Navigating Change: A Framework for Diagnosing and Changing Organizational Culture

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Course Objectives

- Effectively manage change within an ophthalmic practice
- Change can affect required skill sets
- Change can affect physician expectations
- Change can affect delivery of patient care
Sources of Change in Ophthalmic Practices

- Technology
- Personnel
- Offices
- Compensation
- Workload
- Patient mix
Accurate Predictions are Difficult

- “The light bulb will never be used by the average consumer.” (Thomas Edison)
- “This ‘telephone’ has too many shortcomings to be seriously considered as a means of communication. The device has no value to us.” (Western Union internal memo, 1876)
- “The concept is interesting, but to earn more than a ‘C,’ the idea must be feasible.” (Yale management professor’s comments on Fred Smith’s FedEx paper)
- “640K ought to be enough for anybody.” (Bill Gates, 1981)
- “This agency will soon close, because everything that can be invented has been invented.” (Charles Duell, Commissioner, U.S. Patent Office, 1896)
The Competing Values Framework

One of the 40 Most Important Business Frameworks of All Time
Creating a High Performance Culture: A Tool for Change
1. The most important features of a successful practice are:

A. Communication and teamwork
B. Innovation and vision
C. Efficiency and quality
D. Competitive and profitable
2. The most important characteristics for a successful practice manager are:

A. Facilitator, mentor and team builder
B. Innovator, entrepreneur, visionary
C. Coordinator, planner, organizer
D. Competitor, producer, hard-driver
3. Practices ought to strive for:

A. Communication and employee commitment and development
B. Innovative outputs, change and vision
C. Efficiency, timeliness and consistency
D. Market share, goal achievement and profitability
4. In short, a great practice must:

A. Do things together
B. Do things first
C. Do things organized
D. Do things fast
Multiple Choice

5. The keys to a successful practice are:

A. Human development and collaboration
B. Innovativeness and change
C. Control and efficiency
D. Competition and customer/patient focus
The Competing Values Framework
(For Leadership, Effectiveness, and Value Drivers)

Culture Type: CLAN
Orientation: COLLABORATE

Culture Type: ADHOCRACY
Orientation: CREATE

Culture Type: HIERARCHY
Orientation: CONTROL

Culture Type: MARKET
Orientation: COMPETE

Stability Control

Individuality Flexibility

Long-term Change

New Change

Internal Maintenance

External Positioning

Incremental Change

Fast Change
The Competing Values Framework
The Competing Values Framework

<table>
<thead>
<tr>
<th>Culture Type: Clan</th>
<th>Culture Type: Adhocracy</th>
<th>Culture Type: Hierarchy</th>
<th>Culture Type: Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation: Collaborate</td>
<td>Orientation: Create</td>
<td>Orientation: Control</td>
<td>Orientation: Compete</td>
</tr>
<tr>
<td>Leader Type: Facilitator, Mentor, Teambuilder</td>
<td>Leader Type: Innovator, Entrepreneur, Visionary</td>
<td>Leader Type: Coordinator, Monitor, Organizer</td>
<td>Leader Type: Hard-driver, Competitor, Producer</td>
</tr>
<tr>
<td>Value Drivers: Commitment, Communication, Development</td>
<td>Value Drivers: Innovative outputs, Transformation, Agility</td>
<td>Value Drivers: Efficiency, Timeliness, Consistency &amp; Uniformity</td>
<td>Value Drivers: Market share, Goal achievement, Profitability</td>
</tr>
<tr>
<td>Theory of Effectiveness: Human development and high commitment produce effectiveness</td>
<td>Theory of Effectiveness: Innovativeness, vision, and constant change produce effectiveness</td>
<td>Theory of Effectiveness: Control and efficiency with capable processes produce effectiveness</td>
<td>Theory of Effectiveness: Aggressively competing and customer focus produce effectiveness</td>
</tr>
</tbody>
</table>

- **Internal Maintenance**
  - Long-term Change
  - Incremental Change
  - Stability Control
- **External Positioning**
  - New Change
  - Fast Change

**Theory of Human Development**

*Effectiveness: and high commitment produce effectiveness*
### Competing Types of Organizational Value

<table>
<thead>
<tr>
<th>Value: Community/Cohesion</th>
<th>Value: Innovation / Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical Situation</strong></td>
<td><strong>Typical Situation</strong></td>
</tr>
<tr>
<td>A community united by</td>
<td>Differentiation creates</td>
</tr>
<tr>
<td>shared beliefs</td>
<td>significantly higher</td>
</tr>
<tr>
<td>Competency is closely</td>
<td>margins</td>
</tr>
<tr>
<td>linked to unique abilities</td>
<td>An industry is situated</td>
</tr>
<tr>
<td></td>
<td>around blockbuster</td>
</tr>
<tr>
<td></td>
<td>invention</td>
</tr>
<tr>
<td><strong>Think...</strong></td>
<td><strong>Think...</strong></td>
</tr>
<tr>
<td>Harley-Davidson,</td>
<td>Pixar, Schwab</td>
</tr>
<tr>
<td>Southwest Airlines,</td>
<td></td>
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<tr>
<td>Universities</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Value: Efficiency and Quality</th>
<th>Value: Speed and Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Typical Situation</strong></td>
<td><strong>Typical Situation</strong></td>
</tr>
<tr>
<td>Regulations and standards</td>
<td>Aggressive competition</td>
</tr>
<tr>
<td>determine practices</td>
<td>changes the market</td>
</tr>
<tr>
<td>Failure is not an option</td>
<td>dynamics</td>
</tr>
<tr>
<td></td>
<td>Owners demand quick</td>
</tr>
<tr>
<td></td>
<td>financial results</td>
</tr>
<tr>
<td><strong>Think...</strong></td>
<td><strong>Think...</strong></td>
</tr>
<tr>
<td>Boeing, US Army,</td>
<td>GE, Microsoft,</td>
</tr>
<tr>
<td>Medical Centers</td>
<td>Investment Banks</td>
</tr>
</tbody>
</table>
The Competing Values Framework
(For Leadership, Effectiveness, and Value Drivers)

**Culture Type:** CLAN  
**Orientation:** COLLABORATE  
**Attributes:** Excessive discussion, Unproductive participation, Emotional dominance, Individualism

**Culture Type:** ADHOCRACY  
**Orientation:** CREATE  
**Attributes:** Unguided opportunism, Ungrounded vision, Program of the week, Premature responses

**Culture Type:** HIERARCHY  
**Orientation:** CONTROL  
**Attributes:** Micromanagement, Procedural rigidity, Over-regulation, Ironbound tradition

**Culture Type:** MARKET  
**Orientation:** COMPETE  
**Attributes:** Over-exertion, Tyrannical goal focus, Unproductive conflict, Blind ambition

**Overemphasis and Loss of Balance**

**Negative Zones**

**Individuality Flexibility**

**External Positioning**

**Internal Maintenance**

**Overemphasis and Loss of Balance**

**Negative Zones**

**Internal**

**External**

**Frozen Bureaucracy**

**Stability Control**

**Oppressive Sweatshop**
Financial Measures
Hewlett Packard 2000

- Development
- Innovation
- Growth
- Speed
- Profits
- Efficiency
- Quality
- Community
- Industry
- Company
Financial Measures
Sears Roebuck 2000

Industry
Company

Development
Innovation
Growth
Speed
Profits
Efficiency
Quality
Community
EXAMPLE 1:

- **Hewlett Packard** is below average on innovation criteria
- **Question:** What would the financial benefit be to HP to improve one standard deviation on the innovation dimension?
- **Answer:** $12.78 billion in market

EXAMPLE 2:

- **Sears Roebuck** is below average on efficiency criteria
- **Question:** What would the financial benefit be to Sears to improve one standard deviation on the efficiency dimension?
- **Answer:** $7.88 billion in market value
The Competing Values Framework

**Culture Type: CLAN**
**Orientation: COLLABORATE**
Some Metrics: People development, Employee retention, Commitment and satisfaction

**Culture Type: ADHOCRACY**
**Orientation: CREATE**
Some Metrics: New, breakthrough products and services, New markets entered, Patents and related revenues

**Culture Type: HIERARCHY**
**Orientation: CONTROL**
Some Metrics: Productivity efficiency, Error rates, Waste or inventory levels

**Culture Type: MARKET**
**Orientation: COMPETE**
Some Metrics: Economic value-added, Customer satisfaction, Market share, Profitability ratios

- **Internal Maintenance**
- **External Positioning**
- **Long-term Change**
- **Stability Control**
- **New Change**
- **Incremental Change**
The Competing Values Framework
(for Leadership, Effectiveness, & Value Drivers)

Communication Styles

- **Culture Type: CLAN**
  - **Style: HARMONIZERS**
  - Focus on empathizing
  - Talk about feelings and climate
  - Emphasize participation
  - Listen to others’ problems
  - Talk softly
  - May own others’ problems

- **Culture Type: ADHOCRACY**
  - **Style: EXPRESSERS**
  - Focus on new ideas
  - Tell stories containing surprises
  - Think out loud
  - Challenge the status quo
  - Talk rapidly and animatedly
  - May seem pie-in-the-sky

- **Culture Type: HIERARCHY**
  - **Style: THINKERS**
  - Focus on details and facts
  - Talk about problem solving
  - Emphasize doing things right
  - Postpone decisions until all information is available
  - Ask questions
  - May seem mired in details

- **Culture Type: MARKET**
  - **Style: DIRECTORS**
  - Focus on doing, not listening
  - Talk about goals and outcomes
  - Emphasize action and results
  - Speak crisply and with volume
  - Direct and to the point
  - May seem insensitive
Leadership Competencies Profile

Clan Culture
Leadership Roles
The Facilitator is people and process oriented. This person manages conflict and seeks consensus. His or her influence is based on getting people involved in the decision making and problem solving. Participation and openness are actively pursued. The Mentor is caring and empathic. This person is aware of others and cares for the needs of individuals. His or her influence is based on mutual respect and trust. Morale and commitment are actively pursued.

Hierarchy Culture
Leadership Roles
The Monitor is technically expert and well informed. This person keeps track of all details and contributes expertise. His or her influence is based on information control. Documentation and information management are actively pursued. The Coordinator is dependable and reliable. This person maintains the structure and flow of the work. His or her influence is based on situational engineering, managing schedules, giving assignments, physical layout, etc. Stability and control are actively pursued.

Adhocracy Culture
Leadership Roles
The Innovator is clever and creative. This person envisions change. His or her influence is based on anticipation of a better future and generates hope in others. Innovation and adaptation is actively pursued. The Visionary is future oriented in thinking. This person focuses on where the organization is going and emphasizes possibilities as well as probabilities. Strategic direction and continuous improvement of current activities is a hallmark of this style.

Market Culture
Leadership Roles
The Competitor is aggressive and decisive. This person actively pursues goals and targets and is energized by competitive situations. Winning is a dominant objective, and the focus is on external competitors and marketplace position. The Producer is task oriented and work focused. This person gets things done through hard work. His or her influence is based on intensity and rational arguments around accomplishing things. Productivity is actively pursued.
Core Leadership Competencies

- Study of managers on three continents:
  - Successful managers – 74% high competency
  - Manager failures – 24% high competency

- Pepsi studied company unit managers:
  - Well-developed leadership and management skills outperformed yearly revenue targets 15 to 20%
  - Under-developed skills underperformed their targets by about the same amount
Diagnosing Organizational Culture
What is Culture?

The collective assumptions, expectations, and values that reflect the explicit and implicit rules determining how people behave.
Where Does Culture Come From?

- Socialization
- Interactions in uncertain conditions
- Collective consciousness and contagion
Why Does Culture Matter?

- Culture enhances or inhibits organizational change.
- More than 50% of all organizational change initiatives fail.
- Healthy cultures make money
- Healthy cultures have healthy people
How Do Cultures Change?

- Evolutionary change
- Critical threat or crisis
- **Leadership**
Profiles of Organizational Culture: No “Right” Culture Exists
Organizational Culture Profiles

An Example of Life Cycle Development in Organizational Cultures

1

2

3

4
Introduction
The purpose of this instrument is to assess organizational culture.

The Questions
Listed on the next two pages are six questions. Each question has four responses. You will complete the instrument twice. The first time, rate your organization as it is NOW. Just describe how things are. The second time, rate your organization as you PREFER it to be in five years if it is to accomplish its highest aspirations and perform spectacularly.

Responses
Respond to each question by dividing 100 points among the four alternatives. Give the most points to the alternative that is most similar to your organization. Give the fewest points to the alternative that is least similar to your organization.
Diagnosing Organizational Culture

In answering the questions on the following two pages, you are free to distribute the 100 points in any fashion. Just be sure that your total equals 100.

1. DOMINANT CHARACTERISTICS

   A. The organization is a very special place. It is like an extended family. People seem to share a lot of themselves.

   B. The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.

   C. The organization is very production oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.

   D. The organization is a very formalized and structured place. Bureaucratic procedures generally govern what people do.

   Now                  Preferred

       A. _____         A. _____

       B. _____         B. _____

       C. _____         C. _____

       D. _____         D. _____

   Total 100            Total 100
Organizational Culture Profile

The Clan Culture
An organization that focuses on internal maintenance with flexibility. A concern for people and sensitivity to human concerns is typical. It is a friendly place to work where people share a lot of themselves. It is like an extended family. The leaders of the organization are considered to be mentors, coaches, or parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long term benefit of human resources development with high cohesion and moral being important. Success is defined in terms of sensitivity to other people and concern for human welfare. The organization places a premium on teamwork, participation, and consensus.

The Hierarchy Culture
An organization that focuses on internal maintenance with a need for stability and control. It is a very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves in being good coordinators, organizers, and efficiency minded. Maintaining a smooth running organization is most critical. Formal rules and policies hold the organization together. The long term concern is with stability and predictability with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and longevity.

The Adhocracy Culture
An organization that focuses on external positioning with a high degree of flexibility and individuality. It is a dynamic, entrepreneurial, and creative place to work. People stick their necks out and take risks. The leaders are considered to be innovators and risk takers. The glue that holds the organization together is commitment to experimentation and being on the leading edge. Readiness for change and meeting new challenges are important. The organization’s long term emphasis is on growth and acquiring new resources. Success means having unique and cutting-edge products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.

The Market Culture
An organization that focuses on external positioning with a need for stability and control. It is a results oriented organization. The major concern is with getting the job done. People are competitive and goal oriented. The leaders are hard drivers, producers and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on output, speed, and winning. The long term concern is with competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.
Culture Profile Implications

• Culture change requires leadership
• Culture change is slow, difficult, and often painful
• Culture change requires a systematic process

## Culture Change Strategies

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<th><strong>ADHOCRACY CULTURE</strong></th>
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</tr>
<tr>
<td>What should we do <strong>LESS</strong> of?</td>
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</tr>
<tr>
<td>What should we make certain to <strong>CONTINUE</strong> doing?</td>
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Identify actions you can take immediately that create progress and improvement. The rule of thumb is: Find something easy to change; change it; publicize it. Then find a second related thing that is easy to change; change it; publicize it.
Two Approaches to Change

- Transformational
  - Change of the system
  - Revolution
- Transactional
  - Change in the system
  - Evolution
Transformational change

- All at once
- Just do it!
- If you are not part of the solution you are part of the problem
Transactional Change

- Low hanging fruit
- Success through small wins
“Preselling”

- First go lower, then higher in the organization
- Involves securing support from those below you
- Convincing them of the potentials and possibilities
“Making Cheerleaders”

- Identifying opinion leaders who can and will both speak in favor of the project and influence others positively
“Horse trading”

- Offering promises of payoffs from the project in exchange for support.
“Securing blessings”

- Go to the top brass – “organizational archbishops” – blessing
- Demonstrate considerable support for change BUT do not make top brass feel sandbagged or as a rubber stamp
- How much support from the top?
- Will that support evaporate under pressure and resistance?
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- Personnel
- Offices
- Compensation
- Workload
- Patient mix
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- Change can affect physician expectations
- Change can affect delivery of patient care
Good Luck!!!!

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