

CEO Briefing Room:

Culture as a Transformative Force

Health care is, in many ways, the ultimate people business. More people work in health care than in nearly any other industry, and everyone’s life has, in some way, been affected by the healthcare system. Doctors, nurses, medical assistants, actuaries, software engineers, customer service representatives and many, many others all get up every morning with the goal of making lives better. Keeping these professionals motivated, mindful and engaged is critical to maintaining a system that serves **all of us** well.

Much of the discussion regarding transforming health care in recent years, however, has focused on health care strategy – **new innovations, new products, new regulations and new ways of reimbursing those who provide care.** We talk of ACOs, tele-health, MACRA and precision medicine. Payers, providers, pharma companies and technology innovators build, acquire and sell businesses; they reorganize and refinance, develop strategic plans and product roadmaps.

All of these activities are important, but what about the people behind them? Peter Drucker is said to have declared, “Culture eats strategy for breakfast.” So what is the culture of health care? **Are those on the front lines of the system engaged in a way to allow new strategies to succeed?**

Unfortunately, much of the data says “no.” A recent Harris Interactive/CareerBuilder survey points to as many as six out of ten health care workers describing themselves as burned out. Other research has shown that 46 percent of physicians are burned out, and nearly one-third of nurses. Health care is a service business. **How do we empower the front lines in new and better ways?**

BURNOUT AMONG HEALTH CARE WORKERS

Healthcare Workers Overall



Doctors



Nurses



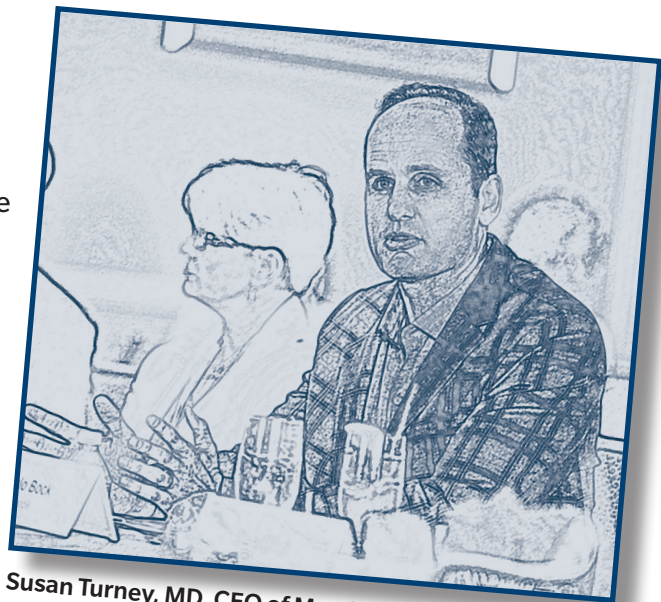
Beyond burnout, there are many aspects of traditional health care culture that have evolved in ways that are incompatible with what the future of health care needs to be.

- *“Doctor knows best” can create challenges in a world of care teams and consumer transparency.*
- *A mindset of risk management can stifle innovation – particularly as health care moves to the digital realm.*
- *Deep specialization has produced incredible medical expertise – but can create barriers to truly integrated care.*

If we want culture to keep pace with industry transformation, where should we look? There are certainly impressive examples of health care organizations on the cutting edge; however it is always wise to explore novel ideas and best practices from organizations beyond health care. And to catalyze transformation, it is critical to step outside organizational comfort zones to consider new – and perhaps disruptive – approaches to culture and people strategies.

In the inaugural CEO Briefing Room, the Health Evolution Summit, in collaboration with Oliver Wyman, brought together a select group of innovative CEOs from payer and provider organizations to discuss re-invigorating health care culture. The members’ diverse perspectives and deep expertise drove a robust discussion around **how health care organizations could foster a culture that not only supports, but breeds innovation.**

Joined by Laszlo Bock, former SVP of People Operations at Google and the author of *WORK RULES!*, the executive group explored the interplay between culture and the path to greater agility. By sharing insights from his work at Google and beyond, Laszlo helped the group catalyze their thinking and move from aspirational thinking to actionable strategies.



Susan Turney, MD, CEO of Marshfield Clinic Health System, and Laszlo Bock, former SVP of People Operations at Google and author of *WORK RULES!*

Forging the path to greater agility

The group agreed that re-examining five cultural pillars is key to transforming health care culture. Those on the cutting edge are already doing much of this.

1 Mission matters

- **Outside health care**

When it comes to mission, Laszlo says Google keeps it clear, simple and aspirational. Google’s mission statement is a single sentence: “Google’s mission is to organize the world’s information and make it universally accessible and useful.” This is a lofty goal, and intentionally so. Despite popular perceptions, Laszlo insists that the Google culture is not about “beanbags and lava lamps,” but instead is about three things:

- A Having a mission that matters
- B Providing transparency
- C Giving people a voice

- **Health care baseline**

On the surface, the mission for all health care organizations is meaningful; after all, what’s more important than providing quality of life for our fellow human beings? **Yet, in focusing on quality measures, affordability goals, service standards and the like, many of us in health care often lose the forest for the trees.**

- **What health care could do**

To foster a motivational culture, we must give teams something to which they can aspire. Turning cancer into a chronic disease? Making primary care available anywhere on the planet? Ensuring no one ever goes bankrupt from health care costs again? What that mission might be certainly varies, but the spirit is the same.

Once the mission is established, **the team must be able to measure progress toward the mission, and be encouraged to speak up with ideas and suggestions to drive that progress.** How many health care dashboards link back to such an aspirational mission? How widely are they published? Do people at every level within the organization feel empowered to shape them?

Mission should be clear, simple, aspirational. But progress should be measurable and contributions should be highly personalized.

2 Sever link between performance and pay

● Outside health care

“When you tie things to money, you get bad behavior,” was a clear conclusion in *WORK RULES!* At Google, goals are simple: tie them to the mission, and then recognize good behavior and positive results financially. In fact, compensation conversations happen completely separate from performance management conversations – and compensation is kept private. Laszlo believes, “If you tie [performance management] to pay, people shut down and get defensive.” Performance management should be about helping people improve, not rewarding or punishing them financially. In fact, Google focuses intently on the bottom 5 percent of employees, and sees the highest return on getting the worst performers to average, rather than making high performers better.

● Health care baseline

In health care, we spend a lot of time talking about incentives – how to design them, change them, implement them and respond to them. What’s the best way for the government to shape the system? For a health plan to get a provider to do something differently? To motivate physicians? **The answer always seems to be the same: financial incentives!**

● What health care could do

While we’re unlikely to move away from “pay for performance,” we can think differently about how we motivate and engage people to improve. Rather than cutting “bad doctors” out of networks, could we work with them to develop performance improvement plans without the initial threat of reduced reimbursement? What about delivering performance reviews at a different time of year than bonus conversations? With an increasing number of doctors on salary, now is the time to re-imagine how we reward value added and value created.

Performance-improvement plans that exist wholly outside of reimbursement may be unorthodox, and just what health care needs.

3 Make collaboration intrinsic

● Outside health care

WORK RULES! discusses the critical importance of collaboration and the challenges in achieving great collaboration. Diverse teams working together, drawing from different types of expertise, produce better products and services than any one person working alone could. When making hiring decisions, Google looks for demonstrated collaboration ability rather than just “star” talent. Through surveys and other instruments, individual employees are asked to reflect on how well they and their teams collaborate – and the simple act of reflection improves collaboration. Individual accomplishments are rarely celebrated publicly; instead, **attention is focused on team achievements.**

● Health care baseline

The same is true in health care: Whether creating a new insurance product, developing a new drug or treating a patient, multi-disciplinary, collaborative teams simply produce better results. But how do we encourage such collaboration?

● What health care could do

Instead of celebrating “best doctors,” could we celebrate “best care teams”? What about making productive collaboration a key dashboard metric? With the care team as a focus, various members might see their distinct roles as contributing to important shared goals such as creating the best patient experience. This is a big **shift from the more traditional doctor-led hierarchy of healthcare.** One approach for health care might be to share data with a team about the results of current methods and then **ask the team what could be improved.**

How to best weave innovation into an organization? Devolve decision making and empower and recognize teams, not individual stars.

4 Expect more from HR

● Outside health care

Google’s People Operations team focuses on the usual human capital-related administrative issues, but they also prioritize **understanding current and future Google employees,** with an emphasis on how to motivate and engage them in service of the company’s mission. The CEO considers People Operations to be a strategic function, and expects insights and actions that drive the strategy of the organization from the ground up.

- Laszlo comes from a non-HR background (former management consultant); and when he was at Google, he focused on building a team with non-traditional competencies. Nearly one-third of the Google People Operations team (as they call it) has deep analytics expertise, including people with PhDs in fields like statistics and psychology. The profiles of people who lead People Operations and support talent throughout an organization have a big impact on culture. The **choice of PhDs and deep analytics experience is especially interesting for health care to consider** given health care's focus on evidence-based decision making.
- **Health care baseline**
The typical health care HR team (in fact, the typical HR team in most industries) spends its time focused on compensation, performance management, union negotiations, benefits, compliance and the like. It's a group of well-intentioned functionaries, largely looking out for costs and risks. HR executives tend to spend their lives immersed in important – but not necessarily strategic – personnel topics, and don't always have a full seat at the table when it comes to strategic decision-making.
- **What health care could do**
What would happen if we asked HR to tackle the hard questions of customer satisfaction, physician burnout, incentive design and variation reduction, rather than delegating them to business leaders or a Chief Medical Officer? In fact, **what if the CHRO was as important as the CMO at a health care company** – and maybe even had an MD rather than a traditional HR background? Just as health care has leveraged consumer experts to innovate, there is strong potential to make change with this type of empowerment.

What if HR came to the table as a strategic contributor, and not just a functionary focused on putting out personnel-related fires?

5 Think long-term

- **Outside health care**
The Google workforce of the future will look vastly different than it does today, as their portfolio continues to shift not just from web to mobile, but from computers to cars and beyond. They also need to continue to ensure a diverse pipeline of talent that reflects the global community they serve. Google's recent efforts include hiring K-12 teachers in underserved communities, sponsoring technology competitions, bringing high-speed Internet to places that have never had it before and partnering with universities around the world to shape the future talent pool.
- **Health baseline**
The entire profession of health care is changing – **health care companies need tech talent as much as they need physicians**, nurses need to be trained differently, scientists need new skills and whole new jobs are being created.

● What health care could do

While health care has made some Google-like moves in this regard (most notably recently with Kaiser Permanente announcing plans to start its own medical school), we could do much more. What if epidemiology became part of the high school statistics curriculum and pharmacists were trained in basic primary care techniques? **Could we reshape the system through longer-term thinking about talent?**

Shifting health care culture doesn't happen overnight or with one high-profile hire; play the long game.

Getting Agile

Google is not most health care organizations, and most health care organizations are not Google. Those in health care have to deal with challenges that innovation-centered companies like Google rarely, if ever, faces – from HIPAA to FDA to licensing requirements and a market that is nowhere near efficient.

Yet we all know culture matters. Viewing health care culture through a transformative lens can help to guide even the most successful health care organizations to further improve their organization's culture. Opportunities to consider are:

Recognize teams, not individuals

Decouple performance management from incentives

Focus on the bottom 5 percent

Encourage experimentation – with context

Empower HR with strategic vision

Devolve decision making

Look for small interventions with big impact

Health Evolution Summit's CEO Briefing Rooms convene a select group of innovative provider and payer CEOs for an intimate, highly interactive discussion to uncover transformative solutions to industry-wide challenges. Each Briefing Room is designed around an executive from a leading company outside of health care to catalyze a conversation in which the members draw on their deep and diverse expertise to push the discussion beyond the traditional boundaries of health.



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Next CEO Briefing Room
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