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A ROADMAP FOR “SUPERCONDUCTING” HEALTHCARE ORGANIZATIONS - PART 1

It is undeniable that the last few years have seen momentous change in healthcare. As our country moves from fee-for-service to an approach that drives accountability for the health and wellness of populations, even the steps along the way are in flux — from the postponement of the ICD-10 implementation to the move to overturn the two-midnight rule. The very shape of the industry is also transforming. Amidst an uncertain regulatory and reimbursement environment, healthcare organizations are merging at a greater rate than in the past,¹ building new relationships across the continuum of care. And just as the function of organizations is changing, so too is the way people are working in those organizations. A cultural paradigm shift in 21st century business is accelerating a move away from organizational “command and control” obedience toward models that promote collaboration, inspire creativity and autonomy, and embrace distributed decision-making.



So we find ourselves at a time when the profile of the industry is transforming, the rules of the game are changing, and the way people bring themselves to work is evolving — how do leaders need to adapt to help their organizations thrive and benefit the communities they serve?

As Columbia University Business School Professor Rita Gunther McGrath noted in her recent book, *The End of Competitive Advantage*, in this climate, sustainable competitive advantage is out the door. Instead, resiliency is paramount. Nassim Nicholas Taleb, considered a predictor of the 2008 financial crisis, put forth in his book, *Antifragile*, the complementary idea that organizations built to benefit from constant shifts will thrive in the future. This means throwing out the notion of “the perfect strategy” in favor of a good-enough strategic direction and an organization equipped with the ability to adapt and execute.

The new kind of competitive advantage — centered on organizational agility — requires broad engagement. Our own work in and observations about the healthcare environment helped us define what we call a “superconducting organization,” one where resilience is a core strength. These are enterprises in which talent and innovation flow freely across the organization, people own the changes they need to make, and behavior is aligned with strategy. Results come faster and they last. In this article, we will briefly describe key levers that healthcare leaders can use to build this kind of organization. Each lever will be illustrated in subsequent articles.

Leading Leaders — Aligning talent when every leader is a volunteer.

Successful companies in every sector of today’s economy recognize that their workforce is a precious resource. Perhaps nowhere is this more powerful than in healthcare, which draws people passionate about solving complex problems to serve and care for their patients.

Viewing talent as “volunteers” can let you think more creatively about getting the most out of your people and improving performance. We have helped leaders align the “volunteer army” inside their organizations by translating ideas into specific behaviors and practices for everyday work. For instance, making a difference in reducing readmissions or improving medication management requires *drilling down to daily behaviors for the care team*. This

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degree of clarity about the work enables individuals to see how their unique efforts contribute to the organization’s performance as a whole. Employees become more productive and effective and derive greater satisfaction from their work. And thus, the enterprise becomes more profitable.

Superfluidity — Engaging resistance to pick up speed.

In today’s healthcare organizations, having a strategy is no less important than it was in the past. Yet leaders need to pay more attention to changing signals in the environment and be able to adapt quickly. This means reviewing strategic initiatives and related tactics on a regular basis. Will they still make a difference or is there a better way forward? In our work with clients, we find that *effective executives know what is happening across the organization and in the market by tapping into leaders at all levels. The feedback and insights that emerge inform strategic direction and help leaders anticipate shifting conditions before making a misstep.*

Sometimes feedback comes in the form of resistance to well-thought-out plans. Every leader advancing change faces resistance — to ideas, to new behaviors, and even to the fundamental premise underlying the change. Often leaders choose to bypass the opposition, identifying “resistors” as having their heads in the sand. But resistance is not necessarily an obstacle — it is a fundamental part of the change process itself. *Engaging with resistance rather than suppressing it is an important new skill for leaders in all organizations. Resistance provides vital intelligence about obstacles to implementing strategy, and understanding it helps leaders to create stakeholder engagement and positive energy to speed needed change.*

Propulsion — Getting from strategy to action quickly.

Many have seen the statistic that 70 percent of change efforts fail.² Healthcare organizations waste energy, money, and credibility when strategy stalls. *After doing the groundwork to develop flexible, feasible plans that are responsive to concerns and opportunities, and preparing the workforce to see the future alongside the present, there is a critical window to engage stakeholders in implementation to avoid the fizzle effect. The task is to embed and spread initiatives throughout the organization by supporting behavior change.* For example, if the work is increasing in-system referrals, supporting the change might include easing transfer of electronic medical records between providers, finding creative solutions to open up appointment slots, and making data on referral rates accessible in a dashboard that makes progress clear.

As organizations execute on their strategic direction, we see them run aground by recruiting passionate people to lead the charge, but not preparing them to do the work. In this series, we will explore the levers needed to sustain the benefits of strategy execution. We will investigate how healthcare leaders can work to build superconducting organizations in which talent and innovation flow freely across the organization, people own the changes they need to make, and behavior is aligned with strategy.

In the next issue, we will explore how healthcare executives can tap into the energy of the ‘volunteer army’ of physicians, staff and others to advance the change required for future success.

For more information on this topic or related materials, contact CFAR at info@cfar.com or 215.320.3200 or visit our website at <http://www.cfar.com>.

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