





Vision-Strategy-Space- Design-Culture: The New Paradigm

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08 December 2014

Adapted from *Making Strategy Count in the Health and Human Services Sector*;  Reshaping Organizations Through Culture and Strategy,  by Richard J. Cohen, Anne Callan, Nancy Bradberry and Richard Benoit



In April 2014 Public Health Management Corporation (PHMC), the largest and most comprehensive public health institute in the country, took on the complex task of moving the firm-s headquarters. PHMC completely, and intentionally, transformed its work environment from an aging, traditional cubicle workspace into an open, industrial-style space to better support employee collaboration, creativity and communication. It was not just about changing a physical location -  it was about using physical space to better support a mission of creating and sustaining healthier communities, starting from the inside out.

This radical physical change is one of the central pillars of a strategy that began in 2010, when PHMC was

approaching its 40th anniversary and was poised to celebrate decades of organic growth. The board and management of PHMC did an environmental scan of the field and realized that PHMC's past success and level of outstanding service were not enough to ensure its viability in the context of a rapidly changing healthcare landscape. While the organization had grown to an annual budget of \$200 million and staff of more than 1500, PHMC's leadership structure had remained flat and relatively decentralized. PHMC needed to centralize key leadership and embark on corporate-wide changes to better compete in a changing health and human services arena.

At the same time, the board and executive leadership recognized the impending challenges not only facing PHMC and its affiliates, but rapidly looming over the sector. Funding mechanisms were changing, and governments looked increasingly at their not-for-profit partners as vendors. With the emergence of for-profit entities competing in the sector, impact and outcomes were nonprofits' only stated metrics of success and there were no clear definitions. In addition, talent was increasingly difficult to recruit and maintain, and a myriad of factors were increasing the management and financing challenges faced by the boards and staff of high-functioning nonprofits.

To address these realities, PHMC recognized that change would be necessary at multiple levels—strategy,

governance, management, talent, facility and culture- and created a process to identify, evaluate and execute a set of responses that would help ensure the continuation of PHMC and its affiliates'  strong missions for years to come. As a result, PHMC underwent a sweeping, companywide structural realignment focused on building internal capacity and strategic support to grow new and existing business for PHMC.

With those key elements in place, PHMC focused its next change management initiative on the working space, design and culture of the corporation. The goal was to use spatial workplace design to drive change and strategic innovation that better supports the mission of creating and sustaining healthier communities.

Numerous workspace studies have found that design drives interaction, which drives collaboration and innovation. Put simply, folks need to talk with each other, not about each other. If a workspace has many walls and closed office spaces, there is little motivation for people to engage face-to-face. But when there are many opportunities for people to see each other and physically move around a workspace, conversations happen, new ideas are born and relationships are enhanced.

In developing its own plans for a re-envisioned workspace, PHMC had been extremely fortunate to have the assistance of the architectural design firm Bradberry and Kheradi (B&K) in the design of its facilities for almost two

decades. The B&K team had worked closely with the leadership and understood the mission, personalities, needs and cultural drivers central to the corporation and its objectives in this change management process. Most importantly, B&K brought the industry knowledge that design drives culture and change. The group became the lead partner in this essential component of the path toward a strategic future for PHMC. As with any change-driving process, first steps included extensive discussions, research and in-field activities. Over a period of months, visits to identify 'forward designed' office facilities were made, continually refining the vision of an office space most aligned with PHMC and its work.

Eager to adopt many of the values that were contributing to sustainability and workforce strength throughout the world, PHMC worked with B&K in an industry analysis. As a result, PHMC engaged Steelcase, a global leader in the office furniture industry, as the contractor to help direct this new initiative. Acknowledging that organizations succeed through reinvention and that technology is disrupting our traditional methods of gathering, comprehending and sharing information was a key value in PHMC's initiative toward physical transformation.

When preparing to begin the exploration and visioning process, B&K knew that thinking through the overall design itself needed to be an effort involving all staff, not just the executive team. Staff was enlisted to help through surveys, questionnaires and tours of office spaces and

similar relocation projects. The response was overwhelmingly positive, with tremendous ideas emerging from these discussion sessions and interviews, including how best to use technology in meeting spaces, the importance of collaborative work, and the need for specific types of space that nurtured staff well-being in both design and function. Much of the vision of upper management was echoed in the staff's voices, and all of it was then translated into the plans for the new building.

Among the key values communicated by PHMC staff were:

- Designing a space that would inspire everyone
- Affording staff more ways to communicate with each other for better collaboration
- Enjoying brighter personal workspaces with more daylight
- Creating a casual central gathering place where staff could socialize
- Promoting healthy lifestyles by providing a fitness center and nutritious meals /snacks for staff
- Building in abundant meeting places with the right support technology in place *and* abundant private spaces to work so staff could focus on individual tasks or take private calls

All involved were clear that the new space would include significant shared space. But how would that work in

execution?

To showcase the theory in action, B&K and PHMC partnered to create a physical 'pilot space' housed in PHMC's old offices. The pilot space was unveiled as a company-wide celebratory event held over the course of two days. Employees were given the opportunity to hear informal presentations from PHMC's senior leadership, B&K and Steelcase, followed by tours of the space. Hundreds of staff attended to hear about the process that had unfolded in the previous year based on PHMC's goals and values, while learning more about the worldview and changing workforce dynamics that pointed to an open floor plan. This celebratory event had two goals: first, to share the vision and rationale behind the change; second, to engage staff and enlist their feedback. Employees were encouraged to give their first impressions and recommendations on whiteboards and through surveys, which created a critical feedback loop and let the team know that their input was valuable to the process.

Another important element of the pilot launch was a 'Spring Cleaning Day' held at the end of the launch week, when PHMC orchestrated the disposal of nearly six tons of recycled paper and almost as much trash across 700 employees. Going paperless has been a major area of focus throughout PHMC's change management process, and not solely because the new building will not be able to accommodate current levels of

paper usage. Nor was it primarily an issue of ecological consciousness, although both the environment and the new space restrictions are compelling and pertinent motivators. What was most important was that the many transitions inherent in an organization of PHMC's size make going paperless a tremendous business decision that ultimately impacts infrastructure and technological systems across all central and administrative units of the organization. In short, being tethered to desktops, paper and personal printers was weighing the organization down, both physically and culturally. PHMC needed a physical event - Spring Cleaning - to encapsulate the magnitude of the change was to come.

In the new space, mobility is a critical component of change management. Personal printers have been eliminated and replaced with multifunctional devices in dedicated areas on each floor alongside trash bins that replace individual trash cans, requiring employees to physically leave their desks and convene in a common area where other co-workers will likely be. Stationary walking stations with desk space for a laptop and materials are installed near windows, giving staff more opportunities for physical activity and pulling people from their personal workspaces to create more interaction, conversation and, ultimately, collaboration. A new policy on 'no eating at desks' in tandem with a beautiful cafe offering nutritious meal and snack options adjacent to a state of the art fitness center drive staff to the Town

Square, which includes other amenities like the Help Center and conference rooms with concierge support. These elements give staff a place for eating, gathering, impromptu and scheduled meetings, and more opportunity for mobility. The space also features a large centralized staircase as a key design element, rather than hiding stairs behind emergency exits. With internal stairs visible and easy to access, employees are more likely to use them to travel between floors, running into each other along the way. Since moving into the space, the organization has hosted large 'bleacher' meetings on the staircases - an example of how PHMC staff is finding new ways to interact creatively with each other.

Targeting key elements of organizational culture, like technology, central support roles and policies, put PHMC on track for true strategic change. But change, no matter how well intentioned, cannot succeed without buy in and input across all levels of the organization. The only way workflow, infrastructure and culture can be truly transformed is with the aid of effective communications with staff. Through emails, surveys, meetings, focus groups, decentralized communication chains and events such as the pilot launch and open house pre-move, PHMC was able to successfully communicate with its 1,500 staff members before, during and after the move to ensure a smooth transition. The main goals associated with these communications were and continue to be to inform staff, to collect input, to answer questions and clarify rumors, to

prepare staff for upcoming changes and, when possible, to begin to implement changes in the current space.

By championing physical mobility and workplace wellness, collaboration and transparency throughout all levels of staff, and direct avenues for feedback and process improvement, PHMC has been particularly successful in reaching the youngest generation in the workforce.

Recruiting and retaining talented millennials has not only enriched the entire PHMC workforce, it reinforces and sustains the vision of this design and marks a path forward that excites and empowers future leaders.

Thus, PHMC is moving forward toward true change. The governance, strategy, structure and talent, and now, physical environment, are in place. These will all help drive the corporation and its affiliates toward delivery of the strategic direction outlined at the beginning of this process. The new home for the organization comes with a vision to create a physical facility that supports communication, collaboration, interaction, excitement and change. PHMC's physical transformation will drive a new culture of disruptive innovation toward the creation of robust and forward-thinking public health and social services for the communities served. That is PHMC's vision, its responsibility and its mission.

RESOURCES: For more information, see:

www.phmc.org

www.steelcase.com

