Trends in Physician Leadership Development

2013 Review and 2014 Outlook

Key Questions:

- How are health care organizations prioritizing their training spend?
- What are the highest-priority leadership development skills for physician leaders?
- How do physician leadership needs compare to those of other health care professionals?
- What changes, if any, are on the horizon for physician leadership development?
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I. The Health Care Leadership Imperative

Leadership training investment more important than ever before

Understanding the Leadership Need

Today’s health care organizations are juggling a number of priorities—all of them, seemingly, pressing. Were they to be asked, health care leaders might well cite constantly redefining performance targets, spearheading process improvements, and implementing new technologies as core features of their daily realities. And complicating matters even further, are the massive upheavals—care and payment transformation, and the move towards population health, to name just a few—which are coalescing to fundamentally reshape the health care industry.

In light of this torrent of change, the imperative to keep evolving and improving could not be any more urgent. As such, the temptation to singularly focus on the technical aspects of industry transformation—cost containment, performance metrics, regulatory compliance, and so on—is understandable. However, it could not be more wrong-headed.

The reality is that achieving the promise of well-intentioned change efforts is largely dependent on the capabilities of an organization’s leadership. Leaders who can effectively up-skill and motivate their staff to tackle the new and intimidating challenges afoot, who understand how to appropriately deploy their teams against relevant tasks, and who can advance solutions across organizational boundaries will be vital to maneuvering the unfolding health care terrain. The strategic mindset underpinning these capabilities is a first and essential step in advancing the technically complex aspects of industry change.

However, merely investing in the development of the traditional, narrow band of health care leaders falls short of a winning strategy for health care institutions. What’s also needed is more leaders, with more diverse leadership expertise, across more diverse organizational ranks and clinical specialties.

This need for a stronger, broader, more sophisticated leadership base directly implicates the clinical staff in general, and the physician ranks in particular: an estimated 89% of hospital initiatives will require physician involvement if they are to be successful. Yet, research indicates a whopping 67% of organizations rely on 10% or less of their medical staff to serve as leaders.1

“…67% of organizations rely on 10% or less of their medical staff to serve as leaders.”

Percentage of Physicians Involved in Leadership Positions

<table>
<thead>
<tr>
<th>Percentage of Physicians</th>
<th>n= 292</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>1%</td>
</tr>
<tr>
<td>1%-5%</td>
<td>30%</td>
</tr>
<tr>
<td>6%-10%</td>
<td>36%</td>
</tr>
<tr>
<td>11%-25%</td>
<td>21%</td>
</tr>
<tr>
<td>More than 25%</td>
<td>11%</td>
</tr>
</tbody>
</table>

This means that as the scope of strategic priorities expands, new responsibilities will fall to an already overburdened physician leadership bench.

No doubt, health care organizations that recognize this critical leadership need are planning to tap a higher proportion of their clinical staff to serve in leadership positions: in a 2011 survey, well over half of surveyed hospitals indicated that they had plans to increase the number of physician leaders within the next one to five years.2 Recognizing that few physicians come into their positions with the leadership capabilities that are increasingly expected of them, more and more health care organizations are assuming the burden of developing their leadership effectiveness.

These forward-thinking organizations are smart to take quick and deliberate steps to invest in physician leadership capacity.

II. Physician Leadership Development Investments 2012-13

To better understand how health care executives are prioritizing their physician leadership training spend, we reviewed the list of Talent Development’s most popular courses amongst physician audiences for calendar years 2012 and 2013.

<table>
<thead>
<tr>
<th>Top Ten Most Popular Courses among Physician Audiences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>1 Leading Change</td>
</tr>
<tr>
<td>2 Quest for Quality</td>
</tr>
<tr>
<td>3 Data-Driven Leadership</td>
</tr>
<tr>
<td>4 Leading through Vision</td>
</tr>
<tr>
<td>5 Breakthrough Leadership</td>
</tr>
<tr>
<td>6 Spurring Innovation</td>
</tr>
<tr>
<td>7 Foundations of Finance</td>
</tr>
<tr>
<td>8 Managing Disruptive Behavior</td>
</tr>
<tr>
<td>9 Effective Problem Solving</td>
</tr>
<tr>
<td>10 Facilitating Effective Teamwork</td>
</tr>
</tbody>
</table>

*Not among top ten in previous year

A review of the top ten most frequently taught courses reveals three main points:

1. **Stability in course interest:** There has been remarkable stability among the top ten, with only modest changes in the rankings. Of the ten courses taught most often throughout 2012 and 2013, eight appear on both rankings. *Foundations of Finance, Managing Disruptive Behavior, Instilling Accountability,* and *Instilling Cost Discipline* each only appear once in each listing.

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2. **Leadership investments straddle several categories**: Physician leadership development investments fall into multiple categories, with courses in the top ten in each of the last two calendar years emphasizing both strategic and collaborative thinking skill development as well as financial and business acumen. However, a majority of the twelve courses that appear in each year’s top ten listings can loosely be categorized under “Making Decisions”, “Setting Direction”, and “Mobilizing People.” As was the case at the last review of course frequency, courses focused on clinical and operational challenges were far less popular: of the top ten only *Quest for Quality* falls into that category. This emphasis on the strategic and collaborative orientation of physicians is further indication that health care organizations are preparing their physicians to assume greater stewardship of their institutions.

### Making Decisions
- Effective Problem Solving
- Data-Driven Leadership
- Spurring Innovation
- Instilling Cost Discipline
- Foundations of Finance

### Setting Direction
- Leading Change
- Leading through Vision
- Breakthrough Leadership

### Mobilizing People
- Facilitating Effective Teamwork
- Managing Disruptive Behavior
- Instilling Accountability

### Addressing Operational or Clinical Challenges
- Quest for Quality

3. **Enduring investment in change leadership**: For a second consecutive year, *Leading Change* tops the list of most popular courses for physician audiences. Most significantly, it does so by far: 40 sessions of *Leading Change* were scheduled for physician-only audiences compared to the next most frequently taught course *Instilling Accountability* which was scheduled 28 times throughout 2013.

The popularity of the change leadership content amongst physicians is even more remarkable when one accounts for the fact that, of the 97 sessions of that workshop, physician-only groups accounted for 41%. Although the physician-only proportion of *Leading Change* workshops is down slightly from 47% in 2012, there is every reason to believe that given the ongoing wave of fundamental transformation occurring in the industry, change leadership will continue to be a priority concern for health care organizations.
III. Priority Investments amongst Non-Physician Audiences

To put physician leadership training investments into sharper context, we compared the top five workshops across all three main Talent Development audiences: physicians, nurses and general—or mixed—cohorts.

The table on the following page identifies the top five most frequently taught courses for each audience throughout 2013.

**Top Five Most Popular Course Topics by Audience Type**

*January—December, 2013*

<table>
<thead>
<tr>
<th></th>
<th>Physician Audience</th>
<th>Nurse Audience</th>
<th>General Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leading Change</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Instilling Accountability</strong></td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Facilitating Effective Teamwork</strong></td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Quest for Quality</strong></td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Instilling Cost Discipline</strong></td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Effective Problem Solving</strong></td>
<td></td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Spurring Innovation</strong></td>
<td></td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Managing Disruptive Behavior</strong></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td><strong>Coaching to Full Potential</strong></td>
<td></td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

At a high level, two points bear noting. Firstly, *Instilling Accountability* features in the top five for all three groups, suggesting that developing an accountability culture is a priority objective for health care institutions. Additionally it’s clear that health care organizations firmly believe that doing so implicates leaders throughout the entire organization, regardless of function.

Secondly, *Leading Change* rises to the top for both physician and mixed audiences—a clear indication that change management is of immense interest across both clinical and non-clinical leadership ranks. With health care likely to retain a murky and uncertain outlook for the foreseeable future, we expect that interest in *Leading Change* will endure.

**Nursing Leadership Development**

Health care organizations are moving towards tapping a wider swath of their talent to serve in leadership positions; no doubt this suggests that nurse managers, like their physician counterparts, will be asked to heighten their leadership contributions. If they are to meaningfully contribute, their clinical expertise alone will not suffice. Instead, nurse leaders must be equipped with the people management skills and strategic acumen in order to be effective leaders.

A quick review of the most popular courses among nurse audiences suggests that health care organizations that have taken steps to invest in their nurse managers, recognize this. Three of the five most popular workshops for nurse-oriented audiences focus on developing skills that fall into the “Mobilizing People” category: *Facilitating*
Effective Teamwork, Coaching to Full Potential, and Instilling Accountability. The remaining two—Effective Problem Solving and Spurring Innovation help strengthen their strategic orientation.

Non-Clinical or Mixed Audience Leadership Development

As with the physician audiences, there seems to be relative stability in the types of workshops that general, mixed audiences select: the emphasis on accountability, and change leadership hold common. What’s more, once again, of the top five most popular courses for this audience, all relate to people leadership, decision-making and direction-setting.

IV. What’s Past Remains Prologue

What, if anything, can a review of Talent Development’s most popular courses tell us?

For one thing, it is clear that health care organizations can no longer adopt a head-in-the-hand strategy when it comes to strengthening their leadership pipeline and a growing number are actively choosing not to. In a previous review of how executives think about and prioritize their leadership development resources, we found that more and more, health care organizations are increasingly paying attention to both the changing dynamics within the industry, as well as the evolving modes of developing their future leaders. Little has changed on this front.

Using data on course frequency, in conjunction with other research, we believe that we can make several predictions as to the future of physician leadership development.

Prediction #1: Blended learning approaches will remain the preferred learning mode for physician leaders.

The rise of virtual learning providers such as Coursera has sharply focused attention on the many benefits that online learning can provide: ease of access, convenience, and self-paced study, to name a few. However, we continue to believe that the real trend worth paying attention to is the growing interest in blended learning approaches—teaching methodologies which integrate both in-classroom elements and virtual learning for review and reinforcement—given consistent research confirming that a hybrid approach is best-suited to learning.\(^3\)

A number of studies have examined how physicians learn best and evidence has consistently suggested that there are four key elements to physician leadership development that produces behavior change:\(^4\)

- Clear assessment of learning need
- Interactive learning over an extended period of time
- Structured, sequenced, and diverse learning activities
- Outcome evaluation

Leader development efforts that appropriately integrate these elements—most effectively done through a blended learning approach—are more likely to result in behavior change.


\(^4\) Mazmanian, P and Davis, D “Continuing Medical Education and the Physician as Learner” JAMA, September 4, 2002
Prediction #2: Sustained interest in change leadership and resilience.

The rocky roll-out of the health care law confirms that industry turbulence is unlikely to diminish in the near future. It is therefore likely that we will see continued interest in courses like Leading Change. Already, as at January 2014, this was the third most popular course for 2014.\(^5\)

Intense and widespread interest in change leadership suggests that there is an underlying anxiety that health care leaders are battling. With that in mind, it is easy to imagine that industry uncertainty will likely trigger interest in building leadership resilience. Talent Development’s newest workshop Leading Amidst Uncertainty will help health care institutions develop leaders who can steer their organizations to prosperity even in this unsettled climate.

### Leading Amidst Uncertainty: Course Objectives

- Embrace uncertainty as an ever-present condition, rather than a fleeting challenge
- Gain trust and credibility by communicating authentically during uncertain times
- Develop awareness of and commitment to a balancing of priorities and tempering of extremes
- Build confidence to act in the absence of perfect information

Prediction #3: Health care organizations will sharpen investments in leaders at all levels across the organization.

As we made clear at the outset, health care organizations are poised to ask more of their leaders—at all levels throughout the organization. Clinicians and non-clinicians alike will be expected to step up in new and potentially challenging ways.

If they are to tap new leaders in this way, health care institutions will have to do three things: develop more leaders, hone more leadership capabilities, and facilitate diverse modes for learning and ongoing development. In other words, they must build leadership volume.

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\(^5\) In terms of how scheduling frequency
The Advisory Board’s Talent Development Division offers leadership development curriculum on a wide range of topics, and through a diverse set of formats, including those profiled below.

<table>
<thead>
<tr>
<th>Format</th>
<th>On-site workshops</th>
<th>Case topics</th>
<th>Virtual courses</th>
<th>Web conferences</th>
<th>Self-paced modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-site</td>
<td>On-site</td>
<td>On-site</td>
<td>Virtual—multiple live events</td>
<td>Virtual—live video conference</td>
<td>Virtual—asynchronous</td>
</tr>
<tr>
<td>Scope</td>
<td>15-50 people</td>
<td>5-15 people</td>
<td>15-50 people</td>
<td>50-250 people</td>
<td>50-250 people</td>
</tr>
<tr>
<td>Sample Topics</td>
<td>• Innovation</td>
<td>• M&amp;A</td>
<td>• Finance</td>
<td>• Coverage policy</td>
<td>• Hiring</td>
</tr>
<tr>
<td></td>
<td>• Vision</td>
<td>• PR crises</td>
<td>• Staffing</td>
<td>• Workforce generations</td>
<td>• Meetings</td>
</tr>
<tr>
<td></td>
<td>• Change</td>
<td></td>
<td>• Coaching</td>
<td></td>
<td>• Delegating</td>
</tr>
</tbody>
</table>

For more information on course content and leadership development options for physician and other clinical audiences, please contact: talentdevelopment@advisory.com.