

Using Catalytic Mechanisms to Drive and Institutionalize Change

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In recent years there has been much interest in and movement towards reforming public human-services systems. Despite significant progress towards enacting reforms, there is still a question regarding how to sustain reform, particularly in light of the successive leadership transitions experienced by many public systems. The degree of difficulty associated with sustaining reform in a human-services system qualifies it as what Erwin C. Hargrove and John C. Glidewell have called an “impossible job.”¹ Part of what makes institutionalizing reforms seem “impossible” is the speed with which soft improvements (e.g., training and policies) can be undone by consecutive leadership transitions.

As an example, when former Massachusetts Commissioner of Youth Services, Jerome Miller, first began his efforts to reform the state juvenile justice system he worked to create therapeutic treatment communities in cottages of his department’s training schools. Over time, Miller switched to a more radical strategy of shutting down the department’s training schools in favor of community-based treatment programs managed by contract agencies. Miller’s realization of how vulnerable changes to the department’s training schools would be when a new leader took over led him to abandon his earlier reform efforts.² Miller realized a leader may spend his or her entire tenure developing a program or implementing a change in practice that with the stroke of a pen can be washed away.

Given the turnover at the top of public agencies, where the average director’s tenure can be less than the multiple budget cycles, there is often little hope of driving substantive change down to frontline practice. This is particularly true in child welfare systems where the greatest percentage of services is actually delivered by contract agencies. A new leadership team might quickly define policies and initiatives, however, given the complicated hierarchy of a child welfare system and the contracting out of services, there is an inevitable lag to implementing change on the frontline.

Catalytic Mechanisms for Change

One way to counteract the inevitable effects of leadership transitions may be to develop what Jim Collins calls “catalytic mechanisms.” Catalytic mechanisms are changes that trigger multiple actions across the system. By their very nature catalytic mechanisms have a ripple effect—they tend to trigger further actions, often unexpectedly. Since they spread responsibility and accountability over a large part of the organization, catalytic mechanisms are powerful tools for sweeping people into a change effort. Within a child welfare system, catalytic

¹ Hargrove, Erwin C. and John C. Glidewell. “Dimensions of Impossibility.” *Impossible Jobs in Public Management*. Lawrence, KS: University Press of Kansas, 1990, pp. 3 – 46.

² Gould, Stephanie and Phil Heymann. “Jerome Miller and the Department of Youth Services.” Cambridge, MA: Harvard University John F. Kennedy School of Government, The Case Program, 1976.

mechanisms can be effective methods for overcoming the impossibility of driving and delivering change.

Five Characteristics of Catalytic Mechanisms

Catalytic mechanisms share five distinct characteristics that differentiate them from most traditional managerial tools:

1. *A catalytic mechanism produces desired results in unpredictable ways*—In order to meet a specific goal leaders will create practices and controls that create alignment within a system. Unfortunately, the controls that create alignment can also stifle creativity and initiative—attributes that are often necessary to achieve extraordinary results. Catalytic mechanisms force learning to occur because firm commitment to them prevents easy retreat back to prior ways of doing things. This commitment creates a virtuous cycle of variation (generating and implementing new ideas), learning, improved execution and better results. As a result, leaders who are willing to give up on their systems of controls are often more likely to achieve extraordinary results.
2. *A catalytic mechanism spreads power for the overall system's benefit, often to the discomfort of those who traditionally hold power*—Executives possess and usually exercise power to get employees to accomplish certain goals. For a variety of reasons those who hold positions of power often want to stick to their own ways of doing things. Catalytic mechanisms, conversely, accomplish the organization's goals by distributing power throughout the system and shifting the balance of power from a leader that may inadvertently support a sense of inertia to a system that is ready to implement change.
3. *A catalytic mechanism has teeth*—By putting into place processes that have “teeth”, a catalytic mechanism virtually ensures that an organization's goal will be met. Drafting statements of core values, missions and visions are useful, but mere statements will not accomplish goals.
4. *A catalytic mechanism ejects viruses*—According to Collins, catalytic mechanisms have the power to, “help organizations to get the right people in the first place, keep them and eject those who do not share the company's core values.” Traditionally, companies hire first and then imbue new employees with their vision and values. A different approach is to recruit people who already share your core beliefs. Furthermore, by creating catalytic mechanisms that reaffirm your core values people who do not share them will “self-eject”.
5. *A catalytic mechanism produces an ongoing effect*—Speeches, meetings, buzzwords, initiatives and crises are catalytic events, not catalytic mechanisms. While these events can be useful to temporarily rouse the troops, none can produce the enduring effects of catalytic mechanisms. The temporal nature of a catalytic event is one reason why many organizations are able to outlast a temporary setback but are unable to generate lasting results. To produce ongoing effects, leaders must build catalytic mechanisms rather than simply staging a series of catalytic events.

Examples of Catalytic Mechanisms

One example of a catalytic mechanism comes from the company 3M, which urges its scientists to spend 15 percent of their time experimenting and inventing in areas of their own choosing. Scientists are not told what products to work on but, rather, how much to work. By loosening its controls and allowing staff to use their creativity to seek out new innovations 3M has experienced a stream of profitable innovations that range from Post-it Notes to reflective license plates.

Catalytic Mechanisms: A Case Example

In this paper we want to explore how performance metrics served in one instance as a catalytic mechanism. We believe that the performance-metrics system at the Administration for Children's Services (ACS) in New York is an example of a catalytic mechanism for driving and institutionalizing change. It is not in the scope of this work to review how it was put into place and legitimized, but rather to highlight the catalytic effects that it had. There are indications that this work was successful in its own right, but we believe that it was successful in another important way—by creating ripple effects throughout the system that supported broader reform.

Background on Performance Metrics at ACS

In New York City, the child welfare system is largely dependent on voluntary social-service agencies, which are responsible for 90 percent of the children in the system. To manage and create developmental pressure on these service providers, ACS wanted to create a system that would establish accountability by linking contracting and funding decisions to agency performance.

In order to more fully and fairly evaluate its foster care service providers ACS initiated "The ACS Foster Care Evaluation and Quality Improvement Protocol" (FC EQUIP). FC EQUIP, which began in the Year 2000, evaluates foster-care services, programs and agencies on three measures: process, outcomes and quality. Using a system of performance measurements ACS hoped to accomplish the following goals:³

- Provide ACS with current, relevant information.
- Use relevant information as the basis for proactive ACS intervention.
- Develop a system of incentives and rewards to encourage agencies to produce, particularly outcomes valued by ACS.
- Provide structure for evaluation standards and methodologies for data collection.

³ *NYC ACS Foster Care Evaluation and Quality Improvement Protocol (FC EQUIP)*. April 27, 2001.

The information collected by FC EQUIP on each of the three measures was reported back to the agencies as a score out of 100. In addition to providing a detailed report card of agency performance on each measure, ACS released the overall scores to the media, with all agencies ranked relative to each other.

Catalytic Effects of Performance Metrics

The EQUIP system has sparked transformations within and among voluntary social-service agencies, as well as at ACS. The ability of the performance-metrics system to trigger further reforms has produced significant changes in the operations and interactions of voluntary social-service agencies at ACS.

The following is a list of the catalytic effects of the performance metrics at ACS.

Characteristic of a Catalytic Mechanism	How this characteristic manifests itself in the ACS example
<p>1. A catalytic mechanism produces desired results in unpredictable ways.</p>	<ul style="list-style-type: none"> ■ Agencies embrace evaluations—Agencies claim to dislike evaluations and yet not one agency seems to want the evaluation process to end. Voluntary social-service agencies have recognized that the EQUIP system can be a tool for measuring frontline practice. As a result, the agencies are asking ACS to continue to evaluate them using even more refined measures. ■ Increased inter-agency collaboration—The review process has led agencies to interact more with each other. For example, one agency might contact another agency to find out what systems are in place that led to the agency's high score. The agencies get information about 35 indexes—they can contact other agencies with specific questions.
<p>2. A catalytic mechanism spreads power for the overall system's benefit, often to the discomfort of those who traditionally hold power.</p>	<ul style="list-style-type: none"> ■ Boards become more involved in agency operations—As soon as the scores for the agencies hit the press, agency boards and committees became more involved in monitoring and improving the activities of the agency. ■ Executive directors hold staff accountable—The metrics have resulted in greater accountability for caseworkers in order to meet regulations. Since poor performance results in reduced funding, everyone's job is on the line. Directors are enabled to hold staff accountable not "because I say so", but because funding is at stake. Lastly, should the agency not improve, the responsibility of that failure rests with the executive director. ■ ACS betters performance to produce credible results—The performance of ACS can influence agency scores. For example, if a voluntary social-service agency submits a UCR (Uniform Case Record) and ACS has not yet input the information it will reflect negatively on the voluntary social-service agency's score for the completion and timeliness of required regulatory casework activities. To produce credible results for the agencies, ACS has had to better its performance and information technology.

<p>3. A catalytic mechanism has teeth.</p>	<ul style="list-style-type: none"> ■ ACS links resources to results—Unlike many organizational report cards, the EQUIP system has “high stakes” attached to the evaluation of each voluntary social-service agency. Since the allocation of resources to voluntary social-service agencies is determined, in part, by each agency’s performance as measured by EQUIP, ACS has virtually ensured that agencies will strive to produce better outcomes for kids and families or risk being cut off from ACS funding. ■ Employee bonuses tied to agency performance—Two agencies have set up employee incentives systems that tie employee bonuses to individual performance on key EQUIP indicators. Agencies have initiated their own performance strategy to improve the outcomes that share the characteristic of individual accountability for performance.
<p>4. A catalytic mechanism ejects viruses.</p>	<ul style="list-style-type: none"> ■ Poor performance has consequences—Agencies that do not receive high scores from the EQUIP metrics will be under pressure to reform services to fulfill ACS’ standards. If the agencies do not improve services they will receive drastically reduced funding from ACS or will no longer be on the roster of ACS voluntary social-service agencies. ■ Agencies align systems with regulatory processes—Agencies have worked to realign case records to fit with case review procedures.
<p>5. A catalytic mechanism produces an ongoing effect.</p>	<ul style="list-style-type: none"> ■ Committee adapts and improves metrics—An Accountability Committee of ACS and voluntary social-services staff is in the process of reviewing EQUIP and thinking about how to adapt the tool and make changes that would sustain its use through the next administration. Using the experience of the past year, the committee will recommend revisions of the metrics to ensure the institutionalization of EQUIP at ACS. ■ Consultants hired to think about agency organization—Low-scoring agencies received a recommendation to hire consultants who work with the agency to think about its organizational structure and performance. ACS has made available a team of technical assistants to help agencies with corrective actions should they get a low score. This team of professionals is not only available to those voluntary social-service agencies with a corrective action plan, but to all ACS funded agencies. ■ Agencies strategize to “get ahead”—Agencies are taking a strategy-oriented approach—looking at performance for certain categories of children or certain communities and thinking of new work processes that will have the greatest likelihood of improving those results. ■ Competition leads to better services—Agencies feel competitive with each other—it is as much about stature as it is about rewards. There is much embarrassment at the bottom and some gloating at the top, and overall there is a sense that the race is on. Two voluntary agencies have closed operation and ACS closed one of its own offices resulting from EQUIP. There is discussion among agencies to merge and or acquire other agencies.

Implications of Performance Metrics for ACS

One interesting consequence of the performance-metrics system at ACS was the closing of the city office that directly ran foster homes in Manhattan and Staten Island. The city-run program scored far below the worst-performing voluntary social-service agency on the FC EQUIP system. The decision to shut down the city-run program demonstrated the commitment of ACS to its performance-metrics system. The Commissioner, Nicholas Scoppetta, commented that it was, “better if an agency is performing so poorly to close it. It sends a very important message to the community, including our own people.” The performance metrics

at ACS created a dynamic where there was a moral motive to live the agency's values.

Things to Keep in Mind

Why was the EQUIP system successful in New York? The following is a list of things to keep in mind from the ACS case example that support the successful implementation of catalytic mechanisms for change.

- ***Plan for revisions***—At ACS they called the first year a “learning year” in which they would get the program up and running and deal with the glitches as they arose. By planning for revisions they were able to deal with resistance along the way, rather than allowing resistance to shut them down.
- ***Allow your mechanisms to evolve***—At ACS, the Accountability Advisory Committee is in the process of reviewing FC EQUIP and thinking about how to adapt the tool and make changes that would sustain its use through the next administration. Using the experience of the past year, the committee will revise the metrics to further ensure the institutionalization of FC EQUIP at ACS.
- ***Stakeholder buy-in***—ACS began the planning of FC EQUIP with all stakeholders in mind to ensure that as EQUIP developed and was implemented, stakeholders had a commitment to the EQUIP process and ensured a positive outcome as well as continued commitment to improve the EQUIP document.
- ***Think beyond metrics***—Using performance metrics is tricky. If the metrics are poorly constructed they can result in people focusing on manipulating the scores rather than really improving services for children or only working with children who are easier to make progress with. Metrics can be a useful tool but only when they are thoughtfully composed and carefully monitored.
- ***Provide meaningful scores***—If results of performance metrics are poorly reported they can feel like a “black box”, where the contract agency knows its score but does not quite know what the score is based on or how to make targeted changes to its practice in order to improve its score. At ACS, each general score was supported by specific indexes to show voluntary social-service agencies exactly where they needed to make improvements.

Obviously no performance-metrics system is perfect and the FC EQUIP metrics certainly has had its fair share of glitches. However, having made the decision to publish the results of the metrics, ACS committed itself to subjecting the tool to ongoing assessment and improvement. The success of the tool in generating results, coupled with the quest to perfect the instrument makes it worthy of exploration as a case example of Collins' notion of catalytic mechanisms.

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