

# 21<sup>st</sup> Century Physician Executive

An In-Depth Look at Healthcare Recruitment in the 21st Century

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Opportunities for physician executives in hospitals and health systems, drug companies, HMOs, medical product companies, large group practices and other organizations have expanded during the past decade. The good news for these organizations is that many physicians possess abilities that are critical in executive roles and are more interested than ever in pursuing these opportunities. Aptitudes typical among physicians include critical thinking skills, thoroughness, the ability to solve complex problems, strong motivation to be successful and, in many cases, the ability to work well with other physicians.

Medical training and clinical practice do not, however, encourage development of all characteristics and habits that executives must have to succeed and advance into top-level positions. MBA or MMM degrees provide vitally important knowledge of financial functions and management theory. No degree, however, can make a physician – or anyone else – a successful executive.

## *Executive Career Planning: The Early Stages*

Rick Hassett, MD, the CEO of two healthcare management services organizations, urges those physicians aspiring to be CEOs toward self-examination as soon as the management bug bites.

As an attending neurologist at Columbia Peachtree Hospital in Newnan, GA, during the 1980s, Hassett volunteered for committee assignments without at first envisioning any changeover to an executive career. Practicing with multi-specialty clinic PhyCor in Georgia, he moved into leadership roles in long-range planning, finance and a merger. He began attending ACPE management programs in order to enhance his effectiveness in these roles. When he arrived at his first program on executive career development, however, he had to convince himself not to leave.

“It turned out to be critical for understanding the need to engineer my career if I wanted to be an executive,” says Hassett. “The profiling tools and exercises helped me understand how my characteristics could predict my behavior in certain circumstances, what types of situations I would find challenging or rewarding, etc.

“My career self-examination process helped me understand that I wanted to be part of re-engineering the healthcare system, that such a role would be more exciting to me than anything else I could do,” says Hassett. “I feel that medicine needs to move more strongly toward a model of prevention orientation, rather than fixing problems after they occur. In terms of how physicians practice, I think that medical training compels you toward a focus on your fiduciary role in relation to your patient. Physicians also need to be aware of their fiduciary role within the healthcare system as well. At PhyCor, I saw an impressive example of how business expertise could be wedded to clinical expertise to produce impressive results. I wanted to help bring that model into healthcare on a wider scale.”

Moving into an executive role based on true passion for certain concepts or business activities will likely lead to success and advancement. Pursuing an executive career solely out of burnout or frustration with the conditions of clinical practice can lead to disappointment.

“It’s critical to be running toward something, not running away from something,” says Hassett.

## *Developing As A Leader*

John Rush, MD, CEO of Las Vegas-based IPN (Inpatient Physician Network), a hospitalist company that contracts with hospitals and payors and staffs more than 30 hospitals in the Southwest,

came to his position via work in managed care organizations CIGNA and PacificCare. A former emergency room physician, he set up and managed a corporation of emergency room physicians to work under contract with their hospitals, discovering in the process that management of back-office functions fascinated him. He enrolled in an MBA/MHA program at Pfeiffer University in Charlotte, N.C.

“I found I had the interest and aptitude for business,” he says. “I just needed the skills.”

Physicians who experience success in leadership roles via hospital medical staff roles or in their practices, especially in larger groups, have likely developed leadership skills. Key skills that these experiences may foster include:

- Political savvy;
- Financial management and accountability;
- The ability to hire, manage and motivate the right people;
- Hospital administration relations;
- Development of strategic plans and the ability to operationalize them;
- A healthy, competitive business attitude.

When combined with an advanced degree in business, these traits and skills can catapult a physician into an executive career. Few physician executives find shortcuts on the road to the top, however. A physician with a newly minted business degree typically still spends several years after obtaining the degree gaining the all-important “E” word . . . experience.

“Understanding how executive careers progress is new territory for most physicians,” says Rush. “I recommend the ACPE web site as a resource ([www.acpe.org](http://www.acpe.org)). It offers good information about what to look for as you develop your career, as well as seminars on topics that are helpful.”

### *Advancing on the Physician Executive Career Path*

As physician executives look ahead to a time when they will be ready for

higher-level roles, they will likely find it necessary to take career-building positions in different organizations in different locations. Each move will likely bring different challenges.

David Holloway, MD, senior vice president and chief quality officer of Parkview Health in Fort Wayne, IN, moved to the six-hospital system from St. John’s Health System in Tulsa, where he moved up the ranks after organizing St. John’s first primary care group.

“Every organization’s culture is different and you have to be prepared for that when you move,” says Holloway. “The problems are basically the same everywhere, but how you lead the process of solving them needs to fit well with the culture.”

Susan L. Freeman, MD, MS, senior vice president, medical affairs and chief medical officer at the St. Francis Hospital and Medical Center in Hartford, Conn., moved to that organization from St. Paul-Ramsey Medical Center (now HealthPartners Regions Hospital) in Minnesota.

“In Minnesota I worked within a large, integrated organization in a managed care format, with doctors employed by HMOs,” says Freeman. “In Connecticut, much of healthcare still operates under the traditional fee-for-service model, with physicians who are in business for themselves. So I had to learn to work in a different kind of healthcare environment.”

Like Holloway, Freeman had worked her way up the executive ladder at her former organization and had to overcome her newcomer status at St. Francis.

“Many physicians affiliated with St. Francis have been here for 30 years,” she says. “It has taken time and effort to enable them to get to know me. Trust has to be built, and that doesn’t happen overnight. You have to work to gain people’s trust in a new organization.”

In addition to the need to relocate, at

some point physician executives must grapple with the question of transitioning to full-time executive work.

“When you reach the point when you are a half-time executive, it’s important to think about what you really want,” says Holloway. “Many physicians find it very difficult to completely give up the clinical role. But are you really giving your patients what they need when your partners are seeing them more than you are? We all have to decide whether we want to take care of patients or whether we want to be in executive roles. For me, the decision came down to the fact that although I enjoyed patient care, what I wanted most was to lead change. To do that, I needed to become a full-time executive.”

“A strong network of colleagues with similar interests and more experienced mentors also are key to managing a physician executive career path,” says Freeman.

“I have had several good mentors and have learned many important things from them,” she says. “For example, when I worked at Health Partners, which merged with St. Paul-Ramsey, one of our senior executives taught me the importance of careful listening and of using the information I gained for problem-solving. She was very effective at breaking problems into their component parts, analyzing and evaluating different solutions, and assessing who should be included in solution development. I still use those skills every day.”

### *The Teamwork Factor*

Expanding leadership skills in a team environment is vital to a physician executive’s ability to advance. In the business world, people work as collaborators when making decisions and build working relationships that enable them to implement strategies and complete tasks together effectively. Communication-based problem-solving and task management are norms, vs. directing clinical cases on your own. Teamwork is a skill that in some cases, physicians must

consciously strive to develop. Part of the teamwork model involves a less hierarchical approach to communication. It is important to respect the opinions of everyone in the process, even though you may think they are wrong.

The complexity of the team environment and multiple matrix relationships is a development opportunity for some physician executives. In most organizations, cross-functional, matrix environments are the norm. That means that you may report and be accountable to two, three or five people, rather than having just one boss. None of these individuals may even work in the state where you are located, let alone the same office. Also, virtual teams may be set up to deal with short-term problems, including representatives of functions as diverse as finance, maintenance, information technology, and human resources. Some team members may be on site, while others are at remote locations. And, the physician executive typically is a member of the team, not the team leader.

“In the business world, people do not respond to you out of a perception of your power,” says Hassett. “This is true even if you’re a CEO, and perhaps especially when you’re a CEO. If you are used to being ‘king’ in clinical roles, it’s important to realize that those days are over when you move into executive positions.”

The ability to develop a strategic vision for the organization, gain enthusiasm from team members for that vision and lead them toward it are highly sought-after skills. These qualities do drive people to respond to a physician executive’s leadership.

“Choosing the right people, communicating a vision to them, and getting them to buy into it are essential leadership skills,” says Hassett. “Beyond that foundation, an executive then helps people understand how the strategic vision will be executed and how they can contribute to it with the skills and knowledge they

possess. Also, the CEO leads by example in establishing an organizational culture that helps meet the vision and values of the organization.”

“Strong physician executives are often good teachers,” says Freeman, who as an endocrinologist taught residents and medical students early in her career and continues to teach both medicine and medical management. “You are often communicating with people who do not have the big picture, but who need to understand their roles in the success of the operation.”

### *Communication and the Physician Executive Career Path*

While communication with non-physician team members becomes increasingly important as a physician executive advances, the ability to work well with other physicians also can contribute to success. Increasing depth of physician involvement in management decision-making requires that top-level non-clinical executives be able to understand physicians’ perspectives and effectively integrate them into decision-making. In many organizations, physician executives play strong roles in synthesizing and articulating the physician perspective to senior management.

Medical executives may need to change aspects of how they work with other physicians, however. An executive position may at times require motivating another physician to change his or her behavior. It is exceedingly important to be able to successfully influence the thinking of physicians in your organization.

“If this kind of situation makes you uncomfortable, role-playing can help,” says Holloway. “I took an ACPE class that included videotaping, and it was part of the executive MBA program that I completed at the University of North Carolina. Although I hated the idea at first, it was very valuable. One exercise involved confronting a physician who was causing a problem on the medical staff. It helped me learn to balance advocacy with inquiry in a discussion, how to make sure I understood the

situation, and how to manage efforts by the physician to redirect the conversation.”

### *Critical Skill Sets for 21st Century Physician Executives*

In today’s financially complex healthcare world, overall effectiveness as a communications “bridge” between physicians and non-physicians on the senior management team can reap great career benefits for the physician executive. For example, if a healthcare system is experiencing major shifts in services offered by its affiliated physician groups, with groups trying to leverage new revenue sources by spinning off surgery centers, imaging centers, etc., that compete with the hospital, a physician executive can play a critical role. Although it may not be possible, due to competing priorities, to completely solve these conflicts, effective work with both sides in setting up “win-win” situations for physicians and healthcare systems can make a physician executive a star.

Other skills that help generate success in today’s healthcare world include:

- *Lead Change by Telling Effective Stories.*

“I feel that the number one thing that physician executives do that adds value to organizations is to lead change,” says Holloway. “That role is more critical now than ever. It is essential to develop change ideas that will be valuable for patients in terms of quality or service, and getting everyone in the organization to evolve in that direction. I like the Toyota model, in which you keep working the process to eliminate defects.”

Holloway also has a larger view of communication and its importance to effectiveness in an executive role.

“The ability to tell a story is a critical component of leading change,” he says. “With the development of speech, humans evolved into storytelling animals, and I think that predisposes us to respond emotionally to good story-telling. In an executive role that means that, for example, if you

talk about 98,000 hospital deaths per year due to errors, you may or may not make an impression on your listeners. If you tell a story about an 8-year-old boy who went into a hospital for a routine procedure, received the wrong anesthetic, and died, you can spur an emotional response from listeners that may make them more receptive to change.”

Holloway also advocates the “elevator” model of selling new ideas and concepts.

“It helps to have a 15, 20 or 30-second overview of how each new concept or idea will be helpful, that you can share in the time it takes to ride an elevator,” he says. Speaking is not the entire communication skill set in Holloway’s view, though.

“Active listening is extremely important in an executive role,” he says. “You need to ask lots of questions. You have to probe to understand what people are saying. You might ask, ‘Doctor, when you say X, do you mean Y and Z as well?’ And after asking questions, you need to be quiet and listen carefully to the responses.”

• *Bridge the Gaps Between Clinical Outcomes and Business*

Assessing physicians’ understanding of business concepts is a key aspect of communicating with them.

“Physicians tend not to like conflict and may perceive that there is an inherent conflict between medicine and business,” says Rush. “If you can manage conflict, you can build that into a strength as a physician executive. That ‘clash’ of medicine and business is where executive skill is most needed. Relating business concepts to physicians in a way that they can understand is essential. They understand population-based care, so you can compare a whole health system to a population, and look at what it needs to be well. Physicians understand that.

“Also,” says Rush, “in many cases the receptivity is there because, in general, physicians have learned that business

aspects of operations are important – they just need to learn the concepts. The catch is that they need to learn quickly, because expectations have shifted completely. Healthcare in the 21st century really is a different world, rooted in finances and the expectations of payors. All organizations have to show outcomes.”

Understanding technology and how it can impact outcomes, while being realistic about what it can do, also ranks high among Rush’s priorities.

“Relating technology to outcomes and demonstrating why you’re spending resources in a particular direction also helps physicians understand business decision-making,” he says. “Even if a pilot has flown a particular route hundreds of times, he still uses his checklist and he still relies on other people in the tower and on the ground for information, even though he makes the decisions. Getting physicians comfortable with that type of approach helps produce good outcomes, and physicians need to be educated about that fact. No matter how many patients you’ve seen who are having heart attacks, if you bring up the checklist and work it every time, it has been shown that you will have better clinical outcomes.”

Improved outcomes spur a cascade of other positive results. Accreditation review processes may be eased. Efficiency will likely improve.

“With better outcomes reflected in fewer complications, you can move more patients through the system successfully,” says Rush. “That way, everybody wins.”

• *Understand Consumerism.*

“Consumerism is an increasingly evolving trend that physician executives today must understand and factor into decision-making,” says Freeman. “The trend with patients who have serious illnesses, and their families, is that they are doing considerable research on their diseases or illnesses, and on organizations and physicians who have the best outcomes. This trend is expanding to

encompass chronic health problems and even routine care. Information about quality report cards and a multitude of data are available on the Internet and consumers are more sophisticated in terms of accessing, assimilating and acting upon that information. Most healthcare decisions are still being made based on input from primary care physicians, but that is changing.”

This change means physician executives must increasingly look critically at the value their organizations bring to consumers. This means outcomes will no longer be just about satisfying accrediting agencies and payors, but patients and their families as well.

“The outcomes question also can be considered as an equation,” says Freeman. “The onus on hospitals increasingly is to create a value equation,” she says. “In mathematical terms, it comes down to quality divided by cost. The 21st century physician executive has to find ways to get the equation right, and to lead toward higher quality and lower cost. Doing that requires a thorough working knowledge of today’s healthcare market and emerging trends, all of the elements and components of cost, the financial implications of what the competition is doing, what new technologies will do, and the elements of quality, especially safety and effectiveness.”

“There is absolutely a business case for quality and patient safety,” says Holloway. “You have to operate in a smart way and still offer a high-quality product. If you provide people with the high-quality product that they value, they will seek you out, and that, in turn, will help satisfy the financial side.”

• *Develop Key Leadership and Character Traits.*

Cejka Search has completed more than 600 physician executive positions in the past 10 years. Without fail, every single client seeking a physician executive to fill roles from department chair to associate medical director to CMO or CEO has had one thing in common that is certain to continue well into the 21st century. Hiring boards, search com-

mittees, and healthcare executives are looking for the same key attributes in physician executives:

- The ability to be a team player;
- Humility: Check your ego constantly;
- Excellent clinical skills and up-to-date clinical knowledge;
- Iron-clad integrity;
- The ability to communicate with people at every level of the organization;
- The experience to be a change agent.

In the end, the fun part of being a physician executive is the ability to advance your learning at the clinical and business levels nearly every day of your physician executive career. And that is definitely not likely to change in the 21st century.

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