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The Soft Underbelly of System Change: The Role of Leadership and Organizational Climate in Turnover during Statewide Behavioral Health Reform

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Abstract

This study examined leadership, organizational climate, staff turnover intentions, and voluntary turnover during a large-scale statewide behavioral health system reform. The initial data collection occurred nine months after initiation of the reform with a follow-up round of data collected 18 months later. A self-administered structured assessment was completed by 190 participants (administrators, support staff, providers) employed by 14 agencies. Key variables included leadership, organizational climate, turnover intentions, turnover, and reform-related financial stress ("low" versus "high") experienced by the agencies. Analyses revealed that positive leadership was related to a stronger *empowering* climate in both high and low stress agencies. However, the association between more positive leadership and lower *demoralizing* climate was evident only in high stress agencies. For both types of agencies empowering climate was negatively associated with turnover intentions, and demoralizing climate was associated with stronger turnover intentions. Turnover intentions were positively associated with voluntary turnover. Results suggest that strong leadership is particularly important in times of system and organizational change and may reduce poor climate associated with turnover intentions and turnover. Leadership and organizational context should be addressed to retain staff during these periods of systemic change.

Keywords

Behavioral health policy; leadership; organizational studies; safety-net institutions; turnover

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Large-scale system change is a challenging proposition. System change efforts generally focus on altering funding and quality improvement (Garfield, 2009). Attention is rarely given to the impact of system change on organizational dynamics and the subsequent effects of these dynamics on behavioral health service providers. We acknowledge organizational processes, but less often do we measure them. Within clinical settings, leadership and organizational climate can influence employee perceptions and actions (Aarons & Sawitzky, 2006a; Aarons, 2006). During system change, organizational factors that affect turnover intentions and turnover may deleteriously impact employee morale, short and long-term productivity, and organizational effectiveness (Gray, Phillips, & Normand, 1996; Jayaratne & Chess, 1984).

Safety-net institutions (SNIs) are provider organizations that historically have cared for low-income populations, including those on Medicaid or who are uninsured and at-risk for serious behavioral health problems such as mental, emotional, and substance use disorders (Institute of Medicine, 2000; Waitzkin et al., 2002). These agencies are important providers for individuals who might not otherwise have access to care (Felland, Lesser, Staiti, Katz, & Lichiello, 2003; Gray & Rowe, 2000; Horton, McCloskey, Todd, & Henriksen, 2001; Willging & Semansky, 2010). Due to the substantial reliance of SNIs on public funding, they tend to be more fragile and susceptible to the adverse effects of changes in a statewide system (Willging & Semansky, 2010; Willging, Waitzkin, & Nicdao, 2008).

Safety-net institutions are subject to ongoing concerns about provider retention with ramifications for costs of recruitment, training, and overall performance (Glisson, 2002; Knudsen, Johnson, & Roman, 2003). Turnover can be a serious problem within SNIs and other human service agencies (Howard & Gould, 2000) where annual turnover rates often exceed 25% (Gallon, Gabriel, & Knudsen, 2003) and can exceed 50% (Aarons, Sommerfeld, Hecht, Silovsky, & Chaffin, 2009; Glisson, Dukes, & Green, 2006; Glisson & James, 2002; Aarons & Sawitzky, 2006a). Turnover within SNIs can compromise organizational functioning, continuity of care, and provision of evidence-based treatment due to shortages in qualified personnel (Willging, Waitzkin, & Lamphere, 2009). This can lead to poor service quality and poor client outcomes (Castle, 2001; Glisson et al., 2006; Venzon, 1985). Leadership and organizational climate can impact staff intentions and decisions to terminate employment (Coomber & Barriball, 2007).

To inform strategies to improve leadership, organizational processes, and staff retention during periods of system change, it is important to identify alterable service system and organizational factors that predict SNI functioning and ultimately staff turnover. Research to date has revealed links between organizational context and turnover in mental health and social service organizations (Glisson & James, 2002; Aarons & Sawitzky, 2006a). However, little research has examined the impact of behavioral health reform on the provider workforce. In the following sections we describe the conceptual model we developed to link leadership, organizational context, employee turnover intentions, and actual turnover as applied to the experiences of providers working in SNIs who have been adapting to behavioral health reform instituted throughout one rural state.

Conceptual Model

We propose a conceptual model in which leadership is an antecedent to downstream organizational processes and staff behaviors. Consistent with the literature on how organizational climate is instantiated in organizations, our model underscores the importance of leader behaviors in organizational culture and climate (Schein, 2010).

Our conceptual model draws on the Full Range Leadership model that incorporates transformational leadership theory (Avolio, Bass, & Jung, 1999; Bass, 1997).

Transformational leadership is the degree to which a leader can inspire and motivate staff to follow an ideal or a particular course of action (Avolio, Gardner, Walumbwa, Luthans, & May, 2004).

Leadership is an important factor for effectiveness and change in organizations (Bass & Avolio, 1990; Stodgill, 1974). Despite a limited empirical base on leadership in mental health and social service organizations, there are some important and highly relevant findings pertinent to this study. Corrigan and colleagues (2000) found a positive association between positive mental health program leadership and higher client satisfaction and quality of life. Stronger transformational leadership is associated with positive work attitudes in both for-profit and non-profit organizations (De Hoogh et al., 2005). Further, more positive leadership in human service organizations is associated with higher organizational commitment among staff members (Glisson & Durick, 1988). Aarons and colleagues (2002) found that organizational climate mediated the association between leadership and therapeutic alliances, such that positive leadership was associated with positive organizational climate, which, in turn, was associated with more positive clinician ratings of these alliances. Finally, more positive leadership is associated with more positive staff attitudes toward adopting evidence-based practices (Aarons, 2006), a critical organizational change for clinical services.

The most comprehensively researched and validated approach to leadership for individual and organizational development is the Full Range Leadership model (Bass & Avolio, 1990; Judge & Piccolo, 2004). In this model, transformational leadership is comprised of five factors associated with effective day-to-day operations within organizations (Huang, Macbeth, Dodge, & Jacobstein, 2004): Individual Consideration (appreciation of each staff member's individual contributions and needs), Intellectual Stimulation (ability to stimulate thinking and accept different perspectives), Inspirational Motivation (ability to inspire and motivate staff), Idealized Influence Attributed (leader acts confidently and instills pride and respect), and Idealized Influence Behavior (leader instills values, beliefs, strong sense of purpose, and collective sense of mission). These factors form the foundation of effective transformational leadership and impact whether and how subordinates accept the vision and direction of the leader and perform assigned job roles and tasks. Transformational leadership is associated with a number of organizational outcomes and individual follower behaviors (Walumbwa, Wang, Wang, Schaubroeck, & Avolio, 2010).

Leadership is also associated with organizational climate (Wang & Rode, 2010). Organizational climate represents employees' shared perceptions of the work environment and it has been shown to impact job-related attitudes and behaviors (Pritchard & Karasick, 1973). Climate includes perceptions of, and affective response to, the workplace and work tasks. Positive climates are characterized by high levels of fairness, growth and advancement, and role clarity, as well as low levels of emotional exhaustion (e.g., fatigue due to job demands) and depersonalization (e.g., feeling removed from those served) (Lawler, Hall, & Oldman, 1974). Along with a diminished sense of personal accomplishment, emotional exhaustion and depersonalization are components of burnout (Maslach, Schaufeli, & Leiter, 2001) and are related to staff turnover (Drake & Yadama, 1996).

Turnover intention is the degree to which an employee considers leaving a job or is seeking another job. Such intentions are related to organizational characteristics and other withdrawal behaviors including tardiness and absenteeism (Farkas & Tetrick, 1989). Turnover intention is a reliable predictor of turnover behavior (Knudsen, Ducharme, & Roman, 2007). To provide more background for this study, we next describe the effects of

administrative system change within the state to illuminate the context in which we examine our conceptual model.

System Change in New Mexico

In July 2005, New Mexico placed all publicly funded behavioral health services under the management of a single for-profit private corporation. This unprecedented system change promoted the approach of conventional managed care, emphasizing efficient use of limited resources, cost-effectiveness, performance, and provision of high-quality services. During the first year, state officials and managed care administrators focused on three "nuts and bolts" issues rather than organizational dynamics within SNIs: a) ensuring that services continued with as little disruption as possible; b) developing and introducing processes for enrollment, billing, and governance; and c) creating comprehensive mechanisms for quality improvement and information management (Willging et al., 2007).

The implementation of new and frequently changing administrative requirements under the reform led to substantial paperwork demands and payment problems, and resulted in financial stress within SNIs (Willging et al., 2009; Willging & Semansky, 2010). Not all SNIs had the administrative apparatus in place to fulfill billing and reimbursement requirements. Many lacked the financial resources to purchase basic technology (computers, software, and consistent Internet access) to submit necessary materials to the managed care company responsible for claims processing. A lack of ongoing technical assistance from the company hindered the ability of agencies either to build this apparatus or comply with new requirements. Complicating matters, the information technology system instituted statewide to process claims and other electronic paperwork was rife with problems. SNI personnel were commonly pulled from service provision to identify and correct paperwork problems or resubmit claims denied with little or no explanation from the managed care company. This combination of challenges resulted in increased workload, decreased employee morale, and persistent delayed payments. Financial problems within SNIs increased and compromised their already stretched capacity to deliver care to poor and underserved populations. Our purpose here is to highlight the impact of organizational dynamics and facilitate discussion of ways to promote staff engagement and retention in times of system change.

To assess the sensitivity of the proposed linkages between organizational dynamics and employee retention, we examine these relationships under two organizational conditions, high and low financial stress due to reform (described in detail below). We predicted that more transformational leadership would be associated with more positive organizational climate. We also predicted that more positive organizational climate would be associated with lower turnover intentions and staff turnover (Figure 1). Further, these relationships would vary as a function of organizational stress level in response to reform efforts in New Mexico. In particular, we predicted that the impact of financial stress on organizational climate and subsequent staff turnover intentions and turnover would be moderated by more transformational leadership.

Methods

Study context

The current study is part of a larger 5-year, mixed-methods assessment of the impact of system reform on access and quality of care for low-income adults with serious mental illness (Kano, Willging, & Rylko-Bauer, 2009; Hough, Willging, Altschul, & Adelsheim, 2010; Semansky, Altschul, Sommerfeld, Hough, & Willging, 2009; Willging et al., 2009; Willging & Semansky, 2010). The study took place in three rural counties and three counties

with metropolitan areas, each chosen for geographic and ethnic diversity. We collected quantitative data in April 2006 and 18 months later (October 2007) on organizational leadership, climate, and finances from the 14 behavioral health agencies that provided the majority of services in each county. The SNIs included community mental health centers, residential and outpatient substance abuse treatment centers, agencies providing outpatient services for homeless adults with co-occurring disorders, and small group practices. Informed consent was obtained from participants and this study was approved by the appropriate institutional review boards.

We implemented a purposive sampling approach to recruit participants at each SNI (Patton, 2002; Willging et al., 2009). We first surveyed a lead administrator who then referred providers (e.g., psychiatrists, psychologists, social workers, case managers, counselors, and psychosocial rehabilitation coordinators) and support staff for participation. In all but one site, each employee specifically involved in delivering services to adult clients participated. The characteristics of participants are presented in Table 1.

Measures

The self-administered structured assessment included measures of leadership, organizational climate, and turnover intentions. Participants indicated the extent to which they agreed with each statement regarding these constructs on a 5-point scale ranging from 0 (not at all) to 4 (to a very great extent). We also assessed voluntary employee turnover and developed a measure of reform-related agency stress.

Leadership—The Multifactor Leadership Questionnaire (MLQ) assesses dimensions of leadership found in numerous studies to be associated with organizational performance (Bass & Avolio, 1995). We focused on transformational leadership using five subscales consisting of idealized influence attributed (four items, α=.91), idealized influence behavioral (three items, α=.86), inspirational motivation (four items, α=.94), intellectual stimulation (four items, α=.93), and individual consideration (four items, α=.87). Idealized influence attributed refers to the belief about a leader's character; idealized influence behavioral refers to observed behaviors. MLQ scores have been associated with organizational climate in behavioral health agencies (Aarons & Sawitzky, 2006b). The MLQ asks respondents to indicate the extent to which their supervisor engages in specific leadership behaviors.

Empowering and demoralizing organizational climate—The climate scales in this investigation derive from organizational studies of diverse workplaces (Hackman & Oldham, 1980; Mowday, Porter, & Steers, 1982). We assessed empowering climate using the items from the Children's Services Survey (Glisson & Hemmelgarn, 1998). Empowering climate is constructed from three subscales of fairness (six items, α=.59), growth and advancement (five items, α=.81), and role clarity (six items, α=.86). We also measured demoralizing climate from the Children's Services Survey. The constituent subscales include depersonalization (five items, α=.85), emotional exhaustion (six items, α=.94), and role conflict (nine items, α=.88).

Turnover intentions—We assessed turnover intentions with five items from organizational studies and adapted for use in human service agencies (Knudsen et al., 2003; Walsh & Ashford, 1985). Participants reported their intentions to leave or stay in their present job. The scale demonstrated good internal consistency reliability (five items, α=.88).

Voluntary turnover—We assessed turnover through direct follow-up interviews with participants. Interviewers asked if participants were still employed at the SNI. If not, we

asked whether their termination was voluntary or involuntary. For persons not eligible for participation in the subsequent wave of data collection due to leaving an SNI, we collected employment separation dates and departure reason (involuntary versus voluntary) from the SNI. Consistent with a large body of research regarding the determinants and correlates of turnover (Griffeth, Hom, & Gaertner, 2000; Tett & Meyer, 1993), we focused on employee volitional behavior during system change and the capacity of leadership to influence employee preconditions of turnover. As such, voluntary departures represented the turnover event of interest (Aarons et al., 2009). Thus, we sought to assess in what ways reform was associated with preconditions for voluntary turnover and, in particular, the degree to which leadership buffered employees from potential organizational stressors. To examine this relationship, we did not treat employment status changes involving promotions to supervisory positions, transitions to other positions within the same agency, involuntary terminations, program closures, or layoffs (n=24) as voluntary turnovers. However, in analyses that included all possible turnover events (available by request from the authors) the results were nearly identical to those reported below, except for an understandably diminished relationship between turnover intentions and actual turnover. For the analyses shown below we indicated voluntary turnover dichotomously (0=retention; 1=turnover).

Agency reform stress—To explore whether the organizational stress due to reform might influence the analytical relationships of interest, employees were divided into two groups based upon whether they worked in an SNI that experienced financial challenges explicitly attributed to the reform. We utilized survey and interview data collected as part of our larger study to categorize the SNIs (Semansky, Hodgkin, & Willging, 2011; Willging et al., 2009). In both quantitative questionnaires and semi-structured interviews, upper-level administrators were asked about the budgetary implications of the reform for their respective agencies. When an administrator indicated that budgets had been reduced following the reform and attributed this reduction to the reform, the agency was classified as having experienced a “high” level of reform-related financial stress. In comparison, SNIs not experiencing such conditions were considered to be experiencing “low” reform-related financial stress. We then assigned the individual employees to either the high or low stress category based upon the coding of the SNI in which they worked.

Statistical procedures

Structural equation modeling was conducted using Mplus 6.0 (Muthen & Muthen, 2008). Missing data were limited (N=190, 93% minimum proportion covariance coverage) and we utilized full information maximum likelihood estimation for missing data. We accounted for the nested data structure (multiple employees within each SNI) by calculating robust standard errors that adjust for non-independence of observations (Hedeker & Gibbons, 1997; Klein & Kozlowski, 2000; Kreft & de Leeuw, 1998; McArdle & Hamagami, 1996). To assess the sensitivity of the results to employees from a single, potentially uncharacteristic organization, we re-analyzed the results multiple times and removed the SNIs with the highest and then lowest average scores for each measure. The findings for the re-analyses were consistent with those reported below. We assessed model fit using several indices: comparative fit index (CFI), Tucker-Lewis index (TLI), root mean square error of approximation (RMSEA), and standardized root mean square residual. CFI and TLI values were greater than .87; RMSEA values were less than 0.10 (Dunn, Everitt, & Pickles, 1993; Hu & Bentler, 1998; Hu & Bentler, 1999; Kelloway, 1998).

Results

Overall, 41 (22%) participants had a voluntary turnover event within approximately 1.5 years of the initial structured assessment. Of the 14 SNIs, eight reported high stress under

the reform; the remaining six reported low stress. Table 1 presents descriptive statistics for each group (83 respondents from low stress and 107 from high stress SNIs). The racial/ethnic background of respondents differed significantly across both categories, as did the rural/urban composition, with rural staff more likely to be in SNIs reporting financial stress related to reform. The two groups had significantly different employee types.

Means and standard deviations for variables in the analyses are in Table 2. Voluntary turnover was significantly more likely within the agencies identified as experiencing a high stress level. Inspirational motivation differed significantly, with respondents experiencing financial strains due to the reform reporting lower levels.

The model in Figure 1 shows the relationship of transformational leadership with turnover intentions fully mediated by empowering climate for both low and high stress SNIs and demoralizing climate only for high stress SNIs. This model demonstrated good fit, χ^2=183.871, df=138, p=.006; CFI=.885, TLI=.870, RMSEA=.059, with significant factor loadings for all items comprising latent variables p< .001. In Figure 1, path coefficients are presented for both low (left of slash) and high (right of slash) stress SNIs. All but one standardized path coefficient (*b*) were statistically significant. Greater transformational leadership had a strong association with a more empowering climate for low *b*=.800, p<.001 and high stress *b*=.598, p<.001 SNIs. However, the negative association between transformational leadership and demoralizing climate was only significant for employees in high stress SNIs. That is, strong transformational leadership moderated the impact of reform only for those SNIs experiencing heightened stress *b*= −0.370, p<.01. Where stress was low, the path coefficient was non-significant *b*= −0.167, p>.05. As anticipated, a more empowering climate was significantly associated with reduced turnover intentions, while a more demoralizing climate was linked to increased turnover intentions. This relationship between both types of organizational climates and turnover intentions was similar for both groups. The relationship between intentions and voluntary turnover was significant and in the expected direction for both groups.

Discussion

System change efforts frequently move ahead with scant attention to organizational dynamics that provide the subtext for service delivery. We examined the associations of leadership, organizational climate, turnover intentions, and turnover in the early years of a statewide system transformation. We categorized the SNI personnel sample into two groups: 1) those in agencies that had explicitly reported financial stress due to reform; and 2) those in agencies that did not experience this reform-specific effect. For both groups more effective leadership was associated with higher levels of empowering organizational climate. Most importantly, we found that more positive transformational leadership moderated the effect of organizational stress on demoralizing climate only for those in the financially-strained SNIs.

Our findings suggest that in SNIs experiencing duress due to the system changes, positive leadership can help buffer against conditions that contribute to a poor organizational climate and subsequent turnover intentions and voluntary turnover. Indeed, a recent model of system and organizational change to implement evidence-based practices identifies leadership as an important consideration (Aarons, Hurlburt, & Horwitz, 2011). Consistent with studies in business and non-profit sectors, we also found that more positive organizational climates were associated with lower turnover intentions and poorer climates with higher turnover intentions for both groups (Aarons & Sawitzky, 2006b). Finally, higher turnover intentions predicted future turnover for both groups of employees.

Our purpose was to highlight the impact of organizational dynamics and facilitate discussion of ways to promote staff engagement and retention during system change. We examined intra-organizational factors common to most organizational settings and present within and outside the context of large-scale system change (Glisson, 2002; Aarons & Sawitzky, 2006b). Attention to such factors underscores the importance of retaining trained employees and minimizing their disengagement to ameliorate difficulties in establishing or maintaining good relationships with clients and coworkers and to avert problems related to inefficient learning of new administrative procedures or approaches to service delivery under reform. Staff retention is also particularly important when implementing innovations such as evidence-based practices. This is not to say that all staff turnover is always detrimental. However, attention to organizational leadership and establishing a positive work climate can help minimize the loss of effective employees to voluntary turnover and hopefully create an environment conducive for organizational change and evidence-based practice implementation (Aarons & Sawitzky, 2006b). Thus, evidence-based leadership development may help to improve the knowledge, skills, abilities, and behaviors of supervisors and ultimately improve workplace climate.

Various elements of job performance may suffer when disengagement occurs; increased absenteeism and tardiness can impact quality of work and these factors likely generalize across public service settings (Aarons et al., 2011). Staff engagement and retention thus emerge as central issues to consider when implementing administrative changes, information technology innovations, or new clinical practices within larger service delivery systems. In a related study, turnover was lower where service system changes were congruent with the broad service system goals and management provided ongoing coaching to staff (Aarons et al., 2009). Stronger leadership was also important for cultivating climates conducive to the uptake of new evidence-based practices within agencies undergoing system change (Aarons, 2006; Aarons & Horowitz, 2010; Aarons & Sommerfeld, 2011). Future studies should examine the degree to which improving leadership and downstream organizational climate could minimize turnover intentions and staff turnover.

Our work considers the often neglected dynamics of leadership and work environments within SNIs during the initial phase of a large-scale system change initially conceptualized as a period of “do no harm” by state officials and managed care administrators (Willging et al., 2007). The system-wide goals for this period were to develop and introduce streamlined administrative processes and to ensure clients received needed services while providers, in turn, were compensated. As discussed elsewhere (Willging et al., 2009), the reform fell short in meeting these goals. Rather, the downstream impact of the reform increased workload and decreased morale for SNI personnel.

Arguably, large-scale system change is likely to generate more work for SNI personnel in the short run, as administrators, support staff, and providers acquaint themselves with unfamiliar and evolving procedures. This is similar to many new initiatives that include evidence-based practice implementation. Studies have documented that organizational change is often unsettling to employees. New administrative duties and responsibilities introduced under reform can contribute to “feelings of uncertainty and ambiguity” for staff (Singer & Yankey, 1991). In our larger study (Willging et al., 2009), SNI personnel suggested that the new administrative procedures instituted at the system level diverted their time and energy from direct service provision, threatened the financial stability of agencies, and potentially jeopardized the job security of individual employees. While we recognize the need for policymakers to evaluate and improve these procedures (Willging & Semansky, 2010), we suggest here that specific interventions targeting the organizational context of affected SNIs are important to consider as well. A focus on contextual features of the work environment, such as leadership, culture, and climate, can inform organizational-level

strategies to help SNIs weather future system change processes and implementation of innovations.

We can address the issue of improving organizational social context in a number of ways. A recent study demonstrated a near 50% reduction in turnover where an organizational intervention improved workgroup climate (Glisson et al., 2006). The Availability, Responsiveness, and Continuity (ARC) intervention involves a year-long set of weekly working meetings between a "change agent" (e.g., an organizational psychologist or trained social work professional) and teams of social service workers. The goal is to improve climate by engaging each team in a process of collective learning, problem solving, and empowerment. This rather intensive and comprehensive organizational development approach entails addressing leadership, forging and strengthening intra-staff relationships, assessment and feedback, and participatory decision making (Glisson & Schoenwald, 2005; Glisson et al., 2010). In addition, leader development focused on improving the climate for evidence-based practices is being developed and tested at this time using principles effective leadership for change (Schein, 2010). While these interventions take time and have associated costs, the benefits might outweigh the additional expense. This is an important area for future research.

Limitations

Although the study presents an assessment of the often overlooked importance of organizational dynamics such as leadership and climate during the early years of large-scale reform, some limitations should be considered. First, we do not have turnover data from these agencies prior to the reform to assess whether the absolute turnover levels experienced during this study period are higher or lower than typical. However, we were able to demonstrate that regardless of any positive or negative changes in overall turnover, organizational leadership and climate are important factors that influence turnover intentions and voluntary turnover, especially in SNIs experiencing higher levels of reform-related stress. Second, we found significant univariate differences between the staff working in low and high stress organizations on characteristics such as provider race/ethnicity, job duties, and/or rural vs. urban work settings. However, further parsing of the sample for this study would preclude the ability to conduct detailed analyses. Such demographic differences could impact or reflect responses to system change. For example, it is not surprising that rural agencies (and their employees) would be overrepresented among high stress organizations (5 of 7 SNIs) compared to urban agencies (3 of 7 SNIs), because they are persistently short staffed and more reliant on public funding, with less financial resources available for services and administrative costs (Hauenstein et al., 2007; Reschovsky & Staiti, 2005). Additionally, staff with particular job duties (e.g., administrative vs. clinical) might be more or less impacted by required system changes. Third, the baseline measurements of leadership, climate, and turnover intentions may not reflect the actual assessment of these indicators throughout the entire observation period, especially for those employees who voluntarily leave an SNI. It is unclear how more proximal data would affect our results as it is likely that more timely information might identify even stronger relationships, particularly between turnover intentions and voluntary turnover. Finally, the generalizability of our findings to large metropolitan areas may be limited given that the context of this study is in a state with few urban and many rural and ethnically diverse communities.

The impact of system change on SNIs is of wide concern (Institute of Medicine, 2000), especially with regard to the adverse effects of evolving administrative practices (Waitzkin et al., 2002). System change can create particular stressors for SNI employees; such change can affect morale, perceptions of organizational climate, and capacity to adapt to a new administrative environment and adopt clinical innovations (Willging et al., 2009). Based on the present study coupled with findings from studies noted earlier, we recommended that

policymakers address organizational context in conjunction with proposed system changes as the New Mexico reform continues to unfold, or as similar reforms occur in other states. High-quality leadership that supports an empowering climate should help to defer staff disengagement and turnover intentions. In some cases, a targeted organizational intervention might be needed to improve the social context of SNIs to decrease feelings of demoralization, enhance the commitment of behavioral health workers, and promote successful adoption of innovation and change.

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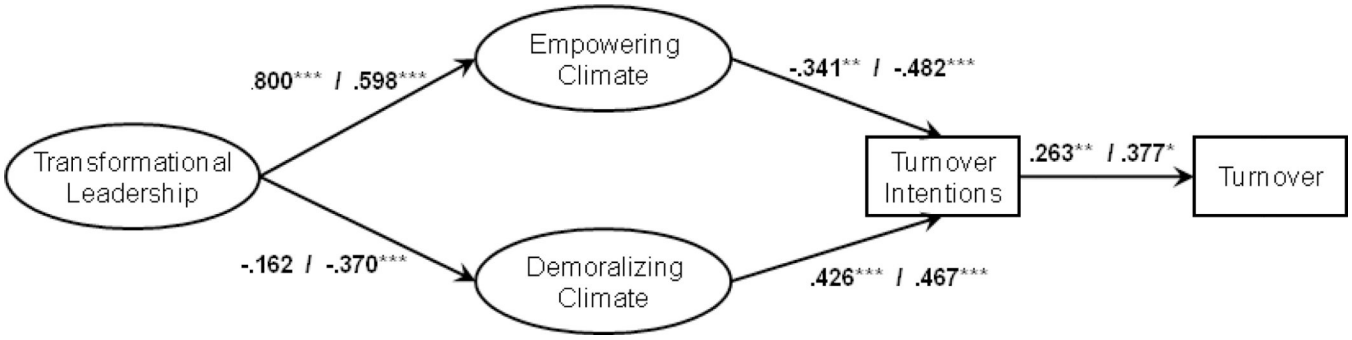

Figure 1.

Effects of transformational leadership on empowering and demoralizing organizational climate, turnover intentions, and turnover during a large-scale statewide behavioral health care system transformation. Note: Path coefficients for low stress safety net institutions are to the left of the slash and high stress to the right of the slash (i.e., low stress / high stress); *p<.05, **p<.01, ***p<.001

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Table 1

Characteristics of all Study Participants by Type of Agency and Level of Reform Stress

	Total (N=190)		Low stress (N=83)		High stress (N=107)		
Characteristic	**N**	**%**	**N**	**%**	**N**	**%**	**p**
Gender							ns
Female	136	27	56	67	80	75	
Male	52	72	26	31	26	24	
Missing	2	1	1	1	1	1	
Race/ethnicity							<.001
American Indian	32	17	26	31	6	6	
Hispanic	68	36	22	27	46	43	
Non-Hispanic White	84	44	32	39	52	49	
Other/missing	6	3	3	4	3	3	
County type							.008
Rural	103	54	36	43	67	63	
Urban	87	46	47	57	40	37	
Highest education level							ns
HS grad. or less	22	12	11	13	11	10	
Some college	57	30	21	25	36	34	
College grad.	30	16	15	18	15	14	
Some/completed masters	61	32	23	28	38	36	
Completed doctorate (Ph.D., M.D.)	11	6	6	7	5	5	
Other/missing	9	5	7	8	2	2	
Employee type							.029
Administrator	38	20	11	13	27	25	
Service provider	106	56	55	66	51	48	
Staff	46	24	17	20	29	27	
Age (M±SD)	45.8±12.7		47.1±13.1		44.9±12.3		ns

Table 2

Descriptive Statistics for Model Variables by Type of Agency Level of Reform Stress

	Low stress (N=83)		High stress (N=107)		
Characteristic					**p**
Voluntary turnover (number that left SNIs) (n)(%)	13	16	28	26	.081
Turnover intentions (M±SD)	1.1±1.1		1.3±1.2		ns
Demoralizing climate					ns
Depersonalization (M±SD)	.4±.7		.4±.6		ns
Emotional exhaustion (M±SD)	1.0±1.0		1.2±1.2		ns
Role conflict (M±SD)	1.2±.8		1.1±.8		ns
Empowering climate					ns
Fairness (M±SD)	2.4±.7		2.4±.7		ns
Growth/advancement (M±SD)	1.4±.9		1.3±.7		ns
Role clarity (M±SD)	2.5±.9		2.4±.9		ns
Transformational leadership					ns
Idealized influence (attributed) (M±SD)	2.3±1.2		2.1±1.1		ns
Idealized influence (behavior) (M±SD)	2.2±1.2		2.1±1.0		ns
Inspirational motivation (M±SD)	2.2±1.1		1.9±1.1		ns
Intellectual stimulation (M±SD)	2.1±1.1		1.9±1.0		.054
Individual consideration (M±SD)	2.2±1.0		2.1±1.0		ns