

# The Leadership Forum

## HARVARD BUSINESS REVIEW CORNER

Minal Kale, MD, MPH is a fellow in General Internal Medicine at Mount Sinai School of Medicine (minal.kale@mountsinai.org) and Neda Laiteerapong, MD, MS is Instructor of Medicine at the University of Chicago, Chicago, Illinois (nlaiteer@medicine.bsd.uchicago.edu) and an Associate Editor for the Leadership Forum.



Neda Laiteerapong



Minal Kale

**C**ultural Change That Sticks by Katzenbach JR, Steffen I, Kronley C. Harvard Business Review, July-August 2012.

Many General Internal Medicine divisions are moving to incorporate the Affordable Care Act's (ACA) patient-centered care models into their clinical operations. Although the ACA is commonly viewed as raising the primary care agenda, not all of the changes in the ACA may be equally welcomed by the primary care clinicians and staff who are asked to implement these changes. How can leaders successfully introduce change without alienating their staff? The authors examine the powerful role that an organization's culture plays in its strategy. Their examples, many from the health care industry, illustrate the 5 principles that organizations can use to create transformative change.

The authors begin with the example of Aetna, a 150-year-old company that in the early 2000s was suffering from a bad reputation, lawsuits, and a daily loss of nearly \$1 million dollars. Aetna's culture at the time—one that was wary of change and okay with its average-ness—rebelled against the efforts of 3 CEOs in five successive years.

That is, until John Rowe became CEO. Rowe did not exhaust his employees with a top-driven, dictatorial style. Instead, he started his tenure by having conversations with staff and employees who were respected

### 5 principles that organizations can use to create transformative change

and attuned to the existing culture. This investment in understanding his company's culture allowed him to build on Aetna's strengths—concern for patients and pride in the company's history—while improving its efficiency. Remarkably, because Rowe embraced Aetna's cultural strengths, his major workplace changes were accepted by employees and he turned the company around.

The authors present 5 key principles for successfully implementing change based upon an understanding of an organization's culture:

#### 1. Match Strategy and Culture.

The first principle involves an understanding of the specific cultural traits that are desired and how they match the strategy of the organization. Mayo Clinic, for example, has explicitly defined their cultural traits on a webpage dedicated to "The Mayo Culture".<sup>1</sup> One cultural trait that is emphasized is teamwork, which is matched to their strategy of cross-disciplinary care management.

**2. Focus on a Few Critical Shifts in Behavior.** This principle suggests having candid conversations with em-

ployees at all levels, in order to focus on what behaviors are affected most by the organization's culture. Academic medical directors could implement this principle by engaging in conversations with clinical personnel, at all levels—from MDs to LPNs to clinical staff—who are both official leaders (nurse managers), and unofficial leaders (senior individuals who others go to for solutions).

**3. Honor the Strengths of Your Existing Culture.** By highlighting the positive aspects of an organization, change can feel like movement towards a goal shared by all. For example, implementing co-management of patient care by physicians and nurses has the potential to be met by resistance from both nurses and MDs. However, emphasizing how co-management builds on existing cultural strengths (e.g. respect or excellent patient care) can ease the transition.

**4. Integrate Formal and Informal Interventions.** Oftentimes, leaders use formal interventions, such as reporting structures, compensation, and committees for creating cultural change. But in doing so they may neglect informal structures like ad hoc gatherings, which can be important niduses for change. One strategy for emphasizing the significance of ad hoc gatherings is to rethink the work

*continued on page 2*

# The Leadership Forum

*Harvard Business Review Corner* continued from page 1

environment to encourage spaces for clinicians and staff to intermingle during the workday.

## **5. Measure and Monitor Cultural Evolution.**

This principle emphasizes linking critical performance indicators, behaviors, and achievements to the underlying beliefs, feelings, and mind-sets that allowed for their suc-

cess or failure. Thus, instead of focusing only on standard performance metrics, leaders should also consider the performance of its culture, and the role it plays in determining an organization's progress or setbacks.

At GIM divisions that are adopting new ACA models, division chiefs would be wise to work collaboratively with their staff, rather than simply

dictate from above. An institution's path of change, if guided by the positive aspects of its existing culture, can be smoother and more effective.

## **Reference:**

1. The Mayo Culture. Available at <http://www.mayoclinic.org/physician-jobs/culture.html>. Accessed on September 6, 2012.