

# Behavioral Competencies for Health Care Leaders

By Don Hutton and Steve Moulton

*A survey of hospital CEOs shows that many undervalue behaviors that are crucial for effective administration.*

## Executive Summary

Behavioral competencies don't always get the recognition given to more traditional management skills. But it's clear that such attributes as leadership, integrity and dealing with pressure are crucial to successfully leading an organization. A survey of industry leaders indicates general consensus that competencies such as respect, team building and decisiveness are important. But other attributes get short shrift when research indicates they are actually key to CEO success. These include collaboration, innovation and continuous learning, risk taking and work-life balance.

The key to successfully managing a health care organization is having the right leaders. The right leaders will find a way to get the job done. But how do you know when you have the right leader? Why is it that some health care organizations succeed, while others with executives who are believed to be talented are struggling?

### Behavioral vs. Technical Competencies

Behavioral competencies are distinct from technical competencies. Technical competencies—writing, budgeting, marketing—are typically learned in an educational environment or on the job. Behavioral competencies—decisiveness, integrity, dealing with pressure—are learned through life experiences and form our behavior patterns.

As people move higher in organizations, their behavioral competencies determine to a greater extent their success as leaders. In addition, different positions require different behavioral competencies for success. And, as the business environment changes, the leaders in an organization may need different behavioral competencies to tackle the new circumstances.

Jim Nathan, president and CEO of Lee Memorial Health System in Fort Myers, Fla., reports that Lee Memorial has been using behavioral competencies for three years to define management positions, recruit and interview candidates, and develop individual executive development programs. Lee Memorial studies each position to determine which behavioral competencies are required for the person to be successful. The organization trains the interviewers on how to discover if the candidate has the desired competencies.

“Behavioral competencies have helped us clarify the role for which we are recruiting, as a basis for effectively interviewing candidates and to assist with designing individually tailored executive development programs,” says Nathan.

### A Behavioral Competency Survey

In 2004, the Morgan Executive Development Institute (MEDI) conducted a survey of 200 hospital or health system CEOs and industry leaders. It asked them to select

and rank from a list of 28 behavioral competencies those 10 they thought were most important in today's environment. There was a 25 percent response rate, indicating a high level of interest in the topic. From the respondents' scoring and ranking, some natural groupings occurred.

The competencies that respondents chose most frequently were:

- leadership;
- integrity; and
- trust and respect.

The following competencies, although selected somewhat less frequently, were still chosen by a majority of the respondents:

- developing relationships;
- team building;
- strategic perspective;
- concern for quality; and
- decisiveness.

The following competencies were selected very infrequently and received the lowest rankings:

- motivation;
- developing others;
- dealing with pressure;
- verbal communication;
- work-life balance;
- risk taking;
- influence;
- collaboration;
- perceptivity;
- reading the market;
- prioritizing;
- organization awareness;
- decision-making;
- goal setting;
- continuous learning;
- customer service;
- innovation;
- personal responsibility;
- analyzing; and
- diligence.

Behavioral competencies on the final list are not on the radar screen of those who participated in the MEDI survey. MEDI concurs that certain competencies—such as verbal communication, perceptivity or organizational awareness—are desirable but not always necessary for today's health care executive. But with regard to others—such as collaboration, innovation, continuous learning, risk taking and work-life balance—it is hard for MEDI to understand why they were not selected by the respondents more frequently.

#### **Missing the Point?**

In our opinion, the fact that some key behavioral competencies are missing from

the top lists may be indicative of leader shortsightedness. MEDI has studied top-performing CEOs and found that they possess certain behavioral competencies overlooked by the majority of survey respondents:

*Collaboration.* When resources are in short supply, the ability to collaborate is critical. Synergy—sharing ideas and resources with customers, vendors and competitors—is a powerful tool. Gordon Clark, president and CEO of the Governance Institute, states: “Collaboration gives you access to scarce resources—both capital and human talent. Joining forces with others is important in today’s environment, as it will open new possibilities while conserving resources.”

*Innovation and continuous learning.* The old approaches will not solve today’s more complex issues. Innovation and continuous learning will empower the organization. Generating new and different products, processes or solutions, expressing fresh insights and thinking outside existing paradigms empower an organization to arrive at new solutions. Hugh Greene, president and CEO of Baptist Health System, agrees: “To be able to learn new principles and seek opportunities to expand knowledge, skills and abilities is a precursor to innovation.”

*Risk taking.* As we challenge ourselves to perform at a higher level, we must embrace risk taking. Accepting reasonable risks to improve performance by trying new approaches and processes is necessary if today’s health care organization is to grow and survive. Failure will occur in a risk-taking organization, but being willing to fail empowers the leader to be bold when needed. Peter Murphy, president and CEO of St. James Hospital and Health Center, believes that “one reason risk taking may not have been selected is there is little tolerance for failure at the board level.”

*Work-life balance.* We are witnessing an unprecedented dissatisfaction on the part of our current CEOs. The departure of CEOs in their 50s suggests that many of them are burning out. They are working 60 to 70 hours a week, taking work home at night and on weekends, and bringing laptops and cell phones on vacation. Rulon Stacey, president and CEO of Poudre Valley Health System, states, “The organization needs to recognize that the nonstop demands of the job can prevent a balance of work and personal life and drain the CEO of both physical and personal energy needed to perform at high levels.”

### Selecting the Right Leaders

The results of the survey clearly show that there is a lack of appreciation for the value of some critical behavioral competencies. There are CEOs studied by MEDI who value these competencies, and such CEOs are outperforming their peers. Then there are many CEOs who work hard and give it their best but are not getting the job done. They may want to conduct an inventory of their behavioral competencies and those of their executive team to determine if they have the right mix. Defining the behavioral competencies that are required to attain success in your organization, given your current environment, will tell you if you have the right leaders.

**Don Hutton, FACHE**, is president of Morgan Executive Development Institute in Ponte Vedra Beach, Fla. **Steve Moulton** is president and CEO of Action Insight in Bloomfield, Colo.

## Implications for Leaders

**Recognize the importance of behavioral competencies, especially at the top of the organization.** Attributes such as decisiveness, integrity and dealing with pressure are learned through life experience and increase in importance as a leader moves up in an organization.

**Focus on leadership and respect.** These competencies, along with integrity, trust, team building and concern for quality, are generally seen as important.

**Consider some hidden competencies.** Studies of top-performing CEOs find that some behavioral competencies are key but are not well recognized. These include collaboration, innovation and continuous learning, risk taking and work-life balance.

**Inventory behavioral competencies.** If CEO effectiveness is a problem, a review of the behavioral competencies of the CEO and executive team could help determine if they have the right mix.