MANAGING TO WIN: FRONT-LINE LEADERSHIP IN PUBLIC MENTAL HEALTH SETTINGS

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ABSTRACT: This paper presents game theory as a normative model that front-line managers can use as a guide to effective leadership. Critical game elements—goals and outcomes, payoffs, rules, players—are examined; and strategies that have proven viable in a state hospital setting for realizing each are described.

INTRODUCTION

Managers of public mental health systems seldom think of themselves as playing a game. Games are fun, while public bureaucracies often seem depressing, unfair, chaotic, unrewarding. Although game theory has been used successfully by social scientists in descriptive studies of organizational behavior and as models of strategic thinking (Lax & Sebenius, 1986; Raiffa, 1982; Rapoport, 1960; Schelling, 1963), few would argue that the game metaphor comes readily to mind when front-line managers in public mental health settings attempt to describe their experience.

For managers, game theory is more useful as a normative model that they can make real. Drawing on experience in the management of state-operated mental health services for both children and adults, this paper presents an alternative application of game theory in which the image of the game is used to guide efforts to bolster productivity and morale. Following a description of the setting in which this work was done, the presentation follows the game theorist's conception of critical game elements, —goals and outcomes, payoffs, rules, players (Boulding, 1962; Rapoport, 1966). It is noteworthy that these examples, resonating with much that has recently been written about excellent

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management in Japan and America (Drucker, 1973; Ouchi, 1981; Pascale & Athos, 1981; Peters & Austin, 1985; Peters & Waterman, 1982; Waterman, 1987), come from a setting in which management practices were as circumscribed by civil service regulations, labor contracts, reporting regulations, and service policies as most large, state bureaucracies.

SETTING

South Beach Psychiatric Center, a New York State Office of Mental Health facility established a little over a decade ago, serves adult patients through a structure of seven, geographically-based units, each providing full and partial hospitalization, clinic services, consultation and education to catchment areas ranging in population from 100,000 to 250,000. Children's psychiatric services are provided by a separate unit with its own inpatient and partial hospitalization programs as well as three clinic treatment teams that are housed within adult geographic services. The children and youth service serves the entire South Beach catchment area of 1.5 million people. In other respects—civil service regulations, labor contracts, reporting regulations, service policies— these service systems are identical.

GOALS AND OUTCOMES

Games have goals. And public service institutions need them. "But," as the organizational cynic tells us, "the goals of public service bureaucracies are unrealistic." While all goals appear unrealistic to some players all of the time and to the vast majority of players occasionally, the goals of public service bureaucracies seem unrealistic to an unusual degree. As described in five-year plans and policy and procedure manuals, the programs of public-service institutions reflect not only operating realities but also the multiple agendas of myriad constituents. Official objectives, rather than the relevant outcomes of the organizational game, are frequently a mechanism for co-opting constituents whose interests are not otherwise addressed (Drucker, 1985).

The challenge to front-line management is to create the realistic objectives. We have identified three strategies which are useful in achieving these objectives: negotiation with higher levels of management, unilateral targeting of an administratively and politically acceptable level of "failure," and over-achievement.

Negotiation.

Service quotas and productivity goals, frequently placed at such unrealistically high levels that staff become demoralized, illustrate the challenge. Negotiation with higher level management is the alternative generally adopted by assertive front-line managers. This approach can result in a lowering of quotas or in the acquisition of sufficient additional resources to make the goal

realistic. This approach is likely to succeed if the manager can make a case for the uniqueness of his/her team's situation, but can occasionally be successful as well when "competing" team managers, facing comparable unrealistic goals, form an alliance to negotiate more realistic expectations.

This approach was used readily in the children's service. Because of its clinical mission and because it was funded separately in the state budget, it was possible to frequently negotiate "more realistic" expectations. For instance, it was possible to justify increased overtime expenditures because the adolescent inpatient unit could not receive the same back-up with dangerous patients from the Secure Care Unit that is provided to adult services. It would have been far more difficult for an adult service to make a comparable case for special treatment. However, when all the adult service managers united in opposition to fiscal efforts to drastically reduce the institution telephone bill in a way that would dramatically undermine patient care, an alternative approach to cost cutting was quickly instituted.

Unilateral Targeting.

Unfortunately, negotiation seldom succeeds. Public bureaucracies would not "enjoy" their well-earned, pejorative reputations if such negotiations were effective. Fortunately, alternative strategies are available to the front-line manager. One is to establish unofficial goals for the team which, without the formal sanction of higher-level administration, are likely to prove acceptable. When there are obvious "competing" teams or when relevant competitors can be imaginatively "created," more reasonable quotas can be unilaterally asserted and formal objectives ignored so long as the manager and his team surpass the majority of competing teams. This approach is characterized by those in higher-level management positions as well as by critics of public service institutions as bureaucratic unresponsiveness.

The increasing use of computerized data bases has greatly broadened the applicability of this approach. As up-to-date, program-by-program data, covering many of the performance criteria against which a manager will be judged, become available, managers will be able to assess their teams' performance against that of all other teams, not merely against the promulgated goals. The winning manager can unilaterally and safely establish performance at or slightly above the median level achieved by "competitors" even if this is a level officially "below standards." While a team can achieve no better than mediocrity if it achieves nothing else, this strategy, selectively employed, allows winning managers to concentrate a substantial part of available resources on goals whose achievement constitute significant victories.

Over-achievement.

By reorganizing the work or developing alternative resources, it is also possible to achieve "unrealistic" goals, that is, to tap previously unrecognized reserves of creativity and innovation. For instance, the development of a

supportive home treatment service for the parents of chronically ill patients contributed significantly to reducing hospital utilization while reducing the waste that results from unkept clinic appointments (Byalin, Jed, & Lehmann, 1985). These results could not have been achieved without the development of an innovative service system, which in turn would not have occurred without administrative pressures that at one time seemed unrealistic.

Through extra effort, "unrealistic" goals can be attained, even with standard work methods. Winning teams in public service institutions, facing periodic surveys and audits, regularly achieve "unrealistic" performance levels during brief periods of intense effort. For instance, higher standards of medical record keeping are often achieved with intensive team effort during periods immediately preceding surveys. The price of this effort is frequently paid for with sacrifices along other performance dimensions, for instance, with a reduction in the quantity of direct patient services provided.

While rational negotiation enhances staff belief in the legitimacy of the institution, unrealistic goals, achieved through creative innovation or heightened team effort, provide a substantial boost to staff morale and can enhance the team's future potential to achieve "impossible" objectives.

PAYOFFS

"But what," responds the organizational cynic, "if there are no payoffs? Public-service bureaucracies offer line workers as well as supervisors and managers little positive reward for achieving goals. There is nothing the front-line manager can do about this." On the contrary, four approaches can be utilized by the front-line manager to create rewards for outstanding performances: developing "alternative" systems of internal rewards; utilizing external reward systems; avoiding negative sanctions; developing satisfaction in winning.

Alternative systems of internal rewards.

There are many ways to develop informal, unsanctioned, internal systems of recognition. The creation of new, high-ranking positions, such as Deputy Chief of Service and Assistant Team Leader have been effectively used to recognize outstanding contributions to the team and important leadership ability despite the fact that these are not civil service titles and the appointments carry no additional remuneration. Specialized roles can be developed to recognize special skills in many areas: community relations, geriatrics, and educational testing are examples. This approach is particularly effective when front-line managers are willing to redefine roles as well as to negotiate reassignment of valued staff to functions in which their talents will be most appreciated. These roles can be formalized through the creation of job titles that enhance recognition of individual contributions, both within the organization and within the broader community.

For example, one psychologist who had served as a clinic therapist with distinction for many years was rewarded by assignment to the directorship of another clinic team, a change that involved a substantial increase in responsibility, which he greatly appreciated. Within a period of a few months, however, this valued staff member had become disillusioned with administrative work and announced his intention to leave state service. He was quickly transferred to an inpatient unit on which he had never worked. Despite some initial trepidation, he rapidly immersed himself in clinical work which he found extremely exciting. Within months of this change in setting, a new position of supervising unit psychologist was created around the tasks that this highly talented individual had taken on.

All of these changes in role occurred without affecting the staff member's remuneration. While the value of financial incentives is not to be minimized, the front-line manager in a public service institution who is unable to introduce financial incentives can still motivate team members by providing meaningful recognition of important contributions, such as by acknowledging and applauding important contributions at staff meetings. Junior staff, invited to make presentations to the Service Administrative Group at an important all-day meeting, value this experience as a meaningful sign of recognition.

Accessing external rewards.

Front-line managers can also utilize their personal and professional networks inside and outside the organization to insure that productive team members receive recognition. Recommendations of promotion or nomination to status-enhancing committee assignments can be effective as internal sources of reward. An extremely promising junior social worker, given the opportunity to serve on a hospital-wide committee developing policy and program for mentally ill chemical abusers not only felt that she was receiving special recognition as a dedicated professional but was also able to develop her talents more rapidly while making a true contribution to the larger organization.

Professional networks and organizations that transcend the public service institution provide additional opportunities to reward professional staff. Opportunities for continuing education, to attend and present at professional conferences, to teach, to supervise student interns, to serve on professional committees have all been effective in rewarding productive staff members or in stimulating growth among those who are stagnating. In many instances, the most rewarding aspect of these activities is the opportunity that they provide for enhanced interaction with "high-status" professionals, including the team manager. The invitation to join the manager as co-author or co-presenter can be an important reward and incentive for continuing high performance. Careful management of these "opportunities" is crucial, however, if they are not to be experienced as demoralizing burdens rather than as rewards. When team members can work together as colleagues with managers to describe their own

accomplishments, as our staff did in describing the innovative young adult day-hospital which they developed, the experience can greatly enhance the team energy level and commitment (Byalin, Smith, Chatkin, & Wilmot, forthcoming).

Avoiding negative sanctions.

While the public-service bureaucracy may be stingy with positive rewards, its arsenal of negative sanctions is replete. Punitive external monitoring systems that rapidly erode the quality of work life are a frequent consequence of performance failure. Staffing cuts and disruptive, top-down reorganization, while less common, tend to be experienced even more negatively by front-line managers and line staff. One definition of winning is, therefore, a method of successfully avoiding negative sanctions. While some insist that punitive external monitoring systems are unavoidable in a public bureaucracy, the effective manager can convey not only a realistic appraisal of the dangers but a real sense that the team is capable of winning against these odds and avoiding the negative results of failure.

Success in these efforts must be celebrated as accomplishments. The effective manager needs to champion the sense of victory. Staff parties to celebrate the "survival" of surveys, site visits, and audits are as important as celebrations of more obviously positive accomplishments. It is particularly useful on such occasions to give special recognition to staff members who contributed above-and-beyond the call of duty.

Cultivating the joy of victory.

Having defined winning as the achievement of specified goals, the satisfaction of winning itself can be cultivated. Many if not most people enjoy participating in competitive activities and do so for fun in their spare time, even when no tangible extrinsic award is involved. The satisfaction of winning can be made available in any organization. This payoff becomes available as soon as the goal-setting problem is mastered. From then on the achievement of goals can become a matter of pride. Once the team has enjoyed the successful preparation for a survey, has understood the tasks involved, and worked hard together, the spirit of accomplishment can itself become exhilarating. Team members, high on the excitement of accomplishment and survival, begin spontaneously to plan for the next survey.

BATTLING CHAOS

"But still," says the organizational cynic, "even if credible goals and payoffs are established, the game is still intrinsically unfair. The rules keep changing. The result is chaos. How can a rational person hope to win? Only a fool would play under such circumstances."

Indeed, with each shift in high-level management, with each shift in the political winds, the priorities, objectives, and rules of resource allocation of public-service bureaucracies shift, sometimes dramatically. These shifts are viewed by the cynic as rule violations, a view which leads to depression, despair, "burn-out," failure, ineffective management. But they can equally be viewed as the essence of a very exciting and challenging game. The cynic seeks an easy game and sees only chaos. The winner seeks a challenge and discovers order where none was apparent before.

Losers want the game to be easy. They want to race sailboats in environmentally-controlled domes. But the essence of sailing lies in the continually changing winds which cannot be controlled and which are to a significant degree unpredictable. The public service game is also played in an environment that cannot be controlled and can be predicted only imperfectly. It is a game of "guesstimates" and contingency plans, but it is not inherently an unfair game. It is an extremely complicated game. Losers refuse to accept this and continue to lose. Winners accept the challenge and more often win. The winning manager helps team members become winners by introducing them to the exciting complexity of the game. This is essentially an educational process which requires, if not an inspired teacher, at least one who personally enjoys the game.

Viewed in this way, the challenge is to build a better boat. Many front-line managers recognize that their lives could be easier and their team's performance more effective if they could access small amounts of money without negotiating what seems to be the entire state budget process. One solution, the creation of an incorporated advisory board able to generate resources outside the agency budgetary process, was extremely effective in reducing the team's vulnerability to changes in the "wind," at one point even providing a buffer against the impact on staff of a state-wide reduction in force (Byalin & Harawitz, 1988).

BUILDING THE TEAM

This is the task of "creating" players. Having created the game by defining goals and payoffs and rules, the winning manager must still create a team composed of players, who not only receive pay-offs but also make choices which materially affect the outcome of the game. Allowing subordinates such power, not merely over trivial issues but over decisions which will affect the team's and hence the manager's own performance, is something which many front-line, managers are uncomfortable doing. Balking at the task of team building, succumbing to the temptation to treat staff members as chess pieces rather than as chess players, the front-line manager's implicit or explicit excuse is his own distrust of his subordinates. However, if the team's productive

potential is to be tapped and each member's energies engaged, team members must be allowed and, indeed, encouraged to make mistakes, to learn, to contribute, to grow.

It is a surprise to those cynical about human nature that these energies will be voluntarily directed toward the goals that the manager has established in creating the game if the rules are clear, the game is win-able, and the payoffs consistent. It is perhaps most remarkable that these payoffs need have little or no intrinsic value. If allowed, most people will play for the satisfaction of the game itself. The development of a utilization review/quality assurance program based on a real, authentic peer review process underscored this principle (Byalin, Jed, & Bender, 1984). By empowering the professional staff, an administrative process which was previously disdained and frequently sabotaged was invested with energy, not only increasing the program's compliance with the standards of outside auditors but simultaneously enhancing the quality and effectiveness of clinic services.

SUMMARY

In marked contrast with the social scientist's stipulation that use of the word "game" implies no lack of seriousness, the effective front-line manager strives to emphasize the playful aspects of the game. Whether in creating realistic, "win-able" goals, establishing meaningful pay-offs, creating meaningful rules and rewards, or empowering team members, the effective front-line manager engages the talents and creativity of team members as players in the game, while building achievement and pride of accomplishment. By transforming the social scientists' organizational theory into prescriptive reality, the effective front-line manager can succeed in making work in public mental health settings enjoyable.

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