

# Innovative and Adaptive Leadership Strategies to manage Competing Ministry Directives and Continuous Funding Constraints

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# Agenda/Learning Objectives

**1. MCYS service system transformation**

**2. Overview of research study**

**3. External challenges, organizational impacts, adaptive/innovative strategies**

**4. Conclusion, small group discussion, questions**

- Understand current major challenges facing children's mental health agencies
- Learn about leading research and emerging leadership practices around strategies to manage public sector cutbacks
- Identify bold opportunities for senior leaders to collectively influence policy and system change through innovative and adaptive leadership strategies

# 1. MCYS Service System Transformation

- **Children's mental health agencies**
  - Shift to 34 lead agencies across province, improve service access, accountability, evidence, coordination (Moving on Mental Health Strategy, MCYS, 2012)
  - Rising accountability expectations for quality assurance, data collection, outcomes, program evaluation, interagency coordination (CMHO, 2014)
- **Children's aid agencies**
  - Balanced budget legislation, new accountability requirements, new data systems/public reporting, cross sector collaboration (MCYS, 2013; OACAS 2014-2015)
  - Results in funding cutbacks, mergers, staffing losses, reduced services (MCYS, 2013; OACAS 2014-2015)

# Competing Ministry Strategic Directions

('Growing Together' MCYS, 2014)

## Strategic Direction

- Service integration and excellence (requires more resources)
- Cross-sector collaboration
- Organizational excellence, innovative leaders, healthy inspired workers

## Reality

- Reduced financial, human and technology resources
- Competition for funding
- Accountability framework, performance outcomes, evidenced-based research, program evaluation

# Adaptive Strategies

- **Effective leadership and adaptation**
  - **Critical to organizational survival in market culture** (Hasenfeld, 2010)
- **Organizational culture**
  - **Promote staff innovation, creative ideas, key to be flexible, adapt to change** (Hasenfeld, 2010; Lawler & Bilson, 2010)
- **Adaptive strategies during government cutbacks**
  - **Expand services strategically, inter-organizational networking, business management skills** (Alexander, 2000)
- **Research**
  - **Recent research on leaders managing public sector cutbacks lacking** (Schmidt et al., 2017)

## 2. Overview of Research Study

(Vito, 2016, 2017)

- **Multiple case study design** (Yin, 2009)
  - 3 agencies (2 children's mental health, 1 child welfare), recruited by email invitation
  - 41 participants (14 directors, 27 supervisors), majority female, Caucasian, ages 40-60
- **Multiple research methods** (Creswell, 2007)
  - Individual interviews with directors (14)
  - Focus groups/questions with supervisors (5/27)
  - Observations of leadership practice (7)
  - Review of agency documents (extensive)

# Research Purpose/Questions

- **Purpose**

- Explore leadership practice, influence on/by organizational culture

- **Questions**

- How do leaders understand/practice leadership?
- How does leaders' practice influence/shaped by organizational culture?
- What is their leadership training and satisfaction?
- **How does the external context impact their leadership practice?**

## 3. Challenge 1:

### Service System Transformation

- Lead agency transformation major change
  - *“It’s going to be a MAJOR change, the lead agency will be deciding what programs should be offered in your area”* (A3D5)
- Clash agency values (collaborate vs. compete), shift identity (hierarchy)
  - *“one of you will be lead...we’re going to struggle with issues of power and control”* (A2FG1)
- Limited human/financial/technical resources
  - *“there’s no money for anything extra, you have to do all this stuff with what you’ve got now”* (A3D5)

# Adaptive Responses

- **Insight re need for innovation, adaptation** (Lawler & Bilson, 2010)
  - *“you have to be flexible and change to the needs in your environment...or you won’t survive eventually”* (A2D4)
- **Consider big picture, strategic response** (Lewis et al., 2012; Packard et al, 2008, 2013)
  - *“realistically looking at the future and what's out there, and then seeing the opportunity”* (A3D1)
- **Monitor external trends, build relationships** (Lewis et al., 2012)
  - *“Keep our fingers on activities...in community, provincially...build key relationships”* (A3D3)

# Strategy 1: Monitor External Trends/Policy Changes

- **Innovation/adaptation to change essential given rapid pace, complexity, continuous, organizational change** (Lewis et al., 2012)
- **Big picture approach with cross-agency collaboration, develop relationships with key stakeholders, key to manage broad system change** (Lewis et al., 2012; Packard et al., 2008, 2013)
- **Environmental scanning (monitor political and socioeconomic trends)** (Lewis et al., 2012)

# Challenge 2: Continuous Funding Constraints

- Continuous funding constraints and competition for resources, financially driven service decisions
  - Led to reduced service delivery, program closures, threatened agency viability
  - *“I have seen a move to our decisions being very financially driven...how do we continue to do the same services with less resources?”* (A2FG1)
- Mandated balanced budget legislation (CAS)
  - Funding cutbacks, staff layoffs
  - *“Last year was a blur because we were responding to funding crises”* (A1D3)

# Adaptive Responses

- **Strategic planning/business management skills** (Alexander 2000, Packard et al., 2008)
  - Agency 3 viability; program closures, selling property, hybrid model, marketing services
  - Agency 2; financial problem-solving, priority setting programs, budget preparation
  - Agency 1; positive-restructure services
- **Innovation opportunities** (Germak & Singh, 2010)
  - Agency 1; private fund development program (\$400k annually), new service models (SOS)
  - Agency 3; proposal for cross-sector partnerships with child welfare, new community service model

# Strategy 2-Business Management Skills, Innovation Opportunities

- **Strategic planning, problem-solving, marketing, priority setting, key strategies to funding constraints** (Alexander, 2000; Packard et al., 2008, 2013)
- **Advocacy to ministry for sufficient funding, leadership to improve service quality, retain staff, support new initiatives** (CMHO, 2016)
- **Social innovation/business models to develop creative solutions; requires fiscal literacy skills and risk-taking, conflict with HSO's** (Alexander, 2000; Germak & Singh, 2010; Hasenfeld, 2010)

# Challenge 3-Rising Ministry Expectations

- Rising ministry expectations-for accountability, data management, quality assurance, performance
  - *“TONS more around measurement, tracking, following best practice, measuring outcomes”* (A2FG1)
- Compliance culture, reduced innovation
  - *“A regulation driven, compliance oriented way of doing business...no room for innovation, creation”* (A3D1)
- Supervisors overwhelmed, demoralized, less time for staff and teams
  - *“The workload continues to increase and my biggest frustration right now is I feel like a MASTER of NOTHING because I'm SO spread out.”* (A3FG1)

# Adaptive Responses

- **Be proactive, meet ministry standards (more resources required)** (CMHO 2014; Hopkins et al., 2014)
  - Develop internal supports (e.g. technology, staff training, grants for planning/evaluation)
- **Push back/resist ministry directives** (Aronson & Smith, 2010)
  - Agency 2; resisted unrealistic accountability expectations, measurable outcomes
  - Agency 3 cautioned tolerance
  - *“the Ministry is easy to kick, but...you don’t want to kick the people that can kick harder back”* (A3D2)

# Strategy 3-Technology Infrastructure, Training, Resistance

- **Use data/technology to guide decisions** (Alexander, 2000; Packard et al., 2008)
- **More human and technology resources required to meet expectations for quality assurance, data collection/analysis, outcome measurements, program evaluation** (CMHO, 2014)
- **Progressive advocacy program-to resist ministry demands-requires strong leadership, coalitions, diverse funding sources** (Aronson & Smith, 2010; Plitt-Donaldson, 2008).

# Challenge 4-Collaboration vs. Competition

- Collaborative community relationships
  - *“Everybody in the province is trying to figure this out...in a win-win kind of way” (A2D1)*
- Ministry mandated competition for resources
  - *“We’re in a highly competitive environment here, people don’t like to acknowledge that” (A3D1)*
- Loss of community presence due to time constraints, competing priorities
  - *“There is an expectation to be working more collaboratively...to say NO has a really big impact” (A2FG1)*

# Adaptive Responses

- **Share resources with service partners, despite competitive environment** (Germak & Singh, 2010; MCYS, 2014)
  - *“sharing resources is a way...to even it out, it’s not about holding it all to yourself” (A2D1)*
- **Focus on broader community; inter-organizational collaboration** (Alexander 2000; Packard et al., 2008, 2013)
  - *“Do it for the greater good...I’m here to help YOU, and to help US, help the community” (A2D3)*

# Strategy 4-Inter-Organizational Collaboration

- **Competitive nature of funding resources increasing reality for HSO's; contradicts cross-sector collaboration** (Germak & Singh, 2010; MCYS, 2014)
- **Inter-organizational collaboration has many benefits** (Alexander, 2000; Packard et al., 2008, 2013); **requires collective leadership to develop innovative solutions to community problems** (Hopkins et al., 2014)

# 5. Conclusions

- **Key strategic leadership skills**
  - **Monitor external trends, prepare for rapid policy shifts** (Lewis et al., 2012)
  - **Develop strategic planning/business skills** (Alexander 2000, Packard et al., 2008; 2013)
  - **Look for opportunities to innovate** (Germak & Singh, 2010)
  - **Share resources/inter-org. collaboration** (Alexander 2000, Packard et al., 2008; 2013)
  - **Resist/advocacy re new ministry initiatives** (Aronson & Smith, 2010)
- **Ministry requirements**
  - **Provide sufficient human, financial and technological resources, pace change across sector**
  - **Resolve competing directives (collaborate/compete)**

# Future Directions

- Multi-sector collaboration required, CMHO key stakeholder recommendations: leadership, partnership and collaboration; client services; planning and evaluation; resources; and training (Warren et al., 2014).

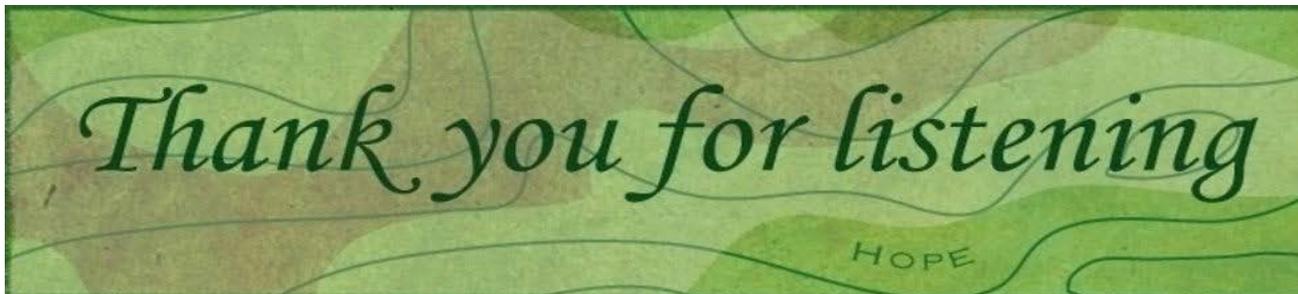
*“MCYS needs to support a measured transition where the lead agency model is properly resourced, thoughtful and planned...for successful implementation”*

(Warren et al, 2013, p.1)

# Discussion &



- **Small group-Discussion**
  - Consider the impact of external challenges in your agency and how leaders can respond effectively using adaptive and innovative strategies
- **Large Group-Questions?**



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