

INTRODUCTION

The US healthcare system is experiencing massive changes in response to numerous environmental shifts that have been growing in intensity over the past several decades. Emanuel (2014) points out that our system of healthcare was not designed to be the inefficient, resource-consuming industry it has become. The inefficiencies resulted from the many poor decisions made early in the development of the care delivery system and have led to enormous cost increases with limited improvement in the health of most Americans.

Healthcare dollars have been spent on activities determined by the providers of care to be necessary with little or no consideration of the value or outcomes resulting from those activities. Emanuel (2014) argues that approximately one third of healthcare expenditures are wasted, with some of the activities also capable of producing real harm for the patient. These inefficiencies require a newly skilled leadership base to emerge throughout the US healthcare delivery system to save it from bankruptcy.

Kotter (2014) argues that many US organizations have failed to develop leaders capable of moving toward a creative, innovation-based future. Some observers attribute this leadership shortage to the fact that numerous industries in the United States are still using a bureaucratic organizational structure to conduct business. A bureaucracy is usually operated by managers who are concerned with the present while paying little attention to the future.

This absence of exceptional leadership in many US healthcare organizations can be attributed in part to the use of bureaucratic models, featuring an outdated, top-down management structure. The bureaucratic structure must be replaced with an approach driven by empowered workers in partnership with the leaders using a flattened organizational structure. A report issued by the Institute of Medicine (IOM) in 2001, titled *Crossing the Quality Chasm: A New Healthcare System for the 21st Century*, outlines the need for a complete reinvention of the US healthcare system. This report is critical of that system, claiming that it is incapable of producing the quality of care Americans require unless major, wholesale changes are made. IOM (2001) found that the system fails to achieve most Americans' expectations given its expense. Those failures stem from its overly complex nature and lack, for the

most part, of coordination of care. The report offers the following system redesign imperatives (IOM 2001):

- Reengineer care processes.
- Use information technologies effectively.
- Adopt knowledge and skills management expertise.
- Develop effective teams.
- Coordinate care across patient conditions, services, and sites of care over time.

Schimpff (2012) further argues that to reduce the cost and improve the quality of care requires a comprehensive effort to coordinate care for those with chronic diseases. These diseases, along with their complications, are the main cause of cost escalation in healthcare and of poor-quality outcomes for the patients who have one or more chronic diseases. In addition to enhanced coordination of care for chronic diseases, he calls for the elimination of wasteful tests that do little to improve health outcomes. To effect these recommended changes, healthcare organizations must develop leadership skills in not only their executives and managers but also their employees, including physicians.

Many large organizations struggle with the need to give up past business practices for new ways of doing business to succeed in the disruptive business world. Govindarajan (2016) presents a solution that allows most businesses today to move forward in this process by segmenting the concerns they face into three separate boxes: managing the present, escaping the past ways of doing things, and preparing for the future. To operationalize this process, organizations must seek and develop leaders who can guide an empowered followership in understanding and responding to the three-box solution.

In particular, Govindarajan (2016) recommends that leaders gain an improved understanding of “planned opportunism,” the ability to exploit opportunities that allow an organization to prepare for future disruptions in the present. The exploitation of opportunities is discussed at length in chapter 4.

This and numerous other strategies are presented throughout the book to point out options for US healthcare delivery organizations that face crises, such as cost escalation and diminished quality, failed past practices, and environmental disruption. More about the contents of this book follows.

The Importance of Skilled Leadership

In this book, the authors suggest that the only way to meet the most serious challenges facing the US healthcare delivery system, in both the short term and the long term, is through skilled leadership that is developed specifically to address these challenges using emerging best practices and tapping the existing relevant theories of leadership in healthcare. Part I begins by explaining the various theories of leadership, attending in particular to the concept of power and influence necessary for strong leadership. It then moves to a discussion of leadership skills, including best practices and the applicability of entrepreneurship and creativity.

Part II delves into the various leadership styles, including transformational leadership and servant leadership.

In Part III, the authors present the entire process of culture building in an organization, explaining how culture develops, the role of trust and culture development, and the need to build a thick positive culture.

Part IV addresses the specific issues related to leading people in healthcare delivery. Special emphasis is placed on the leadership process, development of strategy, and management of conflict.

Part V offers a discussion of leadership development programs, the team development concept, and the future of leadership in healthcare delivery. This section includes up-to-date information concerning the external environment leaders face as they attempt to deal with what seems like daily change in their redesigned organizations.

References

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