

Effective Leadership During Organizational Transitions

Leadership transitions offer high leverage opportunities to improve an organization's leadership and overall direction. If managed in ways that link strategic thinking, active executive search, and careful organizational development, leadership transitions can advance the purposefulness of the organization.

Leadership is paradoxical: We need it most when circumstances make its emergence and effective exercise most difficult. There are particular challenges of taking leadership during periods of rapid transformation:

1. The mission is often in flux with an increasingly complex set of stakeholders, each seeking the fulfillment of his or her own interests despite tighter resources.

2. Careerism results in rapidly changing top teams in which many of the members join and leave at different times in the life cycle of an organization's development.

3. Our very conceptions of leadership are changing with the recent differentiation of "leadership" from "management," suggesting new difficulties in linking vision and its execution.

In the following article, I wish to discuss these issues and begin to outline how we can manage leadership transitions more effectively.

New Conceptions of Leadership

Leaders take their roles on boundaries, thus regulating the flow of uncertainty from a fast changing wider environment such that their units have focus and a calmer context within which to do work. This boundary responsibility of leaders was nicely illustrated in the following creative analogy by a lawyer in a professional organization in which I was consulting. He suggested that the leader is to a group of professionals as a game warden is to gazelles. Initially, I liked the

analogy because it so perfectly captured the narcissism of professionals:

We are not domesticated animals; we're beautiful gazelles; and don't for one moment think you're a veterinarian, calling us in for some one-on-one treatment. Your role is to keep poachers out. If heavy snow covers our food, fly in some bales of hay; but for the most part, admire our beauty, leave us alone, and make sure all the ecological systems are in good repair.

But at a deeper level, this analogy suggested a profound figure-ground reversal. Rather than "getting results through other people," the leader focuses on the spaces between people and on the environment. For example, in nursing, an effective leader creates a climate. You can walk into an effective unit and feel its tone and esprit. Conversely, chaos and disorder are equally palpable. As hospitals have become more specialized and as patients flow through them with greater velocity, the

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quality of a patient's experience is increasingly likely to be shaped by the spaces between defined service episodes — the space most at risk of being untended to because of the bureaucratic response, "It's not my job."

In this ecological model of leadership, the core focus is on the seams between subordinate roles as well as the overall strategic relation of the unit to its environment.

We would be better off drawing the organizational chart so that a leader thinks of his or her job as supervising these seams between people. Nevertheless, this concept is difficult because you cannot easily call a seam in to give a report about what is going on. Recall the story about the drunk who loses his keys and is seen underneath a street light looking for them. Someone comes along and offers to help asking, "Where did you lose them?" The drunk replies, "Down the alley." The helper questions, "Why are you looking for them here?" The drunk responds, "Because the light is better here." In a sense, an effective leader must leave the light every day and go into the murky, dark, unknown, shadowy areas to do battle with ambiguity and uncertainty, often feeling at the edge of one's competence and authority. It is easy to call in your subordinates and ask for a report on a project which, if you were running, you could do (or so you believe) in half the time that they are taking. Effective leaders push themselves to be working constantly on the unprogrammed, the uncertain, the vague, the ambiguous, the high stakes issues that really make the difference in terms of organizational performance.

If leadership's core task is managing uncertainty and coping with fast changing and shifting environ-

ments, we know that teams will be critical because they are more resilient than single individuals. They have both a greater ability to make sense of what is going on and more adaptiveness to support and cover for one another, especially when issues arise on the boundaries among tasks.

Military research (Gabriel & Savage, 1978) has repeatedly found that small groups are the core building blocks of an effective army. When people are under incredible stress and their lives are in danger, why do they stay and continue to fight? Not because these people had a terrific sense of God, motherhood, country, the menace of Nazism, or whatever. Instead, people basically worried about the good opinion of their peers. It is hard to overestimate how powerful a motivation, particularly under conditions of stress, is the concern about "how I will be regarded by the group I care about." Furthermore, when new people ("greenies") were intro-

duced to groups that had developed cohesion, they often were more disruptive than helpful.

Teams and Instability

How does one stay close to the insight about the importance of teams in leadership under conditions of rapid change yet acknowledge that careerism, restructuring, changes in government regulation, and technology are all creating rapid turnover of leaders in health care? Individuals begin to worry more about their personal futures than about their teams and organizations. Consider the following example of the leadership team of a large health center. Over a 10-year period, there were six Chief Executive Officers (CEOs) (two of them acting), three Chief Financial Officers (CFOs), six Directors of Nursing (two of them acting), three Chief Operating Officers (COOs), four Vice Presidents for Health Affairs, seven Human Resource Executives, three Legal Counsels, and six Public Information Offi-



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cers. This is probably an extreme case, but it does illustrate how mismatched our metaphor of team building can be from reality.

Think about the sports metaphor of team building. There is a pre-season with intensive practice, followed by the season during which one plays with a relatively stable set of players. Rarely is that true in the health care world: no pre-season, little practice, the players often changing. It is like trying to ride a bicycle and build it at the same time. You have to get performance from your organization while you are attending to its maintenance and its development simultaneously. I think that is extraordinarily difficult.

We need to shift our focus from looking simply at tenure in a role (for example, 3.4 years for a Chief Nursing Officer [CNO]) to asking what is the half-life of a working alliance between a CEO and CNO or among clinical directors and a CNO. How do we acknowledge the reality of much greater rates of

change in personnel yet preserve effective teams of people who can focus on the right issues and can recompose themselves in ad hoc ways that are appropriate to the issue at hand?

I think we are in what Peter Vaill (1989) has called "permanent white water," and that requires a different mentality. We have inherited a model of the world in which there were relatively short periods of turbulence and then long stable calm periods. I am sorry to say that I do not think this is true any longer. In health care, we will face continuous rapid change, especially as competition grows. In many cases, you are reducing cycle time, for example, same day surgery or laboratory tests to get slack out of the system. This is a big theme in the wider society. Slack is flat water. Slack is an opportunity to stop and collect your thoughts. The world is speeding up. Planning and implementation will inevitably be more simultaneous.

Leadership Transitions

In this kind of world I have described, I think that leadership transitions are enormously important and represent both opportunities and dangers. They are natural entry points for new ideas from both the incoming leaders and existing staff who respond to a fresh chance to sell a favorite idea of theirs. Transitions are also dangerous because of the fragility of the team's relationships. Historians who studied the Kennedy administration feel that the Bay of Pigs was related to people not knowing each other well enough. Candor was difficult. Some have suggested that the NASA shuttle disaster was in part caused by the transitions of two key executives who had scheduled a meeting on the ill-fated o-rings that never got rescheduled by their successors.

Let me summarize my argument thus far. Leadership is centrally about managing uncertainty and creating conditions of safety (vision, resources, protection, and



regulation of conflict) for others to do effective work. Yet the turnover of leaders is also accelerating, creating increased uncertainty rather than dampening it. If the rate of change will continue at high levels, what can be done? I will briefly discuss effective approaches to both the search and entry phases of leadership transitions to ensure that the opportunities outweigh the dangers. If leadership transitions are managed in ways that link strategic thinking, active executive search, and careful organizational development, they can advance the purposefulness of the organization.

Key Steps in Active Executive Recruiting

The key stages in leadership search and transition are illustrated in Table 1. We must be more strategic in the way we fill vacancies in a leadership team by always starting not only with the job but also at the organizational level. What is the organization's distinctive competence? What is it good at doing? What makes it better than others at doing that? Start outside the organization with its purposes, outputs, and stakeholders that care about the organization. Then you can link the vacant leadership role to the strategy. One begins an aggressive search both inside and outside for candidates who match the strategic imperatives. The best people are probably motivated and performing highly in some other roles and need to be actively sold on the opportunities in the vacancy you are trying to fill. This contrasts markedly with a bureaucratic "personnel" orientation for filling vacancies: dig up the old job description, passively advertise in the relevant professional journals, screen résumés, and then interview people and select on the basis

Table 1. Key Stages in Leadership Transitions

1. A decision to seek a change in leadership
2. The design of a search and selection process
3. An analysis of the strategic challenges facing the organization
4. The translation of the strategic assessment into specific leadership needs and job qualifications
5. A search for prospective candidates
6. The screening and initial selection of finalists
7. The interviewing and final selection of candidates
8. A transition process

of who was most impressive in the interview. An active search fills a job in the context of a strategy with a focus on key initiatives. This method of recruiting has the effect of dampening the disruption to the team because there is much more negotiating among the remaining team members about the focus and priorities. When the new member joins the team, not only is he or she more co-oriented to whatever the particular initiatives are, but the other people feel less at risk of key initiatives being diverted. Often at its best, the new executive embodies and amplifies the strategy such as Sculley at Apple Computer signaling a shift from an engineering to a marketing orientation.

Good historical interviewing begins a process of an outsider becoming known more deeply by key others in the leadership group. John Issacson, an executive recruiter, was looking for the director of a troubled juvenile delinquency institution with frequent changes in its leadership. His process is a 3- to 4-hour biographical interview. He gets people to tell their stories. He does not ask them whether they are good in crisis. He has them talk about how they actually behaved in situations that were stressed. He often has them start with what it was like when they grew up because he believes that many of our notions about authority, groups, and gender issues are shaped by those who are significant influences on our early

lives. The top executive staff of the juvenile justice agency (about six people) sat in on these interviews while John interviewed each candidate. The executive staff had this amazing realization when the interviews were over that they knew more about the candidates who walked in and were interviewed for 4 hours than they knew about each other. The superficiality of their relationships shocked them. They then started a series of lunches where they repeated this process with one another to understand the motivational forces that really drew them to work with these very difficult troubled kids. What in their backgrounds could make this an exciting thing? There was an enormous deepening of team relationships. This kind of careful search and in-depth interviewing contributes to a team's effectiveness even as individual members are changing.

The Transition Stages of a New Leader

I now wish to discuss briefly the major phases of the new leader's transition and how each of those phases can be negotiated to increase the benefits from a leadership change and minimize the dysfunctional disruptions. These phases and some of the issues under each are illustrated in Table 2. After a new executive is hired, joining is key. Joining is the process of becoming emotionally connected to the system that one is

Table 2. Phases & Tasks of a New Leader's Transition

Initial Stages in a Leadership Transition			
Joining <ul style="list-style-type: none"> • Shadow of Old Leader • Disengagement from Prior Job • Substantive Briefing • Initial Relationships • Early Initiatives • Avoidance of Traps 		Building the Team <ul style="list-style-type: none"> • Identification of Critical Roles/Inventory of Talent • Matching of Tasks-Roles • Selective Replacements 	
Key Tasks to Succeed Over Time			
Incorporating a New Vision <ul style="list-style-type: none"> • Strategic Themes • Retreats • Environment • Stakeholder Assessment • Idealized Redesign 	Reorganizing <ul style="list-style-type: none"> • Responsibility Charting • Developing the Design • Managing the Process 	Developing Working Alliances <ul style="list-style-type: none"> • Deepening Productive Work Relations • Managing the Boss 	Managing Change <ul style="list-style-type: none"> • Balance Too Fast — Too Slow • Flak to Change Ratio • Natural Entry Points and Leverage • Avoid Change Overload • Small Wins

issues. Not only is the new leader disengaging from a prior job, but people in the group the new leader is joining are disengaging from their prior leader. These emotions can range from relief to a sense of mourning and loss to feeling guilty if the people actually acted in such a way as to cause the demise of the previous leader.

In these early relationships, often missteps in the dance create traps that each contribute to yet nobody really wants. For example, frequently a new leader, when interacting with existing staff, falls into a cycle of misunderstanding that is illustrated in Figure 1. The process ends up with the leader overloaded and mistrustful and the followers underused and resentful. Yet because of the newness of the relationships, they often cannot reflect on the pattern that victimizes them.

The second stage of the transition is building the team — making early judgments about who has what skills and what competencies need to be added to the group. Because a new leader cannot mount an active search into many areas simultaneously, he or she has to have a theory of which ones are most important. Changing every-one or making no changes both suggest a failure of the new leader to make difficult individualized judgments. Sometimes people make the mistake of removing somebody without really doing a hardheaded analysis of whether the payoffs will exceed the considerable costs.

Reaffirming or resetting the direction and vision are essential. Recent management literature has differentiated between leaders and managers, suggesting that leaders focus on vision, values and direction, managers on execution and implementation. Leaders do the right things; managers do things

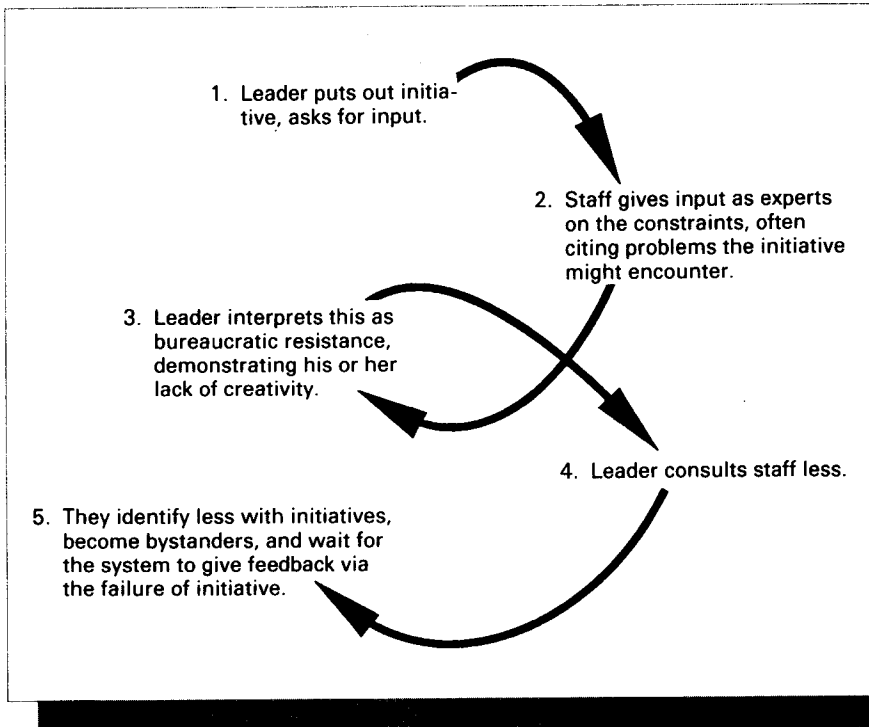
entering. Many new leaders inadvertently remain at arm's length. For example, a new dean referred to his school for several months as "this place," which his faculty interpreted as revealing some ambivalence about genuinely identifying with the school. Many new leaders, in order to have credibility, tell stories about what they did in their prior jobs. The new leader's intention is to show, "I've been there. I know what it is like to be one of you. I've done the work, you know." Yet often what is heard is that the leader is still connected to the former organization and has not taken in how the new organization is different. So it has the exact opposite effect of its intent. Instead of communicating "I'm with you," it has the effect of distancing.

I think we dramatically under-

attend to the shadow of the prior leader or leaders. A book on presidential transitions (Brauer, 1986) argued that each new president often overreacts to the predecessor: Eisenhower stressed being businesslike, orderly, and apolitical in reaction to Truman; Kennedy's contempt of formal procedures and love of out-of-channel approaches were his reactions to Eisenhower's style; early in his tenure, Bush was driven to be different from Reagan, but in not being Reagan, he was just as caught by Reagan's shadow as if he had explicitly tried to copy him. Part of an effective transition is a working through of the shadows so that the new leader can be experienced directly rather than always in comparison to the predecessor.

We underestimate the leaving

Figure 1. Potential Cycle of Misunderstanding Between New Leader and Staff



right. I think we have gone too far in splitting these two apart. We need both. Particularly with the arrival of new leaders, organizations are at risk of a split between the vision and the actual behaviors at the operating levels of the organization.

I believe retreats are particularly powerful in that they allow work on directions and the relationships necessary to implement them simultaneously. In a well-run retreat, you can have more contact, more soft intelligence, and more hard discussions that really build leader-follower relationships than you can achieve in 6 months of management walking around or interacting through established channels. Retreats can focus on

trends in the environment and key stakeholders and then formulate strategies in that context. They can be especially powerful in fast changing environments by orienting a top team. Bob Hayes of the Harvard Business School has made the argument that if you are in a swamp, a compass is more powerful than a map because the roads themselves are actually disappearing beneath the quicksand whereas a compass is orienting. In light of the rapid changes in health care, you often need to lift your eyes above the fray to some type of North Star to reconnect with what is really important.

In reorganizing, I think the fatal error that most new leaders make is to reorganize too quickly. Then

it is experienced like a rider breaking a horse: "I'm in charge, and I'm going to put my harness on this organization." If it is done too early by a leader from the outside, it is not credible that the leader really knows enough of the nature of the organization, its strategic situation, and its people. The organizational changes are often viewed as repeating what worked for the leader in his or her past job. John Gabarro (1987) has charted the timing of reorganizations after leadership changes and identified two phases: (a) an initial tinkering in the first weeks or months to get control; and (b) about 18 months later, a major reorganization that is tightly connected to the strategy and strengths of people.

Developing working alliances is an ongoing task. We have so over-focused on leadership that we underattend to this even more precious commodity called followership. At Wharton, I teach a course in which we organize the students into teams to consult for health care organizations. The Wharton students' model of followership involves making a bid for leadership, failing, and then staggering through the rest of the semester under the yoke of whoever became victor; followership is second best. That is dead wrong. I think most of us are quite poor followers, and many of our most serious organizational problems result from poor followership.

Often new leaders coming in are so filled up with the challenges in their units that they fail to attend upward to their bosses. In a discussion of these issues with nurse executives, many reported that new CEOs and COOs come in (and from the nurse executive's perspective) inappropriately intrude into the nursing division whereas the prior persons left nursing alone.

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My hunch was that the prior person had probably been under-attending to what was going on in the most important division of his or her organization. The new leader might have been appropriately trying to connect nursing and other units in the hospital into a more integrated delivery system. As the nursing field struggles with its leadership voice, it may also have trouble affirming a positive vision of followership. Followership may stimulate old tapes about nursing manipulatively getting what it wants behind the scenes but not being able to affirmatively take credit for it. I think it is a particular struggle in the nursing field at this moment for people to have an affirmative model of followership.

In managing change, I have been most intrigued with the notion of change overload. Leaders today are more prone to slogans (such as "when the going gets tough, the tough get going") versus really making hard choices about priorities. For a leader to say that everything is a priority is simply not helpful. The leader is not taking on the uncertainty absorbing function to give people guidance on what is important and what is not. I was doing some work for a new school superintendent. She had appointed new people to 15 different staff units. All felt they had to have a new vision because, God forbid, you should execute the strategy of your predecessor. Each of them took about 1 year to formulate his or her new ideas. In meetings with the superintendent, each got approval of his or her plans. In each of those 15 plans, the principal of each school was given new responsibilities: prepare a truancy initiative each year, be accountable for energy usage, get a business to adopt the school, and lead curricu-

lar discussions in five subjects that he or she has not taught in 5 years. Furthermore, these new tasks for the principal were additions to the normal responsibilities. However, there was no planning process where all the changes were looked at together and thoughtfully balanced against the capacity of the different roles. When a leader realigns the responsibilities or timing, then followers experience the leader appropriately, worrying about the whole and about the interactions among initiatives.

Small wins are particularly important in environments that are often fundamentally depressing in terms of their complexity and their ability to absorb change and look exactly the same. I think the most demotivating feature in organizations today is the sense that people are cogs in a machine that devours resources yet fails to produce results that they care about. This personal feeling of disconnection is the equivalent of what we are worrying about as a society. We are discovering that we can put 12% of our gross national product (GNP) into medical care yet not significantly affect our nation's health status. We can substantially invest in schools and not change how educated our young people are. We can substantially increase our investments in police and corrections and not be safer.

We are in an era of enormous complexity at many levels from policy to line delivery systems. The rate of change and the frequency of leadership transitions have made organizational life more Sisyphean. Remember that Sisyphus in Greek mythology is condemned to roll a boulder up a hill; and just when it gets to the top, it rolls all the way back down. He then has to go back down and push it up again. I think that is often what followers experi-

ence. They get a certain way on an initiative; a new leader comes in; and they return to square one. People have a sense of backsliding around transitions with progress not anchored or locked in. New leaders did not honor sufficiently the achievements of their predecessors or build on them. That is in part because we are not skilled at handling transitions. There are many small ways in which we can put a little wooden wedge under the boulder so that if it rolls back, it will only roll a couple of feet as opposed to rolling all the way down the slope. For leadership transitions to be moments of consolidation and subsequent development, both leaders and followers must deepen their understanding of and skills in managing transitions. §

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