

Dynamic Leadership for Dynamic Times



At a recent meeting of business executives in Kansas City, Lieutenant General Robert B. Brown, Commanding General, Combined Arms Center, Fort Leavenworth, related war stories (literally) that illustrated lessons the Army borrowed from the business world to improve the Army's efficiency and military effectiveness. He also shared some lessons learned from our nation's decade of war that were instructive to the civilian business leaders in attendance.

General Brown's description of the opposing forces in Iraq and Afghanistan invited an analogy to today's healthcare market. The enemy that the Army faced was equipped with the same information technology as were our forces. As a result, the enemy had access to real-time information and intelligence. It could just as quickly adapt to our military's tactics as our military's tactics adjusted to the creativity of a wily enemy.

The rapidly morphing and unpredictable battlefield described by General Brown is not unlike the nation's rapidly evolving healthcare payment and delivery system. There are lessons learned from the military experience described by General Brown that are instructive to today's healthcare leaders when confronted with a dynamic environment.

General Brown explained that the traditional process of military command and control is no longer viable. It is no longer possible for senior commanders to send orders to the front line and depend on company commanders and platoon leaders to carry out those orders, report results, and send requested adjustments back up the chain of command for approval before taking action.

The modern battlefield requires adaptive leadership. Commanders on the ground must be given authority to act on their own initiative based on their assessment of the situation before them. Senior commanders must push down responsibility and authority to act to the lowest level of command possible based on training and available talent. Lives depend on the agility, nimbleness, and creativity of leaders who

have the mission's objectives clearly in mind, and have been given the authority and backing to use their own initiative to achieve them.

Today's healthcare leaders face similar challenges. They must also be prepared to respond boldly and creatively to an extremely challenging business environment characterized by unprecedented uncertainty. They must prepare their organizations to adapt in order to thrive and survive.

Michael Useem, Professor of Management and Director of the Center for Leadership and Change Management, along with his colleagues at the University of Pennsylvania's Wharton School in Philadelphia recognized the value of lessons learned by the armed services – the acknowledged professionals in leadership development. Wharton has incorporated military leadership principles into its MBA and executive MBA programs.

Recognizing that military leaders need new tools and techniques to succeed against a fast-changing, unpredictable enemy, the military trains its officers to build a culture of readiness and commitment. Healthcare leaders need such a culture to succeed in today's healthcare environment.

Professor Useem and his colleagues highlight four precepts that are essential to leadership which,

while stated in military language, are applicable to healthcare leadership contending with dynamic change: (1) meet the troops, (2) make decisions, (3) focus on mission, and (4) convey strategic intent.1

Leadership Precepts

1. Meet the Troops.

Creating a personal link is crucial to leading people through challenging times.² It is essential that healthcare leaders create a personal link with those involved with the organization who are essential to its success. A direct connection, either individually or through group endeavors, helps reinforce the leader's message. Uniquely, hospital CEOs have numerous well-educated and informed (read opinionated) constituencies to address: the governing board, the medical staff, hospital employees, community leaders, and hospital patients to name a few.

Balancing the interests of those constituencies is virtually impossible if the leader has not developed a repository of goodwill with each by making a personal connection. Diverse interests can be harmonized if the various constituencies believe in the leader, and buy into the common vision he or she creates for them and the organization they support.

2. Make Decisions.

Making good and timely decisions is the crux of leadership responsibility.³ In times of great uncertainty, it is critically important for a leader to be bold and decisive. Doing nothing is a decision which can be fatal in times of dramatic change. While it is important to act fast, a good leader does not shoot from the hip. There is an old Marine adage reiterated by Professor Useem: "When you are 70% ready and have 70% consensus, ACT. Don't shoot from the hip, but don't wait for perfection."

To mitigate risk, it is important to have good intelligence, both on the battlefield and in the C-suite. Military commanders must contend with the fog of war which envelops the battlefield with ever-changing conditions and situations created by a crafty enemy. The healthcare landscape is no different. Rapidly changing regulatory requirements, payer demands, and an uncertain national economic climate make it very difficult for healthcare leaders to make timely decisions.

Key to a healthcare leader's ability to make sound, timely decisions is the organization's capacity to build enterprise information management and analytics capabilities that can provide new insights about patient population health status. 4 Business analytics have typically focused on financial performance.

Now, healthcare leaders must also examine clinical performance and integrate clinical analytics with financial analytics to assure the delivery of effective and efficient care that demonstrably improves population health.

Access to such data is essential to provide the successful healthcare leader with a degree of assurance that his or her bold and timely decision will have a reasonable chance of succeeding. Comprehensive clinical and financial analytics must be available throughout the organization so that the entire leadership team can cross-fertilize its collective wisdom and collaborate on strategies to achieve the common organizational goals.

3. Focus on Mission.

Establishing a common purpose, empowering those who will help achieve it, and eschewing personal gain are all necessary for organizational success.5 In previous white papers, we have emphasized the need for integrated governance - the combined and dedicated energy of a diverse and skilled governing board - as central to organizational

Useem, Michael. "Four Lessons in Adaptive Leadership." Harvard Business Review (2010): 87-90. Print.

⁴ "Organizing for Analytics in Health Care." Deloitte Development, LLC, 2013. Web.

⁵ Useem, p. 89.

success. The board provides the vision and sets the mission to be executed by the executive staff. The executive staff must, likewise, embrace the diverse talents and energy of its management staff in pursuit of mission accomplishment.

The wise healthcare leader knows that his or her personal success is measured by the organization's success. The successful leader engages the diverse and talented hospital board as a partner in discerning organizational goals and objectives. He or she engages a team of capable professionals who bring their specialized talents to the C-suite. That team energizes managers who oversee and implement their directives. No one succeeds unless the organization is successful. For a hospital organization to succeed, the organization must be put first, regardless of the individual constituent's calculus. Regardless of where one is within the organizational structure, the mantra is the same: "Mission first, then team, then self."

4. Convey Strategic Intent.

Make the objectives clear, but avoid micromanaging those who will execute on them. The Japanese, in World War II, were a tenacious enemy. They had developed a highly trained, well-disciplined military that gravely challenged a newly emerging American military. But American success in that horrific conflict can be attributed to two things: (1) a determined, well-led military comprised of passionate, but rather independent, citizen soldiers and sailors, and (2) a civilian workforce that mobilized the greatest production of wartime materials the world had ever seen.

The entire American psyche was clear about America's mission and objectives in the colossal war effort. Yet, America's success and ultimate victory was largely attributed to the individuality and ingenuity of its soldiers and its civilian workforce.

When the Japanese military chain of command was interrupted or compromised, the individual Japanese soldier was stymied, unable to act without orders from higher command. Conversely, the American military experience is replete with stories of individual soldiers who, when isolated, took the initiative and claimed small victories that led to the ultimate victory. The American workforce similarly did what needed to be done through sacrifice, hard work, and personal initiative to support the war effort.

That same approach is required of healthcare leaders for their organization to thrive. They must make the organizational objectives clear to everyone in the enterprise.

Transparency and consistent communication are key success factors. Healthcare leaders must set a direction and give their staff the freedom to improvise within their areas of responsibility in order to promote the organization's achievement of the over-arching objectives that assure organizational success.

Conveying strategic intent is one of the skills essential to aligning people across the organization to reach a common goal. Once the adaptive leader has conveyed this intent, he or she then encourages the staff to apply its ingenuity to implementing a plan for success while the leader continues to look outward, constantly realigning the organization with a shifting environment.

Shared Leadership

Underlying the four precepts Professor Useem gleaned from the military's leadership development experience is the absolute reliance on teamwork. Great leaders know who they are – and who they are not. They know their strengths and their limitations, and they are wise enough to supplement

⁶ lc

⁷ Id. p. 90.

⁸ Id

their personal shortcomings with team members who possess the supplementary talents required to accomplish the mission. They allow leadership to be shared and evolve from a blend of talents innate to those involved.

Tom Roth and Barry Conchie, in their book *Strengths* Based Leadership: Great Leaders, Teams, and Why *People Follow*, have identified five traits shared by high-performing teams:

- 1. They focus on results and embrace healthy **debate.**¹⁰ As we noted in our white paper on integrated governance, the wise hospital CEO encourages the diversity of talent on his or her board to help the CEO create the vision and mission for the organization. Likewise, variety and collaboration within the management team assure the best ideas and expertise are applied throughout the organization as it strives to achieve its strategic goals. Team member debate that is focused on results does not lead to fragmentation as some fear; rather, teams are strengthened as they work to embrace differing viewpoints that are aimed at solving the team's common objective.
- 2. They prioritize what's best for the organization and subordinate personal egos to those organizational goals.11 Once the team, through healthy and informed debate, arrives at a decision, team members rally behind the decision and apply their individual skills toward successful implementation.
- 3. Their members are as committed to their personal lives as they are to their **work.**¹² Team members who are committed to the team and the organization's success are the type of people who can focus like a laser on the task at hand. The team at work enjoys 100% of each member's attention. One

would also expect from such a personality that he or she focuses attention on the team at home or in the community while that team member is engaged there. The work team benefits from the team members' balanced endeavors and is informed by the diverse experience in other aspects of their lives.

- 4. They embrace diversity of strengths, age, **gender, and race.**¹³ Diverse team membership brings a wider variety of experience and ideas to the team, which results in more innovative solutions. Mutual respect of divergent perspectives generates creativity and enriches the problem-solving process.
- **5.** They are magnets for talent. ¹⁴ Who doesn't want to be on the best team? Those who want to succeed personally want to be associated with others who demonstrate a commitment to one another and to the common goal of assuring the organization's success. Those who want to make an impact with their lives want to be associated with those similarly motivated. They do not shrink from the challenge and responsibility.

The great leaders in military history and successful businesses were effective in developing a team, conveying a vision of the goal to be achieved, and inspiring each member of the team to contribute his or her unique talents and energies to achieving that vision. Likewise, those leaders focused their energies on building and sustaining team effectiveness by continuing to invest in each person's strengths and building better relationships among team members. That investment of time and energy in building and sustaining the team is not easy, but it is the effort that separates the great leaders from the rest of the pack.

⁹ Rath, Tom, and Barry Conchie. Strengths Based Leadership: Great Leaders, Teams, and Why People Follow. New York: Gallup, 2008. Print.

¹⁰ Id. p. 71

¹¹ Id. p. 72.

¹² Id. p. 73.

¹³ Id. p. 74.

Conclusion

The word "dynamic" has two relevant meanings: (i) "(of a process) a system characterized by constant change"; and (ii) "(of a person) positive in attitude and full of energy and new ideas." The transformation of our nation's healthcare system certainly fits the first definition. The leadership required to successfully negotiate the challenges of that transformation fits the second. Dynamic leadership is certainly required for these dynamic times.

The military, particularly the experts at the Combined Arms Center under the command of General Brown, spend their careers studying and refining leadership concepts. The Center develops and refines leadership doctrine based on real-time war experience. It trains the Army's leaders and prepares them for an ever-changing threat from a smart, creative, and dedicated enemy.

There is much to be learned by healthcare leaders from our military leaders in the most trying crucible of all, modern warfare. All leaders must learn that they cannot do the job alone. It takes a team of diverse talents, working in a mutually supportive system, sharing a common vision, and inspired by a dynamic leader to successfully confront and

thrive in today's healthcare environment. Like the military leader, the healthcare leader must remain nimble and creative to assure the organization adapts to rapid and unpredictable changes.

The adaptive leader sees opportunity when others are stymied by obstacles, takes action when others are stalled, and takes risks based on the best intelligence available even though perfection is not certain. Adaptive leaders create a shared sense of purpose with the members of their team and manage through influence and inspiration rather than hierarchical command and control.

Bold leaders define the future for their organization rather than having the future defined for it.

Get in step with leadership education! PYA's planning team has diverse experience in working with all aspects of the healthcare industry - healthcare systems, physicians, payers, and customers. We believe this diversity strengthens our ability to identify strategic opportunities for our clients to network, coordinate services, or gain a competitive advantage. We work in the trenches with your leadership team and board to perform governance effectiveness reviews, provide board education on governance issues, and design and implement more effective board structures.

For more information, please contact:

Jeff Ellis, JD
Principal, PYA
jellis@pyapc.com

Kent Bottles, MD
Principal, PYA
CMO, PYA Analytics
kbottles@pyapc.com

David McMillan, CPA *Principal, PYA*dmcmillan@pyapc.com

Marty Brown, CPA
Principal, PYA
mbrown@pyapc.com

All can be reached at (800) 270-9629.