



KELL CONSULTING

MANAGEMENT PERSPECTIVES

LEADERSHIP AND CHANGE

By Amy Kell

Published in the "Housing Operations Manager", January 2000

One theorem in public housing management is this: turning around a severely troubled agency is exceedingly difficult. With severely troubled authorities, there are the clear and visible problems of vacancies, vandalism, crime and neglect. There are also the staffing and organizational problems such as an insufficiently skilled workforce, paralyzing bureaucracy, politics, and arrogance. Frequently, ties to the city are shaky, and residents and participants have little regard for the agency's competence.

From an outsider's perspective, making change should be an easy process since it's so clear what's wrong. Instead though, the seeds of destruction are planted right from the beginning. Here's what frequently happens: HUD identifies a given authority as troubled. The local press takes notice (if it hasn't already) and paints a picture of the agency in a series of articles that cite "gross mismanagement", and "rampant crime and vandalism". Local politicians step in and announce that they're going to clean house. A national search identifies potential candidates. Back room negotiating produces a new Executive Director. That individual is brought in amidst great fanfare. The mayor talks about a "new day" at the authority, and residents express hope for the future.

Meanwhile, existing staff quietly (or not so quietly) bristles at the public ridicule and finger pointing, and become suspicious of the motives of the new management. They resent the characterizations by people who rarely, if ever, set foot in public housing. They learn not to air their frustration with the previous management to the new management, because they never know if the old management is coming back, or to whom the new management is connected. They are defensive about their work, and recount constraints with which they have to operate, often, they feel, to deaf ears. Mostly though, staff fears that change means job loss, and so they vow to dig in their heels to protect what they have.

Thus, the standoff begins. Change for the better may occur. But it often comes at a great price, particularly to the change agent(s), for whom intense resentment predictably builds. Unfortunately, and for a variety of reasons, change agents in public housing rarely manage to hold on long enough for change to root itself in the culture. What I have seen is that many of the agencies that have successfully undergone an MOA process often backslide after HUD takes them off the troubled list. Lasting change is elusive.

Of course, not all housing professionals will spend their careers working in environments as extreme as a troubled housing authority. However, when any organization makes change, many of the issues described above will arise to some extent. Managers who do not pay attention to the effect that change will have on their staff do so at their own risk.

As Harvard Business School professor John Kotter says in his excellent book Leading Change, management “overestimates how much they can force big changes on an organization. They underestimate how hard it is to drive people out of their comfort zones.” And further, “those who attempt to create major change with simple, linear, analytical processes almost always fail. The point is not that analysis is unhelpful. Careful thinking is always essential, but there is a lot more involved here than (a) gathering data, (b) identifying options, (c) analyzing, and (d) choosing.”

In the last issue of the Housing Operations Manger, (November, 1999), we talked about the strategic planning and goal setting process that PHAs must undertake as they develop their Agency Plans. This month, we consider the other important issue associated with this process – that of implementing change.

There are important distinctions between management and leadership. Kotter’s definition puts it well: “managing is a set of processes that can keep a complicated system of people and technology running smoothly. The most important aspects of management include planning, budgeting, organizing, staffing, controlling, and problem solving. Leadership is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles...” “...Successful [organizational change] transformation is 70 to 90 percent leadership and only 10 to 30 percent management.”

If the QHWRA process that you are involved in emphasizes the linear, managerial aspects of establishing goals and objectives, and measuring performance over time, you might want to reconsider your efforts. John Kotter identifies an eight step process of making change that is worth considering.

1. Establishing a Sense of Urgency

Change is uncomfortable, and often if people do not believe that change is necessary, they won’t change. Period. One troubled housing authority that I worked with had low PHMAP scores, units in need of modernization and demolition, communities rife with drugs and crime, and a multitude of back work orders. They were publicly embarrassed by HUD press conferences and a disparaging mayor. I expected to see a hubbub of activity when I went to the central office, with energized teams of staff developing new ways to turn around the authority. Instead, I found a business as usual attitude. Work moved at a leisurely pace with practically no mention of the authority’s troubled status. When I expressed my surprise, I was told by several people that the troubled designation was merely a game being played by HUD. “Things weren’t all that bad.” Lasting change eventually did occur at this authority, but not under the leadership that was there at the time.

As Kotter suggests, “by far the biggest mistake people make when trying to change organizations is to plunge ahead without establishing a high enough sense of urgency in fellow managers and employees. This error is fatal because transformations always fail to achieve their objectives when complacency levels are high. Increasing [the sense of] urgency demands that you remove sources of complacency or minimize their impact: for instance, eliminating signs of excess; setting higher standards both formally in the planning process and informally in day-to-day interaction; changing internal measurement systems that focus on the wrong indexes; vastly increasing the amount of external performance feedback everyone gets; rewarding both honest talk in meetings and people who are willing to confront problems; and stopping baseless happy talk from the top.”

2. Creating the Guiding Coalition

In a housing authority or in any other organization for that matter, it is rare indeed when one person leads organizational change all by him or herself. Generally, in successful change efforts with which I am familiar, a coalition “with enough power to lead the change” as Kotter puts it, is essential to success. Key managers who have not bought into the change concept, and who deliberately act in ways that are contrary to the new vision, can sabotage the best of efforts. To create success, there must be a guiding coalition where all members work as a team.

3. Developing a Vision and Strategy

Vision is key in establishing direction and inspiring staff. It has been discussed previously in this column, however, Kotter has a wonderful definition of vision and change that I think is worth considering. The way he puts it is this: “vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. In a change process, a good vision services three important purposes. First, by clarifying the general direction for change, by saying the corporate equivalent of “we need to be south of here in a few years instead where we are today”, it simplifies hundreds or thousands of more detailed decisions. Second, it motivates people to take action in the right direction, even if the initial steps are personally painful. Third, it helps coordinate the actions of different people, even thousands and thousands of individuals, in a remarkably fast and efficient way.

4. Communicating the Change Vision

I see this all the time: a vision, a strategic plan, goals and objectives, whatever, will have been created by management and staff, and then left to collect dust on the shelf. When asked whether their authority has a vision statement, the person replies “yes, it’s here somewhere”, as they fumble through a pile of papers. You can guess where this organization is in terms of achieving its vision.

Kotter suggests that “communication comes in both words and deeds. The later is generally the most powerful form.” Leaders must communicate the new vision at all times, and behave in ways that are appropriate to the new vision in order for change to occur.

5. Empowering Broad Based Action

For meaningful change to occur in an organization, it must occur at all levels. Kotter believes that it is “essential to get rid of obstacles, change systems or structures that undermine the change vision, and encourage risk taking and nontraditional ideas, activities and actions.” Max DePree, in his thoughtful book Leadership Jazz, says that “when unusual people and ideas are welcome, there is an ethos for change. To persuade their organizations to be open and vulnerable to unexpected results, leaders first open themselves. Leaders know who gives an organization health, who waters the roots of renewal.”

6. Generating Short-Term Wins

In private industry, and in the Agency Plan format, goals are frequently measured on an annual basis. Kotter recommends that progress be monitored every six months, and short-term wins be noted. My experience with the MOA and Improvement Plan process is that the HUD required quarterly benchmarks help staff stay focused and the goals seem more real.

It is critical to recognize the people who were instrumental in creating any kind of success that is in line with the vision. Recognition allows them to shine and it shows that you are aware of people's contributions.

7. Consolidating Gains and Producing More Change

The ethos of change that Max DePree discusses must be imbedded in the organization in order to produce change over time. Kotter says to change “all systems, structures, and policies that don't fit together and don't fit the transformation vision; hire, promote and develop people who can implement the change vision; and reinvigorate the [change] process with new projects, themes, and change agents.

8. Anchoring New Approaches in the Culture

Kotter discusses one organization with which he was familiar in the following way: “some central precepts in the division's culture were incompatible with all the changes that had been made. Yet that inconsistency was never confronted. As long as the division General Manager and the transformation program worked day and night to reinforce the new practices, the total weight of these efforts overwhelmed the cultural influences. But when the division GM left and the transformation program ended, the culture reasserted itself. *Shallow roots require constant watering.*” [Emphasis is mine.]

When I interview PHA staff for organizational reviews, I frequently ask them to define their organization's “corporate culture”. Often, the interviewee turns around and asks me to define the term. I have my own definition, but I think Kotter expresses it particularly well. “Culture refers to norms of behavior and shared values among a group of people. Norms of behavior are common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices to new members, rewarding those who fit in and sanctioning those who do not. Shared values are important concerns and goals shared by most of the people in a group that tend to shape group behavior and that often persist over time even when group membership changes.”

“In many transformation efforts, the core of the old culture is not incompatible with the new vision, although some specific norms will be. In that case, the challenge is to graft the new practices onto the old roots while killing off the inconsistent pieces.”

Even if the authority you operate is high performing, chances are good that some aspects of your pre-QHWRA agency will not match your new vision. The vision you create must be long term in nature and must be nurtured over time. Done properly, it will be your legacy as a leader to your authority.

Amy Kell, President of Kell Consulting., has worked with, for, and on behalf of housing authorities since 1976. She has an MBA in marketing and business policy from the University of Chicago. She can be reached at AmyKell@KellConsulting.com.