kotter (1996) believes that external feedback from outside stakeholders is critical in providing a reality check on performance.

Kotter provides a number of strategies that focus on eradicating complacency and increasing urgency levels in organizations. Examples of these measures include: creating a crisis through exposing the organizations' major weaknesses by looking at competitors success, holding departments more accountable for wider measures of performance, utilizing outside consultants to rouse discussion based on competitive realities, communicating the opportunities and rewards for pursuing the opportunities and the organization's barriers to realizing those opportunities (1996).

Hord (1992) conducted a comprehensive review of change leadership theory in education. She identified tools and techniques for leaders' use in facilitating change. She makes numerous references to the importance of establishing urgency to break old

patterns and inertia. Hord (1992) identified two salient topics in the literature on change implementation, one of which she categorized as "creating an atmosphere and culture for change" (p. 6). While she does not use the term "urgency" as Kotter does, in describing this element her literature findings suggest a similar strategic dimension exists in educational disciplines. She cited an excerpt from Hill, Wise, and Shapiro (1989) which states, "No effort studied caught fire without an active superintendent willing to attack the school system's inertia" (p. 20). She also provides the following findings on leaders' roles in implementing change:

> Fullan (1991) and Huberman and Miles (1984) maintain that leaders at all levels must provide "specific implementation pressure and support" (Fullan, 1991, p. 198). From studying exemplary schools, Sagor (1992) notes a constant push for improvement; "the secret seemed to be in providing the right combination of pressure to improve along with meaningful support" (p. 13). One way leaders maintain pressure is by continually asking probing questions, "yet providing teachers with personal support" (p. 18). They specify that the bottom line for making change at the school or district level can be characterized by the two terms "pressure" and "support." (p. 14)

Douglas (2000) describes the process of assessing a company's readiness for IDM. While she does not specifically address a leader's role in implementing change, her process description is suggestive of key strategies offered by Kotter (1996) to overcome complacency. Examples of strategies used by Kotter to address organization inertia include exposing the organization to major weaknesses by examining competitors'

success; utilizing outside consultants to drive open discussion based on competitive realities; communicating opportunities, demonstrating the rewards for pursuing the opportunities, and the organizations' barriers to realizing those opportunities. Douglas suggests similar tactics when describing the importance of conducting an objective organizational assessment that is not "subject to internal political pressure" (p. 67). She alludes to some of these factors and potential barriers indicating:

> The crafting of reasonable expectations cannot be done without a clear assessment of the current benefit plans, processes and costs and an honest appraisal of the company's appetite for change. Identification of potential obstacles and barriers to change within the organization is a critical success factor for IDM. (p. 67)

Creating a Guiding Coalition

Kotter (1996) believes that in order to facilitate large-scale change, an organization requires a strong "guiding coalition" or group of people that hold positions of influence, have a wide range of expertise and have high organizational credibility. The team should consist of those with both leadership and management skills and they must be able to work in conjunction with the leaders driving the change and the managers controlling the process. Teams that experience success in leading change share an appreciation of the problems, opportunities and commitment to the change objective.

Kotter (1996) emphasizes the importance of trust and bonding between team members as a critical element for embracing a shared vision. He provides strategies for achieving group bonding and trust. One common vehicle cited to foster trust in teams involves the use of recreational type gatherings in which the focus is on becoming more

of a team and on reinforcing the larger-scale objective. Social gatherings are used as a means to open channels of communication, expand mutual understanding and encourage the growth of trust by further increasing credibility of the vision.

In addition to trust, having a common goal is a critical factor to teamwork. Trust is an important precursor to creating a common organizational goal and breaking down departmental self-interests. For the common goal to be effectively embraced, it must be viewed as reasonable by team members. With a high level of trust and a shared organizational objective the correct characteristics are present for the creation of an effective group to lead an organization through change (Kotter, 1996).

Barczak, Smith, and Wilemon (1995) refer to a number of "key ingredients of large-scale change" (Schlesinger et al., reading 7-2, p. 433). One ingredient is termed "bonding and attunement" (p. 435). Barczak, Smith, and Wilemon argue that in order for an organization to produce and manifest a vision, a high level of alignment needs to be present among its team. They opine:

> In order to develop and manifest a vision without dependence on rigid structures, an organization undergoing large-scale change must have a high degree of alignment among its members. Organizations' members achieve this alignment when they transcend traditional role requirements and cultivate a greater sense of community, trust, respect, and shared values. The terms "organizational bonding" and "attunement" are used here to identify such a state. (p. 425)

A high degree of communal skill is necessary in order for this state of teamwork to develop in the change process. The authors provide an example of a successful strategy,

used by Intel, for facilitating interpersonal skills and teamwork between members. They assert that informal contact between superiors and employees is the most important source that bonds members and communicates crucial information. They illustrate one strategy for building teamwork in the following excerpt:

> Bonding and attunement assume ever greater meaning when they are viewed as ways of maximizing communication and response capabilities... in changing environments. Intel Corporation... stressed the development of open and frequent contacts between the new hires and senior staff; in order to accomplish this, it de-emphasizes status relationships. (p. 436)

Developing and Communicating the Vision

Morse (1993), an educational scholar, completed a review and critique of literature on the topic of vision as an element of fostering successful change. She identified tools and techniques for leaders' use in developing and communicating change visions. She makes numerous references to the importance of developing an appropriate vision and inspiring people to work toward it. She addresses a variety of definitions, but points out that all of them have three things in common- they all include "a mental image or picture, a future orientation, and aspects of direction or goal" (p. 1). She notes:

> Vision provides guidance to an organization by articulating what it wishes to attain. It serves as "a signpost pointing the way for all who need to understand what the organization is and where it intends to go" (Nanus, 1992). By providing a picture, vision not only describes an organization's direction or goal, but also the means of accomplishing it. It guides the work of the organization. Seeley (1992)

> describes vision as a "goal-oriented mental construct that guides people's behavior." Vision is a picture of the future for which people are willing to work. (p. 1)

Morse (1993) points out that, in addition to being an image of the future, vision has an ingredient that "serves to inspire, motivate, and engage people" (p. 2). She describes the motivational effect of a good vision by citing the following:

> Vision has been described by Manasse (1986) as "the force which molds meaning for the people of an organization." It is a force that provides meaning and purpose to the work of an organization. Vision is a compelling picture of the future that inspires commitment. It answers the questions: Who is involved? What do they plan to accomplish? Why are they doing this? Vision therefore does more than provide a picture of a desired future; it encourages people to work, to strive for its attainment. For educational leaders who implement change in their school or district, vision is "a hunger to see improvement" (Pejza, 1985). (p. 2)

Morse summarizes common strategies found in the literature used by leaders for the development of a shared vision- one in which members of the organization are compelled to embrace and own. One of the primary strategies in developing an effective vision involves researching and studying trends that provide an understanding of factors that economically impact the individuals in the organization and the organization as a whole. By providing compelling research findings outlining economic implications for an organization, the vision will take on a meaning that makes sense to the group members.

Kotter (1996) believes that in order for major change to occur, an organization needs to develop a shared view of a better future. He believes the development of an effective vision is one tool for changing group behavior and eradicating the negative forces that create resistance to change. Kotter defines vision as, "A picture of the future with some implicit or explicit commentary on why people should strive to create that future" (p. 68). In order to be effective, Kotter opines that a vision should posses certain qualities. One property is that it produces a visualization of the future. It also needs to appeal to the shared interests of the organization's constituents. Third, the vision needs to be "... grounded in a clear and rational understanding of the organization, its market environment, and competitive trends" (p. 75). Lastly, an effective vision needs to have "focus, flexibility, and ease of communication" (p. 77).

Kouzes and Posner (1987) focus on traits and practices of good leaders. They argue that good leaders inspire a shared vision of the future and enlist the support of others to achieve the vision. Similarly, Kotter believes that although visions usually originate from one person, in successful change efforts the team provides essential input to refine the vision. Kotter (1996) notes, "All effective visions seem to be grounded in sensible values as well as analytically sound thinking, and the values have to be ones that resonate deeply with the executives on the guiding coalition" (p. 82). If sincere effort and teamwork is not present, vision development efforts will stall. Kotter describes the process of developing a effective vision as having a component of flux describing a "messiness of the process" adding, "Vision creation is usually a process of two steps forward and one back, movement to the left and then to the right" (p. 81).

Bennis and Nanus (1985), identify three leadership strategies for developing and communicating a shared vision. In organizational transformation, a leaders' role in facilitating an understanding of the vision and obtaining the groups commitment to change is anchored in the leaders ability to effectively communicate the vision:

> Leaders... get attention. Their visions or intentions are compelling and pull people toward them. Intensity coupled with commitment is magnetic (p. 28). The actions and symbols of leadership frame and mobilize meaning. Leaders articulate and define what has previously remained implicit or unsaid; then they invent images, metaphors, and models that provide a focus for new attention. An essential factor in leadership is the capacity to influence and organize meaning for the members of the organization. (p. 39)

Furthermore, they add, "Leaders acquire and wear their visions like clothes... and their behavior exemplifies the ideas in action" (p. 46).

Kotter (1996) posits a similar link between effectively communicating the vision and obtaining broad-based organizational commitment to change. He outlines a number of key elements that facilitate effective communication of the vision. Like Bennis and Nanus (1985), Kotter places great stock in the power of the "use of metaphors, analogies and examples" (p. 91) in conveying the picture on an emotional level to help members, "come to grips with their concerns about change" (p. 92). The use of multiple forums to convey a repetitive message is also viewed as an essential element to effectively communicate the vision and win the support of the organization. He describes the different methods used stating, "Vision is usually communicated most effectively when

many different vehicles are used: large group meetings, memos, newspapers, posters, informal one-on-one talks" (p. 93).

Repetition, according to Kotter (1996), is also an important strategic variable for effectively infusing the vision in the consciousness of the organization and helping "employees... grapple with difficult intellectual and emotional issues... look at all of their daily activities though the lens of the new vision... and collectively... win over both hearts and minds" (pp. 94-95). He states, "Effective information transferal almost always relies on repetition" (p. 94). A combination of small communications adds up to an effective conveyance of the message. For example, he notes,

> A sentence here, a paragraph there, two minutes in the middle of a meeting, five minutes at the end of a conversation, three quick references in a speech- collectively, these brief mentions can add up to a massive amount of useful communication, which is generally what is needed to win over both the hearts and minds. (p. 95)

Group Empowerment

Fetterman (1996), a scholar of empowerment evaluation, completed a review and critique of literature on the topic of empowerment as a framework for a forward-looking approach to evaluation. He believes that group empowerment is concerned with giving power to both group processes and outcomes. As a theoretical framework for his work, he cited Zimmerman's (in press) theory of empowerment, noting:

> A distinction between empowering processes and outcomes is critical in order to clearly define empowerment theory. Empowerment processes are ones in which

> attempts to gain control, obtain needed resources, and critically understand one's social environment are fundamental. The process is empowering if it helps people develop skills so they can become independent problem solvers and decisions makers... empowering processes at the organization level might include shared leadership and decisions making. Empowerment outcomes refer to operationalization of empowerment so we can study the consequences of... effects of interventions designed to empower participants... When we study organizations, outcomes might include organizational networks, effective resource acquisition, and policy leverage. (pp. 4-5)

Beer, Eisenstat, and Spector (1992) also view fostering the development of necessary skill, as a means to enact a vision, as an essential element of group empowerment and effective change. They state, "Once an organization has defined new roles and responsibilities, people need to develop the competencies to make the new setup work" (Schlesinger et al., reading 7-3, p. 450). They also addressed the importance of removal of other barriers that may interfere with implementation of the change vision. Examples of other barriers to action that need to be addressed for change to occur include removing any inconsistencies between internal systems that interfere with the vision and overlooking the need for all levels of employee involvement. Beer et al. suggest a sequential step process is needed for effective change to occur. They note:

> There comes a point where general managers have to consider how to institutionalize change so that the process continues even after they've moved on to other responsibilities. Step five is the time: the new approach has become

> entrenched, the right people are in place, and the team organization is up and running. Enacting changes in structures and systems any earlier tends to backfire. (p. 452)

Similarly, Kotter (1996) believes that the riddance of organizational barriers is a necessary step to empowering a wide range of employees to take the necessary action for change. He refers to stage five of his eight stage process for major change as "empowering employees for broad-based action" (p.101). He explains:

> The purpose of stage 5 is to empower a broad base of people to take action by removing as many barriers to the implementation of the change vision as possible at this point in the process. Four (obstacles) can be particularly important: structures, skills, systems and supervisors. (p. 102)

Kotter provides a number of examples of structural barriers that can interfere with realizing the change vision. Examples of structural barriers include: "fragmented resources and authority... different functional organizations... strong functional silos (and)... middle management trying to protect their functional fiefdoms" (pp. 103-106). He also refers to the importance of members of the organization having the necessary skill sets as an essential element for group empowerment. Kotter suggests, "Training was a critical element in empowering employees to put new visions to work" (p. 109). He suggests that training need not be expensive or highly formalized to be effective. Explaining he notes, "Clever design of educational experiences can deliver greater impact at one-half or less the cost of conventional approaches" (p. 109).

A misalignment of organizational systems can also pose a barrier to empowering employees to act on the vision. Kotter believes an important question to ask concerns how the current systems support or hinder the new vision. He specifically raises a question to be asked: "Do your HR systems (performance appraisal, compensation, promotions) make it in people's best interest to implement your new vision... Are they aligned with the new vision?" (p. 110). Acknowledging that it is often not reasonable, or possible, for all inconsistencies between the system and the vision to be addressed all at once, Kotter notes:

> During the first half of a major change effort, owing to constraints on time, energy, and/or money, you can't alter everything. Barriers associated with the organizations culture, for example, are extremely difficult to remove completely until the end of each change project, after performance improvements are clear... Before some solid short-term wins are established; the guiding coalition rarely has the momentum or power to make that much change. (p. 111)

Short-Term Reinforcement

Schlesinger et al. (1992) give consideration to issues that arise when an organizations' structure involves a series of specialized subunits. They review the effect of reward systems on employees' behaviors and task performance in a subunit design. As they point out, organizational structures involving specialized autonomous subunits emerged in the late 18th century and continue to exist today as the predominant organizational design. They summarize the primary benefit of this type of design stating, "The logical objective of the organizational design of a specialized subunit is to select,

develop, and manage a group of human resources to accomplish a limited set of assigned objectives efficiently and effectively in both the short run and long run" (p. 15). Although this type of design is meant to create more efficient and effective organizations, it also creates problems if inconsistencies occur between the organizational design and the members or tasks they perform. When a fit does not occur between reward systems and members or the tasks they perform, change efforts can be hampered in both the short- and long-term.

One area of mismatch can occur when the existing reward systems are incongruent with either the subunits task or employees' needs or expectations. Referring to the importance of congruency between organizational design and employee needs, Schlesinger et al. (1992) state, "Possibly the most important aspect of the organization design-people relationship deals with the fit between reward systems and people's needs and perceptions of what they deserve from the organization" (p. 20). Likewise, they indicate congruency between the organizational design and subunit tasks is important. Commenting on effective reward systems, they add:

> For a reward system to fit a set of subunit tasks it must motivate necessary behavior and it must do so at a reasonable cost in light of the importance of those tasks. The most common reward system-task misfits occur when unimportant behavior is rewarded while more important task-related behavior is not rewarded or when uncontrolled tasks outcomes are rewarded while outcomes under a person's control are not rewarded. (p. 24)

Building on this earlier work, Kotter (1996) addresses the role that short-term reward structures have on the change process. He feels one mistake organizations make when trying to effect change has to do with "failing to create short-term wins" (p. 11). Explaining further the relationship between short-term reinforcement and the long range change objective he notes:

> Real transformation takes time. Complex efforts to change structures or restructure businesses risk losing momentum if there are no short-term goals to meet and celebrate... Without short-term wins, too may employees give up or actively join the resistance... Successful transformation... looks for ways to obtain clear performance improvement... and reward the people involved with recognition, promotions, or money. (p. 11)

Kotter (1993) suggests that planning for short-term performance improvements support the change effort in a number of ways. First, short-term wins provide reinforcement that the change effort has been worth the initial sacrifice and creates opportunity to feed much needed momentum. Momentum transforms "fence sitters... into supporter, reluctant supporters into active participants, and so on" (p. 124). Short-term wins also provide necessary feedback for the guiding coalition by supplying "concrete data on the viability of their ideas" (p. 123). Concrete results, in turn, serve to retain the support of those in upper level management by demonstrating that the change objectives are producing the intended results. Attention-getting results fuel the engine that drives the vision forward by bringing sufficient credibility to the change endeavor.

Using Current Gains to Further Long-Term Change

A common mistake made by organizations when implementing change plans involves, "declaring victory too soon" (Kotter, 1996, p.12). Kotter argues that until the new initiatives are anchored deeply in the organizations culture, changes will not persist and behaviors may slip back to the prior patterns.

Goodman et al. (1982) address a form of organizational change failure, specifically the inability of an organization to stabilize and maintain a new change. They refer to the continuity of change initiatives in an organization as "institutionalization" (p. 228). They believe that different levels of institutionalization are possible and that creating long-term change is predicated on the persistence of change behaviors, performance, normative consensus and values. Goodman et al. explain the concept of institutionalization as:

> Institutionalization is examined in terms of specific behaviors or acts... The persistence of change programs can be studied by analyzing the persistence of the specific behaviors associated with each program... An institutionalized act is defined as a behavior that is performed by two or more individuals, persists over time and exists as a social fact (Goodman, Bazerman, & Conlon, 1979). Behavior as a social fact means that it exists external to any individual as part of social reality, that is, it is not dependent on any particular individual. An institutionalized act is a structural phenomenon. Persistence in the context of planned organizational change refers to the probability of evoking an institutionalized act given a particular stimulus and the functional form of that

> response rate over time. Persistence is not an all-or-nothing phenomenon; there are clearly degrees of persistence that can be identified in terms of response rates over time (Goodman, Bazerman, & Conlon, 1979). (p. 229)

This definition parallels Kotter's (1996) assertion that "major change often takes a long time, especially in big organizations... many forces can stall the process far short of the finish line" (p. 132). While Kotter does not delve into a theoretical framework for his assertion, he does note two reasons that the change progress can fail to persist: corporate culture and "interdependencies" (p. 134). Similar to the concept of specialized subunits offered by Schesinger et al. (1992), Kotter considers issues that arise when an organization's structure involves multiple autonomous subunits, or "interdependencies". He opines that this type of organizational design makes it difficult to sustain organizational change on a long-term basis. Kotter proposes a number of strategies that can be used to help sustain change efforts. One such strategy involves using initial performance data demonstrating improvements to boost credibility of the change leading team and continue to the progress forward. With increased credibility other "elements of the interdependent whole are targeted for action" (p. 140). With this strategy, additional change efforts can be targeted with a focus on drawing together elements of the whole organization, rather than maintaining focus on individual sub-units.

Leadership is viewed by Kotter (1996) as a necessary vehicle for ensuring the new change is cemented in the organization's identity. Because, unlike managers, leaders have a tendency to think in the long term, their involvement in solidifying the change is essential to successful "institutionalization" of the change. A number of strategies have

been suggested by Kotter to facilitate ongoing change to ensure long-term solidification of the vision in the corporate culture. These strategies are: using credibility from short-term wins to take on more change projects; bringing in additional members to facilitate more changes; maintaining sufficient urgency levels with the help of experienced managers; involving line level management in the management of new projects; and ridding organizations of non-essential interdependencies when possible.

Influence of Corporate Culture on Performance and Change

Numerous behavioral studies and scholarly works exist which address the relationship between organizational performance and culture. In one such study Heskett and Kotter (1992) address the influence of corporate culture on organizational performance. They define corporate culture as representing:

> An interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves, sometimes over long periods of time. This continuity is the product of a variety of social forces that are frequently subtle, bordering on invisible, through which people learn a group's norms and values, are rewarded when they accept them, and are ostracized when they do not. (p. 140)

They retrospectively reviewed organizations that demonstrated success during the economically stable period of the 1940's through the 1960's but subsequently floundered when the environments became more competitive and fast paced. Their research concluded that companies that failed had one thing in common: change resistant cultures. They summarized, "Even contextually or strategically appropriate cultures will not

promote excellent performance over long periods unless they contain norms and values that can help firms adapt to a changing environment" (p. 142).

While Douglas (2000) does not specifically address the role of culture in predicting an organizations success in implementing IDM initiatives, she does suggest its significance in assessing an organizations readiness to successfully embrace an IDM program model. She states an important factor in determining a company's readiness for change includes an assessment of its "values and priorities, which are demonstrated in part, through its safety, health and disability management (including return-to-work) programs" (p. 216).

Building on his earlier work in Heskell and Kotter (1992), Kotter (1996) later applied his theories on corporate culture and performance to the process of organizational change. One factor that contributes to failed organizational change efforts involves overlooking the importance of "anchoring changes firmly in the corporate culture" (p. 14). According to Kotter, failing to solidify the change in the corporate culture would not be as "costly in a slower-moving and less competitive world. Handling new initiatives quickly is not an essential component of success in relatively stable... environments" (p. 15). However, he continues on to point out that in today's corporate environments the economic stability of preceding eras is no longer the norm. Kotter defines corporate culture as:

> Culture refers to norms of behavior and shared values among a group of people. Norms of behavior are common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach

> these practices to new members... Shared values are important concerns and goals shared by most of the people in a group that tend to shape group behavior and that often persist over time even when group membership changes. (p. 148)

Prior theories focus on changing the organization's culture as an initial step to implementing major change (see, for example, Hord, 1992). In contrast, Kotter argues that in order to significantly change corporate values and norms, members of the group need to first experience tangible benefits. Explaining the concept he notes, "Culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement" (p. 156).

Summary

This chapter does not provide an all-inclusive review of the literature on the topic of leadership and change theory. Instead it centrally focuses on Kotter's (1996) pivotal work and his eight-stage change framework, as it succinctly consolidates the recurrent descriptors found in the literature. The literature review also incorporates research on integrated disability management (IDM) program origins and components, leadership theory as it relates to organizational change, and conceptual frameworks for program change strategies. These areas of study shaped my approach to the inquiry and have particular relevance to the dissertation. A review of the literature yielded little evidence that research on organizational change has examined the relationship between leadership strategies and change in organizations that are interested in altering existing disability management programs. What little research exists appears to primarily focus on IDM

program and process factors, rather than the role of leadership in directing and implementing change strategies. As such, this void in the literature appears to support the need to examine the influence that leadership and change strategies have on facilitating change in disability management programs.

Chapter III

Methodology

A qualitative inquiry was selected for this study. Denzin & Lincoln (2003) describe qualitative research as involving "an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomenon in terms of the meanings people bring to them" (p. 4).

Merrium (1988) argues that because experiences are predominantly subjective in nature, a phenomenon is best-known through interpretation rather than measurement. In qualitative inquiry the researcher observes what is taking place in a natural setting. In this regard, qualitative research is often called naturalistic inquiry. Since the researcher is interested in understanding process and uncovering meaning, which is embedded in the respondent's experiences, he/she can not remain detached from the phenomenon. Thus, as the primary instrument for data collection and analysis, the researcher is able to describe the phenomenon from an insider's perspective. Merrium notes, by citing Guba and Lincoln, the unique qualities that a human researcher can provide as a data collection instrument:

> The researcher as instrument is responsive to the context; he or she can adapt techniques to the circumstances; the total context can be considered; what is known about the situation can be expanded through sensitivity to nonverbal aspects; the human instrument can process data immediately, can clarify and summarize as the study evolves, and can explore anomalous responses. (p. 19)

These characteristics permit the researcher to convey in-depth descriptions of the phenomenon of study, provide insights into the perspectives respondents have regarding their experiences within the context of their environment and share what is discovered about the subject of research (Cresswell, 1998; Merriam, 1988; Patton, 1990). Since the objective of this study is to gain insight into the role of disability management program leadership in initiating program change within an organization, a qualitative inquiry appeared to be a suitable methodology to apply.

Research Site and Respondents

Site

The research site selected for study represents an excellent information-rich example of an organization facing the challenge of program integration and change. I was not interested in selecting a site that represented an extreme example of either program success or failure in integrating disability management because such a case would not adequately capture the phenomenon of interest. Rather, I had interest in studying a case that manifested sufficient intensity on the topic of integrating disability management, within an existing corporate disability management program, to shed light on the nature of success or failure associated with the use of leadership strategies to facilitate program integration.

This study was conducted at a self-financed nonprofit corporation in an urban setting in the western United States. As an auxiliary organization within a larger system, the corporation is chartered to provide and augment programs that are an integral part of the larger organization's research mission statement. The research site generates annual

revenues approaching $200 million and employs over 5,800 employees. The corporation is self-insured in workers' compensation and utilizes an outside third party administrator (TPA) to manage its workers' compensation medical and indemnity claims. The corporation also provides a wage-loss replacement benefit under a long-term disability insurance plan. Long-term disability insurance provides wage loss replacement payments for employee's who have a medical leave of absence due to a disability. The employee's long-term disability benefits are administered by an insurance company outside of the organization.

As noted above, the organization was selected as the research site because it offered a rich environment for studying a program in the midst of disability management and benefit integration. The site is currently utilizing a model that integrates occupational and non-occupational disability benefits. Both benefits are currently operating within a single department which manages its disability benefit programs. By integrating occupational and non-occupational disability insurance benefits the site has streamlined the management of its non-occupational disability benefit components resulting in a reduction of administrative costs. As a result, it created an avenue for better management of early return to work and reduced lost work days. The site has also realized recent success in the form of reduced claims cost by implementing an integrated disability prevention program. This program utilizes ergonomic principles to reduce the rate of occupational injuries and exacerbations of existing medical conditions of a non-occupational origin.

In 2002, the corporation was in the midst of looking at ways in which to further

integrate its occupational disability and non-occupational disability management program but was experiencing challenges fairly common to employers attempting to do so. Because of the complex maze of contracts, procedures, corporate culture and multiple subunits in which its' employee's reside, it had only accomplished partial integration of disability management program components in this respect. While the challenges confronting this site were common in organizations engaged in the evolutionary process towards integration of occupational and non-occupational benefit programs (otherwise known as integrated disability management) the challenges posed particular problems at the site due to its size and complexity.

This site was selected because of indication that it was, at that time, in the midst of exploring ways in which to further advance its efforts to integrate occupational with non-occupations benefits, despite the challenges such integration presents. Consequently, the site provided an invaluable opportunity to study the role that leadership strategies have on facilitating and/or constraining its' transformation towards disability benefit integration. Since research indicates the importance of the role of leadership in influencing organizational/program change (Goodman et al., 1982; Kotter, 1996; Rost, 1991), I identified this site as a rich environment to study the influence that leadership strategies have on disability management program change within the conceptual framework of the research. As the researcher, however, I remained open to relinquishing the theoretical constructs identified in the event that alternative, more context appropriate constructs or categories emerged during the data collection process (Merrium, 1988).

Since the research looked at leadership strategies used to effect program change,

it was critical to the study to explore the insights of respondents who have experienced an acceptable length of service in the corporation's benefit management program. The current risk manager has been in the position for five years. With the exception of one respondent, the remaining respondents had been in their current roles for between eleven and eighteen years. Thus, they were selected to provide unique perspectives about the leadership strategies used prior to the arrival of the current manager and since. This situation provided an opportunity to carry out an investigation of the strategies used and considered effective in the programs integration efforts over the last six years.

Respondents

A purposeful sampling approach, utilizing two different sampling strategies (maximum variation sampling and chain sampling), was used to identify eight respondents for this study. The key respondents within the site were selected utilizing a maximum variation sampling strategy. By selecting respondents with diverse roles in the disability management program, I hoped to describe in-depth variations in experiences while looking at substantive elements and shared perceptions (Patton, 1990). The risk manager was selected as the primary respondent because his role in the corporation is to measure and assess physical and legal risk at the site and develop strategies to manage it. The risk manager reports directly to the chief financial officer. The risk manager's primary job responsibility involves assessing, developing and utilizing strategies to mitigate the detrimental effects of risk. Examples of risk mitigating behaviors include shifting the risk to another party (by insuring against it), avoiding the risk (through preventative measures such as ergonomics) and mitigating the detrimental effect of the

risk through, for example, disability management. Consequently, I anticipated that he would be an informed source for describing leadership strategies used to facilitate disability management program change. The risk manager was initially interviewed to obtain data about the development and implementation of the organization's disability management program initiatives. An on-site interview was conducted to determine what mandates existed and which were being implemented at the site. His perceptions and thoughts regarding the effectiveness of each mandate and the role of leadership in facilitating program change were solicited using an interview guide. This provided a context in which the perceptions of the other respondents could be compared.

The human resource director, workers' compensation specialist and benefit manager were subsequently interviewed and observed. Like the risk manager, the human resource director reports directly to the chief financial officer but supervises a department separate and apart from the risk manager. The human resource director was selected as a respondent because her role is to directly oversee the administrative functions associated with employee disability benefits. In addition, she responds to and initiates the corporation's request to develop programs, provide services, and address problems from customers. As such, she is involved in both operational and strategic dimensions of the program in addition to disability benefit administration. Qualitative data was obtained detailing her depiction of circumstances, events, people, and observed behaviors. This data assisted in illustrating her experience managing transformation within the program, her attitude regarding the program, and her thoughts and beliefs about the program. I gathered data primarily through interviews, and secondarily through

observation/document analysis. Through these methods I examined her assumptions, beliefs, and actions and attempted to determine their impact on integrating preventative medical management, return-to-work, claim intake and reporting within the existing program. I employed methodological triangulation by interviewing two human resource department specialists specifically, the workers' compensation benefit manager and non-occupational disability benefit manager. I did this in order to explore their experiences and thoughts concerning program components and strategies considered to be effective in implementing change within the program (Merrium, 1988).

For additional methodological triangulation, I interviewed one front-line department manager who had experienced significant departmental employee lost work days associated with occupational and non-occupational disabilities. She was thought to be a potentially meaningful source of data for this study. I utilized a chain sampling approach initially hoping to identify two information-rich department managers. I queried the human resource director, workers' compensation benefit administrator and benefit manager regarding which department manager(s) could provide insight into the effectiveness of the injury prevention and early return-to-work program (Patton, 1990). Only one department manager was identified that was both interested in participating in the study and available given its time constraints. Her attitudes and thoughts were explored primarily through interviews to elucidate data that could assist me in understanding her experience concerning the effectiveness of the safety and early return-to-work components of the disability management program.

Four months into the study, information emerged from three respondents that the

chief financial officer had resigned from her position and would be leaving the organization in one month. It was suggested she might have some interest in providing input in the study given her change in circumstance and recent availability of time. She was contacted, agreed to participate in the study and her perspectives were explored to elucidate data. This assisted me in understanding her perception concerning the cost-effectiveness of the various components of the disability management program.

Lastly, for additional sample variation and increased confidence in findings, I interviewed the workers' compensation insurance broker and claims executive. These two individual's provided an "outsiders" perspective concerning the current program's effectiveness. The insurance broker is the corporation's intermediary who interacts with the insurance company claims examiner and assists the risk manager in developing effective policies to expand disability insurance coverage. The corporation also relies on the broker for assistance when employees have problems, such as refused claims or service issues. The broker therefore, provided a unique perspective regarding variations that exist in provider networks, covered benefits and cost sharing relative to the corporation's current disability policy. The insurance claim executive's primary role is to oversee the disability claims submitted by the research site to ensure that proper processing guidelines have been followed. The insurance claim executive oversees management of the claim by monitoring guidelines regarding the average period of disability, expected treatments, and anticipated lost work time for claims based on diagnosis. These two respondents could contribute very different perspectives concerning the corporation's disability management program. As such, it was "possible to more

thoroughly describe the variation in the group and to understand variations in experiences while also investigating core elements and shared outcomes" (Patton, 1990, p. 172).

Access and Researcher Role

Access

The chief financial officer provided initial permission to conduct the study over a 4-8 week period. The risk manager facilitated gaining access to the insurance claim executive and broker by making introductions following completion of our initial person-to-person interview. The human resource director facilitated my entry with the workers' compensation and benefit managers. Following identification of one information-rich department manager, the risk manager facilitated my entry with this respondent. Interviews were scheduled for 30-60 minute periods with each respondent.

Researcher Role

Throughout the process of conducting this case study I was the primary agent for gathering and analyzing the data. My task in the data gathering process was to continually make decisions, choose among alternatives, and practice good judgment (Merrium, 1988). The collection of qualitative data occurred primarily through interviews and, to a lesser degree than I initially anticipated, through observation and document analysis. My role was thus dual-focused, that of interviewer and participant observer.

My role as interviewer was concerned with understanding the meaning and actions of the respondents. Interviews assisted me in understanding the meaning of words, phrases and expressions that were used in language. In the role of interviewer my

goal was to enter into the perspective of my respondents (Merrium, 1998). My role as interviewer was, in part, to ensure that my questions remain focused yet also allow the respondents' perspectives and experiences to emerge. My task was to utilize, to the extent possible, the language of the respondent in order to tap into his/her unique perspective (Patton, 1990).

My secondary role was that of participant observer. Observation assisted me in understanding meaning that was communicated indirectly through language and action (Spradley, 1979). Participant observation when combined with interviewing yields a more holistic representation of the phenomenon being studied (Merrium, 1988). My role as the participant observer was to collect data by observing the phenomenon; this served to assist me in confirming data obtained in interviews. Also, observation afforded me the opportunity to detect things that were routine to the respondents and which lead to a clearer understanding of the context (Merrium, 1988). To the extent possible, I attempted to attend claims review staffing sessions to observe the respondents in discussion concerning disability management strategies. It turned out this was not possible due to medical privacy concerns. However, I was present for a multi-disciplinary group discussion with the human resource team which provided insight concerning the degree of cohesiveness of this core team that lead disability management change initiatives. The insights afforded by observing the human resource team interactions were above and beyond that possible using only the perceptions of the respondents acquired by interviews alone.

Data Collection Methods

Multiple methods were used to collect data for this study: interviews, observation and record/document review. These three dissimilar data collections methods were selected to foster methodological triangulation.

Interviews

Interviews were used as the primary means of data collection. In formulating my initial research design, I planned to conduct one-on-one interviews with each respondent. However, unexpectedly the human resource director, workers' compensation specialist and benefit manager all requested that their interviews be conducted jointly in round table fashion. Believing that this may compromise their ability to respond openly I attempted to persuade them otherwise. All three assured me that a high level of trust had developed between them during their eighteen year tenure together and they were more comfortable operating as a team on this study. They shared that they had grown accustomed to viewing themselves as an interconnected team and desired their participation to reflect their philosophical approach to their jobs. I concluded it was important to respect their request understanding that while a joint interview presented some potential limitations to data gathering, it also presented a unique opportunity to observe their interaction as a disability management team.

All interviews utilized an interview guide approach. The initial questions on the interview guide were "grand tour" in nature asking respondents to construct a chronology of major events in the development of the disability management program (Spradley, 1979). For example, I asked respondents to share significant events they considered key

in the evolution of the organizations disability management program. By beginning with open ended questions I was able to discover whether or not respondents could independently identify the role of leadership in the program's transformation. In instances where respondents freely talked about the importance of this factor, an informal conversational approach provided me with the flexibility to seek elaboration. This allowed for the interview to move in directions previously unanticipated (Patton, 1990).

I continued with more focused questions on the interview guide in which I asked respondents to share their perceptions about the program components and leaders' role in program change. The interview guide outlined a set of issues to explore with each respondent. The issues were associated with the theoretical constructs. By using an interview guide, I hoped to ensure that the same basic information was solicited from each respondent. Covering the same subject areas with each respondent increased consistency among the interviews while allowing freedom to explore responses that clarified specific subjects (Patton, 1990). Although the interview guide was used, I remained flexible concerning the specific order in which I asked the questions. By incorporating this approach with question order, I found I could remain flexible to respond to new concepts raised by the respondents. The use of this approach with the interview guide allowed me to ask questions worded in a definitive predetermined manner, while allowing for flexibility in determining when to explore emerging constructs in more depth. This allowed relevant areas of inquiry which were not included in the interview guide, room to emerge (Patton, 1990).

The interview guide provided a structure within which I was be able to make

decisions about which information to pursue within the subject areas. As features, themes and categories associated with the subject areas began to emerge, probing questions became more specific, allowing me to investigate smaller aspects of the experience. For example, the risk manager was asked to give a description of how injury prevention initiatives are currently being implemented across departments. Example questions were used to provide greater specificity; for instance, the risk manager was asked to provide an example of when ergonomic (injury prevention) strategies were most recently coordinated between the departments (Spradley, 1979). I also probed with experience questions. For example, I asked respondents to describe any relevant experiences they had while integrating the program components. This strategy allowed room to extract atypical rather than routine events and perspectives (Spradley, 1979).

Lastly, I presented respondents with a list of eight change leadership constructs to solicit their perspectives concerning the significance or lack of significance of each in initiating program change. This list was intentionally withheld until the latter phase of the interview so as not to pre-dispose their responses to the earlier questions. The intent of the list review was to obtain respondents' insights concerning the significance of additional leadership traits, borne out in the literature, which may not have otherwise had time to emerge due to interview time constraints. The list also functioned as a triangulating devise for which to compare respondent's previous comments.

One of two methods of recording interview data was used in this study. I tape-recorded each interview as this method preserved all statements for later scrutiny. I was prepared to take written notes if mechanical recording was not possible, due to difficulty

with equipment or objections on the part of the respondents. None of these occurrences arose. In some cases, written notes were taken along with tape-recording the interview. In some instances I recorded my reaction to something the respondent said or comments and thoughts they shared while the tape was not recording. I did have concern about differentiating the respondent's voices on the tape during the joint interview. To address this concern I asked each respondent in the group to state their name prior to answering the question. I also made a more concerted effort to transcribe the group tape within 24 hours of the interview, when their vocal distinctions were still easy to identify.

Observation

I initially intended to use the data collected from interviews to guide the collection of observational data. While one significant opportunity emerged in which I was able to observe three respondents in a group interview, there were no other substantive opportunities that appeared. I attempted different strategies to try to open the channel of observable events. For example, prior to the interview starting, I encouraged a number of respondents to accept any program related calls or visits during the interview believing that my observation of these would allow insight into some operational components of the current program. These circumstances did not occur. To the extent that observation was accomplished I had opportunity to corroborate what had emerged from prior interviews. When I did observe a group interaction, I utilized field notes to record observational data. Brief notes outlining key issues were being taken during the observation and immediately following the observation, I drafted an outline to capture the substance of the observation. The field notes were formatted according to time, location

and purpose of the observation as well as who was present (Merrium, 1988). Additionally, my field notes comprised a chronological timeline of events.

Record/Document Review

A preliminary review of the research sites loss run reports (disability financial loss reports) allowed me to confirm the chronology of occurrence of incurred compensation, medical and rehabilitation expenses for disabilities between the years 2000-2005. The records revealed a steady increase in cost associated with disability and lost work time over this period with a significant drop in 2003, suggesting a possible connection associated with a turn-over of risk management leadership which occurred in November 2002. This information proved useful in providing a backdrop for which I explored the occurrence of significant events in the history of the programs transformation efforts. This, in turn, was used to corroborate the significance of leadership's role in influencing the programs evolution over this span of time.

One of the advantages to having access to the loss run reports is that they provided an objective source of financial data between the years 2000-2005. A second advantage is that they, to some extent, grounded the research in the context of the questions being studied (Merrium, 1988). While not a conclusive source of data, these records were used to substantiate the findings that came from interviews. The records provided to me had been carefully altered to exclude any personal identifying information. As an additional privacy safeguard, they were kept in a locked file cabinet at any time they are not in my immediate presence.

To the extent available, I sought to analyze additional documents to validate the

findings that emerged from interviews and observations. While I did not have access to specific policy and procedure manuals, one respondent provided access to an intra-departmental memo which served to support procedural applications that were reported by other respondents during the interviews. Documents such as correspondence and minutes of staff meetings were not available to me and could not be used as a means of verifying specific dates and events cited by respondents during interviews.

Data Analysis

Collection and analysis of data is a simultaneous process in qualitative research (Merrium, 1988). In qualitative research there is usually no exact point at which data collection ends and analysis begins. For example, thoughts about my analysis of the data initially emerged during data collection and were recorded in field notes. Those thoughts represent the commencement of analysis and the a priori insights that emerged during data collection were one source I drew from when organizing the final analysis (Patton, 1990). As mentioned earlier, ongoing analysis of data is imperative to clarifying the direction of the research and data collection. Without ongoing analysis, the data are at risk of being unfocused and may lack relevance. Most of the interview data and field notes were transcribed within 48 hours after the event to minimize the chance of lost data. Time constraints did not allow for this in two instances in which the tapes were transcribed approximately one week after the interviews occurred. The point at which the data collection phase of this study ended was the point at which the final analysis phase began.

At the final analysis point in the study I organized the raw data along three tracks

to construct the case study data base. The data base served as the foundation for my final analysis and interpretation. The track initially used to organize the data in the case data base involved constructing a chronology of significant events in the program's evolution that respondents identified during interviews. By constructing a chronology of events based on the data from all interviews, I sought to determine if the respondents focused on similar categories of occurrence related to program evolution. Second, transcript data was coded and tracked using as a framework the DM program descriptors found in the literature that signal movement towards successful program integration. The framework of program descriptors is also reflected in my initial research questions and interview guide. Accordingly, the initial categories that were used to code the data associated with disability management program components related to: early intervention/early return-to-work factors, medical management/injury prevention, claim intake and data management. Finally, I also coded and tracked, in parallel fashion, the interview data within the framework of the eight leadership change descriptors outlined by Kotter (1996). Initial categories were used to code the data related to the leadership processes utilized to facilitate program transformation. These included themes related to establishing urgency, facilitating teamwork, creating and communicating a vision, supporting employee empowerment, providing short-term reinforcement, consolidating gains and anchoring change in the corporate culture.

Coded data was indexed by location of each segment of data using a spreadsheet. The index served to organize the data by interview and transcription page number within each category to assist with retrieval of particular segments of data. For example, data

that emerged from coding in the category of *communicating vision* that can be found on page ten of the risk managers interview was entered as CV/RM/10. When data fell on the chronological time line in relation to implementation of a specific program component (e.g., incorporation of the 2002 *preventative medical management* program component) parallel coding was used to explore a possible relationship between these variables. For example, if communicating vision was noted on page ten of the transcript as a significant leadership variable reported by the risk manager in the implementation of the 2002 *preventative medical management* component it was entered as CV/RM/MM-2002/10. Data that was useful as a supporting quotation was marked with a quotation symbol ("). By using this coding strategy, I was able to determine common patterns and confirm them by their recurrence between respondents and/or observation/record analysis. Final analysis of the categorized data assisted in determining any relationship between categories. It also assisted in the generation of conclusions regarding the possible relationship between leadership and disability benefit program evolution.

Limitations

External Validity

The concept of external validity addresses the question of generalizability of research findings. Generalizability refers to whether or not research results will apply to different settings beyond the specific study (Patton, 1990). This research intentionally focused on a small number of respondents in a single organizational setting. No doubt, the size of the sample imposes limits on the study's external validity. However, qualitative researchers argue that the desired trade off with qualitative design is that a

qualitative study's lack of breadth is countered by the depth of information and intricacy of data it elicits. Patton (1990) argued that "Evaluations using qualitative methods provide perspective rather than truth, empirical assessment of decisions makers' theories of action rather than generation and verification of universal theories, and context-bound extrapolations rather than generalizations" (p. 491). Patton, in addition to many others, believes that the debate concerning qualitative case design and generalizability have no relevance to this type of study and that the function of the researcher is to understand a specific phenomenon rather than to generate scientific theory (1990).

Applying a similar argument to case study research, Stake (1995) states, "The real business of case study is particularization, not generalization. We take a particular case and come to know it well, not primarily as to know how it is different from others but what it is, what it does. There is an emphasis on uniqueness [and]... understanding the case itself" (p. 8). While a case study may not have a strong basis for external validity, certain generalizations can be drawn from certain responses that repeat during the inquiry. It is from these patterns that context specific generalizations are made and understanding refined. Stake refers to generalizations that regularly occur in a case study as *petite generalizations*. Explaining the relevance of the concept to generalization in case study research he states:

> We identify issue questions... from relevant literature... to help structure the observation, interview and document review. Without previous experience with the case these are *etic issues* brought in by the researcher from the outside. The

> issue statements may not fit the case circumstances well and need repair. Issues evolve and *emic issues* emerge. These are the issues of the actors, the people who belong to the case. These are the issues from the inside... departing in the field from the conventional views as to what is important, but ultimately relating the emic to the etic issues of this discipline. As the questions draw forth the understanding, the researcher begins to restate the issues as assertions, tentatively, at first, with greater confidence as new observations are made and old observations confirmed. These assertions take the form of *petite generalizations*, focusing on a single case or those cases greatly similar. (Stake, 1995, p. 20)

Because this study looks at a topic that has not yet been explored, a contextual qualitative case study appeared to be the best choice for investigation and the first step in laying the foundation for possible future research on the topic, even though, from the outset, it was clear that it would not exhibit traditional forms of external validity or generalizability. The lens under which the issue of generalizatiblity is assessed in this case focuses more on how the findings will be useful to future research rather than whether or not research results will apply to different settings (Patton, 1990). Therefore, from a positivist perspective, the results of this study may not be generalized to other settings since this is a study of one organization's experience and particulars. This study will, however, elucidate institutional experiences surrounding the phenomenon of transforming existing disability programs towards integration of benefits. Even though it is context specific, results can render a starting point for further research. The analysis of the interview data may uncover aspects of the transformation process that currently

remain concealed and possibly help generate future research and additional ideas and interpretations on the topic.

Risk of Bias

My role as a disability case manager may hold some potential for bias in the study. The question might be raised that I, as the researcher, may not be capable of conducting research that is not colored by my experience in the field. To mitigate this, I selected an institution with which I have not had prior professional contact. Although I have previous experience consulting with corporations in the same industry as the research site, I have not had any professional dealings with this specific institution.

Despite safeguards Palmquist believes a researcher's individual bias can still encroach upon the study. For example, Palmquist points out:

> Certain preconceptions may dictate the course of the research and affect the behavior of the subjects. The issue may be compounded when, although many researchers are aware of the effect that their personal bias exerts on their own research, they are pressured to produce research that is accepted in their field of study as legitimate. (p. 1)

Although concerns over bias can be directed towards any research method it does not necessarily limit the researchers' ability to be reflective. A conscientious researcher carefully contemplates research results and reports findings after careful consideration (2005). Through self-reflection I attempted to be aware of the influence that my past experience may have had on my interpretation of the data. This was helpful in managing potential biases that I might have brought to the study.

Internal Validity

An additional set of limitations arises from concerns surrounding the internal validity of the study. One potential limitation involves assessing the validity of constructs and peculiarities that I identify in my analysis. It may be troublesome differentiating situational influences from cultural or personal influences when assessing this program. For example, even if I was able to capture managers' perspectives, their perspectives may be circumstantial. Additionally, cultural, company or personal situations circumscribing a respondent's involvement in the program may impact on his/her perceptions of the program. These situations may be difficult, or even impossible, to detect. Respondents may also have misrepresented their responses in a manner that casts them in the most beneficial light. Likewise their personal likes and dislikes as well as institutional politics could have influenced their responses. To try to counter these possibilities, I attempted to keep questions as open-ended as possible in order to decrease the interference of calculated responses from the respondents (Patton, 1990). As pointed out in the preceding section, I also used triangulation methods as a means of comparing data. The method of comparing subjects' comments also provided a form of triangulation. Lastly, I made a conscious and concerted effort to looking at data that disconfirmed evidence as much as I was interested in looking for patterns and categories.

Chapter IV

Findings, Part 1:

Do Integrated Disability Management Program Components Exist at the Research Center?

Preface

The following section reflects the main themes that were revealed about disability management program integration in my analysis of transcripts from eight interviews with research respondents. The respondents were selected because each was a major actor in the research site's disability management program; consequently, they were privy to key information about the organization and were in a position to assess the way the organization operated. The respondents were the risk manager, benefit manager, workers' compensation specialist, human resource director, department supervisor, insurance broker and claims account executive.

Among other things, the respondents were asked about their perceptions of the extent to which the organization's operational disability management program is consistent with the integrated approach to disability management outlined in the literature. This approach, as described and reviewed in chapter two, includes the following: a common claims intake system, medical management/injury prevention, return-to-work policies and common reporting and data system. This chapter focuses on perceptions of the extent to which movement toward the four elements of integrated disability management occurred within the studied organization. The subsequent chapter five focuses on the factors that respondents believed were significant in either facilitating

or inhibiting the adoption of an integrated disability approach.

Background Information About the Organization

For the past 66 years the Research Center, a self financed non-profit corporation, has existed to support research programs that are a major part of the University within which it resides. The university it supports, which is one university within an extensive system of publicly supported universities, is located in an urban area of the western United States. It is the oldest and largest in its area.

When initially founded, the University's mission included the furthering of knowledge through research. Over the years, it supported countless research programs to this end. Nearly 50 years after the founders broke ground, The University's research activities and programs grew so much that a foundation, here referred to as the Research Center, was created to manage the institution's research programs and grants. Since its inception, the Research Center has grown dramatically, with annual revenues currently reaching nearly $200,000,000.00 and employees numbering 5,800. The Research Center is currently the largest organization within the state university system.

Over 1,100 research proposals were submitted to the Research Center during the 2005-2006 fiscal years. Over $200,000,000.00 was administered through the Research Center that same year. Of the 1,100 proposals submitted through the Research Center, 850 were awarded and are currently overseen by the Research Center. Federal awards comprise 50% of the sponsors followed closely by state and local awards which comprise 30% of the sponsor types. The sponsors who contribute the remaining 20% of awards include foundations, corporations and other entities. The three largest contributors of

federal awards are the United States Department of Health and Human Services, the Department of Defense and the federal-level Department of Education. In combination, these three contributors provide more than $64,000,000.00 per year. State and local award contributors consist of state health services, county, city, school district and university system programs.

Because of the diverse nature, location and variability of the numerous research and grant programs the Research Center oversees, the human resource and risk management departments of the Research Center are faced with unique challenges in the management of employee disability and lost work time benefits. Although the Research Center is a non-profit organization, it is bound by the same state and federal rules, regulations and codes in the administration of its multiple disability and lost work time benefit programs as public institutions. These benefit programs include workers' compensation, the Family Medical Leave Act, state and long-term disability insurance covering employee's occupational and non-occupational injury and illness. While it is generally considered difficult for most organizations of its size to manage lost work time programs with consistency, the unique challenge faced by the Research Center relates to its organizational structure. The organizational structure involves multiple research and grant sites referred to as departments, programs, or projects that are neither geographically centralized nor inter-related in work tasks, structure, culture or design.

One risk manager, a human resource director, a benefits manager and a workers' compensation specialist comprise the centralized disability management staff at the Research Center. They oversee, support, and manage the disability benefit programs

throughout the Research Center system.

A change in risk management leadership occurred in November 2002 with the entrance of Brian Bower (a pseudonym, as are the other names in this dissertation), an eight year risk management veteran. Since 2002 the Research Center experienced a significant decrease in workers' compensation injury-related exposures from 1.5 million dollars in disability claims and related increased premium costs to $348,416.00 in June 2005. According to interviews with all respondents in the human resource department, as well as interview data from the chief financial officer and the insurance broker, Brian Bower brought new strategies to the position and to efforts to facilitate changes in the disability management program. These changes are uniformly credited by seven of the eight respondents as precipitating evolution in a primary program area which resulted in a reduction of financial loss associated with employee disability, injury and illness. The next chapter will focus on some of the strategies Mr. Bower employed to bring about change. The focus here is on whether, and if so, to what extent, the procedures currently used at the Research Center are consistent with the integrated disability management concept outlined in the literature review.

Component One: A Common Claims Intake System

What the Literature Says About Component One

The first component of an integrated disability management program identified in the literature is a common claims intake system. A common claims intake system refers to having a single location at which to receive disability claims related to short-term, long-term and workers' compensation. The literature suggests that different models of

common claims intake systems exist, and also that variation in degrees of complexity and automation are appropriate and necessary, given that organizations differ in size and complexity. What is important is that all claims are submitted to one office, even if they are later sent to different benefit claim specialists. The basic goal of having a common point of contact is that it creates streamlined administration that reduces cost by preventing the filing of duplicate claims for the same disability (Douglas, 2000).

What the Data Say About Component One in the Research Center at the Time of the Study

When I asked respondents to tell me about the current disability management program, four of eight respondents independently referenced the existence of a common claims intake system for initiating the claim management process. The four remaining respondents did not reference it as a significant program factor. These four respondents did not have direct access to or knowledge of the intake system. Thus it was not expected that they would reference it as a program component.

In describing the procedure used to report a disability claim, the four respondents agreed that all claims are called into the human resource department. One respondent explained the "HR department hears... that someone has been disabled. They work closely with the employee [to] coordinate their disability payments."

After a claim is called into the human resource department, one respondent noted, "the preliminary description" of the injury is obtained. While further explaining the type of intake data obtained during the initial phone call, she noted, "I... want to know where it [the injury] happened, what happened and what your [sic] injury is." She explained that

by ascertaining the origin of the injury, a determination can be made as to whether the disability claim is for a work related or non-occupational injury. Another respondent commented, "At that time, one of our key questions is: 'Do you know of any industrial, prior industrial or non-industrial injury or non-industrial medical conditions or activities that... we should be aware of?'" Determining the type of disability claim allows it to be directed to the appropriate benefit specialist and the information to be entered into the database for tracking to avoid the possibility of duplicate claims. A third respondent observed that a single point of contact provided a process for cross checking data between benefit plans, and a fourth respondent expressed her belief that, "with one point of contact, it keeps people more accountable."

This finding suggests that this site accomplished an intake model design that supports the objective of IDM, while simultaneously managing issues created by the disbursed nature of the Research Center. The respondents' comments suggest the site's human resource department serves as the single point of contact for intake of all disability related claims. Furthermore this site's claim intake structure streamlines the administration of claims and prevents the filing of duplicate claims, across multiple benefits, for the same injury.

What the Data Says About Component One Prior to 2002

Four respondents who knew about and discussed the intake system under the prior risk management administration reported that the human resource department was the single point of contact for all claims prior to 2002. One respondent noted that prior to 2002 all claims were processed through the human resource department. Three

respondents acknowledged the prior risk manager hired the current workers' compensation claims specialist to manage the work related injury claims and assigned her to the human resource department. They all felt that his decision to have her reside in the human resource department kept the claim process "connected."

Based on feedback from the four respondents, it appears this site did have a common department for intake of disability related claims prior to 2002. The human resource department at that time was integrating claim intake for both occupational and non-occupational injuries.

Component Two: Medical Management

What the Literature Says About Component Two

The second component of IDM stresses an integrated approach to managing the medical aspects of employee disability for occupational and non-occupational injuries and illness. The goal of medical management is to control medical costs and lost work time exposure by either minimizing the impact of the injury or preventing an injury from occurring or re-occurring. One system variable stresses medical cost containment through case management *after* an injury occurs. A second medical management program element suggests that a *pro-active* medical management model, incorporating safety and injury prevention strategies, is a critical component for managing costs related to both occupational and non-occupational disabilities (Isernhagen, 1995).

A common prevention strategy used by industry to eliminate or minimize injuries involves the use of ergonomic engineering. Ergonomic engineering, frequently referred to as ergonomics, is the technological science of work design and involves the application

of techniques and equipment to optimize a person's functioning in manual work. The literature suggests the overall goal of ergonomics is to engineer a fit between the work task and worker to ensure a safe work environment, eliminate or minimize injuries, minimize lost work time and maximize the workers' capacity for productive work. The cost savings benefit of an ergonomic program include preventing injuries and reducing wage replacement benefits by helping employees with medical limitations return to work sooner (Mitral, a contributing author in Lacerte & Shrey, 1995).

What the Data Say About Component Two in the Research Center at the Time of the Study

Seven of eight respondents reported the incorporation of a preventative ergonomic medical management component as a pivotal change in the program design since 2002. The remaining respondent, who was not working for the Research Center prior to 2002, referenced the existence of this factor but could not provide insight regarding whether it was pivotal in the program's evolution. Of the seven respondents that discussed ergonomics, three discussed the component in operational terms. For example, one respondent said that in 2002, "He [i.e., the risk manager] paid money to bring in an ergonomic engineer to do workplace safety evaluations." Another commented, "We went through all the ergonomic stuff and the whole evaluation." A third respondent stated that presently, "a registered ergonomist... comes in and does all of our ergonomic evaluations."

Four respondents discussed ergonomics in cost savings terms. They credited the incorporation of the ergonomic program element with reducing injuries and saving costs

related to employee lost work time. For example, one respondent, external to the Research Center who tracks disability loss data stated, "By having this component the employer usually takes great strides in improving the safety of the workplace, primarily on ergonomics." He added, "It has been a tremendous success. There's a dramatic decrease in overall claims, dramatic decrease in the length of time that the injured claimant is out of work." Another respondent noted that in 2002:

> We got much more aggressive in trying to manage... ergonomic issues related to work injuries because we were seeing more and more carpal tunnel injuries. We started becoming more proactive. We established a major switch.

A third respondent viewed the ergonomic program component as a force behind a reduction in injuries. A fourth respondent provided an example of an ergonomic intervention which resulted in reduced claims. She commented:

> We met with the supervision and all the employees to develop... a work flow to figure out what was going on and why claims were coming out of... that department. The bottom line was overwork. Each person that was filing a claim had far more work than they could handle and had deadlines that were unrealistic. So, we got the manager to see that and to... distribute the work differently... the claims dropped.

The three remaining respondents, who did not reference cost saving factors in association with ergonomics, did not have direct access to or knowledge of the organization's longitudinal financial loss reports. Therefore, it was not expected that they would reference cost savings in their discussion concerning this program component.

Respondents' comments reflect that this site underwent a pivotal shift in its medical management model in 2002. The shift involved the integration of its existing program design to include a preventative medical management (ergonomic) program element. The findings reflect that this site's incorporation of ergonomics created a vehicle for both preventing work-related injuries and minimizing the impact of non-occupational disabilities by creating an avenue for facilitating employee job accommodations and ensuring job retention for employees with disabilities.

What the Data Says About Component Two Prior to 2002

Four respondents who knew about and discussed the medical management program component under the prior risk management administration reported that the prior program did not have an injury prevention component. They commented that prior to 2002 medical management of disability claims occurred after a disability occurred. Three respondents referred to it as a "reactive" model. Contrasting the difference before and after the ergonomic program component was added, the insurance broker commented:

> The Research Center did a very good job... to basically improve overall loss performance and workplace safety.... I was dealing with another risk manager before Brian Bower, who was a good record keeper but not a good cheerleader. Brian is a better cheerleader... He delivered the repetitive message to both management and employees about the importance of safety.

The four respondents described a lack of focus, prior to 2002, on medically managing disability related claims before they occurred. Based on their feedback it

appears this site's disability management program design was not fully integrated, as it lacked an injury prevention component prior to 2002.

Component Three: Return-to-Work

What the Literature Says About Component Three

The third component of an integrated disability program identified in the literature is a return-to-work program that assists all employees with injuries with return to work, regardless of the cause of injury. Return-to-work is accomplished by allowing employees with physical or mental limitations to perform light duty job functions or by providing job accommodations (Isernhaagen, 1995). Research suggests that employers who offer return to work to injured employees with temporary restrictions (as an interim step during their recovery), or in the form of a permanent job accommodation, significantly reduce their disability-related costs. Having a return-to-work program creates an opportunity to protect the employees' employability with restrictions, while reducing liability and expenses associated with unnecessary lost time or litigation (Lacerte & Shrey, 1995). The literature suggests all integrated return-to-work programs have one thing in common, that is, they address return to work for all employees with disabilities regardless of the cause of injury (Douglas, 2000).

What the Data Say About Component Three in the Research Center at the Time of the Study

All eight respondents referenced return-to-work practices that assist returning employees with both occupational and non-occupational injuries back to work. Respondents indicated that an operational return-to-work program component existed

prior to 2002 and remains operational. For example, one respondent noted, "The most important thing is getting them [referring to the disabled employee] back to work as soon as possible after any type of leave." Another respondent commented, "The Research Center... has a policy of really wanting people to return to work." A third respondent commented, "We're getting them back to work while they're still treating." A fourth respondent, external to the site reported, "The evolution has been to... get them back to work as much as possible... modified work is a real big strong point there."

A fifth respondent, the workers' compensation claims executive, praised the Research Center's follow through on identifying return-to-work interventions once an employee's work limitations are identified. She reported, "I think what's key with... the Research Center, is that they've got one person we can go to and coordinate [return-to-work] with. They do have that person in place. That's a good relationship."

Three respondents referenced the practice of using an "interactive process" with employees for which workplace accommodations are being considered. By that they mean a joint meeting and ongoing communication between the disabled employee (who is unable to perform the essential functions of his/her job), benefit specialist, and department manager in an effort identify and provide a reasonable job accommodation.

Respondents' comments suggest that the Research Center has a return-to-work program component in place that addresses job accommodations for employees with both occupational and non-occupational disabilities. This suggests an integrated program design that addresses return to work for all employees exists, regardless of the type of disability they have.

What the Data Says About Component Three Prior to 2002

Comments from all eight respondents suggest that the site engaged in return-to-work practices prior to 2002 and that it addressed return to work for employees with both occupational and non-occupational disabilities. While an operational return-to-work practice existed at the Research Center prior to 2002, the insurance claim executive's perception was that the prior administration did not collaborate as closely with the claims process to ensure that the insurance administrative guidelines were met. Her comments suggest that the insurance claims administrator may not have been viewed as an integral part of the site's return-to-work team prior to 2002. Her perception was that the lack of insurance company involvement in the return-to-work process interfered with effective processing of the disability claim. She stated, "It really posed an obstacle to... controlling... the claim."

Although the insurance claim executive's comments did not negate the existence of an operational return-to-work program component at the site prior to 2002, her perspective offered additional insight into what she viewed as a barrier to effectively administrating the claim at that time. She and other respondents suggested that the risk manager who took over in 2002 was instrumental in removing this barrier.

Component Four: Record and Data Management System

What the Literature Says About Component Four

The fourth component of an integrated disabilities program identified in the literature involves the use of an integrated reporting and data management system. An integrated record and data management system refers to having a system in place that

allows access to both occupational and non-occupational injury data and an ability to compare information in near-real time between systems. The goal of having an integrated data system is to provide data overview that encompasses the entire disability picture (Wiklund, a contributing author in Isernahgen, 1995). The literature suggests that different system models exist with varying degrees of complexity and computer automation. However, to be considered "integrated" the system design must provide a means to access and compare data both within and between occupational and non-occupational disability benefit plans (Douglas, 2000).

What the Data Say About Component Four in the Research Center at the Time of the Study

The five respondents who have access to the disability tracking data systems described the use of two customized spreadsheets for managing occupational and non-occupational disability and lost work time data. They reported using two computer spreadsheet programs, one for occupational injuries and one for non-occupational injuries that are cross referenced by the human resource and risk management staff. Permitting cross referencing allows the staff to monitor and track lost work time related to all disabilities. For example, one respondent stated, "We use a master spreadsheet for the work comp. claims and spread sheets for [non-occupational] disability claims."

When I inquired further as to whether there is a means to access and compare data both within and between occupational and non-occupational disability benefit plans, one respondent affirmed that there is. She commented that "two separate systems [are used] but with the same individuals managing both." Another respondent supported this

assertion stating their data management system is equipped to track employees "that are out on any type of a leave."

I asked the workers' compensation specialist and insurance claims executive whether the insurance company's claims system is integrated with the Research Center's spreadsheet tracking system. Both reported that "real time access" exists allowing the review of disability claim data within and between the two systems. For example, the workers' compensation specialist explained:

> With our carrier [insurance administrator]... they do have a system set up, where I have a pass word... They have all their notes, all their information is in there, so I can put in the claim number, bring up the claim and see any interaction.

The respondents' comments suggest that this site has a data and record system in place that provides a means to access disability-related data between systems. Their current system allows access to all disability claim data, as well as the ability to integrate data to assess outcomes and exchange information in near-real time between systems. The site's current system design provides a means to access and compare data within and between its parts. The existence of these factors suggests that this site has an integrated reporting system.

What the Data Says About Component Four Prior to 2002

Three of the five respondents who knew about and discussed the data and reporting system stated that prior to 2002, the Center's spreadsheet data base existed but was not equipped to track medical leave variables. This, in turn, inhibited the human resource department's ability to facilitate early return to work for disabled employees.

The two remaining respondents had no impressions to share about the Research Center's spreadsheet data management system prior to 2002. All three human resource department respondents noted that the system under the prior risk manager was not well integrated in tracking employee's medical recovery and functional improvement. For example, one respondent noted, "We weren't integrating when they [employees] were at doctor's appointments." Referring to the data base that existed under the prior risk manager, another respondent said, "I think he attempted to revamp the way we were doing workers' comp, but during his tenure... he was no longer integrating the sick... time [data]."

All three human resource respondents perceived that the void in tracking employee sick time and medical appointments made it difficult to assess when employees might be medically ready to participate in the early return-to-work program. There was a missing variable in the data system that, if present, would have alerted them to when the employee might be medically able to resume some type of work function so that return-to-work interventions could occur with consistency. As such, opportunities to facilitate employee early return-to-work interventions were, at times, delayed or overlooked.

Respondents' comments suggest that prior to 2002 this site did not have an integrated data base in place. The data base that existed did not efficiently track medical leave and lost work time variables across benefit plans. After a change in risk management occurred in 2002, the data base was modified to better integrate these variables by adjusting data fields to more efficiently capture and track medical and sick leave data.

Document Analysis

Loss run reports comprise one of the quantitative tools used by most workers' compensation insurance carriers and employers to evaluate claims cost output and safety at individual job sites. I was allowed access to the Research Center's loss run reports from 7/1/00 to 6/30/05. Any personal information that might disclose the identities of the disabled employee's was removed to ensure employee confidentiality. A review of the records revealed that the Research Center experienced an overall reduction in number of claims and insurance related costs between 2002 and 2005 compared to prior years. As demonstrated in Table 1, the Research Center experienced fewer claims and significantly lower injury related costs in the years since Brian Bowers's entrance as risk manager than in the two years prior.

Table 1

Comparison of Claims Data: 2000 to 2005

Claims Data Comparison

Calendar Year	# of Clm/yr.	Total Cost	Premium Paid	Total Financial Loss
7/1/00-6/30/01	50	$331,567	$537,369	$ 537,369
7/1/01-6/30/02	72	$494,723	$717,304	$ 717,304
7/1/02-6/30/03	38	$339,667	$1,526,622	$1,526,622
7/1/03-6/20/05	40*	$348,416*	$0.00	$ 348,416*

Note. * Denotes annual average over a two year tracking period.

The Research Center experienced a 47.22% drop in work-related injury claims since the ergonomic program initiative was implemented. The Center also experienced a significant reduction in its financial output related to workers' compensation disability claims from 7/1/03-6/20/05 from $1,526,622.00 to $348,416.00. In part, the dramatic drop in financial output was due to the changeover from a premium-based insurance coverage to a self-insured model of coverage. However, prior to qualifying for a self-insurance plan, the Research Center needed to demonstrate a plan to improve safety and reduce claims. They did so through implementation of their ergonomic program initiative.

While the data format provided did not lend itself to close quantitative data analysis and scrutiny the figures provided a means to cross verify (i.e., triangulation) various respondent reports through document analysis. The findings suggest the possibility that a November 2002 shift in program leadership and strategies may have led to disability management program change. This may have resulted in a reduction in overall claims and costs associated with injury and disability claims at the Research Center. The exploration of the possibility that leadership strategies may have contributed to a program change is explored further in chapter five.

Summary

The Research Center experienced a change in risk management leadership in November 2002. Shortly after the new risk manager identified and implemented a disability management program change initiative, the Center realized a 47.22% decrease in work related injury claims and nearly $1,178,206.00 in savings on disability and lost

work time-related costs.

Respondents reported, that prior to 2002, the program had a common intake center for all disability benefit claims which streamlined the administration process and prevented duplication of claims. They also reported the existence of a return-to-work program that addressed job accommodations for employees with occupational and non-occupational disabilities. While they reported the existence of a disability data management and reporting system prior to 2002, the system did not effectively track disability medical data and employee lost work time variables. Since 2002, respondents report that the system fields were adjusted to address these data voids.

Respondents overwhelmingly reported that since the arrival of the current risk manager, a significant shift in program design occurred. At that time the program design incorporated a preventative medical management component. The Research Center's shift in focus to include an ergonomic injury prevention component was cited by all respondents, with the exception of the claims account executive, as the most influential program change which resulted in reducing claim incidence and facilitating job retention and early return to work for all disabled employees.

The disability management practice indicators identified by the respondents in this chapter provide a guide for the chapter which follows. The program components detailed here serve as a backdrop for discussion, with direction on interventions and methods used by program leadership to facilitate program change toward greater DM integration. The reader may use program components identified in this chapter to enhance an understanding of this organization's change leading practices.

The next chapter deals with the identification of remediation factors used by the Research Center's program leaders to bring about meaningful program change. The respondents discussed practical issues and factors which both helped and hindered their program's evolution toward integration and management of disability-related issues and associated costs. The respondents also shared their perceptions concerning the program's progression toward a more integrated design and leadership factors that were instrumental in moving the program toward integration.

Chapter V

Findings Part 2:

The Role of Leadership in Facilitating Transformation Toward Integrated Disability Management Program Design at the Site

Two conceptual frameworks were utilized in this study. One framework was derived from literature discussions of effective integrated disability management programs in business and industry. This framework was used to address the first research question (Does evidence support the existence of an IDM program in this site?) and, more specifically, to analyze data about the current and past status of the disability management program in the organization that was studied. It also was employed to organize the presentation of findings in the preceding chapter. The data, when analyzed in terms of the four characteristics of an integrated disabilities management program that are identified in the literature, suggest that the program that was studied exhibited all four of the characteristics, though, at least some of the characteristics were implemented only after a new risk manager entered the picture in 2002. The most significant of the post-2002 characteristics was incorporating injury prevention strategies (known as ergonomic strategies) into the prior program design with the aim of medically managing injuries before they occurred.

The second conceptual framework, employed in the process of addressing the study's other research question (What did leaders do to contribute to implementing IDM?), consisted of eight indicators that the literature suggests are common errors made and strategies used by leaders when implementing change initiatives. The indicators have

been articulated in the work of organizational theorist and researcher, John Kotter (1996). Kotter analyzed reasons systems resist change and offered a practical, eight-stage process that leaders can use to successfully drive transformation forward. The process focused on fostering enough energy and motivation to surmount organizational inertia, correct errors and move organizational change. His eight-stage process for creating major change involves the following: (1) establishing a sense of urgency; (2) creating the guiding coalition; (3) developing a vision and strategy; (4) communicating the change vision; (5) empowering broad-based action; (6) generating short-term wins; (7) consolidating gains and producing more change; (8) anchoring new approaches in the culture.

This second framework was used to organize data about what leaders did and did not do while managing the program transformation process. It also is being used here to organize the presentation of findings in this chapter. As might be expected, the focus of this chapter is on how leadership strategies facilitated and constrained the organization's transformation toward disability benefit integration. The specific focus is on what appears to be the most significant change in the way the organization operated post 2002, i.e., the incorporation of injury prevention (i.e. ergonomic strategies) into the prior program design.

Stage One: Increasing the Level of Urgency

What the Literature Says about Stage One

The first stage for creating major change identified in the literature involves establishing a sense of urgency sufficient to overcome organizational inertia, which is

herein redefined as "complacency." Complacency, as defined in this discussion, involves a lack of organizational motivation and passive acceptance of negative outcomes. The literature suggests that the existence of an evident crisis is a useful element for motivating change in that it gets peoples attention, lowers complacency, and raises the level of urgency in an organization (Kotter, 1996). Creating urgency requires attention be directed to the current or pending crisis. Bringing attention to the crisis neutralizes complacency and prevents problems from occurring. A leader's ability to effectively draw attention to the crisis is a crucial determinant in gaining members' support for implementation of change initiatives. Two specific strategies were identified in the literature as being instrumental in heightening the sense of urgency. The strategies involve using market research to identify the crisis and potential opportunities and exploring internal performance. Market research is data generated from external sources, which look at industry trends and competitor methods. It is used to expose potential economic crises, competitors' strategies and generate possible solutions. External data expose the competitive realities of the industry and, when compared to internal performance data, compels honest discussion about organization weaknesses (see, for example, Hill, Wise, & Shapiro, as cited in Hord, 1992; Kotter, 1996).

Research suggests complacency originates from any number of sources. First and foremost, when no obvious crisis is visible to an organization, members of the organization typically do not feel compelled to address problems that exist (Hord, 1992). Another possible reason change efforts fail can be related to the organizations' structure, which may focus attention on narrowly convergent departmental objectives rather than on

objectives that contribute to the overall success of the organization. An organization's failure to obtain and examine performance feedback from external sources is reported in the literature as a contributing factor to high levels of organizational complacency (Kotter, 1996).

What the Data Say About Stage One in the Research Center at the Time of the Study

Six of eight respondents referenced two separate positive strategies used by the current risk manager as being instrumental in decreasing complacency and increasing the level of urgency for disability management program change. One strategy involved his use of external market research to identify disability trends and cost saving strategies. A second strategy involved reviewing retrospectively the site's injury performance record. Four respondents recognized the role that urgency had, in general, on injury prevention program change at the Research Center.

Use of external data. The use of market research to compare the claims and costs within the organization to comparable data in other organizations was mentioned by three respondents as significant in increasing the level of urgency for program change. The current risk manager, for instance, indicated that he had taken note of the high costs relative to other organizations as soon as he joined the organization. He recalled, "[The organization] just accepted... the fact that disability management was very expensive. I came in and just started educating them. I said, 'I think we can impact this.'" He further explained, "The first person I talked to... was the Assistant Director of the... State Workers' Compensation program...We talked about trends [concerned with] cumulative trauma injuries... [and] the projected cost of [these] injuries going forward."

Another respondent recalled, "The premiums were moving to 2.7 million [dollars]. That was definitely a... near crisis." She went on to explain, "We got much more aggressive in trying to manage, or eliminating [sic] as much as possible, ergonomic issues [cost projections] related to work injuries because we were seeing more and more carpal tunnel injuries." By examining the rate and cost of claims, corporate officials were beginning to find evidence of crisis; one impetus for change was the recognition of crisis occurring. As such, Kotter's "Level One" was empirically substantiated by the evidence of this case.

All three respondents emphasized the significance of using external data to identify injury prevention strategies. For example, one respondent commented, "We examined the market and compared it to realities. After evaluating our numbers, processes and possibilities, we looked at developing... our own strategies."

Use of internal data. The use of internal performance data to compare claims and costs within the Research Center to comparable competitive data and strategies in other organizations was mentioned by three respondents as influential in raising the level of urgency for disability management program reform. All three indicated it was helpful when the risk manager hired outside consultants to assess the site's disability loss record and forecast financial loss trends for review and discussion at critical administrative planning meetings. When interviewed, the risk manager described using a consultant to provide an analysis of the site's performance data and generate ideas that would promote effective and efficient change in the program design. He explained,

We brought on a person... We took a look at our [disability] loss or our claims

> history and we found that we had... quite a few claims that originated because of... cumulative trauma injuries. I... called individuals in the worker's comp industry that I believed would have a good understanding of what it would take to implement some programs, policies and procedures to help reduce the cost.

The use of outside consultants to generate objective data concerning the organizations performance appeared to have opened administrative channels to honest dialogue concerning the pending crisis related to employee disability and related costs. As such, by making visible these inevitable facts, the risk manager was able to push up the level of importance in addressing the need for change.

Another respondent referenced the use of data acquired from an internal retrospective review to determine disability trends and their impact on costs at the Research Center. He noted, "We went back and looked at old losses for 7 or 8 years... and these [cumulative trauma] types of claims were the most critical [in terms of incidence, lost work time and total claim cost]." The same respondent later referenced the impact that the projected increase in disability insurance premiums had on pushing the level of urgency for disability management program change. When I asked about how the organization came to consider cost saving strategies, he added the following information:

> [The 2002 change] was... around a time when [disability insurance premium] prices were going up... It [consideration for cost saving strategies] happened to be in a rapidly escalating period. It gets attention for things like, 'What can we do to counter act that [disability risk factors]?' ... 'What can we do to [decrease employee disability to] have better loss records?'... There was really a very

concerted effort at that point to get control of this issue.

The need to create a sense of urgency, as defined by Kotter (1996), was expressed by four respondents as particularly important in gaining members' cooperation in implementing program change initiatives. One mid level management respondent referred to it as creating "the scare factor." When I asked one upper level management respondent about strategies that have been used effectively by program leaders in facilitating program change, she replied, "Creating that sense of urgency in terms of importance in what needs to be done." Another respondent described the 2002 turnover in risk management as having significant influence on establishing a sense of urgency for program change. He commented that, upon the current risk manager's arrival, "The problems [with the disability management program] were identified and then [possible solutions] looked at; we [seriously] looked at which changes could provide us the biggest bang for the buck."

The risk manager felt his ability to clearly communicate the enormity of the pending financial crisis to high level administrators was crucial in getting people's attention and raising the level of urgency. He described his strategy as follows:

> Basically, I communicated what the program was costing, what the projected costs were going to be and the waste involved in not looking at alternatives to the direction we were going in. I showed them how much we were paying and how much we should be paying and how much money we could save.

He also reported that by aggressively communicating the potential financial benefits associated with taking action, necessary attention was drawn to the opportunities and

rewards associated with adding an injury prevention program component and further implementing an ergonomic initiative.

Analyzing his own effectiveness as a leader, the risk manager explained that, when he was able to substantially increase the level of urgency at the Research Center, he gained the necessary buy-in from upper management to initiate program change. Referring back to the CFO (chief financial officer), who is in a top corporate leadership role, he stated, "She put her stamp of approval on it. She's the one who said, 'Let's go for it.' She had the authority to do it and she was able to bring everybody else on board with that." As such, by understanding the chain of authority, the risk manager was able to utilize his own sphere of influence and authority to create change within the organization's structure, though it required the power of the CFO's mark of leadership approval to give tangible rise to the proposed change.

Summary – Creating a Sense of Urgency

Cumulatively, the comments of respondents suggest that the current risk manager effectively utilized a number of strategies to draw attention to a need for disability management program change. By making visible the pending financial crisis, the site's disability performance record and by identifying opportunities for cost savings, he was able to reduce the site's complacency regarding implementing change. Based on the comments from the six respondents, it appears that the chief strategy used by the risk manager that seemed to help lower complacency involved his willingness to obtain and examine internal performance data and get feedback from sources other than those internal to the organization. Respondents' comments reflect the role of external and

internal data in creating a vector of force that produced motivation for program change. Respondents' comments suggest the use of data was instrumental in identifying growth opportunities that propelled the injury prevention initiative forward.

What the Data Say About This Organizations Historical Complacency

Two separate factors were identified through respondent comments and document analysis that may have contributed to the site's complacency towards disability cost prior to 2002. Three respondents placed emphasis on the prior risk managers "reactive" rather than proactive, style to dealing disability losses. Additionally, comparison of corporate financial growth and loss records suggests the overall financial success of the organization may have overshadowed the cost of disabilities.

Style of risk management. Respondents were asked to discuss the methods used by the program's leaders (past and present) that have helped or inhibited program adaptation. Three of eight viewed the prior risk manager's orientation concerning disability costs as a hindering factor that limited the site's ability to adapt the program. One respondent reported the change in risk management leadership was a meaningful event claiming, "We had a risk manager before, but he seemed... more like [he was] dealing [with employee injury and illness] on a reactive basis [as opposed to leading the company to prevent injuries before they occurred]." Another respondent agreed on a possible source of complacency in the prior risk management administration explaining that the prior risk manager's attention was often placed on, "daily fires that needed to be put out." The respondent indicated that rather than dealing with less immediate issues his approach to managing risk was on the day to day occurrences. He added,

> Because they [risk management department] were doing so many other things and it was in a department where they were... focusing on other matters [they] just accepted or acquiesced to the fact that workers' comp or disability management was going to be very expensive and there was nothing to do about it.

In 1999, the insurance broker for the site attempted to provide feedback on disability insurance market realities and pending financial exposure. He stated that he tried to create "a sense of urgency" concerning the escalating insurance rates given the site was experiencing increased injury rates. The broker claimed he had previously attempted to help the company focus on ways to "better their safety record"; however, in his estimation the site was not ready (at the time) to incorporate an injury prevention component into its program design.

Two respondents from different departments expressed that they understood and foresaw the crisis of escalating disability insurance costs looming on the horizon in 2002. They both noted that overall the projected threat remained unaddressed at this time. The one respondent quantified his observation by stating, "We were paying 1.7 million dollars a year for worker's compensation. Projected premiums for the next two years were 2.6 million and 3.4 million dollars." To explain the prior organizational thinking regarding disability claims, yet another respondent recalled, "There was a period of time when it was just accepted that workers' compensation was almost unmanageable in that particular arena."

Cost of disability in the shadow of overall financial success. An analysis of the site's annual financial reports revealed that from 1995 to 2001, the Research Center

experienced longitudinal success with getting grants and contracts; the dollar amounts increased from $73,000,000 to $149,000,000 during this period. During that same period, the Research Center experienced a 44% increase in the number of work related injury claims. This rise in injury and disabilities resulted in a 49% increase in overall claims cost and a staggering 184% increase in insurance premium rates for the company. The risk manager's external research data (which revealed a climate of rising injuries, medical costs and containment strategies surrounding cumulative trauma injuries) indicated that these costs could have been dramatically reduced by utilizing injury prevention strategies. However, with an ineffective disability management program in place, the organization suffered the losses complacently.

Summary - Complacency

The data pointed to a number of reasons that might have contributed to this site's complacency. First, the injuries were occurring in an organization that, as a whole, was enjoying overall success. Second, no highly visible threat was recognized by the site's members prior to 2002. Third, research data from the interviews suggests that a high level of risk manager complacency may have contributed to this organization's failure to see injury prevention as a strategy to control disability incidence and costs. Respondents reported that escalating costs related to injury and illness were perceived historically as "a cost of doing business" and the losses something to "acquiesce" willingly. Their comments suggest that while the prior risk manager was effective at dealing with immediate day to day crisis, he did not have a proactive orientation towards managing employee disability.

Stage Two: Creating a Team to Lead Change

What the Literature Says about Stage Two

The second stage of Kotter's eight stage process for creating major change involves creating a team powerful enough to lead the change. The literature suggests that in order to facilitate large-scale change, an organization requires a strong "guiding coalition" (meaning a group of people that hold positions of influence within an industry or organization and through their influence are directly able to affect change). These individuals ideally demonstrate a wide range of expertise. They must also have both cultivated and maintained high levels of organizational credibility within the corporate workforce and between each other. With a strong, credible chain of authority the group can effectively coordinate efforts. Research findings about the success of strong groups emphasize the importance of credibility in fostering trust in the group and mission. Trust and bonding among team members, in turn, is a critical element for embracing a shared vision (Kotter, 1996).

Strategies for achieving credibility, trust and group bonding are typically outlined in modern corporate training literature. One common strategy suggested for fostering trust involves the use of recreational gatherings to bond teams through a combination of learning and trust building activity. Social gatherings, utilized as team-building formats, create a means to open channels of communication, expand mutual understanding and encourage the growth of trust. Social gatherings also serve as a vehicle to share program success which, in turn, reinforces credibility of the leading group and its' mission.

With a high level of credibility, trust and a shared organizational objective that works to align team leadership efforts, the correct characteristics are present for the creation of an effective team (Barczak, Smith, & Wilemon, contributors in Schlesinger et al., 1995; Kotter, 1996). Whether the common goal is to improve office productivity or to place in function a cost-effective and integrated system of disability management, it is through the harmony of leadership efforts that the choirs of workforce labors are able to metaphorically sing.

What the Data Say About Stage Two in the Research Center at the Time of the Study

Seven of eight respondents referenced the role of trust and credibility in creating a cooperative and effective team. Two primary themes emerged from the interview transcript data. First, respondents believe that credibility of the group and its mission is enhanced when members at multiple levels of the organization are involved in the change process. Second, the use of social gatherings serves to facilitate group trust and bonding as well as reinforce credibility of the group and vision. Additionally, these themes were, in part, supported by observation when three core group members were observed demonstrating behaviors suggestive of strong bonds and trust.

Multi-level group credibility. Four respondents referenced group credibility as an important factor in influencing program evolution. One interviewee viewed the CFO's buy-in to the risk manager's proposals for change as an important first step in building a core team with sufficient professional strength and credibility to lead the change. Three respondents viewed investment by members at multiple levels of the organization as an important sign that the group leading the change had credibility. For example, one

respondent felt credibility of the human resource department team to be an important factor for fostering department manager compliance with disability management program initiatives referring to the process as "top-down." He added, "It is important that the HR department and risk management department handles the buy-in [of] the program director." Later, the respondent more specifically assigned the same importance to the Research Center's injury prevention initiative stating:

> If you don't have "buy-in" by senior management then anything else you do is meaningless. You've got to have [a certain level of] buy-in because they [program leaders] have to be able to sell their senior management. Senior management then instructs junior management and staff level management that employee safety is one of the most important issues or items on this company's agenda.

In this statement, the respondent clearly communicates both a belief in a top-down hierarchy of power to affect change, and also that those program leaders must have the ability to exert a multi-level sphere of influence to affect change.

A second respondent reflected on methods used to further program integration efforts. She expressed similar sentiments as the first respondent saying,

> It's got to be a 'top down'... process to start with; those 'higher up' have got to buy into it [an idea] before you can start working at the ground level. That's where it's got to go before you can start anything... make your group [to lead change] and pull together the right people to get it [change] going.

A third respondent appeared to have the same opinion regarding the importance of multi-level cooperation to foster credibility of the team. She brought up the importance of

investment at all levels of management as a crucial prerequisite to implementing the injury prevention program change, effectively adding a comprehensive detail to the study's concentration. She said, "You gotta [sic] have the right people that are leading the charge and it's got to be people across all lines in order to really implement something to have it embraced."

Informal meetings/social gatherings. Having informal meetings in which open communication and intellectual exchanges could occur were viewed by two respondents as another significant process that helped the group learn to work together like a team. Both felt that communication was an essential process variable for heightening the sense of trust and facilitating teamwork. One respondent stated, "It's all about communicating, it's all about working together, and being collective and connective in the process." Another respondent felt that communicating success fostered trust, credibility and teamwork between line level management and core group leaders. He discussed the benefit of having regular meetings, stating, "[Meetings] bring more people into the process of reviewing our past activities and our past successes and failures."

Two respondents, one from mid level management and the other the insurance broker, mentioned social activities as effective strategies used to promote the development of group trust. They both referenced the use of planned social gatherings to build team cohesion, celebrate team success and reward good outcomes. One respondent recalled two recent events in which informal "appreciation" gatherings were planned expressly by management with the purpose of fostering trust and team bonding. One example, appreciation picnics, highlighted how effective leaders also have the direct

ability to work as mentors by fostering an image of the hierarchy maintaining appreciation of the workers. By doing so, they build positive individual esteem as well as create a caring organization environment that support team actualization. Yet another respondent believed getting the group together to talk about their successes, analyze failures, reinforce the message of safety, and share ideas increased mutual understanding and trust which helped members move forward as a team.

Observation – Group Interaction

I observed evidence of positive group trust and effective teamwork when meeting with three human resource respondents. I initially contacted each human resource respondent in the process of arranging three independent interviews. Each informed me that the human resource team had an eighteen year bond from their work together and wanted to engage in the interview as a group. I expressed my concern regarding their ability to engage in open dialogue if we met as a group. Each assured me that they were comfortable expressing their own opinion, even if it was different from that of the other members. After careful reflection I modified my prior plan and agreed to accommodate their request to meet jointly. I decided it presented a unique opportunity to observe them interacting as a core group, while respecting what appeared to be their genuine desire to participate in the study as a team.

During the joint interview, I observed individuals in the group frequently engage the competencies of alternative group members. For example, after answering a question about the injury prevention program, the benefits manager was observed to turn to the workers' compensation specialist to solicit her professional perspective. She appeared to

listen intently to her response with genuine interest in her divergent perspective. All three members were also observed to respectfully engage in open discussion about seemingly sensitive topics (e.g., of current program shortcomings and leaders' weaknesses). For example, one respondent spoke of the team's involvement in fostering employee return to work with critical reflection placed on the team's documentation of the process. While only one of the other respondents agreed with her perspective, the other appeared to listen to her comments in a respectful and open manner. All respondents were observed to intently listen the others comments without interruption before answering the question from their, at times, respectively divergent perspective.

Summary – Creating a Team to Lead Change

The overall findings suggest that this site, the Research Center, put a core team together that has sufficient credibility to lead disability management program change. The CFO, risk manager, human resource manager, benefits manager, worker's compensation specialist and insurance broker were identified as key players in positions of authority with apparent credibility. They also appeared to possess the advised variety of expertise (previously mentioned by literature sources). Thus, they represented positive change catalyst candidates, by possessing the desirable qualities for leading a team as well as the most potential within the present organization structure to lead effective program change. In reviewing the interview transcripts, respondents uniformly placed value the on the role that credibility and trust played in establishing a strong guiding team to lead program change. Their perspectives offered additional insight into what they viewed as important in building an effective team. The core group of human resource

respondents was also observed interacting. Their behaviors and mannerisms suggest a high level of group trust bonding and mutual respect.

Stage Three and Four: Creating and Communicating the Vision

What the Literature Says about Stage Three and Four

The third and fourth stage of Kotter's (1996) eight stage process for creating major change involves creating and communicating an effective vision. The literature suggests that in order to facilitate large-scale change, an organization needs an effective vision that is communicated at all of its levels. Research suggests that in order to be effective, a vision should posses certain qualities. Is should produce a visualization of the future, appeal to constituents' shared interests and be grounded in a clear understanding of the organization, its market and competitive trends.

Research also suggests effective ways to communicate the vision and obtain broad-based organizational commitment to change. The use of multiple methods to convey a repetitive message is viewed as an essential element to effectively communicate the vision and win the support of the organization (Bennis & Nannus, 1985).

What the Data Say About Stages Three and Four in the Research Center at the Time of the Study

During interviews, respondents were asked to identify factors that gave form and direction to the change initiatives. A number of factors were identified in the transcript coding that related to the use of vision as a strategy to advance the preventative medical management (referred to by respondents as "ergonomics", "injury prevention" or "safety") program component. Five respondents referenced the significance of

developing an effective vision while three respondents focused on the communication of the vision as important to the process of creating program change. What follows is a discussion of the respondents' perception concerning the value of creating an effective vision and the use of communication to instill the understanding of the vision at all levels of the organization.

Creating an Effective Vision. Change within the structure of an organization often comes from leadership elements found within. While discussing initial steps taken to create a change vision, the risk manager reported having generated ideas from market research and discussing them openly with the team. He stated, "I went back to the management and said we need to develop a strategic plan to deal with... a predominant injury trend which was [defined as] cumulative trauma [from] repetitive motion injuries." He went on to explain that he arranged consultation meetings with an ergonomic engineering specialist as a means to reinforce the vision: "A consultant was brought in to educate the team on the costs associated with repetitive trauma injuries and the methods available to prevent this category of injury."

A second respondent reinforced what the risk manager said. This respondent also noted that market trend research and statistics helped the organization see the ergonomic program as sensible objective, which in turn helped the team embrace the vision. A third respondent explained that at times it was difficult to "keep the vision alive" but described what he referred to as "visionary strategy" used by the risk manager to overcome the obstacles related to funding and line-level supervisor resistance. The respondent described a considered strategy to train department managers (who had little technical

skill or interest) on how to perform their own safety evaluations. After further analysis the idea was abandoned with the assumption that it would fail due to initial departmental resistance to the prospect of change. The risk manager then attempted to obtain insurance company funding for professional safety engineers to perform evaluations and make ergonomic changes. When the insurance company declined to participate, the risk manager appealed to the organization's administration compelling them to invest funds by demonstrating cost-savings data. A fourth respondent also credited the current risk manager's methods with being influential in helping the team realize that their financial commitment to seeding the program initiatives on the front end could result in substantial cost savings in the end. Quoting the risk manager, she said, "We can save money here, and this is what we can do... you are going to have to spend a little money but also we are going to save a lot of money."

Four respondents consistently placed value on the importance of having a sensible, clear vision that balances the interests of all members of the organization. They described ways in which departmental participation in the safety and injury prevention program was reinforced by providing monetary rewards in exchange for implementing injury prevention strategies and reducing injuries. For example, one respondent emphasized the value of selecting a "vision" involving safety and injury prevention because it appealed to the interest of members at all levels of the organization. He noted a decision was made to select a program objective that could return the highest rate for investment to members at multiple levels of the organization noting, "We looked at which [program] changes could... get [the best] buy-in from the supervisors and so

forth."

Instilling an Understanding of the Vision through Communication. Along with discussing the positive effects of organizational leadership being able to establish a credible vision, three respondents identified effective communication of the vision as a factor that influenced program change. Communication, the respondents indicated, was a key vehicle for fostering understanding of initiative goals and program direction. Open communication allowed the flow of information between middle and line level managers in such a way that the staff reached a collective understanding about the changing program goals of the company (in this case, the major goal entailed incorporating the injury prevention program component). The interviewees reported the use of multiple methods to communicate the program objective and get the message across to members at all levels of the organization.

In his comments on communication of the vision, one respondent in particular observed that the site utilized multiple mediums. When I prompted him for more contextual examples of how conversation, verbal or written, was involved in the IDM transformation process, he began by stating, "Communicating the change vision was really significant. Communication was basically through memos, through emails and through face-to-face meetings... then they added a safety barbeque [social], everyone really understood... that this [injury prevention] was a higher priority." Repeating the vision by using "multiple mediums" was also cited by another respondent as being instrumental in reinforcing the vision to department level project managers. She explained, "We do a lot of education through emails and newsletters and such, about the

new programming and the importance of safety." Another respondent reported that a "repetitive message to both management and employees about the importance of safety" kept the vision alive, and, as such, helped to motivate change and alleviate complacency in the organizations daily thinking about injury deterrence.

Creating opportunities for reciprocal communication (i.e., communication between different levels of management that allows for a sharing of success, failure and exchange of ideas) was viewed by the risk manager as an important strategy used to get members of the organization to embrace the vision. When I asked a broad question about what specific strategies or tools he used to help move the change process forward, he answered, "To constantly communicate [our successes and concerns] and educate [each other on better ways to approach the problem]." The risk manager, as a mid level but effective leader, also felt creating avenues for reciprocal communication was important for getting program design feedback and direction, providing positive reinforcement, and empowering individuals to take action. He continued the discussion by adding,

> I believe that... by communicating and being... collaborative and rewarding accordingly... thanking a person for being a team player... You can get them to embrace the process and become even more of a [personal] stakeholder [who can benefit from the successful implementation of the change in policy]. They will become more engaged in the process... those are the most important, critical components in helping to bring about that process.

Summary – Creating and Communicating an Effective Vision

Whether I was interviewing line level managers, mid-level managers or the top echelon of management, respondent comments suggest that, to be effective, a vision needs to provide the organization a way of seeing the change objective as achievable and beneficial to all organization members. The findings reveal how the injury prevention vision was developed. Respondents also demonstrated the ability to provide critical and reflective analytical observations about how these changes were embraced. Through the use of market research findings (data used to ground the vision in a clear understanding of the competitive market and trends) to dramatize well founded concerns about potentially escalating costs related to treating cumulative trauma injuries, the risk manager was able to create an effective vision. The vision produced a visualization of the future, appealed to constituents' shared interest and was grounded in a clear understanding of the organization, its market and competitive realities. Comments from the respondents put forward a findings result that continuous reinforcement of a clear vision and reciprocal leadership communication with the team helped the group eventually embrace the safety and prevention program. The findings also suggest that the use of multiple methods to communicate the safety and prevention program vision was helpful in getting the message across to members at all levels of the organization.

Stage Five: Empowering Group Action

What the Literature Says about Stage Five

Kotter (1996) believes that the elimination of organizational barriers is a necessary step to empowering a wide range of employees to take the needed action for

change. He refers to stage five of his eight-stage process for creating major change as "empowering employees for broad-based action" (p. 102). He also reports a number of potential barriers that can limit a group from taking action. These include operational features such as organizational structures, participant skills, external rules, regulations and resistant supervisors. Examples of structural barriers include fragmented authority, strong functional silos (departmental sub-units where workers are grouped according to highly specific job functions) or middle management trying to protect their turf. Kotter also refers to the importance of members of the organization having the necessary skill sets to enable them to take action.

What the Data Say About Stage Five in the Research Center at the Time of the Study

Six respondents identified the existence of external system and internal structural obstacles that, initially, at least, inhibited them from taking effective action towards implementing the change initiatives. In addition to identifying areas in which that they felt inhibited, they also identified where obstacles had been removed or neutralized. The major themes that emerged from the analysis of the data were: external systems as obstacles (state and federal laws, rules and regulations governing disabled employee rights), internal structures as obstacles (autonomous sub-unit design), inadequate training and limited compensation.

External systems as obstacles. Government systems overseeing disabled employee rights and medical privacy were reported by three respondents as presenting an obstacle to effectively implementing employee's early return to work. For example, one respondent referenced Health Insurance Portability and Accountability Act rules and

regulations (limiting access to private medical information) as one of the external obstacles preventing timely communication of the employee's functional status that inhibited implementation of ergonomics or early job accommodations. As a solution to the problem, he reported the site developed a partnership with the insurance claims administrator (known as the TPA) who administers the Center's occupational injury claims. The TPA is able to access medical information and convey medically necessary work restrictions to the Center.

A second respondent identified system barriers raised by state and federal laws governing disability benefits and employment rights. Reflecting on methods used to overcome the obstacle, she credited the human resource staff and their collective expertise as a primary force in identifying and overcoming some of the legal obstacles to program implementation. She stated, "A lot of it [disabled worker employment rights] is legal driven. We are trying just to keep up with the ever-changing laws... We have all the other factors that might affect how you deal the claim and then... at the same time... are trying to control the cost."

A third respondent provided a different but critical insight about the barriers posed by state and federal laws governing employee medical leave. As a department managerial level employee, her perspective regarding external system obstacles was more personal; she discussed external factors that inhibited her ability to implement ergonomic job accommodations and return-to-work initiatives and keep her department positions filled. She noted:

> The state and federal laws that govern... [employee medical] leaves... became infinitely more complex. People were out were out for four months, five months, six months... many of them were out on disability. It became a challenge to have enough bodies to do our job.

Internal structures as obstacles. Five respondents reported that a number of internal structures posed potential obstacles to program implementation. They also reported that the obstacles that program leaders' were empowered to address were looked at and neutralized. Of the five, two respondents reported that the administrative decision to have the workers' compensation specialist remain in the human resource department, after a departmental reorganization, was a positive step toward advancement of integration of the disability management program. "Without that link [between occupational and non-occupational benefit specialists]," she noted, "everything breaks down." The workers' compensation specialist conveyed a similar perception stating, "Being involved with the [employee medical] leave team is beneficial... in the process [of coordinating activities across multiple disability benefit lines]."

Three respondents viewed the existence of structural sub-units with fragmented authority as internal obstacles. Their comments reflect that a fracturing of enforcement authority presented return-to-work and ergonomic program implementation challenges at the Research Center. The respondents conveyed that program leaders' were disempowered to remove this obstacle because of the complex organizational structure, but explored creative ways in which to neutralize its effect on safety program implementation. The sub-unit divisions, otherwise known as "programs", "projects" or

"departments," oversee certain grant projects and function as structurally autonomous departments. The structural sub-units specifically mentioned by these particular respondents are, perceived as organized barriers preventing effective implementation of ergonomic program initiatives. One respondent described fragmented departmental authority as "a silo-ish mentality," creating an apt visual analogy for the varying behavioral norms and values that posed a challenge to program implementation.

When I asked the respondent for further response on what program leaders' could do to eliminate barriers, she stated, "Overcoming that mentality [of isolated, convergent and un-diversified thinking] is pretty difficult." Despite the current challenge faced by the Research Center based on the particular issue of implementing program change, this respondent reported observing progress toward changing the behaviors of many sub-unit managers. He reported a perceptible shift in the corporate culture that he believes to be significant in moving the program's evolution forward. He stated,

> I think that it's real significant that so far people [line level, mid level and upper level management] seem to be willing to be receptive to looking at doing things in different ways that they might not have looked at in years past. I think that people are willing to try to work together.

There are other valuable respondent insights as well. When I asked what obstacles she viewed in the current program, another respondent also employed the silo image:

> I think one of the challenges of the [top levels of] Research Center [Leadership] is that they have many silos under them. They're kind of an umbrella organization

that has a very small core of central staff [and] many different programs with different needs under them.

A third respondent, in the human resource department, elaborated on the challenge of trying to enforce disability management program initiatives at the Research Center given its organizational design involving independent sub-units. Referring to the early return-to-work program component she commented, "It's all, kind of centralized. We take on the role of monitoring and processing. We really don't have that type of [enforcement] authority over the faculty."

Training. Five respondents mentioned the use of in-service training as a tool to empower the group to take action. Two respondents recalled their initial skepticism concerning the program managers' preconceived beliefs and attitudes and their skill to drive the ergonomic program component effectively enough to result in decreased incidence of repetitive trauma injuries. They reported initially thinking that placing department managers into a situation where they were to implement an ergonomic program was incongruent with the perceptions they had concerning their roles and responsibilities as project administrators. For example, one respondent stated, "[Program managers], they're not good supervisors [of policy] because they're academically minded. Therefore, it is a bit of a challenge to have them serve as supervisors [of disability management objectives]." It was reported that program leaders' looked at ways in which to not only adjust managers' behaviors but also bolster their technical understanding by providing in-service training.

Three of the five respondents reported strategies used to bolster the competencies,

behaviors and attitudes required of program administrators to move the ergonomic program initiative forward. Two reported that education was one strategy used to address technical skill and attitudinal obstacles. For example, the risk manager reported he recommended that the organization hire a safety specialist to educate the department managers on ergonomic techniques as well as the intrinsic and extrinsic value of ensuring workplace safety. He stated, "We brought in a person. She specialized in occupational therapy... we started educating [department managers and employees on the value using our strategies to prevent injury]." The risk manager considered in-service training a successful tool for empowering department managers' to put the new visions to work. Another respondent recalled seeing a shift in program administrator attitudes following the training and viewed the shift as evidence of their investment in the program and a shifting view of their department's place in relation to the organization. While reporting his perception of the behavior change, he added:

> [It] shows us that people are interested in partnering... and being collaborative in helping the organization overcome its obstacles. In other words, they can identify with, I guess, the way that she [the safety consultant] and the organization... educated them on this process.

A final respondent suggested that education was an important tool used to overcome the implementation barriers posed by the structural "silo" inherent in the Research Center's organizational design. When I asked what tools were used to overcome the departmental obstacle and bring the pieces together she commented, "Educating them [management, staff, and all affected levels of workers] and creating that

sense of urgency in terms of importance in what needs to be done." By doing so, leadership was successfully able to communicate vision and effect change by effectively utilizing training and their spheres of influence.

The comments of these respondents seem to suggest that the program leaders gave thought to an implementation obstacle that might be posed by lack of department manager skill and interest. Thoughtful consideration appears to have occurred to address technical as well as attitudinal deficits with recognition that both raised possible barriers to successful implementation of the injury prevention program at the departmental level.

Changing structures to include compensation. Six respondents referenced the significance of a structural change in which monetary compensation was returned to the department managers as a reward for reduced injuries rates. Respondents from mid-managerial levels of the organization referred to the change in compensation structure using various terms such as "financial incentives," "getting dollars back," "monetary rewards," "monetary reinforcement" and having a profitable "pay back." One particularly enthusiastic respondent explained, "All these projects, which were like small businesses of the Research Center, had to pay workers' comp premiums." He went on to explain that prior to 2002, the administration offered little financial incentive for the project managers to participate in disability management program initiatives focused on cost containment as un-spent reserves were non-refundable. Since losses were viewed as "the cost of doing business," recorded retentions were recorded with equally lax enthusiasm (presuming any gains would be absorbed in the overall loss process). The department managers had no financial stake in making the programs cost containment directives a success. Once they

had reason to consider improving their safety structures, their initial complacency issues transitioned. A change in structure provided the opportunity for cost-savings to be returned to the project managers in the form of financial compensation. This system change opened an avenue in which cost savings could be shared with the departments as reward for their successful reduction in claims and participating in early return-to-work programs. One respondent described the support for the change going from top down in the organization and referred to removal of the prior structural obstacle as, "Changing the systems and structure and defining the change vision."

Summary – Empowering the Group to Take Action

The comments of these six respondents suggest that program leaders effectively identified and addressed a number of potential barriers that might have otherwise limited the group from taking broad based action for change. Leaders aligned a potential bonus compensation structure with the vision. This act empowered the individual departments to view themselves as stakeholders in the process and realize immediate gains from their efforts in supporting injury prevention program change initiatives. Respondent remarks also suggest that leaders recognized and addressed a number of potential internal and external barriers that could have limited the organization's ability to take action. These obstacles included organizational interdependencies and external rules and regulations governing employee benefits. Leaders also appeared to recognize the importance of members of the organization having the necessary skill sets and attitudes as an essential element for group empowerment.

Stage Six: Creating Short-Term Wins

What the Literature Says about Stage Six

Kotter (1996) addresses the role that short-term reward structures have on the change process in stage six of his change framework. He suggests that planning for short-term performance improvements support the change effort in a number of ways. First, short-term wins provide reinforcement that the change effort has been worth the initial sacrifice and creates opportunity to feed much needed momentum. He also suggests that short-term wins provide necessary feedback opportunities useful for the guiding coalition member's future actions by supplying "concrete data on the viability of their ideas" (p. 123). Data demonstrating cost-benefit outcomes get attention and fuel the engine that drives the vision forward by bringing sufficient credibility to the change endeavor. Thus, concrete results serve to retain the support of upper level management by demonstrating that the change objectives are producing the intended results.

What the Data Say About Stage Six in the Research Center at the Time of the Study

In my discussion with the respondents, six of the individuals emphasized the significance of establishing visible short-term wins as a way to reinforce credibility of the vision and support ongoing efforts towards program change. The risk manager conveyed the value of identifying program success in a way that "can measure it." He noted that, in the Research Center, strategies included finding ways to communicate success by visibly acknowledging and financially rewarding participants for their investment and sacrifices. He then reported that targeting and producing clear results helped maintain the belief of upper management that the risks associated with backing the changes were worth taking.

Referring to an exchange he had with upper management he recalled, "I said 'I think we could impact this and so far we've done pretty well... we have saved $3.3 million this year.'" The risk manager also commented that bringing in a reputable unbiased party to perform an actuarial study of the Research Center's injury rates, after the 2002 ergonomic program initiative's early operation, helped reinforce short-term program success. It also empowered the group to continue their efforts by indicating where results were effective and lending further support for the vision's implementation. He said, "We had an actuary study conducted. For an organization our size [the findings showed that we have] the lowest claim frequency, [lowest] severity and number of claims he has seen."

Another respondent, the insurance broker, recalled planning for success involved selecting areas for change that could demonstrate short-term measurable results. He remembered, for example, participating in planning meetings which focused on identifying areas where clear gains could be measured. This, he claimed, facilitated necessary momentum towards change in the area of ergonomics. Referring to identification of the ergonomic component as a target objective, he recalled program leaders considered options for change that involved visible short-term return on investment. He said leaders looked at options where they could show "the biggest bang for the buck." With the realization of such short term quantifiable levels of program compliance that could be examined for rates of attrition or success, the organization was able to proceed with plans clearly and effectively. As such, members were able to retain both demonstrable evidence and feelings of success.

A third respondent viewed an insurance premium waiver, provided in response to

the ergonomic programs success, as a means of showing project managers that the changes were working. She explained, "We were trying to encourage that behavior by financial incentives to [have them] see the short term gain." She added, "We took [a look at] the quarter and took the [insurance] premium [charges] away so it had more of an impact for that one quarter [and] so they would see what their change in behavior had done by being more ergonomic compliant."

A fourth respondent asserted that communicating avenues in which project managers could recap financial benefits, by embracing the early return-to-work program initiatives, was key in helping them "understand that work comp impacts on a lot of other areas." When I asked what methods were used by leaders to facilitate change in this area she explained, "The education and training we provide on how [the departments can] save costs by integrating; getting the dollars back; and on how they can be saving money." When responding to the same question, another respondent answered, "A monetary reward" adding "for [reducing] claims in their particular [department] study or research grant." Recalling an example that focused on providing short-term reinforcement of the vision with line level employees, a sixth respondent shared, "[We involve department] safety marshals... [in] regular meetings which are in appreciation [of meeting safety objectives]... It's just to raise the awareness level of all employees' [that] the most important thing is the establishment of a priority for safety."

Summary – Establishing Short-Term Wins

The comments of these respondents suggest that planning for short-term performance improvements supported the change effort at the Research Center in a

number of ways. Findings suggest that it rewarded change effort which created an opportunity to feed the organizations momentum with change. Short-term wins also served to provide feedback for the team and upper management by reinforcing that their initial plan and intended results were on track. Finally, short-term rewards reinforced the vision by bringing sufficient credibility to the change endeavor.

Stage Seven: Using Prior Success to Continue Transformation Efforts

What the Literature Says about Stage Seven

Kotter (1996) argues that until the new initiatives are anchored deeply in the organizations culture, the changes made will not persist and behaviors may regress to the prior patterns. Leadership is viewed as a necessary vehicle for ensuring the new change is cemented in the organization's identity. A number of strategies have been suggested by Kotter and other organizational scholars to aid change efforts and to ensure long-term solidification of the vision in the corporate culture. These strategies are: using credibility from short-term wins to encourage managers to take on more change projects, bringing in additional members to facilitate more changes, maintaining sufficient urgency levels with the help of experienced managers, and ridding the organization of non-essential interdependencies when possible. He refers to stage seven as "consolidating gains to produce more change" (p. 131).

What the Data Say About Stage Seven in the Research Center at the Time of the Study

Six respondents' identified three specific strategies for facilitating ongoing program change. One action involves leaders encouraging more change projects. A second strategy involves a plan to bring new members into the organization to review

IDM program status and suggest additional recommendations. A third action involves managements planning of social gatherings which were used, in part, to sustain the level of program importance and prevent regression to old patterns of behavior.

Encouraging new change projects. Three mid level management respondents commented on new safety projects that supported the programs injury prevention vision. When I asked about where the Research Center envisioned the program going in the future, the risk manager responded, "We're not comfortable with where we are; we want to get better and we're going forward." His comments appeared to convey awareness that more was needed to continue the 2002 transformation efforts forward. Describing one example of how the Center is maintaining forward momentum, he reported:

> We started a program recently... we call 'Tips'. Tips is a program where an individual can make money if they give a tip [a profitable idea] that they feel will help the organization reduce its operating costs. Some of the tips... are relevant to the disability management workers' comp workplace safety issues. We've gotten quite a few of those that we've responded to.

When responding to the question of what could be done to improve the current program another respondent said, "I think we need to do a lot more." She added that new projects are being contemplated to continue the prior changes made in the disability management program. Providing a case in point, she added, "For example, when people have any... type of injury to set them up with other types of [injury prevention] training... We have safety training when they first sign on [but not something to reinforce prevention after an injury occurs]." A few minutes later I asked her to review Kotter's list

of change factors found in the literature and provide her thoughts on any that she had observed or felt were personally relevant. She responded, "Reinvigorating the process with new project themes and change agents." When I asked her to provide an example she cited, "Getting the groups together to come up with different ways of dealing with the [disability management] processes. I think there are different ways of dealing with things and bringing people together as a team to come up with a solution together." Another respondent referenced team "process planning meetings" which appeared compelled by a long term vision (that she recollected the details of easily because she found to be personally relevant).

Plan to bring on new people to facilitate more change. One respondent, the risk manager, shared his thought on what would enliven the process and facilitate continued IDM program change. He stated, "I think we... need to be bringing some different thinkers in [to meetings] occasionally. To test us on it [IDM processes] and talk to us about it." While not yet implemented, attention on this factor as an activity of interest suggests the risk manager's awareness of another effective strategy to prevent program efforts from stagnating.

Social gatherings to sustain urgency. Two respondents referenced social gatherings as a way to keep the members attention on the importance of the safety message. For example, one respondent described the organization hosting an annual "thank you picnic" as a means to reinforce the safety program message, departments' success and keep heightened attention on the injury prevention program moving forward.

The second respondent similarly felt this to be an important avenue to prevent program deterioration.

Summary – Consolidating Gains to Continue Transformation Efforts

Respondents' comments provide evidence that a number of strategies were considered and used to facilitate ongoing program change. Comments suggest some strategies were being used, at the time of the study, to solidify the change in corporate culture. The findings suggest the organization used the credibility it gained from prior short-term wins to take on more change projects. The organization was continuing to encourage and obtain input from its members concerning the development of new ideas and projects. Program leaders were also considering other avenues to continue progress, such as bringing in new members to facilitate more changes. Data also suggests that social gatherings were used to maintain sufficient attention on the importance of the safety program and prevent members' behaviors from regressing to old patterns.

Stage Eight: Culture

What the Literature Says about Stage Eight

One of the factors that the literature indicates contribute to failed organizational change efforts involves overlooking the importance of "anchoring changes firmly in the corporate culture" (Kotter, 1996, p. 14). Unlike other theories that focus on changing the organization's culture as an initial step to implementing major change (e.g., Hord, 1992), Kotter believes that, in order to significantly change corporate values and norms, members of the group need to first experience visible benefits that they can connect with. Explaining the concept he notes, "Culture changes only after you have successfully

altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement" (p. 156). According to Kotter, changing the culture occurs at the end of the eight stage process; he notes that effective implementation of new program visions in ways that allow researches and analysts to quantifiably measure the success of change in organization can sometimes take years or even decades to occur.

What the Data Say About Stage Eight in the Research Center at the Time of the Study

At the time of the study, none of the eight respondents offered direct evidence that the injury prevention program has been firmly grounded in the Research Center's culture. However, listening closely to the dialogue in the transcripts revealed that some respondents made indirect reference to the influence of the organization's culture or reported a perceptible shift in prior norms of behavior. Six respondents described the organizational structure at the Research Center as including a "central staff" which oversees and supports the various "programs", "projects" or "departments." The independent programs exist as sub-units which are driven by different social forces but are interdependent with the Research Center that manages their benefits and insures their risk. One respondent viewed the varied departments, with their different behaviors and values, as challenging and described the situation as one which "presents some unique problems." Another respondent's commentary indirectly suggested that the variability in corporate culture created management challenges for the Research Center. She stated there were, "many different programs with different needs."

Other respondents referred to the departmental sub-units as "autonomous", "silo-

ish" and "operating independently" with the human resource and risk management departments having little authority over them. Respondents consistently reported that they needed to be creative in finding ways to influence behavior change in the various departments. One respondent relayed the sentiment of organization officials trying to effect departmental change in disability management by stating, "There was a period of time when... it was like [sic], 'What can we do?'... and [we simply] threw up our hands." He suggested that it is very difficult to influence a "change of heart, change of mind [and] change of perception" with the various department managers.

Another respondent reported candidly that risk taking behavior regarding safety issues was often the custom in some departments and research projects. She said that unsafe behaviors were the norm in some departments, and that such norms had previously gone unnoticed by the risk management and human resource team. She explained, "Before, people were diving off the coast of Costa Rica, and we really had no idea they were in shark infested water. But it happened." No precautions to protect research divers were taken. She went on to point out a perceptible shift in departmental "group behavior" appeared to be attributable to good modeling behavior by team leaders, as well as leadership requiring educational training, repetition and rewarding workers by utilizing specific "Pavlovian"- style compliance rewards (which in this particular corporate case was the use of monetary reinforcements). Viewing this shift as a new connection between safe behaviors and investment in the Center's success, she stated:

> I think... by making this major change [with the injury prevention program]... it showed a huge change that can happen if people... comply [with the program]

> and [sic] how it [safe behaviors and cost-savings] all works together. I think that really has helped working with the projects so they can see. Now we are really getting the up front notification... on those... issues to ensure that we have coverage for them by assessing the risk. I think it has gotten across to people -- the cost savings -- by hearing that over and over again... So I think that definitely is different.

However, despite a positive current of respect and pride growing about the effectiveness of leadership in effecting changes in disability management policies of integration, another respondent was concerned that change successes in this area are still fragile and potentially prone to deterioration. She stated, "I've seen how it [the progress of a good program system] can break down over time [due to a proclivity of members to slip back into levels of complacency when not directly faced with a crisis]." She viewed vigilant monitoring and close communication as important activities in preventing regression in progress.

Summary

A number of findings have resulted from the study of the interventions and methods used by the research site leaders to facilitate program change toward greater benefit integration. First, the findings summarized in this chapter suggest that the change strategies used by leaders had a significant influence on transforming this site's integrated disability management program initiative by incorporating an injury prevention program component into its current design. Second, respondents reported measurable improvement citing reduced incidents of injury and a decrease in disability related costs

which they directly attributed to the implementation of ergonomics, an injury prevention program component. A review of the sites loss run reports (disability financial loss reports) supported respondents' verbal reports, demonstrating a 47% decrease in injury-related claims between calendar year 2002 to 2005.

A consensus exists among the respondents that significant disability management program change was a targeted objective in 2002 and that the initial change agents consisted of the risk manager, chief financial officer and insurance broker. The team of core change agents subsequently grew to include the human resource director, workers' compensation specialist and benefit manager. Various department administrators also contributed to the change, but none were referenced as an influential change agent as frequently as the risk manager.

Seven actions and behaviors were identified as strategies used by the risk manager, and to a lesser extent, other program leaders to facilitate incorporation of the injury prevention program component into the existing program. The strategies included: conveying urgency, constructing groups to lead change, developing and communicating an effective vision, empowering group action, establishing short-term gains and consolidating gains for additional change. While not directly stated by the respondents, the transcripts revealed that the site's unique structure, involving autonomous departmental sub-units, continues to influence the organization's culture and creates ongoing challenges to institutionalizing the new changes. At the time of the study, no evidence could be found to suggest that the injury prevention program had been infused into the identity of the organizations corporate identity.

Chapter VI

Overview, Discussion, Recommendations and Implications for Future Research

This single case study focused on the phenomenon of leadership's influence on disability management program change. Specifically, this study explored the role that program leaders' actions played in transforming an existing disability management program from a non-integrated model to one of full integration (IDM). Interviews with eight respondents at the research site yielded a variety of themes relating to the site's past and present program components. Significant amounts of evidence of the presence of the IDM components of common claims intake, preventative medical management, clear return-to-work policies and the use of an integrated data systems was found, along with evidence of considerable cost containment. Interviews, observations and document analysis also yielded an array of themes relating to leadership actions and strategies, and the influence they had on program change. Leadership strategy themes that emerged from the study include urgency, teambuilding, vision, group empowerment, short-term reinforcement and gain consolidation. This chapter begins by reviewing the rationale for the study and the study's research questions and conceptual frameworks. These sections serve as a backdrop to the subsequent discussion which integrates the study's themes with literature findings. Finally, this chapter considers lessons and recommendations that may be taken from the study, as well as implications for future research.

Overview

Rationale for the Study

Integrated disability management program transformation. Loss associated with disabilities and injuries consume the assets of organizations', insurance companies, and employees. Companies continue to be progressively impacted by increases in workers' compensation and disability-related costs. Researchers, theorists, and industry change agents interested in worker productivity examined and found disability to be a major cost driver and cause of employee absence. They attempted to describe the components of model disability management program designs as a means of identifying proactive solutions for maintaining a healthier, more productive workforce and containing cost related to disability. While multiple approaches are associated with effective disability management models, a general, overarching emerging model is termed integrated disability management (IDM). This term refers to managing time lost from work consistently, regardless of whether an injury or illness is work related (DiBenedetto, 2003; Hursh, 2006; Stevens, 2004).

Multifaceted forms of the IDM philosophy and program transformation initiatives exist at many companies. Implementation of IDM is viewed as a multi-stage process with many progressive companies choosing, on some level, to transform their current disability management programs toward greater integration. While not all participating organizations have formal IDM policies, a number of program components were identified in the literature that signal employers' integration of benefit systems (DiBenedetto, 2003; Hursh, 2006; Meisler, 2004). The main components that consistently

emerge in the literature involve an employer's use of common claims reporting processes, medical management by injury prevention programs, transitional return-to-work programs and integrated data management systems (Douglas, 2000).

While a considerable number of studies and models examine what features are fundamental to effective integration of benefits (e.g., DiBenedetto, 2003; Douglas, 2000; Stevens, 2004), none address major change strategies and efforts utilized by leaders to help organizations adapt to shifting conditions associated with benefit integration and absence management. Similarly, although there are many studies of leaders' influence on organizational change in general, there have been no studies that specifically focus on leaders' impact on IDM implementation. Consequently, it appeared that a need existed to study the relationship between disability management (DM) leadership in influencing organizational change towards greater benefit integration. This case study begins to address this void concerning the influence that leader's actions have on IDM program evolution. This study explored what leadership actions did to either facilitate or inhibit an organization's transformation toward greater benefit integration within the context of the four program indicators: common claims reporting process, medical case management through injury prevention program, return-to-work program and common data management system.

Leadership and organizational change. Those who research organizational theory proposed that leadership has direct and substantive effects on facilitating large-scale change (Austin & Peters, 1985; Schlesinger et al., 1992). Researchers have documented that certain leadership strategies affect members' behavior in a manner which helps the

organization achieve its goals and, in turn, impact long term program change (Coleman, 1997; Devanna & Tichy, 1986). Context, of course, is also a significant variable; tactics that are effective in one type of organization and/or one type of change will not necessarily work in other contexts.

Management researchers, scholars and organizational consultants who study organizational change developed conceptual models of change leadership. Of particular importance are models that build on the intellectual antecedents of theorists whose focus was directed toward understanding leaders' influence on group behavior and achieving organizational goals. This conceptual framework involves the concept of leadership influence (Rost, 1993). Identified within these frameworks are some common descriptors that relate a leader's actions with influencing organizational change. While there is no scholarly consensus on what the specific primary descriptors are, there is some agreement that there are general actions and behaviors that leaders use to influence large-scale program change (Hord, 1992; Moore, 2003; Rost, 1993).

The work of John P. Kotter (1996) has been especially influential in articulating the factors alluded to in the above paragraph. In his text, *Leading Change*, Kotter consolidated the recurrent descriptors into a concise roadmap for evaluating change problems and strategies. Kotter's pivotal work and his *eight-stage change process framework* succinctly united the recurrent descriptors found in the literature. These characteristics, which are elucidated in chapter two, include: establishing urgency, creating a guiding coalition, developing a vision and strategy, communicating the vision, empowering broad-based action, generating short-term wins, consolidating gains to

produce more change and anchoring new approaches in the culture.

Research Questions

The following research questions guided this study:

(a) Does evidence support the existence of an IDM program in this site?

(b) If so, what did leaders do to contribute to implementing IDM?

Conceptual Framework

Two conceptual frameworks were utilized in this study. One framework was based on the principles of an effective IDM program in business and industry. The framework was used to frame a study of the organization's respondents' perception concerning the role of leadership in facilitating transformation toward benefit integration. This conceptual framework included four key indicators that signal program integration: common claims reporting process, medical case management through injury prevention program, return-to-work program and common data management system. This framework helped organize findings and outcomes related to the site's current DM program.

The second conceptual framework consisted of eight indicators that Kotter (1996) suggests are common errors made and strategies used when implementing change initiatives. The eight indicators are: establishing urgency, creating a guiding coalition, developing a vision and strategy, communicating the vision, empowering broad-based action, generating short-term wins, consolidating gains to produce more change and anchoring new approaches in the culture. This second framework was used to organize data about what leaders did and did not do while managing the program transformation

process. In short, the former framework helped organize findings about IDM implementation and outcomes; the latter was used to focus on whether leaders' behaviors or actions influenced the process of change.

Thus, the perceptions, attitudes and actions of a variety of the organization's respondents were studied in an attempt to determine how leadership strategies facilitated and constrained the organization's transformation toward benefit integration. By describing the role of leadership in influencing this type of change, the researcher was able to begin addressing a void that currently exists in the literature.

Discussion

The Integrated Disability Management Components at the Research Center

The results of the study are consistent with literature on IDM program components formulated by scholars such as Douglas (2000), DiBeneddo (2003), Meisler (2004), and Mitral, a contributing author in Lacerte and Shrey (1995). The findings support the theoretical assumption, suggested by these scholars, that implementation of an IDM program within an organization influences the cost of disability and lost work time in a positive and meaningful way. Such a program exists at the Research Center, and it appears to have positively influenced employee health and safety. The incorporation of an injury prevention program component in 2002 appears to have been especially important. This significant change in the prior program design, in effect, managed injuries before they occurred rather than dealing with them on a reactive basis. This in turn, altered the prior program by introducing a key—and, in this context, at least, an apparently essential—component of an effective integrated model of disability

management. The effect of this integration is most evident in the decline in injuries and disability related costs. Since its implementation, injury-related costs decreased from $1,526,622 million in 2002 to $348,000.00 in 2005. The site also realized a 47% decrease in injury over the same period resulting in a $1,178,206 cost savings in employee disability and lost work time.

According to Douglas (2000) and Mitral (1995), four key program element domains exist which signal an organization's transition to IDM. The four main program components, which are summarized in chapter four, are a common claims intake system, a medical management model incorporating injury prevention strategies, a consistent return-to-work program, and an integrated data management system. The following discussion juxtaposes numerous bodies of literature with the study findings surrounding these four program components.

Common claims reporting system. Four respondents at the Research Center seem to agree with Douglas (2000) that having a single location at which to receive disability related claims results in streamlined claim administration and reduced cost by preventing the filing of duplicate claims for the same injury. The four remaining respondents do not have a clear understanding of this position with regard to the effect that a common claims intake system has on streamlining the claim management process. This may be because these individuals do not have direct access to or knowledge of the intake system. Thus it was not expected that they would reference it as a program component. This finding suggests that the site accomplished selection of a claims intake model design that supports its objective of IDM, which in turn created a structure to streamline the

administration of claims and prevent filing of duplicate claims across multiple benefits for the same injury. The overall result of the findings in this program area suggests that prior to 2002 a claims intake system existed that supported the same objective.

Preventative medical management through the use of ergonomics. Most respondents in this research consider the 2002 incorporation of ergonomics (an injury prevention strategy) as the most critical program component for reducing the risk factors associated with cumulative trauma injuries. In addition to reducing employee injury, ergonomics is also viewed by respondents as a way to prevent employee re-injury. Their perceptions are supported by Mitral's (1995) research. Mitral writes, "Ergonomics focuses on preventing CTDs [cumulative trauma disabilities] by eliminating the causes and risk factors through design and work practice modifications. Unless the root cause of CTDs is eliminated, which is what ergonomics accomplishes, the problem and symptoms recur" (Lacerte & Shrey, chap. 5, p. 161). Mitral's findings are particularly relevant to this site for three reasons. First, the majority of the respondents note that, prior to the arrival of the current risk manager injury prevention was not a component that existed in the site's DM program. Second, comparative data obtained by the current risk manager from external industry sources identified increasing injury and cost trends associated with employee cumulative trauma injuries that were out of line with industry norms. Finally, an internal retrospective review of injury statistics demonstrated that the majority of the site's employee injuries occurring between 1995 and 2001 were cumulative trauma injuries.

The respondents refer to the prior risk manager's response to injury management as "reactive" rather than proactive. Agreement exists among most respondents, which is further supported by disability financial loss reports, that the site experienced a noticeable reduction in employee injuries and disability related cost since the 2002 implementation of the injury prevention program. Respondents also identify ergonomics as a way to offer a wider range of employee job accommodations and prevent injuries and disabilities from recurring or worsening. This shift in program design is attributed to actions taken by the current risk manager and effective administrative leaders who recognized and embraced the humanistic and practical value of adding a safety program to its existing DM program design. The findings appear to support the position of Isernhagen (1995) that injury prevention is the most cost effective strategy an organization can use to control the escalating cost of employee disability.

Return-to-work. Return-to-work is a program component that is reported by respondents to be secondary in importance to controlling disability-related costs. All respondents appear to support the findings and opinion of Gebhard (1995) who has written that "because of the close connection between medical and indemnity benefits, any medical cost containment measures must be balanced by appropriate return-to-work efforts" (Isernhagen, chap. 39, p. 741). Of notable significance are the opinions of the respondents who are external to the research site, specifically the insurance claims examiner and broker. Their comments support the opinions of Lacerte and Shrey (1995) that early intervention methods that focus on return-to-work programs result "in decreased lost work time, increased employer productivity, decreased workers'

compensation and disability costs" (p. 26). All respondents support the fact that an effective return-to-work program component currently exists at the research site; this component was also operational prior to 2002.

Integrated data management system. All five respondents who have access to the disability data tracking system articulated an understanding of the position of researchers, such as Wiklund, that the use of an integrated data management system is critical to ensuring effective monitoring of employee disability and lost work time factors. Effective monitoring, in turn, ensures optimal outcomes by returning injured employees to work in a timely manner and reducing the costs associated with lost work time benefits (a contributing author in Isernhagen, 1995, chap. 40). The five respondents who were in a position to know about the matter indicated that an effective IDM system currently exists at the site and provides a means to cross reference employee occupational and non-occupational medical and lost work time factors to optimize return-to-work outcomes.

The findings suggest that, prior to 2002, a data management system was in place and operational, but not effective. However, in 2002 adjustments were made by the human resource department team to the medical and sick leave data fields that provided the human resource and risk management departments the ability to track employee medical and lost work time data and identify return-to-work potential early in the employee's treatment process. These findings about the human resource team's actions are in agreement with the Integrated Benefit Institute CIGA Study (2006) that suggested that integrated databases that provide a means to track employee medical and lost work time are an effective tool for controlling claim costs.

How Leaders' Behaviors and Actions Influenced Integrated Disability Management Program Evolution at the Site

The overarching focus of this study concerned how leadership influences IDM program evolution. The findings indicate that the current risk manager of the Research Center had a significant effect on identification and implementation of the site's injury prevention program. The Research Center's successful incorporation of a preventative medical management program signaled its achievement of a fully integrated DM program. These findings about the importance of the new risk manager's actions are consistent with the opinions of leadership theorists who propose that leadership has direct and substantive effects on facilitating large-scale organizational change (Austin & Peters, 1985; Schlesinger et al., 1992).

Comments from all but one respondent suggest the current risk manager's actions and strategies were particularly influential in transforming the existing DM program to include an injury prevention component. The respondents appear to agree with theorists such as Bennis and Nanus (1985), and Kotter (1996), that a leader's specific behaviors and actions favorably influence organizational change. The findings also support the belief articulated by numerous theorists including Goodman et al. (1982), Hord (1992), Kotter (1996) and Schlesinger et al. (1992) that successful leaders tend to utilize specific behaviors, actions and strategies to influence organizational change. These strategies include: establishing a sense of urgency, building effective teams, developing and effective vision, communicating the vision, empowering group action, utilizing short term reinforcement, consolidating gains to produce more change and anchoring the

organizational change in the corporate culture. The following discussion juxtaposes numerous bodies of literature with the study findings surrounding these leadership strategies.

The role of raising the level of urgency. The behaviors and actions of the current risk manager of the Research Center suggests that he is in agreement with Kotter (1996) that raising the level of urgency in an organization is a crucial determinant in gaining members cooperation for implementing change initiatives. The risk manager utilized two strategies to assist in lowering complacency by heightening the sense of urgency for program change. One strategy involved identifying and communicating market realities using *external industry data.* By obtaining data, which demonstrated that the Research Center's escalating trends in rate and cost of treating cumulative trauma injuries was out of sync with industry norms, he was able to make the pending financial crisis facing the Research Center visible. Also, obtaining cost projections demonstrating the site's escalating disability insurance premiums were expressed by respondents as significant in motivating program change. In addition to exposing the site's projected cost for treating employee's injuries, the risk manager researched and identified strategic opportunities, such as ergonomics, that could be utilized by the site to reduce injury and save cost. These strategies, which exposed Research Center DM program weakness and cost saving alternatives, are consistent with those proposed by Douglas (2000) that examine competitors' success, utilize outside consultants to drive open discussion based on market realities, and communicate the benefit for pursuing cost saving opportunities.

A second strategy used by the risk manager to bring attention to the pending

financial insurance crisis involved the use of *internal performance data.* Respondent's comments suggest an internal review of the site's retrospective losses influenced the administrative team to consider injury prevention strategies as an avenue in which they could contain disability related costs. The risk manager's synthesis of disability performance data showed that cumulative trauma injury significantly outweighed other types of injury at the Research Center and were responsible for the majority of their disability cost. The risk manager's research findings are in agreement with those of industrial disability scholars such as Isernhagen (1995) that cumulative trauma injuries are the greatest cause of employee disability, lost work time and escalating medical cost. The respondents' comments reflect the current risk manager's use of alarming performance data was significant in heightening the importance for change and producing a vector of force which moved the group toward embracing the injury prevention vision.

Research data from the interviews conducted in this study suggests that, prior to 2002; a high level of organizational *complacency* may have contributed to this organization's failure to see the crisis and identify injury prevention as a potential strategy to control its increasing disability rate and cost. Respondents reported that escalating costs related to injury and illness were historically perceived as "a cost of doing business" and the losses something to "acquiesce" willingly. The findings from empirical researchers and theorists outside of this study, such as Staw (1982), are mirrored in this study's results. Specifically, mid and upper level management respondents seem to support Shaw's theory's that, "there is a tendency [for

administrators] to become overly committed [to a prior course of action] in escalation situations-to throw good money after bad or to stake fresh resources to the losing course of action" (a contributing author in Goodman et al., chap. 3, p. 91). Shaw further stated, "[Research] findings [on negative organizational persistence] suggest that administrators seek to justify an ineffective course of action by escalating their commitment to resources to it" (p. 93). Also, financial reports show that while the Research Center was experiencing increasing costs related to employee injury and disability, it was concurrently experiencing a period of increasing research grant and contract allocations. The data suggest this site's productive growth in one area may have reinforced its complacency and lack of response in another. Although this study did not attempt to assess the site's sources of complacency, the financial reports seem to support Kotter's assertion that organizational complacency often is correlated with organizational success: "Success [in one area]," Kotter writes, "provides too many resources... and encourages [an organization] to turn inward" (p. 41).

Creating a team to lead the change. The findings of this study support, in disability management contexts, Kotter's (1996) general theory that in order for leaders to facilitate large-scale change, an organization requires a strong team of people that hold positions of influence, have a wide range of expertise and high organizational credibility. The risk manager's focus on establishing trust and bonding between team members seems to have resulted in building a high level of trust within the group which, in turn, had positive effects on the group and the organization's ability to embrace the injury prevention program objective.

Respondents view investment by members at *multiple levels* of the organization as an important sign that the group leading the change has *credibility*. The risk manager first obtained the support for program change from upper level management, specifically the chief financial officer. As such, by understanding the organization's chain of authority, he was able to utilize his own influence to shape change within the organization's structure. Credibility is also viewed as instrumental in establishing a core DM team of middle-management, which has sufficient trustworthiness and authority to lead the program change. The efforts employed by the risk manager facilitated the creation of a credible team, with a *variety of skill and expertise*, to lead the change initiative. The risk manager's core middle-management team consists of himself, the human resource director, benefits manager and workers' compensation specialist. Line level employees also serve peripherally as department "safety marshals" and employee liaisons. By identifying members at multiple levels of the organization who have a variety of expertise, the risk manager enhanced the chance that the group leading the IDM change would, in turn, be viewed as credible to other members of the organization.

Respondents report that having informal meetings in which *open communication* and intellectual exchanges could occur were another significant process that helped the group learn to work together like a team. Communication is viewed by a number of respondents as an essential process variable for heightening the sense of trust and facilitating teamwork. *Informal social events* in which "appreciation" gatherings were planned expressly with the purpose of fostering trust and team bonding occurred.

The actions of the Research Center's risk manager suggest that he is in agreement with Barczak, Smith and Wilemon, contributing scholars in Schlesinger et al. (1992) that in order for an organization to produce and manifest change, a high level of alignment needs to be present among multi-level group members. The study findings also suggest that he concurs with Kotter (1996) that informal contact between superiors and employees is the most important source that bonds members and communicates crucial support for a change initiative. The risk manager was able to obtain support from managers and employees at departmental levels of the organization to implement the injury prevention and ergonomics program component. He used strategies such as coordinating social activities to help promote group trust. Planned social gatherings, for example group picnics, were an effective strategy to build team cohesion between members at all levels of the Research Center, celebrate team success, and reward good program outcomes.

Developing and communicating the vision. Most respondents articulate an understanding and acceptance of the position articulated by researchers such as Morse (1993) and Kotter (1996) that effective program leaders must *develop an effective vision*—one that members of the organization can share, are compelled to embrace and which is grounded in a clear understanding of the organization, its market, and competitive trends. The risk manager's attention to developing market trend research and statistics helped the organization view injury prevention as a *sensible* objective. This, in turn, helped the group embrace the ergonomic program component. The risk manager's focus also placed value on the importance of *balancing the interest of all organization*

members. He did so by identifying ways in which the organization could reduce employee injury and save money by using ergonomics. He also used monetary incentives to encourage department managers' participation in the safety and injury prevention program in exchange for program success.

The majority of respondents at Research Center believe that reciprocal *communication of the vision* with the site's members and the *use of multiple methods* to *repetitively* communicate the safety and prevention message are important to obtain broad based organizational commitment to the change which, in turn, is critical to the program's effectiveness. The risk manager views effective communication as a way to get safety program feedback and direction, provide positive reinforcement for reducing employee injuries, and empower mid- and department-level managers to follow through on continued ergonomic program objectives. Program leaders use memos, emails face-to-face meetings and planned social gatherings as a way to further this objective. By doing so, they appear to agree with Bennis and Nanus (1985) that the use the use of multiple forums to convey a repetitive message is an essential element to effectively communicating the message and winning the support of members at all levels of the organization. The risk managers belief that by communicating and being collaborative "you can get them [members of the organization] to embrace... and become more engaged in the process" appears to have some validity in that multiple respondents viewed these as critical process variables that helped to bring about program change. This thinking, of course, also is consistent with the thinking found in the literature on organizational change.

Empowering broad based group action. The results of this research also are in line with the literature on group empowerment formulated by scholars such as Fetterman (1996) and Beer et al., a contributor in Schlesinger et al. (1992). The findings support the premise, suggested by the work of these group empowerment scholars, that to empower a broad based group to take necessary action for change, power must be delegated for group processes and outcomes. The findings are also consistent with the literature on empowering group processes proposed by Kotter (1996) who believes that the *elimination of organizational barriers* is a necessary step to empowering a wide range of employees to take the needed action for change. Empowerment of this nature occurred at the Research Center, and it positively influenced both the group members and the organization's structure in a number of ways.

First, the existences of departmental sub-units with fragmented authority were identified early on by program leaders as potential *internal structural obstacles* that would likely hinder the department managers and human resource and risk management department leaders from engaging in meaningful change efforts. A fracturing of enforcement authority and *limited manager training* (in ergonomic procedures and compliance rewards) presented return-to-work and ergonomic program implementation challenges at the Research Center. While program leaders' were disempowered to remove the fragmented department obstacle, because of the complex entrenched organizational structure, they were successful in identifying creative ways, such as *departmental compensation structures and in-service technical training*, through which to neutralize their impact on safety program implementation. By providing technical

training to department managers, the risk manager appears to agree with Kotter (1996) who also refers to the importance of organization members having the necessary skill sets as an essential element to empower the group to take action. In addition to exploring ways to bolster department manager skills, program leaders also aimed to influence their behaviors and attitudes by providing in-service training. The risk manager identified and hired a safety specialist to educate the department managers on the intrinsic and extrinsic value of ensuring workplace safety. This strategy helped shift the department managers' attitudes about program oversight and precipitate their investment in the program by helping them envision their role and responsibility in protecting their most valuable asset, their workforce. This finding also supports the position of Beer et al., in Schlesinger et al. (1992) that, "Once an organization has defined new roles and responsibilities, people need to develop the competencies to make the new setup work" (p. 450).

Second, program leaders facilitated a change in which monetary *compensation*, in the form of premium reimbursement, was returned to the department managers as a reward for reduced injuries rates. Program leaders' appear to share an opinion expressed by Kotter (1996) that aligning bonus compensation structures with the vision empowers individual departments to view themselves as stakeholders in the process and realize immediate gains from their efforts in supporting program change initiatives.

Third, the risk manager hired a reputable unbiased actuarial to perform a study of the Research Center's injury rates, after the 2002 ergonomic program initiative's early operation. This helped reinforce injury program success to upper level administrators by

demonstrating reduced injury rates and global cost savings. It also empowered the group to continue their efforts by indicating where results were effective and lending further support for the injury prevention program's implementation.

While program leaders were successful in empowering organization members to act by aligning a number of internal organizational structures, they were less influential in neutralizing a number of *external system obstacles*. The study findings suggest that leaders' at the Research Center are in agreement with Kotter (1996) that it is often not reasonable, or possible, for program leaders' to address all inconsistencies between the system and the vision all at once. External government structures governing employee disability rights and medical privacy continue to present challenges to processing employee's early return-to-work at the Research Center. The obstacle posed by the Health Insurance Portability and Accountability Act (HIPAA) was successfully neutralized by program leaders but others, such as Family Medical Leave Act, remain. HIPAA, a federal medical privacy law, prevented timely communication of employee's functional status which, in turn, inhibited department managers' implementation of ergonomics or early job accommodations. Program leaders' appear to have creatively and legally neutralized the impact of this obstacle by building an information exchange alliance with the insurance claims executive. However, there does not appear to be a clear strategy in place to address the remaining barriers raised by state and federal laws governing disability employment rights and medical leave. Department managers continue to be personally impacted, and increasingly frustrated, by barriers raised by state and federal laws governing employee medical leave that inhibit their ability to implement

ergonomic job and return-to-work initiatives and keep department positions filled.

Short-term wins. The actions and behaviors of the risk manager and other Research Center program leaders suggest they are in agreement with Schlesinger, et al. (1992) that change efforts are enhanced when a fit occurs between short-term reward systems and members or the tasks they perform. The impact that leaders had in influencing department manager and employee safety behaviors appears to be, in large part, the result of establishing visible short-term wins. The agreement among most respondents is that short-term wins were established by program leaders at three different levels of the organization as a way to reinforce credibility of the program and support ongoing efforts toward injury prevention program change. Program leaders used short-term win strategies with upper level administrators, department level managers, and line level employees.

First, the risk manager demonstrated an actual $1,178,206.00 savings and projected 3.3 million dollar savings to the CFO (an upper level administrator) the first year of the injury prevention program. Short-term wins served to provide feedback for upper management by reinforcing that their ergonomic plan and intended cost-savings results were on track. Second, upper level administration, the risk manager, and insurance broker identified monetary rewards as one way to provide short-term reinforcement to department managers who participate in the program and demonstrate injury reductions. Program leaders advertised and provided a quarterly insurance premium waiver to department managers, who demonstrated positive task-related behaviors and ergonomic program success. Third, mid-management program leaders have regular "employee

appreciation meetings" that focus on reinforcing the safety program with line level employees. Program leaders' efforts show how appreciation and sharing program success with the individual departments influenced their behaviors, resulted in positive outcomes and, in turn, had a predominantly strong influence on disability management program change at the Research Center.

Using current gains to further long-term change. The risk manager appears to agree with the position of Goodman et al. (1982) and Kotter (1996) that effective leaders must continue to find ways to keep members attention on the vision or the behaviors may regress to prior patterns. Research Center leaders' focus on three strategies served to keep attention on the injury prevention program moving forward. First, respondents commented on development of *new safety projects* that supported the programs injury prevention vision. Research Center program leaders recently started a program that rewards employees for generating cost saving ideas that can help the Center reduce employee disability and increase workplace safety. This project is viewed by respondents as one way to continue program momentum and help with departmental assimilation of injury prevention.

The risk manager also continues to encourage mid level management human resource staff to come up with new projects to reinforce injury prevention program changes. The human resource department staff has responded to leaders' encouragement. Specifically, they developed employee safety training for new hires and are currently examining ways to expand additional safety training for high risk employees to prevent disability exacerbation or re-injury. Second, the risk manager is considering other

avenues to continue program progress, such as *bringing in new members to facilitate more changes*. While not yet implemented, attention on this factor as an activity of interest suggests the risk manager's awareness of another effective strategy to prevent program efforts from stagnating.

Finally, *social gatherings* are used to maintain sufficient attention on the continued importance of the safety program and prevent members' behaviors from regressing to old patterns. An annual "thank you picnic" is sponsored by the risk management and human resource staff as a means to reinforce the safety program message, departments' success and keep attention on the injury prevention program moving forward.

Despite these efforts, however, program leaders and human resource staff indicated that injury prevention is far from being assimilated in the culture at the Research Center. Challenges with assimilation continue to be posed by the complex organizational structure involving multiple self-directed departments. Departmental sub-units continue to operate in an "autonomous," "silo-ish" manner with the human resource and risk management departments having little authority over them. The individual departments, which are reported by respondents to have different behaviors and values, "present some unique problems" to ensuring that the changes made will persist over time.

The challenges facing the Research Center seem to be in line with opinions of Kotter (1996) that two common reasons that change progress can fail to persist is subunit "interdependencies" and corporate culture. He states that organizational subunits make it difficult to sustain program change on a long-term basis. Long term program

sustainability is a concern raised by a number Research Center staff. Nonetheless, as Goodman et al. (1982) asserts, "Persistence in the context of organizational change... is not an all-or-nothing phenomenon; there are clearly degrees of persistence that can be identified in terms of response rates over time" (p. 229). This appears to be the case at the Research Center where signs signaling a shift in members' behaviors are beginning to be noticed. Specifically, risk taking behavior regarding safety issues was often the custom in some departments and research projects. Unsafe behaviors were the norm in some departments, and had previously gone unnoticed by the risk management and human resource team. However, a recent perceptible shift in departmental behavior occurred and is attributable to good modeling behavior by team leaders, as well as leadership requiring educational training, repetition, and rewarding workers for performing task-related behaviors. This shift may be a sign of a new connection between changing departmental norms of behavior and values that are central to enhancing employee health and wellness and IDM program success.

Anchoring the injury prevention program changes in the corporate culture. The study findings appear to be in line with Kotter (1996) who states, "Barriers associated with the organizations culture... are extremely difficult to remove completely until the end of each change project, after performance improvements are clear [and] solid short-term wins are established" (p. 111). Program leaders and members have not yet seen direct evidence that the injury prevention program has been firmly established in the Research Center's culture. While visible short-term reinforcement is provided as a way anchor the injury prevention program component in the corporate identity, the Research

Center leaders have not yet accomplished what they consider to be a self-sufficient state of assimilation. Program leaders' seem to agree with Kotter (1996) that in order to significantly change corporate values and norms, members of the group need to first experience persistent tangible benefits. Specifically, Kotter notes, "Culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement" (p. 156). Strategies of Research Center program leaders focus on altering department managers' behaviors through education, short-term reinforcement, and making visible the connection between their participation in the injury prevention program and decreased employee injuries.

A number of respondents appear optimistic by what they view as a perceptible "shift" in prior departmental norms of behavior concerning employee safety. Specifically, some department managers are beginning to show subtle signs of improved safety behavior and appear to be modeling it as a value they share with the human resource and risk management staff. These values may, with time, be passed on to new members of their departments. However, two respondents are not confident the behaviors will persist in the long-term and fear they will "break down over time" without ongoing effort. The degree of present day "institutionalization" of the injury prevention program could not be explored in any detail during the scope of this study and may not even be known to respondents interviewed because cultural behaviors and values, according to Heskett and Kotter (1992), "are a product of a variety of social forces that are frequently subtle, bordering on invisible" (p. 140). Solid anchoring of this program change in the corporate

culture may take eight to ten years of leader's persistence to influence. However, at this point in time a subtle shift suggests that a change in the corporate culture may be occurring.

Potential Lessons and Recommendations for IDM Program Leaders at the Research Center

The findings of this study suggest a number of lessons and policy and practice recommendations for IDM program leaders at the Research Center. A number of lessons are related directly to ensuring program persistence and transforming organizational culture, while others are more universal in nature. These lessons and recommendations are particularly relevant to IDM program leaders at the Research Center, however, they may also have some degree of relevance to other corporate DM programs that are interested in evolving their current programs towards greater integration.

First, the findings indicate this risk manager was very successful in overcoming organizational inertia to DM program change; his conscious and explicit focus on this change process, therefore, might function as a positive model for program administrators of similar organizations interested in implementing IDM. The study suggests that program leaders at other sites may similarly need to commit to the uncomfortable task of confronting sources of complacency and pushing the comfort zones of upper level administrators in order to ignite the change process and ensure program success. The risk manger's specific methods also might have heuristic value in other contexts.

A second recommendation is more directed at the Research Center, though, of course, it can also serve as a caution to other organizations that use this case as a model

for action. Kotter (1996) suggests that a common mistake made by organizations when implementing change plans is allowing complacency to return by becoming overly focused on program success before changes have been firmly established in the corporate culture. Given the considerable financial success of its injury prevention program, the Research Center may be at risk of being seduced into a state of complacency. Specifically a visible crisis no longer exists related to escalating injury rates and insurance premiums as the organization is, at present, successfully controlling its injury rate and costs. The risk of complacency return is further increased by the fact that the Research Center has not yet successfully achieved the objective of permanently establishing the injury prevention program change in its corporate culture. Because of the current situation, therefore, the program may be vulnerable to regression. Program leaders should find ways through which to continue the task of changing department managers' behaviors, performance and normative values. This may involve finding ways to keep the level of urgency high enough to ensure the programs progress continues and complacency is kept at bay. A contrasting view to this perspective is one that asserts that anchoring change in the corporate culture, at least in the particular culture studied, may not be a *necessary condition* (i.e., one that, as Kotter asserts, must be satisfied for successful program change to occur). Successful program change has been achieved at the Research Center in the absence of the cultural construct. Therefore, as Stake (1995) suggests, the cultural assimilation construct may be viewed as an *etic issue* that I brought in from the outside and may not fit this case situation well. An *emic issue* that has emerged (i.e., from inside this case) may disconfirm Kotter's (1996) view that in order for organizational change to

successfully occur it must be anchored in the corporate culture. This is one *petite generalization* that may have relevance to this study. Of course, because of its temporal limitations, this study can say nothing about what is required for changes to be sustained for more than five years and when there are changes in key personnel.

Third, the findings indicate that this risk manager was highly influential in facilitating organizational change by identifying a strong leading group that hold positions of influence, have a wide range of expertise, and exhibit high organizational credibility. Findings suggest this group, the human resource team, has a breadth and depth of expertise and bonding from its eighteen year tenure and achieved a high level of departmental trust and alignment years prior to this risk manager's entrance. This level of group experience and bonding is not generally seen in other human resource departments. Human resource departments are almost always filled with individuals with a varying degree of skill, tenure, and experience, and typically do not possess the longitudinal group experience or skill reflected in the Research Center team. Thus, the Research Center team may be a model that is extremely unique to this type of organization and not readily applicable to other organizational settings. The study, therefore, suggests that human resource department specialist training programs should be considered by other organizations to provide lead team members the opportunity to develop technical and collaborative skills prior to having them embark on disability management program change efforts.

Fourth, successful implementation of the injury prevention program component at this site appears to be, in large part, the result of the risk manager's ability to create a

powerful vision and successfully convey the vision's message to members at all levels of the organization. Research suggests good visions are difficult to develop and arise from a complex set of technical processes involving many competencies (i.e., Kotter, 1996; Morse, 1993). The Research Center's risk manager appears to have these competencies. He is able to gather, generate, and synthesize large volumes of data and analyze outcomes, motivate teamwork, and bring critical thinking and a great deal of imagination to the process of developing a vision. The findings of this research demonstrate that effective DM program change at the Research Center relied on his technical skill and ability to establish an effective vision- one in which members of the organization were compelled to embrace. This suggests that risk managers' skill and competency may vary in other organizations and thus they may not be as successful in developing an effective vision. Kotter (1996) believes an ineffective vision is worse than having no vision at all, as a poorly constructed vision can result in creating wide-spread doubt about the transformation effort and lead to program failure. Accordingly, risk managers assigned to the task of creating a DM change vision should be provided the opportunity to learn, refine, and apply these vision making skills in a learning environment prior to embarking on the task. Visioning ability might also be added to the list of criteria organizations use to select risk managers.

Fifth, the results of this research suggest program leaders were influential in empowering Research Center's members to take necessary action for change. They did so by identifying and removing as many obstacles to implementation of the injury prevention objective as possible. Broad based group empowerment at the Research

Center occurred, and it positively affected both the group members and the organization's structure in a number of ways. However, external government systems governing employee disability rights continue to present challenges to addressing employee's early return-to-work and ergonomic job accommodations with ease. There does not appear to be a clear strategy in place at the Research Center to address the barriers raised by state and federal laws governing disability employment rights and medical leave. Department managers continue to struggle with barriers raised by state and federal laws governing employee medical leave that inhibit their ability to implement ergonomic job accommodations and return-to-work initiatives. As long as state and federal laws continue to pose ongoing obstacles to DM program implementation, challenges to injury prevention and return-to-work program execution will persist. Accordingly, consultation with labor attorneys may yield additional ideas on how to neutralize these obstacles. This strategy almost certainly will have to be used by other organizations that use this case as a model for organizing and leading their organizations' implementation of IDM.

Sixth, the findings of this study lead to an assumption that many risk managers would be motivated to assume the role of DM program change agent. As the prior risk manager demonstrated, this is not necessarily the case. The current risk manager in this study has a unique set of skills and high level of personal interest in leadership theory and organizational change. He also seems to have a high degree of personal confidence in his leadership competencies. As a result, he focuses frequently on exercising these skills and exploring avenues where he can influence program change and reduce corporate risk. He

has been successful in positively influencing disability management program change, in large part, due to his leadership strengths and enthusiasm in exercising those skills and talents. This suggests that the emphasis of other organizations, when selecting risk managers as change agents, should be on identifying those with leadership skills, rather than assuming that there is motivation and potential to ultimately develop these skills or interests.

Recommendations for Future Research

This case study addressed an uncultivated area of research on the topic of organizational change. Much research has been done that explores the relationship between leaders' behaviors and actions, on the one hand, and the effectiveness of change strategies in driving organizational change, on the other (Bennis & Nanus, 1985; Kouzes & Posner, 1987). However, there is little evidence that organizational change research has examined the relationship between leadership strategies and change in a corporate disability management setting. Therefore, this study reflects an initial attempt to describe and understand the influence of leaders' behaviors and actions on moving a corporate DM program toward a fully integrated disability management model.

Future research needs to build on this study's result by exploring other organizations involved in similar IDM transformation efforts. By expanding the research to other organizations, the research community will be in a position to build grounded theory about the relationship between leader behavior and IDM implementation success, theory that will suggest which strategies are applicable to and appropriate for different sorts of DM contexts. Future research should explore the characteristics of IDM

programs in organizations of a different size and structure, and that have different benefits, program cost, injury rates, or other factors that influence a program's makeup to determine the effect that these variations have on the relationship between leadership strategies and program change. Also, the impact of the ageing workforce as a potential driver of disability duration and cost is an emerging interest in many organizations. Thus, research should explore this demographic variable and the effect that leadership has on influencing disability rate, duration and case cost by implementing injury prevention strategies such as ergonomics.

Finally, since IDM is an emerging model and this study is an initial attempt to describe leaders' influence on program transformation and effectiveness, quantitative studies would be useful to expand the sample size. Quantitative studies would also provide a way to test cause and effect hypotheses and determine the effect of leaders' influence on controlling variables such as disability-related cost and frequency of employee lost work days. Since employee productivity variables appear to be of great concern to organizations, quantitative results would begin to test specific hypothesis to better understand the affect leaders' influence has on IDM program implementation variables.

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Appendix A
Interview Guide

Interview Guide

[Background of respondent]: Tell me a little about yourself. How long have you worked here? (Probe for a summary of his or her career; position or role in the organization).

I'm trying to construct a chronology of major events in the development of your organization's disability management program. Can you tell me about significant events in the history of the organizations disability management program? (Probe for as much detail as possible; who did what, when, how and why?)

Which of these events were most significant to you and why?

What are the main components of your disability management program that are the most effective at containing costs associated with loss work time?

Can you describe how the components associated with your department affect other departments managing employee loss work time?

What are some of the methods used by the administration that have had particular influence on program adaptation/change?

Can you tell me a story that captures the essence of leadership's role in facilitating change in the disability management program?

[For respondents not in administrative roles]: What advice would you have for the organizations leaders concerning further integrating program components to contain costs?

[For respondents not in administrative roles]: If you were given that task of integrating the departments assigned to manage employee loss time what would you do, and why?

[For respondents in administrative roles]: How important is developing and communicating vision in contributing to program change?

What are the key factors or actions that can lead to positive or negative perceptions of program integration?

How important is the leadership role in facilitating program change?

How important is culture in contributing to integration of program components?

What advice would you give someone assigned to the task of integrating disability management programs so all cases are handled the same regardless of cause of disability?

Can you tell me some reasons why program integration would not work?

If I were a fly on the wall what would I look for to see if leadership was influencing program change? What would be missing if leadership was not involved in program change?

How large a role did leadership play in this story? If respondent feels effective leadership was central to the story ask: Who helped provide the leadership? What exactly did they do that constituted effective leadership?