

NATIONAL CENTER FOR HEALTHCARE LEADERSHIP

2014 Human Capital Investment Conference
& Gail L. Warden Leadership Excellence Award

Keynote Address



Jennifer Radin
Deloitte

Principal, Health Care Provider Human Capital Practice

BOLD
REdesign



Developing Leaders

Deloitte's perspective

NCHL Luncheon
November 21, 2014



Why developing leaders matters

Leadership matters to companies...

Compared to their peers, organizations with the most mature leadership practices perform better:

- 20x** → Better at *employee retention*
- 12x** → Better at executing on *change and growth*
- 8x** → Better at creating a *performance-based culture*
- 8x** → Better at building *talent bench strength*
- 7x** → Better at achieving *business results*

...and investors notice

Equity Analysts place a measurable “leadership premium” on stock price:



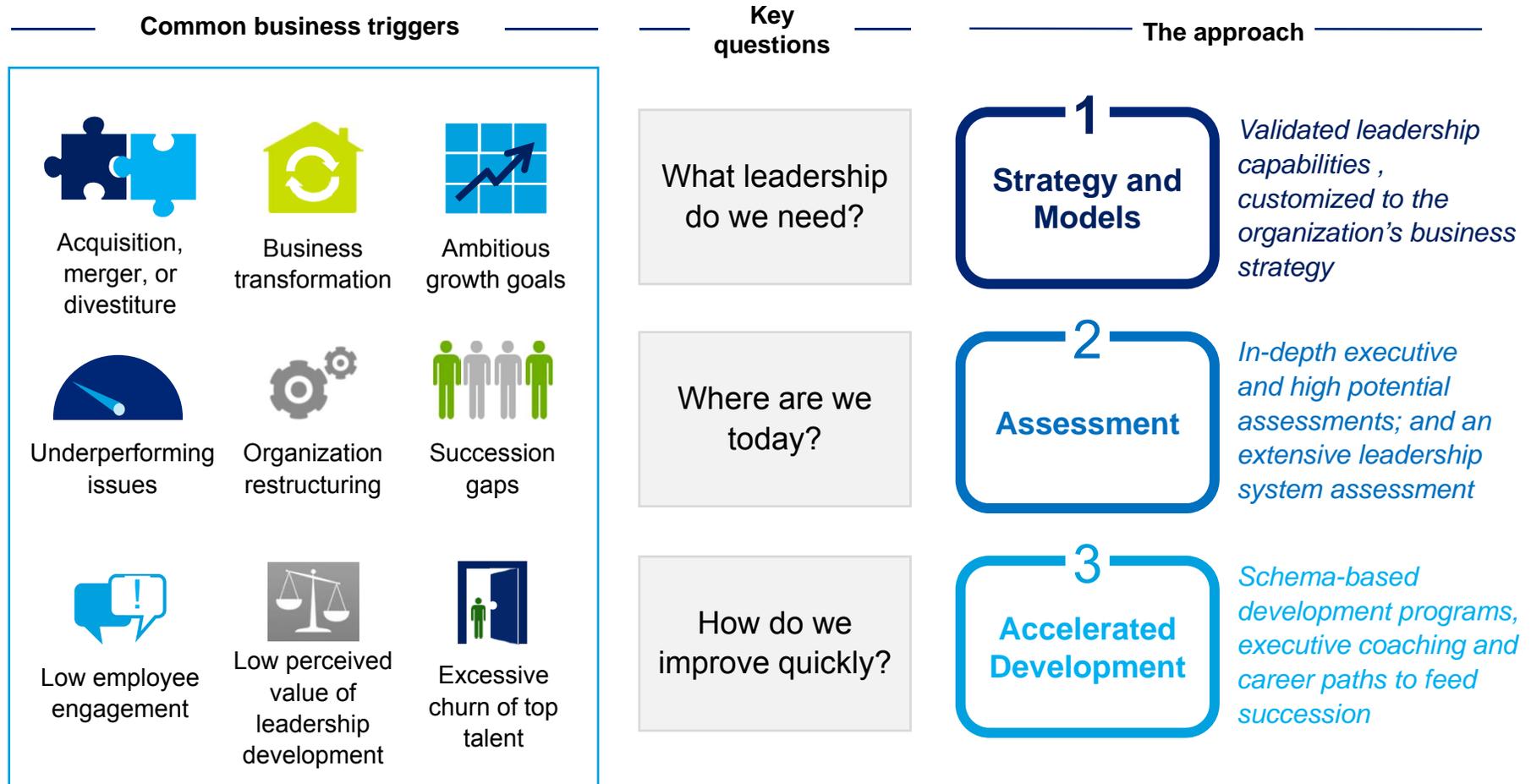
Leadership is the #1 talent issue for our clients

86% of 2500+ global executives rated leadership as ‘urgent’ and ‘important’

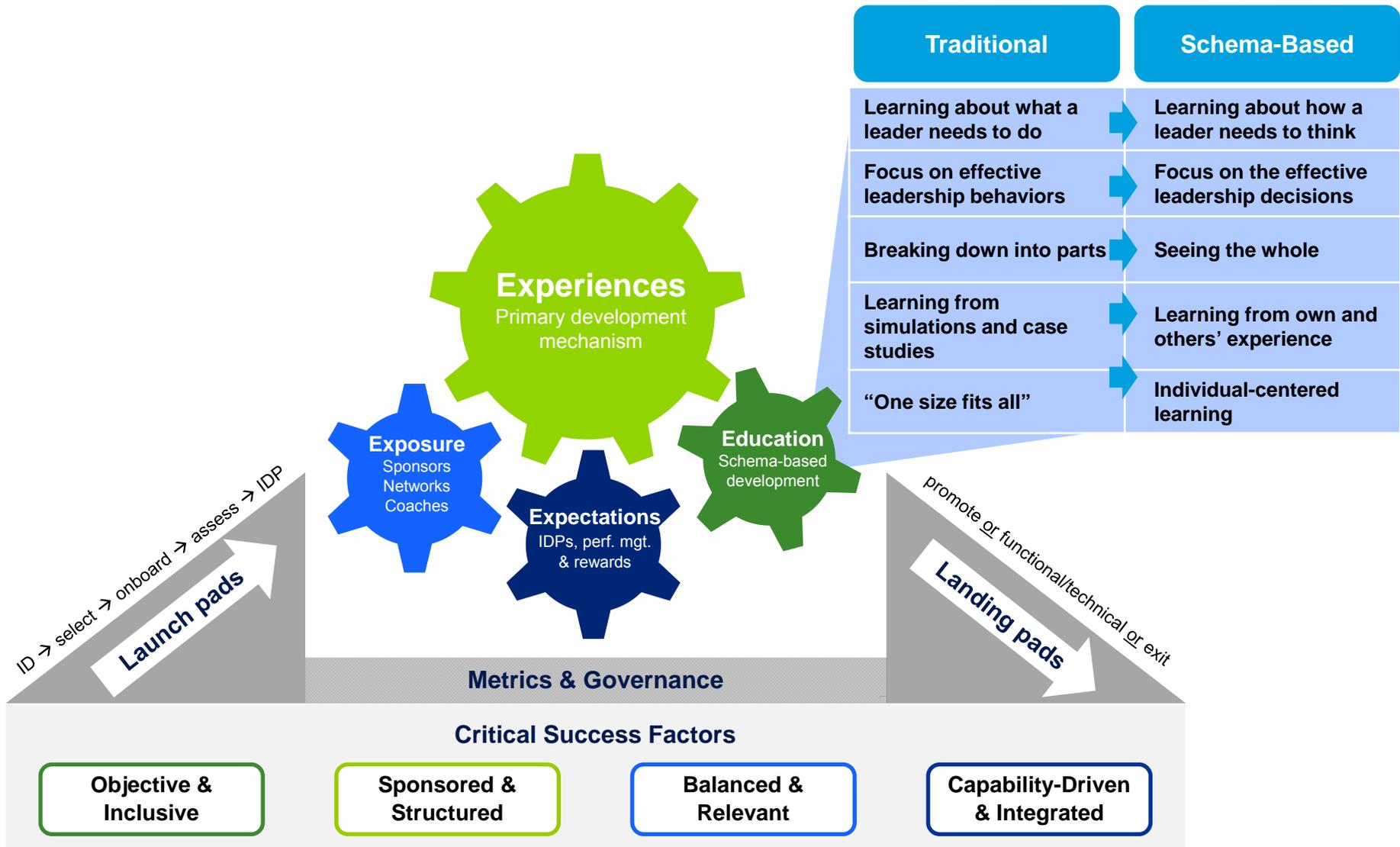
But only **13%** of these executives rated their development programs as ‘excellent’

The need is clear.

An approach to developing leaders



A holistic perspective on accelerating leader development



It starts with strategic clarity



Client & Business Growth
Market Leadership

Clients & Industries

Global

Acquisitions

Strategic Positioning
Issue to Impact

Issue Driven

Brand

Innovation

Superior Performance *Focus on Execution*

Service Delivery

Operational Excellence

Investments

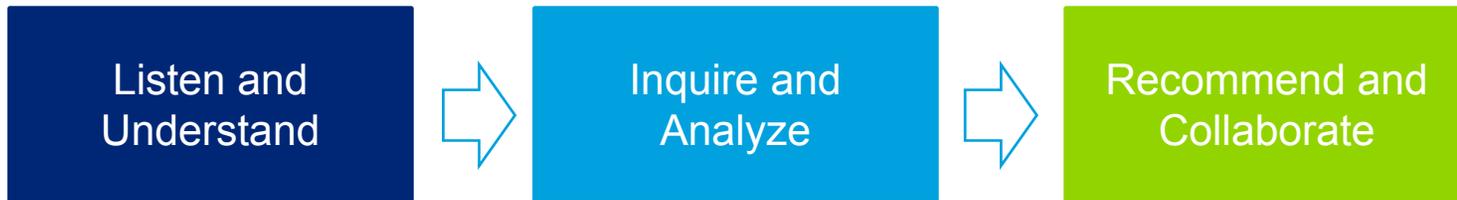
Owners & Our People
It's Who We Are

Impact

Big Firm, Small Feel

Colleagues for Life

For our senior leaders, there are three core capabilities across the consultative process



For all leaders: Moments that Matter



The Idea

Deloitte competes in **two markets** – the market for **clients** and the market for **talent**.

We win in both markets by creating **Moments that Matter** – exceptional experiences that create deep relationships and lasting value for our clients and our people.

The Vision

- ▶ **65,000 individuals focused on creating exceptional experiences for both our clients and our people**
- ▶ **Supported by a common language, framework and approach designed to institutionalize a set of behaviors at Deloitte**

Everyone has their moments, whether clients or talent. Moves are the set of behaviors that can make those moments matter



Moments

are individual and infinite.

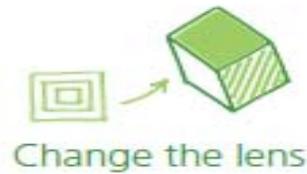
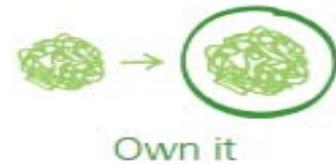
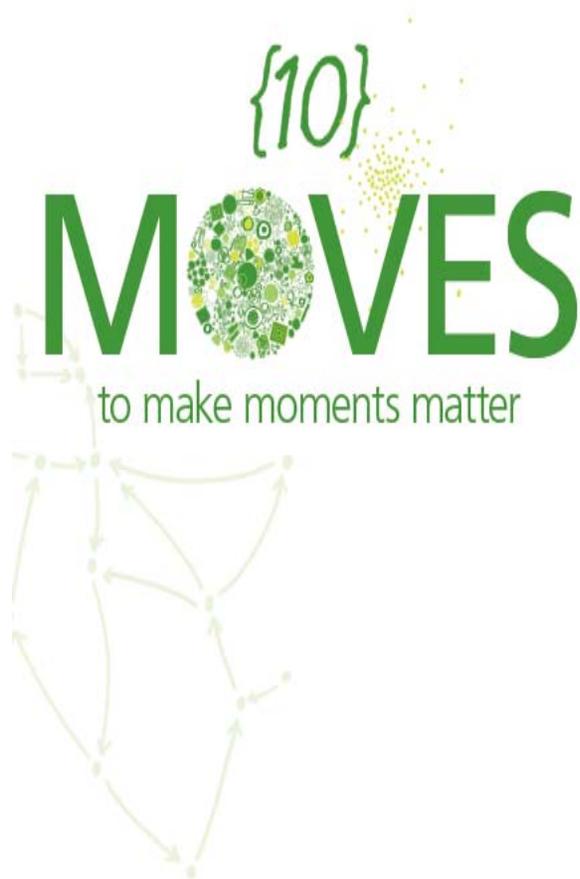
Moments are all around us. Some moments we **respond** to, some we **create**. There are times when a moment is hard to miss and how we respond makes all the difference in the world. Everyday, predictable moments within the normal course of business can become moments that matter **when we approach them that way**.

Moves

are specific and differentiating.

Moves are the behaviors that allow us to seize each opportunity to **make a moment matter**. Moves are the things that research says make a difference in **creating great experiences**, and that application tells us really work.

Moves can seem straightforward at first glance - their power emerges by delving into the nuances





Delivering leadership development in multiple locations and channels



- National programs, including TAP your Potential for all new promotes
- C-Suite Mastery for partners and directors
- Manager Leadership Academy
- Senior Manager Bootcamp
- W2D for experienced hires



- Project & Account team meetings
- Project- and office-based learning sessions
- Team extracurricular event activities
- With our clients



- Lab activities and facilitated support for our teams and clients:
 - Executive Transitions
 - "C" crisis
 - CFO Academy
 - Non-Profit Leadership Academy
 - Physician Leadership Academy

Deloitte is unique among leadership development providers in that we have taken this journey ourselves



The Deloitte US firms hire more than 10,000 college grads, MBAs, and experienced hires each year. In addition, we regularly identify high potentials to fast track through developmental experiences. This practice is followed at all levels and all functions.

Deloitte University, our state of the art development center, is a hub to help prepare new hires through experienced leaders to accelerate their development on the job.

Developing leaders is not just what we do – it is who we are.

DU Facts

93% of DU development programs are leader-led

DU welcomed more than **50,000 learners** from **81 countries**

The Leadership Center for Clients has hosted **over 50% of the Fortune 500** at DU

3000 PPDs who have attended leadership courses

Over 150 veterans have benefited from the CORE program and 94% of those seeking jobs, have found employment

Over **600,000 learning hours** have been delivered at DU

Leadership is a deliberate choice

Doing the right thing instead of doing things right

Knowing that your success can only be achieved through your team's success

Deeply understanding your own journey and frequently sharing stories

Creating and taking advantage of the moments that matter

Leaning into ambiguity and acting with intent

Solving multiple simultaneous equations

Creating a workplace that recognizes diversity as a competitive advantage

Finding the courage to set a vision and lead unwaveringly toward it

Appendix

Leadership development is increasingly important in today's health care landscape

Health care reform is driving the need for strong physician leaders who can lead organizations through large scale change and transition

Accountable Care Organizations (ACOs)

Enactment of the Affordable Care Act

Electronic Medical Records

Patient-Centered Medical Homes (PCMHs)

Physician Quality Reporting Initiative



We have always known physicians as experts who know the answers and treat us when we're sick...



With the impact of health care reform, these same providers need to assume additional responsibilities outside of the clinic...



Now our physicians must fill leadership responsibilities that they have never been asked to fill before...



What do physicians need to respond to these new challenges and become effective leaders?

Changing Health Care Landscape

Leadership is about creating a diverse workplace: unCovering

INDIVIDUALS CAN COVER AN IDENTITY ALONG FOUR DIMENSIONS

APPEARANCE



Individuals may alter their self-presentation (e.g., grooming, attire, mannerisms, speech) to blend in with the mainstream.

“ I have a form of MD that no one in my business world knows about. I am supposed to use a cane when I walk which I do not bring with me to work. When walking with someone in my organization, I just tell them I am a slow walker. ”

ASSOCIATION



Individuals may avoid professional or personal contact with individuals belonging to their identity or group.

“ The first network group formed was for women and I did not want to join a group that focused on women and their issues. I found the best thing to do was to fit in with the men and fit in with the group. ”

ADVOCACY



Individuals may avoid showing public support for their identity or group.

“ Embarrassed to admit, but I do not tell co-workers that actively mock ‘gay’ characteristics to stop because everyone else in the office thinks it is funny. ”

AFFILIATION



Individuals may alter their behavior to avoid engaging in conduct associated with their identity or group to avoid being stereotyped.

“ I have put in extra hours and missed family events throughout my career in order to not be included in the ‘young people are lazy’ stereotype. ”

A deeper look: Physician leadership development needs assessment

Interviewees identified skills that physician leaders need to develop, which fall into four key areas



Elements of a successful physician leadership development program

Interviewees identified several elements that they would want to see in a physician leadership development program – and we see as central to successful leadership development

Assessments (pre-program, personality, style, strengths, and weaknesses) and executive coaching

Networking opportunities across roles, experiences, and responsibilities

Applied learning with use of a business challenge throughout the program

Team-based learning, including non-physician team members

Modular (with potential “tracks”) to ensure the program is relevant and impactful

An active **board of advisors** throughout the program

Mix of **in-residence and connected learning** for business fundamentals

Relevant content with healthcare examples

Creation and support of an **alumni network**

Fundamental questions about the business place demands on leadership

Business context

- What are the mega trends impacting the industry and business?
- What is the growth strategy?
- Are there significant transformations that require new thinking?
- Are there succession issues in the organization?
- Is critical talent engaged and motivated to work toward stretch goals?



Leadership implications

- Are leaders prepared to drive change in a shifting landscape?
- How do we define the future of leadership for the company?
- Should we build or buy future leaders?
- How strong is our current bench?
- How effectively do our leaders work together to drive business strategy?
- Do our current leadership development investments produce the leadership return we are looking for?

Defining the leadership strategy, shaping the leadership culture, and improving overall leadership effectiveness is one of the most critical roles of any executive.

Physician leadership development needs assessment

We interviewed key healthcare leaders and they admitted that they are facing challenges around developing physicians leaders

Selection Process

- Difficulty identifying the physicians who could take on leadership roles and enticing them to do so
- Some physicians who are willing to take on leadership positions might not be the best ones for the jobs
- Historically, there have not been a lot of choices when selecting candidates
- Administrative roles are not rewarded as it doesn't facilitate the path to professor

Leader Credibility

- Physicians need to establish their credibility as clinicians before they embrace a leadership position
- Some physicians need to keep a clinical role as well as a leadership role

Post-Program Integration

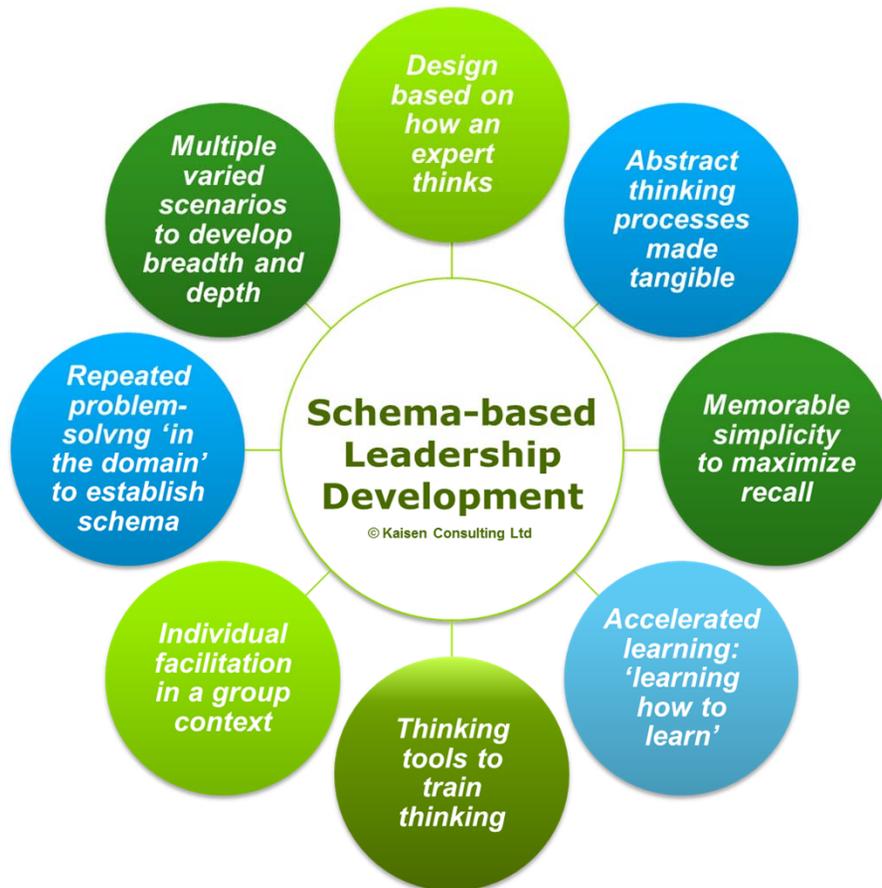
- The healthcare system needs to ensure that the environment is supportive of the development and tools gained by physicians during a leadership program
- Need to identify the roles physician leaders can take after a development program
- Lack of formal succession planning in place causes difficulty for incoming physicians and physicians with expectations after attending a development program

Managing High Performers

- Very accomplished individuals who have always excelled and are not used to failing may think they don't have to follow rules
- Hard to make them do something when they feel they are not employees of the hospital
- Mistrust of the hospital administration

Teaching physicians to think as leaders: Schema-based development (SBD)

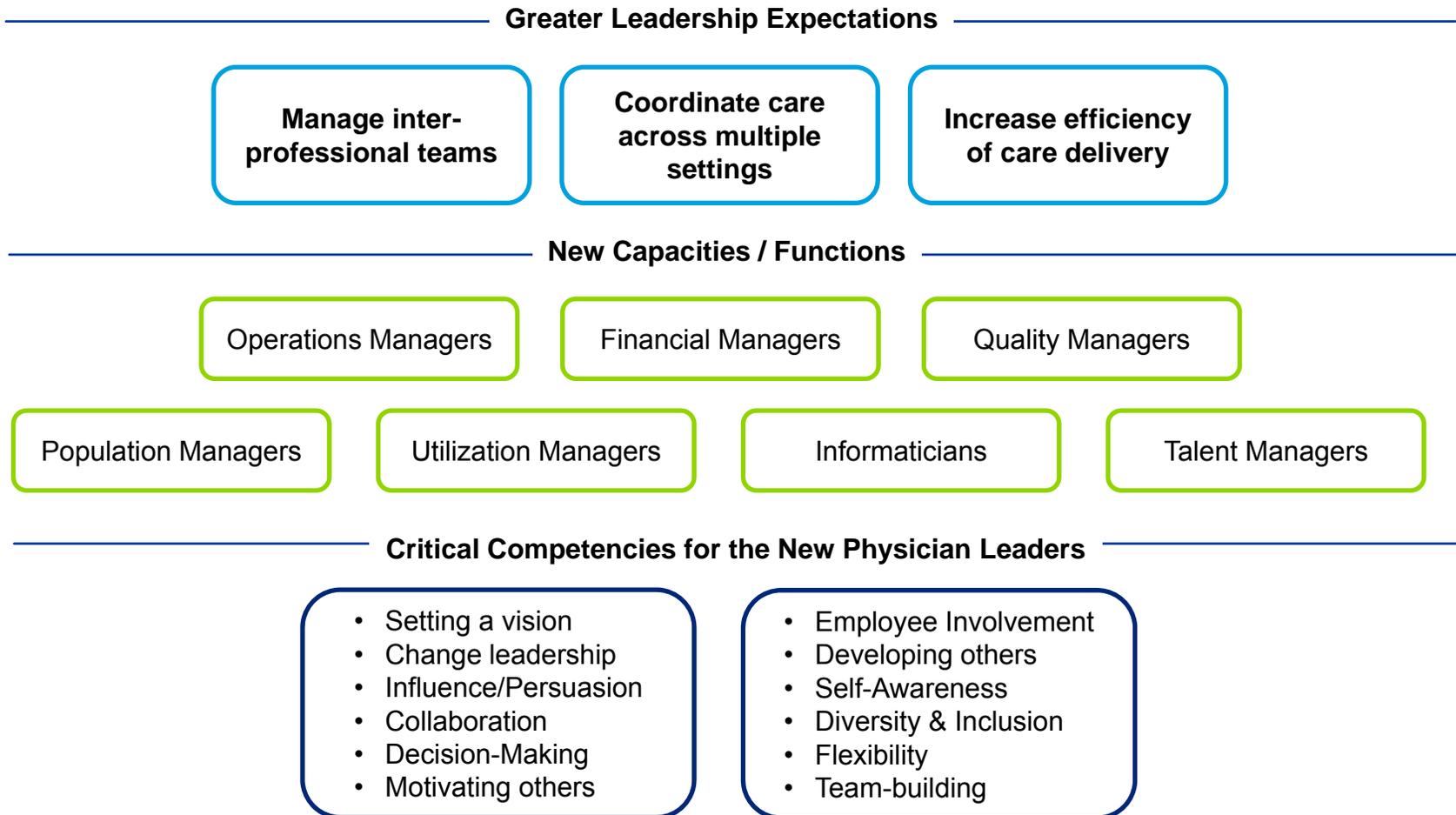
To accelerate how physician leaders learn on the job, it is useful to leverage core principles of psychology and adult learning



| Traditional Approaches | Schema-Based Development |
|---|---|
| <ul style="list-style-type: none"> Learning about what a leader needs to be or do | <ul style="list-style-type: none"> Learning about how a leader needs to think |
| <ul style="list-style-type: none"> Focus on effective leadership behaviors | <ul style="list-style-type: none"> Focus on the thinking that leads to effective behaviors |
| <ul style="list-style-type: none"> Breaking down into parts to facilitate learning | <ul style="list-style-type: none"> Seeing the whole to facilitate learning |
| <ul style="list-style-type: none"> Learning from simulations and case studies | <ul style="list-style-type: none"> Learning from own and others' experience |
| <ul style="list-style-type: none"> "One size fits all" | <ul style="list-style-type: none"> Individual-centered learning |

Schema-based development increases the impact of learning – resulting in more prepared leaders and more successful learning at scale.

Physicians will have to demonstrate elevated leadership and manage new functions, resulting in a new set of competencies¹

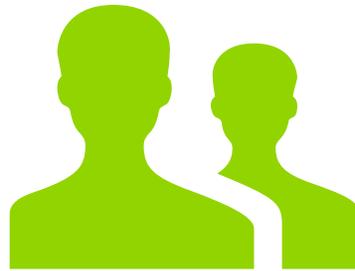


¹ Wiesenthal, Andrew M., Joseph Kaplan, and Tiffany McDowell. "The New Physician Leaders: Leadership for a Dynamic Health Care Industry." *The New England Journal of Medicine Leading Health Care Innovation*. <http://images.nejm.org/editorial/supplementary/2013/hbr15-wiesenthal.pdf>.

In order to truly elevate physician leadership, successful organizations will incorporate three elements: identification, investment, and acceleration¹



Carefully **identify** physicians with the appropriate aspiration, capability and potential



Invest resources in developing high-potential leaders to take on critical roles



Accelerate closure of assessed developmental gaps by delivering targeted education, reinforced with complementary experience and exposure

¹Wiesenthal, Andrew M., Joseph Kaplan, and Tiffany McDowell. "The New Physician Leaders: Leadership for a Dynamic Health Care Industry." *The New England Journal of Medicine Leading Health Care Innovation*. <http://images.nejm.org/editorial/supplementary/2013/hbr15-wiesenthal.pdf>.