

**JANUARY 2005 FINAL REPORT**  
**LEADERSHIP DEVELOPMENT IN HEALTH CARE:**  
**PRACTICAL STRATEGIES FOR HEALTH CARE ORGANIZATIONS**

**PI CONTACT INFORMATION**

Ann Scheck McAlearney, ScD  
Assistant Professor, Health Services Management and Policy and Pediatrics  
The Ohio State University  
1583 Perry Street, Atwell Hall 246  
Columbus, OH 43210-1234  
Phone: 614-292-0662  
Fax: 614-438-6859  
Electronic Mail: [mcalearney.1@osu.edu](mailto:mcalearney.1@osu.edu)

**PROJECT OVERVIEW**

Project Period:	Spring 2002 (April 2003)—Fall 2004
Total Project Costs:	\$ 65,818

**PROJECT INTRODUCTION**

This research was designed to identify and explore practical strategies and best practices for leadership development in health care. It combined interviews with recognized experts and case studies of organizations reportedly pursuing excellent or innovative leadership development strategies. It supported this information with an extensive literature review and quantitative analysis of organizational turnover data. In total, we conducted over 160 interviews with nearly 35 experts and 55 organizations for this study.

## EXECUTIVE SUMMARY

### OVERVIEW OF PROJECT FINDINGS AND IMPLICATIONS FOR SENIOR LEADERSHIP AND SENIOR HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT PROFESSIONALS

#### **PART A: LEADERSHIP DEVELOPMENT CONTENT**

- Finding 1: Leadership competencies.** Basic competency lists exist; however, some organizations may prefer to modify existing lists to foster ownership of the process. It is most important to select a competency framework and work with it.
- Finding 2: Essential competency emphasis.** Consensus from the interviews and literature review is that essential competencies are similar for all levels of leadership, but that emphasis can shift as individuals move up within an organization.
- Finding 3: Required shifts in competency emphasis:** Leadership development processes for different level leaders should change gradually from a micro to a macro emphasis as individuals grow and develop throughout their careers.
- Finding 4: Predicted future competencies.** New competencies predicted for the future include focus on ethics and values, comfort with information technology language and capabilities, and cultural competence.
- Finding 5: Differences in health care:** There is a compelling argument to be made for specialized leadership development training in health care as a short cut, to speed up the process by including health care cases, focused stories, and so forth. And that's true in other industries as well...

#### **PART B: LEADERSHIP DEVELOPMENT PROCESS**

- Finding 6: Drivers of leadership development:** The three key drivers of leadership development are *assessment, challenge, and support*. Leadership development strategies and developmental experiences can be maximized if they contain these elements.
- Finding 7: Approaches to leadership development:** Four general approaches to leadership development include 1) individual leadership development; 2) cultural change; 3) strategic; and 4) action learning projects. Organizations should consider alternative programmatic approaches, as well as feasible educational models.
- Finding 8: Availability of leadership development programs in health care:** Both internal and external leadership development strategies can be employed in health care leadership development. Organizational management should consider the needs of early, middle and senior careerists when comparing and contrasting features of external and internal leadership development programs.
- Finding 9: Appropriateness of leadership development strategies:** Both internal and external leadership development strategies can be employed in health care, and their appropriateness depends upon organizational circumstances.
- Finding 10: Developing future competencies:** Leadership development processes should maintain a focus on needed future competencies for leaders at all levels. Existing and new programs should ensure coverage of both current and future competency development, especially in the areas of cultural competence and inclusion.
- Finding 11: The role of leadership development in an organization:** Determining the appropriate role for leadership development within an organization will rely on

decisions about critical issues such as the placement of the leadership development function, budgetary commitment, building or buying a program, and selection of metrics for monitoring and evaluating the program.

- Finding 12: Best practices and long-term models in health care organizations.** Few exemplar programs exist, but research-based best practices have been compiled. Most health care programs are in preliminary development stages, using a variety of approaches. No interviewed experts in leadership had been through internal leadership development programs in health care organizations, although some had helped to create them.
- Finding 13: Innovative practices in leadership development.** Such innovative practices in health care are few. Additional study of other industries may help to uncover more innovations and strategies that can be effectively transferred to health care organizations.
- Finding 14: Formal mentoring as part of leadership development.** Formal mentoring programs can support leadership development and employee development, but they are not on their own sufficient. Best practices in leadership development will include formal mentoring programs as one component of leadership development, not as a stand-alone program.
- Finding 15: Clinical vs. administrative leadership.** Respondents generally agreed that physicians moving into administrative roles typically benefit from formal training in management. Either formal degree training or concentrated skill training may be required.
- Finding 16: Program implementation:** Focus on seven key steps in program implementation will help position leadership development initiatives for success.
- Finding 17: Evaluation of leadership development programs:** While few existing leadership development programs are comprehensively monitored or evaluated, organizations should incorporate regular measurements into program development, and attempt to tie program results to both short- and long-term organizational outcomes.

#### **PART C: COST OF TURNOVER**

- Finding 18: Costs of employee turnover.** Organizations should consider both the direct and indirect costs of employee turnover when working to reduce these costs through leadership development activities.
- Finding 19: Business case for leadership development.** The U.S. Department of Labor has estimated the direct cost of turnover at 33% of annual salary to replace an employee. Given the high direct costs of employee turnover, leadership development activities designed to encourage employee loyalty and reduce turnover may have impressive financial returns.

#### **PART D: OVERALL FINDINGS**

- Finding 20: Senior leadership support.** Without senior management support and a long-term, visionary commitment, program development is nearly impossible.
- Finding 21: From an individual perspective, responsibility for leadership development remains largely personal.** Take responsibility for your development and leverage leadership development opportunities wherever you find them in order to maximize your chance for professional success.

**Finding 22: Do not ignore leadership development in your organization:** If you ignore it, leadership development will not just happen, and the need for it will not go away. Even if it will take time to build organization-wide support for leadership development, it is possible to begin the effort now.

**PART E: PRACTICAL STRATEGIES FOR HEALTH CARE ORGANIZATIONS**

Ten practical strategies can help organizations jump start leadership development activities:

- Strategy 1:* Start small while thinking big
- Strategy 2:* Leverage existing investments in leadership development
- Strategy 3:* Investigate formal mentoring program options
- Strategy 4:* Consider collaboration
- Strategy 5:* Initiate an organizational audit
- Strategy 6:* Borrow innovative and exemplary practices from other organizations
- Strategy 7:* Begin to foster a talent and development mindset
- Strategy 8:* Select metrics and measure impact of leadership development and leadership
- Strategy 9:* Make a committed investment in future leadership development
- Strategy 10:* Accept the business case for leadership development and move ahead