

Transformational Leadership

Renewing Fundamental Values and Achieving
New Relationships in Health Care

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**Dedicated in memory of Brian Schenk,
whose leadership and vision were an inspiration
to all who knew him**

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Ms. Kohles has experience in health care planning and policy at community and state levels. She has presented and published information related to SHNP, including organizational culture transitions, work and role design, continuity of care delivery systems, and linkages that promote integration of the health care system with the community and educational institutions. She has served as a volunteer for community development projects relating to building a healthier community status in St. Petersburg, Florida.

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Preface

Health care professionals have always articulated the goal of quality patient care, but when the financing mechanisms changed, survival became the major influencer in decision making.

Some of the most dramatic changes in health delivery began with the passage of Medicare followed by the diagnosis-related group (DRG) categorization payment structure. The latter legislative action focused attention on costs and resulted in dramatic decreases in length of stay as the initial response to cost cutting.

Acknowledgment that all departments of the hospital generated expenses that needed to be controlled resulted in across-the-board budget reduction. Throughout this era of health care history, the cost controls were departmentally driven, resulting in decreasing labor budgets but seldom changing the systems of work.

Concepts of quality management from industrial settings began to appear in hospital literature and the focus gradually shifted from cost control to problem solving with the expectation that hospital departments would identify their problems and solve them. The early efforts continued to be primarily departmentally driven. Recognition that high-quality patient care and successful expense control depended on collaboration among departments moved the problem-solving process into interdepartmental approaches.

New concerns about quality and impact on community health status again changed the focus, and the introduction of the concept of outcome measurement and management became prevalent. The goal of hospital leadership was redefined to managing processes of care cost-effectively while achieving desired outcomes.

Over the past seven years, the authors have been involved in *Strengthening Hospital Nursing: A Program to Improve Patient Care*. This program has provided the authors the opportunity to follow organizations as they institute changes in order to achieve their stated goals. Some of the profound changes that have occurred are described within the text of the chapters. The

willingness of management to acknowledge that leadership is a shared accountability, and that leadership comes from many diverse locations in an organization when management opens the decision-making processes to all, was evident at all the grantees' sites. Transformational leadership speaks to creating a new organization that results in the alignment of personal, organizational, and community goals. When accomplished, everyone has achieved recognition as a valued individual, everyone has learned the skills of challenging and questioning the present reality, and everyone has the opportunity to take their place as leaders in order to build a stronger, more humanistic health care delivery system.

When the new collective leadership clarifies its vision, opens its doors to consumer input, and recognizes the value of holistic care, it will then begin to address the needs for ambulatory health care with the emphasis on wellness and prevention. This transition is currently under way and will require leadership to address the issues of wellness and prevention on a higher conceptual plane, exchanging single organization's benefit concept to a communitywide benefit. Leadership must create a collaborative model that builds on the valuable contribution that all community organizations should and can make for the community's welfare.

Transformational Leadership: Renewing Fundamental Values and Achieving New Relationships in Health Care provides the reader with insights on how managers are working toward this level of achievement in transforming leadership, thus transforming the systems of health care for the benefit of the people served.

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The authors would like to give special thanks to the Robert Wood Johnson Foundation and the Pew Charitable Trusts program, financial, and evaluation staffs and boards of trustees for their constant support and belief in the national program. With their commitment to finding new ways—the best ways—of bringing about a fundamental change in health care delivery, SHNP was able to demonstrate that care of patients can be strengthened through institutionwide collaborative efforts of all disciplines at all levels of an organization.

The authors would like to recognize the American Hospital Publishing staff for accepting the challenge of articulating transformation. Although the authors realize it takes the talent of many people working behind the scenes to publish a book, we particularly are grateful for the efforts and support of Brian Schenk, Richard Hill, Audrey Kaufman, and Linda Conheady. Of these individuals, we are especially grateful for Brian’s vision and leadership. He believed that individuals who want to achieve an improved health care delivery system will benefit from the insights of those who have experienced the challenges and rewards of actual transformation of leadership styles.

Finally, the authors would like to thank patients, their families, and the communities served by those leaders and organizations represented in this book; it is for them that we have learned to be attentive to the soul of our institutions and all stakeholders and have formed new relationships to realize opportunities in achieving value-driven outcomes and fulfill our personal and organizational destiny.

Introduction

The concepts presented throughout this book are related to the role of leaders in transforming an organization to:

- Deliver improved value
- Identify and realize opportunities
- Form new and improved existing relationships
- Align with its destiny
- Care for its soul

Although there are many processes that organizations can use to transform operations, this book does not espouse any particular method of change. *Transformed organizations have similar experiences and common outcomes regardless of the change method used.*

The authors have been fortunate in having outstanding health care leaders, including those in the national program Strengthening Hospital Nursing: A Program to Improve Patient Care (SHNP), an initiative jointly sponsored by the Robert Wood Johnson Foundation and the Pew Charitable Trusts, participate in the writing of this book as contributors. Chief executive officers, chief operating officers, chief financial officers, nurse executives, and other hospital and health care system executive leaders and consultants from many areas, including information systems and human resources, share personal experiences within their institutions and communities. Board of trustee members provide insights from experiences with change processes and offer opinions regarding new responsibilities as a result of those processes. Physicians comment on their “Ah ha” experiences and how their role or attitude changed with involvement in interactive and interdisciplinary processes. Their comments and observations illustrate the principles and applications of transformational leadership. It is the wealth of experience represented by these leaders, presented within the framework of actual transformation of a variety of institutions using a wide spectrum of change processes, that forms the basis of this book.