

Develop leaders, Deliver change

Shifting the paradigm for leadership development in health systems



Judy Malan, Ronald Whelan, and Hannah Ma

As health systems worldwide face ever increasing expectations, they share an acute need to strengthen their leaders.

Research demonstrates that leadership and management are essential to high performance. Large private organisations whose leadership strength ranks in the top quartile are 1.8 times more likely to outperform on earnings and profits than are those in the bottom quartile¹. Effective leadership and management have also been shown to bolster service delivery and improve outcomes in health systems. For instance, hospitals with better management practices experience superior clinical performance, stronger financial positions, and higher patient satisfaction².

We set out to understand how health systems should use leadership development to drive reform and to identify the key ingredients of successful leadership programmes. In our research – spanning 20 countries,

30 providers of leadership and management training, and successful transformations in both the public and private sectors – we found that leadership development is indeed a powerful lever for simultaneously improving both the performance of and capabilities within a health system.

For leadership development to fundamentally change how health systems work, it must adhere to four principles:

1. Leadership development must form the backbone of a health system transformation, not merely serve as its complement
2. Leadership development must follow an overarching plan and not rely on a scattershot approach
3. Leadership development must strengthen who leaders are, not just what they do
4. Senior system leaders must sit in the centre of leadership development, not on the sidelines

1. Leadership development must form the backbone of a health system transformation, not merely serve as its complement

Health systems need to demonstrate improvements in health outcomes and service delivery today; they cannot wait for more effective leaders to emerge over time.

By grooming current leaders to achieve specific service delivery objectives and to overcome organisational challenges, leadership programmes serve as a powerful engine for reform efforts. For example, one Middle Eastern country used leadership development to

underpin several ambitious initiatives, including cost reduction, the introduction of a new primary care system, and hospital care improvements.

The most successful of these programmes build capabilities while generating a series of breakthroughs in system performance. For example:

- A leadership programme in a pilot region of a sub-Saharan Africa country reduced waiting times in primary care clinics by more than 30% and ambulance response times by 70% – within six weeks.
- In a European health system, a leadership programme focusing on the stroke pathway generated a 21% reduction in mortality and 18% reduction in length of stay after one year.

¹ McKinsey & Company. Based on analysis of Organisational Health Survey database (N = 60,000). 2009.

² Dorgan, Stephen, Dennis Layton, et al. 'Management in healthcare: why good practice really matters.' McKinsey & Company and Centre for Economic Performance, London School of Economics. 2010.

These and other successful programmes require well-run support systems, such as procurement, finance, and performance management, to buttress their improvement initiatives. With effective support systems, leadership development becomes a catalyst for action; it creates highly visible success stories that challenge the status quo and builds capacity for long-term system performance.

How to make leadership development the backbone of the transformation

- *Define specific delivery objectives and targets as part of a broader change story.* From the outset, programmes need a clear set of performance objectives and quantifiable targets, which must be part of a compelling, broader vision for the system. In one leadership programme in a European health system, for instance, participants developed plans to increase efficiency in eight parts of the system, setting both a specific target of \$2 billion in savings and an overall aspiration of increasing productivity by improving quality.
- *Carefully select participants and use the programme to help them stretch and grow into new roles.* Participants should include not only leaders best positioned to deliver on the programme's performance objectives, but also those who will lead broader changes in the system. Leadership programmes provide an ideal opportunity for testing emerging leaders and helping them take on new roles.
- *Promote breakthrough projects to create rapid, highly visible improvements.* All participants should design and execute a breakthrough project, a targeted improvement initiative that delivers rapid results, promotes applied learning, and shifts the prevailing mindsets of people within the system. These projects should be in line with the programme's performance objectives, but should also afford participants the opportunity to work on their own priorities.
- *Fix the underlying systems and structures most likely to*

hinder the success of leaders and managers. Leadership programmes should help participants identify the support systems required for success and address potential issues. For example, in the sub-Saharan country cited above, regional performance units were developed to address a weak performance management system and to help participants in the leadership programme deliver on their breakthrough projects.

2. Leadership development must follow an over-arching plan and not rely on a scattershot approach

Most health systems host multiple leadership programmes concurrently, including some led by partners and outside their direct mandate. To maximise their resources – and the impact of leadership development – systems need to ensure that the programmes are well-coordinated, collectively reaching the right leaders and building required skills. For example, the same Middle Eastern system that underpinned several national initiatives with leadership development also created a central leadership development function in its ministry of health. That function systematically built leadership development capabilities to serve its initiatives: it created an internal leadership academy, found partners for funding and instruction, and identified emerging leaders to send to MBA programmes. By using a highly coordinated approach to leadership development, systems can minimise the well-documented risk that individual programmes are too fragmented, small-scale, and duplicative to deliver on the system's objectives efficiently^{3,4,5}.

Leadership development also needs to be integrated with the rest of the health system to ensure that it is continually reinforced. Most systems already have some form of a leadership model that defines the core competencies and behaviours they expect to see in their leaders. If these competencies and behaviours are to be instilled in leaders systematically, they should not only be addressed in

3 Accordia Global Health Foundation. 'Building healthcare leadership in Africa: a call to action.' 2009.

4 Egger, Dominique, Phyllida Travis, et al. 'Strengthening management in low-income countries.' WHO's Making Health Systems Work project: Working Paper No. 1. 2005.

5 World Health Organization. 'Towards better leadership and management in health: report on an international consultation on strengthening leadership and management in low-income countries.' WHO's Making Health Systems Work project: Working Paper No. 10. 2007.

individual programmes, but should also be embedded and reinforced continuously in the system at large.

How leadership development efforts can adhere to an over-arching plan

- *Maintain ownership and oversight of all leadership development efforts.* Health systems need to clarify which groups or functions will serve as a leadership 'platform' and take clear responsibility for both crafting the over-arching leadership development plan and ensuring that the plan is implemented effectively. The platform's full responsibilities will vary by system, but should include coordinating all programmes, directing internal investment, and monitoring progress.
- *Weave leadership development into all underlying talent management systems and processes.* Systems need to reinforce the competencies in their leadership model in all talent management processes, including recruiting, performance evaluations, and ongoing career development. Developing leaders needs to become something that everyone in the system does.

3. Leadership development must strengthen who leaders are, not just what they do

Although many leadership programmes build participants' management skills or impart technical knowledge, they rarely do enough to strengthen who people are.

Leaders require a set of deep personal competencies for long-term success. For example, they must be able to discover meaning in work, frame adversity constructively, and find ways to rejuvenate and reenergise⁶. Successful leadership programmes in health systems deepen participants' self-awareness – including how they identify and use their core strengths, respond to crises, and handle conflict – and give them the tools to better motivate, renew, and manage themselves.

Leadership programmes also need to help participants navigate the interconnectedness and complexity of a health system. As any health outcome or service depends on a wide range of system policies, functions, and stakeholders, leaders need to be able to find solutions and opportunities that reach far beyond the facilities and offices they work in. They must also know how to negotiate with leaders in other ministries and branches of government, private organisations, and the community⁷.

How leadership development can strengthen who leaders are and not just what they do

- *Renew personal meaning and motivation.* Programmes must create space for participants to reflect on their purpose and desired legacy (e.g., by experiencing the journey of a patient as they travel through the system) and build overall motivation (e.g., by improving work environments and providing financial and non-financial incentives, increased recognition, career development, etc.)⁸.
- *Ground the curriculum in personalised learning and coaching.* Programmes should not only build participants' personal motivation, but also tailor the curriculum to individual needs. At the outset, a personal learning plan should be developed based on a range of capability and personality assessments, including 360-degree feedback and Myers-Briggs®-type profiling. Participants should be supported throughout by a dedicated coach and mentor to ensure that they are developing the skills laid out in their personal learning plan.
- *Continuously promote and apply systems-based thinking.* Programmes need to help participants understand how they can leverage the entire system to improve performance at their home institution. Programmes also need to give participants the capabilities to do so. These include root-cause problem-solving skills to identify solutions across the system, as well as communication and influencing skills to mobilise others towards a common purpose.

6 Ewenstein, Boris, Pierre Gurdjian, et al. 'How do I build leadership capabilities to drive business performance?' McKinsey & Company. 2010.

7 Omaswa, Francis and Jo Ivey Boufford. 'Strong ministries for strong health systems.' The Rockefeller Foundation. 2010.

8 World Health Organization. 'Managing the health millennium development goals – the challenge of management strengthening: lessons from three countries.' WHO's Making Health Systems Work project: Working Paper No. 8. 2007.

4. Senior system leaders must sit in the centre of leadership development, not on the sidelines

Successful leadership development efforts require strong leadership from the top. Senior leaders should provide not only clear direction-setting and inspired communication, but also visible role-modelling and active involvement on the ‘frontline’.

Leadership programmes offer them an opportunity to do so. By partaking in the programmes – as participants, coaches, or sponsors – senior leaders signal the importance of leadership development in the transformation; by continuously role-modelling the desired behaviours, they influence how other managers in the system think and behave. For example, the Minister of Health and the Permanent Secretary in one sub-Saharan country spearheaded their national leadership programme. They not only designed and participated in the programme, but also went on regular trips to experience, first-hand, conditions in local clinics, hospitals, and ambulance stations.

Whether by setting the agenda, visiting health facilities, or mentoring a fellow leader, senior leaders must be actively engaged to mobilise the system and drive the transformation.

How senior system leaders can be central to leadership development

- *Spearhead the leadership development effort.* By setting clear direction, guaranteeing sufficient resources and funding, and demanding accountability, senior system leaders can ensure that leadership development efforts are effective and sustained. For example, in a Latin American country, the Minister of Health demanded personal reports on the impact of a regional leadership and management development programme and regularly visited the regions to check on progress.
- *Continuously role-model behaviours desired of other leaders in the system.* Senior leaders should demonstrate good day-to-day management practices and must look for opportunities to inspire others and build morale. By coaching their colleagues and teams to spread these behaviours, they can reinforce best practices throughout the system.
- *Keep close to the frontline.* Regular visits to health facilities and frequent interactions with operational managers are critical for motivating system leaders and frontline personnel. Just as important, they inform senior leaders’ own understanding of the ‘pulse’ of their system, strengthen decision-making, and enable leaders to reconnect with their own sense of purpose.

Leadership at all levels of the system is required to improve performance and to drive and sustain change. Health system stewards should evaluate whether current efforts to develop leaders are delivering on these expectations. Systems that follow the principles described above – making leadership development the

backbone of the transformation, ensuring all efforts adhere to an over-arching plan, strengthening who leaders are, and placing senior leaders at the centre of the reform – will maximise the impact of leadership development and, ultimately, produce the leaders needed to improve performance and catalyse change.

Judy Malan is a partner in McKinsey's Johannesburg office.
 Ronald Whelan is a consultant in its Johannesburg office.
 Hannah Ma is a consultant in McKinsey's New York office.

Seven questions to consider in designing a leadership development programme to deliver change

A leadership development programme will differ according to each system's context. As stewards begin to think about how leadership development can apply to their system, they might consider seven specific questions:

1. *What do I need to achieve?* What are the burning imperatives? What is expected of me? What do I want to be remembered for?
2. *What is my timeline for seeing results?* Is this about long-term system-wide change or short-term targeted improvements – or both? What licence do I have to act?
3. *Who are the people I will rely on to make a real difference?* What skills do they need to be successful? What support will they require?
4. *Which areas most need strengthening?* Is this about building capacity, creating alignment, or motivating teams?
5. *How will I coordinate efforts and reinforce leadership effectiveness?* What groups or functions can I rely on to help with coordination? To what extent do my current talent processes emphasise the importance of leadership effectiveness?
6. *How will I motivate and hold leaders accountable?* What indicators will I track? How can I reward strong or improved performance? What will I do if a leader is not performing?
7. *What role am I going to play?* What behaviours do I need to promote? Whom do I aim to coach personally? How will I stay connected? Who might succeed me?