



Investing in the Three Rs

Developing physician leadership to help hospitals achieve success.

Hospital and health system boards and senior executives recognize the importance of a strong group of physician leaders in their organizations. Effective physician leaders can help the organization enhance its quality and economic performance and also enable strong ties between the clinical staff and the organization's leaders.

Several hospitals and health systems nationwide have had physician leadership programs in place for several years, and the CEOs and boards of these organizations say these programs improved their patient safety and quality, resulted in better employee morale, expanded their service volumes, improved payor terms and experienced stronger economic vitality, according to research by Mark Bard, MD, The Bard Group and Tangalos.

A September 2007 study by Clark Consulting—Healthcare Group titled “Physician Leader Effectiveness Survey,” however, suggests several factors frustrate physician leadership effectiveness, especially a lack of role clarity and skills development. Creative investment into varying formats for physician leadership development has accordingly moved near the top of board and executive

team strategic imperative lists as an essential means to organizational performance vitality.

From Clark Consulting's recent assessment of more than 20 hospital-based and 30 university-based physician leadership programs and from work for the past 10 years in England helping physician leaders from outside the United States sharpen their leadership effectiveness, three lessons were uncovered: 1) health system success demands effective physician collaboration, which demands effective physician leaders; 2) effective physician leaders must “walk on water” to master multiple clinical and leadership competencies; and 3) physicians want to learn leadership competencies like they learned medicine, via rounding (i.e., real case studies with respected mentors and real-time, frontline interactions), not sitting in classrooms with academics lecturing about abstract concepts.

For enhanced physician alignment and leadership development, hospital and health system boards and executives are increasingly realizing the powerful interdependency of the three “Rs:” rounding, recognition and rewards. This article explores the scope and nature of investments in these three Rs to help healthcare

organizations develop their own physician leaders. The article also will examine if hospital systems should develop their own physician leadership academies or outsource the development to other companies, associations or universities.

Success Through Rounding

Rounding is more than an analogy for how physician leaders can learn to master the many competencies needed for success in their roles of integrating and leveraging clinical and administrative opportunities. What is it about rounding that contributed to the physician leaders' learning process in medicine that now applies to their hospital leadership learning? Rounding contributions come from the following:

- Frequent challenges to conventional wisdom by an experienced and respected mentor/faculty
- The hunger for evidence-based insights into the root causes—not just symptoms—of problems/dysfunctions and a recognition that high probability, multifaceted solutions are needed for multifaceted problems
- Passionate demand for real-time, frontline interactions to understand

what really is happening and who needs to be engaged in problem solving or strategy development and implementation

- The positive power of knowledge gained from the process of trial and error distilled from actual case studies

Rounding also suggests a successful leadership style of management-by-walking-around. Rounding reinforces a sense of impatience at bureaucratic obstacles to get to the bottom of a dysfunctional biological or organizational system failure. Rounding has a disdain for mind-numbing, 60-minute, large group meetings in favor of faster, more focused six-

minute stand-up exchanges of smaller groups that get at the essence of a needed intervention and change.

Balancing Recognition and Rewards

Too many boards and executives try to induce physician engagement in leadership programs by *economic* rewards versus *emotional* rewards. Successful physician leadership development occurs faster and is more sustainable when it appeals not to physician compensation, as much as to their passions and professionalism. Reward comes from experiencing how they can leverage their time and talents to enhance healthcare and restore health; not just among 2,000–3,000 patients annually in a practice, but the much larger

number of patient encounters they can influence annually with their leadership roles and competencies. Reward comes when they better appreciate how their efforts fit in the larger system of protecting and restoring health and avoiding and attacking root causes of patient and organizational dysfunction and disease. Reward comes when their physician and nursing colleagues express sincere appreciation for their enhanced capabilities to take action and build a culture that is finally patient centered, performance driven and values based.

Therefore, in recognition there is reward. Winning leadership academies build in periodic celebration of progress and appreciation for physician-leader

development progress. Beyond plaques and certificates, we find success from varied recognition examples, such as sincere thank-you notes and handshakes from board and executive leaders; publication of contributions in organizational communiqués to employees, medical staff and their families; support for local and national news releases on the leader's accomplishments; support of continuing leadership development in prestigious workshops and events; and public acknowledgments of their tangible results in front of clinical colleagues.

Money does matter, but not in isolation. Physician leaders earn attractive compensation in three levels: competitive and IRS-judged reasonable

base pay; fringe benefits that support short and long-term loyalty to the organization; and incentive pay driven by achieving stretch metrics for the organization's goals of quality safety and economic vitality for mission accomplishment.

Build, Buy or Coventure?

There are many options hospital systems may consider regarding physician leadership academies such as: develop their own or outsource the development to other companies, associations or universities. Successful programs are establishing a blended model of learning.

University programs are increasingly pursuing the physician-leader market

with both open enrollment and custom in-sourcing support. Co-branded programs most often involve the following learning modes:

- Coaching or mentoring
- On-the-job-experiences
- Funding participation in on-campus leadership training
- Skill building workshops
- Volunteerism in other health-related organizations
- Self-study via books, audio tapes, video tapes and distance learning

- Degree programs (MBA, MHA and MPH)

Cedars-Sinai Medical Center, Heartland Health, Baylor Health, Mayo Foundation, Sanford Health, Children's Hospitals of Minnesota and scores of others seem to embrace the following important philosophies to guide their learning models:

- Rely on small groups of physician cohorts for group learning, but encourage interdisciplinary projects and case studies, according to Moir and Halstenson, "Culture Building Through Cross-Pollination," in the June 2007 issue of *Group Practice Journal*.

- Emphasize real-time case studies of serious challenges that relate to enhance patient experience, process improvements and measurable economic gain.
- Rely on a mix of in-house expert faculty with outsourcing to local business schools, national health leader associations or professional firms.
- Require short sessions such as a two- to four-hour spread during several weeks to encourage applications in real-world settings and to be respectful of physician time.
- Cautious reliance on new digital learning tools, such as Webinars,

podcasting, teleconferencing and dedicated Web sites for knowledge downloads and expert bulletin boards.

Conclusion

New efforts to celebrate the work of these physician leaders is now being recognized by executives and hospital system boards through investments not just in leader development, but also into new forms of incentive compensation tied to performance metrics of quality, clinical process implementation and continuously expanding economic vitality. Beyond incentive compensation, initiatives such as posting performance dashboard results and progress to internal and external stakeholder groups helps drive physician and administrative leader development and pride.

Physician leaders are essential to our nation's health system transformation. Hospital system boards and executive teams are therefore expected to increasingly explore and refine insight into how best to invest in their development in in-house physician leadership academies. ▲

James A. Rice, PhD, FACHE, is vice chairman of The Governance Institute and senior vice president of Integrated Healthcare Strategies, formerly Clark Consulting. He can be reached at jrice@governanceinstitute.com.

The Governance Institute
6333 Greenwich Dr., Ste. 200
San Diego, Calif. 92122
(877) 712-8778
info@governanceinstitute.com