Thriving Through Transformation
Creating and Sustaining Organizational Change in the Social Sector

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Abstract

The leadership team of Woods Services, Inc. (Woods) is extremely excited to share its story of creating and sustaining transformational organizational change and the lessons it learned along the way through a book that will be released later this year. The book tells the true story about how this team successfully transformed a non-profit organization that was more than a century old, decades behind its peers, and confronted with multiple existential threats, into one of its industry's leading service providers. This inspiring and instructive book provides practical guidance for how organizational leaders successfully lead and sustain change by highlighting best practices from the disciplines of business administration, organizational development and change management. Theoretical models and principles are brought to life through powerful real life stories and case studies. Many of the organization's source documents, including strategic directions and transformation plans, are provided as examples and tools. This article provides a sneak peek of some of what the book has to say on the topic of managing change.

Background

Woods is a trailblazing nonprofit population health, human services and advocacy organization, headquartered in Langhorne, Pennsylvania, that addresses the social determinants of health and the special needs of more than 22,000 individuals with intellectual and developmental disabilities and complex medical and behavioral health conditions in Pennsylvania and New Jersey. Its continuum of care includes innovative, comprehensive and integrated medical, behavioral health, education, housing, workforce, and social services. The organization's culture of innovation is a tribute to its founder, Mollie Woods, who was a visionary and pioneer. Through her avocation and life's work she transformed how society thinks about and treats individuals who have intellectual and developmental disabilities. As with most organizations that have been around for more than a century, Woods has had to adapt and change with the times. Building upon the organization's experience and expertise, the Woods leadership team developed an ambitious strategic directions and transformation plan to implement long-overdue organizational, programmatic, and infrastructure changes that were needed to better meet the needs of the individuals it serves, to respond to mounting stakeholder expectations, and to succeed in today's business, regulatory, funding, and sociopolitical environments. As a result of these seismic efforts, Woods re-established itself as one of the premiere intellectual disabilities organizations in the country in a relatively short period of time.

Organizations are passionate about their missions and many of them attempt to make changes to enhance their services, increase their social impact, and respond to market forces and environmental threats. Now more than ever, organizations are looking for practical guidance and a clear roadmap as they pivot and seek to make sustainable transformational changes in the aftermath of a pandemic and in response to financial distress and political and social unrest, all of which have impacted how services are delivered and organizations are operated. However, driving sustainable organizational change is challenging and 70 percent of all management change efforts fail. While Woods' story of transformation takes place in the often overlooked and ignored social sector, and specifically in the field of intellectual and developmental disabilities, it is applicable to organizational leaders interested in effecting change in other industries and sectors as well.

The book takes readers on a journey that starts with the creation of a clear and consistent vision, through paths that lead to effective planning, change management, employee engagement, culture-shaping initiatives, mission-driven growth, infrastructure development, and strategic positioning, policy and thought leadership, all of which lead to the final destination of sustainable organizational change and transformation. This book serves to enhance the knowledge base for business leaders, managers, nonprofit boards, healthcare administrators, doctors, nurses, social workers, allied and other healthcare professionals, service providers, policy makers, students, and faculty members, working in, preparing to work in, and teaching about organizational development and will appeal to anyone who recognizes the need for change and is interested in learning or teaching how organizations:

- Develop and drive a clear and consistent vision for change;
- Create and execute meaningful strategic and tactical plans;
- Manage change;
- Cultivate intentional organizational cultures;
- Engage employees and other stakeholders;
- Promote innovation;
- Build capacity for equity, diversity, and inclusion;
- Increase impact via improved services and organic and inorganic growth;
- Strengthen organizational capacity and infrastructure;
- Achieve recognition and reputation as a formidable Thought Leader; and
- Shape policy and influence market forces.

Change Management

Transitioning an organization from a current state to a desired future state, regardless of the scale, magnitude or duration of the project, requires that people at all levels of the organization understand, support, and adopt the changes. The human element of any change process is one of the most challenging to manage because people inherently do not like change. For this reason it is critical that organizational leaders who are responsible for driving changes recognize the

distinction between project management and change management. Simply put, project management focuses on project designs, development and delivery, whereas change management focuses on assuring that changes are understood, embraced and implemented. Both of these complimentary disciplines are necessary in achieving sustainable organizational change.

There are several prominent change management models that offer structured approaches, including Lewin's 3 Stage Model of Change (Bridges 2019), McKinsey's 7s Model (Jurevicius 2013), Kotter's 8-Step Change Model (Tanner 2020), the Nudge Theory (Chu 2017), the ADKAR Model (Mulder 2014), and Bridge's Transition Model (Janse 2019). And while no one set of change tactics is appropriate for all organizations or situations, there are guiding principles and practices from many of them that Woods used to facilitate the successful execution of its transformation.

Change Starts at the Top

An organization's leadership is responsible for setting the vision, strategic directions and priorities for the business. Woods' vision of becoming a premiere population health management organization that successfully addresses the social determinants of health for individuals with intellectual and developmental disabilities and complex behavioral and medical conditions throughout their lives was developed by the organization's executive leadership team in partnership with its Board of Directors and with input from significant stakeholders. Creating clarity and achieving consensus at the top levels of an organization enable a leadership team to have a common understanding and to speak in a unified voice, which in turn facilitates alignment throughout the organization. Leaders who are not in lock-step with one another in regard to the organization's vision, strategic directions, and priorities will produce confusion and misalignment across the organization.

The Woods leadership team and Board of Directors developed a shared vision of applying population health management and related concepts, principles and practices to Woods and the population it serves. The team spent much time building clarity about what becoming a truly comprehensive, coordinated and integrated system of holistic care would look like in regard to desired outcomes and social impact; services and the ways in which services are delivered; staffing composition and patterns; employee training and development; program locations and spaces; technology and information systems; strategic partnerships; advocacy and strategic positioning; and revenue sources and budget implications. Achieving clarity and consensus is an extremely important step in the change management process because leaders need to clearly and effectively communicate a solid business case for the vision and completely support it. During times of significant or difficult change, the rest of the organization will turn to its leaders for direction and reassurance. A lack of understanding or support for the change from individual members of a leadership team undermines the overall team's effectiveness in providing direction, motivation and assurance.

Plan for Change

Unplanned, hasty and sweeping change initiatives are generally unsuccessful. Any plan for change needs to be a thoughtful multi-step process. Once the Woods leadership team and Board of Directors attained clarity and consensus about a new vision, they embarked upon an inclusive strategic planning process. Having well formulated strategic directions and transformation plans allowed the organization's leadership to be specific about changes not only in terms of the over-riding vision for change but also in the form of measurable short-term goals with timelines.

Create a Sense of Urgency

The first step in John Kotter's 8-step process for leading change (Kotter 1996) is to create a sense of urgency, which he emphasizes in *A Sense of Urgency* (Kotter 2008). Change agents must help people in the organization see the need for change and the importance of acting right away. The book discusses a crisis that the Woods leadership team and Board of Directors seized as an opportunity to create a sense of urgency and emotionally drive needed changes across the organization. This helped employees to overcome an innate tendency to resist change and to respond quickly instead. At this time, Woods developed a Transformation Plan to heighten the sense of urgency and to expedite certain elements of its Strategic Directions Plan. The urgency was real as Woods was faced with an existential threat and people watched to see how it responded. During this period, Woods publically shared its vision for change and transformation and held itself accountable to its stakeholders by providing regular updates about its progress and successes. There was no doubt that the pressure was on!

Communicate

Communication is a thread that runs through the practice of change management and there is a high correlation between successful change initiatives and communication efforts. Plans are only as good as people's ability to understand, support, and act upon them. Providing clear and open lines of communication is a critical element of all change models. However, in the words of the playwright, George Bernard Shaw, "The single biggest problem in communication is the illusion that it has taken place."

In his book, *The Advantage: Why Organizational Health Trumps Everything Else,* Patrick Lencioni (2012) identifies over communicating clarity as one of four critical disciplines that healthy organizations master. Communication is most effective when it is repetitively and consistently conveyed through various sources. Lencioni advises that one way organizations effectively roll out important messages is by cascading the message down through the hierarchy. Employees are more likely to trust and support a consistent message that they hear repeatedly from

every level of management. In addition to being effective, this method of communication is also a very powerful demonstration of the alignment discussed above, which lets employees know that the leadership of the organization is serious about the message. Effective communication is delivered through multiple sources and in various ways. While electronic and printed communication is important, meeting with employees in person is the most effective form of communication. Margaret Wheately (2002) writes, "Human conversation is the most ancient and easiest way to cultivate the conditions for change - personal change, community change and organizational change."

Real Change Happens on the Frontlines

Successful organizational change initiatives engage mid-level managers and frontline staff in the change process. Buy-in and ownership at this level is best created through transparency and strong communication. Creating opportunities for feedback about what is working and not working from people who are most affected by the changes allows organizations to continuously make adjustments and improvements, which is necessary for success.

Woods leverages its many mechanisms for employee input and feedback and creates new ones as a way of receiving and responding to staff concerns. In addition to an open door management philosophy in which staff are invited to share concerns directly with management, the Woods executive leadership, senior and mid-level management teams depend greatly on employee groups for candid input and feedback. This and other feedback loops played an important role in Wood's transformational efforts and allowed for two-way communication, clarification, and changes in strategies and implementation processes.

Celebrate Successes

As a means of building and sustaining momentum, it is important for organizations to identify concrete objectives, celebrate victories and build upon wins. Many organizations purposefully create early wins in the beginning of a change initiative as a way of building momentum. By recognizing and celebrating successes, organizations create cultures of continuous improvement in which employees are encouraged and motivated to review, revise, and explore ways of doing things. For example, when Woods adopted an evidence-based crisis management system, it collected, analyzed, and shared data with its staff and stakeholders as a way of celebrating its incremental successes and building upon them. Staff and clients celebrated successes along the way through various activities and events, including a dance party! While it is important to celebrate successes, it is just as important that leaders not declare victory prematurely. Sustainable change is a process that takes time.

Change Management Case Study – Ending a Defined Benefit Pension Plan

The book demonstrates ways in which Woods applied these various elements of change management to its decision to freeze a defined benefit pension plan. Woods was among one of a few remaining non-governmental organizations to offer its employees a defined benefit pension plan and after an exhaustive study of the retirement program, the executive leadership team and Board of Directors concluded that the pension plan was too expensive, risky and inequitable. The ever increasing cost to fund the plan was unpredictable, not sustainable and threatened the economic stability and long-term viability of the organization. As a result of this analysis, the Woods executive leadership team and Board of Directors set out to replace the retirement program with a different one. Concerned about the potential employee fallout from freezing the defined benefit pension plan, the Woods leadership team applied the change management approaches discussed above, including spending almost an entire year studying the issues, considering the options, and planning the rollout. The executive leadership and implementation team spent a significant amount of time preparing and executing a communications plan. The team's primary communications objective was to ensure that employees understood, trusted and accepted the changes. As a way of leveraging its hierarchy and demonstrating full alignment, the changes were first announced in person to the next layers of management. Information was provided in group settings by the Chair of the Board, CEO, and Vice President of Operations. This format allowed senior and middle managers to process the information by seeing and hearing it and by asking questions. Once this level of management was on board, the message and information was cascaded down throughout the organization. Managers and supervisors hand delivered written information to their employees. Additionally, formal notices of the hard freeze of the pension plan were mailed shortly afterward to current, terminated and retired participants in the plan. Finally, Woods arranged opportunities for employees to meet individually with independent retirement planners and the administrator of the new retirement plan so that their individual questions and concerns could be addressed. The successful ending of an extraordinary retirement benefit that was immensely valued by the employees who received it and the rollout of a new one is attributed the change management approaches Woods used, including: clarity and full alignment at the top level of the organization; painstaking planning; sense of urgency; a thoughtful and comprehensive communications strategy; buy-in and support from senior and mid-level managers; and meaningful communication forums for front-line employees. Woods was quick to celebrate the success of the new retirement plan as a way of sustaining momentum by proudly touting the fact that shortly after its rollout, 97 percent of employees had enrolled in the new retirement plan with an average salary deferral of 3.78 percent! Many more details and documents regarding this process are shared in the book.

Lessons Learned about Change Management

- The human element of any change process is one of the most challenging to manage because people inherently do not like change.
- Change management focuses on assuring that changes are understood, embraced and implemented.
- Achieving clarity and consensus is an important step in the change management process because leaders need to clearly and effectively communicate a solid business case for the change and completely support it. Leaders who are not in lock-step with one another will produce confusion and misalignment across the organization.
- Unplanned, hasty and sweeping change initiatives are generally unsuccessful. Any plan for change needs to be a thoughtful multi-step process.
- Effective change agents create a sense of urgency to help other people in the organization see the need for change and the importance of acting right away.
- Communication is the golden thread that runs through the practice of change management. Plans are only as good as people's ability to understand, support and act upon them.
- Engaging mid-level managers and frontline staff in the change process and creating feedback mechanisms generate buy-in and allow organizations to continuously make adjustments and improvements.
- As a means of building and sustaining momentum, it is important for organizations to celebrate victories and build upon wins.

For more information on the upcoming book please contact the editors Tine Hansen-Turton @ thansen-turton@woods.org or Peter Shubiak @ pshubiak@woods.org.

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Bio

Peter Shubiak has more than three decades of behavioral health and human service non-profit leadership experience in managing comprehensive and integrated systems of care for children and adults with intellectual disabilities, behavioral health, and co-occurring disorders. He played an integral part in the transformation of Woods Services, one of the oldest and largest non-profit intellectual and developmental disabilities organizations in the nation, in his roles as Senior Vice President Chief Operating Officer and as the organization's inaugural Chief Culture Officer. Peter currently oversees community psychiatric rehabilitation programs in Western, Central and Southern Maryland for the Sheppard Pratt Health System, named one of the nation's top five psychiatric hospitals by U.S. News & World Report. He earned his Bachelor's Degree from the Catholic University of America and his Master's Degree in Social Work from the University of Maryland.