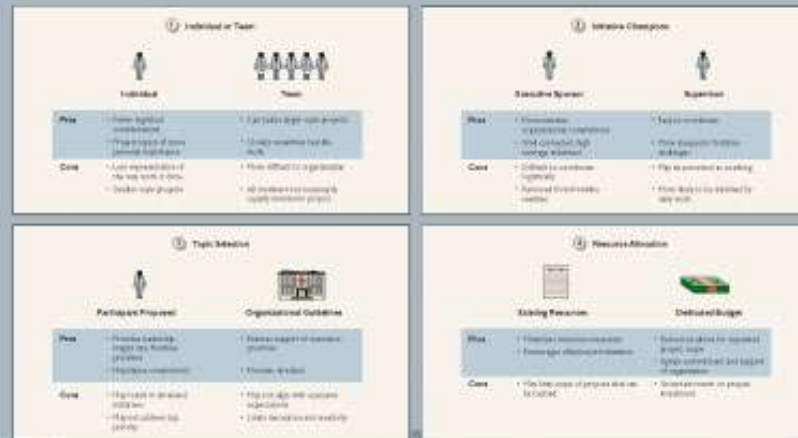




Best Practice Response #10 Leadership Carve-Outs

PRACTICE IN BRIEF

Even in the presence of traditional succession planning and Role Elimination, many staff members have little or no formal leadership opportunities. Leadership Carve-Outs provide opportunities for all staff to lead projects that address problems they identify and issues of personal and organizational importance. In order for carve-outs to result in the identification and implementation of innovative ideas, executives must actively support the initiative and make dedicated time a priority across the organization.



Planning



Prepare leaders and staff for carve-out, set expectations and relative priority of the initiative

Implementation



Determine the structure of the carve-out, necessary oversight, time allocation

Support



Determine support infrastructure to assist participants and to capture and share innovative work being completed

Standardized Practices Drive Leadership

Opportunity for Leaders to Innovate

15% Rule



- Engineers given 15% of time to develop projects on their own time
- Encourages experimentation and innovation

M	T	W	T	F	S	S
				X		
X		X				
			X			

Genesis Grants



- Internal venture capital fund gives up to \$50,000 to researchers for development and testing
- Provides necessary resources to push innovation forward



'Own Business' Rule



- Employees who develop new products given opportunity to run business line
- Promotes entrepreneurship and growth of future leaders

Reaping the Rewards

Developing Innovative Leaders Ensures Long-Term Success



Engineer Art Fry envisions adhesive bookmark while singing in choir



15% rule allows him to devote portion of working hours to problem



Fry develops the Post-itTM note, creating perennial revenue stream for 3M

Organizing Carve-Outs

Key Considerations for Implementation

1 Individual or Team



Individual



Team

- | | |
|---|---|
| <p>Pros</p> <ul style="list-style-type: none"> • Fewer logistical considerations • Project topics of more personal importance <p>Cons</p> <ul style="list-style-type: none"> • Less representative of the way work is done • Smaller scale projects | <ul style="list-style-type: none"> • Can tackle larger scale projects • Closely resembles real life work <p>Cons</p> <ul style="list-style-type: none"> • More difficult to organize/pln • All members not necessarily equally invested in project |
|---|---|

2 Topic Selection



Participant Proposed



Organizational Guidelines

- | | |
|---|--|
| <p>Pros</p> <ul style="list-style-type: none"> • Provides leadership insight into frontline priorities • Maximizes commitment <p>Cons</p> <ul style="list-style-type: none"> • May result in unrelated initiatives • May not address top priority | <ul style="list-style-type: none"> • Ensures support of executive priorities • Provides direction <p>Cons</p> <ul style="list-style-type: none"> • May not align with executive expectations • Limits innovation and creativity |
|---|--|

Determining Necessary Infrastructure

3 Initiative Champions



Executive Sponsor



Supervisor

- | | |
|---|---|
| <p>Pros</p> <ul style="list-style-type: none"> • Demonstrates organizational commitment • Well connected, high leverage individual <p>Cons</p> <ul style="list-style-type: none"> • Difficult to coordinate logistically • Removed from frontline realities | <ul style="list-style-type: none"> • Easy to coordinate • More steeped in frontline challenges <p>Cons</p> <ul style="list-style-type: none"> • May be perceived as coaching • More likely to be sidelined by daily work |
|---|---|

4 Resource Allocation



Existing Resources



Dedicated Budget

- | | |
|--|---|
| <p>Pros</p> <ul style="list-style-type: none"> • Minimizes resources necessary • Encourages effective prioritization <p>Cons</p> <ul style="list-style-type: none"> • May limit scope of projects that can be tackled | <ul style="list-style-type: none"> • Resources allows for expanded project scope • Signals commitment and support of organization <p>Cons</p> <ul style="list-style-type: none"> • Uncertain return on project investment |
|--|---|

The Opportunity Payout

A Worthy Investment

Best Practice Response #9

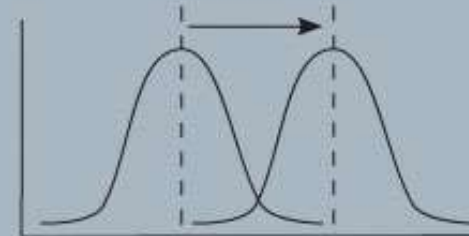
Deliberate Role Elimination



By creating redundancy, organizations protect themselves from external shocks, while ensuring that generating leadership opportunities is not left to chance

Best Practice Response #10

Leadership Carve Outs



By allowing individuals structured opportunities to implement changes of personal significance, organizations provide all staff with the opportunity to develop as leaders

Instilling Right Motivation

Embracing the Opportunities

Motivation

The passion and will to take action and accept leadership opportunities

Character

The attributes required to balance priorities, engender commitment and temper extremes

Values

The unchanging ideals upon which actions are based and decisions are made

Knowledge

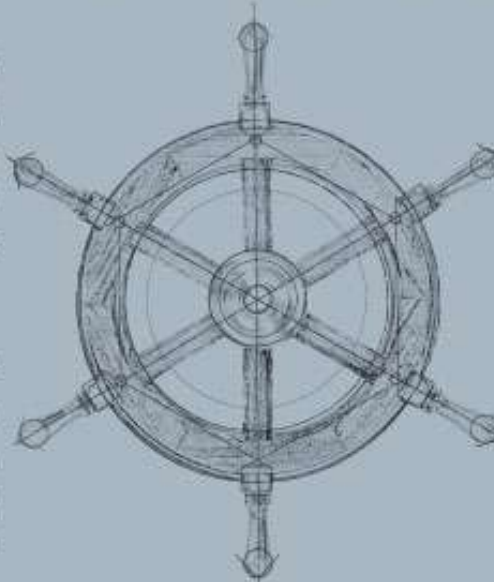
The information and insights that must be discovered, analyzed and understood in order to make decisions

Skills

The competencies that must be honed and deployed to improve organizational performance and execute strategies

Opportunity

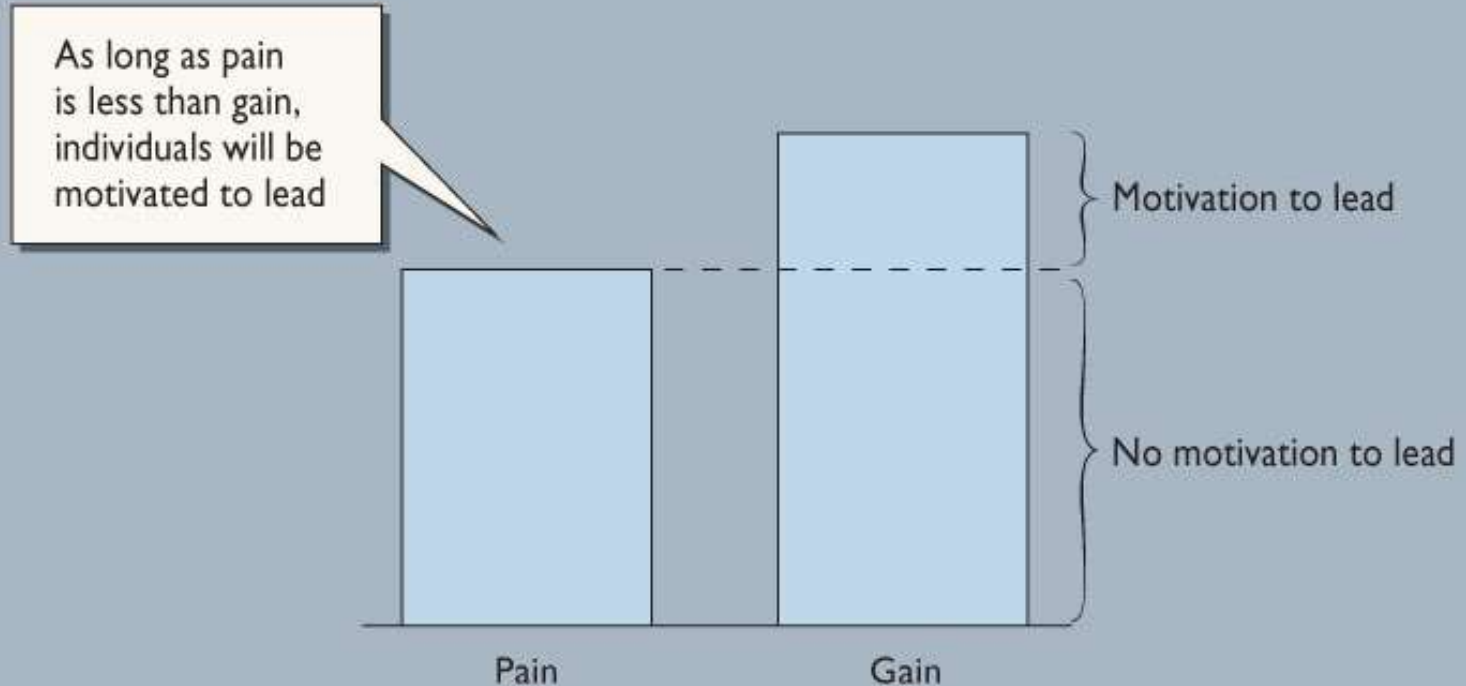
The timing and position that can be exploited to elevate performance



Finding the Will to Lead

A Simple Way to Look at Motivation

Pain Versus Gain



Challenge #11

Instilling True Commitment

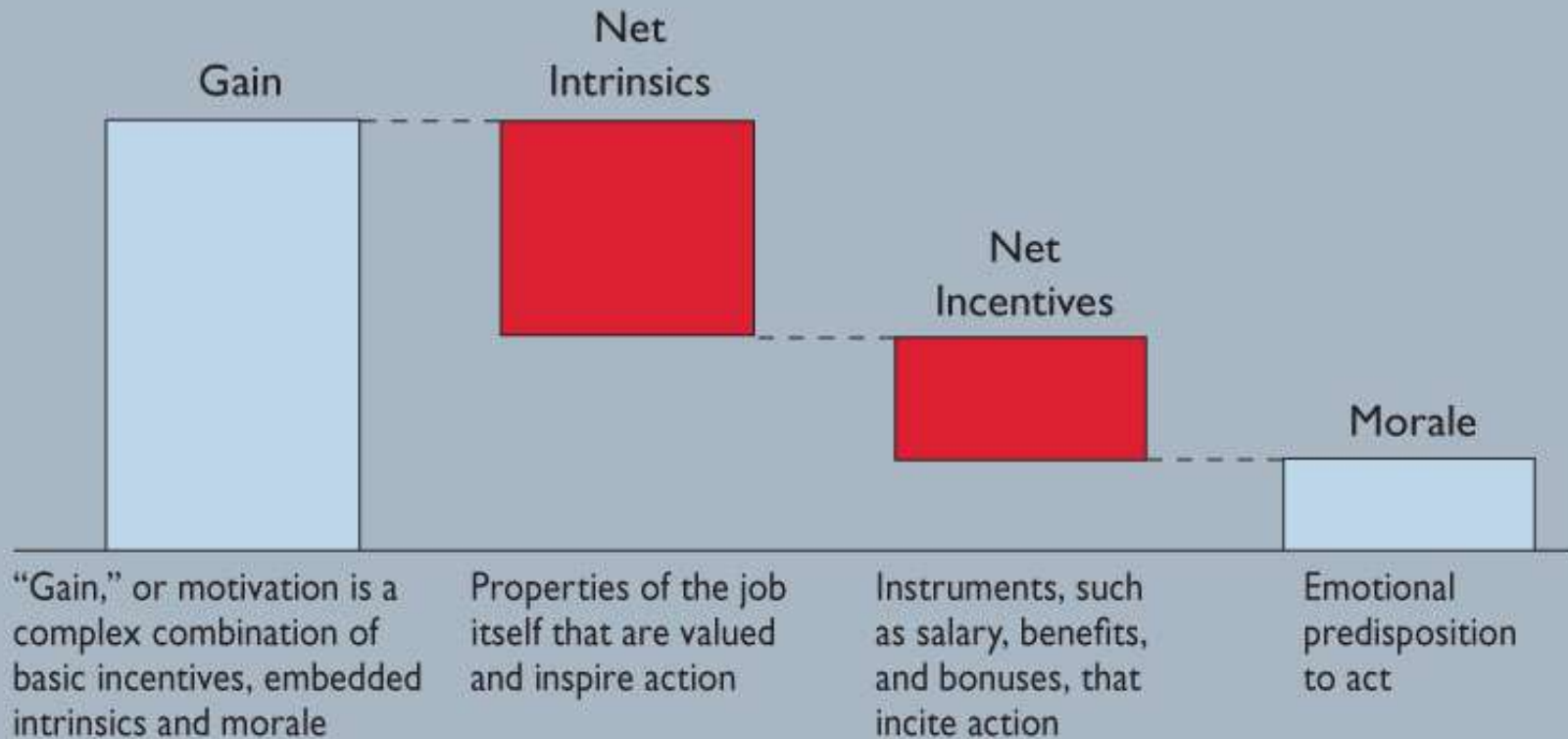
Overview:

Too often, mandates handed down from on high fail to generate sustainable motivation. Leader-Driven Agendas allow supervisors throughout the organization to focus on initiatives that are of both personal and strategic importance, maximizing their buy-in and commitment. Through a three part process—Reveal, Respond, Reconcile—leaders across the organization take a turn in the CEO's seat, evaluating internal capabilities and external conditions to set the goals and priorities for their departments. Cascading this process throughout the organization ensures alignment and taps into the latent Motivation of leaders throughout the organization.

To Do or Not to Do

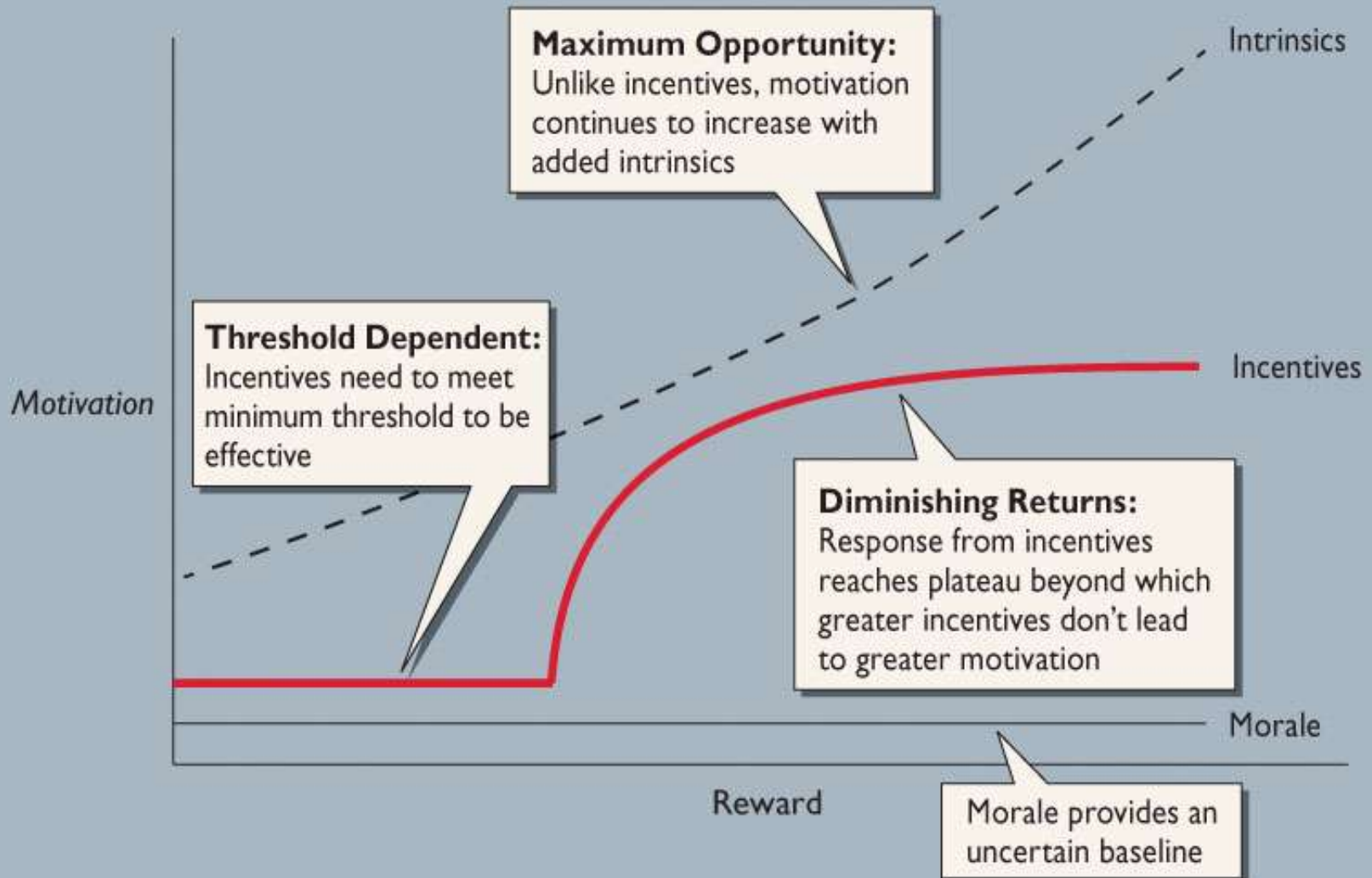
Breaking Down Motivation to Lead

A Seemingly Simple Equation



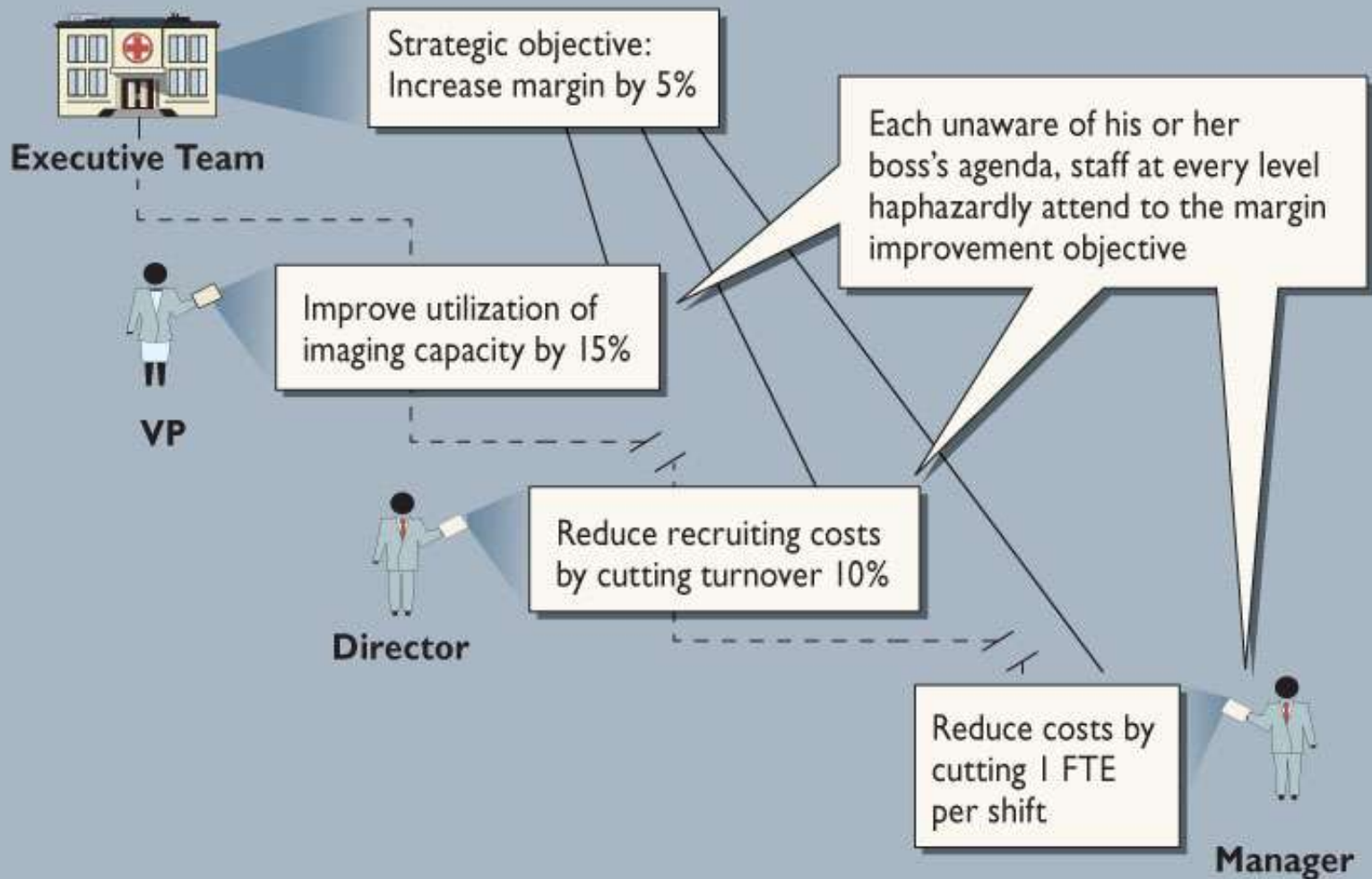
The Power of Intrinsic

Incentives Have Limited Ability to Incite Action



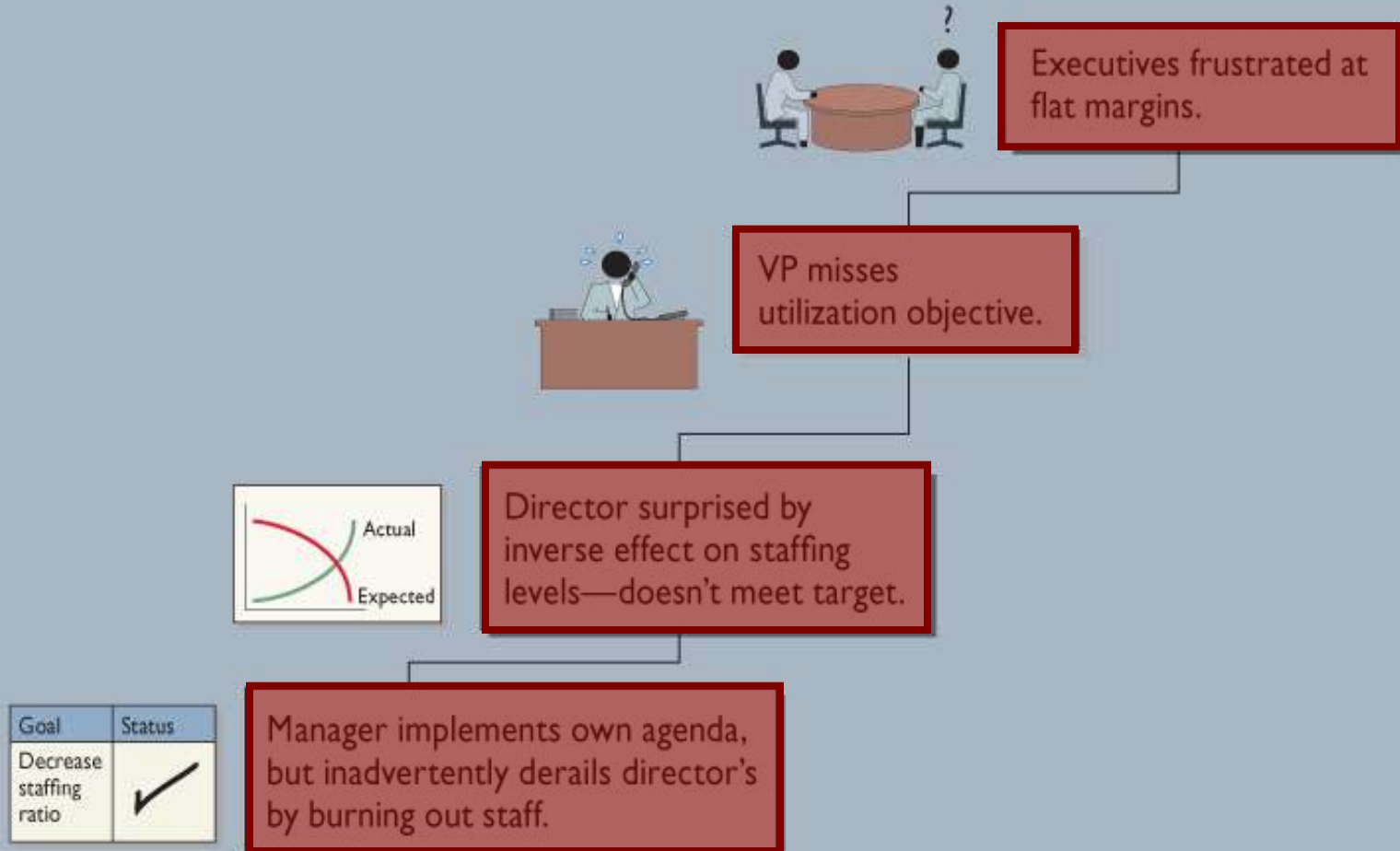
“Broadcasting” Leads to Confusion

Agenda-Setting Pitfall #1



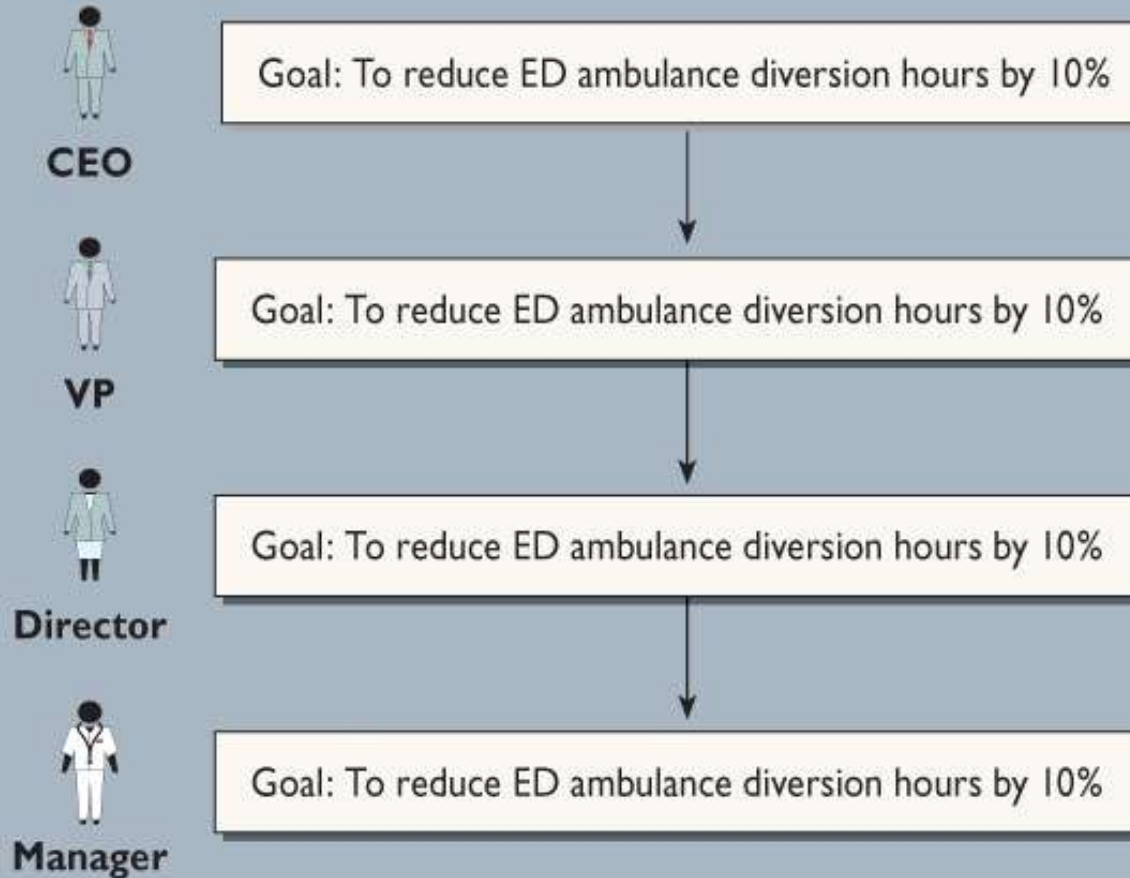
Lose-Lose Situation

Misalignment Prevents Success at Every Level



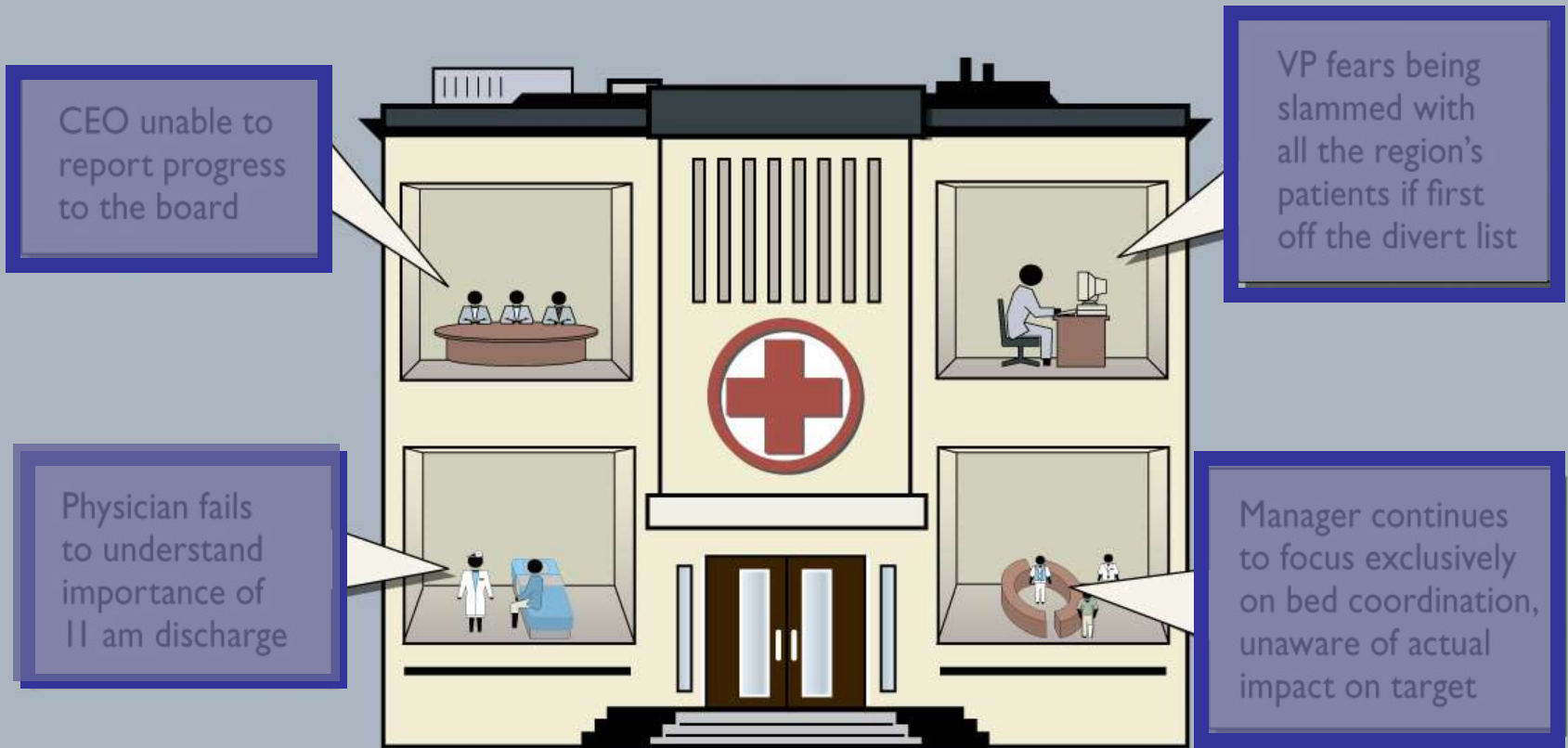
Dumbwaiting Priorities Downward

Agenda-Setting Pitfall #2



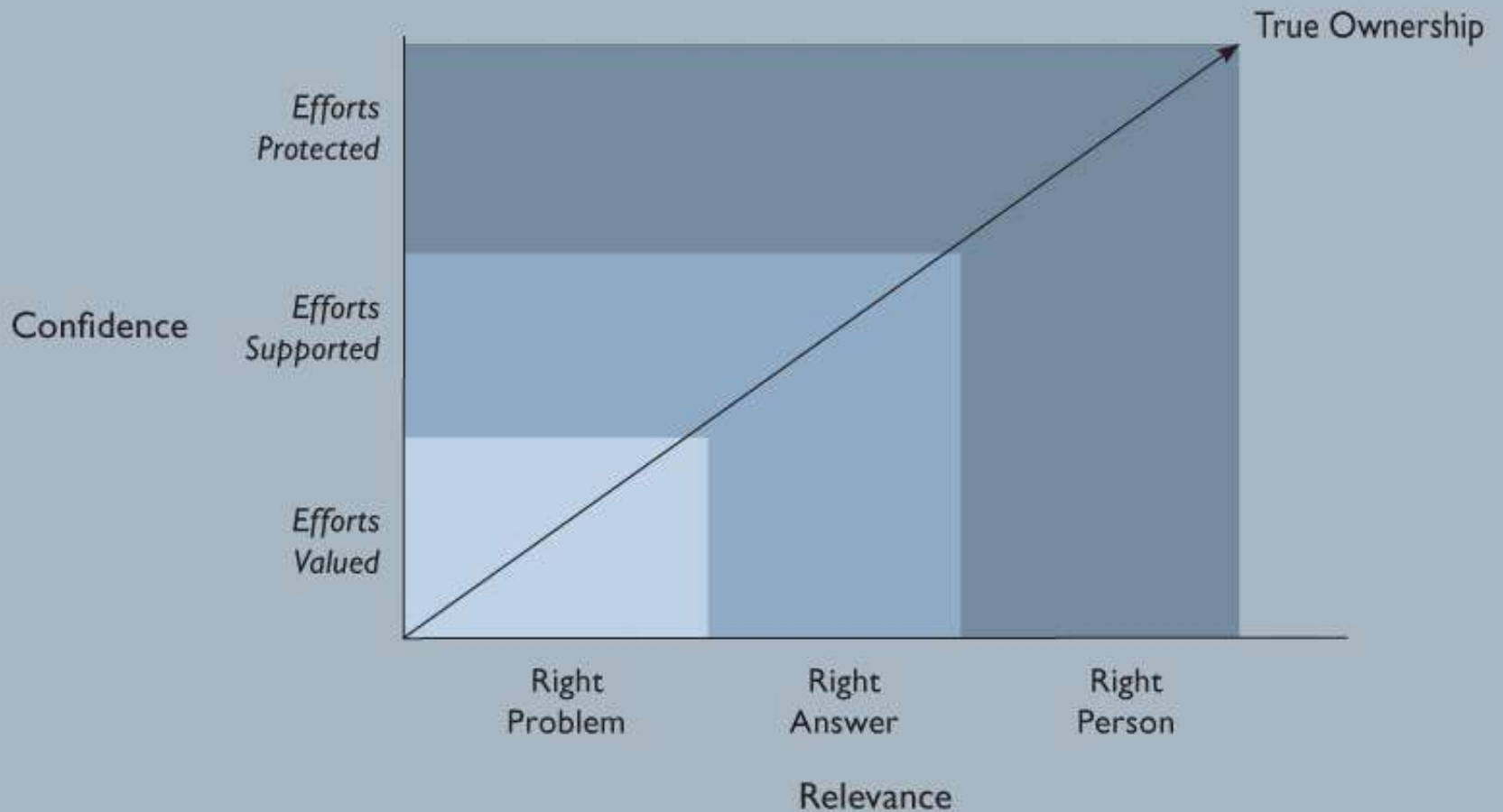
All for One?

Individual Actions Potentially Unclear



Building Commitment

Relevance and Confidence Key Determinants to Ownership

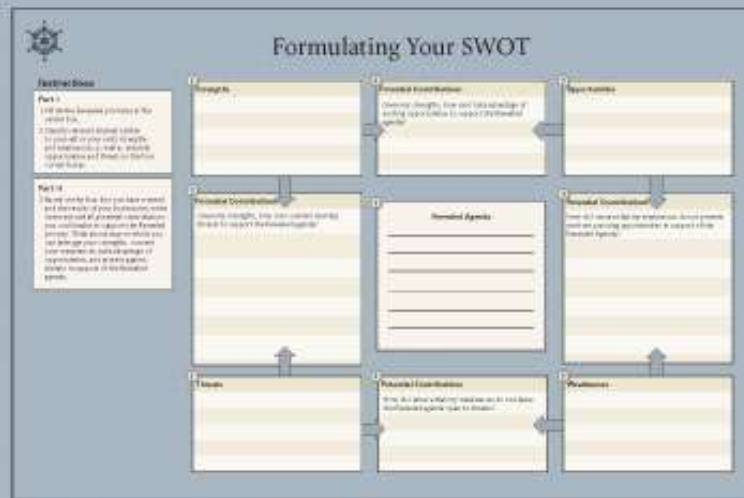




Practice #11 Leader-Driven Agendas

PRACTICE IN BRIEF

Too often, mandates handed down from on high fail to generate sustainable motivation. Leader-Driven Agendas allow supervisors throughout the organization to focus on initiatives that are of both personal and strategic importance, maximizing their buy-in and commitment. Through a three part process—Reveal, Respond, Reconcile—leaders across the organization take a turn in the CEO's seat, evaluating internal capabilities and external conditions to set the goals and priorities for their departments. Cascading this process throughout the organization ensures alignment and taps into the latent Motivation of leaders throughout the organization.

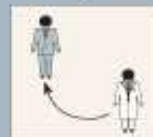


Reveal



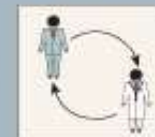
Superior informs leader of key priorities and objectives, without mandating specific actions

Respond



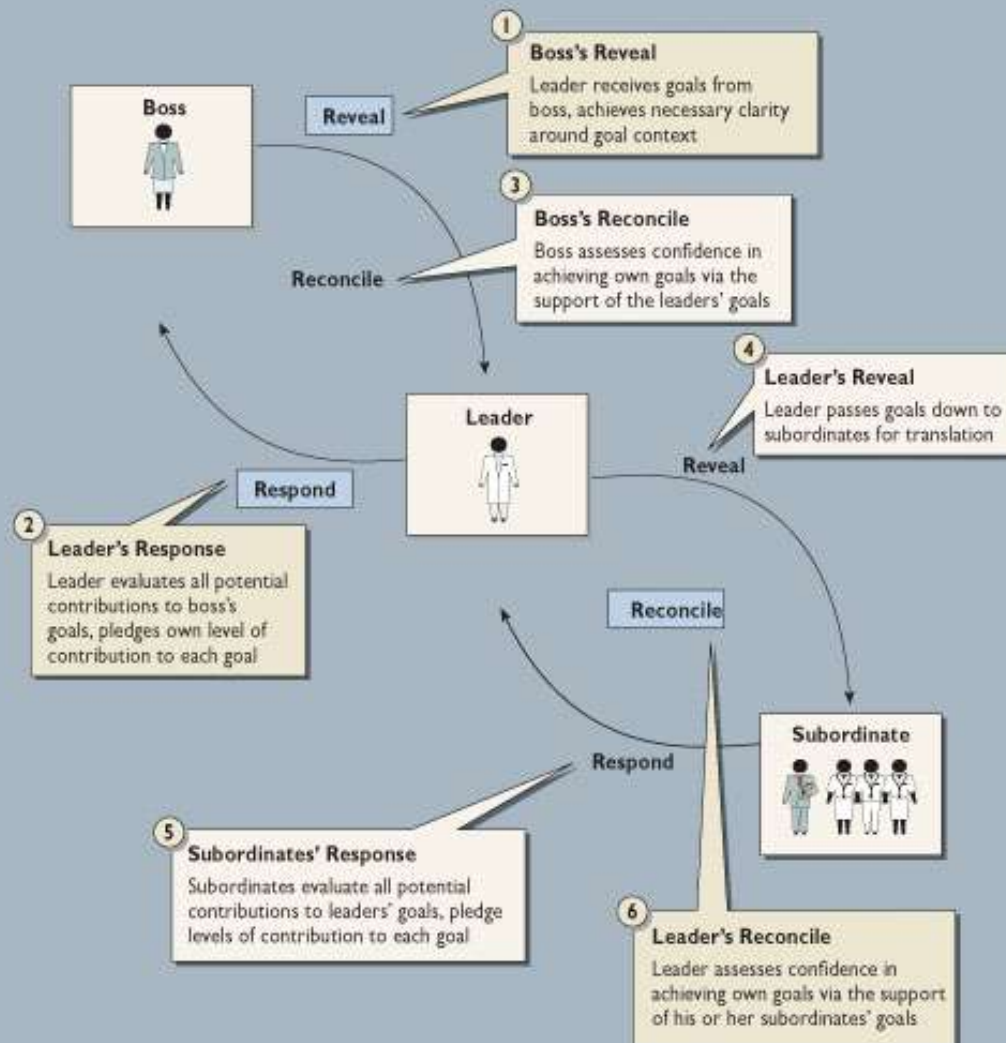
Leader assesses own capabilities and environment and generates a personal agenda

Reconcile



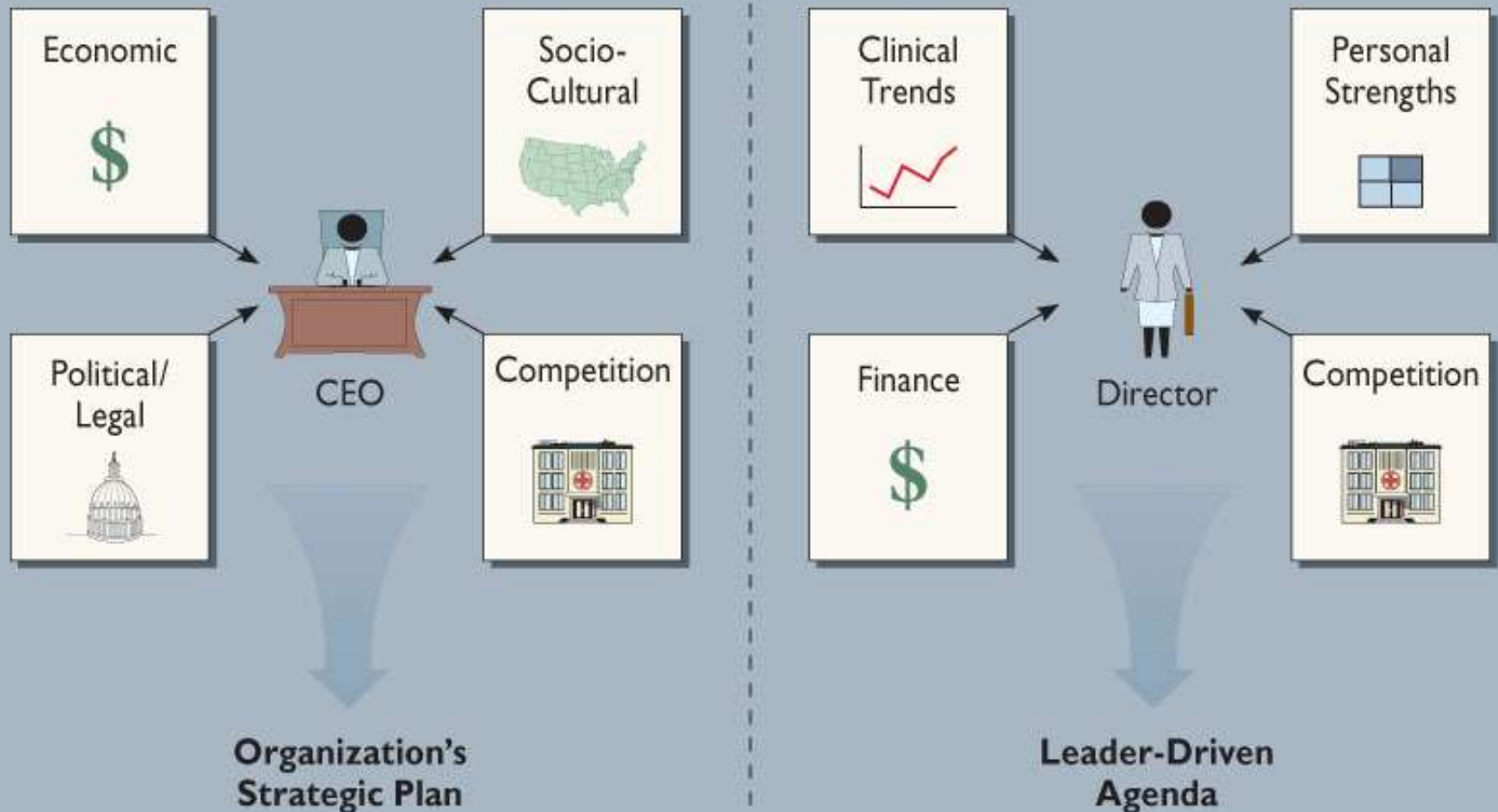
Senior leader reviews agendas of multiple subordinates to ensure alignment

True Cascade Ensures Aligned Action



A Page from the CEO's Book

Responding to Macroenvironmental Variables



A Seemingly Irrelevant Mandate

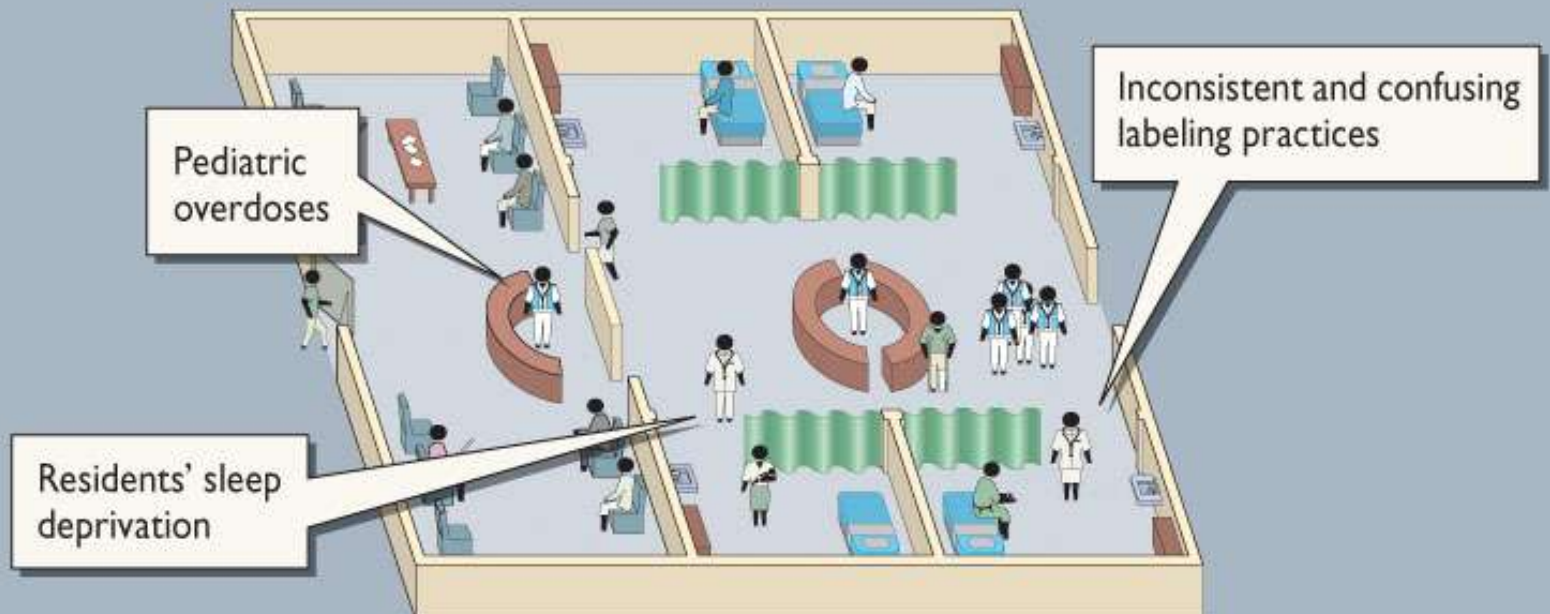
Disconnect Depletes Motivation



CMO

This year our patient safety agenda will focus on reducing patient falls

Concerns on the Floor



Handing Over the Reins Entirely

Leader-Driven Agendas Inspire Action

Before



CMO



Reducing patient falls



Director,
Pediatrics



Chief
Resident



Director,
Radiology

CMO frustrated by apparent lack of motivation to pursue his agenda

After



CMO

Preventing pediatric overdoses



Director,
Pediatrics

Ensuring adequate resident rest



Chief
Resident

Improving medication labeling



Director,
Radiology

Implementation of Leader-Driven Agendas reveals highly-motivated medical staff

Challenge #12

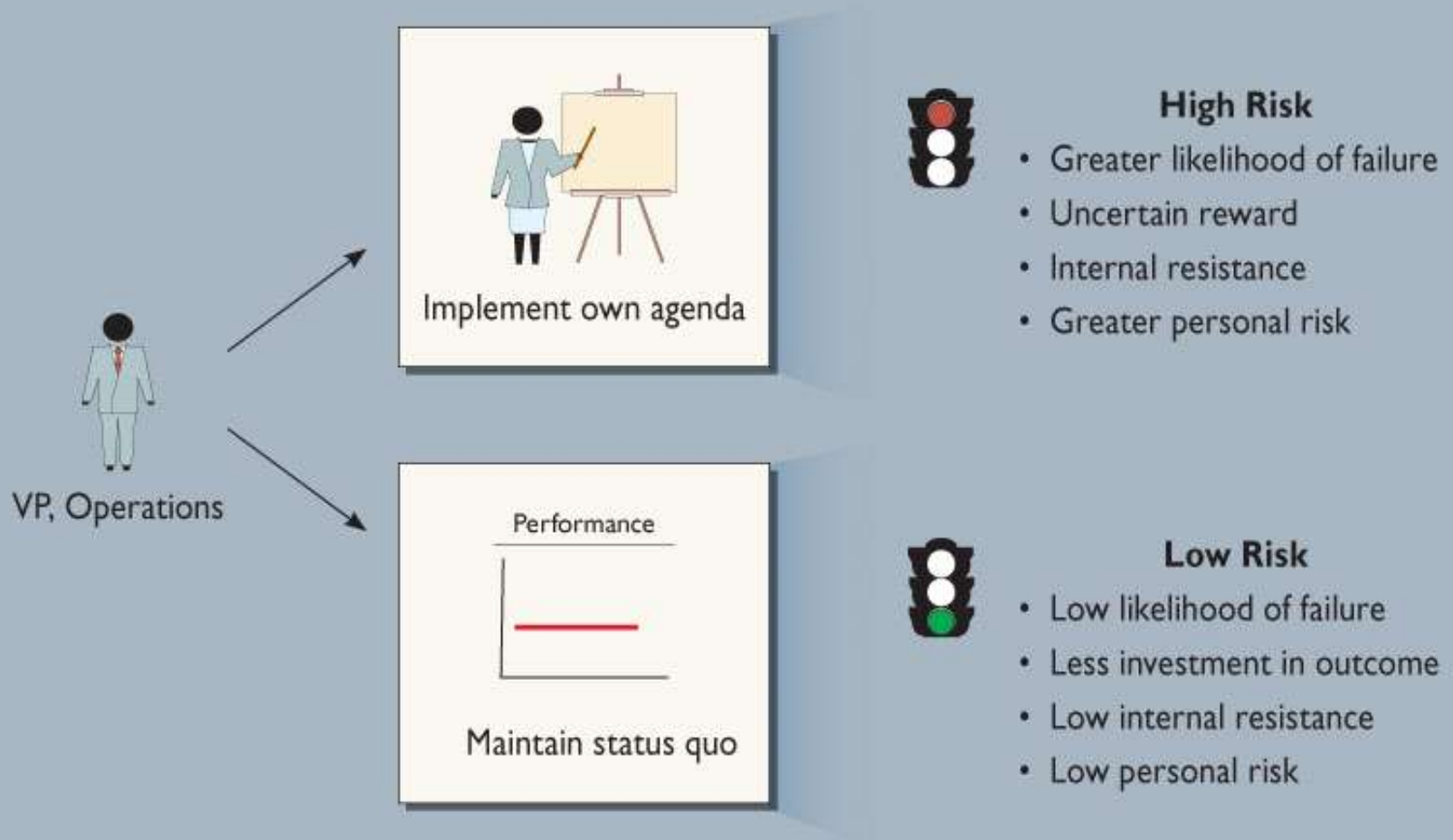
Learning from Failure

Overview:

Because the fear of failure dooms many initiatives before they get off the ground, hospitals must create environments in which risk taking and innovation are encouraged. Failure Forums are a means of openly talking about failure to determine what went wrong and what can be learned from the experience. Similar to sentinel event analysis, Failure Forums focus on a structured review of the event with a focus on improvement and prevention. By creating forums for sharing these experiences publicly, organizations acknowledge that failure is a natural extension of risk and a prerequisite for innovation, and motivate leaders to challenge the status quo.

The Path of Least Resistance

Incentives Reinforce Status Quo



A Psychological Safety Net

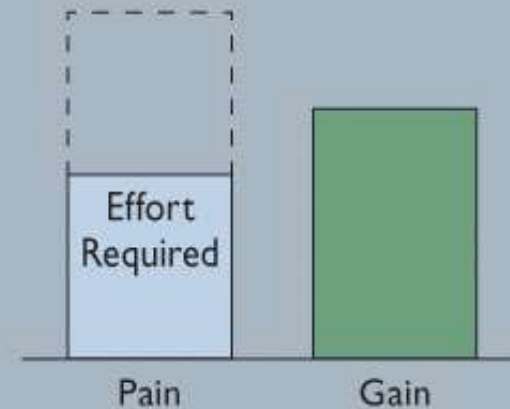
Tipping the Scale to Leadership

Implementing a Leader-Driven Agenda

Typical Hospital



Innovative Hospital



By removing the risk associated with failure, organizations alter the pain/gain calculation, unlocking motivation

Making It Taboo

The Less It's Addressed, the More It's Suppressed

Observed Actions:

Omission



Leaders omit discussion of failure in staff communications

Denial



Missing targets explained by circumstances, no changes to operations

Avoidance



Supervisors avoid discussion of staff and own shortcomings

Concealment



Unsuccessful initiatives "shelved" without discussion

Mindset Reinforced

- Failure should be avoided
- Failure should not be analyzed
- Failure is not an option
- Failure should not be shared



Practice #12 Failure Forums

PRACTICE IN BRIEF

Hospitals must create environments in which risk taking and innovation is encouraged in order to reap the benefits of opportunities provided. Failure Forums are a means of openly talking about failure to determine what went wrong and what can be learned from the experience. Similar to sentinel event analysis, Failure Forums focus on a structured review of the event with a focus on improvement and prevention. By creating forums for sharing these experiences publicly, organizations acknowledge that failure is a natural extension of risk and a prerequisite for innovation, and motivate leaders to challenge the status quo.



Failure Forum Agenda

- Attendees:** VP, Patient Care Services
Manager, Laboratory
Director, NICU
CMO
Manager, Radiology
- 10:00-10:15:** Establish ground rules for forum
- 10:15-11:00:** Failure Presentations
- Provide overview
 - Share critical junctures
 - Transmit key lessons
 - Discussion
- 11:00-11:30:** Create an action and communication plan

Preparation



Prepare for the Failure Forum by analyzing the failure, identifying one's role, and surfacing key lessons



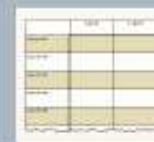
Forum



Share failures, including critical junctures and lessons learned; focus discussion on prevention and improvement



Action Steps



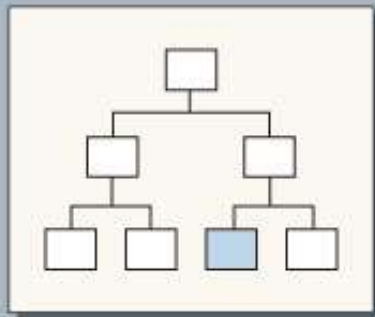
Create an action plan that incorporates next steps, behavior changes, and communication plans to share key insights

Not in Unfamiliar Territory

A Closer Look at Sentinel Events

Goal: To understand the causes that underlie an event, increase the general knowledge of the organization, and to improve patient care and decrease sentinel events in the future

Process



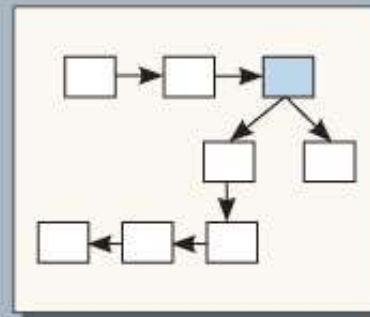
In-depth review based in facts and process

Focus



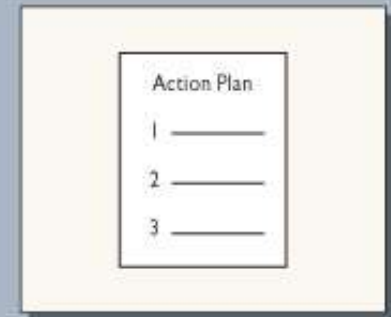
Focus on improvement, not punishment

Solution



Fix processes to incorporate learning

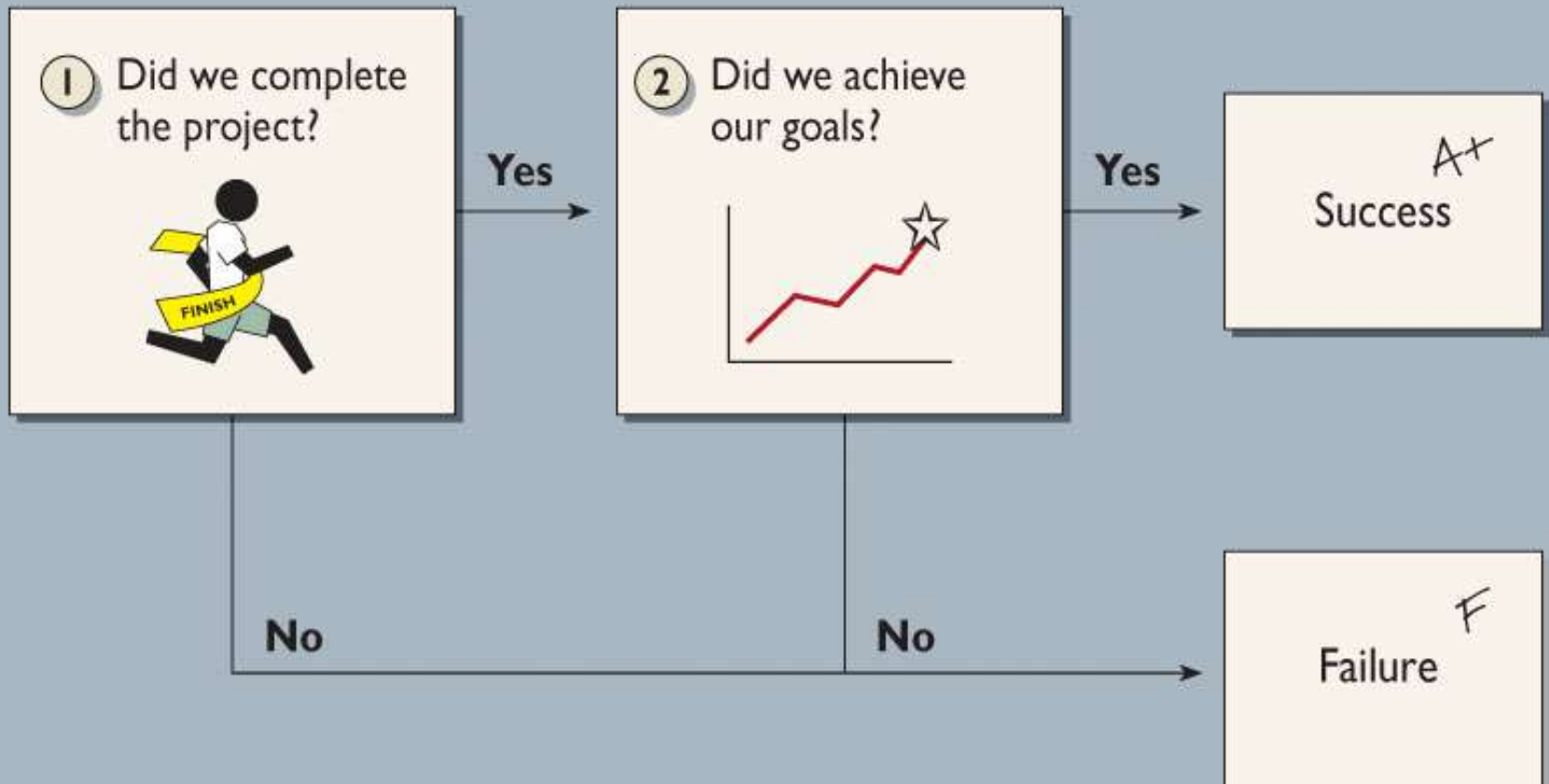
Prevention



Produce an action plan that outlines strategies to reduce the risk of similar events in the future

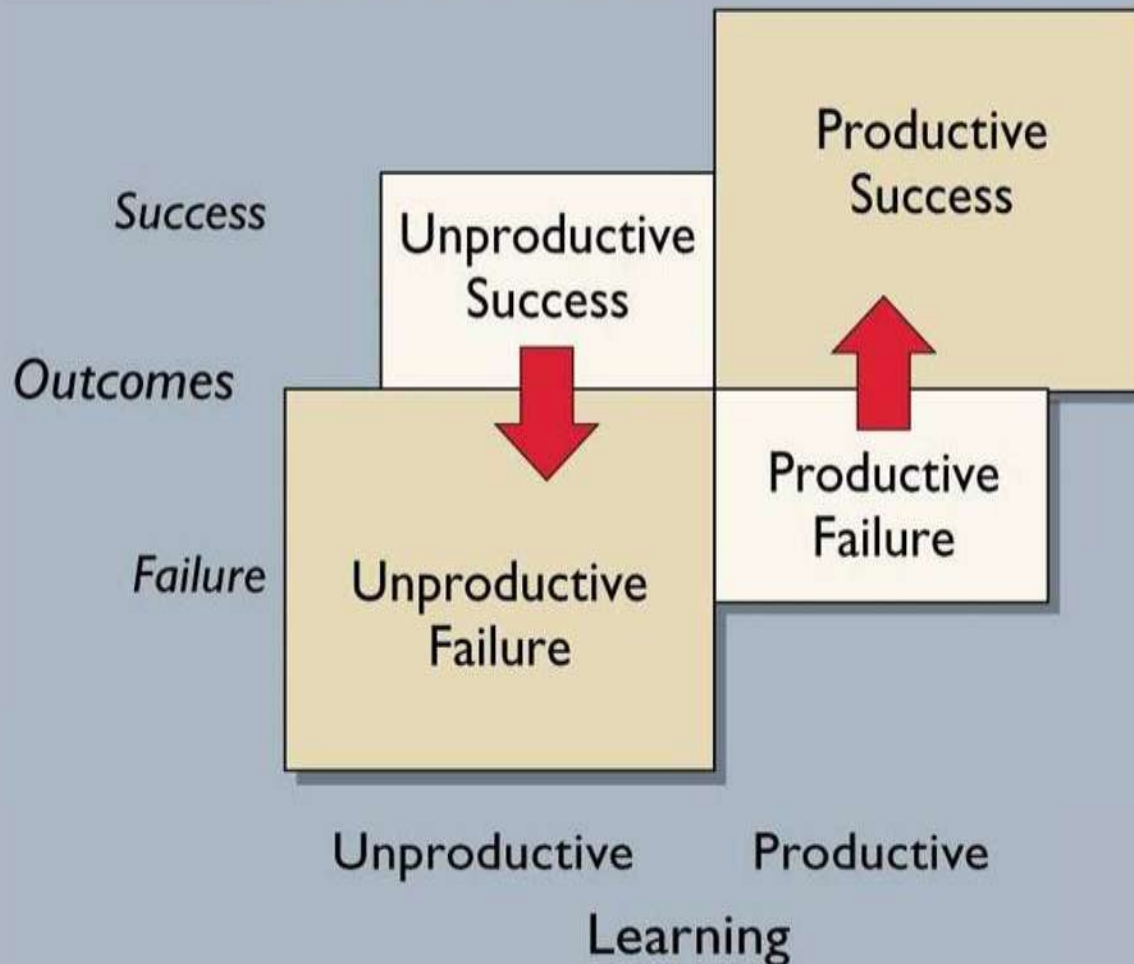
Through the Rearview Mirror

Jumping to Judgment



A Forward-Looking Approach

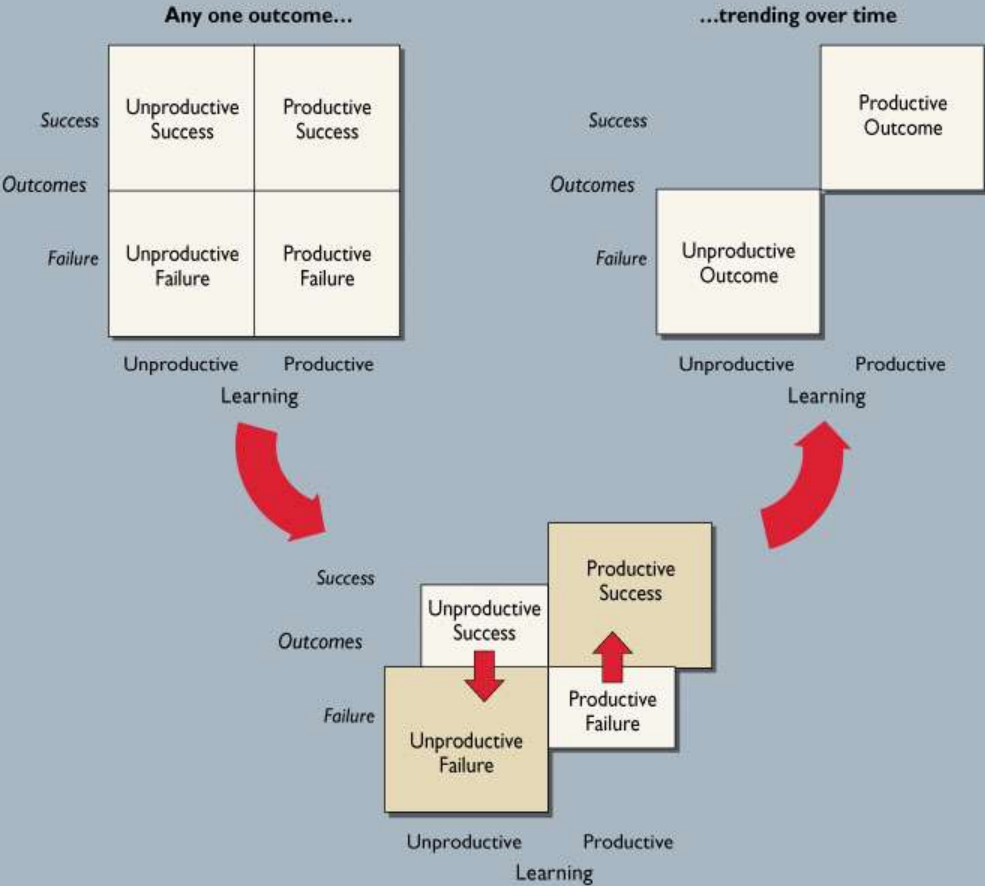
“Productive” Makes the Difference



Dissecting Success and Failure

A Forward-Looking Approach

“Productive” Makes the Difference



Three Failure Forum Structures

3M



Regular Meetings

Failure forums where managers discuss failed projects, share experiences and generate new ideas and insights

intuit.



Following Major Events

“Where Learning Hurts,” an in-depth analysis of a failed product or launch to derive insights

CORNING



Retrospective Analysis

Comprehensive review of the company's history documenting success and failures, understanding the drivers of both to set future direction

Tapping Employee Motivation

Leaders Driving Change

Best Practice Response #11

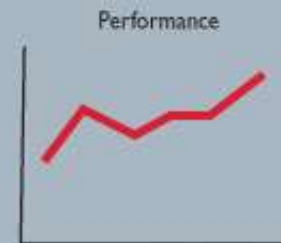
Leader-Driven Agendas



Instead of simply executing mandates from above, leaders design their own agendas, motivating them to succeed in driving changes they identify as important.

Best Practice Response #12

Failure Forums



Openly discussing failure reduces the danger of innovating and creates an environment where risk-taking develops; learning from failure ensures continual performance improvement; learning from failure ensures continual performance improvement.

Essential Elements Provide Foundation

Academies Model of Successful Leadership

The Leadership Helm

Motivation

The passion and will to take action and accept leadership opportunities

Character

The attributes required to balance priorities, engender commitment and temper extremes

Values

The unchanging ideals upon which actions are based and decisions are made

Knowledge

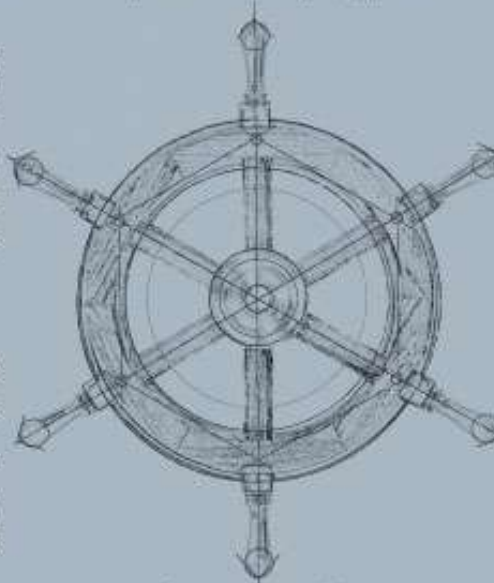
The information and insights that must be discovered, analyzed and understood in order to make decisions

Skills

The competencies that must be honed and deployed to improve organizational performance and execute strategies

Opportunity

The timing and position that can be exploited to elevate performance



ADVISORY BOARD ACADEMIES

Transformational Leadership



SAILING WITH THE WIND

Instilling a Culture of Breakthrough Leadership