

Value Analysis & Standardization:

Systematic steps to support system-wide change

FEBRUARY 2007

POWER AND AUTHORITY

Greetings from Carol Stone

This issue of our newsletter focuses on power and authority. As Value Analysis Professionals, you are frequently called upon to produce results that require the cooperation of others, including those over whom you have little or no formal authority. Bosses, vendors, colleagues: everyone seems to have his or her own priorities and those seldom seem to be yours. However, as the experts will tell you, the ability to get things done through others doesn't rely as much on the power of position as it does on the power of leadership. You don't have to be boss in order to lead. Informal authority can be very effective and it can be learned.

In order to increase your own informal authority, it helps to understand the nature of power, its sources and how to tap them. Therefore, in this issue, we begin with a theoretical look at the way power operates, move through some exercises to help you increase your own personal power, then provide some practical scenarios that you may find useful in situations you may encounter.

I think you'll enjoy this issue and hope that you'll find it useful in developing your own personal power. As always, at Bard, we want to help you to be your best, so please let us know if – and how – we've been able to meet our goal. And if you know someone else who would like to receive our newsletter, we would be happy to add them to our distribution list. Just email me at carol.stone@crbard.com.

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POWER AND AUTHORITY:

THEORETICAL PERSPECTIVE

From the day we are born, we feel the effects of power and authority. Life is a struggle to achieve them both. Reality, however, demands we eventually recognize that, in the grand scheme of things, the two do not necessarily go hand-in-hand. In the business world especially, we often experience one without the other. And many times we find ourselves in the position of being expected to produce results without the formal trappings of either. It is then we must go “off-roading” and take the informal route. It is possible to exert power successfully without authority; indeed it is the most fundamental form of leadership.

Use Power Wisely

Because of its potential for coercion and corruption, power has the tendency to be viewed with suspicion or fear. Therefore, it must be used wisely in the workplace in order to be effective. This is especially true when attempting to get things done (exercising power) when you have little or no direct authority over those whom you need to help you achieve your goals.

The myth of leadership is that it comes from position or title. However, you don't need to be a CEO or even a manager to exhibit the power of a leader. According to the Harvard Business Essentials book *Power, Influence and Persuasion*, you simply have to know how to tap the three sources of power: position (formal power), relationships (informal power) and personal (the kind that comes from general knowledge, technical competence and the ability to communicate ideas or visions that other will follow).

Power is the potential to allocate resources and to make and enforce

decisions. It is also, according to the Tom Rusk book *The Power of Ethical Persuasion*, creative influence. That is, it has the ability to affect any human interaction that adds energy to the situation and in a way that leads to results which are greater than the sum of their parts. Influence is an extension of power and can be used to change behavior and attitude without the apparent use of force, compulsion or even direct command. It is, according to author and consultant John C. Maxwell, the true measure of leadership.

The Five Levels of Leadership

In his book, *The 360-Degree Leader*, Maxwell describes the five levels of leadership: Position (people follow because they have to); Permission (people follow because they want to); Production (people follow because of what you have done for the organization); People Development (people follow because of what you have done for them); and Personhood (people follow because of who you are and what you stand for).

The ability to exercise power – essentially to lead – beyond your position is not easy. It can be done; in fact, it is done every day. But, because it is based on trust, it must be earned. Like right-of-way, power is something that is yielded.

Power Is Dependent on Others

Power doesn't come with position but is highly dependent upon others, for example, bosses, subordinates, peers or suppliers. Dependency is a fact of life in any organization, whether it be

based on goods, services or merely information. In order to exercise either your formal or informal power, you must first identify those you depend upon and those who depend upon you.

This is closely allied to the “Circle or Sphere of Influence,” as it is referred to by many leadership authorities, the circle being those with whom you most interact or whom you most rely on in order to achieve your goals. Proactive people, according to Rusk, focus on things they can control, either directly through their own behavior or indirectly through the behavior of others. The mechanism for using power to change or motivate behavior is influence. However, you must be strategic, giving priority to those people or areas most relevant to your success.

Increase Your Power

One way to increase your power at any level is through relationships with others. Those with very little positional power can exercise a substantial amount if, for example, they can successfully form collaborative relationships. These can be natural (based on a broad range of common interests) or single-issue (united for a specific cause). The key is to identify individuals or departments with common agendas for their potential as logical and reliable allies.

Another way is through reciprocity. It is an unwritten law of human nature that whenever you do something for someone else, it changes the relationship. For one, it creates an obligation for that person to return the favor. For another, it shows you are a person who values, respects and understands the needs of others – and how meeting those needs is good for the organization

as a whole. It is equally advantageous to enable someone to do you a favor. In this way, you enable him/her to enjoy the role of exemplary employee as well as demonstrating your regard for his/her experience/expertise. It can also serve to give that person an investment in your success. All of this can strengthen the relationship, but only if it is not overused or, worse, exploited.

Relationships and Trust

All of this rests on a bedrock of personal integrity, something called character. At the heart of the circle of influence is the making and keeping of commitments, says Rusk. People yield power to leaders they can trust, who demonstrate that they are competent, open, approachable, understanding, helpful, and empowering. This means extending respect to others as well as working to earn it for yourself. One way is by demonstrating that you are open to the opinions of others. Another is by working to understand the true needs of your circle then helping them to achieve them while meeting your own objectives. This is “win/win”, what Covey refers to as a fundamental habit of interpersonal leadership that begins with character and moves toward relationships out of which flow agreements. ❖

Tips for leading when you're not the boss

- **Establish goals** – communicate objectives
- **Be systematic** – lay out data, seek out causes, propose action based on analysis
- **Learn from experience** – review mid-course and adjust accordingly
- **Engage others** – partition tasks
- **Provide feedback**

From Power, Influence and Persuasion, Harvard Business Essentials Series

FOOD FOR THOUGHT

THE POWER OF WORDS

In his book, *The Seven Habits of Highly Effective People*, Stephen Covey suggests that one way we demonstrate our own personal power is through the language that we choose. Proactive people – those who take the responsibility to make things happen – choose words that come from a paradigm of determinism. They choose to take the initiative, not merely react.

He gives examples:

Reactive	Proactive
There's nothing I can do.	Let's look at the alternative.
That's just the way I am.	I can choose a different approach.
He makes me so mad.	I can control my feelings.
They won't allow that.	I can create a different presentation.
I have to do that.	I will choose an appropriate response.
I can't.	I choose.
I must.	I prefer.
If only.	I will.

What's Your Reality?

Continued from outside.

respected. She is not only influential with other nurses, but with physicians as well. She believes value analysis is all about cutting cost, and that quality always suffers.

You might...

- *Talk to her 1-1, acknowledging her expertise. Explain your dilemma. You believe there is a better, less expensive product available, and that it would benefit the hospital to switch.*
- *Ask for her help in determining how to show that the change will improve quality of care, and that your motives are not cost alone. Ask for measures that will make sense to other nurses and physicians.*
- *Ask if she would come to the Product Utilization committee review meeting as your expert.*
- *Ask if she would come with you to meet with other clinical staff who may object to the change, and help you to address their concerns.* ❖

Power Map

Map out your own Sphere of Influence – the domain in which you can effectively exert influence. Beginning with the sphere of your formal authority, where is it strongest? Where is it weak?

Some ways you can expand it:

- by increasing your power
- by projecting your power in areas strategically important to you
- by creating deeper or more broadbased dependencies on you
- by being open to influence by others

From Power, Influence and Persuasion, Harvard Business Essentials Series

POWER AND AUTHORITY:

PRACTICAL PERSPECTIVE

So, if there are three sources of power: position (formal power) relationship (informal) and personal (personal competence and technical expertise) – how can the Value Analysis Professional take advantage of each of these types of power to get the job done?

1 Position Power

First, you have position power by virtue of your role in Value Analysis. By virtue of your role, you are given “permission” to set policies, establish standard operating procedures, question purchases, and establish teams. Most Value Analysis Professionals are less likely to have significant position power, and therefore must rely more on relationship and personal power. But, you also need to recognize and use the position power you do have. When necessary and appropriate, you can be firm and consistent in your dealings with others, when the issue is something that falls within your realm of responsibility. This may apply most to those of you who operate from a “corporate” position within an integrated delivery network. However, take care to use this formal authority wisely. In today’s team based environment, individuals often react negatively to colleagues who try to use authority or direct orders to get things done. People are more used to negotiation, and want to be involved in anything that will affect them and how they do their job.

2 Informal Power

Second, you can take advantage of your informal power. For most of you, influence is most likely based on informal or relationship power 95% of the time. As part of your role in Value Analysis, you are given the unique opportunity to work with individuals in many different functions across your institution. You

deal with finance, clinical staff, purchasing, and outside vendors across all levels of the organization. Take the time to get to know these individuals.

3 Knowing Your Customers

Building relationships is the best way to get people to work with you – they know you, they trust you, and are willing to listen to your ideas and take your advice. Just as important, get to know your customers and stakeholders. If you know them well, you will recognize what is important to them. You will know if they prefer to receive information verbally or written. You will know if they like all the details up front, or if they just want the bottom line, and then the ability to ask questions about the details.

4 The Customers’ Perspective

Informal power is critical, and, for you, most likely the best way to get things done. Put yourself into your customers’ shoes, and do your best to see things from their perspective. By understanding their world and their priorities, you are better able to understand why they may resist certain change efforts, and you are better able to position benefits of change efforts in ways that will be meaningful to them.

5 Empowering the Staff

It is especially important to spend time with the nurse managers and other clinical staff. They need to get to know you, and they need to see you spending the time and effort getting to know them and their needs. Give the clinical people their own power and authority to champion and help drive initiatives. Change initiatives should not be positioned in terms of what you want, i.e., don’t ask for help getting something done for you. Position things in terms of what the

benefit will be for your customers, and get them involved in making it happen.

6 Personal Power

Finally, you have personal power. This power stems from your technical competence, and from being the expert in Value Analysis. You can use this personal power both in 1-1 discussions, and in team settings. In team meetings, you can be the one who offers the data that helps the group make decisions. You bring the information regarding clinical and purchasing standards. You ensure the accuracy of calculations, contracts, contract terms, pricing quotations, etc. You are the one who knows what Value Analysis is, and the potential savings the process can bring to the organization.

You build your personal power over time. To do so, you must be proactive and take the initiative to improve yourself and your knowledge of Value Analysis. Do your homework before every team meeting or every 1-1 discussion with a stakeholder. Know the details inside and out. Even one discussion where someone feels you don’t know what you are doing, or where you provide inaccurate information, hurts your credibility.

Read about Value Analysis to learn what other groups are doing. Join organizations like the Association of Healthcare Value Analysis Professionals where you will be able to get information and share issues with other professionals. You may also consider skimming through information that is specific to a project you are working on to be up on the clinical information, e.g., Association of Perioperative Registered Nurses, American College of Obstetrics and Gynecologists,

Continued on back.

SHARE *Your* VIEW

Sam Meiers is a new Value Analysis Professional. He made an unusual career move, joining the group after working for his family's company, where he handled purchasing, contracting, and overall financial management. Because he was the boss's son, he was used to getting things done by using his positional authority. He is having trouble in the new Value Analysis position, because he no longer has this positional power to rely on. Plus, since he is new to the organization, he hasn't yet built relationships with his colleagues and stakeholders. And, although he is quite astute with business analysis and decision-making, he tried using these skills early, and, fortunately, realized that he was turning people off by appearing to be the expert, although he had little time on the job.

What can Sam do in the early months of his new position to help build his ultimate power and authority within the organization?

SCENARIO 1 Although he may have to move slowly, he should still show everyone how good he is at business analysis. It is a rare skill in a young person, and will be really valuable to the organization. If he is an expert, it is OK to let it show.

SCENARIO 2 He should calmly and casually let people get to know him, and get to know others. This should include work style, as well as priorities, background, experience – and include some personal information as well as business. Once people know him and like him it will be easier to work together.

SCENARIO 3 Sam should befriend the CFO. If he is truly doing things to benefit the hospital, and he has the CFO on his side, the CFO will be able to direct the clinical people and others to follow Sam's suggestions. ❖

Email your thoughts on this case to wendy.lemke@crbard.com. A sample of responses will be published in the next issue.

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PRACTICAL PERSPECTIVE

Continued from inside.

American Nephrology Nurses Association, etc.

It is also helpful to go to individuals in a particular specialty area and ask them to help you improve your own levels of technical competence. Often, they are happy and honored to be a resource. What is important here is walking the

fine line between demonstrating your competence, and being viewed as a “know it all” expert. Even if you are familiar with an area based on prior experience or skills, you need others to help you get things done. You can't express your own opinions too forcefully, but you can help to guide discussion and decision. ❖

What's Your Reality?

Suggestions for dealing with daily issues...

Value Analysis Professionals deal with a number of “trying” situations in a day. Encounter any of these? Suggested ways to address are noted. If you have other suggestions, we would love to hear them. Send to wendy.lemke@crbard.com.

You are taking a product before the Product Utilization committee. You are not very familiar with the product itself, which is a complicated piece of equipment. You don't want your personal credibility to suffer if you can't answer questions of committee members.

You might...

- *Talk to the vendor and the contract manager/purchasing manager about the product in detail, well before the committee meeting. Understand the product specifications, and how it differs from models offered by competitors. Understand how the purchase contract would be structured.*
- *Identify a clinical expert from an area of your institution that will be using the product. Ask for their help in identifying any issues with purchasing the new product. Ask if they believe in the product, and would be willing to be your “expert” to handle questions at the Product Utilization committee meeting.*
- *Talk to colleagues, GPO liaison, etc., to see if anyone has any experience with the piece of equipment.*

You need to change an OR product, which means getting past Nurse “know it all.” She has been with the hospital for 30 plus years, knows everyone, and everyone knows her. Her opinion is well

Continued on inside.

SHARE YOUR VIEW...

Last issue, we met **Melanie Davis**, a Value Analysis Manager who knows her job, loves her job, and does it well – almost too well. She sometimes forgets that the world of her customers and stakeholders doesn't revolve around Value Analysis, and she sometimes moves too fast, and uses language that is unfamiliar to others.

We offered three scenarios for Melanie.

SCENARIO 1

Melanie should go to a management development program, where she would receive 360-degree feedback from her colleagues.

"This type of feedback is normally very helpful. I think this would be a good plan for Melanie. She needs to make sure she gets feedback from a variety of people, and then really listens to their feedback and commits to changing based on what she hears."

SCENARIO 2

Melanie should continue as is, and not change anything. She loves her job, people like her and respect her. Over time, others will catch on to the terminology she uses.

"Melanie definitely needs to change her behavior. By using terminology that is unfamiliar to others, she is sending the message that she is in control, she is the expert, and she will handle it. Others will feel like they are not needed, and will be turned off. Why should we worry and give our input if she is the expert? will be a common sentiment throughout the hospital."

SCENARIO 3

Melanie should identify one person from her teams who can act as her mentor. When Melanie starts to use terms and phrases that are unfamiliar to others, her mentor can give her a prearranged sign, so she can correct her behavior "in the moment."

"This could really work, assuming Melanie and her mentor really work together to help Melanie change her behavior. The mentor can help her see how to have greater success, and encourage people to want to work with her." ❖

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Sources used for this issue include:

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