



TRANSFORMATIONAL LEADERSHIP

For Cone Health, “unleashing the tiger” of transformation begins with empowerment.

BY NATHAN OWEN ROSENBERG

AS THE HEALTHCARE INDUSTRY EMBARKS ON reinventing itself, going about the hard work of transforming managers into leaders truly is a critical success factor. However, does an industry that is currently stymied by outdated hierarchical management structures, functional silos, and cultures based on rewarding activity versus outcomes have the institutional fortitude to step up and invest in “making” leaders who can redefine the future? If so, where will the next wave of leaders come from? As the industry moves toward population health, how will physician leaders factor into the equation?

Executives at Cone Health, a successful, six-hospital healthcare system in North Carolina with approximately 10,000

employees, have asked all of these questions and more. In a process that began by envisioning the future, they set out several years ago to define new goals and values. At the behest of R. Timothy Rice, Cone Health’s CEO, they set

the “audacious goal” to rank in the top decile nationally on all major quality measures by 2015, realizing, of course, that a “business as usual” management style no longer would suffice. “We needed a highly motivated and empowered team that consistently put patients and their needs first,” explains Joan Evans, Cone Health’s vice president, organizational effectiveness and performance. “Our managers had to make the shift to being leaders for the future. They had to learn how to ask hard questions, including, ‘What’s the value? How do we measure it? Who is going to be accountable?’ We had to teach them how to do that.”

With the shift to population health, it also became clear that

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more physician leaders would be needed. Since many lacked the necessary collaboration skills for group decision-making, a dedicated training program was required.

SHIFTING FROM MANAGERS TO LEADERS

Cone's first step began with an increased focus on communication skills. "Because system thinking is critical, moving from hospital to population health, our leaders now had to think upstream and downstream," Evans explains. "What's happened before to the patient? What's happening after we care for them? To be mindful of the voice of the customer, they needed to learn how to be fully present with patients and employees, developing deep listening skills."

From there, the focus expanded to culture, working with leaders to help them inspire and motivate the employee base. "We

physicians, they are becoming the hub with everyone else being the spokes turning around them. It's a big paradigm shift."

Consisting of a yearlong commitment, the curriculum includes a personal assessment, measuring everything from leadership competencies and personality attributes, to an individual's appetite for approaching and accepting change.

Executive coaching is also built in at all stages, including feedback on action learning projects, which are designed to address critical systemic challenges while serving as a leadership development opportunity.

One cohort consisting of 18 physicians has completed the academy, while another group of 20 is just beginning. Several of the physicians who have completed the program are now integrally involved in the system's

needed a leadership team who could talk about what mattered most in a new way and who were able to generate action to inform our new future," Evans says. "To do this, we had to learn how to unhook from the past, invent the future, and engage employees."

Although it may sound simplistic, Evans says a key realization for leaders and employees alike was that "the transformation starts with you. It's a rude awakening for some, but as leaders, that's what we have to focus on."

"We also emphasize the importance of language in what we say and how we say it," says Evans. "You can use the power of language to create a different response in people and to align them around a possibility bigger than themselves."

ENLISTING PHYSICIANS

In addition, Cone created a dedicated physician leadership academy, identifying and training "rising stars with leadership potential," says Amy Martinez, director of organizational development. "Because of the changes coming about with population health, physicians have to be able to collaborate in ways as never before, which is new for them. In the case of primary

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is immersed in a primary care collaborative effort on Medical Homes. “This effort was put together to address the new healthcare era, recognizing that physician leadership is integral to success,” Martinez says. However, she notes that juggling meetings while continuing to see patients “can be very difficult for physicians from a life balance standpoint.” An underlying goal was to train more physicians “so the same people aren’t always carrying all of the load.”

CREATING A COMPETENCY MODEL

Because “leadership development is not a one-time thing,” says Evans, Cone also recently redesigned its leadership competency model as the basis for its management development. In 2013, this was integrated into every manager’s performance assessment, followed by a development plan and access to tools and resources.

Developed by a group of leaders in a co-creative process, the model identifies 10 key competencies, starting with being accountable and including being a visionary strategic leader, a relationship builder, a leader of people, having a patient-centered service orientation, being a talent developer, and a breakthrough thinker. In addition, exceptional leaders must be effective resource managers who understand the importance of sound financial planning, as well as have a keen community focus and are continuous learners.

GAINING ACCEPTANCE

While most of the management team at Cone has enthusiastically accepted the changes the organization has put in place, the transformation has not come without some resistance. “By and large,” says Evans, “the people who can’t make the shift are the exception rather than the rule. When dealing with resistance, she says there are two key aspects to consider: 1) Does the employee have the ability; and 2) Is the employee willing? “No amount of coaching will help if there is an unwillingness to change.”

“You may have some people who have been very successful in the old, command-control model that just will struggle to make the leap to inspirational.”

For those who do come along for the ride, however, she says the experience can be nothing short of life-changing. “Shared commitment and shared vision can lead to personal transformation,” which brings its own rewards.

UNLEASHING A TIGER

“For the first time in its history, to get everyone on the same page, Cone elevated its effort to include all employees, staging all-hands meetings at every level. This ‘unleashed a tiger,’” says R. Timothy Rice, CEO, and is paying off in measurable, sustainable results that include:

EMPLOYEE ENGAGEMENT INCREASE OVER ONE YEAR:

51% → 87%

EMPLOYEE TURNOVER DOWN FROM:

14% → 10%

HEART FAILURE READMISSION RATE DECREASE OVER ONE YEAR:

21% → 13.3%



CRITICAL SUCCESS FACTOR

Transformational leadership:

Leaders must be able to envision and execute on new, unprecedented futures while being highly skilled in the interpersonal skills needed to partner with physicians and care providers and to support and encourage creativity while maintaining discipline.