New structures for challenges in healthcare management

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Abstract
Government initiatives aimed at improving the healthcare available to Canadians pose a significant challenge to leaders responsible for developing and implementing strategies to translate these initiatives into reality. This article presents a new approach to management structures and processes designed to address this challenge. The approach includes new senior leadership skills focusing on collaboration and influence, functional rather than hierarchical teams, and clarity in team mandates and team empowerment to facilitate achievement of expectations.

Introduction
In 2012, Ontario launched the Action Plan for Healthcare to keep Ontarians healthy through faster access and stronger links to family healthcare.1 The goal was to ensure the right care at the right time in the right place. The plan includes shifting care into the community through expanded access to home care, alternate funding models to ensure quality of care that addresses specific needs of local populations, and a focus on coordinated care for patients with multiple and complex health issues.

Although the goal is laudable, the new plan is yet another in a multitude of older and ongoing provincial initiatives, all designed to transform the health system in Ontario. Together with a myriad of local initiatives, this continuing change is challenging the ability of healthcare leaders to keep up (note 1). The challenge is compounded by changing demographics and a more informed population with growing demands and higher expectations from healthcare organizations. Constrained funding creates constant pressure to do more with less, while new drugs and technologies are changing the nature and cost of healthcare services. Add in the specialization of service providers, new categories of providers and interdisciplinary teams and collaborative practice models and the problems are further exacerbated.

The implications of this new healthcare landscape are being deeply felt at all levels in all organizations within the healthcare system, from frontline workers to the most senior executives. It is reported that these challenges are most pronounced at the level of middle and frontline leaders.2

Managers are charged with organizing, deploying, and leading the introduction of new policies and practices. They need to be able to quickly “get on board” with the newest strategic direction, project, or initiative and to translate this to frontline staff in an engaging way.

This is more easily said than done, especially when these managers have limited input into the initial decision or change initiative, and are faced with ever-changing, often conflicting directions and an exceedingly “change fatigued” and consequently resistant staff.

Overwhelmingly, in our work in reviewing hospital operations and in assisting hospitals to improve their performance, we are seeing frontline and mid-level leaders struggling to translate strategic directions and initiatives into daily activities that will produce the expected performance and results.

We are seeing employees who are increasingly resistant to ongoing change pose questions and raise barriers that frontline and mid-level leaders often lack the information to adequately address.

The need for a new approach
Many healthcare organizations have invested in growing the skills and competencies of their leaders in areas such as coaching direct reports, navigating conflict, candid or “crucial” conversations, and leading change.3,4 But these alone are not enough.

Steering employees successfully through today’s healthcare environment requires a different set of skills and competencies from both frontline and senior healthcare leaders.

A new recipe for healthcare leadership and organization is needed to optimize patient outcomes and improve quality of care. Senior healthcare leaders need to acquire new leadership skills and adopt a new approach. This must be coupled with changes not only to the way that healthcare is organized and delivered but also to the way that organizational teams are structured and led in the delivery of patient care.

New senior leadership skills
At the most senior level, the era of the “hero Chief Executive Officer (CEO)” who single-handedly steers an organization to
achieve expected measures of success and realize organizational objectives is gone. It is simply too much for one person or even one senior leadership team to manage.6

The new senior healthcare leader must be able to collaborate, think strategically, influence across boundaries, and pull together the right resources within his or her own organization and from across the system.

To be successful, he or she needs to combine these skills with a high degree of comfort and appetite for new and non-traditional approaches to leading an organization. This includes adopting new strategies and approaches to bridge the gap between senior- and mid-level managers to ensure that healthcare organizations achieve their goals effectively and efficiently.

A new approach to teams

Ruth Wageman, Visiting Scholar at Harvard University, has worked with more than 120 top teams in various industries in 11 countries around the world. She assesses and quantifies key factors that impact the leadership capability and effectiveness of top teams within organizations.6 1

She has found that senior leadership teams have significant room for improvement in terms of alignment at the top, partnering with one another to provide context, direction, and aligned decision-making for implementation by the mid-management level.

Wageman has found that most CEOs struggle to articulate a compelling organizational purpose for their leadership teams and in answering the simple question: “Why do they meet?”

Chief Executive Officers typically fall into the pattern of convening a team made up of their direct reports, each of whom is responsible for leading a specific function based upon the structure of the organization. This then becomes the “Senior Leadership Team” which usually meets on a regular basis to share information, examine opportunities, make strategic decisions, and ultimately provide overall direction to their individual teams of direct reports. Similarly, members of these senior leadership teams then assemble their own teams based on their departmental structure, who also meet on a regular basis to discuss and address opportunities at the departmental level.

The limitation with this approach is that the assembled teams tend to focus their time together predominantly on sharing information and organizational decisions in the context of a specific department or function. This tends to occur in the absence of engaging the people in the organization who will ultimately be responsible for delivering the objective and without coordinating across organizational “silos” to ensure that a collaborative approach is producing a better result for the patient. It is these people who are excluded from the dialogue who often have the most valuable input into the merits and possibilities of the various options that are being considered, their overall viability and potential for successful implementation.

A second major challenge is that while senior leadership team members are typically clear with regard to their primary role and execute these tasks effectively, they tend to be less clear about their role within the broader team and the value they bring to the organization as members of these teams. The result tends to be teams that are comprised of individuals with a “silo” mentality who are singularly focused on the needs of their individual departments and functions. This becomes a specific challenge at the mid-manager level where implementation of plans requires significant cross-departmental collaboration and co-operation.

When brought together more effectively, Wageman says that teams encompassing members from all levels and functions can contribute to better organizational decision-making, enhance the organization’s agility, and foster a higher degree of alignment that can be felt across the organization.

In her work with top teams, Wageman advises leaders to consider the following three key questions when creating and aligning their senior leadership teams.

- First, what benefit will the top senior leadership team provide to the organization? This should be beyond a loosely assembled group of direct reports.
- Second, what type of interdependencies will need to exist in terms of shared versus individual responsibilities of the team members?
- Finally, what outcomes can be delivered through the collective efforts of the senior leadership team, above and beyond what may be accomplished through members’ individual leadership roles within the organization?

Once clarity has been achieved in these three key areas, the healthcare CEO and other leaders must think beyond establishing a team that is comprised of direct reports only. This grouping of direct reports is often a team composed of a mix of corporate and clinical leaders who are dispersed in function and too numerous to work together effectively. Instead, CEOs and other senior leaders need to consider assembling multiple teams, each with a specific role and purpose, comprised of members who can contribute meaningfully to the collective purpose of the team and organization overall. These teams must then further connect to mid-level and frontline managers throughout the organization at the right time and for the right purposes to facilitate dialogue, acquire input to decisions, provide clarity of direction, and garner support for effective implementation of organizational change.

Defining new teams

To move the healthcare agenda and produce better outcomes, new teams of different types and mandates are needed:

1. Information sharing (alignment): This is the most common, simplest, and least-integrated team. An information sharing team brings members together to exchange information with the purpose of making individual leaders more prepared to do their individual leadership jobs. Information sharing teams often review tactical and “backward” facing information, such as monthly financial reports or measures that might be a
part of the corporate performance scorecard (ie, quality).

2. Consultative: This type of team comes together to discuss and debate issues in order to provide consultation to an individual or group of individuals who will make the final decision. This is not simply a matter of seeking input from a group of individuals. A consultative team comes together to debate benefits and disadvantages and propose alternative approaches, yielding significant depth and insight beyond which can be obtained through polling a group.

3. Coordinating: This type of team implements enterprise-wide strategic initiatives, with the purpose of handling and improving interrelationships among all of the pieces of a complex initiative.

4. Decision-making: A decision-making team performs the function of making decisions collectively. Because of their focus on long-term, enterprise-wide issues and opportunities, decision-making teams at the senior level spend less time on tactical and operating issues and more time on growth opportunities such as opportunities for partnership to improve quality and patient outcomes. Conversely, a decision-making team at the mid-level manager and frontline level may spend more time on tactical and operating issues in regard to the implementation of new plans (ie, new policy or practice guidelines, merging teams and departments).

A positive impact on healthcare delivery

What do these team structures have to do in regard to the delivery of safe, high-quality care, and how does it relate to engaging mid-level managers in healthcare? Rather than assembling a single senior leadership team that takes on the role of all four team types—information sharing, consulting, coordinating, and decision-making—top leadership teams can take a more strategic approach and assemble key people from across the organization.

The same purposeful approach to assembling teams needs to happen at all levels of an organization, across all portfolios. Importantly, these teams need the active participation of the organization’s medical staff who are often key to the implementation of both tactical and strategic change initiatives.

Teams should be designed and assembled based on who needs to be engaged to achieve the desired outcome. Leaders must move away from the traditional “on paper” organizational chart and hierarchy to bring the right people together, regardless of job title and their reporting relationship. Membership on teams should be based on the overall purpose of the team. Are members there to simply share information, discuss, and debate issues to provide in-depth insight and consultation, coordinate cross-departmental initiatives, or to make decisions?

In this model and approach, there is a clear role for participation by mid-level managers including both hospital managers and medical department leadership. Mid-level managers can then contribute more meaningfully to forming the strategic direction of an organization and will be positioned more effectively to lead and implement change. They will have the opportunity to contribute to the decision process and internalize change initiatives, which will place them in a better position to be able to engage frontline hospital and medical staff in new organizational directions and initiatives. Given their overall proximity to the day-to-day challenges faced by the frontline, they have the potential to contribute perspective and solutions that will enhance the long-term success of initiatives proposed.

Creating a climate for success

Once a team role is clearly defined, there are a number of key factors that will determine how successful the team will be in meeting its intended purpose and objectives. Each individual member’s accountability to the team must be clear. When specific accountability to the team is unclear, we get a range of performance that is not always optimal and aligned. The team must be bounded, stable, and interdependent. In other words, it must be clear who is, and is not, on the team, membership must be intact for a period of time, and members must share accountability for the work they are to accomplish as a team.

When appropriate teams are established and in place, with members’ roles and overall team function clearly defined, the performance of that team can be impacted directly by the effectiveness of the designated team leader. When leaders are effective, they create a high performance climate, which is characterized by a group of individuals who collectively and routinely do whatever it takes and exceed expectations.

The ultimate impact of a positive climate is an increase in motivation, productivity, and innovation—potentially up to a 30% improvement in the bottom line. The single greatest factor impacting the climate of a work team is the style of the team leader, by up to 70%. Ineffective leaders tend to create low performance climates, which over time can cause people to lose faith, leading to disengagement from jobs and the organization. The results can include staff turnover, absenteeism, dissatisfaction, and low productivity.

The six dimensions of climate that have consistently demonstrated the greatest impact on performance are the following:

- Flexibility—the degree to which there are no unnecessary rules and procedures, and new ideas are easily accepted.
- Responsibility—the degree to which people are given the authority to accomplish tasks without having to check in for approval, and the extent to which people feel supported and encouraged in taking calculated risks.
- Standards—the degree to which there is continual emphasis on improvement and excellence, and that mediocrity within the team or by individuals within the team is not tolerated.
• Rewards—the degree to which people receive appropriate recognition for their contributions, and the extent to which praise outweighs criticism and threats.
• Clarity—the degree to which people are clear about where the organization and team is going and what their contribution is.
• Team commitment—the degree to which there is pride and trust in the workgroup and organization, and the extent to which members of the group will help each other to get the job done.

The foundation of future success
Success in the future is going to require leaders across the sector to be strategic and thoughtful in the structures, processes, and people employed in pursuing organizational objectives. It will require more than simply making strategic decisions and then assembling the resources within the organization and asking them to “figure it out.” Assembled teams need to understand their purpose and function in terms of what they are expected to contribute to the organization as a team and not just as a collection of individuals each responsible for a specific job or function.

When the right mix of people is brought together with a clear purpose, senior leaders can then step back and focus on ensuring that the right conditions are in place to produce an organizational climate that fosters and enables success.

A key role of senior leadership will be to remove unnecessary barriers to action by creating an organizational environment that encourages new ideas and provides flexibility for frontline leaders to make decisions and take action. It will require delegation of the appropriate authority to teams to make decisions, including the “important” ones. It will require clarity about expectations and job flexibility that is commensurate with the necessary degree of contribution. It will require meaningful recognition for achieving objectives and jobs well done. Finally, it will require continually addressing the “why” of the work, ensuring that teams have the appropriate context for effective decision-making so that they may integrate this context into their thinking and contributions, and more importantly, share the why of the work more broadly and consistently with those on the frontlines of patient care.

This type of sharing of context, requirements, planning, responsibility, and recognition will ensure organizational renewal and success in the face of ever-growing and ever-changing demands on healthcare organizations.

Note
1. These challenges are reflected in the large number of operational reviews, peer reviews, and coaches imposed on regional health authorities, hospitals, and home care agencies by provincial ministries and departments of health across the country.

References