

Physician Leadership Development:

The Foundation of Health System Transformation

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WHITEPAPER





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Executive Summary

While the delivery of healthcare in the United States has changed dramatically over time, there is a remarkably unchanged fundamental: Physicians and, increasingly, nurse practitioners, physician assistants, and other advanced practice providers (APPs) stand at the center of the system. Their daily interactions with patients remain at the heart of effective care delivery.

But as U.S. health systems adopt new operational models focused on value-driven care and population health outcomes – on top of dealing with devastating curveballs such as COVID-19 – physicians often find themselves standing on the decision-making periphery while executive administrators make critical decisions about resources, clinical processes, strategy, and more. This creates 2 significant challenges that must be addressed for health systems to become value-based provider organizations.

First, population health outcomes can only be achieved if clinical knowledge and skills are integrated into strategy and planning processes. Administrators often do not have the perspective or education to understand all the medical factors driving outcomes.

Health system transformation is impossible without engagement from physicians.¹

While healthcare leaders understand this need, productively engaging with doctors and APPs can remain challenging.

Second, because physicians in America spend a great deal of their days navigating bureaucratic systems they have had little role in shaping, they often feel disconnected and frustrated. Physician burnout is a critical issue. In addition, disengaged clinicians or physicians on the verge of burnout

can also sow negativity and counterproductive ideas among their peers, patients, and the community. Physicians greatly influence the cultural tone for healthcare organizations, and health systems cannot function at their best if physicians are disengaged.

We have evidence, however, that there is a solution for both of these problems – a way to increase physician collaboration to aid healthcare transformation while also helping providers feel more engaged, energized, and motivated. **The solution? Physician leadership development.**

Decades of leadership research from CCL, leading universities, and other organizations, has constantly refined concepts of effective leadership. It still includes the traditional notion of individuals who establish an organizational vision, make high-level decisions, and motivate employees. But leadership is also a set of group behaviors that emerge when everyone is working together in the most effective way possible. At the Center for Creative Leadership, we call this Direction, Alignment, and Commitment (DAC).

These group behaviors – working toward the same goals (direction), collaborating effectively (alignment), and making collective success a priority (commitment) – require everyone involved to adopt shared approaches and behaviors that fuel desired organizational outcomes. It means being a leader is also about being a good follower and teammate.

Our work with healthcare providers has shown that leadership development programs for physicians demonstrate success in increasing DAC, improving organizational performance, and boosting career satisfaction. **But the vast majority of physicians have had little to no leadership training. It's time to change that.**

The Gap in Physician Leadership Development

Physicians spend years learning about anatomy, physiology, biochemistry, and a host of other disciplines to prepare themselves for the daunting complexity of treating injuries and disease and keeping people healthy. Furthermore, they're taught that they are, as individuals, the ultimate decision makers when it comes to treatment.

Given all they must learn and the traditional approach to clinical decision-making – in addition to the clinical demands made on them daily for patient care – it's no surprise that U.S. physicians aren't always equipped with high-level leadership skills. Likewise, the health system's cultural approach to decision-making and decision rights may only regard physicians' input as a secondary consideration, versus one that puts physician leaders directly "at the table." **Perhaps that is why doctors are not always in the room when impactful health system decisions are made.**

However, those within the healthcare system who are potentially best poised to have one of the most profound and positive impacts on important organizational decisions happen to be the providers themselves. Physicians and APPs continuously swim in the water of a complex health system; they know what it takes to breathe underwater, to navigate the currents, and to move expeditiously across the vast ocean, so to say. They're on the front lines of both delivering patient care and seeing the gaps in the care continuum that impact the patient experience, as well as those gaps associated downstream in terms of time, cost, and quality.

Never has there been more of a pressing need to have physician leadership development that equips physicians with the ability to influence both key strategic imperatives and operational processes than in today's modern healthcare environment. **We may have created our health industry's challenges in a vacuum, but we certainly cannot solve them from anywhere other than a sophisticated and evolved place of interdependence and collaboration.²**



We need physicians to understand business challenges like access issues, mergers & acquisitions, and budgeting, just to name a few. But we simultaneously need administrative leaders to understand things like patient rounding, the downstream impact on patient care and quality created within supply chain decisions, and the need for Electronic Health Record/Electronic Medical Record optimization. In short, we need to activate and integrate both administrators and physicians/providers in a way that helps create the type of culture needed to pull off value-based care models.³ One side of the equation is simply not enough.

Consider this: Even as residents, young physicians must collaborate with their clinical teammates as well as direct and supervise others, including junior residents, nurses, and other providers. Even before they are fully trained, physicians are thrust into these roles, usually with little training in leadership, and little understanding of what leadership is. The structure of academic medical services adheres to a rigid hierarchy.⁴

“ I was kind of like ‘a bull in a china shop’ prior to the [physician leadership development] training. Being able to step back and be more circumspect, engage stakeholders, and meet them where they are, has been very powerful. I have been very productive for the past 5 years, as a result. ”

*- Matthew Manning, MD, FASTRO Chief of Oncology, Cone Health
Cone Physician Leadership Academy graduate*

As physicians progress in their careers, either functioning as business owner in independent physician practices or working as part of, and then leading, clinical departments in larger organizations, physicians' leadership roles continue to broaden. They supervise others, make decisions about resources, and are responsible for mentoring and guiding younger colleagues. As they advance, they will likely have more opportunities to collaborate with health system administrators.

Navigating these increasingly complex systems – systems now under great pressure to fundamentally change how they operate and improve health outcomes – requires skillsets that most doctors didn't learn in medical school. They may not have even known that leadership skills would become a critical part of their future careers.

We can't turn health system executives into physicians to ensure they understand all of the clinical ramifications of their decisions. But we can turn physicians into leaders who, whether or not they take on formal management roles, can help design better processes, drive important decisions, and improve outcomes. The key to turning physicians into leaders is physician leadership development: training and structured experiences that enable them to develop and practice leadership skills.

This is not as big of a stretch as one might think. Doctors have already spent years learning to understand and influence perhaps the most complex system in nature – the human body. Physician leadership development is largely about understanding the complex organizational physiology of the health system. With leadership development support, physicians can become adept at learning how to negotiate and influence this different type of system more skillfully. **The kind of systems thinking that is second nature to physicians as they deal with patient care is the same approach leaders use to manage organizational politics and steer complex businesses.**

Turning Physicians into Leaders

At CCL, we have a long history creating and implementing leadership development programs across a variety of industries. In collaboration with healthcare experts, CCL developed curricula and content specific for physicians. These programs are designed with the realities of a physician's life in mind; they harness doctors' existing challenges and work environments as learning laboratories for leadership development.

They also make leadership learning relevant to a doctor's daily activities. As a result, not only do physicians learn more and gain a greater sense of control over their professional life, they also generate immediate benefits for their patients and organization.

Just as with the high-potential executives who are often selected for leadership development programs, physicians are good candidates for these kinds of experiences. They tend to be engaged, curious, and academically competitive – traits that correlate well to people who thrive in leadership development programs.

We would also argue that failing to provide physician leadership development can create health system risks. **If providers are not constructively engaged in health system transformation efforts, there is an increased risk that those initiatives will fall short of their goals.** Additionally, physicians with leadership aptitude and undeveloped skills may act as physician influencers in a negative capacity, purely out of frustration with the way their health system is operating.



Think of it like this: a radiation scientist can use powerful material to accomplish good things, like curing cancer. However, left neglected, radioactive material can be problematic. In much the same way, physicians who find themselves dealing with problematic health system policy in a system that they did not and cannot affect in positive ways, simply because they do not know how, can be the very physicians who are most eager and ready to receive leadership development – and drive positive impact with what they learn.

Based on our experience taking hundreds of physicians from health systems through leadership development programs, as well decades of experience providing leadership development for executives and managers across thousands of organizations, we've identified **6 critical elements that must be present to maximize physician leadership development:**

- **Assessment,**
- **Teamwork,**
- **Working across boundaries,**
- **Coaching,**
- **Strategic partnering, and**
- **Action learning projects.**



Assessment and individual feedback. The most powerful personal development begins with self-awareness. At CCL, we use 360-degree feedback tools and other forms of assessment to help physicians understand how others see them and perceive their strengths and weaknesses. This helps doctors not only understand themselves better, but also gives them insight into some of the dynamics that drive their interpersonal relationships and how they communicate.



Teamwork. Developing effective teamwork practices includes specific focus on learning how to best contribute in a group context. This helps doctors understand better how to be both a good team member as well as how to lead teams. Understanding yourself and those you are working with helps create alignment and impact for the team that is greater than the sum of individual contributions. Physicians also use the team to trial different styles of personal interaction based on personal assessments.



Working across boundaries. As health systems evolve and transform, it's critical that formerly siloed teams and departments collaborate more. But doing so can be tricky. Helping physicians navigate interactions beyond their day-to-day setting is a critical part of leadership development. It's also vital as health systems themselves learn to function better across internal and external boundaries.⁵



Coaching. Providing physicians with an individual executive coach provides them confidential psychological safety to explore their own areas of strength and opportunity in a way that enables breakthrough more quickly than most any other modality. Likewise, it provides the physicians a way to set customized goals in an accountable framework to help ensure momentum and progress.



Strategic partnering. In physician leadership development programs, helping providers figure out how to be effective strategic partners with their health system is essential. But partnering effectively at a high level is challenging, as providers must learn to navigate organizational politics and understand the perspectives of executives and others who have different backgrounds, expertise, and often, incentives.



Action learning projects. Perhaps the most powerful component of physician leadership development programs are action learning projects. These efforts, where small groups of physicians pick an organizational project and then take steps to resolve it, give physicians an opportunity to exercise their newly found leadership skills while also implementing a change or otherwise tackling a critical organizational opportunity.

Case Study: Designing a Physician Leadership Experience

Cone Health, a mid-sized, regional healthcare system in North Carolina, recognized that cultural transformation was an essential pre-condition to navigating and adapting to a dynamic, challenging healthcare environment. Senior health system leaders agreed that partnerships with the physicians were critical to that cultural transformation.

Cone and CCL partnered to develop the **Physician Leadership Academy**. Its goal was to foster leadership skills in physicians, help doctors expand their leadership capability within Cone, and strengthen physicians' ability to lead and achieve results that support Cone's mission.

The 11-month program incorporates a combination of psychological assessments, executive coaching, action learning projects, in-person interactive classes, leadership experiences, and research and presentations. Applications to the program are competitive.

Each year the program collects intensive feedback to iterate, strengthen, and refine the experience for future cohorts. Each cohort also undergoes a streamlined 360 assessment 6 months after program completion to better understand the enduring effects of the experience.

This rigorous approach has produced substantive and lasting impacts for physician leaders. The program aims to generate improvements on 8 key leadership competencies:

- **Setting and achieving goals**
- **Receiving feedback**
- **Giving feedback**
- **Working across organizational boundaries**
- **Learning through others**
- **Building and mending relationships**
- **Managing change**
- **Having self-insight, managing and developing self**

Across the program's first 6 cohorts (involving 132 physicians), participants were rated by their peers, supervisors, and direct reports as having improved on these measures at **an average of 15.2%** because of the leadership training. Physicians rated their own improvement on these measures at **an average of 21%**.

In addition to the measurable improvements in leadership competencies, each cohort formed small teams and took on action learning projects that helped the health system save money, improve the patient experience, and deliver better health outcomes (see "Real-World Impact" on following page). **Cone Health received a BOLD 2020 award (Best Organization in Leadership Development) in part for the organization's work on the Physician's Leadership Academy.**

Real-World Impact

A group of physicians, for its action learning project, decided to see if they could reduce oncology costs. The doctors started out by “letting go” of any assumptions about the source of high costs, and instead let the data guide them. The team, empowered with new boundary spanning skills, effectively collaborated with hospital analysts and billing leaders to request data reports and analysis.

Out of over 30,000 Medicare beneficiaries, they discovered that only 5% of oncology patients – “hotspotters” – were responsible for more than 50% of all oncology costs. This much smaller population of patients were incurring annual claims of more than \$50,000 per year, according to a year of Medicare claims data the group reviewed. The analytics team was able to narrow the study to a much smaller high-impact population.

More data analysis helped the group filter out patients who had cancer diagnoses from earlier years, but were incurring costs for other conditions. This led them to focus on about 70 patients responsible for most of the much higher than average cancer treatment costs.

As clinical subject matter experts, the physician team were then able to review charts to investigate potential drivers. **The physicians discovered a pattern: 90% of them had visited the Emergency Department over the past year, on average 4.5 times; 60% of them were hospitalized.** Sometimes the ED visits and hospitalizations were due to comorbidities, other times because of cancer symptoms that were not optimally managed.

The physicians in the leadership program were then able to develop processes to better coordinate multi-specialty care. This included establishing a breast cancer heart failure clinic which screens women for early signs of heart failure in the setting of cardiotoxic drugs. They implemented a symptom management clinic to reduce ED visits.

As a result, the team preemptively eliminated hospitalizations for acute heart failure in breast cancer patients. **Overall, ED visits by cancer patients were reduced by 32% per year producing significant savings and improved quality of care.**





Boosting Engagement and Reducing Burnout

In recent years, physician burnout has become an increasing area of concern for U.S. health systems. Add to an already stressful job the need to work even longer hours (e.g. charting at home), optimizing work flows within the system's EHR/EMR, dealing with an overload of bureaucratic tasks, adapting to an ever-changing regulatory environment, and managing feelings of reduced autonomy and shrinking reimbursements, and the result is physician burnout rates that continue to rise.

There have been a number of approaches to combat and reduce physician burnout. **There is evidence, though, that programs that increase physician-organization collaboration – the primary outcome for any physician leadership program – also reduce burnout.**

For example, a Mayo Clinic initiative to boost physician-organization collaboration in 2015 had the intended result of increasing engagement with physicians while it also reduced physician burnout.⁶ This makes sense based on how we understand burnout.

The classic Maslach Burnout Inventory includes 3 domains – emotional exhaustion, depersonalization, and personal accomplishment. If emotional exhaustion and depersonalization are high and personal accomplishment is low, that indicates burnout. Leadership training can help preserve and add to a high level of personal accomplishment as well as reset the bar on protecting against emotional exhaustion with the inclusion of resilience-based content, thus helping physicians protect themselves individually against burnout.

Also, the improvements in emotional intelligence that assessments, 360s, and coaching – common physician leadership development elements – provide may also help individuals guard against emotional exhaustion. Finally, because physician leadership programs empower participants and give them new competencies for managing themselves and their workplaces, they may experience a greater sense of control over their professional lives, thus further shielding them from the effects of burnout.

This is not only beneficial to individual physicians' wellbeing and careers, but also to the organization as a whole. **Doctors who are more engaged will be more effective collaborators and leaders for health systems as they seek to transform themselves, reduce costs, and improve outcomes.**

Conclusion

Recommendations for Health System Transformation Through Physician Leadership Development

For too long, strategic decisions affecting health systems have been lopsided, leaning toward administrators as the ultimate decision-makers. Health system transformation is not possible without engaged physicians, and there is tremendous value in bringing physicians to the decision-making table. But with so few medical schools including leadership development in their curriculum, most physicians have never received the formal leadership training necessary to successfully navigate and transform today's healthcare ecosystem.

To solve the problems facing healthcare and deliver the promise of modern medicine to all members of our communities, interdependence and collaboration must be engineered into the DNA of our health system leaders.

Many changes to leadership and culture will be required to transform health systems. Physician leadership is an excellent place to start. Given the opportunity, physicians and APPs are up for the challenge.⁷

Ready to take the next step?

At CCL, we bring 50 years of experience partnering with top healthcare providers to achieve transformational change, organization-wide. From the first conversations to the final evaluation report, our leadership development solutions are designed to provide maximum learning and growth for your healthcare leaders at the individual, team, and system level.

To learn more and get started, visit: ccl.org/healthcare.



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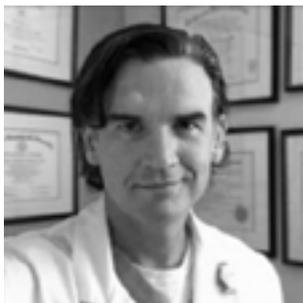
Nick Hines
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Nick leads the healthcare team, and is responsible for developing a laser-focused business, sales, research and marketing approach to CCL's role in meeting the demands of the industry, and driving culturally competent patient care models where the healthcare industry and leadership development intersect.



Amy Martinez
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Amy pulls on her 10 years of L&D and OE experience in healthcare to provide oversight, support, and expertise for the programmatic and custom solutions for healthcare clients. In this role, she acts as a subject matter expert for design decisions impacting the client's CCL experience and provides thought partnership and support for the overall strategic direction of the healthcare vertical.



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Dr. Manning is a nationally known leader in cancer technology, health disparities, and oncology costs as well as a program builder forging relationships for successful breakthroughs in healthcare innovation. He is an effective advocate for cancer patients and oncology services outside the hospital.

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