Article by: Debra Walker, VP Health Care

Systemness: A Context for Cultivating a New Caliber of Leadership

I recently spoke with a woman who had sought treatment at a state-of-the-art cancer center that opened as part of a large, suburban health system. From the soaring architecture to the soothing waterfalls, the facility was breathtaking. Each floor housed a different component of the patient experience: oncologists on the first floor, radiation on the second, chemotherapy on the third, nutrition and pharmacy on the fourth. But as the woman moved through the center, she found herself repeating her clinical history at each stop along the way. Her vital signs and medication regimen were reviewed again... and again. Despite the convenience of their co-location, the center's departments functioned independently, leaving the patient frustrated, exhausted, and puzzled.

This lack of integration at a specialty clinic reflects an overarching challenge across the entire U.S. health care field. The Affordable Care Act, changing demographics, reimbursement cuts, and other market forces are creating a foundational shift. A patient-centered, value-based, population-health-driven approach is replacing a provider-centric, volume-based, acute-care agenda. To survive these changes, many health care organizations are pursuing mergers, acquisitions, and alliances. But as entities come together, many continue to duplicate services, processes, and management structures.

The influential management expert Peter Drucker noted, "The greatest danger in times of turbulence is not the turbulence—it is to act with yesterday's logic." Because the personal nature of health care carries higher stakes than most other industries, its leaders tend to respond cautiously to seismic change. Fortunately, many recognize that business-as-usual is not an option today. Health care needs a new strategic framework to support fully integrated and coordinated care, intense physician engagement, and organizational consolidation. To succeed, provider organizations will inevitably need to adopt a "systemness" approach to health care—and many already are.

Unlike traditional management structures, a systemness environment is a "matrix on steroids." Alan M. Zuckerman, FACHE, FAAHC, president of Health Strategies & Solutions, Inc., views systemness as the desired future state of today's complex health care organizations. "Systemness, and the move to the highest level of performance of integrated delivery," says Zuckerman, "means developing a continuum of care, in an effective synergistic care delivery model, which maximizes customer value and addresses proactively the health of populations."[1] In other words, systemness can be viewed as interdependent entities working in alignment to produce the best possible patient outcomes at the lowest cost.

From Fragmentation to Continuity

As the cancer center example illustrates, the U.S. health care system is often characterized by its fragmentation. Within individual facilities or systems, physicians are segregated by specialties, administrators by departments, and nurses by floors and functions. Transitions of care between hospital and home or other post-acute settings are also splintered, thus compromising quality and outcomes. Even financial incentives among stakeholders have been misaligned, resulting in tension between payors and providers.

Care cannot be coordinated along the continuum without the removal of siloed operations, and outstanding clinical outcomes cannot be achieved without coordination. As an organizing structure, systemness can be an enabler of continuity by fostering integrated,

DDI®

transparent, and patient-centric processes based on collaboration. All stakeholders work together across departments and functionalities without duplication or gaps. As an enterprise-driven concept, systemness aligns goals and values coordination. In an evolving era of outcomes oriented incentives, this approach is critical to success, especially as integrated entities like Accountable Care Organizations (ACOs) take shape.

Systemness Requires a Different Kind of Leader

One of the biggest challenges in moving to systemness is changing the old guard's perception of leadership. The traditional chain-of-command—with its clear-cut reporting lines—is replaced with a model in which accountability is spread among multiple stakeholders, and collaboration across divisions is a necessity. Thus, in a systemness approach, leadership requirements will not be the same as those in a hierarchically structured environment.

When preparing for a shift to systemness, organizations commonly presume that everyone who starts the journey will see it through to the end—and that leaders under the former system are ready to embrace new experiences and behave in different ways.

This is simply untrue. An organization will doom a systemness initiative if it fails to define what new leadership looks like, diagnose individual strengths and gaps in the new definition of leadership success, and develop its people to lead in a new way.

Define: Creating a New Profile For Success

Individuals who could make exceptional leaders in a systemness environment might not "look" like leaders who perform at high levels in a traditional environment. Consequently, extraordinary leadership potential could be hiding in plain view. "Lone geniuses," micromanagers, and authoritarians may have gotten by in a hierarchical management structure, but the DNA of leaders who thrive in systemness is quite different. At their core, such leaders possess:

Bifocal Vision: They can see the big picture across the enterprise as well as the operational day-to-day detail. As a result, they can execute strategies as well as develop them.

Interpersonal Diplomacy: They can broker relationships to drive results and are skilled at bridging differences using their political savvy.

Thirst for Learning: In addition to being geared toward learning, they also possess the ability and desire to remove barriers so that others can learn and innovate.

Altruism: They are not concerned with turf; their focus is outward, rather than inward, based on strong egos.

Because they are not "traditional" leadership qualities—such as driving execution or coaching—the characteristics listed above are more subtle leadership assets. They broaden the definition of leadership potential.

In addition to specific personal attributes, successful systemness leaders should possess several key competencies. The ability to embrace change, navigate ambiguity, and sell the vision is critical. They also need the business acumen to seize new markets. In addition, three competencies are mission critical: networking, building strategic partnerships, and influencing without authority.

Networking. In the context of systemness, networking has little to do with the traditional concept in which individuals forge ties that will accelerate personal career growth. Instead, it has everything to do with managing the day-to-day in a way that helps leaders move the enterprise closer to its goals. According to DDI's Audrey Smith,Ph.D., and Ellie Hall, strong leaders will draw members of their networks from three arenas:

- Personal (job and organizational advice)
- Strategic (industry, market, and customer insights)
- Operational (cross-organizational and cross-divisional issues and technical/functional expertise)[2]

Smith and Hall recommend that once the three areas are specifically defined, leaders should identify key contacts in each arena that include "a mix of central

DDI®

connectors (leaders, "old timers," political players... people who have a lot of their own connections), boundary-crossing connectors (high-leverage people who cross silos, geographies, and hierarchies), and peripheral players (niche experts, disconnected contributors, cultural misfits... people who can provide unique views and insights)."[3]

Building Strategic Partnerships. Successful leaders know how to build strategic partnerships among themselves. Never before in health care has this competency been more valued. To effectively manage the health of populations—in particular those that may be underserved—strong community alliances will be key. Developing strategic relationships internally is equally important, especially to accommodate a diversity of ideas and perspectives. According to Smith and Hall, strategic partnerships are "collaborative alliances of people from different interdependent groups who understand and support one another's needs, focus on common goals, [and] share purpose and vision..."[4]

Influencing without Authority. In traditional chain-of-command structures, individuals derive power from their position within the hierarchy. But in a systemness culture, personal influence is a much greater commodity. Using thoughtfully cultivated networks and strong alliances across sectors, leaders know how to engage the workforce—based on shared trust and understanding—and can spearhead change.

The United Kingdom's National Health Service (NHS) —a highly bureaucratic, hierarchical organization— employs more than one million individuals in hundreds of different business units and divisions.

Recently, a pair of researchers studied 68 change initiatives implemented during a 12-month period within the NHS.[5] A clinical manager who was responsible for implementing the initiative in his or her unit led each process change. Study results showed that the most successful change agents—regardless of their position within the official chain-of-command—possessed strong informal, personal networks that helped them broker relationships to drive desired results.

Diagnose: Identifying Strengths and Gaps

The health care landscape is littered with instances in which individuals are ushered into positions without a thorough understanding of what the job entails. Once a success profile has been established, organizations should select and promote leaders with the right motivations, learning orientation, and the propensity to deal with the complex and dynamic nature of health care.

Because significant challenges lie ahead, it is critical to differentiate between performance, potential, and readiness using validated, researched-based tools. Unfortunately, the differences among these three concepts are not always considered in the context of leadership decisions.

Performance is an individual's level of success in executing objectives in their current (or past) roles. Too often, performance in the current role is the dominant factor in leadership decisions. Past performance is a predictor of future performance, but only when the challenges and roles remain consistent.

Potential refers to the likelihood that an individual can develop into a successful leader in a significantly changed or expanded position. Because the leadership profile in a systemness environment is considerably different, assessing potential is critical.

Readiness is their ability to step seamlessly and immediately into a role because they have the experience, knowledge, and competencies that fit.

Develop: Ongoing Learning

With strengths and gaps identified, organizations can move forward to develop those individuals who will succeed in a systemness approach. This development process represents an investment decision, just like an investment in product innovation or any other business opportunity.

The most effective development plans blend three components in order to accelerate the development process:

DDI

Experiences: On-the-job assignments that tackle critical organizational issues.

Learning from Others: Peer learning groups, executive coaching, manager coaching, social networking, and online learning tools.

Formal Learning: Thought leadership sessions, formal classroom education, panel discussions, and learning journals.

Given that today's health care executives are already overburdened, this process does not have to significantly add to their demands. In fact, it can converge with daily organizational activities.

A New Context for Leadership

Driving through North Carolina several weeks ago, I spotted a billboard for a health care provider that read, "Your Health Takes a System Working as One." That simple phrase underscores the powerful change rippling through the entire U.S. health care system. The movement toward integration and "one-ness" has significant implications for physicians, consumers, institutions, patients,and families. But it will also have a dramatic effect on health care leadership.

Clearly, leaders need a new framework from which they can effectively support the dynamic, complex changes occurring across the field. Our challenge is to define what needs to be changed, how it should look going forward, and what we can do to get there. Through the lens of systemness, we can build a specific leadership profile to ensure individual and organizational success.

References

[1] Zuckerman, A. M. (2014, March) Systemness: The Next Frontier for Integrated Delivery. Becker's Hospital Review. http://www.beckershospitalreview.com/leadership-management/systemness-the-next-frontier-for-integrated-health-delivery.html

[2] Smith, A. & Hall, E. (2014) Succeeding in an Organizational Structure from Outer Space: Essential Skills in the Matrix. Pittsburgh, PA: Development Dimensions International.

[3] Ibid.

[4] Ibid.

[5] Battilana, J. & Casciaro, T. (2013 , July-August) The Network Secrets of Great Change Agents. Harvard Business Review. 62-68.

The Changing Role of the Hospital President

As health care organizations become increasingly centralized, not only is the profile for leadership success changing, but so too is the role of the hospital president. Presidents within a system have fewer direct reports because many functions—such as technology, finance, and human resources—operate at the system level.

With responsibility for so many internal functions removed, presidents are expected to cultivate a greater presence within the community. This includes forging partnerships, promoting wellness, and enhancing the system's brand in the communities they serve. To that end, hospital presidents should diversify their leadership skills. They will need to interface with system leaders in new ways as they bridge accountability within their own facilities and the system.

Hospital presidents may be hesitant to surrender their unique identity as a part of the system, fearing a loss of identity and power. For example, being known as the "flagship" facility—which can be a matter of pride—may not align with the enterprise-wide perspective. A successful flagship hospital in the Midwest was acquired by a large health system, much to the dismay of the hospital president. In fact, the president was so unable to envision his organization as part of the whole that he wore a blue suit—the branded color of the system—to system meetings, but changed into a green suit—the color of his former "flagship" hospital—when he returned to his facility. The message to his organization was clear: he did not view his hospital as part of the system. His brazen refusal to embrace and support the new structure made it impossible for him to remain in his position.

Hospital presidents must also play a critical role in cultivating strong partnerships with employed and independent physicians, and garner their support for system initiatives. Ultimately, presidents will be held accountable for their success or failure in this arena.

To adjust to new expectations, hospital presidents will need to identify and develop the competencies that will help them succeed in their new roles. Not only does this involve acquiring new skills, but it also means that they must proudly don their green suits every day.

To learn more about DDI:
World Headquarters: +1 412.257.0600 | info@ddiworld.com | www.ddiworld.com

DDI