

The Leadership Magic behind Those Transforming Healthcare Today

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“I could not believe the lack of leadership courage in the room. I sat listening to the executive team kill one of the most innovative projects that our organization is engaged in and the one thing that our doctors were excited about...all in the name of ‘getting to budget.’ I tried to stop them but it was as if they only knew one way and could not let go. They must have missed the lecture on innovation and courage.”

—Chief of cardiology, major Midwest cardiac center, June 3, 2014

Like never before, we are seeing seemingly qualified healthcare leaders fail miserably while their more adaptable, more failure tolerant, more courageous counterparts are moving markets. While most healthcare C-suite executives and their boards can cite best practices like catechism, those leaders at the forefront of industry transformation in healthcare have a certain “magic.” Similar to the dot-com rise and fall in the late 1990s, never has there been a more volatile, disruptive, transformative, and empowering time in healthcare than the present. The stark reality for hospital and health system executives who are hedging their bets and desperately seeking the elusive formula for growth during transformation, is that they will find themselves looking at the tail lights of their more decisive and risk-taking competitors.

In our work with healthcare boards and C-suite executives, we have put forth the “magic” of transformational leaders who are taking the healthcare “bull by the horns” and getting on with the business of accountability, transparency, and, most importantly, real culture transformation. These leadership all-stars understand that the complex problems of today won’t be solved by cautiously teetering on the edge of transformation, but rather by meeting industry transformation head-on.



The “Magic” of Transformational Leaders

Emerging visionaries in healthcare are rewriting innovation—bearing a striking resemblance to top tier at Google, Amazon, and Facebook. The pace at which these new leaders move leaves many incumbents feeling inferior and their failure tolerance pushes innovation to the margins. Leaders possessing that certain magic generally have the attributes listed below.

Economic focus. Attention is the most essential leadership skill. Great healthcare leaders focus squarely on the economic pressures that face us all and they do it every day. It’s not on their to-do list—it’s who they have disciplined themselves to be. We are surprised to find some executives still completely devoid of any sense that smart innovation must be underpinned by economic discipline.

Courage. A few rare leaders in healthcare today understand that it will be courage and bravery that will shape the kind of thinking needed to catalyze industry transformation. If you are lucky enough to find one of these disruptive innovators, don’t let go. Transforming the way care is delivered is not an overnight exercise and requires extraordinary courage. Leadership courage in healthcare means saying “no” to unsustainable cost structures, but not through slash-and-burn tactics, which are largely short-term fixes. Real transformation requires the courage to speak truth to egregious waste and duplication and all the perverse incentives and resulting behaviors of fee-for-service. The courage of real innovation is that it is the hardest work we have done in healthcare and why so many clinicians and leaders avoid it. The new healthcare leaders are unlocking a very different, “Amazon-esque” patient-centered model of care delivery that requires real innovation to ensure that we

deliver highly reliable care in the context of a unique experience. Leaders who have the courage to drive this difficult transformation are seizing the opportunities that industry disruption presents.



Failure tolerance. Leadership magic means understanding that innovation is the hardest work that we do and failure isn’t failure at all—rather, it is just a data point on our journey to transformation. Tomorrow’s healthcare leaders don’t personalize failure, they move quickly through tests of change, roll with it, and are comfortable with things that are “messy” and uncertain. Tomorrow’s healthcare leaders are disruptive innovators who do not subscribe to a “culture of nice,” are not afraid to fail, and are not constrained by the political implications of killing a bad project. In order to effectively compete in a time of industry transformation, the really great leaders will demonstrate a high degree of failure tolerance.

Collaboration. True collaboration requires that executives deal with and manage conflict, something many healthcare executives quietly avoid. The Affordable Care Act pushes collaboration to the margins and demands communities to work together for population health. Cross-discipline, cross-setting collaboration is the vehicle that enables innovation. Successful leaders demonstrate a unique ability to collaborate, even when it means partnering with their competitors. It’s not personal. It’s not about burying the competition. It’s about promoting and achieving health in the community. That said, collaboration done poorly can lead to endless meetings and costly delays. Being open, intuitive, and deliberate about how and when to collaborate has never been more critical.

Vulnerability. In order to move at the pace we need to move in this transformation, organizations that attract leaders who are courageous enough to be vulnerable will be able to move and transform culture with surprising speed. Vulnerability is power and it rapidly moves the naysayers from skepticism about change to belief and even excitement. Vulnerability is arguably one of the most critical leadership attributes during a time of industry transformation. All too often we observe hospital executives holding back in situations when leaning in and demonstrating vulnerability with their physician partners would transform a relationship in an instant.

Innovation. Moving beyond merely lip-service, to truly innovating, begins with a boardroom's quiet revolution. Emerging practices among some stellar hospital boards are driving innovation while demanding the highest level of clinical quality and improving managerial oversight. Innovation today in healthcare is about embracing a portfolio approach to innovation. Americans are, by nature, innovators, and for healthcare, the time is now to catch up with other industries. It will be critical for C-suite executives to understand that innovators need a high degree of control due to the enormous resistance they will be met with. The innovation necessary to transform healthcare must be underpinned by economic soundness. The Googles and Amazons of healthcare are emerging and they represent new ways that most of us trained scientists are used to.

Authenticity. Exhibiting authenticity means knowing who you are and being true to it. We are all familiar with the simple SWOT analysis approach to determine strategic fit based on an assessment of



internal and external factors. For leaders, reflecting on their own personal SWOT analysis is a simple method to support alignment between organizational goals and the ability of the leadership team to affect that alignment. Authenticity comes into the mix when a non-biased review of strengths, weaknesses, opportunities, and threats can guide the leader through their interactions with others, the appointment of teams, and the management of strategies through to implementation. Strengths can translate into positive impact through the mentorship of others. Exploring our weaknesses allows us to identify how best to build cross-functional teams, balancing our own mix of skills with those of others, and recognizing each of us have areas for personal development. Opportunities are only of value when they are identified and acted upon, so proactively seeking out methods to solve problems, looking across industry sectors to learn best practice from others, and applying those approaches to the challenges our organizations are facing. Exhibiting authentic behavior requires being pragmatic and direct in recognizing and mitigating threats. Given threats are external in nature, the challenge here is figuring out how to turn them into opportunities through partnerships, taking risks, or forming new alliances to mitigate their impact.

Leaning into creativity during a time of disruption. Transformational leaders are able to navigate the ambiguous environment around them, discerning seemingly disconnected signs and activities

in the marketplace and making the linkages others may not be seeing. When this capacity to read people and understand nuance of expression and motivation is brought to bear on the everyday challenges of our healthcare system—such as educating and motivating patients to address their health issues—new ideas will begin to shine in the fog. The ability to connect the goals and motivations of patients with the technologies that have become instruments of daily life,

such as smartphones and tablets, has brought about game-changing applications and tools. The clinical and financial returns to be realized through patient knowledge and willing daily monitoring of their own heart rate, steps walked, BMI, or other base measures may not yet be known, but the synergistic value of connecting need with behavior and emerging tools is simple to understand and replicate.

Closing Thoughts

Most leaders in healthcare today are neither qualified for, nor comfortable with, the rapid pace of industry transformation. Big data and predictive modeling will only get us so far and fragmentation in healthcare hurts us all. Today's healthcare leaders' fear of being different and their reliance on "fitting in" stifles the necessary innovation and transformation required to be relevant tomorrow. Current challenges are an invitation to all of us as industry leaders to "grow up" and get on with the business of industry transformation.

To solve the big problems in healthcare, executives and board members must accept nothing less than breakthrough innovation and must understand that technology will never replace the importance of high-quality relationships grounded in trust, vulnerability, and courage. ●

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