
view from the top



Children's Hospital Los Angeles is one of the nation's most revered pediatric medical and research centers, earning acclaim year over year for its clinical care and community service.

Chief Executive Officer Rich Cordova shares his views on why he decided to focus on a culture transformation at CHLA to help it build on a strong foundation to navigate the changing health care landscape.



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Children’s Hospital Los Angeles: Building on a strong foundation to thrive and navigate changes in the health care landscape

Founded in 1901, Children’s Hospital Los Angeles is the first and largest pediatric hospital in Southern California. Today, the 4,200 employees and 588 medical staff deliver care to more than 104,000 children and their families each year in the new Marion and John E. Anderson Pavilion hospital.

CHLA is home to The Saban Research Institute, one of the largest and most productive pediatric research facilities in the U.S, and is one of America’s premier teaching hospitals, affiliated with Keck School of Medicine of the University of Southern California.

It regularly earns top honors for the care it delivers. It is one of only 13 children’s hospitals to be designated a “Top Hospital” for 2013 by The Leapfrog Group, and is designated as a Magnet Hospital by the American Nurses Credentialing Center – an honor held by only five percent of hospitals nationwide.

So, with such an impressive track record, why has the hospital been working on reshaping its culture?

Chief Executive Officer Rich Cordova provides a ‘view from the top’ interview with Senn Delaney to examine its efforts to build on a strong foundation for its people to thrive and navigate changes in the health care landscape by purposefully shifting its culture to better fulfill its mission, vision and strategies.

In 2010, Cordova engaged Senn Delaney to guide a culture-shaping program to enable short and long-term business strategies. There was a need to shift how people work together so that results could be maximized in areas such as:

- delivering value through best quality, service and cost



- implementing an electronic health care system
- improving acute care
- moving smoothly into the new Marion and John E. Anderson Pavilion hospital
- positioning the hospital for the future as a community-based system of care

The following is an edited transcript of a video conversation about the culture-shaping journey with Senn Delaney partner, executive vice president and health care practice leader Nitsa Lallas with Chief Executive Officer Rich Cordova.

Nitsa Lallas: Please tell us a little bit about Children’s Hospital Los Angeles, and why you began the journey of culture shaping.

Rich Cordova: Children’s Hospital is one of those special institutions. We are what we characterize as a freestanding pediatric academic medical center with a mission that includes the prestigious clinical

care that we provide, research and teaching. Our affiliation with the Keck School of Medicine at University of Southern California strengthens our presence here in the community. We are one of those institutions that are probably ranked one of the highest in the nation, and we’re very proud of our accomplishments.

I’m going to take us back to about year 2000, when the hospital board of directors decided to embark on building a replacement hospital. The fundraising associated with that was phenomenal. As we got closer to the opening, about a year — year and a half, we began to realize that we had a gem on our hands. We had the opportunity really to broaden the scope of services that we provided in the past. We also had a number of things we had to change in the way we delivered care in this new facility. So, we embarked on the journey with Senn Delaney to transform the culture.

The bedside culture is something I thought was the best. The teamwork at the bedside was phenomenal among physicians, nurses, therapists and so forth. We didn’t want to touch that, but everybody else around us, around the team, was important. They all gathered and said we need to look at ourselves and say, now that we’re going to reach out to different communities, this whole new notion of service to our communities is a priority that we need to embark on. That’s why we started the journey.

Nitsa Lallas: How did the culture shaping actually help you when you opened the new hospital, or help you prepare for it?

Rich Cordova: I can tell you the results. They were phenomenal. The teams worked together. We had a whole schedule of timing, how every patient was supposed to be transferred from the old hos-

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pital to the new hospital, and it was like clockwork. We ended up finishing about one minute ahead of schedule. It wasn't a stressful day. I think that's the difference. We had a lot of fun that day, and I attribute that to the work that we're doing with Senn Delaney.

Nitsa Lallas: Rich, tell us how culture shaping has helped you and the organization better prepare for health care reform and other changes in the industry?

Rich Cordova: There are so many aspects to health care reform that are going to have an impact on our institution. I'll start first about how the hospital is going to be reimbursed.

We have been reimbursed on a fee-for-service basis where we got reimbursed for everything that we provided. It's going to be more of a reimbursement based on a bundle or a capitation, something that's going to incent us differently than in the past.

Nitsa Lallas: And how do people have to behave and work together differently to help you be successful with that?

Rich Cordova: The first challenge is education; educating physicians, nurses, everyone on the team that the way we treat our patients is going to have to change: the transformation of the care, reducing the average length of stay to live

within a DRG – a diagnostic related group – which is a bundled reimbursement.

All that change takes place on the inpatient services. That educational process, for us, this time around was very easy. The team caught on. The communications were there. We had champions for our culture transformation. We made champions for clinical documentation and clinical operations improvement, and those champions just carried on their current roles and transferred it right into initiatives that we need to get ready for health care reform.

Nitsa Lallas: One of the things we talked about early in the process is helping people prepare for change and being open to it. And there's so much change going on for people working in health care. Tell us how culture shaping helped the mindset, the readiness, their openness.

Rich Cordova: Well, there are a lot of things that we have done over time to prepare our staff. The one thing that I appreciate the most is the annual meeting of all of our managers, directors and vice presidents where we have a chance to express ourselves as leaders of the organization. The most important thing is top leadership appreciating all the staff, recognizing them and giving them information about the future. We just finished our annual meeting, so this is fresh in my mind. It was a very exciting, energetic time.

The most important question to answer as leaders is why we have to do the things that we have to do under health care reform or some initiative that may be launched.

All the work that we do about the Mood Elevator, being curious, listening, leading organizations are all the pieces because what I've learned through this effort is that we could have a wonderful strategy and we can organize ourselves around it, but if the culture is not ready, it will eat that strategy seven days out of the week.

Nitsa Lallas: Tell us about how you brought your leadership team together. You've got research, clinical folks, academic, administrative, physician leaders. Tell us about how you worked with them in this culture-shaping process.

Rich Cordova: We are fortunate because we're an academic medical center, so our physicians are pretty much here full-time, and we have five department heads from pediatrics to surgery to anesthesia to imaging and radiology and pathology clinical lab. Those five physician leaders are so important to the success of a program like this.

You start with that, plus, with our vice presidents and our chief operating officer. That's our executive leadership team. We took them away about three days to get indoctrinated and it was a wonderful experience. I think as a CEO, the first

reaction you get is we don't have time to go away for three days to have a retreat to talk about leadership.

My point was we have to go away for three days because it's about leadership and the culture transformation. Our challenge as leaders is to get this whole organization through that. So, bringing them together, I can't tell you the energy that we had at the end of those two days or three days. It took some time, but we bought in.

Then, the next question is how do you take the culture down layer and layer of the organization? We created the themes. We created the education and started down the process. It takes a good year to two years to get to every employee. Now it's part of our orientation for every new employee.

Nitsa Lallas: What insights have you had personally as the CEO throughout this process? What advice would you give to other CEOs?

Rich Cordova: It's quite fascinating to begin walking through the institution and having employees come to you and say to you that I just went through training, and it was the greatest experience that I've ever had in my work environment. Those are the satisfying things. You begin to realize that you're on the right track and you're doing the right thing. You also learn that it's you. As a CEO, I have

to lead this organization through all this and reinforce, constantly reinforce the work that we do and the training that they get.

Probably my most important role is appreciation; to walk the inpatient units, the outpatient clinics, with faculty and so forth, and express my appreciation every day for the things they do to care for our children. It's probably the most important role that I play, and I have to remember to do that constantly. And it has worked because we've gone through this. A lot of the changes that we're going through right now are a lot easier than if we didn't go through this process.

Nitsa Lallas: It's wonderful to hear that story. Rich, tell us how you see the role of physicians changing and evolving in health care.

Rich Cordova: It's going to be a challenge for many physicians to recognize the change that they will be going through in the future. Many physicians are pretty wedded to the way that they've been practicing for years, especially community physicians.

Here at Children's Hospital, since we're an academic medical center, most of the doctors here have faculty appointments at the Keck School of Medicine, and are stationed here. They do their inpatient work. They do their outpatient work. Many of them do research. So,

as we transformed the hospital operation — that's one set of work that we're doing, and through cultural transformation we call it iTransform — is that the ease of which we are doing that. We've got champions who are working on these issues about internal to operations. That seems to be working well.

As you think about how we have to restructure the total care of a patient, both inpatient, outpatient, home health, prevention, wellness programs; now we have to go outside of the walls of the hospital. For the first time, we're talking to community pediatricians. They are not specialists, and they are working in the communities independently. The question is, how do we go out there and organize them?

What we've found is that through the work that we've been doing with our transformation and our culture, they're beginning to see us differently. Their access to our specialists is different.

Not only have we changed the culture, but we've changed our service mentality. Now, we're providing appointments for their patients. We're returning results to them in appropriate fashion. We're going to hook up our information technology, our automated record system, so they have access out there.

We call that the physician portal and we're working on a patient portal so the



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family can look at its automated records, and look at the results of tests and so forth.

Nitsa Lallas: Rich, you’ve really given a lot of thought to the role that physicians need to play in leadership. How do you see that for the future?

Rich Cordova: Well, it’s going to be very important that the work that we do in transforming the way we provide care, and the models of care, the development of clinical protocols to have effective, more timely care, has to be physician led.

I characterize it as all this transformation must be physician led, professionally run. So partnering with our physicians, our faculty here, is one of the hallmarks of this institution, because we do everything together.

Our physicians, our top department heads, and ourselves, are all on the same executive leadership team, and we do everything. We strategize together. We budget everything together, and that’s where integration and alignment are so important.

I think if you look at the success of many organizations in health care, it’s because the alignment of physicians, administration of the organization, and the strategies are all done in the same room. I have a great set of leaders, physician leaders in our organization. It’s just a joy to work with them.

Starting with a purpose to drive the mission and values

Nitsa Lallas: Rich, tell us how you use the culture-shaping process to develop the mission and values of the organization.

Rich Cordova: What we really did was started a purpose. Why are we here? Why does Children’s Hospital exist, and why do we do the things that we do? We found that if you start there, developing and going through the process of the mission was a journey that was worthwhile from the standpoint of getting everyone involved.

We started with our executive leadership team. Our previous mission must have been a couple of paragraphs long, and had every word in the dictionary in it, as always. We came up with something that resonated with everybody: ‘We create hope and build health care futures.’ It resonates with the physicians, with the research community, with our nurses. Everybody can see something in that mission that relates to them, and the children that they’re treating.

You follow that with the process of building the values: ‘We do our best together,’ and so those things resonated with everybody. We believe in them and we use them every day, but we started with purpose. If you start there, you’re going to end up with a winning set of mission and

values. It was a wonderful process, and we continue to use it. It’s something that we always have to kind of lean back and say, ‘Are we still there? Is there something we want to add, want to tweak as time goes on?’ It was a great process. I want to thank you for that.

Nitsa Lallas: You use the culture-shaping process really to bring this group together to work on and develop and refine the mission of the organization and the values. Tell us a little bit about how that happened, how you shared it with all of your leaders across the organizations in your large meetings, and how you use the values today.

Rich Cordova: I want to give a lot of credit to Senn Delaney and the work that you did, because without it, we wouldn’t have been able to get where we are today. But to develop that mission in our first retreats, and start working on it, recognizing that we had to bring more people into the process, taking it down layers in the organization, getting the feedback, and then taking it to our leadership conference of 325 people, and vetting it with them, and letting them wordsmith it a bit, was quite a journey to get to the mission that we have.

The vision, same thing. We’re doing the same thing, going through that process. What you end up with is a mission and vision that has been internalized by everybody in the organization.

When you have that, you begin to realize the power that that represents, that every aspect of your mission, every aspect of your vision, they believe in. Do you have to do maintenance on it? Absolutely. You have to continue to revisit it. You have to continue to reinforce it. You have to continue to answer the questions of why to the staff, and to the bedside individuals. It's an exciting part of the work that we do. Health care reform has a tendency to want you to revisit it constantly to say, 'Are we still on track?', but we have a process now. We just follow the process, and it makes it a lot easier.

Nitsa Lallas: That's great. One of the things that strikes me about your values is how they connect so much to the heart of people in the organization, and I particularly think about one of the values that you and your team created, which is 'We serve with great care.' Tell us about how you refer to the values, use them, reinforce them.

Rich Cordova: It's something that we take pride in. It's something that is a sign of success. When somebody starts to make a presentation in some meeting and starts off saying, 'We do our best together,' or, 'We are stewards of our resources.' They quote a value and start the talk or end the talk with that. It's very pleasing to hear it reinforced over and over again.

Sometimes, you have to have difficult conversations, and (it is easier) when you've gone through a process and people understand the terminology we now use. For example, we may find a situation where one person in the meeting is at a low point on their Mood Elevator. Now, we can call it out and say, 'How is your mood today? Where are you on the Mood Elevator? Are you curious?'

It tends to bring everybody back to a level playing field, and we can continue with the conversation.

You get a better outcome of the meetings. I'm very pleased with the use of our values and how we reinforce them just about every day in just about all the meetings that we have here.

Culture shaping contributes to many positive results

Nitsa Lallas: Children's Hospital Los Angeles over the years has received so many awards and recognition for the great results that you actually achieve, and the work that you do in the community. I understand that as you've received some of these awards and some of this recognition, people have actually commented on the positive culture that you've created. Can you share some examples of that?

Rich Cordova: Yes, it's another point of satisfaction, and we're very proud of the reaction we get because you try to measure success within the organization. One way to measure success is how is the community, and how are physicians in the community reacting to it? How is my board of directors reacting to it?

The one experience that I think I was most proud of was when we were going through the Magnet designation. They call you at the end of the survey, about two months later, to announce whether or not you're designated.

We must have had 350 people in this room listening to the conference call. This surveyor basically said, 'You pass,' and there was a big cheer. But she went on to tell us that she has never been in an institution that actually exceeded the standards of the Magnet. And she attributed it to the culture of the organization.

Nitsa Lallas: How exciting.

Rich Cordova: It was great because my board of directors was in the front row listening. It was a moment when we realized this is the right thing to do.

Nitsa Lallas: Rich, tell us a little more about the results and how culture shaping has actually helped CHLA.

Rich Cordova: There are a number of examples that I could express that have been very satisfying to watch on how the culture shaping has really transformed the way we do business. The survey results we get back from our employees are constantly improving. And we always take a look at that and say, 'There's always room for improvement.' So we continue to do that, but things are starting to show some real acceleration, so it's really nice to see that.

Nitsa Lallas: How do you see the role of physicians evolving in health care?

Rich Cordova: One of the major initiatives that we've embarked on is our automated medical record on the outpatient side. It tremendously affects the way our clinicians treat our patients, and the processes and the flow of work all had to be redesigned.

What the culture transformation work did was it gave us the opportunity to be aligned, to have an easier way of getting alignment quicker, and get to the work that has to be done so that we can execute effectively. We found that while the challenges were there, the ease to get through those challenges was a direct result of the culture transformation work that we've been doing.

People understand why we have to do things, and I think they've begun to realize that being optimistic, being a glass half-full person and being energetic about what we're doing and learning the process, learning the automated medical record, learning how to document on a computer, was a challenge, but was actually needed. So, those are the type of examples where we can easily demonstrate that the work that we're doing and the journey that we've been on contributes to the success of our organization. ■

Visit sdtv.senndelaney.com to watch this and other CHLA executive perspectives on leading culture change



Children's Hospital of Los Angeles CEO Rich Cordova discusses leading culture change at the pediatric academic medical center and the positive benefits that have come from the transformation with Nitsa Lallas, Senn Delaney partner, executive vice president and health care practice leader.

Watch the video: <http://sdtv.senndelaney.com/?p=1363>



Dr. Alex Judkins, department head of pathology and laboratory medicine, examines the changing role of physician leadership in health care, and their roles in creating healthy cultures that enhance collaboration, teamwork and patient care.

Watch the video: <http://sdtv.senndelaney.com/?p=1364>



Cynde Herman, director of Talent & Organizational Development at CHLA, is a key leader of the culture change at the academic medical center. She provides her perspectives on the paradigm shift to a clinical collaboration and community partnership in caring for children.

Watch the video: <http://sdtv.senndelaney.com/?p=1362>

about Senn Delaney

Senn Delaney, a Heidrick & Struggles company, is widely recognized as the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations. Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures. More Fortune 500 and Global 1000 CEOs have chosen Senn Delaney as their trusted partner to guide their cultural transformation. Senn Delaney's passion and singular focus on culture has resulted in a comprehensive and proven culture-shaping methodology that engages people and measurably impacts both the spirit and performance of organizations.

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