# Chapter 21

# Changing Habits

## Creating a New Culture by Introducing New Experiences

*Habits are like a cable. We weave a strand of it every day and soon it cannot be broken.*

HORACE MANN

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**Changing Habits immerses employees in new experiences—altering what they do, where they do it, and with whom they do it—to push them to let go of old behaviors and develop new ones.**

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**W**hen Doug Ross went to Washington in 1993 to head the U.S. Employment and Training Administration (ETA), he was convinced that the 1,800-employee organization did not treat its customers very well. ETA's Employment Service funds and oversees the nation's unemployment offices, where millions of people go each year to obtain unemployment benefits, job counseling, or job openings. "My own sense was that many of the customers regarded it as an unpleasant experience," Ross says.

Ross didn't expect the agency's senior civil servants to agree with him. "There was a general feeling that we did a reasonable job of dealing with the people who come to us because they lost their jobs," he says. In any case, "I had no special credibility as a leader coming in from the outside." So he hired a respected polling firm, Yankelovich Partners, to find out what customers of the employment service thought about the agency. It organized a series of meetings in which small groups of customers—blue-collar workers, white-collar workers, and small business owners who used the service to find new workers—talked candidly about their recent experiences with employment

service offices in Maryland. Ross took his top managers to the sessions, to listen from behind a one-way mirror.

They caught an earful—for hours. "These people said they were treated like numbers, not people," remembers Carolyn Golding, a longtime deputy assistant secretary. "That was the most devastating thing I had ever heard. They said they weren't called by their names, they were called 'Next.'"

"What came across actually stunned some of the civil servants," Ross says. They couldn't believe how angry their customers were about how they were treated at unemployment offices. In one of the groups, Ross recalls, a customer declared, "I hate this place [the unemployment office] and if you gave me a chance, the first thing I would do is privatize it!" Another unemployed worker complained that government workers "talk down to you like they know better. I want to be treated as a customer!"

When a blue-collar group in Baltimore said that going to the Employment Service was as frustrating as visiting a motor vehicle bureau, "That immediately hit the ETA professionals," says Ross. "It was something they dreaded having to do, too."

Yankelovich later summarized the customers' dissatisfaction this way:

*Workers feel they are treated as second class citizens, given inaccurate information about prospects for employment and provided with little guidance that can help them find a job. . . . Workers feel that the staff is poorly trained and unmotivated to provide customer service. There are also complaints that the service is impersonal—there is a lack of interest in the individual.*

The experience of listening to her customers affected Golding viscerally.

*It was like being fed rocket fuel. It reenergized me. One of the reasons I'm in this business is because I believe these programs can help people to help themselves. But if you're not treating them like people, then you're missing a basic building block. You're not even in the game.*

Other managers reacted similarly, says Ross. "When they heard people say they hated us, it had an emotional impact. It made people feel bad, because most of them—even the relatively cynical ones—wanted to believe that they were doing some good, that their work had some benefit for somebody."

During the hour-and-a-half drive back to the office, Golding and a colleague talked about what they had experienced. When they returned, she says, they immediately started sharing the experience with people in the agency and



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in state governments, which operate unemployment offices. "I asked them what they were doing to find out how people view their services," Golding says. The answers were disappointing: mainly, administrators looked at follow-up forms that some customers filled out and mailed in.

"It was nothing like the vivid experience I had gone through," says Golding. "Seeing it firsthand was much more powerful than reading about it."

Golding threw herself into Ross's struggle to reinvent ETA's programs. She found that other managers who attended the focus groups were also more receptive to change. Ross showed video clips of the focus groups to ETA employees who had not been there. "The visual impact [of the video] had a long-lasting impact," says Lorraine Chang, who ran the agency's reinvention office.

> You can talk forever about being customer-focused and listening to the customer, but it is important to actually be struck in the face by the image—either in person or on video—of who the customer really is. The customer focus groups were one of the first key steps in getting the organization to begin seeing the world differently.

Golding and her colleagues put in long hours negotiating with ETA managers, state and local governments, and public employee unions over their proposed reforms. During these mind-numbing discussions, the focus group experience became a touchstone for them. They doggedly steered discussions back to the issue of customer service. "Bureaucracy is like water on a stone; it does wear you down after a while," says Golding. "You really need something to hang on to that is worth fighting for. That's what the customer experiences gave us."

Listening to customers tear your organization down is an intense experience for practically anyone. You leave your comfortable paradigm and enter theirs. You see the world through their eyes. You become totally immersed—for a short while, at least—in a new, challenging, and disturbing experience. And if that experience is powerful enough, you change your feelings, your ideas, and your behavior.

As we said in *Banishing Bureaucracy*, immersing people in new experiences is the most powerful of the three Culture Strategy approaches. It reopens their hearts and minds and changes habitual ways of thinking.

Sometimes the first step is simply to expose habits that exist but typically go unrecognized. In East Lansing, Michigan, a team of managers volunteered to help develop a strategy to change the city government's culture. Their initial target was City Manager Ted Staton's Tuesday morning staff meeting—a

ritual whose cultural implications had gone unexamined. Nancy Moylan, a district court administrator, describes one of the habits she had observed during 14 years under the previous city manager:

> *It used to be that everyone had assigned seats. Certain people sat at the conference room table; they were the players. Others sat in smaller chairs along the walls. The first time I attended a meeting, I took the seat closest to the door. Suddenly everyone in the room just stopped. I thought I had done something bad. Someone said, "You can't sit there, that's the city manager's chair." They showed me where my predecessor had sat.*

Years later, Moylan says, chairs were still "owned" by specific managers—including her. After she had missed several meetings once, the police chief told her that he had been sitting in her seat, but she could have it back. The seating arrangement, of course, reflected the power structure in the organization.

The culture change volunteers decided to stage a skit spoofing the meeting's habits. They wrote a script and held the "meeting" at the usual time. The volunteer who played the city manager came late, as always. No one started the meeting until he arrived. He passed out the meeting agenda, which no one had seen beforehand. Some managers sat in chairs against the walls rather than in empty seats at the table. Some walked in late, talking to other late arrivers as though the meeting had not yet begun. And when it came time for participants to contribute to the meeting—to offer news or advice—all of them "passed."

The skit's message: no one, except the city manager, felt a stake in the meeting. As a result of this exposure, the staff made changes. It moved the meeting to a bigger room so everyone could sit at the table. Each meeting had a new chairperson. Agendas were sent out ahead of time. And discussion—rather than "passing"—occurred.

Still, says Moylan, the power of habit dies hard. "Somehow, at the staff meetings, I find myself sitting in the same corner."

After people become aware of their habits, they need reasons and opportunities to change them. This is the purpose of many of the tools reinventors use to help public organizations escape the gravitational forces of bureaucratic habits. Basically, these tools immerse public employees in new experiences that pose new problems that cannot be solved by using career-long habits. For instance, listening to customers complain about the Employment Service created a dissonance that was hard for Carolyn Golding and other administrators to ignore. The experience challenged them to find new ways of acting.



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### THE ELEMENTS OF EXPERIENTIAL CULTURE CHANGE

These tools fall into a number of categories. Most of them help with the front end of culture change: jarring loose existing paradigms and helping people let go. Perhaps the most effective way to do this is to give people encounters with their customers, as Doug Ross did. Tools here include meeting the customers and walking in the customer's shoes.

A second alternative is to help employees experience new roles, by giving them encounters with other jobs, other organizations, and other people. Tools here include job rotation, internships, and externships.

Once people begin to let go, you need to coax them into trying new behaviors. Several tools, including institutional sponsors and contests, play this role.

The final two categories not only work on the front end of culture change, they also help move people all the way through the process. Hence they contain the most powerful experiential tools. The first is what Bob Filipczak, an editor of *Training* magazine, calls critical mass events. These tools, which involve many or all of the members of an organization in a new experience, are "used most often to do things such as change business strategies, develop a mission or vision about where the company is headed in the next century, or foster a more participative environment," he explains. "In some cases, critical mass events are used as ways to kick off other popular initiatives like committing to total quality management, starting self-directed work teams, or reengineering the organization."

Some critical mass events, including future-search conferences, have been used for decades. Others, such as large-scale, real-time strategic planning, are more recent inventions. Some are more ad hoc events: hands-on organizational experiences such as the three-day "energy mobilization" that St. Paul mayor George Latimer led in 1979.

The final category is the most profound and permanent step you can take to give people different experiences: redesign their work. As we have argued, when people do new things, they begin to think new thoughts and feel new emotions. Redesigning their work is the best way to change their culture for good.

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**TOOLS FOR CHANGING HABITS**

***Meeting the Customers***—through focus groups, conversations, or frontline work—exposes employees to the people their work is designed to help. See p. V/54.

***Walking in the Customer's Shoes*** asks employees to go through their own system as customers so that they can experience it from the customer's point of view. See p. V/56.

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From ***The Reinventor's Fieldbook,*** by David Osborne and Peter Plastrik. ©2000 by Osborne and Plastrik

> *Job Rotation* exposes employees to different jobs in an organization. They move through various jobs, taking full responsibility for the work and staying in each position long enough to learn its intricacies. See p. VI/57.
>
> *Externships and Internships* allow an organization's members to work in other organizations for a stint—from six months to several years, usually—or bring outsiders in for a similar period. See p. VI/59.
>
> *Institutional Sponsors* establish a formal process that attracts, supports, protects, and celebrates innovative behaviors in public organizations. See p. VI/59.
>
> *Contests* promote behaviors reinventors want to see in their organizations. See p. VI/62.
>
> *Large-Scale, Real-Time Strategic Planning* immerses most, if not all, of an organization's employees in an intensive multiday retreat, during which they identify necessary organizational changes and commit to implementing them. See p. VI/63.
>
> *Hands-On Organizational Experiences* are less formally structured learning events in which hundreds of employees share new experiences that build the culture leaders want. See p. VI/67.
>
> *Redesigning Work,* whether by reengineering business processes, reforming administrative systems, or introducing new technology, permanently changes employees' experiences. See p. VI/68.

**MEETING THE CUSTOMERS**

When Doug Ross took his managers to see focus groups of employees, he exposed them to a profound new experience, which shook their paradigms. Ross also had his employees meet with customers face-to-face, to discuss their needs and how satisfied they were with the service they received in employment centers.

Other organizations have employees work the front lines to meet customers. When Kathryn Roberts took the helm at the Minnesota Zoo, a state organization, she found that most of her employees looked at the zoo's customers as a nuisance. "At least to some degree, our animal care staff believed that this zoo was a place for animals, and the public kind of bugged 'em," she says. Because of the public, "They had to do some of their work behind the scenes, or at times that weren't so convenient for them." They didn't like it when she told them, "'I want you to feed the gibbons their watermelon when the public is here, not at 8:00 A.M. when it's convenient for you.'"

The Public Strategies Group, which Roberts hired to help her develop a strategy to change the zoo's culture, suggested that she have employees greet

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the public on the way in and out of the zoo. They would welcome people, hand out maps, explain any special events scheduled for that day, and answer questions. As people left, they would hand them customer feedback cards, talk with them about their visit, and invite them to return.

When Roberts required this, she ran into real resistance from some employees. "Plumbers and carpenters and others said to us, 'I wasn't hired to do this; you hired me to put in the plumbing lines,'" remembers Connie Braziel, director of operations for the zoo. "So we had our talks about how things change."

But many enjoyed the experience. "When they came out from behind the scenes for the first time and had to interact with customers, I think many of them were flabbergasted, listening to our customers describe what was important to them," says Roberts.

One employee, a union steward, fought the requirement tooth and nail. After he finally had to do his turn, he wrote the zoo management a letter:

> *I must admit, I approached the scheduled confrontation determined to role-play my way thru. I think that as an employee I sometimes see our guests as a reflection of my specific tasks; i.e., as a janitor assigned to outside trash collection, "They" were just rude people who filled up the cans with trash, and tossed diapers onto the parking lot, etc. I know that sounds awful but it was part of my attitude that was changed after my first three hours as a Greeter!*
>
> *I stood my ground. They were coming in packs of four and five—adult people; little people—all with looks of anticipation. Children whose eyes seemed to grow wider as they neared the entrance. They excited me. I found myself saying "Welcome to the Zoo! Thanks for coming! Have a great day!" without thinking about it. . . .*
>
> *And then it happened. Someone asked me if there were picnic areas inside the Zoo. As you know, I have been on the Zoo grounds since before the Zoo opened. I have enjoyed many hours of gawking at the wonders, etc., but I do not like to picnic and therefore did not know where the picnic grounds were for sure. I took a guess and replied affirmatively hoping they would not ask me, "Where?" That stung! I had other stings too numerous to mention here. . . .*
>
> *Perhaps I can sum this up as follows: The experience was very educational and positively affected my attitude. In response to my enhanced appreciation of the Zoo and my role as an employee, I shall: visit the Zoo as a Visitor; learn more about the presentations; become familiar with the many programs offered and prepare myself for the next opportunity to thank our guests for coming to a great Zoo!*



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This employee went back and began encouraging his colleagues to spend more time as greeters.

Roberts and Braziel believe the greeters program, now voluntary, has nudged the culture in the right direction. "Remarkably, to me, some of these animal care staff have come forward and are presenting ideas to make their animals more available to the public," says Roberts. "We would never, ever have had that five years ago. So when you hear that, you think, okay, all that work was worthwhile."

## WALKING IN THE CUSTOMER'S SHOES

*Walking in the Customer's Shoes* **asks employees to go through their own system as customers so that they can experience it from the customer's point of view.**

David Couper, a former police chief of Madison, Wisconsin, always remembered a story about the Dutch police. Most of their command staff had been imprisoned by the Germans during World War II. "They had this empathy for people who were put into prison," he says. "And that's why for years, until the jail got filled up, we used to take our recruit class and say, 'Sometime during your training you will be picked up and put in jail overnight, because you need to know what that's like.'"

Though it is rarely used in the public sector, this tool is a powerful way to get people to understand the needs of their customers. Many businesses use it. In their 1990 book *Excellence in Government: Total Quality Management in the 1990s,* David K. Carr and Ian D. Littman describe an example involving employees of the Defense Industrial Supply Center.

> *Every weekend, supply specialists join active and reserve Navy personnel in an exercise at sea. They learn what teamwork means to ship operations and how the materials they supply can make a difference.*
>
> *"When civilians see the rigors of life at sea, they're shocked," notes a Naval reserve officer who helps coordinate the program. "They develop a real appreciation of their customer's setting—and maybe the customer's mood when he's making a request."*

The Institute for Educational Leadership used a shoes-of-the-customer experiment with a group of welfare policy experts, state legislators, members of Congress, and their staffs. In 1995, in an effort to influence welfare reform, the institute's Margaret Dunkle had the group apply for benefits. Posing as the Hernandez family, they visited a special room set aside for the experiment. In the room were an AFDC and Medicaid benefits analyst, an employment and training specialist, an IRS expert on earned-income tax credits, a school nurse-practitioner, a child care coordinator, a city housing assistant, and local health department workers. Dunkle described what happened in *Education Week:*

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*None of the Ph.D.s, lawyers, elected officials, administrators, or assorted policy wonks participating in the exercise could deal competently with the mounds of paperwork that would face the barely literate Hernandez family.*

*Just about everyone participating in the exercise lied, cheated, or purposely withheld information. It seemed like the only sensible thing to do. When faced with the reality of the current system, members of Congress as well as senior staff members who draft or administer programs distorted or conveniently "forgot" such bottom-line facts as the work history of Carlos and Yolanda, Carlos's income, or the specifics about Alicia (who was not a documented U.S. citizen).*

Not even the most sophisticated legislators were familiar with the 20 different programs for which the Hernandez family could apply. None of them could handle the 800 pages of forms and explanatory material—a *condensed version*—Dunkle had put together for the exercise. State legislators, shocked to discover how much of the complexity their own states had created, suddenly realized how much work they would have to do before they could make a block grant system work. "Having survived the experience as the Hernandez family, one seasoned congressional staff aide wryly expressed surprise that there were so few shootings in welfare offices," Dunkle reports. "Others left the exercise saying 'surely we can do better.'"
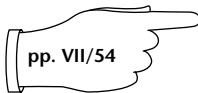
To get maximum impact from both the shoes-of-the-customer and the meeting-the-customers tools, we recommend that you facilitate employee discussions of the experience afterward, in small groups. The facilitator should push employees to discuss how their behavior should change, based on what they have learned, and how the organization and its work processes should change. Some people will figure these things out for themselves, but others will need help.

It is also important that those who have the power to force change, such as middle and senior managers, participate. Most employees already know how service could be improved, but they have long since given up telling management, because nothing ever happens.

## JOB ROTATION

*Job Rotation* **exposes employees to different jobs in an organization. They move through various jobs, taking full responsibility for the work and staying in each position long enough to learn its intricacies.**

Job rotation forces people outside their normal boxes. They have different tasks, colleagues, and customers. Usually, this kind of experience challenges and invigorates them—and changes their habits.

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Bill Creech, who reinvented the Tactical Air Command, required his wing leaders to periodically "immerse themselves totally, with no distracting influences, in the hour-to-hour frontline work activity for enough time to see all the victories and vexations going on there." When they were done, they had to write to Creech about their insights and recommendations.

Madison Police Chief David Couper spent a month every year working the front lines as a beat cop. When Mike Ramsey became director of general services in Visalia, California, he spent every Thursday for the first few months working on the garbage trucks and with the auto mechanics—starting at 4:00 A.M.

In the U.K., the Employment Service's London and southeast regional office rotated its senior staff into a local office to provide services to customers for two weeks. "The frontline staff were terrified because they thought the managers were going to make such a mess of it," says Diana Goldsworthy, then deputy director of the Cabinet Office's Next Steps Team. So the staff made sure that one clerical officer stayed behind to coach the novice bosses, while the real experts were away.

Martin Raff, who directed the regional office, reported that the experience motivated managers to improve customer service. "For example, they picked up one long-standing customer and local office gripe about the complexity of the forms for registering and claiming for unemployment pay, for the first time," he says. The job rotation also had great symbolic value: it "dramatically raised the profile of improving customer service in the region," and it heightened employee respect for the management team.

Some places rotate staff for much longer periods. In Canada, when the Edmonton school district decentralized control to nearly 200 individual schools, it created an assistant superintendent job in the central office that is filled by rotating school principals. Their assignment: help the other principals improve their schools. In this way, principals get a chance to play a new role as a coach, and at the same time they get a kind of sabbatical during which they can concentrate on learning new things.

Because there are limits to how many people can experience job rotation, reinventors also use interagency task forces, project teams, partnerships with other agencies and businesses, site visits, and quality councils to help employees get outside their boxes and interact with people from different parts of the organization.

All of this allows employees to gain a broader perspective about the organization—to develop new understandings about and sympathy for others. And it gives them an opportunity to hone new skills and gain new knowledge. It is like pumping fresh air through an organization, cleaning out its cobwebs and stimulating its brain cells.

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## EXTERNSHIPS AND INTERNSHIPS

*Externships and Internships* **allow an organization's members to work in other organizations for a stint—from six months to several years, usually— or bring outsiders in for a similar period.**

This tool plunges public employees into completely new organizational environments. In some cases the organization serves as the "host"; in others it is the "dispatcher." Either way, the experience can be habit-breaking.

When employees venture into the unfamiliar territory beyond their job and unit borders, their experiences can shatter their paradigms. Often it is as if they have entered a foreign culture. Their awareness that the social rules are different leads them to question things they have always taken for granted.

Because an internship or externship is temporary, participants tend to compare the new culture to their culture back home and draw lessons for use when they return. Because the assignment is long enough and involves performing real work in an unfamiliar setting, participants must let go of old habits and develop new ones.

Many quality or reinvention teams are staffed, at least in part, by civil servants doing externships of anywhere from six months to several years with the team. In the U. K., the Efficiency Unit, the Next Steps Team, and the Citizen's Charter team were all staffed this way. In the U.S., the Federal Quality Institute and the National Performance Review also got most of their people this way. The U.S. federal government allows civil servants to work in other agencies, in state or local governments, or in quasi-governmental operations such as the National Academy of Public Administration for up to four years.

But use of this tool need not be limited to public servants. In the U.K., for example, civil servants sometimes spend time in the private sector on externships, and businesspeople sometimes spend several years working in government. The U.K. also brings in many interns from other nations.

When Ted Gaebler was city manager of Visalia, California, he liked to bring local businesspeople who were between jobs into city government for a few months, to expose his employees to their way of thinking.

Since externships cannot be used with large numbers of people, managers use the tool mainly to develop employees with clear leadership potential. They are very selective about who gets to go off on an externship.

## INSTITUTIONAL SPONSORS

*Institutional Sponsors* **establish a formal process that attracts, supports, protects, and celebrates innovative behaviors in public organizations.**

In most governments, the risks of innovating outweigh the rewards. By creating institutional sponsors for innovation—people and programs that encourage


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and protect the innovators—reinventors can change this balance dramatically. This tool encourages people to try new behaviors and offers them assistance: expertise, political muscle, and, occasionally, resources. It gets top management to pay attention to innovations, and it insulates innovators from attacks.

Leaders can use this tool to target a broad range of habits for change. Michigan's Department of Commerce used an internal "business incubator" to turn loose civil servants with promising ideas for new customer services. They received seed budgets, advice, and the visible blessing of top management.

An institutional sponsor can also operate systemwide. In 1985, Minnesota governor Rudy Perpich created a 22-member public-private steering committee to sponsor teams of government employees with innovative ideas. This initiative, called Strive Toward Excellence in Performance (STEP), was highlighted in *Reinventing Government.* The STEP board invited teams to submit proposals, then picked the best ones and offered them support and protection. As *Reinventing Government* explained:
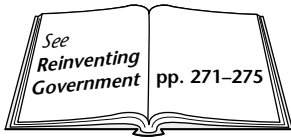
> *The STEP seal of approval did four things. It gave people permission to innovate. It offered them technical assistance. It forced their bosses to sit up and listen. And it gave them protection when the inevitable flak hit.*

To help the innovators, STEP advisors held conferences, consultations, seminars, and training sessions on relevant topics: performance measurement, marketing services, and managing service quality.

In 1993, Florida governor Lawton Chiles initiated a similar effort to lure public innovators. Later adopted by the legislature and named the Innovation Investment Program, the effort attracted 163 proposals in its first two years. It funded 38 of the projects, at a cost of $11.8 million. The state estimated that the first 22 projects generated a total of $19 million in cost avoidance, productivity gains, and new revenues.

### Institutional Sponsors: Do's And Don'ts

***Have top leaders play the sponsoring role.*** In Minnesota, Governor Perpich cochaired the STEP board, which also included corporate leaders and public union officials. In Michigan's Commerce Department, a top deputy sponsored the in-house incubator. Having top leaders play the sponsoring role makes it much easier to ward off attacks from managers, central agencies, and elected officials.

***Invite everyone to participate.*** Managers don't have a monopoly on good ideas, so make sure frontline employees feel sponsored, too. At least one-third of Minnesota's STEP innovators were line employees, not managers.

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*Be very clear about which behaviors you are sponsoring.* In Michigan, potential innovators had to demonstrate a customer orientation. In Minnesota, proposals had to exemplify at least one of six behaviors: closer contact with the customer, employee participation, decentralization of authority, public-private-academic partnerships, state-of-the-art productivity improvement techniques, or performance measurement.

*Assure innovators that they will be held harmless.* Guarantee innovators they will not lose their budgets if they improve productivity, nor suffer negative consequences if they fail.

*Emphasize long-term results, not short-term fixes.* The idea is to promote new behaviors, not just to cut budgets. Give people time to change their habits.

*Celebrate the innovations.* The Minnesota Business Partnership created an annual award for STEP innovators.

*Evaluate the effectiveness of the institutional sponsor.* There is no simple formula for sponsoring innovations; organizations have to learn how to do it. STEP redesigned itself several times in its first years of existence.

*Don't make it bureaucratic.* Don't insist on detailed initial proposals from employees. Let them keep it short; if it looks promising, have them flesh it out and refine it. Good ideas come before good plans.

*Don't make submission of projects mandatory.* Keep it voluntary. Look for innovators driven by a desire to change, not by the feeling that they must comply.

*Don't just turn innovators loose—support them.* Employees with good ideas don't necessarily have the knowledge and skills needed to implement them. They will face barriers within their own agencies. Set up a technical assistance team to help them, and encourage the innovators to call on the high-level sponsor for political clout when they need it.

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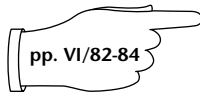
### RESOURCES ON CREATING INSTITUTIONAL SPONSORS

Sandra J. Hale. "Reinventing Government the Minnesota Way." *Public Productivity and Management Review,* 15, no. 2 (winter 1991). A good summary of the STEP program.

Sandra J. Hale and Mary M. Williams, eds. *Managing Change: A Guide to Producing Innovation from Within.* Washington, D.C.: The Urban Institute, 1989. This excellent how-to book was written by STEP staff. It is distributed by the University Press of America, Lanham, Md.

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## CONTESTS

**Contests promote behaviors reinventors want to see in their organizations.**

Because contests often get many people energized, leaders use them to give employees a reason to try out new behaviors. The most widespread use of this tool is the competitive award program. For example, U.S. federal agencies may compete for a set of quality awards determined annually. They must submit a detailed application and undergo extensive auditing to qualify. Ohio, Texas, Arizona, and other states have created similar awards.

General Creech used this tool repeatedly in the Tactical Air Command (TAC). A classic example was his "Top Wheels" contest. Creech believed that TAC was not maintaining its vehicles properly, which increased repair and re-placement costs. So he made sure every vehicle had an "owner," then gave those owners a reason to take pride in their vehicle. "He said the same kind of pride you get from taking care of a fighter plane can be gotten by taking care of a garbage truck," remembers Doug Farbrother, a former Defense Department manager who moved on to the National Performance Review. "The prize was for good looks, and of course that meant people spent a lot of their own time, making sure things looked and ran well."

Creech explains how it worked:

> *Every six months the wing commanders would have a "rollby." We used to have "flybys" in the Air Force. What we did in the rollby was everybody was on parade. They could show their truck or sedan or pickup or whatever it was. . . . We also had someone writing down numbers of vehicles that looked shabby, and they went straight to the paint barn. We didn't criticize anybody; it was all positive. We had awards and best-maintained-fleet by squadron and all that.*

Some contests are informal, but still very real. Robbie Stokes, Bromley's director of leisure services and a Charter Mark winner, has every unit compete to come up with the best ideas for the next year's service plan. "I think it's im-portant to have competition," he says. "It's like sports—the great fun you can have on a tennis court, while you're competing. That's the kind of fun we want people to have at work."

To create contests that change the culture, you need to:

- **Determine what success looks like.** You need some way of picking the winners, some criteria for judging success.
- **Ensure a fair process for judging entries.** Minnesota's STEP program used a public-private panel to make final decisions.

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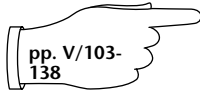
- *Give public employees the autonomy to try new behaviors.* Unless employees and organizations have the freedom to try new things, the competition will be a sham.

- *Support competitors who want to learn how to get better.* Contests can be powerful learning experiences—for winners and losers. In the Air Combat Command, units with relatively low performance in particular areas are encouraged to learn from the high performers.

## LARGE-SCALE, REAL-TIME STRATEGIC PLANNING

*Large-Scale, Real-Time Strategic Planning* **immerses most, if not all, of an organization's employees in an intensive multiday retreat, during which they identify necessary organizational changes and commit to implementing them.**

Imagine a gathering of hundreds, even thousands, of employees in a government agency to figure out how to change the organization. To accomplish this task, they stay together for three days.

The first day, they work in small groups, getting to know one another and openly discussing the condition of the agency—focusing on its warts and identifying its most pressing problems. The organization's leaders describe their strategy for the agency's future. Customers and stakeholders share their perspectives about what the organization must do for them.

The second day, the employees first hear from and question people in another organization that is further ahead in the process of changing. Then members of each of the agency's units make wish lists of changes they want other units to make to better meet customers' needs. Each unit receives this massive feedback and—with coaching that helps them overcome their defensiveness—prepares responses, including commitments to do things differently in the future. They announce their commitments to the whole group of employees. As they do so, something in the room changes. The information exchanged is not new, but the behavior—blame-free and change-oriented—certainly is.

Following this exercise, employees discuss the unwritten rules—the norms or givens—that guide behavior in the organization: "never disagree with the boss in front of others," or "don't pass on bad news, because they always shoot the messenger." Then they identify and announce the norms that *must* change if each unit in the organization is to live up to the commitments it has made. They also define the new norms that should take their place. They are describing the kind of organization they want to have.

At this point, the organization's leaders again describe their strategy for the future. They tie the strategy to what they have heard during the gathering.

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They identify those parts of the strategy that are open for revision and explain why some parts are not. Then employees discuss in small groups what they agree and disagree with in the strategy and what changes they would make. Each group recommends changes, and the entire group then votes for the recommendations with which they agree.

That evening, the organization's leaders meet to review the voting. They incorporate many of the employees' ideas into a final strategy they will present to the large group the next day.

The third and final day begins with employees hearing—and judging—the leaders' revised strategy. Then they begin to translate that strategy into action. They generate ideas by using a technique called "preferred futuring." They imagine that it is two years into the future and the organization has done well in implementing its strategy. Then they envision what is happening inside this organization-to-be: what people are doing, saying, and feeling. This generates an outpouring of ideas for each part of the strategy, which they write down and post.

Teams assemble to sort through the ideas for each portion of the strategy. They brainstorm about what the organization must do differently to advance the strategy, and then they agree on a specific plan of action. The many action plans are posted so employees can vote for those that are most promising and identify those that are not feasible or are off track. Through this prioritization process, a common direction for the organization emerges.

The next step puts employees back into small groups, but this time in their own organizational units. They identify and commit to ways that they will work differently—with one another and with other units—when they get back home. Each unit reports its "back-home plan" to the entire group of employees.

Finally, the organization's leaders summarize and reflect on the progress made during the three-day session, the lessons learned and agreements reached. They emphasize the work that lies ahead—plans that must be made, actions that must be taken. The event—exhausting and exhilarating—is over.

We have described this tool at length because it is so remarkable. (Our description is based on an excellent book by Robert W. Jacobs, *Real Time Strategic Change.*) As implausible as this may seem to government leaders, it enables organizations to involve huge numbers of employees in rapidly deciding on change strategies and plans. In the U.K., the 40,000–member Employment Service has used the tool repeatedly. In the U.S., users include METRO, the 4,000–employee agency responsible for water pollution control and public transportation in the Seattle area; the New York City public hospital system; NASA's Lyndon B. Johnson Space Center; Sedgwick County, Kansas; and the
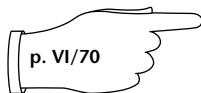
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St. Lawrence-Lewis Board of Cooperative Educational Services in upstate New York.

Martin Raff, a former regional director in the U.K. Employment Service, first used the tool with 600 employees from a local area office. Brought together to create a strategic plan, they could "hear from each other and hear from other stakeholders including customers, Government Ministers, the ES Chief Executive and others," Raff explained.

> *They could then use all this data to discuss together their vision of a more successful future and the best way forward, including the immediate next steps following the meeting. We found that the whole system perspective that people received, mostly for the first time, the fact that everyone listened to each other, and that the leaders were prepared to modify their views to take account of those at the meeting, generated great commitment to the plan. People also had a clear understanding of the plan, and the vision behind it, because they had contributed to its formation.*

Raff also used real-time strategic planning in the Birmingham area office, traditionally the region's worst performer. That session triggered an increase in the area's performance the very next month—a trend that continued for three years. Then he took it to the Staffordshire area office, where he wanted to break down the "command-and-control" organizational culture. Next he used it at the regional level to help middle and senior managers develop new ways of leading the organization.

The Employment Service's central office became intrigued by what Raff was doing. CEO Michael Fogden decided to bring 850 senior managers together for two days to develop a strategy for changing the agency. At the end of the first day, Fogden and his leadership team modified the strategy they had outlined earlier in the day. The next day they presented the changes to the group. After further feedback and revisions, the managers agreed to the strategy and developed back-home action plans.

"The event had a noticeable effect on the behaviours of senior management afterwards," according to Raff. "Working groups were set up to look at how head office and the regions (previously suspicious of and blaming each other) could work together on new programs and some administrative issues."

The impact of these large-scale events depends greatly on follow-up by leaders. "It is best to capitalize on the energy for change that has been unleashed in the process by having leaders make a few quick and especially meaningful changes immediately after the event," advises Jacobs. "Publicizing these


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decisions and actions widely reinforces people's beliefs that this time, change is for real."

Leaders of large organizations that cannot fit all of their employees into a single large-scale event use "diffusion events" to spread the effects throughout their ranks. These additional mass meetings usually last two days and are held with divisions or teams in the organization. They build on the information generated at the first event. Some organizations use a cascade approach to diffusion: the first event involves top leadership, and then follow-up sessions bring in more and more levels of the organization.

### Changing Habits in Real Time

Large-scale, real-time strategic planning was invented by Dannemiller Tyson Associates, organizational change consultants located in Ann Arbor, Michigan. A genuine innovation, it bundles together a set of familiar techniques for organizational development into a powerful experience that changes behaviors. (It also changes hearts and minds, but because it creates such a powerful experience, we have chosen to discuss it in this chapter.)

"The real time strategic change technology creates an opportunity for people to break down arthritic blockages and develop enduring ways of working together," writes Jacobs. It creates a variety of habit-breaking experiences:

   • ***Employees set aside daily work routines to work on the unfamiliar.*** Participants leave their usual tasks behind and work instead on the big picture. This new work involves the unfamiliar tasks of processing and analyzing enormous amounts of feedback.

   • ***Employees listen to customers and stakeholders.*** There is no better reality check to help people see beyond the walls of their organization.

   • ***Employees leave their bureaucratic cubbyholes and work with strangers and enemies in the organization.*** During the meeting, participants must work extensively with colleagues outside their units.

   • ***Employees openly and constructively discuss ideas for organizational change.*** Rather than keeping ideas to themselves or talking just in the bathrooms and hallways, participants share their ideas openly. They engage in face-to-face group dialogues, not monologues. They learn how to raise concerns about other people and units without provoking defensiveness. And they learn how to respond to concerns raised about them without being defensive. As METRO executive director Dick Sandraas puts it, they learn "how to dissent with each other productively."

   • ***Employees take personal responsibility for making change happen.*** They make commitments to one another. They don't hide behind rules, bosses, or other excuses. They realize they "have a unique opportunity to influence

the future course of the organization," writes Jacobs. "You viscerally come to understand the meaning of a fundamental principle underlying the real time strategic change technology: 'If it is to be, it is up to me.'"

• *Employees envision a successful future for the organization and what it takes to get there, rather than just focusing on problems.* There is a world of difference in these approaches, as Jacobs points out.

> *The vast majority of organizations attack all problems by trying to isolate them and solve them. . . . Done well, problem solving ensures you will not have your current problems pestering you anymore. However [this] is different from working out the future you prefer, then taking steps to achieve it.*

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### RESOURCES ON REAL-TIME STRATEGIC CHANGE

Robert W. Jacobs. *Real-Time Strategic Change: How to Involve an Entire Organization in Fast and Far-Reaching Change.* San Francisco: Berrett-Koehler, 1994. An exciting, enormously useful book that walks the reader through this tool in depth.

Bob Filipczak. "Critical Mass: Putting Whole-Systems Thinking into Practice." *Training* (September 1995). A good review of various ways of organizing large-scale meetings for organizations.

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**HANDS-ON ORGANIZATIONAL EXPERIENCES**

*Hands-On Organizational Experiences* are less formally structured learning events in which hundreds of employees share new experiences that build the culture leaders want.

In December 1979, St. Paul deputy mayor Dick Broeker sat down to watch a videotape on the energy crisis. As Broeker remembers it, the speaker said, "When you think about it, whether you run a soap factory or a city, all you've got is people and money." All Broeker had was people, no money. So he dreamed up a new way to use his people: a three-day "energy mobilization," in which *every city employee* would go door to door, handing out information about saving energy, giving people weatherization kits, and asking them to fill out a survey about their energy use. He and staff member Alice Murphy put together a 100-member team and designed the 3,000-employee operation, which reached 100,000 homes. "The city attorney said we couldn't do it, because somebody'd get raped

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or bit by a dog," Broeker remembers. "But we said, 'Well, it's the one thing we can do, so we're going to do it.'"

> *This was a real new experience. I remember when they all got together for the big party afterwards. The place was packed. Almost everybody came. We gave away a vacation to Hawaii that was won by a perfect employee, who had given all these hours. There was a real sense of community in that place—you could just tell everybody felt like they had built a barn together.*
>
> *There was an editorial cartoon with Mayor Latimer wearing a Russian cap leading 3,000 employees out. I think there was a real sense of team, because everybody was stripped of rank for those three days. Everybody was shoulder to shoulder with Latimer—he spent the three days out in the field. There were no check-ups on the employees. We spent no time at all policing the system. It was done like you would do it if you didn't have all the rules and regulations; it was done for a purpose. I can't help but believe that that sent a real powerful message. There was a period when you could really feel the employees drop their cynicism and skepticism about this mayor.*

St. Paul's energy mobilization was a classic example of a hands-on experience that changed the organization's culture. Ted Gaebler had a similar experience in Visalia, with an annual city fair employees put on for the citizens. While not formally structured as learning events, these experiences can have a huge impact on an organization's culture.

## REDESIGNING WORK

*Redesigning Work,* **whether by reengineering business processes, reforming administrative systems, or introducing new technology, permanently changes employees' experiences.**
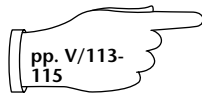
When the New York City regional Veterans Affairs office reengineered its work processes, it shifted people from rote jobs in which they performed one function repeatedly to teams that handled all aspects of processing a customer's application. Once people began handling customers face-to-face and performing the many tasks necessary to serve them, their attitudes changed. "I went up there when about a third of the operation had been converted to teams, rather than this assembly line process," says Doug Farbrother, then with Vice President Gore's reinvention team.

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*I talked to people who were working on teams, and people who were working the old way. The old people called their job "the hump," because it was just this burden you carried through your life, having to get up in the morning and go to the hump. But the people on the teams were just wildly enthusiastic about what they were doing. They kept talking about helping the veterans. And I think all [Regional Director] Joe Thompson did was change the work they did every day.*
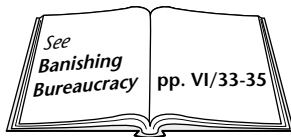
Another common way to redesign work is to introduce new technology. Consider the Crookston campus of the University of Minnesota, which in 1993 gave every student and faculty member a laptop computer. As we explained in *Banishing Bureaucracy,* this was a small, two-year agricultural school that the president of the University of Minnesota wanted to close down. "They called this Moo U," says Peter Hutchinson, whose Public Strategies Group helped the school develop its survival plan.

Chancellor Don Sargeant decided to turn Crookston into a four-year school with a technology focus. The laptops became his principal tool. "The really interesting part of the story is what happens to the faculty when they realize this is actually going to occur—that this madman chancellor is actually going to make this happen," says Hutchinson.

*All the kids will have computers. What are they gonna do? What they did, they spent the whole summer learning about computers and trying to find ways to integrate them into their classes. So when the kids show up, the faculty is basically about a week ahead of the students. It's like the customers are chasing you all year, and you're running as fast as you can. That's got to change the culture.*

Sargeant says that when he first decided to do this, 20 percent of the faculty were excited, 20 percent were hostile, and 60 percent were on the fence. The first thing he did was to set up small work groups. He didn't use the traditional faculty committees, because they were too slow.

*I listed 1,000 things that needed to be done between February and September, broke them up, asked two or three students and two or three faculty to take each group, and asked them to get these things done. I said, "You don't have to check with me. Just get it done."*

Professors were not accustomed to working with students on teams, but there was so much to do that many of them dived in.

Once the computers arrived, "The first change I noticed was, there were at least three, four, five problems everybody faced every day.

*They absolutely had to respond to a whole bunch of new situations on a daily basis. When you start to do that, you really do change your behavior—rather than being so critical, standing back and criticizing things, they had to ask themselves, "How can we solve this?" And then they would ask for help—which is very hard for most professors to do.*

Pretty soon the fence sitters became supporters, and a culture of continuous learning and improvement began to emerge. On a survey taken after about two years, more than 80 percent of the faculty said the ubiquitous computers had "encouraged work on interactive learning tools," nearly 80 percent said the computers had stimulated changes in their teaching approaches and class materials, and nearly 60 percent said they had helped the faculty become better teachers.

"I think more and more they are willing to rethink what they're doing, what their objectives are, why their course exists, and [whether there is] a different way to do it," says Sargeant.

Faculty have also changed the way they look at students. Many now clamor to hire students, to help put courses on the World Wide Web and make other technological strides. More important, Sargeant says, "They look at the education process differently—more at students as being responsible for part of it, rather than just passive."

Many schools, at all levels, face the dilemma of how to get their faculty to embrace computer technology. Crookston did it by giving their customers computers. It changed the daily *experience* of faculty members, forever. Suddenly every student they faced, every day, had a computer on his or her lap. They had little choice but to respond. New work and new experiences created a new culture.

# Notes

All quotations that are not attributed in the text or in these endnotes are from interviews with the authors or their associates. Only in cases where there might be some confusion about the source of a quotation have we indicated in a note that it came from an interview.

## Chapter Twenty-One

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