Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Kevin Osiowy, CA, CMA
KO Strategies Inc.

Presentation to the 2011 National Healthcare Leadership Conference
Canadian College of Health Leaders / Canadian Healthcare Association
Whistler, British Columbia
Monday, June 6, 2011

Pressure to Perform

More than ever before, today’s healthcare leaders and decision-makers face intense pressure from the public to improve health system performance results.

Ensure that the healthcare system provides:
More Services
More Safely
In More Locations
At a Lower Cost!
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

**Health System Leadership**

**We Can Learn From…**

**Leading-Edge Business Research & Practices**

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada

---

**Health System Leadership**

**The Need for Innovative Management Practices**

“Accelerating improvement [in healthcare] will require large shifts in attitudes toward and strategies for developing the healthcare workforce.”

Don Berwick

Source: [Improvement, trust, and the healthcare workforce](http://www.hhs.gov/open/contacts/cms.html)

---

**Health System Leadership**

**The Need for Innovative Management Practices**

“At present, prevailing strategies rely largely on outmoded theories of control and standardization of work.”

Don Berwick

Source: [Improvement, trust, and the healthcare workforce](http://www.hhs.gov/open/contacts/cms.html)

---

**Health System Leadership**

**The Need for Innovative Management Practices**

“More modern, and much more effective, theories of production seek to harness the imagination and participation of the workforce in reinventing the system.”

Don Berwick

Source: [Improvement, trust, and the healthcare workforce](http://www.hhs.gov/open/contacts/cms.html)
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Leading-Edge Business Research & Practices

Grey literature
Formal academic research articles
Popular business books

KO Strategies Inc. © 2011

What is a System?

Deming defined a system as:
a network of interdependent components
that work together to try to accomplish a particular aim.

W. Edwards Deming (1900 – 1993)

KO Strategies Inc. © 2011

LEADS in a Caring Environment

This capabilities framework defines the knowledge, skills, and attitudes a leader needs to exhibit in order to successfully contribute to an effective and efficient Canadian health system.

Source: http://www.cchl-ccls.ca/default_conferences.asp?active_page_id=6492

KO Strategies Inc. © 2011

Healthcare Leaders & Decision-Makers

Governments
Healthcare Boards
Care Providers
Patients & Families

KO Strategies Inc. © 2011

Pressure to Perform

Ensure that the healthcare system provides:
More Services... More Safely... In More Locations... At a Lower Cost!

KO Strategies Inc. © 2011
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Health System Leadership
Thinking Systematically

Quality  Safety  Delivery  Cost

‘TRUE NORTH’ SYSTEM GOALS

Governments  Healthcare Leaders & Decision-Makers  Care Providers  Patients & Families

Healthcare Boards

(Kaizen)
Transformation
Change for the Better

Transformation
• The Shingo Prize
• Good-to-Great

The Shingo Transformational Process
The Shingo Principles of Operational Effectiveness

The Shingo Prize
Jon M. Huntsman School of Business
Utah State University
(http://www.shingoprize.org)

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
What factors distinguish those companies that made a successful transformation from those that did not?

• How the Mighty Fall
• Good-to-Great

Jim Collins

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership:
What Can We Learn from Leading-Edge Business Research?

Leads self

1. Self-Aware
2. Manages Self
3. Develops Self
4. Demonstrates Character

Leads self

1. Self-Aware

Understanding Yourself
(Inner Work Life)

"Would hidden observers watching you go through the day really understand your inner work life? Of course not."


Leads self

1. Self-Aware

Understanding Yourself
(Inner Work Life)

Perceptions
(How we make sense of our work, ourselves, our team, our organization)

Emotions
(How we react to workday events)

Motivation for Work
(What to do, whether to do it, how to do it, when to do it)

Work Performance
Creativity
Productivity
Commitment
Collegiality

Leads self

2. Manages Self

Overcoming Adversity

Governments
Healthcare Providers
Healthcare Leaders & Decision-Makers
Patients & Families
Care Providers
Healthcare Boards

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

2. Manages Self

Overcoming Adversity
(Stockdale Paradox)

- Retain faith that you will prevail in the end, regardless of the difficulties
- Confront the most brutal facts of your current reality, whatever they may be

Source: Good to Great (Why Some Companies Make the Leap and Others Don’t), Jim Collins (2001) (p. 86)

KO Strategies Inc. – Kevin Osiowy, CA, CMA

3. Develops Self

Learning
(Over-confidence)

- “The rhetoric of success (‘We’re successful because we do specific things’) replaces understanding and insight” (“We’re successful because we understand why we do these specific things as well as under what conditions they would no longer work.”)
- “The Odds of Success Are Poor… But Not for Me”

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 43)


Source: Inside View

Overall View

3. Develops Self

Learning
(Outside View)

- “A system can not understand itself. The transformation requires a view from outside.”


W. Edwards Deming
(1900 – 1993)

KO Strategies Inc.

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

3. Develops Self

Learning (Outside View)

“The outside view asks if there are similar situations that can provide a statistical basis for making a decision.”


Learning (Inquisitiveness)

“Rather than seeing a problem as unique, the outside view wants to know if others have faced comparable problems, and, if so, what happened.”


Learning (Gemba)

“Where is health records?”

Anonymous healthcare leader

A Key Marker for Declining Organizations

“Leaders lose the inquisitiveness and learning orientation that mark those truly great individuals who, no matter how successful they become, maintain a learning curve as steep as when they first began their careers.”

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 78)
4. Demonstrates Character

Imagination

(Impact on Compliance Behavior & Probability Estimates)

Steven J. Sherman, Robert B. Cialdini et al, Imagining Can Heighten or Lower the Perceived Likelihood of Contracting a Disease: The Mediating Effect of Ease of Imagery, Personality and Social Psychology Bulletin, Vol. 11 No. 1, March 1985 118-127

Our Imagination

Easy-to-imagine
(Low energy, muscle aches, headaches)

5.25

Difficult-to-imagine
(Disorientation, malfunctioning nervous system, and inflamed liver)

7.70

1 = Very likely to contract

10 = Very unlikely to contract

Attention
(The Illusion of Attention)

Psychology Professor - Daniel Simons
(Visual Cognition Laboratory, University of Illinois)

For more information, please see:
http://www.simonslab.com/index.html
The Invisible Gorilla,
And Other Ways Our Intuitions Deceive Us

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

**Multi-tasking**
(The Myth of Multi-Tasking)

Our Attention

4. Demonstrates Character

Our Emotions

**Emotions**
(Modeling Patient Decision-Making)

Our Emotions

<table>
<thead>
<tr>
<th></th>
<th>70% Base-rate</th>
<th>50% Base-rate</th>
<th>30% Base-rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive anecdote</td>
<td>92%</td>
<td>93%</td>
<td>78%</td>
</tr>
<tr>
<td>Ambiguous anecdote</td>
<td>81%</td>
<td>69%</td>
<td>29%</td>
</tr>
<tr>
<td>Negative anecdote</td>
<td>43%</td>
<td>15%</td>
<td>7%</td>
</tr>
</tbody>
</table>


**Our Emotions (Elephant & Rider)**

70% Base-rate

50% Base-rate

30% Base-rate

Positive anecdote 92% 93% 78%
Ambiguous anecdote 81% 69% 29%
Negative anecdote 43% 15% 7%


**Our Emotions (Elephant & Rider)**

Professional Will

“Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results, no matter how difficult”

Personal Humility

“Demonstrates a compelling modesty, shunning public adulation; never boastful.”

4. Demonstrates Character

Responsibility
(Accountability for Performance)

Professional Will
“Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck.”

Personal Humility
“Looks out the window, not in the mirror, to apportion credit for... success – to other people, external factors, and good luck.”

Source: Good to Great (Why Some Companies Make the Leap and Others Don’t), Jim Collins (2001) (p. 36)

Responsibility
(Accountability for Performance)

(Taseki)
“The burden is yours!”
“The data are wrong!”
“Passing the buck; “The dog ate my homework!”


Responsibility
(Accountability for Performance)

(Jiseki)
“The responsibility is mine!”
“I’ve got the ball”
“The buck stops here!”

Health System Leadership: What Can We Learn from Leading-Edge Business Research?

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada

4. Demonstrates Character

Responsibility
(Accountability for Performance)
(Jiseki)

“…requires that failures be embraced because of what they can teach.”


KO Strategies Inc. © 2011

Engages others

1. Foster Development of Others
2. Contribute to the Creation of Healthy Organizations
3. Communicate Effectively
4. Build Effective Teams

Understanding Others
(Inner Work Life)

“Most managers are not in tune with the inner work lives of their people…”


KO Strategies Inc. © 2011

4. Demonstrates Character

Responsibility
(Accountability for Performance)
(Jiseki)

“Psychologically, taseki (i.e. blame) is much easier!”


KO Strategies Inc. © 2011

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
1. Foster Development of Others

Understanding Others
(Inner Work Life)

“...nor do they appreciate how pervasive the effects of inner work life can be on performance”


Please Understand Me!
(Keirsey & Bates; Myers-Briggs)

“My supervisor, or someone at work seems to care about me as a person.”


Mentoring
(Develop & Grow)

“There is someone at work who encourages my development.”


Recognition and Praise
(Psychological Cost of Negative Results)
(“Find the Bright Spots”)

Low-Performing Teams
2.8 negative comments to every 1 positive comment

High-Performing Teams
5.6 positive comments to every 1 negative comment

Recognition and Praise (Reversion to the Mean)

Engages others

**1. Foster Development of Others**

**Recognition and Praise**

Natural Tendency not to Praise

Must be frequent (weekly)

Natural Tendency to Blame

---

**Strengths**

(“Do what you do best”)

Engages others

**1. Foster Development of Others**

**Recognition and Praise**

“I hate it when I have to do this”

“I can’t wait to start!”

---

**Strengths**

(“Do what you do best”)

Engages others

**1. Foster Development of Others**

“Will this ever end?”

“This is fun”

---

**Strengths**

(“Do what you do best”)

Engages others

**1. Foster Development of Others**

“This is going to take forever”

“I could do this forever”

---

**Source:** Go Put Your Strengths to Work: 6 Powerful Steps to Achieve Outstanding Performance, Marcus Buckingham (2007) (p. 99)
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

1. Foster Development of Others

- **Strengths**
  - Frustrated, Fragmented, Disjointed, Awkward, Drained, Despondent, Bored, Distracted
  - Powerful, Passionate, Euphoric, Enthusiastic, Natural, Authentic, Smooth, Confident

- **Opportunities**
  - Must be daily

- **Frustrated, Fragmented, Disjointed, Awkward, Drained, Despondent, Bored, Distracted**
- **Powerful, Passionate, Euphoric, Enthusiastic, Natural, Authentic, Smooth, Confident**

**Source:** Go Put Your Strengths to Work: 6 Powerful Steps to Achieve Outstanding Performance, Marcus Buckingham (2007) (p. 99)

2. Contribute to the Creation of Healthy Organizations

- **Trust**
  - (Credit)

- **Teams on the way down**
  - “Team members seek as much credit as possible for themselves yet do not enjoy the confidence and admiration of their peers.”

- **Teams on the way up**
  - “Each team member credits other people for success, yet enjoys the confidence and admiration of his or her peers.”

**Source:** How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 77)

3. Communicate Effectively

- **Resources**
  - (Availability)

- **Teams on the way down**
  - “I have the materials and equipment I need to do my work right.”

- **Teams on the way up**
  - “Team members argue to look smart or to improve their own interests”

**Source:** The Elements of Great Managing, Rodd Wagner & James K. Harter (2006). P. xi

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Engages others

3. Communicate Effectively

Dialogue (Use of Questions)

Teams on the way down

“The team leader has a very low questions-to-statements ratio, avoiding critical input…”

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 77)

Teams on the way up

The team leader uses “a high questions-to-statements ratio, challenging people, and pushing for penetrating insight.”

Engages others

3. Communicate Effectively

Dialogue (Opinions)

“At work, my opinions seems to count.”


Engages others

3. Communicate Effectively

Dialogue (Opinions)

Teams on the way down

People assert strong opinions without providing data, evidence, or a solid argument

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 77)

Teams on the way up

People bring data, evidence, logic and solid arguments to the discussion

Engages others

4. Build Effective Teams

Building Teams (Get the Right People on the Bus)

Traditional Approach

First What
(i.e. Set a vision for where to drive the bus.
Develop a road map for driving the bus)

First Who
(i.e. Get the right people on the bus, Build a superior team)

Then Who
(i.e. Enlist a crew of highly capable ‘helpers’ to make the vision happen)

Great Organizations

Then What
(i.e. With the right people in place, figure out the best path to greatness)
**Health System Leadership:**

**What Can We Learn from Leading-Edge Business Research?**

---

**4. Build Effective Teams**

**Building Teams**

(Flash on the Goal)

(Measure What Matters)

**Example:**

Oakland A’s under GM Billy Beane

---

**1. Set Direction**

- Strategically Align Decisions with Vision, Values, and Evidence
- Take Action to Implement Decisions
- Assess and Evaluate

---

**Goals**

(Deming)

“*A system must have an aim. Without an aim, there is no system. The aim of the system must be clear to everyone in the system. The aim must include plans for the future. The aim is a value judgment.*”

---

**Goals**

(“Point to the Destination”)

Destination Postcards (Heath Bros.)

Big Hairy Audacious Goals (BHAG) (Jim Collins)

---

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Achieves results

1. Set Direction

Goals

(Clarity)

“I know what is expected of me at work”


“What looks like resistance is often a lack of clarity.”

Source: Switch: How to Change When Change is Hard, Chip and Dan Heath (2010). P. 17.

Goals

(Theory of Constraints)

Every system has a bottleneck or constraint that prevents the system from achieving its goal.

Goals

(Measurement)

(Return on Investment)

Return on Investment (ROI) = Return
Investment

Goals

(Prediction/Confidence Ranges)

Upper Limit

Point Estimate

Lower Limit

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

2. Align Decisions with Vision, Values & Evidence

**Choices**
(Paradox of Choice)

- Example 1: Chocolate Sampling
- Example 2: Hip Surgery

**Evidence-Based Decisions**
(Analytics)

- Teams on the way down:
  - “People assert strong opinions without providing data, evidence, or a solid argument.”
- Teams on the way up:
  - “People bring data, evidence, logic, and solid arguments to the discussion.”

**Evidence-Based Decisions**
(Analytics)

- Teams on the way down:
  - “Pin hopes on unproven strategies – often with much hype and fanfare.”
  - “…make bold, untested leaps.”
- Teams on the way up:
  - “Formulate strategic changes based on empirical evidence, and extensive strategic and quantitative analysis”

- Data mining
- Decision support models
- Queuing models
- Optimization models
- Statistical process control (SPC) techniques

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 77)

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
3. Take Action to Implement Decisions

Execution

("Script the Critical Moves")
("Nudge")

Setting a goal or providing high-level direction is critical. But, it is not enough.

(Chip & Dan Heath)

Example 1
West Virginia Healthy Eating

Example 2
Tetanus Shots

Rates of Organ Donation

Denmark (4%)
Netherlands (28%)
UK (17%)
Germany (12%)

Default Options & Choice

Austria, France, Poland, Hungary, Portugal (100%)
Belgium (98%)
France (100%)
Sweden (86%)

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

3. Take Action to Implement Decisions

**Execution**

(“Just Do It”)

Implement improvement ideas that are:

- Fast
- Practical
- Cost-Free

4. Assess and Evaluate

**Measuring Results**

(Prediction/Confidence Ranges)

<table>
<thead>
<tr>
<th>Upper Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 3 standard deviations above prediction</td>
</tr>
<tr>
<td>2-3 standard deviations above prediction</td>
</tr>
<tr>
<td>1-2 standard deviations above prediction</td>
</tr>
<tr>
<td>&lt; 1 standard deviation above prediction</td>
</tr>
<tr>
<td>&lt; 1 standard deviation below prediction</td>
</tr>
<tr>
<td>1-2 standard deviations below prediction</td>
</tr>
<tr>
<td>2-3 standard deviations below prediction</td>
</tr>
<tr>
<td>&gt; 3 standard deviations below prediction</td>
</tr>
</tbody>
</table>

**Statistical Process Control**

- W. Edwards Deming
  - (1900 – 1993)

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)

Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada

Measuring Results (Confronting the Brutal Truth)

4. Assess and Evaluate

Achieves results

Teams on the way down

“People shield those in power from grim facts, fearful of penalty and criticism for shining light on the harsh realities.”

Source: From the Mighty Fall and Why Some Companies Never Fail

Teams on the way up

“People bring forth unpleasant facts to be discussed; leaders never criticize those who bring forth harsh realities.”

Source: How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 77)

Measuring Results (Confronting the Brutal Truth)

4. Assess and Evaluate

Achieves results

Teams on the way down

“The team conducts ‘autopsies without blame,’ seeing culprits rather than wisdom.”

Source: How the Mighty Fall (and Why Some Companies Never Fail), Jim Collins (2009) (p. 78)

Teams on the way up

“The team conducts ‘autopsies without blame,’ mining wisdom from painful experiences.”

Develops coalitions

1. Purposefully Build Partnerships and Networks to Create Results
2. Demonstrate a Commitment to Customers and Services
3. Mobilize Knowledge
4. Navigate Socio-Political Environments

W. Edwards Deming
(1900 – 1993)

Deming defined a system as: a network of interdependent components that work together to try to accomplish a particular aim.

Network

KO Strategies Inc. © 2011
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

1. Build Partnerships & Networks to Achieve Results

Social Network Analysis

Maryland Terrapins (“Terps”)

Source: Game Plan: First Find The Leaders, BusinessWeek (August 21, 2006)

2. Demonstrate a Commitment to Customers & Service

Characteristics of Service Organizations

Labour Intensive
Intangible Services
Inseparability of the Provider and Customer

Source: Cutting Corners and Working Overtime: Quality Erosion in the Service Industry, Rogelio Oliva and John D. Sterman; Management Science; Vol. 47, No. 7 (July, 2001)

Customer Service
(Satisfaction)
(Engagement)

Loyalty
- satisfied
- choose again
- recommend

Confidence
- trust
- deliver on promises

Integrity
- fairness
- problem resolution

Pride
- proud
- respect

Passion
- well-suited
- lost without

Customer Engagement

http://gmj.gallup.com/content/745/constant-customer.aspx
2. Demonstrate a Commitment to Customers & Service

### Develops Coalitions

#### Service (Queuing Models)

- Arrival rate = 0.1 call per minute (i.e. 144 per day)
- Average time-on-task = 40.0 minutes
- Goal: Respond within 08:59 ninety-five percent of the time.

<table>
<thead>
<tr>
<th>Ambulance Utilization</th>
<th>Avg. Daily Time with no spares</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 ambulances 81.8%</td>
<td>6 h: 50 m</td>
</tr>
<tr>
<td>7 ambulances 93.1%</td>
<td>3 h: 14 m</td>
</tr>
<tr>
<td>8 ambulances 97.6%</td>
<td>1 hr: 25 m</td>
</tr>
</tbody>
</table>

#### Mining Knowledge (Wisdom of Crowds)

- Occupied vs. Unoccupied Time
- Getting Started vs. Assurance vs. Anxiety
- Equitable vs. Unfair Waits vs. Group Waits vs. Solo Waits
- Certain vs. Uncertain Waits vs. Explained vs. Unexplained Waits
- Perceived Value

Health System Leadership:
What Can We Learn from Leading-Edge Business Research?

3. Mobilize Knowledge
(Mining Knowledge)
(Wisdom of Crowds)

Four conditions for success:

- Diversity
- Decentralization
- Independence
- Aggregation


4. Navigate Socio-Political Environments

A good governing body asks:

- What services should we provide?
- to whom?
- at what cost?

Governance

1. Demonstrate Systems Thinking & Critical Thinking
2. Encourage and Support Innovation
3. Orient Themselves Strategically to the Future
4. Champion and Orchestrate Change

Systems transformation

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

1. Systems/Critical Thinking

**Thinking**
(Disciplined Thought)

- **Teams on the way down**
  - “Make panicky, desperate moves in reaction to threats that can imperil the company”

- **Teams on the way up**
  - “Get the facts, think, and then act (or not) with calm determination”

**Source:** How the Mighty Fall (and Why Some Companies Never Give In), Jim Collins (2009) (p. 90)

2. Encourage & Support Innovation

**Creativity**

“the ability to transcend traditional ideas, rules, patterns, relationships, or the like, and to create meaningful new ideas, forms, methods, interpretations, etc.”

**Source:** Dictionary.com

3. Systems/Critical Thinking

**Thinking**
(Six Thinking Hats)

- **Emotional Thinking**
- **Gloomy & Negative Thinking**
- **Inter-Connecting Ideas & Disciplined Thinking**
- **Facts & Logic, Objective Thinking**
- **Positive & Optimistic Thinking**
- **Creative Thinking**

**Source:** For more information on the Six Thinking Hats, please refer to Edward DeBono’s classic book, Six Thinking Hats (Penguin Books) (1985)

4. Systems/Critical Thinking

**Creativity**
(The Impact of Time Pressure)

**Time Pressure**

**Creativity**

**Source:** For more information, please refer to the working paper, Time Pressure and Creativity in Organizations, Teresa M. Amabile, Jennifer S. Meuller, et al (2002)

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

2. Encourage & Support Innovation

Innovation

“...an idea, practice, or project that is perceived as new by an individual or other unit of adoption.”

Everett Rogers (2003). Diffusion of Innovations (5th ed.) (p.12)

(Where do good ideas come from?)

Future

(Prediction Markets)

3. Orient strategically to the future

Future

(Demand Forecasting)

Quantify Demand

Extrapolate into the future

Source: http://www.ted.com/talks/steven_johnson_where_good_ideas_come_from.html

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

3. Orient strategically to the future

**Future**
(Predictive Modeling)

Orley Ashenfelter
(Professor at Princeton University)

\[
\begin{align*}
-12.14540 & + 0.00117 \text{ winter rainfall (Oct-Mar)(ml)} \\
& + 0.16640 \text{ avg. temp. (Apr-Sept)(Celsius)} \\
& - 0.00386 \text{ harvest rainfall (Aug&Sept)(ml)} \\
& + 0.02385 \text{ time since vintage (years)}
\end{align*}
\]

Wine Quality (average vintage price relative to 1961)

Source: [http://www.liquidasset.com/winedata.html](http://www.liquidasset.com/winedata.html)

4. Champion & Orchestrate Change

**Shrink the Change**
(Chip & Dan Heath)

**Small Changes can have BIG EFFECTS**
(Leverage)
(Tipping Point)

KO Strategies Inc. – Kevin Osiowy, CA, CMA

Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

**Tests of Change**

- 25% of ideas help
- 53% of ideas make no difference
- 22% of ideas hurt

*Not all changes result in improvement!*

Source: Breakthrough Business Results with MVT: A Fast, Cost-Free “Secret Weapon” for Boosting Sales, Cutting Expenses, and Improving any Business Process, by Charles Holland with David Cochran (p. 22)

**Resistance to Change**

- **Layer 0**
  - "We / I don't have a problem."

Source: Iowa State University - Centre for Industrial Research and Service (CIRAS)

- **Layer 1**
  - "You don't understand my/our problem(s)."

Source: Iowa State University - Centre for Industrial Research and Service (CIRAS)
Resistance to Change
(Layers of Resistance)

**Layer 2**
"...we don't agree on the direction of the solution."

*Source: Iowa State University – Centre for Industrial Research and Service (CIRAS)*

*http://www.ciras.iastate.edu/library/toc/layersofresistance.asp*

**Layer 3**
"...your solution can't possibly produce the level of results you say it can."

**Layer 4**
"...your good solution is going to cause some bad things to happen."

**Layer 5**
"...there are some significant obstacles that prevent the implementation."

*Source: Iowa State University – Centre for Industrial Research and Service (CIRAS)*

*http://www.ciras.iastate.edu/library/toc/layersofresistance.asp*
Health System Leadership: What Can We Learn from Leading-Edge Business Research?

Resistance to Change
(Layers of Resistance)

Layer 6
Unverbalized FEAR

Source: Iowa State University - Centre for Industrial Research and Service (CIRAS)
http://www.ciras.iastate.edu/library/toc/layersofresistance.asp

Making Change Irresistible

“We have a problem.”

“We understand the problem.”
Making Change Irresistible

“We agree on the direction of the solution.”

“Our solution will produce the results we need.”

“Our solution will cause some good things to happen.”

“We’ve addressed the obstacles that will ensure our changes success.”
Health System Leadership:
What Can We Learn from Leading-Edge Business Research?

Making Change Irresistible

“We’re confident that we will make progress!”

Progress
(What Really Motivates Workers?)

by Teresa M. Amabile and Steven J. Kramer (expected to be released August/September, 2011)

Health System Leadership
Capabilities Framework

LEADS
in a Caring Environment

Leading-Edge Business Research & Practices

Grey literature
Formal academic research articles
Popular business books

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada
We need to “invest in a workforce of imaginative, inspired, capable, and (dare I say it) joyous people, invited to use their minds and their wills to cooperate in reinventing the system, itself.”

“...will need to acquire and refine their capacities to set aims, measure and interpret results, search for unfamiliar and promising alternatives to the status quo…”

“They will do so together, in teams, to welcome failures as informative, to celebrate successes as collective, and to feel the excitement of [accepting responsibility for performance]”

The investment, if it is to be effective must be real. Doctors, nurses, pharmacists, therapists, technicians, managers, and executives (everyone)…
Health System Leadership:
What Can We Learn from Leading-Edge Business Research?

Health System Leadership
The Need for Innovative Management Practices

“…and test those alternatives rapidly, carefully, and constantly.”

Source: http://www.hhs.gov/open/contacts/cms.html
D.M. Berwick

KO Strategies Inc.
© 2011

Health System Leadership
The Need for Innovative Management Practices

“A workforce so nobly engaged deserves no less.”

Source: http://www.hhs.gov/open/contacts/cms.html
D.M. Berwick

KO Strategies Inc.
© 2011

Health System Leadership:
What Can We Learn from Leading-Edge Business Research?

Kevin Osiowy, CA, CMA
KO Strategies Inc.

Thank You!

KO Strategies Inc. – Kevin Osiowy, CA, CMA
Presented at the 2011 National Healthcare Leadership Conference (June 6, 2011)
Co-hosted by Canadian College of Health Leaders / Canadian Healthcare Association - Whistler, British Columbia, Canada