

Leadership, Boards, and the Hard Job of “Soft” Skills

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In healthcare today, executives must learn both the “hard” and “soft” leadership skills needed to effectuate cultural change. As boards look to develop internal leaders for succession purposes or interview external candidates to fill a CEO vacancy, they will better ensure the success of the new leader if they select the candidate based on an assessment of these soft skills.

The hard skills that we learn academically—finance, accounting, marketing, operations, business law, human resources, mergers and acquisitions, etc.—and practice daily to run the organization, are foundational. Soft skills are becoming even more important for leaders but are not often part of a healthcare professional's training. These skills differentiate a mediocre leader from a great one, or sometimes a successful leader from an unsuccessful one. Leaders who succeed in the CEO role often do so because they possess these soft skills.

Soft skills consist of, among other things, effective communication; holding others and oneself accountable; building, developing, and leading teams; emotional intelligence; vision; inspiring others; integrity and empathy; listening; and leading people through influence rather than authority.

These abilities are not easily taught, but they are telling. Whether leaders possess soft skill competencies is often apparent to the staff of the organizations they lead.

Numerous examples exist of leaders lacking soft skills who, demonstrating little insight into their own failings, have caused tremendous turnover in their leadership ranks and nearly driven their organizations to ruin.

Examples of leaders who have demonstrated a command of the soft skills are just as readily available. John “Jack” Lynch III, FACHE, President and CEO of Main Line Health in Bryn Mawr, Pennsylvania, is one such leader. When I worked for him, he made an effort to get to know everyone, regardless of how much pressure he was facing. People felt he genuinely cared about them. He has assembled great teams of leaders



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and led his organizations to great heights.

One can often judge the strength of a leader by the strength and longevity of his or her leadership team.

Soft skills make the difference between a leader others work for and a leader who others want to work for and follow.

Transformational Leadership

Leading people through change

requires the use of such soft skills as vision, communication, and trust. If people are going to follow you through times of change, they must see where they are going, understand why change is needed, and trust you will guide them to a better place.

It is also true that no matter how many soft skills are brought to bear, there are likely to be holdouts. Not everyone will be willing to support a movement in the direction of substantial change. It is human nature to want to hang on to what you know, can control, and can predict. In the case of big bets, fear of change can prove risky. Before you decide to commit fully to a change, it is essential to ensure your stakeholders are engaged with and aware of the need for the transformation.

In 2017, St. Luke's Health System, in Boise, Idaho, placed 34 percent of its revenue under global risk agreements, its first step toward providing value-based care. This gained the attention of the market and the organization's physicians and employees in a way that simply dabbling in value-based arrangements could never have achieved.

Faced with an imperative to transform, healthcare organizations must adapt quickly and not retreat from change. Unfortunately, many organizations end up retreating, and when leadership waivers, management resists. When management resists, boards get cold feet and great team members leave.

St. Luke's made its transformation after years of planning while still operating under a fee-for-service reimbursement model. This enabled the



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Key Board Takeaways

Boards at healthcare organizations undergoing transformation optimally support leadership and the team by understanding that:

- When leaders do succeed, it is often due to the presence of “soft” skills.
- Transformational leadership can be the hardest of all forms of leadership, unless the change is forced upon you. Otherwise, change takes time.
- Getting people to change requires setting a clear vision, a case for urgency, an outline of how to get there, and communication. Leaders must be prepared to tell the story repeatedly and in different ways.
- Trust, hard work, and relationships are essential to success. People have to trust leaders, and leaders have to work hard to develop and maintain relationships. They are what you will fall back on when times get tough.
- Board and executive team alignment is critical.

system to compensate for early losses from risk arrangements.

With fee-for-service reimbursement now declining, a possible result is that many health systems will resist changing their business models until they are forced to by the losses they will experience under fee-for-service. By that point, they will be pressured to change without the benefit of having years to plan and prepare or the ability to offset early losses under a value-based care model with ongoing fee-for-service reimbursement. That could lead to a downward financial spiral for some organizations.

Thankfully, that is not St. Luke's story. Although it has not completed its shift to a value-based environment, it is well on its way, thanks to the fantastic team of executives, a supportive board, thousands of dedicated employees, and the system's amazing physician partners behind this successful transformation.

Soft skills are the differentiators between satisfactory leaders and great leaders, especially in times of change. They can be taught to some extent, but it is essential for young leaders to have role models who demonstrate these

soft skills and to have the opportunity to practice them. Learning soft skills comes with experience. Even the most seasoned healthcare leaders must continue to hone these essential but more elusive competencies, and boards are well-advised to assess and hire for leaders' soft skills.

How can a board identify transformational leaders with a good command of soft skills? Look for experience in successfully leading a significant change, even if there are mistakes along the way. When leading through a significant change, every leader is bound to

make mistakes. How they handle those mistakes so that they still lead the organization through the change will tell you a lot about their soft skills. It is also important to talk to others who went through the change with the leader to gain an understanding of their perspective of that person's leadership.

It may also be time to start targeting recruitment of new board members for their soft skills. Board members can be incredible mentors and advisors to leaders, especially during challenging times. Having board members with strong soft skills can be of incredible

value in advising about approaches to take in difficult situations.

The Governance Institute thanks David C. Pate, M.D., J.D., FACP, Immediate Past President and CEO, St. Luke's Health System, for contributing this article, which was adapted from a column in the summer 2019 issue of Chief Executive Officer newsletter. He can be reached at njohnson@slhs.org. His writing can be found at www.stlukesonline.org/blogs.