Are Great Leaders Born, or Are They Made?

Olson, David A, FACHEView Profile. Frontiers of Health Services Management26.2 (Winter 2009): 27-30.

Abstract

The question in the title to this commentary has been debated for centuries and continues to dominate the study of leadership development, yet evidence is insufficient to support either answer. In February 1999, Bay Area Medical Center's (BAMC) medical staff had voted "no confidence" in hospital administration. The construction of a competing ambulatory surgery center was on the horizon, and BAMC faced an inability to meet space needs for outpatient surgeries and diagnostics, resulting in medical staff and patient dissatisfaction. This opened a door for the competing center. The organization's last strategic plan had been developed in 1995. The initiatives it outlined were completed in 1998, and they were largely effective in achieving progress and capturing additional market share. This process began with interviews with over 50 community members, representatives of other community healthcare organizations, community leaders, government officials, members of the news media, and medical staff members to hear their concerns and solicit their input regarding BAMC's direction.

Full Text

THE QUESTION IN THE TITLE to this commentary has been debated for centuries and continues to dominate the study of leadership development, yet evidence is insufficient to support either answer. The feature article authors in this issue of Frontiers do not attempt to answer this question, but they do offer two different perspectives of leadership: one as a personal journey, and the other as a process for accomplishing an organizational goal.

In her article, Debra Sukin outlines her own leadership successes, highlighting such qualities as passion, vision, quality outcomes, strong knowledge of the industry, the ability to think critically, perspective, adaptability, and ongoing learning. She describes each of these elements from an intense and personal perspective. This perspective contrasts with the article by Stephanie McCutcheon, in which she deliberately outlines her process for leading the Hospital Sisters Health System through the transformation into a care integration model. Ms. McCutcheon carefully outlines the elements and specific steps needed for an organizational transformation of this magnitude.

After reading these articles and noting the contrasts between leadership as a personal journey and leadership as a process for change, one might conclude that leadership must be one or the other. However, my personal experience - one I am sure many of our readers share - is that leadership is often both.

MISTRUST AT BAY AREA MEDICAL CENTER

My recent journey at Bay Area Medical Center (BAMC) clearly showed me that both elements of leadership come into play in transforming an organization.

In February 1999, BAMCs medical staff had voted "no confidence" in hospital administration. The mistrust was palpable. The construction of a competing ambulatory surgery center was on the horizon, and BAMC faced an inability to meet space needs for outpatient surgeries and diagnostics, resulting in medical staff and patient dissatisfaction. This opened a door for the competing center. A not-forprofit organization with an approximately 48 percent Medicare population, BAMC could have been devastated by the competition. The future was uncertain, the anxiety level of BAMCs board of directors and employees was high, and the atmosphere was one of non-support.

Mistrust of the hospital was also high among the community and county government. Publicity in the local newspapers was consistently negative, and the Board of Supervisors from Marinette County, which leased the Marinette hospital's fixed assets to BAMC, felt that the county was being shut out of hospital planning. The county board was asking for a renegotiation of the lease with the intent of gaining more operational control of the hospital. The county had engaged consultants to perform a community health needs assessment that painted BAMC in a poor light, insinuating that the hospital was not meeting the community's needs and that the strategic direction was misplaced. BAMC would not be able to garner the necessary support for a building project that would allow it to successfully compete with a freestanding ambulatory surgery center unless relationships were mended and trust reinstated. Financial gains that BAMC had made in recent years were in serious jeopardy.

BRIDGING THE COMMUNICATION GAPS

In May 1999, as the newly appointed president and CEO of BAMC, I knew I needed to begin my turnaround quest immediately. I started with exhaustive efforts to bridge communication gaps with the medical staff, community, and county boards. I worked to develop open relationships with honest communication. Because BAMC had facilities in Marinette, Wisconsin, and Menominee, Michigan, this was a double effort. Soon I was providing monthly reports to update both county boards on the hospital's successes and challenges. I developed communication strategies with local news reporters so they would feel free to participate in hospital discussions or call with questions at any time. A new communication tool called "Insights" was sent periodically to hospital board members, community leaders, and elected officials. All of these efforts were aimed at keeping our stakeholders informed. I made sure that my door was always open to any community member, medical staff member, or hospital employee who wished to provide input or ask questions about the future direction of BAMC The most successful efforts in beginning this leadership transformation were bridging the communication gap and rebuilding confidence by developing and deploying a strategic plan.

COLLABORATIVE STRATEGIC PLANNING

The organization's last strategic plan had been developed in 1995. The initiatives it outlined were completed in 1998, and they were largely effective in achieving progress and capturing additional market share. However, I realized when I became CEO that these gains were in jeopardy, and future successes would not occur unless we developed a solid new plan. Given the climate of mistrust, the plan needed to be a collaborative effort with a large sphere of input and buy-in. The only way to bring back the confidence of the organization's key stakeholders was to engineer a completely inclusive strategic planning process.

This process began with interviews with over 50 community members, representatives of other community healthcare organizations, community leaders, government officials, members of the news media, and medical staff members to hear their concerns and solicit their input regarding BAMCs direction. Over 50 additional people were invited to a public meeting to hear an outline of the planning process, to learn about the challenges facing healthcare in our country in general and BAMC in particular, and to offer input. We collected and shared the data. We held meetings with our employees for the same purpose. Membership on the strategic planning steering group, developed to design the plan, included key medical staff leaders, hospital board members, members from both county governments, and BAMCs administrative staff. Progress reports were provided regularly to ensure a high level of trust in the process.

TRANSITION TO SUCCESS

Nearly ten years have passed since those initial, decisive steps. In that time, the organization has had its ups and downs, but the core elements of our transformation have remained in place. The medical center has won back the support of the medical staff, the county government, the community, and its own employees. The management team is strong, and a vision and plan for the organization's future is in place and is continually updated. The results so far have been positive. Net patient revenue and operating margins continue to grow each year. Days cash on hand has grown to the highest levels ever, and the organization compares favorably with its competition.

Finally, others have noticed and recognized our transition to success. The hospital has been recognized twice in the last four years as one of the "100 Top Hospitals" by Thomson Reuters and four times in the last four years by HealthGrades for patient safety and clinical excellence. As the leader of the organization, I have been recognized as ACHE's Wisconsin Young Healthcare Executive and won the Robert S. Hudgens Memorial Award for Young Healthcare Executive of the Year.

We achieved these results primarily by putting the right pieces in place for the organization, developing a strong strategic plan, and executing that plan precisely. We also created a culture of efficiency, cost management, quality outcomes, and best practices achievement.

LEADERSHIP PRINCIPLES

There are indications that certain principles are always present in a strong leader or in an organizational leadership transformation. I believe that these principles are apparent in the stories the feature authors outline and in my own experience. In his article "Great Leaders Are Made, Not Born," William A. Cohen (1998) lists the following eight principles or "Universal Laws of Leadership":

\* Maintain absolute integrity. Leadership is a trust, and others must trust you completely in order to follow you.

\* Know your stuff. All leadership requires a set of competencies in your particular area. Sukin's article indicates that industry knowledge is essential for a healthcare leader.

\* Declare your expectations. Strong leaders always state their expectations in measurable ways. In her article, McCutcheon clearly outlines the expectations that were necessary for her leadership transformation to take place.

\* Show uncommon commitment. Both authors' articles indicate that the leaders expected more of themselves than of others.

\* Expect positive results. My own experience is that a leader must expect to win. Those who follow need to see that expectation to achieve that result.

\* Take care of your people or customers. Strong leaders always ensure that their followers are recognized, honored, and well taken care of. This supports the principle that if you take good care of your people, your people will take good care of you.

\* Put duty before self. Strong leaders always put the rewards of the organization ahead of any rewards for themselves. Only by putting the organization and its mission first can you ever expect to receive personal recognition.

\* Get out in front. This principle clearly indicates the need for leadership in action to be visible and to set the example for others to follow.

My personal experience in successful leadership through organizational transformation is that it requires not only a strong process, but also a high level of personal commitment from the leader. So the answer to the initial question "Are great leaders born, or are they made?" is that they are both: Great leaders are born, and then they are made.

Sidebar

The most successful efforts in beginning this leadership transformation were bridging the communication gap and rebuilding confidence by developing and deploying a strategic plan.

Reference

Cohen, W. A. 1998. "Great Leaders Are Made, Not Born." Network World, December 21. [Online document; accessed 9/19/09]. www.stuffb fheroes.com/Great%20Leaders%20 are%2oMade,%2oNot%2oBorn.htm

AuthorAffiliation

David A. Olson, FACHE, is president of Columbia St. Mary's Hospital in Ozaukee, Wisconsin, and executive vice president of Columbia St. Mary's health system.

Word count: 1590

Copyright Health Administration Press Winter 2009