

C-SUITE IN TRANSITION

Proven Leaders, Uncommon Backgrounds

Before becoming chief executive officer of Titus Regional Medical Center in Mount Pleasant, Texas, last August, John Allen already had 14 years of experience working with highly intelligent individuals whose focus was expertise in their field, not developing the management skills needed for leadership roles. It was not dissimilar to the relationship between health care CEOs and physicians as they confront the unprecedented change in care delivery.

Unlike those of other hospital CEOs, Allen's leadership skills were honed among engineers and other experts who did high-end research and development in the uses of supercomputers. He then served as a consultant for nine years before becoming a vice president with a 500-bed Level I trauma center in 2008 and then CEO of a long-term acute care facility in 2012, both in Minnesota. But Allen says he's at home in today's uncertain, changing health care environment.

"There's really nothing new under the sun as you go from industry to industry," he says. "Each industry has its own language, its own set of acronyms. But the changes we face are quite common."

Seasoned executives are there for the taking in industries that experienced the fundamental rethinking of strategic



and organizational foundations now facing the health care field, says Mark Madden, senior vice president, executive search, at B. E. Smith, the firm that placed Allen at Titus Regional. What's holding health care back is partly "the tendency to be way too traditional in assessment and evaluation of what the leaders can do, and their career path," he says. "In other words, there were very specific steps that they had to take"

BUYING TIME FOR A THOROUGH SEARCH

Bringing in a new chief executive officer to chart a much different course can be fractious and build resentment. To break the chain of current thinking, one possibility is an interim leader who is not part of any interest group and who can make the hard decisions but, by design, will not be around long-term. That allows a board breathing room to select the right successor who will pick up where the interim leaves off, says Mark Madden, senior vice president, executive search, at B. E. Smith.

"Change brings a lot of anguish and anxiety to an organization," he says. "And if you really have the desire and the direction to change quickly, a leader can lose political capital pretty fast. A lot of individuals are going to be uncomfortable."

The process of identifying and hiring the ideal leader of the future takes time that health systems may not have. If the current leader is fired or becomes a lame duck, the health system risks being rudderless during the significant amount of time needed to pick a replacement, Madden says. Conversely, a decision may be rushed — to the organization's detriment — because of an urgency to get someone on board.

Opting for an interim leader provides a chance for deliberate evaluation of candidates, by first making a short-term decision so the organization doesn't lose momentum in its quest to remake itself.

Trustee

C-suite in Transition is a four-part series that will examine how leadership competencies have changed due to delivery system transformation. The series will explore: leaders with nontraditional backgrounds; assessing current leaders for the future; using human resources as a strategic partner in leadership development; and how physicians fit in the C-suite.

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to work their way up the hospital management ladder. Madden advises boards to break free of that.

In considering someone from outside health care, core leadership skills must be present. "What our industry has not really been known for in the past is a high level of agility and adaptability," Madden says. The way markets are going, leaders don't have the luxury of time, so they have to be calculated risk-takers. And when confident of going down the right path, they need to know how to capitalize on it, move quicker and better, and then step back and quickly decide what is working, and fix areas that need to be redirected, he says.

Veterans of Transformation

Some executives are drawn to such challenges. Mary Ellen Schopp, who joined Chicago's Rush University Medical Center in 2010 as senior vice president of human resources, spent more than 20 years in consumer packaged goods

and distribution of maintenance supplies before taking the newly created position. Those industries went through business transformations in what they did and who they needed to help do it. "I have always operated in organizations that were on the cusp of change," says Schopp, and in 2010, "health care was just that."

Once on the job, Schopp talked with leaders at Rush about other industries experiencing "cataclysmic change" and emphasized that health care is at that point. "It required them to take stock and reflect back on everything that they've been doing and how they've been doing it," she says.

It gets down to the proper mix of perspective, says Allen. "When you

have an industry that's all engineers or all doctors or nurses or even 'MHAers,' they're trained a certain way and they think about issues in a certain way. Being intentional about adding diversity of thought and diversity of background is almost invariably beneficial to problem-solving in an organization."

The infusion of people with problem-solving expertise, the ability to communicate and influence, and the integrity to follow through on commitments will add up to good leaders, no matter where they honed those "soft skills," Madden says.

Once again, agility is crucial, Allen notes. "If you tell me anybody thinks they know where health care's going to go in this country over the next five to seven to 10 years, I'll just tell you they're wrong. Between the economic forces in play, the changing nature of our demographics, and no one being safe when Congress is in session, I think we're all groping for the edges." Leaders have to be able to pivot quickly, take advantage of opportunities and also know when to stop, or quit putting good money after bad.

"Health care really requires leaders today who can be much more innovative than they've been in the past, and that requires a culture of risk-taking, which also is not inherent in the health care industry," Schopp says. A culture of innovation is not built; it requires nurturing, along with an ability to manage change across a culture. "A lot of this is just about exercising new muscles, and you get good at it, you strengthen it, and then the capability is just part of your culture."

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Softer, Industry-Agnostic Skills in Demand

Survey asks what leadership skills are most important for health care executives

