

American College of Physician Executives

The Making of a Physician CEO

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During the 1990's, the hospital and health system boards focused on the business aspects of health care. This brought about marked improvement in the day-to-day management of our hospitals but that is not enough.

These days, the No. 1 concern of hospital boards is the quality of the care being rendered. Who better to lead an organization interested in quality than a person who has dedicated their life to providing quality medical care?

This trend toward hiring physicians is good news for those who aspire to be a CEO. There is one major problem. Having the passion and desire to be a physician CEO is not enough, even if you have invested in the time and training to continue your education and learn about the field of management.

To make the transition from clinician to executive takes a major change in the way you think and behave. To be a successful CEO you have to master the leadership skills required of a CEO. These are frequently very different than the skills of a successful clinician.

Being selected by a board to be CEO is only half the challenge. It has been estimated that approximately 50 percent of the first time CEOs fail in the first seven to eight years.

By definition, these are men and women who have never held the CEO position and must transition from a previous management role into the CEO role. This failure rate of executives who have a management background and who are viewed by the boards would suggest that making the transition into the CEO role is a doubly difficult task for physicians.

For those physicians who are interested in pursuing the health system CEO role it is suggested that you plan your career carefully to position yourself to be considered by boards as a qualified candidate.

Too often physicians do not take time to understand what will make them a qualified CEO candidate. Having an MBA and a willingness to take on the responsibility will only get you so far. You need to be able to demonstrate you have the leadership skills to lead the organization.

Developing leadership skills is not considered to a high priority in medical schools so most physicians find this to be a challenging task.

As a physician you are called upon to direct and command those around you. As a CEO your role is one of leading and empowering others to get the job done. The skill sets of both are very different and if

you are only accomplished at giving commands you will not be an effective leader.

One way to learn these new skill sets is to use an executive coach. Coaching is a way of working with people that leaves them more competent in the skills sets they wish to master so they can contribute more to their organization.

As physicians, we learn about leadership from our teachers, residents, and attending faculty. As such we believe that leadership is a top-down activity which rests on clear authority. We, in turn, exert direct authority through writing "orders" that we assume will be carried out mostly without question. In other words, leadership and "followership" are clearly linear and vertical.

But administrative management and leadership are complex, involve horizontal matrix partners and require collective input to solve complicated multi-dimensional and cross-departmental problems. Engaging and influencing skills are fundamental. However, it has often been said that physicians are great team leaders, but poor team players!

Breaking and reassembling this authoritative paradigm to one of influence and persuasion is as difficult for a physician as stopping drinking is for an alcoholic. The latter cannot usually achieve his change without outside help, and the same is true for the vast majority of physician executives who move to the highest levels of responsibility.