

THE MANAGER

CASE STUDY FOR TRAINING AND GROUP DISCUSSION

“Better Health” Plans for Leadership Transition

Scenario

UNDER THE LEADERSHIP OF Dr. José Arce, Better Health for Rural Families has grown from three clinics to 15. Throughout this 30-year period of growth, Dr. Arce handled most official contact with the “outside world” of funding agencies and government departments. He also kept responsibility for day-to-day operational decisions. His staff rely on him to make many decisions on a daily basis.

After talking for months about his plans to retire, Dr. Arce has finally called a meeting of board members and senior staff to draw up a plan for the transition process. “As you all know, I am preparing to retire within the next 12 months. We must begin planning now for a successful transition to a new director. Your involvement in this process is essential.”

Dr. Arce asks the group to consider two questions: Given the changes taking place in our external environment, such as anticipated reductions in donor funding and the increased incidence of HIV infection in our client population, what should our strategic priorities be? How should they inform our search for a new director? He asks the 15 people participating in the meeting to write down all the ideas they come up with. He participates as well. The participants spend about 45 minutes discussing their ideas and selecting the best ones.

Four strategies emerge: 1) prepare a draft plan for engaging stakeholders; 2) split the director position into two separate functions—an executive director, with an external focus, and a deputy director with an

internal focus—and develop job descriptions for each position; 3) use the transition as an opportunity to create a leadership culture throughout the organization; and 4) develop a transition plan with measurable outcomes for the next 12 months.

Dr. Arce ponders the four strategies. He knows that he must set an example for leadership development and transition. “Who wants to step forward and take responsibility for the four strategies we have identified?” he asks. There is a moment of silence. Dr. Arce has never before asked either his staff or the board to take the lead on an important task.

Two board members and two staff members volunteer to lead the strategies. Dr. Arce asks them to form a steering committee. Each of them will take responsibility for a strategy and lead task forces to develop implementation plans. He then invites the others to join one of the task forces.

Dr. Arce can tell by the level of energy in the room that he is taking the right steps. Each task force meets briefly to set a date for their first meeting. People leave the meeting with enthusiasm and a sense of ownership and participation in the transition process.

The steering committee meets weekly to discuss progress and coordinate the task forces’ efforts. Sometimes Dr. Arce is present, but his busy schedule makes his attendance irregular. Dr. Aurelia chairs their meetings. Today they are meeting for the fourth time. “Hello, everyone,” she begins. “Today we will share our progress and develop an outline for our presenta-

tion to the board and senior staff in two weeks. Let's start with our progress reports."

Ing. del Mar begins. "My task force has been working with Dr. Arce to write job descriptions for the executive director and deputy director. We have agreed that the executive director will be responsible for external relations, fundraising, and strategic planning. The deputy will oversee internal management functions such as financial operations and human resource management. We also agree that one of these positions requires someone with experience integrating HIV/AIDS services into other health care services. We hope to finalize the deputy position description next week. We want to recruit internally for this position."

Dr. Aurelia continues. "My task force has collected information to develop a plan for engaging stakeholders. First we made a list of Dr. Arce's outside contacts. Next, we asked project managers about their funding needs and gathered ideas for new projects and community initiatives. We have set up fact-finding appointments with funding agencies and a liaison officer at the Ministry of Health to learn about their project preferences and proposal guidelines. At first they were reluctant to agree to meet with us, as they are used to working with Dr. Arce, but he told them that he has given us complete responsibility for this initiative.

"We are also developing a plan for increasing community commitment to Better Health's program. Next week we meet with community leaders to explore with them the types of HIV/AIDS services they see a need for and discuss how we can work together to reduce the rate of new HIV infections."

Ing. Oliveira speaks next. "My task force is seeking ways to develop a leadership culture in our organization. Very soon we will discuss with all clinic directors the types of authority that they would like to decentralize to the clinic level. Later, we will establish procedures for implementing this change in policy.

"We have also reviewed staff job descriptions. They do not include sufficient information on decision-mak-

ing responsibilities. We would like your concurrence on developing a plan for writing new job descriptions for all staff and providing funding to train two staff from each clinic in financial management and human resource functions. This will help prepare staff for their new decision-making responsibilities."

Mrs. Garcia speaks last. "We have identified several major outcomes on which to gauge our progress over the next four to six months. These are 1) finalize the job descriptions for the executive director and deputy director; 2) establish a search committee; 3) begin the recruitment process; and 4) hire the deputy director. Other important outcomes for this period include 5) write new job descriptions for all staff; 6) develop a list of HIV/AIDS service priorities that community leaders will support; 7) develop a database of outside contacts; and 8) develop a list of initiatives that interest our funding stakeholders. We seek your reactions to this list and suggestions of others to include."

The group briefly reflects on its progress so far. "To a great extent, this steering committee is responsible for ensuring that the organization continues to thrive, despite a change in leadership at the top," says Dr. Aurelia. "Thank you for your excellent work. Now let's discuss our upcoming presentation and review our implementation schedules."

Discussion Questions

1. What are the factors that could facilitate leadership development and transition at Better Health? What are the factors that could inhibit leadership development?
2. What steps are the director and his staff taking to plan for leadership transition?
3. Based on your experience and/or the information contained in the main issue of *The Manager*, how could the board members and senior staff have approached the leadership transition process differently?

QUESTION 1 What are the factors that could facilitate leadership development and transition at Better Health? What are the factors that could inhibit leadership development?

Factors that could facilitate leadership development and transition for Better Health include:

- The director is taking concrete steps to begin a leadership transition process.
- The director is delegating responsibility for planning and implementing the transition process.
- The changing environment (particularly the prospect of reduced outside funding) brings a sense of urgency to this process.
- Board members and senior staff are taking responsibility for leading the transition strategies.
- The group understands that this effort goes beyond finding a new leader, and that it is an opportunity for leadership development at all levels.

Factors that could inhibit leadership development and transition for Better Health include:

- The staff have depended on the director to work with funding agencies and the government and to make operational decisions on a daily basis. They will have to learn to take charge of these responsibilities themselves instead of relying on him.
- Headquarters has held most decision-making authority for the organization to date.
- Funding agency and government staff are used to working directly with the director.
- Senior staff are for the first time taking on tasks that were the domain of the director, and their inexperience in this area may cause them to make some missteps in the beginning.

QUESTION 2 What steps are the director and his staff taking to plan for leadership transition?

The director took an important step in meeting with his board and senior staff to begin the leadership transition process. In a successful brainstorming session, they identified four key strategies for leadership transition. Two board members and two staff volunteered to form a steering committee and lead task forces to develop implementation plans. The steering committee appears to be collaborating well, and its members meet on a weekly basis. Other steps they are taking include:

Preparing a plan to engage stakeholders

- Developing a list of Dr. Arce's outside contacts
- Interviewing project managers to learn what contact they have had with funding agencies, learn about their funding needs, and gather ideas for new projects and community initiatives
- Setting up meetings with funding agencies and a nongovernmental liaison at the Ministry of Health
- Meeting with community leaders to explore the types of HIV/AIDS services they want and how to reduce the rate of new HIV infections.

Redefining the role of the director

- Choosing a steering committee chair
- Writing job descriptions for the executive director and deputy director

Creating a leadership culture

- Involving clinic directors in determining what types of authority to decentralize to the clinic level and establish procedures for this new policy
- Reviewing job descriptions at all levels and rewriting the descriptions so they include information on decision-making responsibilities

- Providing funding to train two key staff from each clinic in financial management and human resource procedures and functions

Developing a transition implementation plan with measurable outcomes

- Identifying critical outcomes for the next 4 months
- Sharing these outcomes among themselves and revising them as suggested by the steering committee members

QUESTION 3 Based on your experience and/or the information contained in the main issue of *The Manager*, how could the board members and senior staff have approached the leadership transition process differently?

The team is approaching the task in a fairly mechanical way. For example, the job descriptions they are developing for the executive director and deputy director are not very different from what Dr. Arce has always done. They may also be approaching the task superficially. The board and senior staff should take time to reflect more fully on how the environment they work in has changed and the challenges these changes create for their organization. Also the group may have come to closure prematurely on what their needs are. It might be helpful to discuss the outcomes of their first meeting with some key stakeholders, such as donor organizations, community leaders, and other staff. The process feels a bit rushed.

The board members and senior staff who participated in the initial meeting may not really have a unified vision of the organization and its environment. They should talk further about where the organization has come from and where it is heading. (See the exercise on “Mapping Our Journey,” page 6 in the main issue.) Such a conversation might help them articulate the values that have guided Better Health up to this point, and that would in turn help them to decide

which values to hold on to. They could use these critical values to help them develop new job descriptions for all staff.

The case does not include any discussion about a recruitment process for the new executive director. Is the current director going to be involved in the recruitment process? Will the board play a role in the recruitment process? Will the organization hire a search firm to handle the recruitment process, or will the steering committee assign this task to one of the task forces?

The chairman of the board may also want to have a private conversation with the director about what happens after the new candidate is recruited. Will the outgoing director be available to the new director for a specified period of time? Will the outgoing director have a seat on the board? Who will mediate differences of opinion between the outgoing and new directors? The board should discuss these types of potential problems now, before they actually occur.

It will be difficult for the director to disengage after 30 years, and he will likely have conflicting emotions and feelings during this time. The transition process involves humans, not machines, and the board must take into account the feelings of the many people involved.

THE MANAGER

MSH Publications
Management Sciences for Health
165 Allandale Road
Boston, Massachusetts 02130-3400
USA

Phone: 617.524.7799
Fax: 617.524.2825
E-mail: bookstore@msh.org
Web site: www.msh.org

printed on recycled paper