

NECESSARY COMPETENCIES FOR PHYSICIAN LEADERS IN HEALTH CARE ORGANIZATIONS

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In a recently published report, aptly called "The War for Talent," I concluded that the most important corporate resource over the next 20 years will be talent: smart, sophisticated business people who are technologically literate, globally astute, and operationally agile. Even as the demand for talent escalates, the supply will be spiraling downward, culminating in a corporate "war for talent." To win the war, organizations will have to be very skilled at hiring and promoting people and, even more importantly, skilled at retaining them.

Many organizations recognize how important it is to prepare for the shortage of leaders. Several recent studies provide statistics to help gauge organizational readiness. A survey of 400 Fortune 1,000 companies conducted by the Conference Board² revealed that:

- Identifying and developing leaders is the single most pressing issues in their companies
- Only 8% of respondents rated their company's leadership as excellent
- Nearly 50% of respondents rated their leadership capacity to be fair or poor

A survey of consultants conducted by the Management Consulting Services Division³ revealed that:

- More than one-half (58%) of respondents ranked inadequate succession planning as the biggest threat facing businesses with sales of less than \$3 million
- 46% ranked a lack of managerial skills in key positions as another threat

What skills are important in today's leadership positions? Leaders and human resource professionals were asked to indicate which 10 skill areas (out of 31) they believe are the most important for leaders in their organizations (Table 1). In addition, leaders and associates were asked to indicate whether they thought the level of leaders' skills in each area was acceptable, a weakness, or a strength.

Table 1-Skills Rated Most Important

1. Adaptability
2. Building a successful team
3. Communication
4. Decision making
5. Building positive working relationships
6. Managing the job
7. Maintaining a positive disposition
8. Building trust
9. Coaching
10. Building customer loyalty

Leaders and human resources professionals agreed on a core set of six skills that are important for leadership positions today: adaptability, building a successful team, communication, decision making, building positive working relationships, and managing the job. Each group, however, identified a different set of additional skills deemed important for leaders. Upon close examination, these skills seem to reflect the unique perspectives of the groups. Leaders identified skills that address more day-to-day needs, such as coaching, building trust, and maintaining a positive disposition; they use these skills daily to perform their jobs and handle personal interactions. Human resources professionals identified skills that focus on

more long-range goals and needs, such as strategic decision making, facilitating change, and continuous learning. These skills encompass the big picture and tend to be more future-oriented.

Regardless of level, leaders reported that they need to be strong in the following skills:

- Adaptability
- Building a successful team
- Communication
- Decision making
- Building positive working relationships

These top five skills should be at the heart of all leaders' developmental strategies. By strengthening these skills early, leaders can lay a strong foundation on which to build.

Table 2-Important Skills for Leaders

1. Strategic decision making
2. Adaptability
3. Visionary leadership
4. Building a successful team
5. Communication
6. Continuous learning
7. Building positive working relationships
8. Innovation
9. Aligning performance for success
10. Empowering leadership

Future leadership positions will require different skills than those required of today's leaders (Table 2). While many of the same core skills, such as communication and building a successful team, will continue to be important, more long-range skills, such as strategic decision making, will become increasingly important for leaders to possess. When future skill requirements are compared with current skill levels, it is apparent that today's leaders are not adequately prepared for future responsibilities.

Leaders currently are not strong in six of the 10 skills that will be important for future leaders (numbers in parentheses represent the percentage of leaders rating the skill a strength):

- Empowering leadership (49)
- Innovation (46)
- Communication (44)
- Visionary leadership (30)
- Aligning performance for success (27)
- Strategic decision making (25)

Organizations need to select and promote leaders who are strong in these skills, as well as develop their current leaders in these important skill areas to ensure success in the future.

It is certainly useful to see a list of skills that will be important for future leaders to possess. But is it possible to identify where leaders will have to shift their focus the most? Six skills showed the greatest gap between their current and their future importance ratings. Marketing and entrepreneurial insight also made a significant jump in rank. If these skills are to become more important in the workplace, organizations need to provide the proper training for their leaders, as less than a quarter of current leaders see these two skills as strengths.

1. Innovation
2. Empowering leadership
3. Aligning performance for success
4. Strategic decision making
5. Marketing and entrepreneurial insight
6. Visionary leadership

Even with all the information and resources available in today's high-tech world, organizations still have a hard time finding and developing good leaders. "I know it when I see it" is a common response when asked to define the qualities of a good leader. The definition of what makes a good leader has changed over the past 10 years, and it will continue to change. While many leadership core competencies have remained the same, new ones are continually being added. Consider the emerging global leader. In the future, more and more leaders will need to transcend cultures and geographic boundaries. Such change makes it difficult to prepare leaders in the skills they need to be successful. But organizations are not helpless; they can give leaders the resources they need to be able to adapt to changing circumstances. Adaptability is one of the most important skills that leaders will need to meet the challenges of tomorrow. The leadership shortage is real. Organizations need to develop their leaders, or those leaders will go elsewhere. In this survey almost three-quarters of the leaders indicated that they pursue development activities to make themselves more marketable for other jobs. In this age of corporate downsizing and rightsizing, organizations have failed to show loyalty to their employees. Thus, they should not expect employee loyalty in return.

Organizations will not survive the impending leadership crisis by relying on acquiring outside leadership talent alone; they must be more serious about succession management by focusing on developing tomorrow's leaders from today's workforce. In reaction to this situation, most organizations in this study reported that they plan to increase spending on leadership development programs. However, leader development cannot be promoted simply by throwing money at it. Leaders already use a wide range of development activities. So, why do today's leaders still lack strength in critical leadership skills? What are organizations not doing right?

Perhaps organizations should think of leadership development as a joint venture, with leaders taking responsibility for their own development and organizations empowering leaders to do so. The classic development cycle provides a starting point for this partnership. First, the organization and its leaders develop a success profile that describes the skills leaders need for success. Leaders' skills are then assessed and diagnosed against the profile. This assessment provides the feedback leaders need to improve performance. Leaders and their coaches then create a development plan that includes activities designed to enhance the identified skills. Finally, leaders and coaches can measure and monitor success so that future efforts will have greater impact. Organizations can increase the impact of development efforts by paying attention to leaders' preferred learning styles and by offering solutions that are tailored to each person's needs. Training is not always the solution, nor is mentoring or Internet-based learning resources. It's easy to jump on the technology bandwagon and believe that doing the latest thing is doing the best thing. Organizations need to listen to their leaders—they will say what they really need.

References

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