The U.S. healthcare system has reached a tipping point and is in the midst of a significant transformation. The Patient Protection and Affordable Care Act of 2010 (PPACA) is being implemented in response to the increasing number of people with chronic illness; the need to take care of a growing and aging population; and the reality that if the system does not change, the Medicare Trust Fund will be bankrupt by 2017.¹ The Act envisions a wide variety of new delivery models such as the Patient-Centered Medical Home (PCMH) and accountable care organization (ACO) that will be responsible for the quality and cost of care for specific populations of Medicare beneficiaries.

A recent study of challenges in the age of value-based care looks at leadership competencies, pivotal experiences, and derailers that inhibit success.

These new models are driving a shift from payment and rewards focused on the individual and determined by volume of services to compensation based on outcomes for a given population of patients, including incentives for improving quality and the patient experience. This paradigm shift will require team-based coordinated effort, the ability to drive and adapt to change, and a strong focus on communication, education, and implementation.

As a result, healthcare delivery will require a fundamentally different approach—and a new breed of physician leader who can rally around these new requirements. Physician leaders will be measured by the results they achieve, the value or efficiency with which they achieve good outcomes, and improvements in performance resulting from a focus on teamwork through superior coordination, information sharing, and teaming across disciplines. Physician leaders must rally around these new requirements and bring together teams of clinical and administrative leaders.

Challenges Revealed

Our research with a sample of 65 physician executives from the American College of Physician Executives revealed leadership challenges resulting from the changing U.S. healthcare landscape. The new top five challenges we found include:

1. Identifying and communicating metrics to define physician value to patients and health partners
2. Understanding clinical systems thinking and applying the concepts to new models of care delivery
3. Communicating effectively to engage physicians and other healthcare providers to work as a high-performance team
4. Implementing patient-centered clinical integration
5. Leading culture change rooted in trust between physicians and the health systems they support

Given these insights into the needs and challenges of physician executives, TLD Group, an experienced provider in developing executive and physician leaders in the healthcare industry—in partnership with the Kinetix Group’s Group Practice Forum, a Medical Advisory Board-led network that provides practices with resources and information to maximize clinical effectiveness—designed an exploratory study to understand specific behavioral competencies of effective physician leaders, experiences that raise levels of success, and common derailing behaviors that impinge on success. The study interviewed and examined the competencies of successful leaders of selected thriving large group practices.

Methods

A qualitative, inductive, behavioral event interview with psychometric testing was designed to determine key leadership behaviors of physician executives of large group practices, including physician CEOs and leaders of large multispecialty, stand-alone, and integrated group practices spanning several regions in the United States. Participant organizations included Austin Regional Clinic, Clinical Care Associates of the University of Pennsylvania Health System, Dean Health System, HealthCare Partners Medical Group, Holston Medical Group, Medical Edge Healthcare Group, St.
Vincent Physician Group; and advisors from Group Practice Forum, The Iowa Clinic, and TransforMED.

Results
Our results encompass three main areas—leadership competencies, pivotal experiences, and derailers that inhibit success.

Leadership Competencies
We developed a unique competency model based on interview outcomes and psychometric diagnostics. Our research reveals that effective physician leadership requires competence in four main leadership areas:

Leading Self
- **Self-awareness**: recognizing one’s emotions and their effects and knowing one’s strengths and limitations
- **Self-management**: ability to manage emotions and impulses and taking responsibility for personal performance
- **Self-development**: demonstrating commitment to personal development and a learning agility

Leading Others
- **Building effective teams**: understanding individual competencies required for success in key positions on the care coordination team; recognizing and leveraging team members’ strengths and providing developmental opportunities; and building trust, commitment, and alignment with patient and organizational goals and those of the health system
- **Communicating and inspiring**: creating and communicating a compelling and inspired vision or sense of core purpose; providing logical reasons for choices; and fully articulating ideas with data and logic to reach optimum sustainable consensus

Leading Change
- **Resiliency**: demonstrating personal flexibility; comfort handling risk and uncertainty; and ability to shift gears in response to emerging priorities
- **Courage and authenticity**: keeping one’s word; fulfilling one’s promises; identifying and acting on appropriate risks; and saying what needs to be said
- **Change management**: ability to rally teams and entire organizations around a burning platform for change

Leading for Results
- **Decisiveness**: making sound and defensible decisions in a timely fashion, especially in times of uncertainty
- **Systems thinking**: a mindset for understanding how things work; a perspective of seeking patterns in underlying systemic interrelationships responsible for behavior or events
- **Business acumen**: bringing a perspective and passion for the business side of medicine

Each of the physician leaders in our research completed the Myers-Briggs Type Indicator™ (MBTI™), a proven tool for identifying psychological preferences, or types. The most common types among the participants were “ENTJs” (Extraversion, Intuition, Thinking, and Judging). ENTJs are typically logical, analytical, and objectively critical. Natural leaders, ENTJs prefer to be in charge and like long-range planning and strategic thinking.

In addition, each physician leader completed the Bar OnEQ-i®, a proven tool for identifying emotional intelligence, the core emotional and social skillset we use to navigate social interactions. This includes the capacity to recognize our own feelings and those of others, motivate ourselves, and effectively manage emotions in ourselves and our relationships. Research has demonstrated that an individual’s emotional intelligence is often a more accurate predictor of success than the individual’s IQ.2

The BarOn EQ-i® yielded some results consistent with the general population of physicians, and others that apply to physician executives.3 Study participants had a very high tolerance for stress, meaning they cope with stress in an active way, allowing them to remain productive and effective in pressured, high-stakes situations. They were also less likely than the general population to show their feelings and emotions in stressful situations. The participants had high problem-solving ability fueled by strong analytical skills and a methodical approach, including risk/benefit analyses, to finding appropriate solutions. When they arrive at an acceptable solution, they are quick to act on it and able to focus intently on the task at hand.

Although physicians tend to be highly independent, the results from the BarOn EQ-i® indicate that study participants balanced their desire to act independently with a willingness to work in collaboration with others, which will be critical in the new environment that requires close collaboration and coordination. Participants were also determined to be highly self-actualized, meaning that they pursue meaningful work consistent with their own sense of purpose,
which enhances their ability to inspire and rally others around a shared vision.

**Pivotal Experiences**

Our sample population revealed consistent themes about pivotal career experiences deemed important to developing leadership skills. These included:

- Early managerial/administrative experiences such as election to state specialty chapter, serving as medical director, and/or as residency program director
- Formal leadership training boot camp and fellowship programs in such areas as finance, public health, legal, human resources, quality, leadership, communication, change management, and team development, to name a few
- Firsthand experiences that fueled the passion for making a difference (e.g., seeing the difficulty that patients encounter in navigating the system, practicing in a rural area, etc.)
- Losing a key position and learning from mistakes along the way (in other words, being willing to take risks, make mistakes, and be vulnerable—to try, fail, learn, and grow); Mentoring by a respected physician or nonphysician leader
- Coaching by an external coach

**Derailers**

Developing physician leaders poses special leadership challenges because of the complexity of healthcare delivery and financing and the characteristics and training experiences of physicians, which may hinder collaboration and impact a willingness to change and manage change. In fact, the commitment needed to develop clinical and investigative talent and achieve academic success may eclipse needed and required attention to learning leadership competencies. To this end, our research revealed the following derailers, which include traits and/or experiences that may hinder development as a physician leader. They include:

- Aversion to risk
- Limited self-awareness
- Inability to manage change
- Inflexibility and/or impatience
- Excessive self-involvement and individualism
- Naïveté about the importance of politics
- Inability to persuade groups toward a common goal
- Allowing tactics to take the place of strategic work
- Unwillingness to forgo instant gratification for long-term success
- Unclear role expectations for self and inability to communicate expectations to others

**Urgency Called For**

Changes and challenges that lie ahead are evoking a sense of great urgency to identify and develop physician leaders who effectively position their organizations for success. While a strong clinical background is preferred in physician leadership positions, finding physicians with the competencies required to be strong leaders is challenging. Our study leads us to recommend early identification of high potential physician leaders who possess integral leadership competencies and/or the capacity to develop them.

Furthermore, our research indicates that leadership training needs to start early in the educational lifecycle for physicians. We strongly advise instituting a targeted development program based on an evidence-based success model early in a physician’s career, as well as exposure to on-the-job experiences in administration and management.

We also recommend instituting feedback mechanisms for physician leaders to allow them to understand how leadership behaviors are perceived by others to enable course correction throughout their careers.

Long-term solutions such as changes to medical school education are good. However, the need for a new kind of leadership is too urgent to wait for the next generation of leaders. What’s needed is immediate investment in developing current physician executives that pulls on three learning methodologies: on-the-job experiences, coaching and mentoring to support on-the-job experiences, and formal classroom learning with a focus on systems thinking, process improvement methods, communication, conflict management skills, change management, and teamwork.

**References**


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