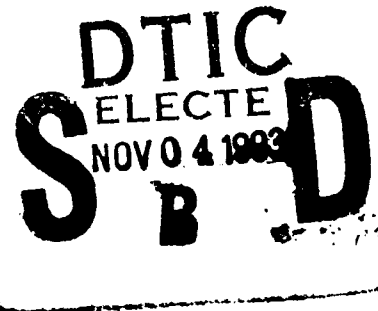


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NAVAL POSTGRADUATE SCHOOL
Monterey, California



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EFFECTIVE LEADERSHIP THROUGH
EMPOWERMENT: A CASE STUDY

by

Mary Beth Newton

June, 1993

Thesis Principal Advisor:
Thesis Associate Advisor:

Kenneth W. Thomas
Kenneth L. Orloff

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Effective Leadership Through Empowerment:
A Case Study

by

Mary Beth Newton
Lieutenant Commander, United States Navy
B.A., State University of New York at Stony Brook, 1979

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Author:



Mary Beth Newton

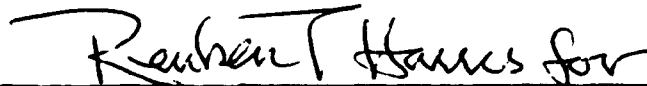
Approved by:



Kenneth W. Thomas, Principal Advisor



Kenneth L. Orloff, Associate Advisor



David R. Whipple, Chairman,
Department of Administrative Sciences

ABSTRACT

In recent years the topic of empowerment has gained much attention among managers. This thesis is a case study analysis of one Naval Hospital Commanding Officer, Captain William R. Rowley, who has a reputation in his community as an innovator and advocate for empowerment. It presents a model of Captain Rowley's leadership philosophy. This model was found to be consistent with empowering leadership strategies as demonstrated by the close fit with two theories of empowerment. Captain Rowley's leadership was found to result in the achievement of positive change and improvement at Naval Hospital Camp Pendleton and to be consistent with sound practices of management control. His leadership model was also found to be consistent with the basic tenets of TQL and has resulted in successful progress toward full implementation of TQL at the command.

Based on the successes described in this thesis, it is proposed that this model is useful for Navy Medicine as a viable leadership option.

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I. INTRODUCTION

A. BACKGROUND

In recent years the topic of empowerment has gained a great deal of attention among managers. Effective leaders wish to maximize the potential of their subordinates in order to improve organizational processes and increase overall efficiency and effectiveness. The role of empowerment toward this end is particularly important today in a Navy faced with massive reductions in both financial and personnel resources.

This thesis focuses on Navy medicine as its context. A study recently conducted by the Healthcare Forum Leadership Center entitled, "Bridging the Leadership Gap in Healthcare," found:

...healthcare delivery in the year 2001 will be significantly different from today. Organizations of tomorrow will require new kinds of leaders... transformational leaders, whose roles will be significantly different from today's counterparts (p. 2).

This same study points to the importance of empowerment as a leadership technique in healthcare:

Empowerment means self-direction, allowing people to participate in the decisions that effect them. With the accelerated rate of change and its increasing complexity, empowerment becomes less an option than an imperative (p. 10).

B. PURPOSE

This thesis is a case study analysis of one Naval Hospital Commanding Officer, CAPT William R. Rowley, who has a reputation within his community as an innovator and strong advocate for empowerment. The purpose is to learn about empowerment in this setting from this "expert." It presents a leadership model based on CAPT Rowley's beliefs and strategies. It includes findings on the impact of the Commanding Officer's leadership model on organizational improvements and positive change. It examines the impact of his leadership model on the command's management control systems, particularly as related to resource management and organizational cultural change. The command's implementation of Total Quality Leadership (TQL) is examined to determine the relationship between the Rowley leadership model and the successful implementation of TQL at the command. Any significant obstacles encountered by the Commanding Officer in attempting to implement his leadership model are examined. Lastly, the thesis analyzes the findings and identifies pertinent insights that may be utilized to benefit other Naval hospitals.

C. RESEARCH METHODOLOGY

Sources of information included written documentation and personal interviews. Written documentation included command correspondence, command newsletters, various informational handouts prepared by staff members for Executive Steering Council (ESC) meetings, and an unpublished article written by

a staff member. Interviews were conducted during two separate visits over a total of six days. I interviewed the Commanding Officer on four separate occasions, four department directors, including the Director for Nursing, Surgery, Administration, and Plans, Programs, and Analysis, the TQL coordinator, the Deputy Comptroller, the Material Management Officer, the Management Analysis Division Head, the Command Master Chief, the Command Career Counselor, the Patient Contact Representative and the editor of the command newsletter. Additionally, I interviewed four randomly selected officers ranging in paygrade from 0-2 to 0-4, and nine randomly selected enlisted personnel ranging in paygrade from E-3 to E-7. Interviews were tape recorded and transcribed at a later date. All personnel interviewed were assured confidentiality. I also observed two separate meetings of the ESC. All research data is as of February 1993.

D. RESEARCH QUESTIONS

The principal question addresses the effect of the Commanding Officer's leadership style and use of empowerment strategies on achievement of positive change and improvement in the organization. The first subsidiary question addresses the extent to which the Commanding Officer's leadership model has influenced the command's management control systems, particularly as related to resource management and organizational cultural change. The second subsidiary question examines the relationship between the Commanding Officer's

leadership model and successful implementation of Total Quality Leadership (TQL) at the command.

E. ORGANIZATION OF THE THESIS

Chapter II of this thesis discusses empowerment based on a literature review, focusing on the work of Peter Block (1987) and Thomas and Tymon (1993).

Chapter III describes the elements of Captain Rowley's leadership model and provides illustrative examples.

Chapter IV defines the basic tenets of Total Quality Leadership (TQL) and describes the command's progress toward its implementation. It also examines the consistency between CAPT Rowley's leadership model and Deming's basic leadership tenets.

Chapter V describes the effects of CAPT Rowley's leadership model on the command's management control systems, particularly as related to resource management and organizational cultural changes and the resultant positive outcomes.

Chapter VI attempts to demonstrate how the basic elements of CAPT Rowley's leadership model are consistent with empowerment strategies as defined by Block and by Thomas and Tymon.

Chapter VII contains the summary and conclusions.

II. LITERATURE REVIEW ON EMPOWERMENT

There is a growing academic literature on empowerment. Different authors emphasize different aspects of empowerment. I have chosen two authors whose views represent different aspects of empowerment. Block (1987) tends to focus on the role of the leader toward the goal of overcoming the "bureaucratic mindset" (p. 11) and "creating an entrepreneurial spirit" (p. 11). He describes actions employers and employees alike may take toward this end. Thomas and Tymon (1993), however, focus primarily on the "feelings" of empowerment required for employees to feel and act empowered. They identify the four psychological building blocks of empowerment which must be created for workers to feel and act empowered.

A. BLOCK

Block (1987) writes that we empower ourselves by "discovering a positive way of being political" (p. xiii). He goes on to say that:

Positive political skills demand that we find ways to rekindle the entrepreneurial spirit. Ways to treat all members of the organization as entrepreneurs so that employees feel that their units are their own businesses and that they, and they, alone, are in the process of creating an organization of their own choosing (p. xiv).

He feels that although the worker will always have someone in the organization with power over him it is important for him to realize that he does

have choices. How he chooses "drives him in either an entrepreneurial or a bureaucratic direction" (p. 11). The entrepreneurial mind-set may be likened to being "political in a positive way" whereas the bureaucratic mind-set may be likened to "negative politics" (p. 11). He describes the three fundamental choices as a choice between "Maintenance and Greatness," "Caution and Courage" and "Dependency and Autonomy" (p. 11).

Block describes the choice between "Maintenance and Greatness" as follows:

When we choose maintenance we are trying to hold on to what we have created or inherited. Our wish is to not lose ground. A bureaucratic culture constantly draws us toward a maintenance mentality (p. 11).

The choice for greatness is the commitment to operate and achieve in a unique way. It is a risky choice because we know that even if we choose greatness, we may never achieve it. Choosing a unique path in the midst of a large bureaucracy always feels like a dangerous path.... But that is what gives the choice for greatness meaning (p. 13).

Block describes the choice between "Caution and Courage" as follows:

Most of the external messages we receive seem to demand caution. They are the highly institutionalized efforts that give us the feeling that we are constantly being watched and evaluated (p. 14).

The alternative to caution is to choose courage. In our culture, moving forward and creating an organization we believe in always requires an act of courage.... To act courageously is to follow an unpopular path.... The choice for self-assertion and risk is the only antidote for caution and the choice to maintain what we have inherited (p. 15).

Block describes the choice between dependency and autonomy as follows:

It is comforting to be led. It feels safe and implies a promise that if we follow, our future will be assured. The choice for dependency is a step into the mainstream along a conventional path.... The price we pay for dependency is our own sense of helplessness.... If I want to feel a sense of ownership in this organization where I spend the best days of my life, I

must confront my own wish for dependency and move in the direction of autonomy (p. 16).

Empowerment, according to Block, is a response to the :

...growing realization that tighter controls, greater pressure, more clearly defined jobs, and tighter supervision, have, in the last fifty years run their course in their ability to give us the productivity gains we require to compete effectively in the world marketplace. Attention is shifting to the need for employees to take responsibility for the success of our businesses if we hope to survive and prosper (p. xiii).

Among the benefits to empowerment, are that managers can "create and leave behind an organization they personally believe in" (p. xv) and also create an "entrepreneurial spirit in which all members of the organization feel responsible for creating a workplace they personally believe in" (p. xv). Additionally, managers and employees alike can see themselves as "forces for change and improvement" (p. xvi).

B. THOMAS AND TYMON

Thomas and Tymon in their *Empowerment Profile* (1993) discuss the "nature of empowerment":

Empowerment is a combination of things that occurs in the context of the *tasks* people perform. It shows up in actions, feelings, and relations with others.

People *act* empowered when they exercise their own judgement and initiative on tasks they care about. They *feel* empowered when they get pride and satisfaction from what they are doing. And they *relate* to team members and leaders in an empowered manner when they express their opinions on matters that affect them.

In contrast, people are being *unempowered* when they exercise little judgement and initiative on a task, feel little pride or satisfaction in what

they are doing, and allow team members and leaders to dictate behavior for them.... (p. 8)

They have developed an empowerment profile which measures "feelings of empowerment." They write:

These feelings play a key causal role in empowerment, capturing an individual's perceptions of four task elements required for empowerment—choice, competence, meaningfulness and progress. It is these perceptions, and the emotions of pride and satisfaction which are attached to them, that in turn empower the individual's task actions and relationships (p. 9).

Their four task elements are defined as follows:

Choice is the sense that you can select the task activities that make the most sense to you and can perform them in the way that seems most appropriate. The feeling of choice is the feeling of being free to choose, having the time and space to decide how to do things—of being able to use your own best judgement and act out of your own understanding of the task (p. 9).

Competence is the sense that you are skillfully performing the task activities you have chosen. The experience of competence involves the sense that you are doing good, quality work on a task (p. 9).

Meaningfulness is the sense that the task purpose has value or worth. The feeling of meaningfulness is the feeling that you are on a path that is worthy of your time and energy—that you are on a valuable mission, that your purpose matters in the larger scheme of things (p. 9).

Progress involves the sense that movement is actually occurring along the path toward the task purpose. The feeling of progress involves the sense that the task is moving forward, that your activities are really accomplishing something (p. 9).

C. SUMMARY

This chapter has provided two views of empowerment. These views will be utilized later in the thesis as a basis of comparison between the basic elements of the Rowley leadership model and empowerment.

III. CAPTAIN ROWLEY'S LEADERSHIP MODEL

CAPT William R. Rowley, Medical Corps, USN, assumed command of the Naval Hospital Camp Pendleton in August 1991. All research for this thesis was conducted during January and February 1993.

After extensive interviews with CAPT Rowley regarding his leadership philosophy it became evident that there were recurring themes that could be distilled and described as the major elements of his philosophy on effective leadership. This chapter will describe the central themes of his leadership philosophy in order to establish a model. Illustrative examples will be provided. Some elements of the model are grouped together since they are closely linked. Unless otherwise identified, quotes are from personal interviews with CAPT Rowley.

A. THE ROWLEY LEADERSHIP MODEL

1. Take Risks, Be Innovative

I really believe that people have to take risks. My philosophy is that I've got nothing to lose by taking chances. Risk does not bother me one bit.

CAPT Rowley offered some examples to clarify this point of view. He explained:

What tends to happen is that an organization just smolders along, kind of like a living organism on automatic pilot. You can expect only so much out of a bureaucracy like Navy medicine and if you want to get more than that,

you've got to do something different. You can't just let it smolder along, you've got to get people to want to do something more. They're not going to do something more unless they're willing to take risks, and try to do different things, to see the world differently, to take chances, to try to improve things.

A perfect example of this attitude is the creation of the hospital's Birthing Center. According to CAPT Rowley many of the staff thought it would be a good idea in theory but would be "too hard" to make a reality. Where would the money come from? Who would do the work? How would they staff it? A package was put together by some interested staff members looking at plans and costs yet many were still reluctant to start. CAPT Rowley said, "Practically nothing is impossible." So he got together a few people who were interested and they painted a room and put in wallpaper and draperies. They got one room completely finished, had an open house with some of the base's volunteer organizations in attendance and "showed" people what could be done. After that it "caught fire" with the staff and volunteer organizations. Much of the work was through self-help by staff working during the week including Saturdays. Organizations like the Officer's Wives Club and the Petty Officer First Class Association, provided furnishings. Navy Seabees performed the construction. By September 12, 1992 the formal ribbon-cutting ceremony was held. The Birthing Center consists of five decorated rooms which allow women the "comfort and privacy of home without sacrificing the safety and resources of a traditional hospital setting" (Nem Singh, 1992, p. 2). Prior to the Birthing Center, women were "placed in rooms with tiled walls while in labor, then transferred to a

traditional operating room type delivery room" (Nem Singh, 1992, p. 2).

According to CAPT Rowley:

The rooms are decorated with a warm, homey atmosphere including draperies, bedspreads, color-coordinated walls with wooden moldings, pictures, and comfortable furniture.... The focus is on the joy of childbirth and not on the surgical procedure (Nem Singh, 1992, p. 2).

In my interviews with staff members nearly all commented on the success of the Birthing Center.

Another example which illustrates the combined effects of risk-taking and innovation is the creation of a Sports Medicine Clinic. As with the Birthing Center, some staff members thought it would be a good idea and with CAPT Rowley's approval were determined to make it happen. Again, despite the fact that some departments failed to believe such an undertaking was possible, they were "shown" it could happen. In April 1992, the Dependents Orthopedics and Sports Medicine Center was opened. It was created with new painting, carpeting, furniture and physical therapy equipment furnished by the CHAMPUS Reform Initiative. Prior to the clinic all orthopedics were CHAMPUSED out to civilian doctors or seen in the emergency room and referred to orthopedic surgeons.

CAPT Rowley said:

The clinic is an example of how the private sector and the government can work together. The clinic showed that we and the CHAMPUS Reform Initiative can work together to do something that could benefit everybody.

An important "sub-element" to the risk-taking and innovation philosophy is, as illustrated in the two examples, the importance of "showing"

that things can get accomplished. CAPT Rowley says, "We keep saying if you've got an idea, let's try it. One of the things that has really made a difference is that we show people."

2. Do The Right Thing, Eliminate The Fear Of Reprisal

CAPT Rowley stated he felt that one of the biggest obstacles to getting people to take risks was that they feared reprisal. He said:

If somebody gets hammered a couple of times, the reaching out, the innovation, the risk is gone. They don't want to face the wrath again.

He said that because of these negative past experiences, people tend to be risk averse. To deal with this possibility he says:

You've got to give people something very clear-cut and simple that they can use for understanding their role. I tell people that their decisions are very simple. All you've got to do is ask yourself what is the *right thing to do* and do it.

He writes in the October 1992 issue of the hospital newsletter:

A new employee tries to accommodate the special needs of patients a couple of times and gets shot down by clinic staff who don't want to listen or make exceptions. There are too many rigid policies for the convenience of our staff to the detriment of our patients. Department heads are responsible for the climate within their clinics and must lead in changing policies and attitudes (p. 8).

He provided two examples which illustrate his point.

A woman comes into the Family Practice Clinic wanting to get enrolled. She's told that it's almost impossible to get in because there's a long waiting list. She then says that she may be pregnant and would like to be enrolled during her pregnancy. She's told that they do want pregnant women to get

enrolled because the hospital has a Family Practice training program. She says she'd like to find out if she indeed is pregnant. She's told that since she is not currently a member of Family Practice they can't do the pregnancy test on her so she is told to go to the Acute Care clinic. She waits a while at that clinic and tells them she'd like to find out if she is pregnant. They tell her if she had an acute medical problem they could take care of that and then order the pregnancy test at the same time. Since, however, that's not the case, she is told to go to the Gyn clinic. She waits there a half hour and tells them she'd like a pregnancy test. She's told that they don't allow children in the Gyn clinic, and since she brought her 2 year old, they would not be able to take care of her. The woman, therefore, spent three hours at the hospital and walked away not knowing whether or not she was pregnant. According to CAPT Rowley this is ridiculous, and the exception should have been made and the test done, because that was the right thing to do. He says:

Now everybody did what they were supposed to do, that's what the policy said. Everybody was courteous but they failed to do what we're supposed to be doing for that patient.

He gives another example. A woman is pregnant and says she'd like to have her baby at the hospital. She explains that her employer is very strict and will only let her have Friday afternoons off for appointments. She is the wife of a junior enlisted member and explains that she can't afford to take any other time off and lose the pay. She's told that they don't see patients on Friday afternoons. Again, the right thing to do would be to see if the doctor could make an

exception in this case. CAPT Rowley further writes in the October 1992 newsletter article:

We need to get back to the basics of treating patients as individuals and their illnesses as unique concerns. We need to take time to listen and explain. We need to go out of our way to accommodate their special problems. And we need to be courteous and caring. In other words, we need to DO WHAT'S RIGHT FOR OUR PATIENTS (p. 8).

He says that these staff members may have taken the risk before at some other time or at some other place and got "hammered" as a result. By publicizing instances like the above two examples, he tries to get his message across that if an individual takes a risk and does what he feels is the right thing to do, he'll support their decision and there will be no reprisals. He offers further amplification of his "eliminate the fear of reprisal" philosophy:

I spend an awful lot of time trying to convince people who've never been taught you have to go out and think for yourselves, try new things, change things. If it works, great. If it doesn't work, we change it again. I've tried very hard to remove any of the threat.

He gives the example from shortly after he reported aboard, involving the receipt of unfavorable results on a Occupational Health Program inspection involving hazardous materials. He says:

We did not blame anybody. We did not really focus on the past. We just said, "Okay, we've identified the problem, let's start chugging away and fix things."

Similarly, when it was discovered, in preparation for an inspection by the Joint Commission of Hospitals, that there were some deficiencies in the Quality Assurance Program, he didn't look to lay blame. He explains:

We said, 'Let's go on from here and do the best we can. If we've got to blame someone, just blame me.'

He goes on to say:

People spend a lot of time looking for blame. Blame isn't very important to me.... One of the most empowering things is really to focus on the future. Where do we go from here?... Get people focused on the future and what we want to improve.

3. Control Over One's Future.

I guess empowerment is people feeling like they really have control over their lives. They can make changes and do things to make the world better.

You've got to get people to feel like they have some control over their destinies, things are worth doing, that it's neat to be here, that they're doing great things for patients. Once they have those feelings and start talking with each other and working together and find out that they can do things, find out that they can take chances, that almost nothing is sacred to the challenge.

Perhaps nothing epitomizes these elements of CAPT Rowley's leadership philosophy better than the incredible self-help efforts of the command. Beginning in December 1991, through all of 1992, the command started and completed 22 self-help projects. The list is so extensive and impressive, the command is a nominee for the 1992 Bronze Hammer award. In addition to the Birthing Center and Sports Medicine Clinic previously described, among the major projects are a complete rehabilitation of the Bachelor Enlisted Quarters (BEQ), the creation of a Staff Wellness Center, and the transformation of a warehouse and the creation of new office spaces for the Material Management division. The remaining projects largely consist of varying degrees of repair, renovation, and/or overall beautification of the Branch Medical clinics, Radiology

department, Physical Therapy clinic, EENT clinic, OB/GYN department, Education and Training department, Post Partum ward, Family Practice department, the Main Operating Room, Internal Medicine clinic, Management Information department, and Food Management department.

Most of this work was done by staff, throughout all levels of the chain of command, including the Commanding Officer and Department Directors, who volunteered their own time, including weekends. The extensive renovation of the BEQ, for example, was spearheaded by a Senior Chief Petty officer, who with most of the help coming from staff members, saved the Navy approximately \$400,000.

CAPT Rowley said that once the self-help got started, "It just snowballed." He goes on to say that:

Painting walls is only a part of empowerment, but it's a start. From this, people have learned that they really do have control over their own destinies, they can do things on their own. They can do things with a minimal amount of money. We're spending practically nothing to do all this stuff. In doing it, they're talking to each other, they're seeing the world differently, they're cooperating. You've got people in departments getting excited because they want to fix their department up like the guys next door.

Once again, the importance of "showing" people results is evident here.

Rowley said:

Things got rolling because people saw what could happen. Most commands don't want anybody to do anything. Somebody has to centrally choose the paint, and heaven forbid if you let somebody off on their own. But we took the risk and they did a great job.

When referring to the fact that a few people chose paint colors that he might not have selected himself, he went on to say, "I've never gone out and criticized anybody." Finally, he concludes, "If an HN who before may have felt like an outsider, now gets along better with other people, and provides better patient care, we've accomplished much more than getting walls painted."

4. Importance Of Teamwork/Having A Vision

These two elements of CAPT Rowley's leadership model are most clearly seen through his views on Total Quality Leadership (TQL) and its implementation at his command. Chapter IV is devoted to this topic. Therefore, in this section the structure of his views on these two elements will be only briefly introduced.

We've tried to establish TQL. We don't have anything outside of TQL anymore. Everything is done by consensus.

One of the things that has made a tremendous difference is having people together, the directors, with all these different disciplines, trying to manage the hospital as a whole, making decisions for the good of the hospital.

CAPT Rowley is a firm believer that if you allow diverse opinions to be discussed in a group, the group will ultimately arrive at better solutions than the individual would on his own. Along these same lines is the belief that the individual has a great deal of potential and the success of the organization is predicated on unleashing that potential. He says, "if you can get them to bring their innate abilities, ideas, and talents out, that's where the real power comes from."

He stresses the importance of a vision:

It really makes a difference if the guy at the top has a vision that we're going somewhere.... That vision of the future is so incredibly important.... If people trust you they will do almost anything, but if they don't think the organization is going anywhere they don't want to take the risk.

The importance of the idea of having and communicating a vision is seen by the emphasis CAPT Rowley placed on establishing a vision statement for the command. Last summer the CO, XO, Department Directors, and nine other "key players" went on a two day retreat at a civilian location to work on not only the establishment of a vision statement, but also the command's strategic goals and objectives. Although in this context the "vision" is formal and very broad, when CAPT Rowley talks of vision he is also referring to the essential idea of having a specific plan, whether it be in the area of civilian personnel administration, financial management, or anything else of importance to the command, in order to make progress toward the broader vision.

He adds, "My goal is to really give the people down at the bottom the feeling that they are the ones that are important; that they have a very clear mission and that they are allowed to do almost anything."

5. Autonomy, Cooperation And Innovation In Resource Management

These elements of CAPT Rowley's leadership models are most clearly seen through a discussion of the Resource Management Council and its incorporation into the Executive Steering Committee. Also, the effect of CAPT Rowley's leadership style on the command's management control systems,

particularly as related to resource management and organizational cultural changes clearly illustrates this element of this model. Chapter V is devoted to this discussion. Therefore in this section the structure of his views as they relate to resource management will be briefly introduced through the use of some illustrative quotes.

One way to empower people is to give them all the resources. I don't have any of the resources. The directors have their own budgets, they own their own allotment of civilian personnel....

It's very hard to get people to realize you've got to treat people like customers. It's not good enough just to make the right diagnosis. In military medicine we've never learned about the business before.... Well, that's changing. People are becoming much more conscious of value. If we don't produce value, they'll replace us.... Stress customers, run the business, be innovative.

We've been hired by the American people to provide medical care and the American people have the right to expect that we spend our money wisely and do a good job.... Right now we're just getting started introducing the business of medicine.... I'm trying to change a culture.

If I have an ESC trying to decide what to do by consensus, 99 percent of the time we're going to end up with better choices.

6. Importance Of Education, Communication, And Positive Feedback

When I refer to education in this context, I am not referring to formal, professional, practitioner-specific, education since this was not the subject of this study. I refer, instead, to all other education both formal and informal, that provides staff members an "awareness" of the Commanding Officer's philosophy and also an awareness of the type of things going on in the command as a whole

designed to improve the command, and their role toward that end. This type of education is more akin to communication.

Clearly the Commanding Officer holds some strong beliefs which constitute his leadership model. How does he communicate them throughout the chain of command? One vehicle is the monthly hospital newsletter, known as the *NHCP Newsletter*. In each issue, CAPT Rowley has a column which he uses to write about whatever he feels the command needs to know about how he feels on various issues. Columns have ranged from one entitled "Doing the Right Thing" in which he explains this central element of his philosophy. In another column of March 1992, entitled "Dreams," he writes about the impressive efforts underway during the creation of the Birthing Center. He ends the column with the following:

As you can see the staff is doing a lot of exciting things with a little money, a lot of creativity and volunteering their time. KEEP DREAMING!
(p. 2).

In another column entitled "Customers," he explains what he means by the importance of paying attention to customers in a health care delivery context.

CAPT Rowley also stresses the importance of personally "getting out and about." It's important for the Commanding Officer to see and be seen. There are opportunities to talk about what he sees as important at Captain's calls, staff meetings, quarters, or even informal visits on the wards. He cautions that the

leader has got to be sincere when communicating with his subordinates. He comments:

You can't fool anybody.... If it's not coming from the heart they can sense it immediately.

In a somewhat more formal context, since TQL has become such an integral part of the command, an aggressive program is in place to get people trained in TQL at all levels in the chain of command.

As further evidence of the existence of a "team" mentality, (element #4 of the Rowley leadership model), even in the area of education, the Director for Surgical Services developed an Administrative Manual for clinical department heads, with input from each of the administrative and support service managers, explaining purchasing, finance, civilian personnel, awards, evaluations, etc. Similarly, the Director of Surgical Services instituted quarterly clinical department head training covering a myriad of administrative and resource management matters.

The final element in this leadership model is positive feedback. Again, CAPT Rowley uses the newsletter as well as personal contact. He also has, in the past, distributed a written list throughout the command delineating the command's accomplishments during the past year. The feeling he strives to convey is that:

The only people who really count are the people down at the bottom doing the work.... I see the CO as the servant whose job is really to help the guys down in the trenches so they can get the job done.

CAPT Rowley firmly believes in the importance of positive feedback to instill confidence in subordinates. He says:

I always want people to feel they're going to do a good job. It makes a big difference. If they think I know they can do it, they'll believe themselves that they can do it, and they usually can.

The emphasis on positive feedback is evidenced by the command's extremely active awards board, which averages about 10-12 personal award recommendations per month. Each issue of the newsletter is filled not only with the names, but also with photos of staff personnel receiving various awards.

In order to ensure that positive patient comments are communicated both to the recipient and others, the Patient Contact manager, an E-7, may publish them in the newsletter, make an entry in the Plan of the Day, or read the comments at the appropriate divisional morning muster.

It should be noted that while this element of the model emphasizes the importance of positive feedback, it does not intend to imply that CAPT Rowley does not believe in giving any negative feedback. He indeed recognizes the importance of using negative feedback when necessary. His principle focus, however, is on positive feedback.

B. SUMMARY

This chapter has taken the basic elements of CAPT Rowley's leadership philosophy, and established a model, consisting of six key elements, that will herein be referred to in this thesis as the Rowley leadership model.

IV. TOTAL QUALITY LEADERSHIP

This chapter will address the fit between CAPT Rowley's leadership model and Total Quality Leadership (TQL). In 1989, the Department of the Navy (DON) began the transformation to TQL, the approach to be used to implement total quality efforts within the department. TQL, with leadership as its cornerstone, will help the Navy meet the challenge of becoming a "smaller, leaner, more efficient" organization (Garrett, 1992, p. 1).

This chapter documents the positive influence of CAPT Rowley, on TQL implementation at a Naval Hospital. The parallels between the Rowley leadership model and the TQL tenets as developed by Dr. W. Edwards Deming are discussed. Additionally, element #4 of the Rowley leadership model, "Importance of Teamwork/Having a Vision," are most clearly seen in the command's implementation of TQL.

A. DEFINITION

The Department of the Navy (DON) approach to quality improvement is called Total Quality Leadership or TQL. DON leaders examined various approaches and concluded from their studies that Deming's philosophy and methods best suited the unique requirements of the organization. Deming emphasizes leadership responsibility and offers a systems approach to managing work and leading people. In the view of the department, his approach is the most comprehensive—driven from the top, focused on the user, with decisions based on hard data. (Suarez, 1992, p. 22).

First, the Deming approach makes clear the relationship between quality and productivity. His emphasis on process improvement—on improving the quality of the product or service—is one that ultimately leads to reduced costs and higher productivity.

Second, the Deming approach provides a clear way to pursue continuous quality improvement, based on the customer's definition of quality and the use of statistical theory.

Third, the Deming philosophy emphasizes teamwork and cooperation.

Fourth, the Deming approach emphasizes that leaders have the prime responsibility for making changes to the system. He also places great value on all people and the knowledge they possess (Dockstader, 1992, p. 10).

Quality is not a quick fix to address management problems. It is not a program, but a transformation. As part of this effort, top managers must recognize the need for assessment, strategic planning, and the development of a long-term, integrated, organization-wide approach. Leadership is needed to establish policies defining the positions the organization will take in regard to quality. Leadership is also needed to cultivate a customer orientation and provide all employees with ongoing education and training (Suarez, 1992, p. 22).

B. TQL AND THE EXECUTIVE STEERING COUNCIL

The Department of the Navy's approach to quality focuses on continuous process improvement through people and the application of quantitative methods, and provides a structure to support that effort. This structure exists within the traditional chain of command and is cross-functional or process-oriented. At the top level is the Executive Steering Council (ESC). The ESC provides direction and the resources required to analyze and improve the unit's strategic processes and systems (Howard, 1992, p. 4).

TQL began at the Naval Hospital Camp Pendleton with the establishment of their Executive Steering Council or ESC. The ESC is made up of the Commanding Officer, the Executive Officer, the eight Directors, and the Command Master Chief. At the time of the establishment of the ESC that same

group of people was meeting three times a week as the Resource Management Council or RMC. The purpose of the RMC, which will be discussed in detail in the next chapter, was solely resource management issues, such as the budget, civilian personnel, etc. The reason the ESC was created was for the implementation of TQL. The RMC merged with the ESC so basically everything having to do with the management of the activity is now TQL-based. Teamwork is its foundation. As CAPT Rowley states:

We don't have anything outside of TQL anymore. Everything is done by consensus.

The ESC, therefore, meets every Monday, Wednesday, and Friday mornings. The Commanding Officer is the team leader. The command's full-time TQL coordinator, a Captain, Nurse Corps, is the facilitator. A formal agenda is made out for each meeting along with proposed time frames. Minutes are also taken on the agenda form. The ESC uses the TQL tools to conduct meetings. They brainstorm, they rank-order, they multi-vote, they reach consensus. There is an easel permanently in the meeting room and all members take turns being recorder, timekeeper and minute-taker on a monthly rotational basis.

Each member of the ESC that I interviewed felt that it was quite unique and an enormous success. One director summed up the prevailing opinions:

We make decisions on policy, budget formulation, prioritization, etc.... We basically sit as the Budget Committee, the Manpower Committee, the Security Committee.... All manner of things are presented and kicked around at that table.... What's unique about it and what's good about it is that you've got the directors who represent all the departments in the hospital and so it's all kicked around and discussed.... You've got the

viewpoints from the other side of the table. In a hospital where you've got Administrative and Nursing, Medical, Surgical, Ancillary Services, Occupational Health, Branch Clinics, you're dealing with different parts of the medical puzzle. You have your own unique problems and situations and people that you have to satisfy, customers. Each department has its own agenda, but at that table what happens is an opportunity to say your part about your department, give your view of the world, everybody else gets to hear it, they get to ask questions, challenge you, you get to challenge them; it's all allowed. Then when the actual multi-voting takes place for a decision, that's the time you take off your parochial hat, and now that you've heard everybody's input, decide what's best for the command.

Quite often, a director will actually vote "against" his own department, if he feels it is in the best interest of the command. One director gave the example of a meeting in which civilian personnel position allocation was being decided on. There were five openings for twenty positions they were trying to fill. He said:

Looking back at the multi-voting, it's interesting to see who voted for what.... You would think that, say, for the Director of Nursing the #1 vote would be to fill the position in Nursing, but the voting didn't necessarily go that way. It's amazing to see the consensus.

Many commented that the ESC structure has led to much more efficient meetings. One of the reasons for this is that the department directors realize that this is their chance to present their case and hopefully win consensus on a particular issue important to them. One director commented:

It fosters a lot of coordination of efforts before you get to the table. You quickly find out if you need something and want it to happen, its best to do your staff work and line up your ducks.

Another member commented:

It's eliminated infighting and the tendency for directors to try and see the CO beforehand to get him on their side. Now all directors are discussing it at the ESC meetings. Doctors and nurses and MSCs are all working together. It's different and nice to see.

Another reason for the improved efficiency is the preparation of the agenda beforehand. One member commented:

The CO and the TQL Coordinator come into the meeting outstandingly prepared. They know precisely what they need to accomplish on the agenda. The meeting is open, but there also is a structure.

Perhaps the most frequently mentioned advantage to the way the ESC operates is that the free and open flow of communication gives members a "big picture" view of the command. This naturally leads to better decision-making. One director said:

All the information is given to everybody and there's no real secrets. That's something unique and we work well together.

C. STRATEGIC PLANNING

An organization has one or more goals; that is, it exists for the purpose of accomplishing something. Senior management of the organization decides on both the goals and the general nature of the activities that should be undertaken in order to achieve them; that is, the organization's strategies. Strategic planning is the process of deciding on the goals of the organization and on the broad strategies that are to be followed in attaining them [Bold added for emphasis] (Anthony/Young, 1988, p. 4).

In August 1992 the Executive Steering Council along with nine other key players in the command, among them the head of Civilian Personnel, of Financial Management, Facilities Management, went on a two day retreat at a civilian location to conduct strategic planning. The purpose was to determine the command's mission, the command's beliefs as an organization, and to decide where the command would like to be in five years. After the retreat, the department heads were given an opportunity to review and comment on the

outcome. After this feedback was obtained, the ESC did some fine tuning and produced a mission statement, a vision statement, guiding principles and strategic goals. The mission statement gives all command personnel the same purpose and focus for the command (Appendix A). The vision statement is where the command would like to be in five years also included in Appendix A. The guiding principles describe the command's values and beliefs (Appendix B). The strategic goals break down the vision statement into specific areas (Appendix C).

These strategic planning initiatives emphasize the importance CAPT Rowley has placed on establishing a vision for the command. He states:

It really makes a difference if the guy at the top has a vision that we're going somewhere.... That vision of the future is so incredibly important.... If people trust you they will do almost anything, but if they don't think the organization is going anywhere, they don't want to take the risk.

D. QUALITY MANAGEMENT BOARDS

The ESC creates Quality Management Boards (QMBs) made up of mid-level managers who "own" the major processes undergoing long-term (strategic) improvement (Howard, 1992, p. 4).

There is currently a plan to have a total of four Quality Management Boards or QMBs established at the command. The ESC decided that the role of the QMBs would include not only the traditional role of managing Process Action Teams or PATs, but also more functional responsibilities such as staffing various problems, gathering data, and commissioning any PAT teams deemed necessary. The QMB reports and is accountable to the ESC. Any proposals for PATs do not require ESC approval. Any proposals for major policy changes or new programs would

require ESC approval. There are two directors on each QMB. Each QMB also has a trained facilitator assigned.

The first QMB commissioned by the ESC was the Healthcare Planning and Delivery QMB. Their mission, in addition to the charter and management of all PAT teams within its area of expertise, includes the monitoring of strategic goals #3, #6 and #7, (See Appendix C), as well as managing the ADHOC task group that was established to look at marketing with regard to customers' needs and expectations. Patient Advocacy also falls within the scope of this QMB. The team leader is the Director for Nursing. There are nine total members including the head of Plans, Programs, and Analysis department, the head of Patient Administration, a physician department head, the Utilization Manager, and the Associate Director for Nursing. The idea is to have both customer representation and clinical representation, to ensure informed decision-making.

Other QMBs are due to be established soon. Among them are a Resource QMB, an Operations Support QMB, and a Quality Assessment and Staff Development QMB.

E. PROCESS ACTION TEAMS

QMBs, in turn, establish Process Action Teams (PATs) to gather and analyze data as needed. The PATs are made up of technical experts in the process (Howard, 1992, p. 4).

Although in establishment only a few months, there have already been significant improvements for the PAT teams at the hospital. For example, the

Patient Discharge PAT significantly improved the efficiency of the patient discharge process by reducing the average check-out time from 69 minutes to 17 minutes. Additionally, the Menu Planning and Routing PAT developed solutions to improve the process by which patients receive a menu to complete and then receive the selected items. Other processes being looked at include improving the medical record delinquency rate, the flow of out-patient lab charts, and the military staff check-in/out process.

F. TQL AND THE "TROOPS"

According to CAPT Rowley, TQL is very well established at the upper levels of the chain of command and active efforts are underway to get TQL awareness and involvement as well-established throughout the entire command. One vehicle for awareness is the command newsletter. Each month the TQL Coordinator has a column in which she writes about TQL and provides updates. She also speaks for two and a half hours at the staff orientation program. There are also Quality Improvement Process Proposal forms available throughout the command by which anyone military or civilian, can make a suggestion regarding a process they feel needs improvement. These go directly to the TQL Coordinator who responds personally to each suggestion. A tracking report has been developed to monitor actions on the proposals. An active effort is underway to get all staff trained on TQL.

During the staff interviews nearly everyone, both officer and enlisted was familiar with TQL and had very positive things to say about it. One E-7 commented:

Historically, the attitude's been that 'We've always done it that way so why change?' That's what's nice about TQL. Do it different.

One O-3 said:

A PAT team really enhances communication between the different services, brings them together and helps prevent the "us against them" stuff. It helps the people from different departments see the jobs of the other departments and how it effects them and how we all tie in together. It's not just your problem or my problem, it's all of our problem. It's really enhanced communication between the departments.

One O-2 said:

You're mainly focusing on the process and not so much on one individual or department and you realize that in the process there are so many players involved and we go along every day thinking this is the best way to do it. But with TQL you know there's always room for improvement, and that it's continuous improvement and the only way to improve is to look at the process and get together the experts and focus on making it better.

G. THE COMMANDING OFFICER AND TQL

Although Deming acknowledges that top management commitment is imperative, he does not describe a program for accomplishing it. What works in one organization may not work in another. He affirms the need for management's commitment, but it is the responsibility of top management to show its commitment through leadership. Deming is specific, however, about the leader's roles and responsibilities. As described by Deming, the aim of leadership is not to point fingers at individuals or to keep records of failures. To him, the leader's new job is to create a culture that values helping others to do a better job and feel pride in workmanship (Suarez, 1992, p. 20).

The major elements of CAPT Rowley's leadership model are consistent with the basic tenets of TQL. Deming, for example, talks about "creating a culture".

CAPT Rowley feels that:

TQL is three things. It's a philosophy, a process and a culture.... I think we've done a good job here changing the culture.

He feels that changing the culture is more important than getting everyone to participate in the process. Changing the culture is also an important precursor to getting people to accept the TQL process. He points to the high morale at the command which was quite evident and cites that as an illustration of the changing culture. The fact that people are able to do things at the command, whether its seen through the massive self-help efforts or simply the fact that people know they have the power to make decisions at their level in their everyday jobs, is important to changing a mindset. He agrees with Deming also that the person at the top of the organization must believe in TQL and be committed to its success. He cites the fact that TQL has gotten a bad reputation in many areas in the business world. Some companies spend thousands of dollars training employees on TQL and then months later wonder why there are no improvements. Rowley said:

The consultants can teach people but senior management didn't believe in it. Nobody empowered the people. Employees feel it's just another management game.

Deming also cautions leaders "not to point fingers at individuals or keep records of failures" (Suarez, 1992, p.20). As noted earlier, removing the fear of reprisal is very important to CAPT Rowley. He says:

People spend a lot of time looking for blame. Blame isn't very important to me.

Deming's importance on creating a culture that "values helping others to do a better job" (Suarez, 1992, p. 20) is also perfectly consistent with Rowley's leadership model. Rowley sees the CO as "the servant who's job is really to help the guys down in the trenches so they can get the job done." He feels it is important for him to always act as if he believes the individual can accomplish a task in order to help the individual believe in his own abilities. The value of helping others to do a better job is also evident in the operation of the ESC whereby each member feels empowered to vote for the good of the command. The importance CAPT Rowley places on the feeling of Deming's "pride in workmanship" is evidenced by the fact that he doesn't often criticize. Even for example, when, in one case, the self-help paint color choice was not the best, refraining from criticism was important to him.

The Deming philosophy "emphasizes teamwork and cooperation" (Dockstader, 1992, p. 10). This also is consistent with CAPT Rowley's belief that better decisions are the result of a group effort. Nowhere is this better illustrated than by the ESC. Rowley says:

If I have an ESC trying to decide what to do by consensus, 99 percent of the time we're going to end up with better choices.

The Deming approach "places great value on all people and the knowledge they possess" (Dockstader, 1992 p. 10). This is central to CAPT Rowley's beliefs.

He says:

I really believe that there's so much potential in people. The whole fallacy of the past is that we've never tried to unlock that. Bureaucratic forces tend to make people feel they are nobodies and that there's really nothing of value they can contribute to the organization. I believe the success of an organization is unlocking and bringing that [potential] out. Everybody's got something that they can give. If you can get them to bring their own innate abilities, ideas, and talent out, that's where the real power comes from.

Suarez (1992) writes that:

Quality is not a quick fix to address management problems. It is not a program but a transformation. As part of this effort, top managers must recognize the need for assessment, strategic planning, and the development of a long-term, integrated, organization-wide approach. Leadership is needed to establish policies defining the positions the organization will take in regard to quality. (Suarez, 1992, p. 22).

This element of Rowley's philosophy is seen by the impressive success at the command toward developing a strategic plan. These efforts were a direct result of CAPT Rowley's belief in the importance of a vision and a plan for the future.

He says:

If people trust you they will do almost anything, but they've got to see you have some vision for the future. That vision for the future is so incredibly important. If they don't think the organization is going anywhere they don't want to take the risk.

Finally, "leadership is also needed to cultivate a customer orientation...." (Suarez, 1992, p. 22). This idea is also central to CAPT Rowley's beliefs concerning quality of healthcare. He says:

It's very hard to get people to realize you've got to treat people like customers. It's not good enough just to make the right diagnosis.

H. SUMMARY

Total Quality Leadership has been chosen by the Department of the Navy as the process that will enable the Navy to meet its leadership challenges now and in the future. This chapter has shown how the Rowley leadership model is consistent with the basic tenets of TQL. The success of TQL at this command may be attributed to this consistency. Moreover, it is proposed that elements of the leadership style described by the Rowley model, are essential to the successful implementation of TQL.

V. MANAGEMENT CONTROL SYSTEMS

A study of the Rowley leadership model would not be complete without an examination of its effects on the command's management control systems. Management control forms the foundation of every organization. It determines how well the organization conducts its "business" or performs its mission. This chapter examines many of the facets of management control systems, particularly the facets upon which CAPT Rowley has had the most positive influence. These areas include resource management and organizational cultural changes. It should be noted that in researching CAPT Rowley's influence on the command's management control systems, no significant negative impact presented itself. Outcomes were overwhelmingly positive.

A. RESOURCE MANAGEMENT

In management control the goals and strategies decided upon in the strategic planning process are accepted as givens; management control has to do with the implementation of the strategies and the attainment of the goals. As such, the management control function attempts to assure that the organization implements its **strategies effectively and efficiently**.

In part, the management control function is to decide on the **optimum allocation of resources** and to this extent is governed by the principles of *economics* [Bold added for emphasis] (Anthony/Young, 1988, p. 5).

Effectiveness is the "degree to which the organization's objectives are accomplished." (Arens/Loebbecke, 1991, p. 838).

Efficiency is the "degree to which costs are reduced without losing effectiveness." (Arens/Loebbecke, 1991, p. 838).

The Resource Management Council at Naval Hospital Camp Pendleton was established to provide for "continuous improvement of all aspects of command resource management" (Smith, 1993, p. 2). This is in direct support of Strategic Goal Two which is "Our business practices emphasize quality, efficiency, and data-based resource allocation." Among the strategies to achieve that goal are "Assess, allocate, and manage resources based on command goals" and "Identify and promote programs and procedures which optimize efficiency and eliminate those that do not." [See Appendix C]

Members of the RMC include the CO, XO, directors, and Command Master Chief. Adhoc members include the Comptroller, Head of Civilian Personnel, Facilities Management, Human Resource Management, Material Management, Management Information, Operations Management, Plans, Programs and Analysis, and the Safety Officer. The major resource areas are as follows:

1. Space Allocation
2. Equipment
3. Budgeting
4. Health Services
5. Safety Policy
6. Manpower (billets)
7. Personnel (distribution of people)
8. Facilities
9. Materiel
10. Planning
11. Education and Training
12. Physical Security

13. Information Systems
14. Energy Conservation (Boland, 1991, p. 9).

LCDR M.H. Smith, MSC, USNR (RET) authored an article entitled "Pursuing "Elegance" in Naval Hospital Resource Management - From Concept to Reality" which addresses the innovation and resulting improvements of the Resource Management Council at Naval Hospital Camp Pendleton. He writes that the RMC is "critical to several resource management improvements long needed in Navy medicine" (p. 3). He goes on to describe these areas:

PPBS. If properly implemented, the PPBS intimately relates and balances the planning, programming, and budgeting phases of resource management. The resources obtained and executed are meant to result from a rational planning and programming process. Navy field medical activities have not traditionally engaged in formal planning and programming activity, not being organized or staffed to do so. Hence, resource availability at the field level often has little to do with planned requirements. The RMC is a tool to improve this!

Program Management. Informed program management requires maximum resource management responsibility, authority, and accountability in the hands of line managers. Navy medical comptrollers have often overseen centralized "program management" systems which significantly under-emphasize participation of the program manager. The result is resource management decisions being made without intimate knowledge of the programs affected, again leading to a serious mismatch between true program requirements and resources made available. The RMC is a tool to improve this!

Cost-Effectiveness. Cost-effectiveness requires a truly competitive "marketplace" and profit-motivated business practices. As in healthcare nationwide, compounded by the realities of a non-profit government-owned business environment, this has been next to impossible to achieve in Navy Medicine. Budgets have been based on past expenditure experience rather than workload and productivity measures. With no real incentives for cost-control, there are ever-increasing resource "requirements," ultimately

constrained by centralized control and false dollar ceilings in the absence of true "market" forces. The net result is an over-managed, under-resourced medical establishment and underserved customer population. The RMC is a tool to improve this!

Comptrollership. Comptrollership is a staff rather than line function. Comptrollers need to be designers, facilitators, educators and supporters in a program where indeed line management manage the resources. However, they have traditionally seen themselves as the "resource managers". The result has been line managers who do not understand or practice sound resource management, and comptrollers who actively compete with them for line power and authority. The two have been adversaries in a complex arena that requires cooperation and mutual support for effective outcomes. The RMC is a tool to improve this! (Smith, 1993, p. 3).

Developing strategic goals, identifying areas that need to be improved and creating vehicles to achieve these improvements are just one part of the process. First, changing the culture is essential. Note that since the RMC merged with the ESC it will be referred to hereafter as the ESC.

B. CHANGING THE CULTURE

In part, also, management control influences the behavior of people in organizations, and to this extent is governed by the principles of *social psychology*. (Anthony/Young, 1988, p. 5).

Management control is a process. The way in which the process is carried out in a given organization is influenced by the external and internal environments of the organization. Management control is influenced by the organization's *external environment*, since it must be concerned with matters such as the actions of customers or clients, the constraints imposed by funds providers, and legislative bodies, the customs and norms of the society in which the organization exists, and others. Management control also affects and is affected by the organization's *internal environment*: its organization structure, its programs, its information systems, the behavior of its participants, and its cultural norms (Anthony/Young, 1988, p. 5).

Management control involves interactions among human beings. The behavior of people in organizations is therefore an important environmental factor (p. 330).

Perhaps the aspect of culture that has the most important impact on management control is the **attitude of a manager's superior toward control**. [Bold added for emphasis] (p. 335).

CAPT Rowley believes that it is becoming increasingly important that Navy medicine be thought of as a business. He says:

In military medicine we've never learned about the business before.... Well, that's changing. People are becoming much more conscious of value. If we don't produce value, they'll replace us.... Stress customers, run the business, be innovative. Try to catch up with the rest of the world.

He feels that in order to get people to change their way of looking at things, the culture has to change. As Block (1987) describes:

Lasting improvement does not take place by pronouncements or official programs. Change takes place slowly inside each of us and by the choices we think through.... Culture is changed not so much by carefully planned, dramatic, and visible events as by focusing on our own actions in the small, barely noticed, day-to-day activities of our work. In a way the only culture that exists for us is in the room in which we are standing at the moment. It is the transformation of the culture of the room we are in that holds the possibility of transforming the culture of the rest of the organization. It is change from the inside out (pp. 189-90).

CAPT Rowley has taken some very innovative steps toward changing the culture. They are as follows:

1. **Awareness Of "The Numbers"**

The research indicated that two of the most commonly accepted reports used to measure and compare productivity among Naval hospitals are the Standard Element Activity Reporting System (SEARS) Report and the Medical

Expense and Performance (MEPR) Report. The SEARS report measures such things as the number of Operating Beds, Average Daily Patient Load, Average Length of Stay, number of Admissions, Occupied Bed Days, Outpatient Visits, Inpatient Visits, and NonAvailability Statements. MEPRs measures cost ratios such as Cost Per Outpatient Visit, Cost Per Occupied Bed Day, Cost Per Weighted Work Unit for the laboratory or the pharmacy, for example. Historically, practitioners have had a low opinion of this data, according to the research. They have doubted both its validity and its reliability. There has been doubt as to how well the numbers reflect reality and there has been the resultant fear as to what use the numbers may be put. CAPT Rowley feels that in the past there really has been no incentive in the system to save money. He's trying to build in that incentive among his staff, first through awareness. He says, "We've been hired by the American people to provide medical care and the American people have the right to expect that we spend our money wisely and do a good job." One way he's increasing awareness is through making the SEARs and MEPRs data available to the staff in a clear, understandable form. While I was visiting the command, he had an ESC meeting in which he presented the latest figures through very clear pie charts and bar graphs. He had the ESC go through an exercise in which they took the role of an outside organization in the business of making money, looking in and interpreting the data. He is trying to get people to regularly look at this data and decide where changes and improvements need

to be made. For example, one area in which he has concern is that cost per inpatient is going up while the number of inpatients is going down. He said:

I'm using the numbers to say, 'It looks like we're investing too much money on the inpatient side and not getting a return for it'.... I'm trying to get them interested. 'Look, we have only so many resources, we've got to make a shift now'. We're spending more and more money on fewer and fewer inpatients. We've got to change our paradigm and start winding down our inpatient assets and start putting them in the outpatient department so we can take care of more patients.... I'm not going to pound on them and say 'You saw ten fewer patients last month than this month.' I'd much rather show them.

Another major advantage to this increased awareness of the numbers is that the data is only as good as the input of the various departments into the system. This close look at the data provides an incentive for more conscientious data reporting where one did not exist previously.

Another area in which CAPT Rowley is increasing awareness is through introducing and encouraging familiarity with the Diagnosis Related Group (DRG) system. DRGs were developed for use in the civilian sector as a means to control healthcare costs (Newhouse, 1992, p. 14). Essentially, various diagnoses are assigned a weight based on their complexity. The current DRG reimbursement rate in dollars is multiplied by the assigned weight to determine the reimbursement amount. At the same meeting in which CAPT Rowley presented the SEARS and MEPRS data, he distributed a list of the most frequent DRGs for the hospital for the last quarter along with their assigned weights and the number of cases. The intent was to get the staff to look at what the most frequent procedures were, and what the reimbursement rates would be if DRGs

were used in the Navy. Most of the procedures done at the hospital have a low DRG weight. This type of awareness is also helpful when deciding on which services to market. Through awareness of these numbers the CO is presenting some questions for thought. What business should we be in? Inpatient or outpatient? What kind of care? High DRG weights or low DRG weights?

Another positive outcome CAPT Rowley hopes will be achieved by awareness of the "numbers" is that people will look at these figures and begin to question why they've been doing things a certain way for quite a while when another way would make a great deal more sense and save money. For instance, he would like to change the way ambulatory surgery is done. Currently these patients are admitted to the hospital, whereas in the civilian sector it is done on an outpatient basis. He would like to cut out the bureaucracy of the Admissions paperwork. The reason it's done this way is that the hospital gets credits for admissions which is theoretically a basis for funding. An admission has a higher credit weight than an outpatient. CAPT Rowley is willing to change the way they handle ambulatory procedures at the hospital, despite the point system because he feels it's the right thing to do. Similarly, CAPT Rowley has specifically empowered his Plans, Programs and Analysis Officer, who is basically responsible for the collection and analysis of the "numbers" to constantly look for better and more cost efficient ways of doing things. He is willing to take such actions as entering into service agreements with civilian providers or requesting appropriate waivers toward this end.

2. Customer Orientation

CAPT Rowley recognizes the importance of concern for the customer in creating an effective and efficient organization. He is trying to develop a customer-oriented mindset among his staff. He states:

It's very hard to get people to realize you've got to treat people like customers. It's not good enough just to make the right diagnosis.

He stresses the importance of internal customers as well as external customers. He writes in the January 1992 hospital newsletter:

The operating room is a customer of the supply department and must get supplies to do surgery. The pediatric ward is a customer of the pharmacy which supplies medicines for patient care. Too often so-called support or supplier departments focus on their own needs rather than upon satisfying the expectations of their internal customers. Internal relationships based on harmony and cooperation are important for an organization to successfully compete today (p. 2).

He outlines the importance of attention to the needs of both external and internal customers:

- 1. A quality doctor-patient relationship is an essential part of the healing process.**
- 2. Our patients are sophisticated and demand to be treated professionally and with respect.**
- 3. We can provide more care with existing resources by continually improving quality.**
- 4. Congress is looking for economical medical care for military beneficiaries and has occasionally chosen a private sector alternative-our future is not guaranteed unless we can compete.**
- 5. Striving to continuously improve quality is the right thing to do (p. 2).**

3. Increased Autonomy And Cooperation In Resource Management

One way to empower people is to give them all the resources. I don't have any resources. The directors have their own budgets, they own their own allotment of civilian personnel....

Historically someone micromanaged it; you had no control over your money whatsoever.... We say, 'Here's your money, we'll let you manage it. Spend it wisely and get as much as you can from it'.

The only people that have a prayer about how to spend their money are the people out there doing it. How could I decide how my pharmacy ought to spend their money? And yet that's what's always been done in the past. They stand the greatest chance of spending it wisely. I've empowered people so I've turned my entire budget over to them.

This increased autonomy in resource management is possible primarily because it is within the context of the TQL structure. All resources are passed to the directors, to the ESC. Any financial or manpower reserve that may exist resides with the Executive Officer. Financial resources are allocated to each directorate based on their input to the annual budget call. There is close interaction between the Comptroller and the directors, but the Comptroller does not make the decisions. In the words of the Deputy Comptroller, speaking from his prior experience as a military Comptroller:

In the past, the Comptroller made all the decisions and the people doing the work, the directors, the department heads, weren't being seen as customers. Now TQL has changed that.

One of CAPT Rowley's initiatives was to hold budget hearings. The CO chairs budget hearings during which the Comptroller meets with each director and his department heads. The budget input is reviewed department by

department in an open TQL-like forum. All questions and issues are openly discussed. In the past the budget call was often done in isolation. It got sent in as a "dream sheet" that did not necessarily reflect reality and therefore did not feed the allocation at the beginning of the year when the annual planning figures came out. That is no longer the case. When in the fall the Comptroller finds out from the BUMED Comptroller what the figure is for the year, they are able to go back and use the budget call to guide the allocations. A recommendation is then composed and presented to the ESC. The directors take it and run it by their department heads then come back to the ESC and decide. The directors then receive the resources and allocate it to their department heads. Resource management is accomplished by the people doing the work. Another way that TQL facilitates this innovation in resource management is by the fact that the ESC is constantly in session, with thrice weekly meetings. If resource needs change in the directorates, the director's first obligation is to attempt to solve the problem within his own directorate. If he is unable to do so, then he can go to the ESC and try to get assistance from the other directors. If that is not going to work, a clear issue exists and the command may have to go to BUMED for an unfunded requirement. The Deputy Comptroller comments:

Out of this body comes only legitimate issues. The whole focus is to solve the problem with what you've got. Only if you can't is it an issue and CAPT Rowley keeps us to that. Everyone has learned to do it that way. People are being totally responsible. It used to be competition. TQL gets rid of that. Now it's cooperation.... No one's losing in this. This wouldn't be happening without TQL being a part of it. People really do see if they help everyone else they win in the end. Legitimate needs will not be ignored. CAPT

Rowley really has empowered. He does not come to the table with the idea that he is going to tell everybody what to do. It's the consensus reached by this body that determines what's going to happen.

Anthony and Young (1988) write, "Clearly an organization will not achieve its objectives unless managers work together with some degree of harmony" (p. 333). CAPT Rowley firmly believes this and that the emphasis should be placed on *all* managers. He points to the mistake that has often been made in the past regarding attitudes toward the director of civilian personnel, the command lawyer, and the comptroller. Often they have not been regarded as assets and sometimes, even as "the enemy." He stresses the importance of treating these vital managers as an integral part of the team. The cooperative relationship, for example between the Civilian Personnel director and the other directors at this command, has led to tremendous autonomy and resulting efficiency and effectiveness regarding the management of civilian personnel positions. Basically, each directorate has its own allocation of civilian personnel positions and, with the cooperation of the civilian personnel director is free to "manage" them as he/she sees fit. For example, billets may be "swapped" around from one department to another. This increased autonomy on the part of the directors and department heads has lead to optimal management.

4. Goal Congruence

In a successful organization effectiveness and efficiency go hand in hand. One must not be achieved at the expense of the other. The establishment of goal congruence in an organization is one way to ensure they coexist.

Organization goals are actually the goals of senior management. Senior management wants the organization to attain these goals but subordinates have their own personal goals that they want to achieve. These personal goals are the satisfaction of their needs....(Anthony/Young, 1988, p. 331).

The difference between organizational goals and personal goals suggests a **central purpose of a management control system**. Wherever possible the system should be designed so that actions it induces its participants to take in accordance with their perceived self-interest are actions that are also in the best interests of the organization; that is, the management control system should encourage *goal congruence*. It should be structured so that the **goals of the organization, so far as feasible, are consistent with the goals of the individuals**. If this condition exists, a decision that a manager regards as sound from a personal viewpoint will also be a sound decision for the organization as a whole....

As a minimum, however, the organization should not encourage individuals to act *against* the best interests of the organization. For example, if the management control system signals that the emphasis should be only on reducing costs, and if the manager responds by reducing the amount or quality of service, then the manager has been motivated, but in the wrong direction. [Bold added for emphasis] (Anthony/Young, 1988, pp. 331-332).

As CAPT Rowley attempts to change a culture, a mindset, to get people to start thinking of Navy medicine in a business sense, to start thinking about costs, and productivity, he realizes he has to step carefully. He cannot risk sending the message that cost savings and productivity is to be achieved at the expense of providing quality healthcare to patients. He wants to show them that sound resource management is consistent with providing quality healthcare. He says:

People have to believe in something in their own terms. Caring for patients. They can all relate to that. They're willing to work for that. If I told them we're in the business of saving CHAMPUS dollars and being the most productive hospital, I don't know if they'd buy into any of that. If I tell them what the vision is once or twice, they'll buy into that. It's just that before they've never felt empowered to do anything about it.

Allowing people control over their resources, further supports the concept of goal congruence. He says:

We're just getting started introducing the business of medicine. At the command we say, 'You own your pot of money, your supply of people and everything you do to save more money here means you can do more for your patients over there.' Because doctors want to do things for their patients, if they have control over controlling costs, then they can do more things for their patients. They like that. That empowers them.

C. POSITIVE ACHIEVEMENTS

This chapter began with an introduction to the concept of the RMC and described the four areas it targeted for improvement. The myriad of cultural changes CAPT Rowley has influenced which has helped to bring about much positive change and improvement at the command were described. Among the most significant of these positive outcomes are the following, according to LCDR Smith:

PPBS. Development of a legitimate command planning function has experienced dramatic success to date. ...the Plans, Programs, and Analysis Department (PPA) was created by consolidating existing health-service contracting, management information and manpower functions. Successive Planning Officers have been developing cost-analysis capability to identify which clinical programs are more cost-effective within the military system than under CHAMPUS or Supplemental Care programs. Program development plans are formulated on this basis, with active involvement of line management from "profitable" programs. Resource sharing agreements are developed through the CHAMPUS Reform Initiative (CRI) to support hospital services while saving CHAMPUS dollars. We now have active or developing sharing agreements in dependent pediatrics, OB/GYN, cytology, same-day surgery, orthopedics, and mental health. Service agreements are being developed with civilian providers to lower supplemental care costs, with an initial focus on OB/GYN care at remote clinic sites. This planning process is integral to a developing coordinated care program throughout our catchment area....

On the other hand, CAPT Rowley and our TQL Coordinator.... have led the RMC through a comprehensive strategic planning process this year. A two-day, multi-discipline planning retreat was held to revisit the command's vision, mission, and guiding principle statements and develop firm command goals, strategies and objectives to support a six-year plan....

Program Management. One measure of success in program management is the degree to which real resource management responsibility, authority and accountability is transitioning from support departments to line management. This is proceeding well with planning, finance, health-service contracting, civilian personnel, equipment, and space management, with room to improve in each area. ...some other noteworthy accomplishments....

1. **Material Management:** One of the earliest successes was with private sector contracting. Being significantly understaffed, productivity and morale in this function was at an all-time low and declining two years ago. With RMC support, the Materials Management Officer,.... and his procurement manager,.... employed TQL methods to identify and address the needs. With staff and the working environment enhanced to optimal levels, productivity and morale are now remarkably high. Success was proven by Operation Desert Shield/Desert Storm, where \$2,000,000 in emergent procurements were swiftly accomplished in support of the command's war preparations, and just as effectively reversed when high levels of casualty support proved unnecessary....

2. **Management-to-Payroll:** This remains one of the most impressive RMC process improvements to date. Sound management control of civilian personnel expenses is one of Mr. Cuddy's [BUMED Comptroller] highest priorities within BUMED's resource management program. The Civilian Personnel Officer.... and an assistant.... developed an extremely effective control process in connection with me and my staff. Supported with a well-managed data base and user-friendly management reports, this permits the RMC the full grasp of position management it requires to rationally manage the size and composition of its civilian work force. The RMC has so effectively worked within the dollar and end-strength controls imposed by higher authority that it enjoys the fullest credibility and support within BUMED with respect to its civilian personnel requirements....

3. **Financial Management:** This was from the beginning the principle focus of the RMC, with related process development to set the pace for other resource management areas. Successes in this arena have been particularly impressive with respect to program management development. Assisted by two successive budget managers,.... I have now fully implemented a process

vesting the RMC and all program managers with full responsibility, authority, and accountability for command financial management. The Comptroller now focuses his attentions on design of the resource management system, and facilitating, educating, and supporting the Commanding Officer, RMC and program managers in their roles in it. The RMC, not the Comptroller, "owns" the money, with the Executive Officer controlling the reserves. My budget staff actively facilitate fiscal problem solving between and among the RMC and program managers. For the past two years the RMC has been actively managing all phases of the budget cycle....

Cost-Effectiveness. I already spoke to some of the achievements being realized in the CHAMPUS and Supplemental Care arenas. Other successes are developing because of the new financial management process. With all command funds distributed, the Directors and Program Managers now have to truly compete for available resources, as well as directly negotiate solutions to shortfalls. As the new program parallels TQL development, and cooperative rather than adversarial relationships grow, an atmosphere of conscious and purposeful cost control is fast developing. For example, the Director of Ancillary Services,...and the Pharmacy Officer,... have aggressively pursued pharmacy cost control with the Pharmacy and Therapeutics Committee. The Radiology Officer,... provided significant cost savings by closely managing supplemental case referrals in his department. The current Planning Officer,... has assisted him in arranging a CRI sharing agreement for MRI services that has led to still further savings. Physicians and resource managers alike are anxiously awaiting soon-to-come capacities for measuring workload and productivity in terms of complexity and intensity of care (DRG and CPT). This will finally provide common ground for firmly relating productivity to allocation of command resources, consistent with Mr. Cuddy's [BUMED Comptroller] insistence that workload must drive budgeting. As they multiply, these developments should define the ingredients of a true committed command cost-effectiveness program....

Comptrollership. The financial management successes described above translate to much-improved comptrollership at this command. Improvement will continue relative to successes in all other aspects of the resource management program. ...A recent BUMED directive.... redefined the role and organization of the Comptroller function at field medical activities. This transition is difficult and meeting continued political resistance throughout Navy Medicine because it elevates resource management to a higher priority ... organizational affairs than ever before. What we are implementing at Naval Hospital Camp Pendleton embodies the full intent of that directive.

The successes we are experiencing fully justify this change in the way we all must do business, this "paradigm shift".... (Smith, 1993, pp. 7-10).

D. SUMMARY

This chapter has described some of the many facets of an effective management control system. It has examined two of the areas in which CAPT Rowley's leadership model has had the most significant effect, that of resource management and cultural change. Significant positive outcomes have resulted.

VI. THE COMMANDING OFFICER AND EMPOWERMENT

Thus far this thesis has developed a leadership model based on CAPT Rowley's philosophy on effective leadership. As further amplification of this model, its effects on the implementation of TQL and the command's management control systems were discussed. This chapter will now demonstrate the fact that empowerment is at the center of CAPT Rowley's leadership model. The empowerment work of Thomas and Tymon and Peter Block will be used to illustrate this.

It is important to mention that I did not base my interpretation of CAPT Rowley's leadership model solely upon what he said. I interviewed several staff members at all levels of the chain of command, and found that there was overwhelming consistency between what CAPT Rowley believed in terms of leadership, and what people were actually experiencing. In this chapter I will use some of the comments I consider representative of the attitudes of the staff as a whole.

A. HOW WELL DOES THE THOMAS/TYMON MODEL FIT?

The four feelings of empowerment as described by Thomas and Tymon (1993) are Choice, Competence, Meaningfulness, and Progress.

1. Choice

Choice is the sense that you can select the task activities that make the most sense to you and can perform them in a way that seems most appropriate. The feeling of choice is the feeling of being free to choose, having the time and space to decide how to do things—of being able to use your own best judgement and act out of your own understanding of the task. (Thomas/Tymon, 1993, p. 9).

This factor is central to the Rowley model. Elements #1 and #2, of the model are perfect illustrations of "choice".

The individual is constantly encouraged to "do the right thing" not simply to blindly follow the regulations at all costs. The individual is encouraged to "take risks," be innovative and look for better ways of doing things.

Choice may be seen in the freedom the staff had when deciding how and what they were going to do to improve their spaces as part of the major self-help effort. This ties into element #3 of the model, Control Over One's Future. One 0-3, pointing to the fact that people were free to tint their paint whatever color they desired, said, "In most places you'd be told your only choice was gray." Choice may be seen in the extent to which people can choose to spend their money, and manage their civilian personnel. This is illustrated by element #5, Autonomy and Cooperation in Resource Management. It may be seen in the way the staff was free to find ways to make the idea of a birthing center a reality. In the words of one E-6:

The CO said we have only so much money. We all work here. If we want a birthing center we can do it ourselves. He really gives you the green light.

There is choice in the way the ESC decides on issues by consensus-building and attempts to make decisions in the best interest of the command. The strongest evidence of choice as a central element of the Rowley model is that nearly everyone I spoke to made comments like the following: An O-3 said:

I feel so much more freedom at this command. There was a great deal of micro-management at my last command, people who keep all the information and power to themselves and really stifle other people's ideas and creativity as to how to better the system. That's not true at all here.

An E-9 commented:

CAPT Rowley wants everyone to try new things and to "go with it". He really turns people loose to do things.

An essential accompaniment to this feeling of choice is the fact that the fear of reprisals, part of element #2, is eliminated. The fact that people are encouraged to make their own choices, and use their best judgement, and will not be "hammered" if the outcome is less than optimal serves to perpetuate this element.

2. Competence

Competence is the sense that you are skillfully performing the task activities you have chosen. The experience of competence involves the sense that you are doing good, quality work on a task. (Thomas/Tymon, 1993, p. 9).

The CO feels it is important that he always acts as if he believes people will be able to do a good job because this instills a belief in their own competence. He says:

There's just something very powerful about people and that's the strength of the organization. If you can get that tapped, everything else takes care of itself.

The majority of people interviewed felt they had received proper training in their job, had the necessary resources, and were performing well. Adding to this feeling of competence was the implementation of TQL. Those that had been involved in a Process Action Team felt that they could do their job better as a result because it gave them a greater understanding of the entire process, not simply their own role.

Contributing greatly to this feeling of competence is the importance of Education and Communication, discussed in Element #6 of the Rowley model. Many felt that these two elements are paramount to empowerment. In the words of one O-3:

A lot of leaders who aren't into empowering their people. They hold a lot of information so that they contain the power, so that they're the only ones who are educated enough to make the decisions.... We can make better decisions and choices here because we know what's going on, as opposed to making a blind decision.... Through that education, that knowledge, you gain more confidence.... I'll leave here more confident than ever before.

Similarly, innovative training manuals and courses have been developed to ensure the staff is educated in the areas that will make them better managers. For example, one director developed an administrative manual for clinical department heads, another instituted quarterly department head training covering the same areas, and the Deputy Comptroller developed a training

manual and course in financial management for department heads and program managers.

3. Meaningfulness

Meaningfulness is the sense that the task purpose has value or worth. The feeling of meaningfulness is the feeling that you are on a path that is worthy of your time and energy—that you are on a valuable mission, that your purpose matters in the larger scheme of things. (Thomas/Tymon, 1993, p. 9).

CAPT Rowley strongly believes in the importance of a leader having a vision, and clearly communicating that to his people. This is element #4 of the Rowley model. He says, "If people trust you they will do almost anything for you but they've got to see you have some vision for the future". Additionally, the command has developed a clear vision statement, mission statement, guiding principles and strategic goals and objectives and have clearly communicated these throughout the chain of command. This serves to unify people, provides shared meanings, and encourages goal congruence. It also serves to give them reasons why they are doing what they are doing. A frequent comment was, "We only exist for the patients."

CAPT Rowley also feels that in order to motivate people to work toward a goal the leader sees as important, people have to see and believe something in their own terms. For example, when commenting on the importance of getting people to think of the business side of medicine, and cost savings, he comments:

If I can get people to focus on providing good medical care for our patients.... They can believe it. They're willing to work for that. If I told them we're in the business of saving CHAMPUS dollars or being the most productive hospital I don't know if they'd buy into any of that.

People I spoke to in general had a feeling of meaningfulness simply by virtue of the fact they chose a profession which is dedicated to helping people. One E-3 took it a step further and commented that simply by being stationed on a Marine base, he felt very much a part of the long tradition of Navy corpsman who have provided medical support to the Marines in battle. He said, "It gives me a strong sense of pride and belonging."

4. Progress

Progress involves the sense that movement is actually occurring along the path toward the task purpose. The feeling of progress involves the sense that the task is moving forward, that your activities are really accomplishing something. (Thomas/Tymon, 1993, p. 9).

One way in which an individual gets a sense that progress is being made as a result of his actions is through positive feedback. This is part of element #6 of the Rowley model. Various vehicles for this exist. The command has a very active personal awards program with all award recipients receiving recognition in the command newsletter. Individual departments also have their own in-house recognition programs. Favorable patient comments are promulgated either through the command newsletter or at quarters.

Element #3 of the Rowley model, Control Over One's Future, has to do with progress. In the self-help efforts, for example, as people see the progress others make toward improving their work spaces, they become motivated to do

the same. Again, this goes back to the importance CAPT Rowley places on "showing" people what can be done, as a motivational tool. He says:

The whole thing is trying to convince people they can do things in the Navy. They look at their neighbors and say, 'If they can do it, I can do it.'

Another way people can feel the task purpose is being realized is that CAPT Rowley has in the past distributed throughout the command a list of the command's accomplishments for the previous year. This enables people to see the entire scope of the command achievements and to feel a part of that success. Similarly, in order to implement the command's strategic goals, specific taskers along with time lines have been established by the ESC. In this way, people will be able to measure definite progress toward attaining these goals.

Finally, the implementation of TQL has enabled members of the various PAT teams and the departmental personnel involved in the processes being improved to readily see the results of their efforts. All PAT team improvements are also published in the command newsletter for those not involved in that particular process to see. One E-5 commented, "TQL stimulates a lot of good ideas; we've made a lot of progress".

5. Conclusion

To summarize this analysis, the basic tenets of the Rowley leadership model are consistent with the principles of empowerment as defined by Thomas and Tymon. That is, CAPT Rowley's leadership has succeeded in producing the

four feelings which Thomas and Tymon identify as necessary for worker empowerment.

B. HOW WELL DOES THE BLOCK THEORY FIT?

What forces act as obstacles to empowerment? In other words, what has CAPT Rowley had to overcome in order to empower his subordinates? I use the theory of Peter Block (1987) to illustrate how CAPT Rowley's actions when dealing with obstacles to empowerment are related to Block's three "choices" regarding "entrepreneurial" versus "bureaucratic" mindsets.

1. Comfort With The Status Quo

When asked what he views as his greatest obstacle to empowering his subordinates, CAPT Rowley replied:

Their mindset.... They've been so ingrained with the status quo and it's very comfortable. Their attitude is, 'This is the way we've always done it, why would I want to change it?'"

Peter Block, in *The Empowered Manager* refers to choices an individual makes which "drives us in either an entrepreneurial or a bureaucratic direction" (p. 11). The choice between "Maintenance and Greatness" (p. 11) illustrates the issue of comfort with the status quo. He writes:

When we choose maintenance, we are trying to hold on to what we have created or inherited. Our wish is to not lose ground. A bureaucratic culture constantly draws us toward a maintenance mentality. To maintain what we have is to be preoccupied with safety.... The bureaucratic belief is that we will move ahead in the organization by not making any mistakes. The common feeling is that mistakes are punished much more vigorously than achievements are rewarded (p. 11).

Rowley's leadership model encourages individuals to constantly look for new, innovative ways of doing things. His encouragement of risk-taking and elimination of the fear of reprisal work toward this end. Positive feedback vice criticism is the norm. Block goes on to say:

The choice for greatness is the commitment to operate and achieve in a unique way. It is a risky choice because we know that even if we choose greatness, we may never achieve it. Choosing a unique path in the midst of a large bureaucracy always feels like a dangerous path.... But that is what gives the choice for greatness meaning (p. 13).

Whether it be the creation of a birthing center on their own, improving the hospital through tremendous self-help efforts, or increasing autonomy in resource management, Rowley and his staff have consistently chosen "greatness."

Rowley's encouragement of people to "do the right thing" even if at times it is contrary to regulations or procedures is another attempt to combat the comfort of the status quo. Block states:

The bureaucratic belief in policies and procedures is the source of our security. Holding on to what we have causes us to stay away from the frontier and to surround ourselves with corporate insulation of structure and predictability (p. 12).

Rowley states:

Sometimes people say, 'This is a bureaucracy with stupid rules. Why should I do something more, expend more time and effort when the bureaucracy doesn't deserve it?' I say, 'Well maybe it doesn't, however, if we spend a little extra time we're going to accomplish more; we're going to have more fun....'

2. Fear Of Challenging Existing Policies

Another obstacle that CAPT Rowley has had to face is that people in general, particularly junior in rank, find it difficult to question established policies and suggest that the way things are being done may be less than optimal. Rowley discussed the fact that when the PAT teams were first established, the concept was very foreign to them. The fact that they were to analyze a process and suggest ways to improve it was unique. Many found it hard to believe that they could actually do something to improve a process that had been in existence forever, like the discharge process, for example. People are hesitant to question policy put in place by higher authority as well as suggest that people who may be senior to them in the chain of command, might need to change the way they are doing their job. He has told the teams that he is willing to "challenge Washington if something makes sense." Evidence of this is the change he would like to make regarding the way ambulatory surgery is currently handled. Block refers to the second choice that one makes in creating an entrepreneurial spirit as the choice between "caution and courage" (p. 14). He writes, "In our culture, moving forward and creating an organization we believe in always requires an act of courage" (p. 15). Evidence that this fear of challenging existing policies is being lessened is the fact that the PAT teams are well on their way to making significant improvements at the command.

3. The Comfort Of Dependency

Block refers to the third and final choice one makes in creating the entrepreneurial spirit as the choice between "dependency and autonomy." He writes:

It is comforting to be led. It feels safe and implies a promise that if we follow, our future will be assured. The choice for dependency is a step into the mainstream along a conventional path.... The price we pay for dependency is our own sense of helplessness.... If I want to feel a sense of ownership in this organization where I spend the best days of my life, I must confront my own wish for dependency and move in the direction of autonomy.

When we chose autonomy we realize there is nothing to wait for. We do not require anything from those above us to create a unit or department of our own choosing. An autonomous or entrepreneurial mind-set means that I must commit myself to managing my unit in a way that makes sense to me (p. 16).

CAPT Rowley has done much to encourage autonomy and counter the comfort of dependence. It may be seen in the increased autonomy in resource management, the fact that people are using their own judgement and doing the "right thing," in the self-help efforts, and in the PAT teams, just to name a few.

4. Conclusion

CAPT Rowley's leadership model is consistent with the core ideas of Peter Block. In particular, he has consistently directed his efforts to overcoming obstacles to empowerment in order to ensure that the choices made lead to the creation of an "entrepreneurial" spirit as defined by Block.

C. CONCLUSION

It has been demonstrated that the Rowley leadership model is overwhelmingly consistent with empowerment as defined by Thomas and Tymon and Peter Block. It may therefore be concluded that CAPT Rowley has an empowering style of leadership.

VII. CONCLUSION AND FUTURE RESEARCH

A. CONCLUSION

The model developed in this thesis to describe CAPT Rowley's leadership philosophy is consistent with leadership strategies for empowerment as demonstrated by the close fit with the empowerment theories of Thomas and Tymon and Peter Block. CAPT Rowley's leadership has resulted in the achievement of positive change and measurable improvement at Naval Hospital Camp Pendleton. His leadership model is also consistent with the basic tenets of TQL and has resulted in successful progress toward full implementation of TQL at the command. Moreover, his leadership is consistent with sound practices of management control. Because of the many successes described in this thesis, I believe this model is useful for Navy Medicine. In a Navy facing dramatic cuts in both financial and personnel resources, the model presented in this thesis offers a viable option.

B. FUTURE RESEARCH

Because this study was limited to one Commanding Officer in one organization, it is recommended that other Commanding Officers at other sites be studied. One focus may be to identify other empowering Commanding Officers in Navy Medicine and to compare them with CAPT Rowley's style to

identify common characteristics of empowering managers in this community. A second focus may be to determine the extent to which internal and external influences either support or undermine an empowering style of leadership in Navy medicine. A third focus may be to refine a theoretical model based on the Rowley leadership philosophy which could be used to evaluate its potential for success in other organizations.

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APPENDIX A

NAVAL HOSPITAL CAMP PENDLETON'S MISSION STATEMENT

We are health care professionals organized and committed to:

- **Providing quality health care and timely access for those we serve**
- **Managing our resources appropriately**
- **Planning for the Future**
- **Promoting wellness and preventive medicine**
- **Educating staff, patients, and other customers**
- **Continuous quality improvement**
- **Supporting the operational readiness of the Navy/Marine Corps team**

VISION STATEMENT

It is the vision of Naval Hospital Camp Pendleton to be justly recognized for access and delivery of innovative healthcare in a quality environment where people are most important.

APPENDIX B

NAVAL HOSPITAL CAMP PENDLETON'S GUIDING PRINCIPLES

- **Quality Comes First**

To achieve customer satisfaction, the quality of our healthcare and hospital services will be our number one priority.

- **Customers Are The Focus Of Everything We Do**

We are committed to the goal of fully satisfying all of our customers, both internal and external.

- **Continuous Improvement Is Essential To Providing The Highest Quality Of Patient Care**

We will encourage innovation and maintain a constancy of purpose to continuously improve all aspects of our health care delivery

- **Innovation Will Be Encouraged And Rewarded**

Continuous improvement is possible only when innovation is both sanctioned and encouraged.

- **Employee Teamwork Is Our Way Of Life**

As team members we will treat each other with trust and respect. Every employee will seek to make their own job and their fellow worker's job easier and more efficient.

- **Staff Education Is Essential To Our Success**

We will provide the highest quality of professional education to every member of our staff. We recognize that employee professional growth will both increase readiness capability and lead to ever increasing efficiency in our work.

- **Patient Education and Community Health Education Efforts Are Essential**

These efforts promote wellness and ensure effective health care maintenance of patients. We will take every opportunity to provide staff education to our customers.

- **Ethical Standards Will Never Be Compromised**

Every employee will maintain high ethical standards which will constantly meet or exceed the expectations of our consumers and ourselves.

APPENDIX C
NAVAL HOSPITAL CAMP PENDLETON'S
STRATEGIC GOALS AND STRATEGIES

Strategic Goal One: We ensure timely, relevant, and comprehensive education and training to our staff and others we serve.

Strategies:

1.1 Assess the needs for education training, and professional development.

Objectives:

1.1.1 Identify mandated requirements

1.1.2 Identify non-mandated but necessary requirements

1.1.3 Identify available instructional resources

1.2 Develop and implement opportunities and programs based on assessed needs

Objectives:

1.2.1 Set priorities

1.2.2 Determine what is achievable

1.2.3 Plan, implement, and coordinate programs

1.3 Continually monitor and evaluate the effectiveness of programs

Objectives:

1.3.1 Identify valid evaluation tools

1.3.2 Utilize tools to continually streamline and improve programs

1.3.3 Communicate appropriate feedback

Strategic Goal Two: Our business practices emphasize quality, efficiency, and data-based resource allocation.

Strategies:

- 2.1 Obtain and integrate a useful and user friendly management information system

Objectives:

- 2.1.1 Determine what information our customers require
 - 2.1.2 Identify what data and systems are available
 - 2.1.3 Establish and implement a management information program and structure to support customer needs
- 2.2 Assess, allocate, and manage resources based upon command goals

Objectives:

- 2.2.1 Utilizing meaningful criteria based upon command goals effectively analyze and validate resource requirements
 - 2.2.2 Establish and implement an optimal resource allocation process based on validated requirements
 - 2.2.3 Establish a stringent management environment to continually assess and improve resource allocation
- 2.3 Identify and promote programs which optimize efficiency and eliminate those that do not

Objectives:

- 2.3.1 Identify programs and procedures used or available for determining resource needs
- 2.3.2 Determine which programs and procedures are mandated, which are practical, and which are inefficient or unnecessary
- 2.3.3 Promote and continuously improve those programs and procedures which are beneficial and modify or eliminate those that are not
- 2.3.4 Communicate feedback to mandating authorities

Strategic Goal Three: We aggressively promote wellness, disease prevention and safety programs

Strategies:

- 3.1 Develop and market health promotion programs

Objectives:

- 3.1.1 Collate and distill existing mandates
- 3.1.2 Develop a coalition of base elements to identify needs, plan and implement programs
- 3.2 Promote disease prevention and safety programs

Objectives:

- 3.2.1 Identify diseases amenable to prevention and/or early intervention
- 3.2.2 Support and/or develop prevention programs
- 3.2.3 Identify and adhere to health regulations
- 3.3 Provide a safe and healthy work environment

Objectives:

- 3.3.1 Identify and address rules, regulations, and taskings
- 3.3.2 Recognize and control physical and chemical hazards in the workplace
- 3.3.3 Design and evaluate work spaces with safety and ergonomics in mind

Strategic Goal Four: We live Dr. Deming's Dream

Strategies:

- 4.1 Promote and implement TQL at all levels

Objectives:

- 4.1.1 Market TQL to all hands
- 4.1.2 Train all military and civilian personnel
- 4.1.3 Establish functional Quality Management Teams in all departments
- 4.1.4 Empower all staff
- 4.2 Improve communications

Objectives:

- 4.2.1 Breakdown barriers between departments
- 4.2.2 Drive out fear
- 4.2.3 Identify and include all key players in a process in quality improvement planning and discussion

4.2.4 Implement regularly scheduled meetings for all levels of staff

4.3 Recognize and reward excellence

Objectives:

4.3.1 Recognize all quality improvement efforts

4.3.2 Provide individual official recognition of TQL involvement

Strategic Goal Five: We recognize and support the operational and contingency requirements of the Navy/Marine Corps team and our community

Strategies:

5.1 Improve communications with operational forces

Objectives:

5.1.1 Identify key points of contact

5.1.2 Develop mechanisms to establish and assure ongoing communications

5.2 Plan for, train for, and meet operational and contingency requirements

Objectives:

5.2.1 Identify and prioritize operational and contingency requirements

5.2.2 Identify resources available and shortfalls

5.2.3 Develop and implement plans to adequately and efficiently meet requirements

5.2.4 Conduct and support training to meet these requirements

Strategic Goal Six: We provide a customer focused environment and healing atmosphere which promotes quality of life for all.

Strategies:

6.1 Provide user friendly systems to meet the needs of our customers.

Objectives:

6.1.1 Identify and analyze problematic delivery and support systems as perceived by our internal and external customers.

6.1.2 Take action to correct problems where possible and optimize those systems which remain

6.2 Optimize the physical environment

Objectives:

6.2.1 Identify what improvements, if they could be made, would make our work and/or patient care environment more productive

6.2.2 Identify what improvements, if they could be made, would make our work and/or patient care environment more pleasing

6.3 Promote a healing atmosphere to maximize quality of life

Objectives:

6.3.1 Increase interpersonal relations skills

6.3.2 Recognize and promote personal excellence and growth

Strategic Goal Seven: We assure access and continuity of quality care through innovative and coordinated services

Strategies:

7.1 Establish a system to improve the coordination and management of healthcare

Objectives:

7.1.1 Identify resources and processes which could be improved, streamlined, or eliminated

7.1.2 Improve interaction and collaboration among participants in the coordinated care system

7.2 Develop innovative and effective methods to deliver healthcare which meets patients' needs

Objectives:

7.2.1 Create a safe and supportive environment for generation and sharing of ideas

7.2.2 Encourage, support, and reward research

7.3 Identify patients' needs and obstacles to access and continuity of care

Objectives:

- 7.3.1 Survey our internal and external customers to identify and analyze unaddressed needs and obstacles to access and continuity of care as they perceive them**
- 7.3.2 Meet needs and remove identified obstacles through unilateral action where possible, through coordination and cooperation where necessary**

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