The New Healthcare Leadership Culture

*Key Senior Leadership Traits for the Success of the 21st Century Hospital*
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During the last 10 years, hospital executives were focused on restructuring and re-engineering their organizations for greater efficiency. They scrambled to cope with cutbacks in federal funding while attempting to minimize their effects on healthcare quality. Executives demonstrating skills in these areas were in high demand.

Today, the leadership skill set being sought by future-oriented hospital organizations has shifted dramatically. This does not mean that financial acumen and operational expertise are no longer needed or important, though.

The shift in “hot” leadership skills is being fueled by amazingly rapid technological developments as well as by demographic changes. As healthcare executive search consultants, we are seeing this shift begin to drive how senior healthcare executives are recruited and how mid-level managers are being developed at the most future-oriented organizations.

As the leadership paradigm changes, financial acumen and operational expertise continue to be very important. An ability to accomplish more with less continues to matter a great deal. What has changed is that beyond financial acumen, a much wider range of complex skills in leadership, communications and management of rapid technological changes are increasingly essential for managers.

Tomorrow’s most successful healthcare organizations will be those that are now identifying existing managers with the strongest potential to develop these broad leadership skills. The next step is to develop those individuals into effective senior executives. Emerging, critical skills that they will need include:

• High-level technological decision-process leadership skills. Tomorrow’s top healthcare executives will have to manage technological assessment and decision-making at a very rapid pace in order to keep their organizations current and competitive. Today’s technology menu for both clinical applications and management is vast. Tomorrow’s technology options will be many times greater, with new technologies impacting the marketplace faster than ever before.

Leaders will need the highest-level skills in asking the right questions of both external and internal experts to elicit the knowledge needed to evaluate and select technologies that represent the best investments for their organizations. As is true today, technological decision-making processes will need to encompass com-
petitive analysis of nearby healthcare entities’ product lines and planned initiatives. They also will need to consider retention of affiliated physicians, the organization’s mission and a variety of other factors and concerns.

What will be different is that the complexity of identifying the right technologies to fit an organization’s strategic direction via the ever-expanding market of technological products. And decision-making processes will need to be completed with greater-than-ever urgency to ensure an organization’s competitiveness.

▪ Clinical connectivity. Due to increasing depth of physician involvement in management decision-making, tomorrow’s non-medical senior executives will have to connect well with clinical management. Far beyond understanding clinical issues and how they are impacted by management, he or she will have to include physicians’ perspectives and effectively integrate them into decision-making.

In order to elicit effective contributions from physicians, leaders will need to do more than become skilled at understanding clinical perspectives. They will need to engage physicians in business decisions and foster physician understanding of business issues facing their organizations. Many healthcare CEOs today tell us that effective physician relationship development is among the top three core competencies for rising leaders.

▪ Leadership of diverse management teams. As healthcare organizations succeed in developing more diverse management teams, the most senior executives will need to be effective at leading diverse groups and using each member’s expertise to advance the organization. Beyond racial, cultural and gender diversity, tomorrow’s healthcare management teams also will include members with very different professional and educational backgrounds, forms of expertise, and knowledge bases. The richer the diversity of viewpoints, the more effective the idea generation process will be, with better outcomes the likely result.

It takes courage, open-mindedness and competence for a leader to hire senior managers who are not in the leader’s image. It will be increasingly critical to the success of an organization, however, not only to hire such people, but to listen to them. The most effective healthcare management decisions of tomorrow will be approached from multiple perspectives.

▪ Fostering of innovative thinking and problem-solving. The visionary leader must encourage a culture of innovation throughout the organization. The culture must begin with the leadership team and flow through the entire organization. The CEO must set the direction for innovation by first identifying a vision for the organization that reflects marketplace assessments and that its most important stakeholders accept and support.

As buy-in to the organizational vision evolves, the leader can then encourage development of solutions and ideas that will help support the vision. Creation of a culture in which people feel that their ideas will be valued will result in effective, often creative problem-solving and innovations that can make an organization more competitive and cutting-edge.

The innovative culture encourages formation of proactive solutions, services and processes. It rewards risk taking and entrepreneurial thinking. It promotes knowledge transfer and organizational review to identify innovative processes and future trends.
Developing a strong pool of leadership talent within today’s healthcare management ranks is a critical need of the industry as a whole. As a senior or chief healthcare executive, it will be worthwhile to ask yourself questions such as: Does the leadership team need an infusion of new talent with different skills or capabilities? Do current leaders need to undergo intensive assessments to identify their knowledge gaps? How will you develop your executives? How can training resources best be utilized to maximize the potential of mid-level managers and build bench strength within the organization?

Whatever the answers to these questions, a proactive process of addressing them will help build the capabilities of tomorrow’s top healthcare leaders.

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