Managerial Leadership Development in a Transformational Organizational Climate: Developing a Leadership Culture

Marie Sanders and Gilbert Murillo

EXECUTIVE SUMMARY

Leadership requires a change in the way one acts, preceded by a transformation of how one thinks and feels. Leadership requires a mental refocusing. Leadership means a unique form and often a new perception; it is a radical change. Leaders show a deep appreciation for human freedom. Leaders understand the miracle, mystery, and need for transformation within themselves and the organization they are trying to change. Leadership is focused on obtaining long-term results without compromising basic principles and human values.

This case study provides an overview of how Contra Costa County implemented the Managerial Leadership Development in Transformational Organization Climate Program in its Workforce Service Division that helped Contra Costa serve clients more efficiently with their new business process model known as "Office of the Future." Through this leadership development program, managers were able to learn to work as a team, and identify the gaps in services and what areas needed resources in order to meet the service demands of the new model.

The purpose of this case study was to identify the effectiveness of the Leadership Development Program after implantation in the Work Force Service Bureau (WFS). The WFS demonstrated success as evidenced by the collaboration and partnerships that were created amongst managers in the WFS bureau after the implementation of the training.

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Introduction

In an ever-changing human services world of decreased budgets, increased demands, and new legislation, it is incumbent upon county agencies to transform the culture of service. This cultural transformation can only be achieved by mentally refocusing all levels of leadership toward innovative service. Transformational leadership is rooted in the common concepts of leadership, but goes a step further by forcing leaders to assess their needs as well as the organization's. A change in leadership requires a self-assessment on the part of the leader because a leader must be willing to transform his or her own thoughts, actions, and perceptions. Additionally, a leader must also be willing to incorporate the needs and principles of the organization while protecting basic human values. To this end, Santa Clara County Social Services Agency (SSA) is committed to transformational leadership that will provide a fertile training ground for current and future leaders. This transformation requires a renewal of core values and support of innovation. The next years will bring about many changes to the way business is conducted in Santa Clara County, and there will be several high-profile initiatives that require strong individual and collective leadership to drive this organizational business and culture change.

- Health Care Reform: To achieve the goals of health care reform, the Department of Employment and Benefit Services (DEBS) must develop and implement a new innovative business model and create culture of service.
- California Partners for Permanency (CAPP) Practice Model: CAPP is a new and innovative

approach to working with children, youth, and families with the goal of increasing permanency and decreasing institutional racism. This requires the Department of Family and Children's Services (DFCS) to change the organizational culture.
- Dual Eligible Clients: It is the integration of those clients eligible for Medi-Cal and Medicare into one health plan that will provide a broad range of health related services.

The issues and concerns facing the Santa Clara County Social Services Agency are not county specific, but have been felt statewide at differing times over the last few years. With this knowledge in mind, it was the task of this research to investigate the ways other counties have taken on this challenge of using transformational leadership to guide and direct inevitable change. This initial investigation found several similarities between the counties and their needs with regards to their decreasing staff levels and increasing service demands. Santa Clara County strives to be flexible, agile, and responsive to the needs of the community, and there is no way to achieve this goal without addressing the internal need for transformation at every level.

Transformation must come from the executive level and start with leadership. Leaders inform organizational change and are integral to the success of all programs. When leaders are deficient, they can waste significant resources for the organization and unnecessarily burden the workforce. After making inquiries, it was learned that Contra Costa County Employment and Human Services Department (EHSD) has integrated a leadership program that

focuses on change, transformation, and leadership development. The EHSD program was observed and studied to see if it would meet the needs of Santa Clara County and thereby became the focus of this case study.

Background to Contra Costa County Programs

In 2011, Contra Costa County EHSD was facing numerous issues regarding its workforce, including increased work demands, decrease in personnel, and decreased financial means to maintain work demands. The strained resources resulted from massive budget cuts that were a result of the 2007-2008 economic downturns, significant layoffs, 5% rollback in salaries, 67% loss of general funding, and the elimination of employee recognition programs. Due to all of the changes, staff morale was at an all-time low and silos began to emerge among the EHSD Bureau managers, further breaking down agency leadership.

During this time, the Workforce Services Bureau (WFS) Director recognized that as departments face change, there needs to be an intentional investment in a leadership culture that will match the unfolding challenges. This belief further postulates that leadership behaviors must be in alignment with operational business strategy. Additionally, the need to change coupled with the new vision for approaching change became the catalyst for establishing the Contra Costa County managerial leadership programs. This visioning propelled the WFS Director on a journey to plan and implement a new business model called the Office of the Future (OOF). The foundational goal of OOF was to meet the needs of the EHSD by encouraging transformational change within the agency and community.

Initially, EHSD was planning to implement training for all directors and managers, but it became apparent that the urgent business needs of WFS would supersede the mass agency implementation in favor of a smaller-focused implementation for WFS. This reduced effort would ensure that the WFS Director follow and strategically develop a program for managers that would not negatively impact them

through this difficult time of change and uncertainty. This effort provided support and guidance while introducing self and team assessments as a tool for transformation.

Contra Costa Leadership Development Programs

The training for the WFS Managerial Team consisted of three distinct programs: Leadership Development Program; WFS Bureau Leadership and Organizational Training Program; and the WFS Bureau Leadership and Organizational Coaching Program (*Figure 1*).

UC Davis Leadership Development Program

The UC Davis Leadership Development Program (LDP) was an eight-month program with a standardized curriculum focusing on individual leadership development. The goal of the program is for participants to develop a broad and deep understanding of organizational issues, such as leading change, increasing accountability, and creating a service-driven organization. The program also enabled participants to boost performance, improve outcomes, and craft effective solutions to complex problems. The training is taught with a variety of training techniques, such as lectures, simulations, interactive exercises, discussions, and leadership labs. One of the most powerful aspects of the program is a 360-degree evaluation that is conducted near the beginning and at the end of the program. The process involves an intensive self-assessment and input from coworkers. The awareness this process can spark is the basis of profound and significant personal growth over the course of individuals' program participation and career.

Managers from all EHSD Bureaus were invited to participate in LDP. However, it was mandatory for all WFS Bureau managers. LDP was the theoretical framework used to establish the foundation for the WFS Bureau Leadership Program.

WFS Bureau Leadership and Organizational Training Program

The WFS Bureau Leadership and Organizational Training Program was a twelve-month program with monthly half-day sessions provided by a UC Davis

instructor. This program was specifically designed for the WFS Bureau managerial team (including division managers and the WFS Director), and attendance was mandatory. The goal of this customized training program was to create a highly effective, strength-based leadership team. The program was initially framed around the OOF, but it included managers from all WFS divisions. The training was delivered in a group setting using a variety of learning techniques, such as group discussions, individual and group exercises, and reading assignments (including two books, *Strength Based Leadership* and *Having Difficult Conversations*).

The WFS Director ensured that the managers were involved in the process. The managers were able to assist with developing the curriculum and the approach of the training. This allowed for the training to be tailored to the specific needs of the managers. Thus the focus on the team and group dynamics included content on: Problem Identification, Definition, and Solving; Systems Thinking and Organization Diagnosis and Development; Time Management and Resource Management; Motivating Staff, Helping Supervisors Develop, and the Role of the Leader in Staff Development; Customer Service; Being in Charge/Owning.

FIGURE 1
Overview of Contra Costa County's Managerial Leadership Programs

Leadership Development Program	WFS Bureau Leadership and Organizational Training Program	WFS Bureau Leadership and Organizational Coaching
UC Davis Extension Center for Human Services	UC Davis Extension Center for Human Services	UC Davis Extension Center for Human Services
Program Format: ■ 8 Month Program ■ Monthly Two-Day Sessions ■ Individual Managers from the CCC Bureaus ■ Standard UC Davis Curriculum	Program Format: ■ 12 Month Program ■ Monthly Half-Day Sessions ■ Cohort – WFS Director & Managers ■ Customized Curriculum and format	Program Format: ■ 12 Month Program ■ One-on-One Coaching ■ 1-Hour Session per Month ■ Individual WFS Managers ■ Voluntary Participation
Program Format: ■ Executive Leadership ■ Sustaining Transformational Change ■ Thinking Skills ■ Personal Influence and Organizational Insight ■ Optimizing Staff Performance ■ Determining and Setting Direction ■ High Performance Organizations ■ Putting It All Together	Program Format: ■ Team and Group Dynamics ■ Problem Identification, Definition and Solving ■ Systems Thinking and Organization Diagnosis and Development ■ Time Management and Resource Management ■ Motivating Staff, Helping Supervisors Develop and the Role of the Leader in Staff Development ■ Customer Service ■ Being in Charge/Owning	Program Format: ■ Customized session focus on individual managers' strengths and weaknesses
Cost: $51,336.00	Cost: $88,825.00	

At the start of the program, a team assessment was administered in five categories:

1. Absence of Trust
2. Fear of Conflict
3. Lack of Commitment
4. Avoidance of Accountability
5. Inattention to Results

On a scale of 1 to 5, with one being the worst, the team scored a 2 average. The team saw this as an opportunity for improvement. They all had a desire to operate as a higher functioning team. Guidelines were developed to help them move forward and be able to experience positive but difficult interactions. The communications guidelines that were developed were: assume positive intent from and for each other; try not to present our conclusions as the truth; ask each other to paraphrase our understanding of what was said; do not exaggerate with "Always" and "Never"; and ask how each sees the situation differently. The focus was on relationship building and fostering a "healthy team."

WFS Bureau Leadership and Organizational Coaching

The WFS Bureau Leadership and Organizational Coaching complemented the WFS Bureau Leadership and Organizational Training. The structured, individual one-hour sessions were conducted by the UC Davis trainer. Participation in the coaching sessions was voluntary but highly encouraged. Most of the WFS division managers and the WFS Director took advantage of this valuable opportunity.

In coaching sessions, each manager was able to work on his or her individual strengths and weaknesses, and was also given assignments. The sessions allowed the managers to share issues that they had or needed to address. It allowed them to practice and reinforce the lessons from the team group training. The managers reported that the information received from the coaching sessions was very valuable, both to their professional and personal life. To have full participation from managers, the coaching

sessions were confidential, and not reported to the WFS Bureau Director.

Challenges to Implementing the Programs

When implementing the Leadership Development Program, the WFS Bureau Leadership and Organizational Training and Coaching Program experienced three central challenges. The first was timing. As previously stated, the EHSD Director wanted the WFS Bureau to wait for the implementation of an agency-wide program. Due to WFS Bureau's critical business need, the WFS Bureau was able to move forward with implementation. The second challenge was the cost of the programs. As shown in Figure 1, the total cost of the programs was $140,161. This is a significant amount, particularly even more so during difficult budget times. However, the WFS Bureau Director felt that EHSD could not afford not to invest in the WFS leadership team. The third challenge was manager buy-in and time commitment to the programs. Attending the Leadership Programs and Coaching required a significant investment in time from the WFS Director and managers. The WFS managers were already facing overwhelming daily responsibilities, and adding attendance to training was seen as "just another item on their plate."

Outcomes of the Programs

The WFS Director reported significant improvement with the managers "functioning as a team" after training, especially in the areas of communication and trust. This information was qualitatively documented as "180% improvement working as a team." This observation is further supported by the results of the team assessment that was delivered after completion of the training program. This was the same team assessment that the managers scored a 2 (on a scale of 1 to 5, with 1 being worst) at the beginning of the program, and at end of the training their score was 4.5. Through the Leadership Development Training, the WFS Director has seen an increase in trust within her team and their ability to work together, make decisions, and support each other.

WFS managers subjectively reported they are functioning at a higher level as a team, specifically in the areas of communication, feedback, and accountability. The team developed a formalized set of operational values, and determined a guiding principle for all team discussion and decisions: "Taking Care of the Client." The managers practice this mantra on a daily basis, and with every interaction they ask, "How is this going to better serve the client, and what is the impact to the client?"

Further, WFS managers have expressed an improvement in daily interactions between staff, supervisors, and other managers.

In conclusion, the programs demonstrated success as the WFS Director and managers now work as a highly functioning team, and there has been an overall improvement and better outcomes in service delivery. The bureau is seen as having cross-partnerships among managers, sharing resources, and ensuring there is a coordination of services across the board.

Santa Clara County Social Services Agency Training for Managers

Santa Clara County Social Services Agency currently does not offer a robust, structured leadership

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FIGURE 2
Santa Clara County Training for Managers

SSA Staff Development and Training Web–Based Training	SCC Employee Development Training
Format: ■ Self Paced E-Learning ■ Most Courses are 1 Hour ■ Courses Available to all SSA Staff	Format: ■ Instructor Led Courses ■ Different Courses Available Quarterly ■ Course Duration Ranges from 2 to 6 Hours ■ Average 8 to 10 Courses Offered per Quarter ■ Courses Available to all SCC Employees
Topics Include: ■ Coaching /Mentoring ■ Collaboration ■ Conflict Management ■ Ethics ■ Fostering a Positive Work Environment ■ Innovation ■ Interpersonal Communication ■ Managing Change ■ Meeting Management ■ Motivating ■ Oral & Written Communication ■ Presentation Skills ■ Project Management ■ Strategic Thinking & Planning ■ Supervisory Skills ■ Teambuilding ■ Time Management	Topics Include: ■ Accountability ■ Collaboration ■ Conflict Management ■ Customer Service ■ Ethics ■ Facilitation ■ Fostering a Positive Work Environment ■ Innovation ■ Interpersonal Communication ■ Interpersonal Skills ■ Managing Change ■ Oral & Written Communication ■ Staff Development ■ Strategic Thinking & Planning ■ Supervisory Skills ■ Teambuilding

development program for managers. The full-time position dedicated to leadership development programs was eliminated several years back as a response to budget reductions.

In an effort to provide leadership training, SSA offers web-based training courses for managers on a variety of managerial leadership subject matters (*Figure 2*). In addition to web-based training, SSA managers also have the opportunity to enroll in instructor-led courses through Santa Clara County Employee Development (*Figure 2*). The courses vary by quarter, and typically the subject matter of the instructor-led courses is similar to the SSA web-based courses. On average, eight to ten different courses are available each quarter. Some courses are repeated each quarter, as others are not.

Training courses instead of a development program has its disadvantages:

1. Training courses are generic and cannot be customized for specific departmental needs.
2. Development level of the information in the training courses is usually one-size-fits-all.
3. Participation is limited to individuals and cannot accommodate cohorts.
4. Instructor-led courses have limited availability and limited flexibility of schedules.

To summarize, training courses are a drive-by and development programs are a continuous journey.

Organizational Change and Leadership

Studies reveal that organizational change efforts, although needed, often suffer a miserable fate. Some research indicates a failure rate of 70 percent (Beer & Nohria, 2000; Kotter, 2008). This failure rate has been consistent for decades. Organizational change can fail for a number of reasons. The change may have been ill envisioned, poorly thought-out, even unnecessary, or staff were not ready for it and resisted. In some cases, budget cuts were a factor, or the timing just wasn't right. However, the one consistent obstacle to change is insufficient leadership ability.

Organizational leadership behaviors have direct influence on actions in the work environment that enable change (Drucker 199; Gilley, 2005; Howkins 2001). Further, leaders function as change agents, responsible for change strategy and implementation (Kanter, Stein, & Jick, 1992). A study conducted by Center for Creative Leadership (CCL) (The Leadership Gap, 2009) found that the four most important skills and capabilities needed by organizations are leading people, strategic planning, inspiring commitment, and managing change; however, these are among the weakest competencies of today's leaders.

Further research by CCL (Changing Nature of Leadership, 2007) shows that the nature of effective leadership is also changing. The approaches focusing on flexibility, collaboration, crossing boundaries, and collective leadership are increasingly more important than the basics. The findings of the CCL research suggest that organizations should continue to find more balance between developing leaders through individual competencies and fostering the collective capabilities of leadership teams. Also, as organizations face change, they need to invest in the development of leadership teams and creating a leadership culture.

By having a comprehensive individual and team leadership program (Leadership Development Program, the WFS Bureau Leadership and Organizational Training Program and the WFS Bureau Leadership and Organizational Coaching), Contra Costa County was able to enhance individual manager competencies and create a leadership culture to realize many benefits:

- New, stronger core organizational capabilities
- Improved ability to create shared direction, alignment, and commitment throughout the organization
- Growth of not only individual capabilities, but waves of individuals all growing capabilities in a leadership collective
- Development of talent and culture while implementing the business strategy
- Effective cross-boundary work and the collaboration required for dealing with complexity and change

- Increased engagement within the leadership team that links through leadership down into employees throughout the organization
- A re-humanized workplace, balancing technical and operational expertise with beliefs and experience
- Leadership and organizational transformation

Conclusion and Recommendations

Agencies that are looking to transform cannot force change through purely technical approaches, such as adding new technologies, restructuring, and reengineering of processes. Agencies need a new kind of leadership capability to resolve dilemmas, transform operations, and change culture within an organization. Organizational transformation and changing culture require agencies to develop both individual leader capacity and organizational team leadership capacity. Further, leader development approaches based only on individual competencies are necessary but no longer sufficient. Leaders working and performing together determine if organizations will succeed in implementing new strategies and adapting to change that will lead an organization forward.

It is recommended that Santa Clara County Social Services Agency develop a comprehensive managerial leadership development program for individual and team managers. To accomplish this, SSA must define the scope of organization leadership development and develop a strategic plan that includes allocated resources (e.g. staff and budget). There are two possible approaches that SSA can take:

- Develop an in-house Leadership Development Program. To accomplish this task, SSA needs to add one full-time employee (FTE) at a Senior Training and Staff Development Specialist level. The fiscal implication to this approach is $134,805.
- Utilize UC Davis, or a comparable training organization, to provide a program similar to

Contra Costa's. The cost to train 35 managers via UC Davis is:
- $85,320 for the Leadership Development Program
- $135,535 for Customized Leadership and Organizational Training and Coaching

Based on the above information and the need to maintain a consistent leadership program, it is highly recommended that SSA adopt a combination of both approaches. This allows SSA to meet the immediate needs for DEBS implementation of health care reform. CAPP implementation is also assisting SSA with coaching for DFCS managers. Further, having an in-house program allows SSA to have a sustainable and cost effective program for the years to come, and the ability to continue to customize and provide learning-based trainings on the emerging needs of its leadership teams.

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