

# James L. Holly, M.D.

## SETMA Management Philosophy August, 27th 1998

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To: SETMA's Middle Management Team  
From: James L. Holly, MD, Managing Partner, SETMA  
Re: Management Philosophy of SETMA and Standard of Performance Measurement

Distribution: Laurie, Marcia, Michelle, Richmond, Wendy  
Copy to: Vicki Stacey, Dr. Finley, Dr. Wilson

As I have thought about our meeting yesterday, I reflected on a comment made at a Tuesday evening meeting by a physician from another community. He said, "We have two different cultures here. I envy the other culture, but I cannot adopt it because of my relationships." Essentially, this comment was made in order to explain failure in the past and to excuse failure in the future, because no one expects to succeed. In producing his version of the New Testament, Dr. J. B. Phillips translated I Peter 2:8, "Yes, they stumble at the word of God for in their hearts they are unwilling to obey it – which makes stumbling a foregone conclusion."<sup>1</sup> Failure, a foregone conclusion; what a sad state of affairs! Success has a great deal to do with motive, attitude and heart. If in our heart, we do not intend to succeed, we usually will not. If your culture is the reason for your expected failure, change your culture, i.e., change your habits, attitudes or heart.

Many people will share in the credit for the success of SETMA – and the appropriate praising of others is one of the aspects of SETMA's culture, for few things are as unattractive as a person attempting to take credit for the work, ideas or accomplishments of another – **but it is hard to identify a group which will share more credit than those to whom this memo is directed.** I am proud of you. I believe you are doing a good job; I believe you are capable of doing a great job. And, **I will measure my success, not by how much money I make, not by how many benefits I bring to SETMA, but, I will measure my success, by how successful I am in helping you become an excellent team.** That is the nature of a learning organization. I do not want us to stop short of becoming the kind of organization that I know all of us want to become.

To that end, I want to share my morning with you. It is 4:15 AM, as I am writing this.

When I awoke this morning a little before 3:00 AM, I was refreshed and excited about the opportunities of today. My mind immediately went to each one of you. I lay in bed until 3:45 thinking about my responsibility for your success. I want to restate that my ruminations were not produced out of worry, but out of enthusiasm and excitement about the future.

What is SETMA's management style? How will we manage not only the inert resources, which we use in our practice, but more importantly, how will we manage people? How will we help make others successful?

### **THE ABCs of SETMA's Management Philosophy or The Corporate Culture of Southeast Texas Medical Associates, LLP**

**Anticipation vs. Anxiety** – Anxiety in team members is almost always a failure of leadership. Anxiety is produced by:

- Unrealistic expectations – demanding someone to do something they are either not trained to do, equipped to do, or capable of doing.
- Uncertain responsibilities – expecting someone to do something, but not making it clear what they are supposed to do, or making it clear within what time frame they are supposed to do it. Great managers are great communicators, and most often they reduce their instructions to writing for **accountability** – there is no doubt about who is responsible, for **clarity** – there is no doubt what is expected, and for **review** – there is no doubt when the project is due.
- Inappropriate responsibilities – anxiety and the physical response to anxiety, stress, ulcers, insomnia, etc., are the result of assuming responsibility for something you either don't have the authority for, or for something which is someone else's responsibility.
- Inadequate preparation – this is most often seen in the lack of planning and the lack of organizing one's activities. Without planning and organization, an employee will be the victim of every problem, which forces itself upon their attention.

When management anticipates problems and provides direction and determination, others work productively rather than anxiously. If a manager, including and especially myself, finds anxiety in those who report to him or her, the first step is to analyze the manager's failure not the subordinate's. Anxiety is overcome by:

- Subordinates learning they can trust their supervisors to train them, support them and care about them.
- Subordinates being taught how to get themselves organized.
- Subordinates learning how to appropriately delegate responsibility.

**Bearing Vs Blaming** – The Apostle Paul is perhaps the greatest expositor of the Christian faith. Most people would probably say that he understood and practiced the Christian faith more excellently than anyone else, yet, Paul's motive was to "bear the burdens" of others and his success was based on the success of others, not his own. It is easy to blame others for problems; it is not easy to help them be successful, but the

greatest pleasure anyone can experience is to watch a person perform, whom you helped succeed. SETMA's culture is such that if your response to a problem is blaming someone else, then I will know that you are not a team player. "Blaming others," means one of several things:

- You understand the problem and you know how to solve it – that's the only way you can legitimately blame someone else – and you don't have enough commitment to SETMA to show them how to solve it and to help them do it, or
- You have failed and to distract attention from yourself, you point a finger at someone else.

Blaming others demonstrates the lack of team spirit and is contrary to SETMA's culture.<sup>3</sup>

**Collaboration Vs Criticizing** – Time spent criticizing a colleague, supervisor or subordinate is time taken away from solving problems. Tom Morris comments, "Collaborative work requires taking other people's ideas seriously, treating all our associates as individuals with minds, with real intellectual experience from which we can benefit. Collaboration is founded on truth, for apart from sharing truth, no productively synergistic interaction is possible."<sup>4</sup> Criticism is the foundation on which blame is built. When we criticize others, we are building our excuse for failure. **If we understand correctly why something or someone is not working or succeeding, then we should turn that insight into collaboration where we help them succeed rather than in criticism where we insure their failure.** SETMA values and will reward collaboration; SETMA rejects and will remove criticism.

**Covenant Vs Contract** – A contract basically declares that if you do not perform, you are "out of here." A covenant declares that you are important and if you desire, we will work to help make you successful. In *The Fifth Discipline*, Peter Senge quotes Max de Pree, retired CEO of Herman Miller Clock company, "who speaks of a „covenant“ between organization and individual, in contrast to the traditional „contract“ („an honest day's pay in exchange for an honest day's work“). „Contracts," says De Pree, „are a small part of a relationship. A complete relationship needs a covenant...a covenantal relationship rests on a shared commitment to ideas, to issues, to values, to goals, and to management processes...Covenantal relationships reflect unity and grace and poise. They are expressions of the sacred nature of relationships."“<sup>5</sup> SETMA is based on covenant. It is possible for a person to fail, but we accept responsibility for helping them succeed.

Senge elaborates on the covenantal basis of a learning organization when he adds the comment, „You know the system is working," Hanover Insurance Company's President William O'Brien said recently, „when you see a person who came to work for the company ten years ago who was unsure of him/herself and had a narrow view of the world and their opportunities. Now that person is in charge of a department of a dozen people, He or she feels comfortable with responsibility, digests complex ideas, weighs different positions and develops solid reasoning behind choices. Other people listen with care to what this person says. The person has larger aspirations for family, company,

November 6, 1996 The *SETMA Sentinel* illustrated this principle with a quote from

another book. Its basic premise is wrong, but it illustrates this point.

“A man I know owns a meatpacking plant in the Midwest. His company’s motto is „People don’t make sausages; sausages make people.” That is, the purpose of the company is not to manufacture a product. The purpose is to give the people who work there the sense of competent, valued men and women. The meat products are by-products. Work lets us feel needed...Work lets us feel creative...I would even insist that when work is done in the right frame of mind, work can be holy. There is a linguistic connection between the words „work” and „worship.” Work can be a way of serving God. Whatever we do for a living, we can learn to see it not only for the money we earn, but in terms of the blessings and benefits it brings to other people...a man who works for a moving company brings a religious approach to his work...moving is stressful for most people. They are unsure about what awaits them in their new community. When he makes the experience of packing and shipping their belongings a pleasant, stress-free one by his attitude, when he speaks to them of the new opportunities which are theirs, he believes he is serving God by making those people less fearful...a lingerie saleswoman sanctifies her otherwise ordinary job by being especially sensitive and compassionate to the mastectomy patients who come to her store”<sup>7</sup> That *Sentinel* went on to say:

“This effectively summarizes what we have tried to do at SETMA. Our goals have been to:

1. Make every employee know their worth, value and importance, not only to SETMA, but to themselves.
2. Make every employee of SETMA see how it is, as we serve our patients well, that we truly serve God.

It is my prayer and hope that each one of you continues to understand how important you are to us, and I trust how important we are to you. It is my prayer that as we serve our “clients” – our patients – our “customers,” that we do it with the integrity, the compassion, the mission and with the commitment, which makes it truly a service to God.”

You cannot abuse others and fulfill this goal. You cannot deal with others out of frustration, anger, impatience and rudeness and fulfill this goal. At SETMA, we will not only treat everyone, as we want to be treated ourselves, but we will treat him or her like we want our grandchildren to be treated.

**Competence Vs Crisis** – It is amazing how many people develop a habit of living their life from crisis to crisis. Organizations can develop that kind of culture also. SETMA will not. Because management will anticipate problems and design solutions, assigning responsibility for those solutions and establishing reasonable and appropriate deadlines for the implementation of those solutions, we will manage by competence and not by crisis. When an organization regularly has a crisis – not urgency brought on by new opportunities – but a crisis because of failure to plan, that is a management problem, not a performance problem. SETMA’s culture will be defined by planning and calendaring so that when the time comes for something to be completed, it is. If a crisis develops,

we will deal with it with analysis, assignment of responsibilities to solve it and “bearing of burdens,” not with blame, criticism and delay.

**Collegiality Vs Complaining** – There are so many Cs, but this is the last contrast before we move on to the next part of the ABCs of SETMA’s management style. Colleagues on a team not only don’t criticize one another, but they “bear one another’s burdens.” A dysfunctional organization blames others by saying, “You didn’t do what you were supposed to do.” A learning organization “bears one another’s burdens” by saying let me help you get that done. **The dynamic difference is that the former produces a competitive environment, which is destructive, while the latter produces a collaborative environment where the whole is greater than the sum of the parts.** Rather than complaining that someone else isn’t doing or can’t do their job, a colleague helps them get it done. And, in doing so, he or she not only makes a friend, but also makes him or herself successful in the process.

**Discipline Vs Delay** – A learning organization is a disciplined organization, which simply means rather than putting something off until tomorrow, when it will then take away from tomorrow’s responsibilities, a task is done today. It is so simplistic to state that in order to drive from Beaumont to Houston, you must first drive to the city limits of Beaumont, then to the Jefferson County line, then to Winnie, etc. But, it does illustrate that to get to the goal; one must start and meet various milestones before the goal is reached. I have often said, “I have started many things which I did not finish, but I have never finished anything that I did not start.” Getting started is critical; maintaining the discipline to continue and to complete the task is imperative.

Here is where a team is so important. It is easier to start with collaborators and it is easier to finish with team members than alone. Few of us are effective “loners,” most of us, by God’s design, need one another in order to succeed. It’s more fun to laugh and live with others than to laugh alone. And, it is more fun to work with others than to work alone. Discipline is a personal character trait, which we should all desire, but it is also a part of corporate culture. Some organizations have a reputation for never making a decision and always delaying starting a project. Those organizations are seldom successful. **As a leader, I would rather fail a thousand times attempting something than to succeed once doing nothing.** SETMA wants you to “try your wings.” Risk failure and experience the wonder of success. The only man or woman to whom God can entrust success is one who is willing to fail.

**Excellence Vs Expectations** – Expectations are generally unstated and ill-defined desires, which we have for others or ourselves. They often lead to depression because they are often unrealistic and they are almost always undeclared. Excellence is based on individual performance, but individual performance, which is sustained and empowered by a team spirit. Tom Morris identified the origin of the word: “The word *excellence* has a simple etymology. It comes from two Latin roots (*ex*, “out from,” and *celere*, “rising”) that together mean “rising out from.” Excellence is always an actual state of superior performance rising out from an original state of potentiality.”<sup>8</sup>

SETMA is not competing with other medical practices. SETMA is competing with

SETMA. You are not competing with someone else in this practice, you are competing with yourself. Tom Morris also said:

““We throw all our attention on the utterly idle question whether A has done as well as B, when the only question is whether A has done as well as he could – William Graham Sumner.”...You can possess competitive excellence without having individual excellence...When the competition is not particularly strong, you might be number one in your town, your market, your sport or your industry without having come even close to realizing your productive potential.”<sup>9</sup>

*My goal is to help each one of you be excellent, not by expecting you to be better than someone else in this practice or another practice, but because you are the best you can be!*

**Forgiveness Vs Frustration** – Until a person demonstrates that through slothfulness or carelessness, they do not want to be a part of the SETMA team, management will not respond to subordinates through anger, irritation or frustration. Each of these is demonstrative of a failure on management’s part, not on the part of the one who is being managed. Senge talks about “forgiveness” in a learning organization. He said: “To be effective, localness<sup>10</sup> must encourage risk taking among local managers. But to encourage risk taking is to practice forgiveness....Learning organizations practice forgiveness because... „Making the mistake is punishment enough.”<sup>11</sup>

Very often the expression of frustration with a fellow worker and particularly a subordinate is a form of “blame” and of “criticism,” which is meant to distract attention from the failure of management to anticipate the problem, to adequately plan the project, or to follow through on their own responsibilities. Whatever the reason, SETMA’s culture is built on teamwork – which means that your failure is mine, therefore, I want to help you succeed – covenant – which means that you are not expendable, therefore, if SETMA is to succeed, you must succeed. This is why we will all have a PLAN OF ACTION notebook, which will be our accountability guide for excellence.

## **Conclusion**

I am out of time – I have a 7:00 AM meeting and it is 6:30. I will finish SETMA’s ABCs of management later. I will also correct typos in this part, which I presently do not have time to do.

I want each one of you to spend thirty minutes alone today, writing down the information, which I requested yesterday. I want to meet with the same group this afternoon at 4:30 in Vicki’s office. At that time, I will give you your ACTION PLAN Notebook. It will have several sections:

- My responsibilities – This is a list of your routine, daily responsibilities. This will give you a blue print of what your day should look like.
- Unresolved problems – This is your list of things with which you either need help or collaboration. Ask! The smartest people I know are people who know when to ask for help and they know precisely what they need help with.

- Unfinished tasks – These are the things you must make time for. If you don't have an "unfinished tasks" list, you have forgotten many things, which you need to do. The nature of your job and of our business is that it is never complete. We don't work to finish; we work for success, which means there is always more to do.
- New initiatives – This is what you're thinking about. This is your wish list or the things you would like to do if there were time and resources.
- Miscellaneous – This will include your ideas on how you can help others complete tasks, which they have.

Your ACTION PLAN notebook will be your marching orders and it will be the basis of your accountability to Vickie and to me for your performance. It will be our plan for excellence in your job for you. At any time of the day, I want you to be able to produce your ACTION PLAN notebook when Ms. Stacey or I ask for it. It will be the basis of our communication about where you are in understanding and succeeding in your job.

Your most important measure of success in your job will be your goals and standards for yourself. Speaking to his Secretary, Colville on August 27, 1940, Winston Churchill said: "Each night, I try myself by Court Martial to see if I have done anything effective during the day. I don't mean just pawing the ground; anyone can go through the motions, but something really effective."<sup>12</sup> I have tried to live by this since I first read it. Try each day to accomplish something significant and in the end you will succeed in your job.

As a leader, you must be true to yourself and not be disappointed with others. You must assist them in becoming all they can be. In an editorial entitled, "Leadership Paradoxes," William McCumber, listed ten conclusions about people in general. He found these in a newspaper article about Howard Ferguson, a wrestling coach, who initially formulated the list.

1. People are illogical, unreasonable, and self-centered. Love them anyway.
2. If you do good, people will accuse you of selfish, ulterior motives. Do good anyway.
3. If you are successful, you win false friends and true enemies. Succeed anyway.
4. The good you do today will be forgotten tomorrow. Do good anyway.
5. Honesty and frankness make you vulnerable. Be honest and frank anyway.
6. The biggest men with the biggest ideas can be shot down by the smallest men with the smallest ideas. Think big anyway.
7. People favor underdogs, but follow only top dogs. Fight for a few underdogs anyway.
8. What you spend years building may be destroyed overnight. Build anyway.
9. People really need help, but may attack you if you do help them. Help them anyway.
10. Give the world the best you have and you'll get kicked in the teeth. Give the world the best you have anyway.

McCumber adds, "The news article called these Howard Ferguson's Paradoxical Commandments of Leadership." As you lead, you will experience them. Grow as you do, and as those you lead succeed, you will be a success!

I have never been more enthusiastic about our future than I am now. You are an important part of that future. I look forward to working with you to help you organize your success.

Sincerely yours,

Larry Holly, MD  
Managing Partner  
SETMA, LLP

<sup>1</sup> *Letters to Young Churches: A translation of the New Testament Epistles*, J. B. Phillips, New York, The Macmillan Company, 1955, p. 203.

<sup>2</sup> A number of years ago, in a time of great stress in primary care, my bookkeeper was very anxious. As I tried to determine why, I realized that she was stressed because she had assumed responsibility for whether there was enough money to meet the accounts payable. I sat her down and explained that her responsibility was to make sure that no checks were released for which we did not have money, but that it was my responsibility to make sure there was enough money for all the bills, her stress went away. It was not stressful to me to deal with the financial pressures of the practice, because that was my responsibility, but it was creating physical symptoms in her. She didn't stop caring about the pressures the practice was under, but she stopped worrying about it, because she knew she could trust me.

<sup>3</sup> If taking credit for someone else's idea or effort is the most offensive problem in an organization; the second most offensive is trying to give someone else credit for your failure.

<sup>4</sup> *If Aristotle Ran General Motors: The New Soul of Business*, Henry Holt and Company, New York, 1997, p. 65.

<sup>5</sup> *The Fifth Discipline: Strategies and Tools for Building a Learning Organization*, Currency Doubleday, 1990, New York, p. 145.

<sup>6</sup> *IBID*, p. 145.

<sup>7</sup> *How Good Do We Have To Be?: A New Understanding of Guilt and Forgiveness*, Harold S. Kushner, Little Brown, 1996, pp.144-148.

<sup>8</sup> *If Aristotle Ran General Motors: The New Soul of Business*, Henry Holt and Company, New York, 1997, p. 49.

<sup>9</sup> *IBID*, p. 53.

<sup>10</sup> "Localness" is a concept of transferring responsibility for success and decision making to the management team on the scene, empowering them to make decisions and to move ahead within guidelines.

<sup>11</sup> *The Fifth Discipline: Strategies and Tools for Building a Learning Organization*, Currency Doubleday, 1990, New York, p. 301.

<sup>12</sup> *Churchill: A Life*, Martin Gilbert, p. 674.