Cultural Transformation: A Top Down Approach in Healthcare

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The culture of an organization is the by-product of every single employee's daily routine. Research states that to develop a culture, whether it be positive or negative, takes at least five years. Becker's Hospital Review stated that "the average hospital CEO tenure is under 3.5 years."[1] The American College of Healthcare Executives performed a study on over 4,500 hospital CEOs that showed 2013 had the highest percentage of turnover in the C-Suite (20%) in over 15 years.[2]

Today, it seems that the market goes through administrators even more quickly, especially in the for-profit sector, due to the high stresses on financial stability and fiscal responsibility, surgery numbers, turn-around times, quality scores, and Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS).

The Big Question

So how do organizations that churn through administrators every three to five years create a high performing organization that is patient-centered and produces good EBITDA (earnings before interest, tax, depreciation and amortization) with a sustainable growth rate? Further, how do they produce employees who exceed their job description and create a place where patients and their families feel safe and comfortable seeking care while producing good outcomes?

In many of the for-profit organizations, the roles of the C-Suite members have evolved. The CEOs have been transformed to be the physician liaison, contract manager, community liaison, and day-to-day operator of the organization. The executives that are in between the CEO and the director staff, such as chief operating officers, assistant CEOs, and vice presidents, are being reduced at the organizations with 250 or fewer beds and placing those roles back onto the CEO.

Good or bad, more responsibility is being put onto the CEOs with fewer resources at the local level, causing the more tenured administrators to retire or leave the industry, like we have been seeing with tenured healthcare providers.

Big Concerns

Becker's goes on to state that "most new hospital CEO candidates come from a venture capital/private equity industry background (42%)." When putting more responsibility of the day-to-day operations on the CEO, it seems to be concerning when most new CEOs are no longer coming directly from the healthcare field.

At the same time, the CFOs have been given more responsibility and daily tasks than ever before. Developing budgets and meeting weekly, monthly, and yearly goals, while managing case management, HIM (health information management), patient access, and revenue cycle creates significant demands.

In today's for-profit environment, it is no longer the CEO who is making the final decision, but rather the CFO who makes the decision on what to spend, how to spend it, and what to cut to make budget.

Fixing the Problem

Creating a culture of progression and sincerity throughout our organizations starts from the top-down. An organization with a suite full of administrators kept out of sight from employees does not create a culture of dual accountability.

For example, a CEO who talks about how the trash outside in the parking lot is everyone's problem, but keeps walking past it each day, does not show a sincere culture. "What you are doing speaks so loudly that I cannot hear what you are saying" is an applicable quote. If we, as administrators, cannot do what we ask of others, then we should not expect a strong culture. Administrators should remember the motto, "the buck stops with me."

Stay Connected

Regardless of our daily tasks and routines, however tedious and time consuming they may be, administrators must be better connected to our people. Here are three things that every administrator can do to stay in-tune with their organization:

1. *Round on five patients a week, calling them by their name – Mr./Mrs. Smith.* Talk to the patient and the family member(s) and ask them how you can be of service to them. Ask how to recognize anyone on the team for their service.
2. *Round on one department a week, speaking to and talking with each employee.* Ask for suggestions on what you can do as an administrator to help them succeed. Ask how to be of service to them.
3. *Rotate between administrators to round on the night shift one day each week.* Just because an employee works past 5:00 p.m. does not mean they should go by the wayside. Ask them how to be of service to them that night or in the future to help them succeed in their job.

With those three things, the culture will start to change from the top-down. Cultural change happens by doing, not telling. A smile, handshake, hug, or just being of service will progress administrators forward.

CEOs can implement Studer principles (designed to help healthcare leaders provide better patient care while facing financial challenges, managing performance, and engaging leaders, clinicians, and staff) and LEAN techniques (principles used to help healthcare companies create more value for customers with fewer resources) every day. Both are great tools to use. But without the culture, they will not progress forward.