

The Passive-Aggressive Organization

Converting Consensus Into Action

by

Lloyd Howell
howell_lloyd@bah.com

David Kletter
kletter_david@bah.com

David Humenansky
humenansky_david@bah.com

Walter McFarland
mcfarland_walter@bah.com

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The Passive-Aggressive Organization:

Converting Consensus Into Action

So congenial as to seem conflict free, the passive-aggressive organization breeds a culture of simulated compliance: “everyone agrees, but nothing changes.” Building a consensus to make major changes is no problem; it’s implementing those changes that can prove impossible. Entrenched, underground resistance from the field often defeats headquarters’ best efforts. Lacking requisite authority, information, and incentives to undertake meaningful change, field and operating employees often ignore mandates from the central office, assuming that “this too shall pass.”

Do you recognize this organization? Or worse, do you work in it? If so, you are not alone. The passive-aggressive organization is the most common organizational profile among seven organizations that Booz Allen Hamilton identified based on our decades of client work and research (see inset box). More than a quarter of the 21,000 respondents who completed Booz Allen’s organizational assessment survey describe their organizations as passive-aggressive. It doesn’t matter whether the company, government agency, or non-profit is big or small, is a manufacturing or service concern, or is American or international...passive-aggressive profiles dominate the public and private sector worldwide. This reality is sobering because passive-aggressive behavior is inherently unhealthy, inviting inaction and ultimately marginalization.

Curing the Passive-Aggressive Patient

How can these ailing entities be revived? Clearly, cosmetic changes alone will not suffice. The treatment must go to the very marrow of the passive-aggressive organization and transform its underlying DNA. Only then is the patient likely to see results.

Passive-aggressive cultures by definition are resistant to change and therefore are uniquely difficult to fix. Incremental remodeling is a futile exercise with negligible impact. To make changes stick, passive-aggressive institutions must rebuild their basic machinery: their structures, decision rights, information flows, and motivators. Because all these elements of an

Passive-Aggressive

Passive-Aggressive is one of seven organizational profiles that Booz Allen Hamilton has developed and tested. Of these seven types, three effectively execute their mission (i.e., Resilient, Just-in-Time, Military Precision), whereas four (i.e., Passive-Aggressive, Outgrown, Overmanaged, Fits-and-Starts) do not because of deep-rooted organizational impediments. For more information or to determine your own organization’s profile, visit www.missiondna.com.

passive-aggressive organization’s DNA are compromised, remedies must be holistic and sweeping. Although the action plan itself may be designed based on a series of small steps building on one another, the intent and outcome of this organizational redesign should be nothing short of wholesale transformation.

Identifying Symptoms and Determining Root Causes

The first step toward solving a problem is characterizing it accurately; here, Booz Allen’s Mission DNA Profiler can be a useful and enlightening tool. A 5-minute survey consisting of 19 simple questions, the Profiler uses a multi-step algorithm to “diagnose” public sector organizations based on symptoms they manifest. Our experience and analysis of Profiler results confirm a strong correlation between a defined set of symptoms and the passive-aggressive profile (see Exhibit 1).

Not every organization that fits the passive-aggressive profile will demonstrate every one of these symptoms, but all will show some of the basic signs that can be traced back to the same root causes. Passive-aggressive organizations usually strive for the mean. Mediocrity is not only quietly accepted but also often promoted. Decision-making authority is murky at best;

Exhibit 1 | Diagnosing the Passive-Aggressive Organization

	Symptoms of Being Passive Aggressive
Inability to Execute	<ul style="list-style-type: none"> • The organization is extremely resistant to change • Reaching consensus is easy, but actions are not implemented • Employees often ignore strategic edicts from management • Lack of ownership and accountability leads to inaction or irresponsible behavior
Ineffective Decision Making	<ul style="list-style-type: none"> • In centralized organizations, field managers second guess headquarter's decisions • In decentralized organizations, senior managers micromanage their subordinates • Decisions are often ill-considered, because accountability is unclear • Key decisions are often ignored/overlooked because decision rights are not well defined
Information Disconnect	<ul style="list-style-type: none"> • Managers are rarely "on the same page" regarding mission objectives • Line managers make sub-optimal choices because they do not understand their ultimate impact • Headquarters is not apprised of important and current field information and, thus, is slow to respond • Different divisions/functions/regions operate as silos • Poor horizontal communication leads to inefficiencies and conflicting messages to external constituencies
Conflicting Motivators	<ul style="list-style-type: none"> • Incentives do not promote the best interests of the enterprise or its mission • The organization frustrates strong performers and fails to weed out poor performers • There is a failure to attract and retain talent breeds cynicism • Complacency takes hold because career advancement and compensation are not tied closely to performance • Ineffective appraisals result in individuals advancing beyond their capabilities

Source: Booz Allen Hamilton

once made, decisions are often second guessed. The herd mentality runs rampant through the organization, trampling innovation and ownership. Further, information is "locked down," inaccessible to those needing it most. Exhibit 2 sheds light on these root causes of passive-aggressive organizational behavior.

Taking the Medicine

By identifying and addressing root causes, passive-aggressive organizations can see their way clear to sustainable solutions. Although specifics of the transformation agenda will differ from organization to organization, the following broad imperatives apply universally.

Step Back and Look Forward

To undertake the complete overhaul required, passive-aggressive organizations need to step back before they can move forward. Senior management must first identify the organization's key concerns and dysfunctions and how they have stymied progress in achieving the organization's mission. Then, they can look forward and draw up a comprehensive blueprint to break

bottlenecks. There is no substitute for top executive leadership in designing and executing this transformation. Delegating change management on this scale to personnel further down the organizational ranks not only undermines the entire program but also further jeopardizes the execution ability of an already compromised organization. Senior management must lead the charge, with enterprise teams following closely, working the issues and designing the model over a year or more.

Classic Example: British Airways¹

"During the 1980s, Colin Marshall, then CEO of BA [British Airways], clearly recognized the need to transform the airline—nicknamed 'Bloody Awful' by its passengers—into an exemplar of customer service." Before he could build "the world's favourite airline," however, he had to pry employees' fingers from "the functional silos they clung to" and instill a desire to please passengers rather than only bosses. Marshall and his executive team conducted a detailed diagnostic of the organization's challenges. Only after stepping back did the senior team lay down a clear plan that identified what and how things would

¹ Michael Beer and Russell A Eisenstat, "The Silent Killers of Strategy Implementation and Learning," Sloan Management Review, July 2000.

change and set explicit goals and priorities for the transformation. The change was then executed over a 4- to 5-year period.

Make Decisions... and Make 'Em Stick

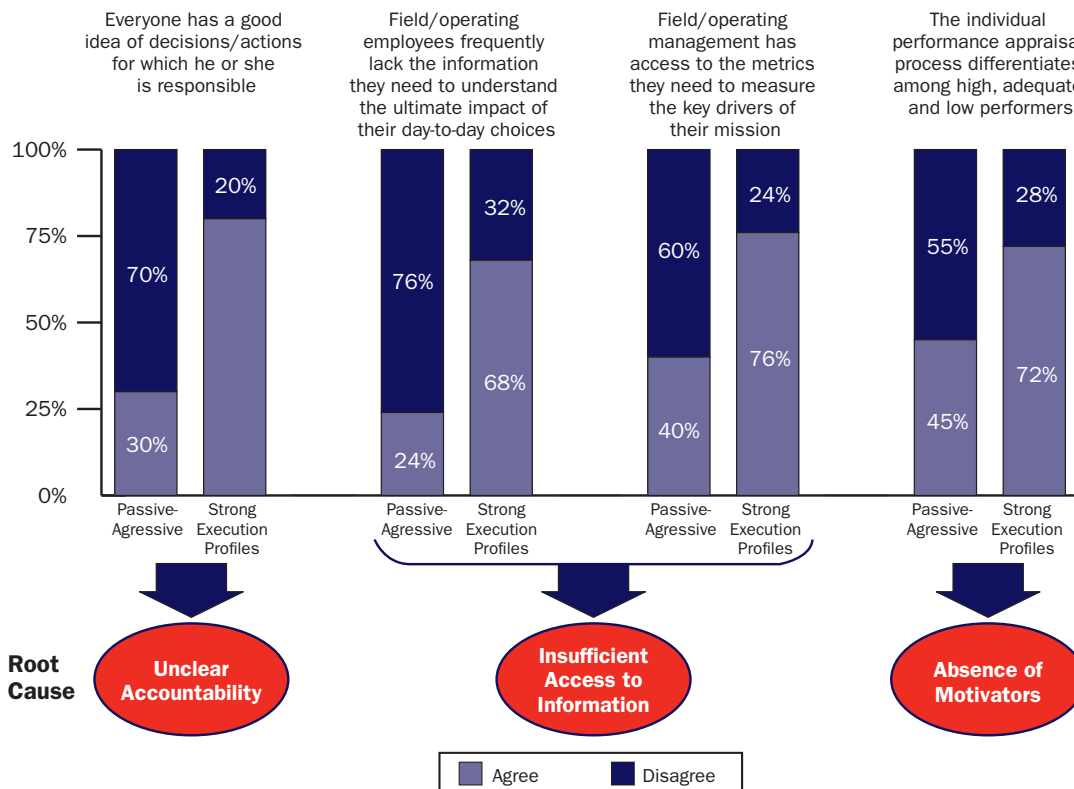
One hallmark of a passive-aggressive organization is the inability to take decisive action. Although occasional decisions may be made, these are usually second guessed or vetoed and only rarely implemented. A top priority in rendering a passive-aggressive organization more effective is to allocate and clarify firm “decision rights.” Decision rights should be delegated to those who are equipped with pertinent information and most able to effect the desired outcome—often front-line employees. Merely drawing up a grid to assign decision-making authority, however, is insufficient; passive-aggressive organizations must institutionalize accountability for those decisions, tying appraisals and incentives to successful execution. Moreover, senior management should take steps to streamline the decision-making

process, removing obstacles such as second-guessing and pocket vetoes.

Client Example: Government Agency

Booz Allen Hamilton recently worked with a U.S. Government science-based agency interested in improving the efficiency and effectiveness of its highly educated workforce. Middle management at the agency—many of whom were Ph.D.s and the leading minds in their respective fields—had become increasingly disenfranchised as key decisions were escalated above their heads. Program managers and lead scientists had little to no input on decisions being made about the missions they had responsibility for managing. During a series of workshops, the entire management team—top to bottom—identified key decisions and assigned clear and unequivocal accountability for each. Everyone present made commitments captured in an operating agreement that was then communicated across the organization and institutionalized. The agency established a task force to develop better communications strategies and tools so as to support

Exhibit 2 | Root Causes of Passive-Aggressive Organizational Behavior



Source: Booz Allen Hamilton organizational assessment survey, July 2004. Total responses 21,000.

these new decision rights with the right information. Within months, engagement and ownership among this group of genuine geniuses had increased substantially as had mission efficiency and effectiveness.

Spread the Word...and Data

Clearly, effective decision-making is predicated on timely and efficient access to relevant, accurate information... not a hallmark of the passive-aggressive organization; therefore, as decision rights are being articulated and assigned, information barriers need to be systematically eradicated across the organization. Then, management needs to construct systems to arm decision makers with easy access to key information inputs. That means streamlining the reporting process to ensure that top management has its finger on the pulse of the market and customers. It also means facilitating the flow of data down the organization to field and operating managers who are in the best position to use that data to serve constituents and customers. Passive-aggressive organizations should pay particular attention to breaking down functional and regional silos across the organization and to instituting suitable incentives to encourage efficient sharing of information. Finally, top management must install mechanisms to ensure that all information going to the market is consistent and clear. Metrics need not be numerous but should provide a clear view of the impact of decisions and progress toward objectives.

Client Example: Intelligence Operation

One client charged with gathering intelligence for both the military and intelligence communities suffered from several impediments to the smooth flow of information. First, its operations were physically dispersed with personnel in three separate states. Second, the IT systems in the three locations were not well integrated. Third, the individuals actually gathering the intelligence were experienced staff reporting in to short-term military and government appointees. Requests for information were sent to one location; forwarded to a second, where they were translated into a different database, and then finally relayed to the third location through yet another IT system. By the time the staff actually got the request, it was so garbled and out-of-context that they did not know how or if they should fulfill it. Customers, meanwhile, despaired of ever getting the time-sensitive information they needed. This operation is in the process of instituting new mechanisms—streamlined tasking process, customer service advocates, new IT tools—aimed at bridging these information divides.

Ring in the Bell Curve

Passive-aggressive organizations are conspicuously bad at communicating what is expected of employees and where performance falls short. Consequently, sub-par performers never “get the hint.” To transform the organization, senior management must set and communicate rigorous expectations for employee performance and then tie compensation and rewards directly to these criteria. In short, senior managers need to grade on a bell curve. Top performers should be recognized and rewarded for their superior performance, whereas periodically poor performers should be culled from the ranks. Performance management systems should be linked to decision rights and critical metrics (e.g., impact on operations, budget accountability, quality, and customer outcomes), and “public” consequences should be meted out for poor results. In other words, passive-aggressive organizations need to become less bureaucratic, more meritocratic.

Classic Example: IBM

When Lou Gerstner undertook the turnaround of the “lumbering elephant” IBM in 1993, he realized that if his strategic decisions were to be executed as planned, the employees had to be more accountable and had to think and act as owners. He therefore changed the incentive system from one that paid very little attention to exceptional performance—whether good or bad—to one that rewarded or penalized employees commensurate with their performance. He also used direct stock ownership and options to align the goals of employees with those of the firm.

Next Steps

Although these four imperatives barely qualify as a blueprint for implementing the broad changes needed in passive-aggressive organizations, they should shed light on the task of preparing for and implementing this kind of broad-based change. Our experience suggests that applying these remedies consistently and collectively results in clearer accountability, properly directed information flows, balanced performance measurement systems, and, most importantly, enhanced execution. The task of transforming a passive-aggressive organization may seem monumental but it is possible—and more important, crucial—to the organization’s continued relevance in an increasingly competitive world.

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Contact Information:

Lloyd Howell
Senior Vice President
howell_lloyd@bah.com
703/902-4730

David Kletter
Vice President
kletter_david@bah.com
212/551-6501

David Humenansky
Vice President
humenansky_david@bah.com
703/984-3888

Walter McFarland
Vice President
mcfarland_walter@bah.com
703/984-0120

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