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4 Strategies to Optimize Leadership in Integrated Care

Written by Sabrina Rodak | May 24, 2011

Healthcare leaders currently face a host of challenges as they integrate care, implement electronic medical records and align with physicians. Healthcare reform legislation and its focus on improving quality of care while reducing costs may dramatically change the industry. To effectively guide an organization through these external changes, hospital leaders may have to make internal changes, such as shifts in their leadership style. Rod Fralicx, vice president in the healthcare practice at the global HR consulting firm Hay Group, suggests strategies hospital leaders can use to best meet the changing healthcare environment.

Shifting leadership styles

1. Move from a pyramid to matrix structure of leadership. "I think one of the biggest changes CEOs will face in this new environment is a move away from commanding control positions," Mr. Fralicx says. While traditional hospital leadership is structured as a pyramid with the CEO on top, the new structure will likely look more like a matrix. Leadership "will move across, not up and down," he says. This change to a less hierarchical model may result from the move toward more integrated delivery, in which services are combined across systems. Leaders will "rely less on positional authority over people to drive the organization," Mr. Fralicx says. Instead, they will need to partner with other leaders and use influence and persuasion to accomplish their goals. "A critical skill set is complex influencing skills: [using] teamwork and collaboration to get to the right solution to problems without necessarily being a [strictly hierarchical] organization."

2. Partner with others. Mr. Fralicx says achieving full integration will be one of the greatest challenges for CEOs as they work to implement healthcare reform requirements. To overcome this challenge, hospital leaders should partner with other stakeholders. "Getting people who have traditionally operated in different spheres to come together" may help hospital CEOs create more streamlined, efficient service lines, according to Mr. Fralicx. He says teamwork and collaboration will be key to successful leadership in the future. To build a team-based leadership model hospital CEOs should establish trust. Mr. Fralicx says, "A lot of trust is based on transparency. Are you being open, frank? Are you asking and using input from various stakeholders and constituent groups?"

3. Vision and strategy. Mr. Fralicx says vision and strategy will become more important for hospital CEOs in the future. He defines vision and strategy as "Understanding what's on the healthcare horizon and creating a vision of how to take your organization forward; having a compelling picture of what the system needs to look like and what the journey is to get there." Vision may be particularly important as the healthcare industry works through the major transformations called for under federal legislation. Hospital CEOs can manage evolving standards and vague explanations by forming a clear, strategic plan for the organization.

4. Innovation. A hospital CEO's success as a leader may increasingly involve his or her ability to innovate, according to Mr. Fralicx. Because of uncertainty related to healthcare reform, leaders will need to take risks and create opportunities for growth. For instance, leaders will need innovation when participating in new programs, such as accountable care organizations. They may also need to design new and creative strategies for meeting the challenge of improving quality while reducing costs. "One area that presents an opportunity for leaders to improve cost and quality, but will also be a major challenge in the coming years, is preventative care. Leaders will need to find innovative solutions to enhance preventative care for the populations they serve," Mr. Fralicx says.

Going forward

Mr. Fralicx says he expects some leaders will "opt out of going forward" because they do not want to invest the time and effort needed to develop the skills and competencies described above. In contrast, some leaders will begin to stand out for their willingness to collaborate with others in a less strict hierarchy to deliver integrated care.

Shifting leadership styles will require transition time regardless of the leaders' skills, however. "I think that initially, as the whole process [of new leadership] is being developed and tested, there will be some anxiety and some confusion. Once collaboration, team-based decision-making takes place, there will be more satisfaction in employees, especially those providing direct patient care. They will be more engaged and happier in their role," Mr. Fralicx says.

Healthcare leaders may more easily improve quality and reduce costs by adapting their leadership to the changing environment. Just as traditional fee-for-service models cannot sustain the current healthcare system, traditional hospital leadership cannot sustain a movement towards a pay-for-performance system. Hospital leaders will need to change their

style to keep up with the changing industry. "This is a whole new day for healthcare CEOs going forward," Mr. Fralicx says.

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