

ORGANIZATIONAL CULTURE and LEADERSHIP TEAM TRANSFORMATION

A Case History from a Health Care Division of a Government Oversight Agency

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The Challenge

In the fall of 2004, the new Managing director of the Health Care division asked for help in turning her management group into a more cooperative and productive team. The division is responsible for the research, analysis and assessment of federal government activity in the health care field. She had recently assumed the managing director role and the shadow of her long-serving and influential predecessor was strong. Under the previous managing director, the Health Care group had gained a reputation as "hard to work with; demanding; authoritarian, impolite, aggressive, condescending, and inconsiderate". Other groups avoided interacting with them, and they had become relatively isolated within the agency. Although they produced high quality research reports, they did so slowly. Internally, there was considerable dysfunction. Productivity and cooperation were uneven at best, and counter-productive behaviors were often evident in project groups. Work processes were arduous and often laden with contention; criticism, negativity, and resistance to change were common. Directors, assistant directors and project teams were "silo'd" and worked in isolation, seldom leaving their offices. Allegiance to the former managing director by a number of directors and assistant directors inhibited efforts by his successor to make improvements. Polarization was occurring, which made attempts at change more difficult. Data from agency surveys and feedback from staff and management confirmed this assessment. At the same time, a fair number of people within the division desired change and acknowledged the need for it. They realized the status quo was both untenable and unsatisfactory. The new managing director also had a very strong desire to improve the situation and significantly change the way people worked together. She believed this would have a positive impact on climate and morale and would impact product quality, timeliness, and results.

The Strategy

After confirming this assessment of the current condition, the following recommendation was made. First and foremost, the polarized nature of the leadership group must come to an end. Second, the conditions for genuine cooperation, agreement, alignment, and support among management must be created. Third, a culture that supported the strategic direction of the agency and a cooperation-based work environment must be put in place along with the resident managerial knowledge, tools, and skills needed to sustain it.

Four broad areas needed to be addressed. The first was alignment of the directors - getting them moving in the same direction. The second was foundational - reduction of silo thinking and establishment of the benefits of *working better together*. The third area was framing. This involved the construction of the knowledge base and tools needed to *work better together*. The fourth area was systemic reinforcement of the foundations, knowledge base, and tools through collaboratively addressing cumbersome and aggravating work processes.

What Was Done

Phase One Activities - the Foundation

€ **Executive Coaching** with the managing director was conducted to help her clearly think through what was needed for the division and the best way to do it. Focus was also placed on how she needed to lead in order to get the directors communicating, cooperating, and taking on more of a leadership role, as well as how to build trust and increase interaction between them and the assistant directors. This occurred every two - three weeks for eighteen months.

€ **Strategic Leadership Alignment**, a three day program for increasing awareness, trust, communication, accountability and self-management, was conducted first with the managing director and directors and then with the assistant directors. The workshop addressed two critical areas: 1) the barriers blocking higher performance, results, and satisfaction and; 2) the alignment of effort needed to improve both work processes and working relationships. Managers learned how their unconscious thinking affected their consequent communication, problem solving, decision making, leadership, trust, and accountability. "Burning organizational issues" were identified to be addressed and resolved. A common set of "Operating Principles" was created, that promoted a refreshed, supportive, and productive work environment. After everyone had participated in the baseline workshops in three smaller groups they all came together for a one day integration meeting that allowed them to begin and practice the process of *working better together*. "Burning issues" and "Operating Principles" were compared and discussed. A consensus determined which issues and principles would be the focus of the combined team effort and how they would be supported and implemented.

Phase Two Activities - the Framing

- € Three workshops were designed and presented to provide the knowledge and tools the Ds and Assistant directors needed to *work better together*. These included:
 - € The Five Dysfunctions of a Team. This program provided the knowledge and framework for understanding the infrastructure of high performance teams and what they do. Out of this came three overarching goals for the Health Care team that transcended individual work projects. These goals focused on reducing project cycle time, provision of training, and improvement of morale.
 - € Creating Partnership: Building a High Support, High Challenge Work Environment. This workshop focused on shifting from a boss/subordinate relationship to one of partnership, revolving around mutual commitment to a common purpose and values. Outcomes from this workshop included commitment to a set of behaviors that strengthened productive and supportive behaviors and reduced those that eroded trust, openness, honesty, and full participation.
 - € Information/Communication. A series of three workshops was held in which assistant directors and directors identified in detail the information and communication needed for optimal performance. This data was collated and transformed into a spreadsheet type document that clearly mapped out who needed what information from whom and when. When followed, the information map would lead to higher levels of performance and satisfaction, individually and across the team.

Phase Three Activities - Reinforcement

- € **Executive Coaching**. To reinforce and deepen the learning from Phase I and Phase II, executive coaching was provided for the directors (as a leadership team) and the assistant directors individually. The focus for the directors was increasing their understanding and fulfillment of their leadership role and more visibly manifesting that leadership in addressing issues affecting the operation and performance of the division as a whole. Coaching for the directors occurred every three weeks. Coaching for the assistant directors was individual and focused on their personal managerial and leadership needs. This occurred twice for each assistant director over a twelve month period.
- € **"Burning Issues" Work Groups**. Following the Strategic Leadership Alignment workshops, three groups were formed in Phase I to work on: 1) report review; 2) roles & responsibilities of directors and assistant directors; and 3) project staffing/resource utilization. The work groups were staffed by

a combination of directors and assistant directors and through that alone, communication, cooperation, problem solving and decision-making noticeably improved. In addition, each group produced a report with specific and actionable recommendations that are still being implemented. Difficulties and differences arose within the work groups but proved to be a productive testing ground for exercising the Operating Principles. While not all issues have been fully resolved or 100 percent improved, significant progress has been and continues to be made.

- € Three additional knowledge base and tools workshops were scheduled for 2007 but, due to concern over being overwhelmed by too many new things to learn and implement, they were postponed and will resume in 2008. In the interim, efforts have shifted from the provision of additional knowledge and tools to "implementation support" for the remainder of this year ('07).

The Outcomes

- € The Managing director has achieved greater focus on the overall leadership of the division and strategic health care issues and has ceased to do others' jobs for them. She now delegates more, has a better handle on her time, her schedule, and where and how she chooses to target her abilities and efforts. She is setting goals and communicating her expectations more clearly than ever but is not yet satisfied with the level of responsiveness and performance of the management team.
- € The directors are working better as a team. There is increased trust, communication, and cooperation. Overarching issues affecting operations are being recognized and more quickly addressed. Some directors are interacting more with their assistant directors, but more momentum is needed here.
- € Assistant Directors are coming out of their offices, communicating, reaching out, participating, sharing with, and challenging/supporting the Directors more frequently. Trust levels have risen among themselves and with Directors, and they are working better among themselves and with the directors. Their assertiveness and initiation of action is improved, with less waiting for instructions. They are taking on more of a leadership role with their staffs, but more reinforcement is needed.
- € Work product quality and cycle time are improving. Roles and responsibilities have been defined and expectations clarified. An arduous report review process has been improved along with project staffing and resource utilization. Improved communication has resulted in more effective problem solving and decision making. Cooperation is on the rise and intellectual capital is better utilized. Staff is becoming more involved but not yet consistently.
- € The greatest improvement to date is that between the directors and assistant directors. While the directors have made improvement in working as a team, they are cautious in taking the leadership for implementing the recommendations and outcomes from the work groups. Assistant directors, while working better together and with directors, are spotty in their improvement of interactions with staff (a hoped for but secondary goal).

Resistance Issues and Successes

The sources of resistance to transformational change are several. Most prominently, in this case, was that the group began with a "status quo mindset", which was often unconsciously resident among the new assistant directors. The mindset has not yet been offset by systemic rewards for doing things differently. Maintenance of the status quo is not intentional resistance as much as it is avoidance of the discomfort arising from doing things differently. This discomfort creates anxiety and doubt which lead to internal tension. Tension, in turn, generates controlling behaviors which produce resistance and maintenance of the status quo. Lack of rewards, especially rewards for change reinforces the status quo. In attempting transformational (or any kind of) change both the underlying anxiety and tension, and the surface behaviors and practices need to be addressed.

A single solution approach to major change is not realistic. Effective organizational change is derived from a combination of accurate organizational diagnosis, 360° feedback, leadership development programming, executive coaching, organizational development consulting, team building, and institutional reinforcement. Rather than trying to change everything quickly or overnight, a more judicious approach is to understand the dynamics of change and accept and manage the iterative nature of the process. The Japanese auto industry did not get to its current level of manufacturing expertise and market dominance overnight. It was and continues to be a long and iterative process. Though less of a comprehensive journey than global change in the auto industry, organizational change requires a similar set of vision, commitment, knowledge, resources, persistence, and patience.

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