INITIAL BRIEFING ON THE RESULTS OF THE NRGH CULTURAL ASSESSMENT

Data Gathered Onsite from October 10 – November 6, 2017

Presented By
J. Robert "Bob" Carleton, Founding Partner / CEO
Gary W. Craig, Managing Partner / COO
Vector Group, Inc.



Nanaimo Regional General Hospital

November 6, 2017

OVERVIEW

- The Challenge—Where NRGH Needs to Be
- The Numbers (Who Contributed to the Assessment)
- Typical questions asked during interviews/focus groups
- General themes
- The Harsh Reality
- The Way Forward

A REMINDER: OUR ESPOUSED VALUES

- C.A.R.E. guides everything we do.
- Courage: To do the right thing—to change, innovate and grow
- Aspire: To the highest degree of quality and safety.
- Respect: To value each individual and bring trust to every relationship.
- **Empathy:** To give the kind of care we would want for our loved ones.

OUR STATED VISION

Excellent health and care for everyone, everywhere, every time.

WHERE NRGH NEEDS TO BE

"Effective organizations are those which produce excellent results by any measure of costs, quality or efficiency while simultaneously enhancing the energy and commitment of organizational members to the success of the enterprise."

William A. Pasmore

Author of *Designing Effective Organizations: The Sociotechnical Systems Perspective* (Bill is a global thought leader on change, leadership and organizational design)

VECTOR GROUP'S CHARGE: ASSESS THE CULTURE

"A pattern of basic assumptions--invented, discovered or developed by a given group as it learns to cope with the problems of external adaptation and internal integration--that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems."

Edgar H. Schein, 1985

Or

"Organizational culture is the way we do things around here."

W. Warner Burke and George Litwin, 1989

JUST SO WE'RE ON THE SAME PAGE

- Organizational culture does not refer to:
 - tasks—products or services—procedures
- Culture *does mean* response tendencies or typical behavior patterns that characterize people within an organization.
- Culture is tied more closely to the demeanor or attitude that people exhibit while engaged in various tasks and procedures.

Culture is a powerful force within an organization. It is about collective *behavior*.

JUST SO WE'RE ON THE SAME PAGE (cont.)

We told people who met with us that Vector Group was hired to conduct a cultural assessment.

We defined this as "the way we do things here" which includes how people communicate and behave with each other.

We further stated that we were looking for "what works well here" and "what does not work well."

JUST SO WE'RE ON THE SAME PAGE(Cont.)

When we use the term "system" we are **NOT** referring to a computer system.

What we **ARE** referring to is the *Organizational* System—the people, policies, processes, procedures, behaviors, and attitudes currently in place at NRGH

JUST SO WE'RE ON THE SAME PAGE(Cont.)

When we use the term "administration," we are using the NRGH definition we heard which includes everyone in the corner suite and anyone up past the Malahat to Victoria.

METHODS USED

We met with executives, managers, supervisors, physicians, nurses, technicians and staff from most units/departments through:

- Face-to-face (F2F) interviews/phone calls
- Focus groups and group interviews
- Drop-in interviews
- Informal walkarounds/observations
- E-mail exchanges

THE NUMBERS: WHO CONTRIBUTED

A total of 473 people contributed to the cultural assessment at NRGH*

*This is a sample size significantly greater than normally needed for a statistically significant sample. The consistency in themes, and even particular stories, is very notable.

TYPICAL QUESTIONS WE ASKED

- What is your role/job? How long have you worked here?
- What do you like most about working here?
- How do people treat each other?
- How are decisions made?
- What works well here?
- What gets in the way of doing good work? What doesn't work well?
- What is your view of leadership and management here? Please describe.
- What changes have you seen over the years? Positive? Negative?

- How is your performance reviewed?
- How do you describe your team?
- What does C.A.R.E. mean to you?
- Would you recommend NRGH to a friend or family member as a good place to work?
- What are relationships like between units/departments?
- If you had a magic wand or three wishes, what would you want to improve NRGH?

THE NUMBERS: WHO CONTRIBUTED

Data Gathered from:

- Executive interviews 10
- Director interviews 8
- Manager interviews 16
- Supervisors/Leads 64
- Individual contributor contacts (F2F, phone, or email) –
 133
- Number of people we met in groups 151
- Physicians 55

THE NUMBERS: WHO CONTRIBUTED

Additionally: Other:

- 35 people including physicians, nurses, technicians and other staff responded by way of email to nrghfeedback@vectorgroupinc.com
- Fourteen of these followed with phone or F2F interviews.
- We also met with Ernst & Young (E&Y) – The E&Y lead and one of her project people who are doing the IHealth review to get their views and experiences regarding the culture at NRGH.

HOW WELL IS NRGH DOING?

Please remember that what you are about to review is the current majority perceptions of NRGH.

Like it or not, for people in this organization their perception *IS* their reality

Contrary to many of your beliefs, this is not about specific individuals but about a systemic problem.

HOW WELL IS NRGH DOING?

From all indications Nanaimo Regional General Hospital is **failing significantly** in regard to managing **people**.

- Focused too much on budget and not enough on people—which includes <u>all</u> stakeholders - physicians, nurses, staff, patients and their families
- Not living the values of C.A.R.E. and allowing a toxic culture to exist that most here describe as disrespecting and devaluing everyone
- Maintaining a top-down, heavy-handed, command and control hierarchy that ignores the willingness of people to provide the best patient care despite budgetary realities

HOW WELL IS NRGH DOING? (cont.)

- Maintaining an atmosphere of fear, bullying, intimidation, retaliation and censure that prevents people from raising questions, issues or concerns
- Placing high value on cronyism and nepotism in recruiting, hiring and promoting
- Excluding physicians from decision-making processes
- Failing to establish/demonstrate a pattern of positive leadership behaviors from anyone in Admin/management at all levels

HOW WELL IS NRGH DOING? (cont.)

- Decisions are based solely on budget with little to no regard for employees' well-being or quality patient care
- Maintains an actual value of "go along to get along" or "ask no questions, raise no issues, and keep your head down"
- Only those coming out of Emergency get recognition and promotions
- Maintains a top heavy bureaucracy with unclear management roles, responsibilities and accountabilities with no focus upon people

HOW WELL IS NRGH DOING? (cont.)

- Constantly tells people it's their fault for things not going well whether it be IHealth or some other issue
- Ignoring the pleas for guidance, direction and support
- Reward and recognition for good performance is not utilized
- Accountability for abusive behavior is non-existent
- Admin/management at all levels not responding to staff issues
- Maintains a cloak of secrecy around all decisions, keeps people in the dark about what management is doing

Further Damage

- "Would you recommend NRGH as a good place to work to a favorite niece or nephew just finishing training/university?" Almost universal response of "NO!"
- Numerous people in several parts of the hospital volunteered that they've instructed their friends/families to take them elsewhere (the mainland) for care if they get sick.
- Basic trust between people is non-existent at all levels.
- Suspicion, fear and often loathing predominate organizational members' thinking about Administration

A HARSH REALITY

No individual performs in a vacuum.

A bad system can break the best of performers.

Geary Rummler (1937-2008)

Author of Managing the White Space on the Organizational Chart

Currently, NRGH is maintaining a bad system on several levels.

With all that said,

This is NOT an indictment of specific people but a *call to action* to fix the *system* that devolved into the current way of doing things

THE GOOD NEWS?

- NRGH does indeed have a number of people who:
 - –Love their jobs
 - –Love the work they do with patients
 - –Love their immediate team/co-workers
 - -Want NRGH to be a beacon of patient care
 - —Want to be involved in making NRGH a better place But the numbers are far, far lower than even an average poorly performing organization

CULTURE SUMMARY

- 1. Managers spend 80%+ of their time on paperwork and upward focus
- 2. People have become the *least-valued commodity* in the system
- 3. Displaying a sense of pride and a willingness to help each other out is a rarity and when present is viewed with suspicion
- 4. Groups and functions that used to support each other and get along well have lost trust in each other and often become overtly hostile
- 5. Teams and *Communities of Practice* were systematically dismantled which added to the loss of a sense of community

CULTURE SUMMARY (cont.)

- 6. No evidence, no signs, of active management/leadership focused upon people performance or people concerns and interests.
- 7. Accountability does not exist, other than the fact you may be blamed for anything at anytime. S/he who blames first wins.
- 8. Keep your head down, say nothing, raise no issues or uncomfortable questions and you will not be noticed—which is the best you can hope for
- NGRH culture is clearly characterized by bullying, coercion, harassment, intimidation, lack of trust, nepotism and favoritism. NRGH maintains an atmosphere of fear and uncertainty. Advancement is about who you know, not about performance.
- 10. People feel the reality is clear; NRGH is headed downhill and <u>nothing</u> will ever change.

ORGANIZATIONAL DYNAMICS: RELEVANT GENERAL RULES

- 1. Any and all organizations composed of more than 7 people are, by definition, *dysfunctional*. Comparative effectiveness and efficiency is about being less dysfunctional than other organizations
- 2. In general, it is rare that people actually try to screw things up and make accomplishing the organizational objectives less attainable.
- 3. Generally, people at all levels in the organization are characterized by coming to work every day and doing the best job they can as they understand it and as the **system** will allow.
- 4. Organizations, unless actively managing the people aspects of the business, will tend to grow less and less responsive to human concerns and as a result become quite dehumanizing places to work.

ORGANIZATIONAL DYNAMICS: RELEVANT GENERAL RULES

- 5. Regarding Management, "What you do speaks so loudly people cannot hear what you say." How do **you** spend time and energy?
- 6. If organizational goals require the efforts of people, at least as much time, energy and resource must be spent on their well-being as on other issues
- 7. Many studies indicate people are more complex with thoughts, feelings, anticipations, and varying reactions and require *more* effort to manage
- 8. How many ways can a person be misunderstood? Become a manager and start counting. But this reality must not and cannot be an excuse for disengaging. It is simply something to be aware of and actively manage.

ALTERING THE CULTURE: CRITICAL ELEMENTS

- 1. Management, as a group, must come to agreement on required management behaviors for which they are individually willing to be held accountable.
- 2. Time must be created for managers of people to spend significant effort focused upon those people. This cannot be another "pile on task" where managers are to magically make more time in the day. This means cut out and cut back on other demands to make time available.
- 3. A metric system for tracking the above agreed behaviors must be put in place. Usually, this takes the form of a 360° feedback program.
- 4. A formal, rapid response, approach to seeking out and resolving any issues having a systemic negative impact upon the ability to get the work done must be put in place.

ALTERING THE CULTURE: CRITICAL ELEMENTS (cont.)

- 5. Management must be visibly in action and seeking feedback before asking individual contributors to make personal commitments to join in and become part of the solution to making NRGH a preferred place to work.
- 6. Find a few current very visible issues that are irritating large numbers of people. Move quickly to "fix them" giving people hope that both: a) things CAN be better and b) the management and administration DO care and want things to be better.
- 7. Formalize a process for seeking out and incorporating relevant and opposing views in the decision-making process. Most decisions should be the result of focused effort to gain consensus among all critical parties to achieve the purpose of the institution.

ONE WAY FORWARD FOR NRGH: 8 CRITICAL STEPS

- 1. Move rapidly in rolling out IHealth through the rest of Portfolio 2 utilizing a proven change management model and follow-up processes. Couple this to an effective computer-based training (CBT) component.
- 2. Move without delay into an aggressive management and leadership functional program coupled with a customized 360° feedback system.
- 3. Communicate quickly with the staff at NRGH on study findings and make a clear statement the current situation is not acceptable. Authority figures must take responsibility for improving the situation and announce a clear action plan with timeframes for moving ahead.
- 4. Fix the *scheduling problem* for holidays and vacations ASAP as an initial salve to show things CAN happen for the better.

ONE WAY FORWARD FOR NRGH: 8 CRITICAL STEPS (cont.)

- 5. Run Partnering (Teamwork between Teams) with Physician groups and actively monitor and modify agreements as appropriate to maintain robust but constructive conflict assuring better overall strategic results. Also develop Partnering agreements between functions as necessary.
- 6. Institute use of Tiger Teams with initial projects on reinstituting viable teams, collaborative efforts, and *Communities of Practice*
- 7. Utilize staff from rest of Portfolio 2 to help provide temporary relief for NRGH staff to take part in training and Tiger Team activities.
- 8. Move to All-Staff Days to spread the change and invite the individual contributors to come and join the party. Include some form of "Yellow Card" program to facilitate constructive discussion between management and staff during times of conflict or failure to live up to the values.

Posted on LinkedIn, October 30, 2017, Author Unknown

"The biggest concern for any organization should be when their most passionate people become quiet."

How Critical is The Current Situation?

In Vector Group's collective opinion the organizational culture is past the "tipping point." The simple act of continuing with daily operations exacerbates the toxicity of the culture. This situation is not sustainable and will, in due course, lead to some form of self-destruction.

However—it is very fixable in relatively short time frames with sustained and focused effort.

A SIMPLE CALL TO ARMS

Going forward from today people will have a simple choice to make:

Either become a part of the solution, or remain a part of the problem

Unfortunately, there is no neutral ground

WHERE NRGH NEEDS TO BE

"Effective organizations are those which produce excellent results by any measure of costs, quality or efficiency while simultaneously enhancing the energy and commitment of organizational members to the success of the enterprise."

William A. Pasmore

Author of *Designing Effective Organizations: The Sociotechnical Systems Perspective* (Bill is a global thought leader on change, leadership and organizational design)