

The Making of Healthcare Leaders: The Insiders' Look

Inaugural Thought Leaders Forum

Earlier this year, we had the opportunity to pose questions about healthcare leadership to a group of people unusually qualified to provide answers: *Modern Healthcare* Up & Comers and Trustees of the Year, as well as CEOs from their organizations.

Twenty-two healthcare leaders participated in the first-ever Thought Leaders Forum, an invitation-only event held in conjunction with the annual Up & Comer and Trustee of the Year awards. Witt/Kieffer co-sponsors the awards and hosted the event.

The group included a cross-section of healthcare leaders: different age groups, organizations, geographic locations and career levels. The discussions were lively, wide ranging and informal. Most important, participants spoke from the heart about core leadership issues vital to the care of their communities.

Their comments were fascinating, and it's our pleasure to share some of their observations. We look forward to continuing our collaboration with them—and with you—to cultivate unusually qualified next-generation leaders.

Best wishes,



Jim Gauss
President and CEO
Witt/Kieffer

The making of healthcare leadership

Service that improves quality of life, self-confidence and humility—as well as mentoring and professional development—are among the most important factors that contribute to the making of healthcare leaders. At the same time, hospitals and health systems have little in the way of formal plans to groom future leaders from within their organizations or seek talent from outside.

These and other conclusions about healthcare leadership come from nationally recognized leaders themselves: current and former winners of the *Modern Healthcare* and Witt/Kieffer-sponsored Up and Comer and Trustee of the Year awards, and CEOs from their organizations. The Witt/Kieffer Inaugural Thought Leaders Forum was held March 2007 at the Ritz Carlton New Orleans.

Why leaders commit to health care

Mission and “making a difference” are the predominant reasons participants in the Thought Leaders Forum first entered and now stay within health care. Early in their careers participants came with often dramatically different interests and experiences—public accounting, business, military, pre-law, nursing. Yet virtually all were and still are attracted to the service dimension of health care, or

what one called the “business of people.” Furthermore, many find the increasing complexity of health care creates compelling and satisfying career challenges.

“The reasons were -and still are— wanting to help others in an organized way that makes a difference in people’s lives. The original ethos for doing this work is even truer today.”

— Health System President/CEO

“I started in this business in 1978 fresh out of college and it was an industry that I saw as growing and expanding regardless of what is happening in the economy . . . I can couple that with making a difference for patients and . . . taking care of people in great need . . .”

— Health system president/CEO and former Up & Comer, East

“The mission orientation (that) attracted me as a young person is still just as rich today as it was back then. Now with a little hindsight, I think the really attractive thing about the healthcare industry is the complexity. The complexity, the ever-changing nature of the business and the subsequent gratification that come from solving problems is very real.

— Health System CEO, West

Health care continues to offer talented young people growth and wide-ranging career opportunity, according to both younger and more seasoned Forum

participants. Those who work directly with students describe a resurgence of interest in missioncritical areas such as disparities in care and affordability of new technologies, as well as a passion for applying individual skills to “making a difference.”

“I lecture at different graduate programs. What I see in the classes seems to be evolving into a more focused approach . . . to wanting to support our society as opposed to just being a business proposition.”

— Hospital CEO and former Up & Comer, Midwest

Forum participants express concern that healthcare organizations have yet to clearly define career paths for a younger, multi-disciplinary generation ready to serve. One of the major leadership development challenges for hospitals and health systems, they believe, is demonstrating to early careerists how mission orientation links to career advancement.

How good mentoring makes great leaders

Participants rave about the importance of mentoring in their own career development. Veteran leaders reminisced about mentors and the extraordinary opportunities they were given at very young ages to design services and build organizations. While these early career experiences may not have been steeped

in classic training or formalized mentoring, these individuals were challenged to stretch themselves well beyond their comfort levels and were given broad organizational exposure.

"I'm Vietnam era and I was privileged to serve in the public health service corp. I was the commanding officer of an Indian health facility at age 24. I had doctors basically reporting to me . . . I was thrust into a position beyond where I should have been . . . but it was a tremendous growth and stretching opportunity."

— Health System CEO, West

"I came into the healthcare arena in 1996 and I can say that I attribute everything to our CEO who gave me an opportunity to do a residency and has been my mentor all the way through today. If it wasn't for him overwhelming me with responsibility that I wasn't prepared for, I know for a fact I wouldn't be in this world today."

— Health System Executive Vice President/COO and former Up & Comer, South

"At age 22 to make presentations to board committees sitting at the senior management table is not an opportunity that many people get and I think a pivotal factor that has made me achieve what I have . . ."

— Health System President/CEO and former Up & Comer, East

Younger Forum participants also praise the value of mentoring but with a few

caveats. They warn against rigidity in formalized mentoring programs that might stifle talent. Inspired mentoring encompasses a variety of areas, they believe, from learning how to communicate with physicians and building consensus to assessing business opportunities and taking risks.

"The mentor I had . . . allowed me the opportunity to work on some new clinical initiatives. He let me see the entrepreneurial side of things; for instance, starting a physician network . . . an opportunity that was different than the normal track of being a line manager for five years."

— Hospital CEO and former Up & Comer, Midwest

At the same time, some younger leaders believe that upon leaving school and entering the workforce they were ill-prepared to take on executive challenges. Curricula often focused on expertise, not leadership.

"We were not given leadership skills in our graduate program. We received technical education on finance, operations, accounting, policy and policy development. Even with my degrees I still needed a lot of mentoring in terms of executive expectations."

— Hospital Vice President and former Up & Comer, South

Participants are concerned about the sheer size and intricacy of today's

organizations, and how that complexity affects and sometimes even impedes a young leader's path and mobility. They worry young leaders may be placed in narrowly defined, highly technical areas that ultimately serve as confining walls, not open doors. Even when they are successful in specific departments, there are no clear paths for advancement.

"Individuals are brought into the organization focused on quality improvement or a certain clinical area or decision support. They are not getting placed in positions where that track is immediately identifiable as a track towards the CEO role. I think there is a natural barrier . . . as a result of the complexity of our organizations . . ."

— Health System CEO, Midwest

In search of 'Level 5' leaders

One of the most striking turns in the Forum discussions was the way participants describe ideal leaders. Attributes they focus on involve character and integrity and have little to do with technical skills.

Forum participants also stress personal drive tempered by humility, reminiscent of how author Jim Collins defines Level 5 leaders in his *Good to Great* model. According to Collins, a Level 5 leader builds enduring greatness through a paradoxical blend of personal humility

and professional will. High performers channel their ego needs into the larger goal of building a great company, Collins says.

Similarly, our Forum participants define leadership in terms of self-confidence, humility, powerful team-building skills and a pervasive awareness of the greater good. The essential interplay among self-confidence, humility and innovation is striking. One participant describes a leader as:

“Self-confident enough to be different. To be an innovator and still project humility. You still have to be able to walk into a situation where you’ve got 48 board members and look at them and say okay now I have to be flexible with this. You have to be self-confident to do that.”

— Hospital CEO, South

Forum participants play up the importance of coaching young leaders to remain agile, cultivate relationships and learn from their mistakes, as well as providing them encouragement during inevitably rough periods. They also point to the inherent rewards of ethical leadership:

“I have always been rewarded for doing the right thing . . . On a number of occasions I have literally held up my hand and said, ‘No, I’m not going to do that because it’s not the right thing to do.’ I’ve learned along the way that the bottom line is absolutely important but it’s still

secondary to organizational culture and a focus on mission, vision and values.”

— Hospital CEO and former Up & Comer, South

Falling short in talent management

Talent management and succession planning, according to one participant, involves “enlightened HR leaders, CEOs that are committed and boards that demand it.” Yet our Thought Leaders are hard on themselves and critical of the overall industry for failure to develop and groom talent. Facing massive “baby boomer” retirements and mounting gaps in leadership, they admit it’s well past time to improve talent management within their own organizations. The days of “benign neglect” are over.

“This industry is horrible at talent management and leadership development, leading to succession planning. I envision we are going to get a lot better at it because of the complexity of the business we are in today.”

— Health system CEO, Midwest

“When IBM and GE do (leadership development), they rotate people through different jobs and every two years these people are in different jobs. When I started my career at this large medical center I had seven jobs in four years; I had a different job every 18 months. That doesn’t happen as much today . . . I think the lack of investment in leadership

development in the here and now is because of limited resources. That is one of the major shortcomings in our history.”

— Health system president/CEO and former Up & Comer, East

Many Forum participants admit their own organizations need to put results-oriented initiatives in place to spotlight nascent talent. One executive asks his senior management to identify staff to cultivate in their late 20s or early 30s. Senior executives provide the individuals a global perspective on the organization and teach them to think beyond their individual skills or immediate department focus. The program builds the leadership pool while it validates the organization’s commitment to recognize talent and promote from within.

Another participant describes nurturing young leaders as a two-way street. The organization must clearly define and communicate its culture and needs. In turn, each aspiring leader must understand what he or she can contribute to the organization. That’s the only way to ensure the right talent match.

“Organizations have a responsibility to explain themselves, understand their culture and clearly know what kind of talent they are targeting. The cost for one position turning over is in the high five figures, maybe even approaching six. We can’t afford to make those mistakes.”

— Health system president/CEO, Midwest

Generational differences—including an individual's expectations about job performance and flexibility—represent a growing talent management challenge. One senior leader cautions against resisting how different generations view their work and instead advocates embracing those differences to build a stronger workforce:

"We are going to be challenged with this whole generational gap: the expectations, lifestyles and work ethics of the younger generation. It's a great opportunity as well. We have always been tied into thinking full-time positions are usually 9 to 5. I think there is an opportunity to make that flexible. . . the last time I checked we are a 24-hour service."

— Hospital president and CEO, Midwest

Why leadership embraces diversity

Forum participants recognize how diverse leadership advances an organization's vision and mission and creates positive community impact. Leadership teams rich with diversity encourage "out of the box" thinking and ultimately sensitize the organization to the populations it serves.

"It's really important to recognize the differences of the patients you serve. I was involved with a project that created a book on trans-cultural aspects of prenatal

care. When you look across the world and look at what people's expectations are of delivering a baby, it is very broad. Sensitivity helps the patient. It's all about the patient."

— Health system CEO and former Up & Comer, South

"I think when we ask the question 'where is the next generation of leaders coming from,' they are coming from other countries . . . They are coming from Latin America, Mexico and China. . . We need to make a more concerted effort to understand the values of people . . ."

— Hospital vice president and former Up & Comer, South

Physician leaders align incentives

Physicians, Forum participants say, are a critical source of talent to support the development of a new generation of senior management. Well-prepared physician leaders are grounded in patient care yet have a robust understanding of reimbursement issues, government policies, technology and aligned incentives. Hospitals and health systems must help physicians develop business acumen to complement clinical expertise and include them in top-level decision-making.

"Physicians (need) MBAs and business skills. I think that is the key to aligning physicians, and understanding the whole

(healthcare) picture. What we need are physician administrators who understand both governance and administration."

— Health system trustee, South

Participants push for greater collaboration between senior management, physicians and board members. It's time to "blur the lines" between these groups:

"We need the medical staff and the board blending and trying to get (back) that three-legged stool we used to talk about . . . (We need to have) the medical staff cross-pollinate with the board so that leaders are conversant with the issues that are important to each."

— Hospital CEO, South

Discovering the next generation of leaders

Clearly, Forum Thought Leaders think we need fresh perspectives to reshape healthcare organizations for relevance, viability and growth. So how do current healthcare leaders identify and attract youthful talent? By developing a pipeline within their organizations and casting a wide net outside.

Fewer individuals are reaching the CEO spot through traditional career paths, e.g. an MHA program to a residency to the executive suite. Several Up & Comers in the group are living proof; they come from music therapy, divinity school and other unconventional backgrounds.

Nevertheless, they describe feeling welcome in their organizations and encouraged to bring fresh thinking to their executive teams.

The time also is ripe for looking beyond typical talent sources and seeking leaders from a variety of industries, Forum participants urge. Pharmaceutical, biotech and consumer goods companies, consulting firms, government and the military are just some of the talent sources they mention.

One of the younger Up & Comers chastises the healthcare industry for not being progressive enough when it comes to looking beyond immediate horizons for new talent. His story is about a very successful recruit from a non-hospital setting, someone who provides immense value to his organization:

“We took someone from a biomedical engineering company, a for-profit company, who had never worked in a hospital in her life. The benefits from that outside perspective are unbelievable. Health care is 20 years behind the rest of the world, where we think CQI is a new thing; that was a 70s and 80s thing in the (rest of) industry.”

— Health system CEO and former Up & Comer, Midwest

What the future of healthcare leadership holds

The dynamism of health care continues to have allure for our Thought Leaders, both younger and more seasoned executives. Managing the scale of increasingly complex systems, improving clinical outcomes, protecting patient safety and confidentiality and maintaining transparency are among the issues in which individuals can make a difference as they take on progressively greater responsibility.

Health care is—and will remain—a compelling career choice for talented young men and women, Forum participants conclude. It also offers substantial business and financial rewards as well as challenge, innovation and, most important, service to others. Opportunities to learn and grow for those seeking experience and mentor and groom for those rich with experience—are apparently boundless.

“I’ve been in the industry since 1969 . . . I joined because my cousin who was Chairman of the Board asked me and I did it because I wanted to give back to the community. I think now I’m more interested than I was then because the industry has grown so much and it’s much more complicated . . . and affects so many more lives.”

— Health system trustee and former Trustee of the Year, South

“When I look at our organization I begin with these young people . . . I look at their passion, their willingness to work with others, their ethics, their interest, willingness and desire to recognize others and I look at their ability to make structure out of ambiguity. I look at their ability to improvise. . . The goal is to have a person who is able to bring people together.”

— Hospital CEO and former Up & Comer, Midwest

“If anyone here at the table can tell me how a hospital is going to look in ten years, I would appreciate you telling me because I don’t think any of us knows. That’s probably the biggest mystery that attracts us all.”

— Health system CEO, West

Participants in the Thought Leaders Forum

Forum participants represent every level of leadership from board trustees and CEOs to executives in nursing, finance and operations. They herald from 14 states and organizations and systems of all sizes.

Witt/Kieffer thanks these individuals for their selfless and spirited participation:

Ronald Abrams, Chairman of the Board of Jewish Hospital and St. Mary's Healthcare, Louisville, Kentucky

* Erol Akdamar, CEO of St. David's South Austin Hospital, Austin, Texas

Adil Ameer, Formerly CEO of Health Quest, Poughkeepsie, New York

James Anderson, Chief Administrative Officer of Mayo Clinic, Scottsdale, Arizona

Anthony Armada, President and CEO of Henry Ford Hospital Health Network, Detroit, Michigan

Vicki Briggs, Formerly CEO of Trinity Medical Center, Birmingham, Alabama

Michael Covert, CEO of Palomar Pomerado Health, Escondido, California

* Robert Dent, VP of Nursing of Midland Memorial Hospital, Midland, Texas

* Corinne Francis, Vice President of Mission Integration of St. Anthony's Health Care, St. Petersburg, Florida

Richard Henley, CEO of Pocono Health System, East Stroudsburg, Pennsylvania

Hal Leftwich, CEO of Hancock Medical Center, Bay St. Louis, Mississippi

* Donna McGregor, CEO of Putnam Hospital Center, Carmel, New York

+ William Moffitt, Board Chair of Kadlec Medical Center, Richland, Washington

Russell Meyers, CEO of Midland Memorial Hospital, Midland, Texas

+ Julian Shapero, Trustee of Jewish Hospital and St. Mary's Health System, Louisville, Kentucky

* John Singerling, EVP and COO of Palmetto Health Richland, Columbia, South Carolina

Rick Stevens, VP of Operations of JPS Health Network, Fort Worth, Texas

Joseph Swedish, CEO for Trinity Health, Novi, Michigan

+ William Tate, President of Board of Trustees of Hancock Medical Center, Bay St. Louis, Mississippi

* Warner Thomas, President and COO of Ochsner Health System, New Orleans, Louisiana

* Michael Trachta, CEO of Waverly Health Center, Waverly, Iowa

Brandon Slocum, CFO of Hancock Medical Center, Bay St. Louis, Mississippi

* denotes 2006 Up & Comer award winners

+ denotes 2006 and 2007 Trustee of the Year award winners

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