TRANSFORMATIONAL LEADERS

Ten Practices to Help Executives Meet the Challenges Of the 1990s

BY DOUGLAS A. WOODARD

The job of chief executive officer (CEO) is the crucible of healthcare leadership in the 1990s. CEOs will find increasingly that it really is not a position so much as a point of intersection for innumerable competing interests. To meet their responsibilities (and respond to the current emphasis on employee empowerment), CEOs will need to produce results in the 1990s without relying on management's traditional prerogatives of direction and control. They will also need to undergo a personal transformation of dramatic proportions to be the kind of leaders this decade calls for.

Much has been written on the subject of transformational leadership (see **Box,** p. 43). A 1992 survey of healthcare leaders by the Healthcare Forum Leadership Center found a "gap" in leadership. Respondents pointed to a scarcity of such "transformational practices" as mastering change, continuous quality improvement (CQI), and systems thinking. In another survey, less than 20 percent of 781 CEOs described their leadership style as transformational ("Benchmark TQM Survey Tracks a New Management Era in Administration," *Hospitals*, June 5, 1992, p. 26).

What is a transformational leader? Rather than providing a conceptual definition, I offer 10 practices healthcare CEOs can adopt to become transformational leaders. But these 10 practices will be useless without a willingness to experiment, be adventurous, and risk the unknown.

This article assumes such a predisposition; clearly, in the 1990s few CEOs will survive without it.

ESTABLISH AND ACT ON KEY COMMITMENTS

As the CEO, you should set no more than one or two fundamental commitments for the organization each year—and you should talk about them constantly. Examples of such commitments include achieving 100 percent customer service satisfaction, transforming the organization's culture, or implementing CQI. The board, medical staff, managers, and other employees will give you good insight into what to focus on. Focus groups that include these organizational representatives can propose commitments, study them, and make suggestions for their implementation.

Once established, your top priorities should be continually present. Find an opportunity in every meeting to refer to these priorities. Engage in bold, unequivocal action that demonstrates your total commitment. A Corning Glass executive

Summary Today, healthcare chief executive officers (CEOs) face many pressing issues. To survive the 1990s, CEOs must master "transformational practices" such as continuous quality improvement.

CEOs can adopt the following 10 practices to help them become transformational leaders:
- Establish and act on key commitments.
- Form teams.
- Establish a job shadow program.
- Brainstorm more.
- Befriend the opposition.
- Communicate more.
- Wipe out gossip.
- Look for breakdowns.
- Revise the appraisal system.

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illustrated his commitment to quality in front of hundreds of employees by sledgehammering an entire load of slightly defective goods a customer had been persuaded to accept. Healthcare CEOs must look for opportunities to take similar radical action.

Top executives must encourage employees to create their own vision within the organization's vision rather than to buy in to it. "Buy in" is second best to self-generated vision, since full-tilt commitment and participation cannot be bought.

FORM TEAMS

We are witnessing the twilight of the hierarchical organizational chart. Based on the assumptions that persons at the top know what needs to be done and that persons below require direction to do it, the authority pyramid is unsuited to today's knowledge society. In all likelihood, the pyramid structure will be gone in five years. As healthcare organizations become more committed to CQI, they are discovering that the hierarchical structure is irrelevant to quality and customer satisfaction. In fact, this structure gets in the way of quality and satisfaction.

Hospital operations and processes—most of which affect customers—involve more than one department, and few department managers know how to improve crossfunctional activities. Current policies, procedures, and structures promote functional differences, causing bugs throughout the healthcare delivery system. The current organizational paradigm yields top-heavy organizations and disempowered employees and prevents the hospital from developing a sense of community and shared values. Virtually every hospital, no matter what

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size, has between 25 and 30 department directors or managers. This archaic structure causes the organization to focus inward, but what will take its place?

Before long, teams, not individuals or departments, will serve as healthcare institutions' fundamental organizing units. Teams of process owners, organized to improve the quality of processes and operations, will abound. The team will have both responsibility and accountability and will assign specific tasks to team members. This is one of the core ideas of CQI.

To get started, form a steering team of seven or eight senior managers and other key organizational leaders. Then, publish a simple procedure inviting employees to submit their proposals for needed improvements and to suggest members for the project team. Ask existing committees and departments to brainstorm and make proposals. Establish two or three project teams quickly, and launch more later until everyone is on a team.

The first projects should be aimed at improvements that can be fairly easily and quickly accomplished. Early proposals should not require significant additional resources so that the initial project teams are successful.

Training team leaders and team members to participate effectively and to use simple data-gathering and problem-solving tools will be important. Plenty of training resources are available, including seminars and videotapes. Whatever training is done will be more cost-effective and timely if the participants are already working on project teams that have established time lines and expectations.

Once the teams have been launched and have received some training, have team leaders make
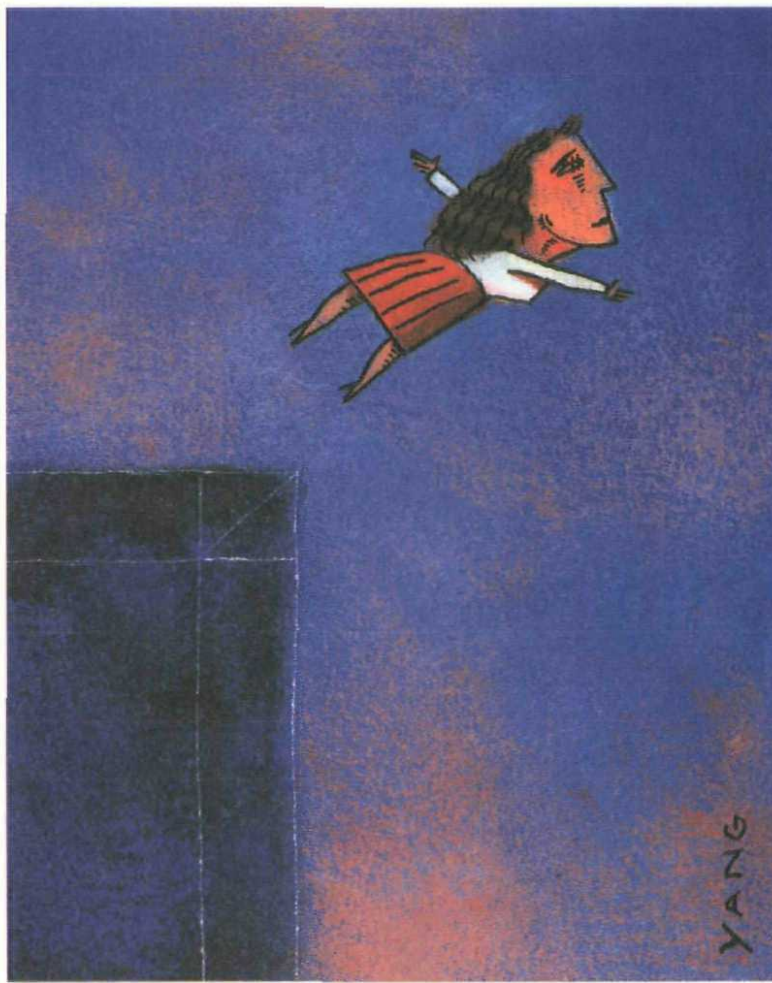
James Yang

regular progress reports at management or organization-wide meetings. The steering team should closely monitor team action plans to make sure the team is being productive and the members are enjoying unprecedented success. Close monitoring will support teams' long-lasting impact.

ESTABLISH A JOB SHADOW PROGRAM

Departmental fragmentation in hospitals inhibits people from appreciating their interdependencies. Departmental fragmentation also impedes employees from recognizing their internal customers, restructuring service levels, and having real communication with other employees.

To facilitate such communication and understanding among employees, initiate a campaign in which every employee, for one day a month, "shadows" another employee (in another department) and learns by watching and doing what the

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shadowed employee does. Set simple rules, like do not shadow anyone you have known for longer than a year, and be sure to include managers. One of the biggest challenges facing a CEO is the crabgrass that grows between departments and people. This contributes to blame and responsibility shirking. To avoid this, employees must walk in the shoes of other employees. CQI will remain an ideal until employees really appreciate and understand other employees and the jobs they do.

TRANSFORM ALL MEETINGS

Meetings are the playing field of organizational life. Unfortunately, the practices and values that have grown around meetings are anything but enviable. Here are some suggestions on how to have fewer meetings and make them more productive.

Stop having informational meetings—or at least

CHA'S CENTER FOR LEADERSHIP EXCELLENCE

For Catholic healthcare professionals struggling to sustain their ministry in today's complex environment, leadership development and renewal are more important than ever. In response to its members' needs, last spring the Catholic Health Association (CHA) established the Center for Leadership Excellence.

"The center is charged with planning, networking, and implementing leadership programs for all CHA constituents, at all levels of the organization," according to Regina Clifton, the center's executive director. Current plans call for a three-phase program:

• Introductory, or orientation, phase for leaders new to Catholic healthcare. The programs will address such topics as the institutional mission of Catholic healthcare and development of a personal mission statement.

• Developmental phase for those already in leadership positions. Participants will continue to integrate personal and organizational values, exploring topics such as spirituality for leadership and creative leadership processes.

• Advanced phase for those who have demonstrated their leadership and commitment to the ministry. An annual intensive program will address these leaders' ongoing needs.

CHA staff, constituent leaders, and others in healthcare are currently working on a comprehensive plan for the center, says Clifton. But the third phase of the program is already under way: The Institute for Advanced Leadership Development was recently established by a steering committee of leaders from CHA, the National Coalition of Catholic Health Care Leadership, and CEOs of Catholic healthcare systems.

The institute will be open to leaders in Catholic healthcare organizations who have already participated in values-based leadership development programs, as well as demonstrated their commitment to the ministry through their work. The institute's objectives include furthering its members' personal faith and spirituality; increasing their understanding of Church tradition; building their skills in integrating Christian values into norms, policies, and prac-

tices; and helping them develop the Church's mission in their organizations.

Clifton noted that the institute's programs will be holistic, using experiential methodologies and a variety of techniques such as lectures, case studies, and group processes. "Members of the institute will look at issues such as faith development, moral decision making, application of Catholic values, and development of mentoring skills," said Clifton.

Both the Center for Leadership Excellence and the Institute of Advanced Leadership Development will collaborate with existing leadership programs, such as those offered by CHA members (e.g., CHAP), the Healthcare Forum, the American College of Healthcare Executives, and St. Louis University. "This will ensure that we don't duplicate what's already available," Clifton noted, "and that we provide what our members truly need in terms of the *Catholic* perspective on leadership issues." The center will issue a report in early 1993 to inform CHA members about its programs and how they can participate.

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reduce their occurrence drastically. Most management meetings are as boring as meat and potatoes, and managers complain endlessly about them. *Information should be shared at meetings only when absolutely necessary and feedback is desired.* The objective of sharing information should be declared before the meeting. This will help distinguish between creative, transformational meetings and mere informational meetings. To have more productive meetings, people need to know the difference.

Create a culture in which all meetings begin and end on time. Meetings that start late and those that go into overtime are a source of derision and complaint among managers.

Persons who lead meetings should always begin by recapping what was accomplished since the last meeting. Standard meeting practice ought to include acknowledging people for their accomplishments and inviting participants to acknowledge each other. For most people, receiving acknowledgment is more difficult than giving it. Acknowledgment is one of the most potent but underused transformational tools. Championship teams exchange acknowledgment and respect easily.

Meetings should be used for training, brainstorming, and team building. These activities not only require meetings but also make them productive and enlivening. Meetings should also be growth-producing opportunities. For example, participants could make presentations about what really excites them about their work in the organization.

Above all, meetings should be lively. Any meeting that is not fun, provocative, or stimulating should be adjourned. Tedious meetings undermine employees' creativity and productivity. Do everything you can to put them out of business forever.

BRAINSTORM MORE

The quality of thinking in many healthcare organizations is uninspired at best and completely backward at worst. The quickest way to upgrade thinking throughout the organization is to get all employees involved in more brainstorming. This should happen in departments and divisions and at management team meetings. Business will continue as usual unless a brainstorming epidemic breaks out in the organization.

To cause such an outbreak, make it safe for employees to suggest half-baked ideas. Allow no opinionated criticism of new ideas or proposals.

TRANSFORMATIONAL LEADERSHIP RESOURCES

• J. M. Juran, *Juran on Leadership for Quality: An Executive Handbook*, MacMillan, New York City, 1989
• Rosabeth Moss Kanter, *The Change Masters—Innovation and Entrepreneurship*, Simon & Schuster, New York City, 1983
• Ellen Marszaleck-Gaucher and Richard J. Coffey, *Transforming Healthcare Organizations: How to Achieve Organizational Excellence*, Jossey-Bass, San Francisco, 1991
• Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, Doubleday, New York City, 1990
• Noel M. Tichy and Mary Anne Devanna, *The Transformational Leader*, John Wiley & Sons, New York City, 1990
• Mary Walton, *The Deming Management Method*, Pedigree Books, New York City, 1986

Know who does not support what you are trying to accomplish, and talk with them.

Ensure against interruptions by having people wait for recognition by the chairperson before they speak. Invite feedback and commentary only after the employee has fully verbalized the idea. Employees must know that the biggest contribution they can make is to propose something new that will work, not to point out why something will not work or should not be considered.

Your efforts to implement CQI will be unrewarded if employees do not think beyond their paradigms. CEOs must teach employees to do this by developing their own brainstorming muscles and by engaging employees in the practice at every opportunity. Find ways to implement a significant proportion of the ideas brainstorming groups create. New ideas cause change, which will scare or upset some employees, but organizations cannot afford to have their leaders shrink from the challenge.

BEFRIEND THE OPPOSITION

Know who does not support what you are trying to accomplish, and talk with them. Tell them clearly what you are aiming for, and ask them to tell you clearly what they see wrong with the goal. Do not try to overcome the objections. Instead, listen completely to your opponents and show them you understand their point of view. Ask them to work with you to find a common solution or means of improvement. Be open to trying their suggestions, and ask them to have the same openness for yours.

The opposition will always bring up the short-

comings of an idea or plan. You must listen to learn. When you successfully engage your opponents in the process, lasting accomplishment becomes possible. Never give up on persons who will not work with you openly and honestly as long as they are in the organization.

COMMUNICATE MORE

CEOs must get out of their offices. Walk around and talk to employees. Tell them what excites you about your job—and theirs. Visit a new department every week.

Your job is emphatically not in your office, even though the press of paperwork often makes this an enticing escape. Through your actions, make it clear you are committed to being with people.

The owner and founder of Milliken & Company first removed the doors on his and his managers' offices; then he removed the walls. One hospital CEO took the Dale Carnegie course to transcend his fear of speaking to groups. That single act speaks volumes about the courage and openness CEOs will need to communicate effectively in the 1990s.

WIPE OUT GOSSIP

As you move about the organization, speaking and listening, talk openly and honestly and ask employees to do the same. Do not talk *about* people, talk with them. Invite everybody you speak with to join a crusade against gossip, the kind of behind-the-back chatter that undermines people, breeds cynicism, and kills creativity. Over and over in my work with hospital management teams, I have seen two things:

• Gossip is rampant.
• Gossip operates unseen to ravage the health of the organization.

Healthcare leaders often know that gossip exists within their organizations, but they put up with it because "you can't really do anything about it."

Nonsense! Challenge gossip with open communication. Start by never engaging in it yourself and making it off limits for your close associates. Simultaneously open clear channels of communication and make it safe for people to use them. The source of negative, destructive gossip is always the failure of managers to listen.

LOOK FOR BREAKDOWNS

"Breakdowns" are the problems and mistakes that happen in every organization. Breakdowns

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are a natural part of the fulfillment of any commitment, and, the bigger the commitment, the bigger the breakdowns. CEOs must learn to anticipate breakdowns and plan for them, or the breakdowns will win and the organization will lose.

To release pressures and resolve problems, managers too often allow the inevitable breakdowns to reduce the level of their commitment. Leaders need to encourage employees to set their commitments high and keep them there, allowing for problems and failures. Most healthcare managers, however, have little or no tolerance for mistakes. Set aside time during each meeting to discuss the thwarted actions, mistakes, and breakdowns that happened since the last meeting. Share stories of your own botched initiatives, and ask employees to coach you to move forward powerfully.

Employees need to brainstorm plans and strategies for dealing with breakdowns before they happen. They can make a game of this by anticipating their next breakdown. CEOs must acknowledge employees for having breakdowns—because breakdowns evidence commitment—and for being up front about them.

REVISE THE APPRAISAL SYSTEM

Change the merit review and compensation systems by rewarding employees for actions such as brainstorming, team playing, sharing breakdowns, and openly communicating. Employees want to be successful, and most of them will do whatever it takes to earn favorable recognition. Make sure badges of success are awarded for the same behaviors you stand for; otherwise, all talk will be just that.

CREATE CHANGE

The CEO's biggest job in the 1990s is to keep the hospital on the cutting edge—technologically and managerially. To do this, they will have to *create* change, not merely embrace it or wait for it to happen.

Keeping the hospital on the cutting edge will also require the CEO to have a vision and a penetrating appreciation of the gap between the vision and reality. The CEO's mission as a transformational leader is to energize the organization by infusing the will and the confidence to bridge this gap. The 10 transformational practices I have discussed will help CEOs with this task and will propel them forward successfully in the 1990s. □