

5 Competencies for CEOs

In the new era of health care, hospital boards must consider a different kind of leadership style

By Deborah J. Bowen

When your board hired your organization's CEO, the competencies the CEO possessed likely were a major factor in the selection process. However, many of those same skills are not sufficient to lead the hospitals and health systems of tomorrow.

Though certain basic skills, such as financial and other traditional abilities, remain necessary, the business model is changing rapidly. CEOs who navigate in this environment have to think differently about the challenges their organizations face in a transformative health care environment and the solutions that can be applied. With that in mind, your next CEO should possess a collaborative leadership style and the ability to effectively manage the shifting health care dynamics.

Tomorrow's Work

Paradigm shifts are occurring at all levels in health care. For health care organizations, areas of transformation primarily fall into six categories:

- Health care focus
- Care delivery
- Types of goals
- Rewards

- Delivery settings
- Leadership capabilities

The *focus* of many organizations is and will continue to move from the individual patient to community health. The *care delivery* model is changing from fragmented, episodic care to coordinated, longitudinal

care. Organizational *goals* related to the work we do are shifting from treating sickness to achieving wellness. The *rewards* that once were volume-driven are now value- and outcome-driven. The *settings* in which we deliver care are not only institutionally based, but also community-based and include a range of settings. And today, *leadership capabilities*, which historically focused on the skills needed to manage departments, now require more systems-oriented thinking and integrated processes —

learning what works and deploying best practices systematically. This is the leadership job of the future.

The question board members should ask each other is, "If these shifts in health care are the work we have to do tomorrow, what is required of us now to get there?" The answer is to hire a CEO whose leadership style is collaborative and who is a relationship builder with a vision. This type of leader is someone who can make a difference in new ways, particularly as the needs of health care organizations continue to evolve.

Five Competencies

Recently, the American College of Healthcare Executives, in partnership with thought leaders, ACHE faculty and system learning officers, identified five competencies we believe all health care CEOs should have to lead health care organizations through these transformative times.

Visionary and Adaptive Leadership. CEO candidates who possess this competency are leaders who plan and execute their vision based on both current and future possibilities,

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and they inspire their teams to adapt and thrive in a changing environment. The qualities of a visionary and adaptive leader include openness, imagination, persistence, conviction and the ability to lead a meaningful process of change in a purposeful manner.

Ability to Build Loyalty and Trust. Relationship-building skills and collaboration of a new magnitude are now required of health care CEOs. In addition to building and managing relationships within their organizations, transformational leaders must build loyalty and trust outside of their organizations — and some-



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times outside the health care field — to develop strategic relationships and alliances. To build loyalty and trust, leaders must inspire others to embrace the vision and view relationships as key to leading change.

Ultimately, success in sustaining relationships requires a commitment to follow through in words and action. Tom Atchison, who has taught with ACHE for many years on leadership and change management, notes that people follow leaders because they share the values of the leader and trust that he or she will take them to a better future.

Self-Mastery. Transformational leaders need to be able to perceive, understand, control and evaluate their own emotions and those of others. Being emotionally intelligent allows leaders to influence, motivate and inspire others. Self-mastery requires insight into your own strengths and developmental needs, as well as

the will and discipline to use these strengths for the benefit of others. It also acknowledges that learning is a tool to further development.

Strategic Thinking, Strategic Scanning. As the business of health care moves beyond the traditional paradigms of care delivery, so must leaders apply new approaches and perspectives to solve problems. Looking beyond the old ways of doing business requires leaders to look beyond traditional boundaries to explore the new. Strategic thinkers are future-based, curious, long-term-focused, willing to take risks, able to prioritize, and both nimble and creative.

Masterful Execution. This competency involves using appropriate methods of power (formal and informal) to motivate colleagues and stakeholders into action for accomplishing needed tasks and objectives. It also includes knowing how to create focus around key priorities (right

work) and building the capability (right people) to deliver results (great results). Good strategy is worthless if it cannot be executed. Good execution also requires a discipline of evaluation to understand what is working and what is not — using data to make necessary changes to improve results.

These five competencies will provide board chairs and executive committee members a strong foundation as they undergo the process of determining who will be the next and most qualified chief executive to lead a 21st-century hospital and health system. **T**



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