Leadership Survey

Ability to Lead Does Not Come from a Degree

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Advisor Analysis

NEJM Catalyst Insights Council members strongly favor dyad leadership shared between clinical and administrative leaders. The top attribute for health care leaders is interpersonal skills.

Leadership is not an easy endeavor in this era of fast-changing and complex health care delivery. The breadth and depth of skills required to navigate toward fee-for-performance or address rising rates of physician burnout are far greater than just a decade ago.

Yet the foremost quality needed by health care leaders today is familiar and enduring, according to our latest NEJM Catalyst Insights Council Leadership survey, “Leading Physicians and Physician Leadership.” Interpersonal skills are by far the top attribute needed to successfully lead a health care organization (according to 82% of survey respondents) and to lead other physicians (90%).

Interpersonal skills outpace other critical attributes such as administrative skills and clinical training. (Administrative skills rank second most important to lead health care organizations but fourth to lead physicians, while clinical training ranks second for leading physicians and third for leading health care organizations.)

Physicians, who increasingly are employed by health systems or work in practices undergoing consolidation, must deal with complex financial and operational situations. Most of them do not have the formal training or experience to thrive in these environments and often find they are better off teaming with administrators who do. For these reasons, survey respondents strongly favor dyad leadership models, where physicians and administrators co-lead an organization. Three-quarters (72%) of respondents say their organization employs the dyad model, and 85% say dyads are an effective, very effective, or extremely effective leadership model.

What the dyad model does is address the gray space between the strengths of clinical leaders and administrative leaders by having them collaborate. Survey respondents see distinct advantages and pitfalls for each side.
Clinical leaders have the leadership advantages of clinical knowledge and experience (according to 97% of respondents) and credibility with the workforce (71%), while non-clinical leaders have operational expertise (54%) and are better at managing traditional functions like HR and finance (77%). However, when it comes to defining vision and managing people and teams effectively, the largest share of respondents say there is no difference between clinical leaders and non-clinical leaders.

This speaks to the importance of core leadership skills, independent of a formal degree. However, with any shared responsibility, such as in the dyad model, clarity of roles and defined decision-making processes are imperative. There is risk of confusion among teams and staff if the organizational structure is not clear.

More than half (53%) of respondents — many of whom are themselves physicians — think physicians make better leaders of health care organizations. Only 10% think physicians are worse leaders, with 37% saying there is no difference.

It may be a flawed framework. What makes one leader better than another at leading an organization is not whether he or she has been to medical school. Rather, a good leader has the interpersonal, strategic, and management skills to build and grow a successful organization. This is distinct from a clinical or administrative degree. Leaders who recognize their own strengths and create teams to complement their own skill sets are best positioning themselves, and their organizations, for success.

What are the top three attributes leaders need to successfully lead?

<table>
<thead>
<tr>
<th>To Lead Health Care Organizations</th>
<th>To Lead Physicians</th>
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<tbody>
<tr>
<td>Interpersonal skills</td>
<td>Interpersonal skills</td>
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<tr>
<td>Administrative skills</td>
<td>Clinical training</td>
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<tr>
<td>Clinical training</td>
<td>Negotiation skills</td>
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Base = 868 (Multiple responses)

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Leadership Survey: Ability to Lead Does Not Come from a Degree

by NEJM Catalyst

Charts and Commentary

We surveyed members of the NEJM Catalyst Insights Council, comprising health care executives, clinical leaders, and clinicians, about physician leadership and leading physicians. The survey covers leaders’ attributes needed to successfully lead health care organizations today, leaders’ attributes needed to successfully lead physicians today, the training of top organizational leaders, leadership advantages of clinical and non-clinical leaders for different aspects, whether clinically trained leaders should continue practicing medicine, the use and effectiveness of a dyad leadership model, and whether physicians make better leaders of health care organizations.

"Physicians, who increasingly are employed by health systems or work in practices undergoing consolidation, must deal with complex financial and operational situations. Most of them do not have the formal training or experience to thrive in these environments and often find they are better off teaming with administrators who do."
Insights Council members consider interpersonal skills to be the key leadership attribute. When it comes to leading health care organizations, interpersonal skills come in at the top, selected by 82% of survey respondents; and an even higher percentage, 90%, say interpersonal skills are the most important attribute for leading physicians. Administrative skills (49%) and clinical training (44%) are next most important for leading health care organizations, while for leading physicians, clinical training (69%) and negotiation skills (59%) follow. Financial acumen and knowledge of health care legislation rank lowest in both categories.

These data clearly indicate that respondents believe social skills outweigh administrative and clinical capabilities. “Being a physician, or a gifted clinician, does not de facto make you a good leader or prepared to lead,” one Insights Council member says. Another says, “Leadership is about interpersonal skills and emotional intelligence. Not the degree you hold.” A higher percentage of clinical leaders (48%) and clinicians (47%) than executives (36%) responding to the survey consider clinical training a top attribute. One respondent disagrees with a low ranking of financial acumen: “If a physician has business acumen, they have an advantage over non-clinical leaders because they can address and relate to both administration and leaders.”

### Interpersonal Skills Are Key to Successfully Leading Health Care Organizations and Physicians Today

**What are the top three attributes leaders need to successfully lead?**

<table>
<thead>
<tr>
<th>Lead Health Care Organizations</th>
<th>Lead Physicians</th>
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<tbody>
<tr>
<td>82% Interpersonal skills</td>
<td>90% Interpersonal skills</td>
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<tr>
<td>49% Administrative skills</td>
<td>69% Clinical training</td>
</tr>
<tr>
<td>44% Clinical training</td>
<td>59% Negotiation skills</td>
</tr>
<tr>
<td>42% Negotiation skills</td>
<td>31% Administrative skills</td>
</tr>
<tr>
<td>38% Financial acumen</td>
<td>22% Knowledge of health care legislation</td>
</tr>
<tr>
<td>27% Knowledge of health care legislation</td>
<td>14% Financial acumen</td>
</tr>
</tbody>
</table>

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Insights Council members say the most prevalent training for top leaders of their organizations is a medical degree, such as MD or MD-MPH, by a slight margin (28% of respondents). Another 20% say their leaders hold a combination of clinical and non-clinical degrees, such as MD-MBA, and 18% indicate MBAs. The industry norm is far different; according to the American College of Physician Executives, approximately 5% of hospital CEOs are physicians. These results could reflect the Insights Council respondent profile, comprising clinicians, clinical leaders, and health care executives. At 34%, the Northeast is highest in the percentage of organization leaders with an MD, MD-MPH, or other combination of medical degrees. The West and Midwest register 24% and 25%, respectively. Another 14% of respondents say their organization’s top leader holds a degree not specified, and 13% of respondents do not know the training of their organization’s leader.
Clinical leaders are overwhelmingly thought to have the leadership advantages of clinical knowledge (97%) and credibility with the workforce (71%). Non-clinical leaders tip the scales when it comes to managing traditional functions like HR, finance, etc. (77%) and operational expertise (54%). When choosing who has the upper hand in defining vision and managing people and teams effectively, the largest share of respondents say there is “no difference.” If interpersonal skills are indeed the top leadership attribute (see page 4), then clinical and administrative leaders are on even ground. More clinical leaders (40%) and clinicians (34%) responding to the survey think that defining an organization’s vision is best done by a leader with a clinical background. Only 25% of executives think similarly.

### Clinical and Non-Clinical Leaders Each Have Their Strengths

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<thead>
<tr>
<th>Area</th>
<th>Clinical leader</th>
<th>Non-clinical leader</th>
<th>No difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical knowledge and experience</td>
<td>97%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Credibility with the workforce</td>
<td>71%</td>
<td>5%</td>
<td>23%</td>
</tr>
<tr>
<td>Defining vision</td>
<td>33%</td>
<td>18%</td>
<td>49%</td>
</tr>
<tr>
<td>Managing people and teams effectively</td>
<td>18%</td>
<td>29%</td>
<td>53%</td>
</tr>
<tr>
<td>Operational expertise</td>
<td>18%</td>
<td>54%</td>
<td>29%</td>
</tr>
<tr>
<td>Managing traditional functions like HR/finance, etc.</td>
<td>5%</td>
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"Clinical leaders are overwhelmingly thought to have the leadership advantages of clinical knowledge (97%) and credibility with the workforce (71)."
More than half (57%) of Insights Council members say that clinically trained leaders should continue practicing medicine while leading the organization. Only 30% say they should devote their full time to administration of the organization. A higher percentage of clinicians (63%) than executives (51%) feel that clinically trained leaders should maintain both clinical and administrative functions. One survey respondent is skeptical, saying, “A traditionally trained physician who continues to practice and tries to keep one foot in each canoe will likely fall in the water.” Another says leaders need visibility in the clinical setting and can’t be isolated in a remote administrative building.

Most Respondents Feel Clinically Trained Leaders Should Continue Practicing Medicine While Leading Their Organization

Should clinical leaders of health care organizations continue practicing medicine or devote their full time to administration?

- Continue practicing medicine while leading organization: 57%
- Devote full time to administration of organization: 30%
- Don’t know: 13%

A higher percentage of clinicians than executives feel that clinical leaders should continue in a clinical as well as administrative function.

- Clinicians: 63%
- Executives: 51%

“A traditionally trained physician who continues to practice and tries to keep one foot in each canoe will likely fall in the water.”
Nearly three-quarters (72%) of Insights Council members say their organization uses the dyad leadership model — a combination of business and clinical leaders. Only 19% don’t use a dyad model, and 8% don’t know if they do. The model is more prevalent in the Midwest (79%) than in the South (70%) and West (69%). “Clinical training takes 8–10 years — years that others use to train in organizational behavior, economics, etc., that are important to have ... [P]hysicians have a skill gap to overcome when it comes to leadership. It’s not insurmountable, but it’s real,” says one respondent, illuminating the need for a shared leadership model.

Use of Dyad Leadership Model Is Common

Does your organization use dyad leadership models (a combination of business and clinical leaders)?

- Yes: 72%
- No: 19%
- Don’t know: 8%

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“Clinical training takes 8–10 years — years that others use to train in organizational behavior, economics, etc., that are important to have ... [P]hysicians have a skill gap to overcome when it comes to leadership. It’s not insurmountable, but it’s real.”
Exactly half of respondents say the dyad leadership model is extremely effective or very effective for health care organizations. When “effective” is added in, endorsement of the dyad model jumps to 85%. Only 2% of respondents say it is not at all effective. “In any other model, the content experts have insight that is invaluable to the process for success. For political and historical reasons, physicians have been excluded to some extent from major health care decisions and practices, which has cost the organizations efficiency and successful initiatives,” one Insights Council member says.

Strong Support for the Dyad Leadership Model

How effectively do you think dyad models work for health care organizations?

<table>
<thead>
<tr>
<th></th>
<th>Extremely effective</th>
<th>Very effective</th>
<th>Effective</th>
<th>Not very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base = 868</td>
<td>16%</td>
<td>34%</td>
<td>35%</td>
<td>13%</td>
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</tbody>
</table>

“In any other model, the content experts have insight that is invaluable to the process for success. For political and historical reasons, physicians have been excluded to some extent from major health care decisions and practices, which has cost the organizations efficiency and successful initiatives.”
Just over half of survey respondents (53%) say physicians make better leaders of health care organizations than non-clinical leaders. Clinical leaders (61%) and clinicians (55%) among the respondents are more likely to think that physicians make better health care organization leaders than are executives (43%). One respondent asks rhetorically, “How can you effectively lead a health care organization without understanding the practice of medicine?” Another adds, “Physicians can provide better context and keep the focus on high-quality, equitable, and safe patient care,” as opposed to a non-clinical leader who would have fewer experiences in those areas and might lack “the compassion and competence” needed to complement the business aspect of care.

Physicians Favored as Leaders of Health Care Organizations

Do you think physicians make better or worse leaders of health care organizations than non-clinical leaders?

- 53% Better
- 37% No difference
- 10% Worse

Clinical leaders and clinicians are more likely to think that physicians make better health care organization leaders than executives.

- Clinical Leaders: 61%
- Clinicians: 55%
- Executives: 43%

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“How can you effectively lead a health care organization without understanding the practice of medicine?”
Verbatim Comments from Survey Respondents

Do you think physicians make better or worse leaders of health care organizations than non-clinical leaders? Why?

Better:

“There is an understanding of what it is like in the trenches. Credibility and ‘been there’ goes a long way. The responsibilities one feels for another person’s life is something that cannot be imagined and helps lead in a ‘first among equals’ manner that empowers others to do their best.”

— Clinician at a large nonprofit health system in the Midwest

“Physicians are] more likely to truly understand the clinical work and be better poised to promote a caring organization. Physicians who continue to practice while leading organizations are not being fair to their patients!”

— CMO of a midsized nonprofit insurer in the South

“Business leaders know business, but often are willing to sacrifice everything but money to meet their goals.”

— Director of a large community hospital in the Northeast

No difference:

“Have seen both: the person, not the background, matters. Have had terrible clinical leaders, and great administrators with no clinical background.”

— Clinician at a large community hospital in the mid-Atlantic region

“Excellent leaders can come from either career background. I believe results are more important than the educational history.”

— Service line chief at a large nonprofit health system in the South

“You either have the ability to lead or you do not. I have worked with good and bad. The fact that they were physicians or administrators made no difference. They were still either good or bad.”

— Executive at a for-profit insurer in the Mountain West
Worse:

“Unless [physicians] have some training in HR and management they are not aware of certain rules. Good clinical skills help but they also need to be trained a bit in magnet concepts.”

— Clinician at a nonprofit health system in the South

“[Physicians] get brushed aside by boards of directors and by business-driven health care organizations.”

— Service line chief at a midsized teaching hospital in New England

“Tough to straddle clinical colleagues and administration.”

— Director of a mid-sized for-profit physician organization in the Pacific West
Methodology

• The “Leading Physicians and Physician Leadership Survey” was conducted by NEJM Catalyst, powered by the NEJM Catalyst Insights Council.

• The NEJM Catalyst Insights Council is a qualified group of U.S. executives, clinical leaders, and clinicians at organizations directly involved in health care delivery, who bring an expert perspective and set of experiences to the conversation about health care transformation. They are change agents who are both influential and knowledgeable.

• In April 2017, an online survey was sent to the NEJM Catalyst Insights Council.

• A total of 868 completed surveys are included in the analysis. The margin of error for a base of 868 is +/-2.9% at the 95% confidence interval.

NEJM Catalyst Insights Council

We’d like to acknowledge the NEJM Catalyst Insights Council. Insights Council members participate in monthly surveys with specific topics on health care delivery. These results are published as NEJM Catalyst Insights Reports, such as this one, including summary findings, key takeaways from NEJM Catalyst leaders, expert analysis, and commentary.

It is through the Insights Council’s participation and commitment to the transformation of health care delivery that we are able to provide actionable data that can help move the industry forward in a positive direction. To join your peers in the conversation, visit join.catalyst.nejm.org/insights-council.
**Respondent Profile**

### Audience Segment
- Executive: 27%
- Clinician: 47%
- Clinical Leader: 26%

### Organization Setting
- Hospital: 37%
- Health system: 16%
- Physician organization: 9%
- Other: 38%

### Type of Organization
- For profit: 28%
- Nonprofit: 72%

### Number of beds (Among hospitals)
- 1 - 50: 6%
- 51 - 199: 14%
- 200 - 499: 36%
- 500 - 999: 25%
- 1000+: 18%

### Number of Sites (Among health systems)
- 1 - 5: 17%
- 6 - 20: 22%
- 21 - 49: 17%
- 50+: 45%

### Number of Physicians (Among physician organizations)
- 1 - 9: 17%
- 10 - 49: 20%
- 50 - 99: 8%
- 100+: 55%

### Net Patient Revenue (Base = 730)
- > $5 billion: 11%
- $1 - $4.9 billion: 27%
- $500 - $999.9 million: 9%
- $100 - 499.9 million: 16%
- $10 - 99.9 million: 20%
- < $9.9 million: 16%

### Region
- 29% of respondents represent the West region.
- 27% of respondents are from the South region.
- 21% of respondents are from the Northeast region.
- 23% of respondents are from the Midwest region.