

CHANGE MANAGEMENT CASE STUDY

Our work with a public agency is a great case study on change management that showcases LRI's ability to design and orchestrate change for our clients, resulting in significant improvements in performance. The client, which wishes to remain anonymous, provides a multitude of services to the state of California. As a result of our work, the agency achieved significant improvements in service levels, financial performance, and retention of key employees. In fact, after two years with LRI, the client was named one of the best places to work.

When we began the engagement the agency had just completed an organizational assessment. It revealed a deep mistrust of management, poor morale, and a lack of organizational focus. The head of the agency told us she wanted three things:

1. To make the managers more effective in how they motivated/developed people;
2. To improve morale and reduce the exodus of key employees, and
3. To improve the performance of the agency in delivering its services.

[LRI's consulting team](#), which consisted of four people for this engagement, saw this as an opportunity to apply our model of change and work with the agency at three levels:

1. Strategically, helping it develop a long-range plan and performance measures;
2. At the individual level, helping its managers become more effective leaders; and
3. At the process level, helping the agency increase its effectiveness and efficiency.

To achieve real, meaningful change, we needed to work at those three levels (strategy, people, and processes) in a coordinated way.

Our model of change also says there are five key factors of success:

1. A vision for the future combined with a clear, compelling rationale for the change;
2. Champions at the top who are willing to commit time and energy to the process;
3. Resources to hire people to guide the process and provide expertise;
4. Engagement of staff and outside stakeholders to build support; and
5. Good communication throughout to keep people informed, manage expectations, and clarify roles and responsibilities.

All five factors were in place as we got going. Though she occupied a position that was political and thus subject to election cycles, the head of the agency was very thoughtful and committed to the long-term nature of the work we were doing. Our first focus was on developing a strategic plan. Using our [Six Rings Model](#), we guided the director of the agency plus her six-person leadership team through the process of defining the strategic focus. "What is your purpose? What is the vision?" we asked. "What outcomes do you want to achieve? How can you measure it? What is essential for your success?"

The agency director said her vision was to make the agency more efficient and business-like in its processes while improving morale and reducing the turnover of key employees. The vision, as it evolved, also included expanding the impact of the agency

on improving Californians' lives. Over a three-month span, we drafted the strategic plan, engaged stakeholders, gathered feedback, and then finalized the plan.

Once the road map was in place, we focused on the managers. Our strategy was to combine individual coaching with highly interactive workshops. Fifteen managers got leadership coaching, including a 360 assessment, development planning, and three months of individual coaching. Simultaneously, they took part in a series of leadership workshops that emphasized individual skill-building, practice, and feedback.

Leadership Workshops

We kicked off the series of workshops with [Straight Talk®](#), which introduced people to their styles of communication and how those styles can contribute to and undermine productive communication. They then learned how to “Manage Difficult Conversations.” Each participant learned how to balance positive and constructive feedback – and the importance of providing enough positive feedback so that people can actually hear constructive feedback. Two weeks later they returned to tell stories about how they’d applied their new skills. One manager, who’d earlier confessed he rarely gave positive feedback, described the experience as a “personal breakthrough.”

The third workshop, titled “[The Leader as Coach](#),” provided more opportunity for interactive learning. It emphasized the role of the leader in supporting and promoting employees’ growth and learning. People learned the importance of regular one-on-one communication, clear expectations, informal performance reviews, and ongoing development planning.

The final workshop focused on the [Five Habits of Highly Effective Teams](#). Participants learned the five rungs of the team effectiveness “ladder” and then discussed how to apply them in various team settings. Several people said the agency’s culture wasn’t conducive to strong teamwork because teams typically came together for a six-month project and then disbanded. The agency director, who took part in each of these workshops, challenged them to apply the model nonetheless. She asked them to work with their teams and see whether they could successfully move them up the ladder of team performance.

A month later, they returned for the second half of the workshop. Most of them did report gains in team performance. A few people said the short-lived nature of the teams would always be a barrier. The agency director, who was a baseball fan, challenged them again. She asked what they would do if they managed a Triple-A minor league baseball team, with players constantly shuffling between the big leagues and the minor leagues. “Could you mold them into an effective team? What would it take?” she asked.

“Good leadership,” one replied. “Good coaching,” replied another. “All the things we’ve been learning,” said another. You could see the light bulbs popping in people’s heads. “This is not about my team,” someone said. “This is about me!”

“Exactly,” chorused a number of people. “It’s about us and where we focus our time and attention.”

Business Process Improvement

In the next year, the focus of our work shifted to business process improvement. The strategic plan named two critical business processes that needed an overhaul. The first was the project tracking system. The basic systems were in place. But the system couldn't tell them the status of each project. And there wasn't enough financial information being fed into the system to enable managers to assess whether a given project was on budget – or in trouble.

LRI began working with an internal team to blueprint the new tracking process. The specific responsibilities of each person at each step were established; inputs and outputs were defined; agreements were hashed out. A key realization was that senior managers needed to provide more input in order for the system to work effectively. After six months of work and training, the process was rolled out to much fanfare. And it worked! Of the 60 projects moving through the pipeline at any one time, the agency finally had the ability to look at each project discretely and learn whether it was on schedule and on budget.

Performance Appraisals

The second process area was performance appraisals. The agency had an old way of thinking about performance appraisals – as documents rather than as learning opportunities. Working with an internal planning team, we mapped the entire human development life cycle at the agency, starting with employee orientation on Day 1. We defined how managers should communicate the agency's expectations to their employees. We vastly simplified the performance appraisals. We created a mentoring program. We tied it all together into a chart, showing the different moments of learning and development that an employee should experience while working at the agency.

To build support for this change, we engaged all the managers and employees in the process. We explained what we were planning and why. We solicited their input. We made changes based on what we heard. When it was complete, the performance development system was rolled out with a series of training classes, facilitated by LRI. For the first time, managers said they were no longer dreading doing performance appraisals. More importantly, employees started saying that they truly felt valued at the agency.

The Result

Several months after completing this round of work, the agency director called LRI's president, Eric Douglas. "I have great news," she said. "We've just been named one of the best places to work in the United States and the top public agency to get that honor. Thank you for all you did."

This engagement highlights the fact that change can occur – and will occur – at any organization, assuming the right ingredients are in place. It is highly rewarding work. It begins when someone says: "We need to change."