

# Five Steps to Leading Strategically

**Catholic Healthcare Partners used them effectively, and so can you.**

By Richard Hughes and Katherine Beatty

MOST ORGANIZATIONS devote serious time and resources to developing a business strategy that will help them build and sustain a competitive advantage. Those same organizations, however, often fail to devote sufficient attention to the leadership component of their plans—the organizational and human capabilities they need to implement their approach and to find success over the long haul.

To excel, organizations need a leadership strategy as well. An effective leadership strategy encompasses an organization's values and culture. It also addresses the role of systems in facilitating leadership and development, as well as strategies for improving the effectiveness of individuals and teams—from training, coaching, and mentoring to developmental assignments and team building.

At the Center for Creative Leadership (CCL), we've found that only a few executives have mastered the process of encouraging behaviors that are most likely to drive enduring success. In fact, most senior executives simply haven't thought about the relationship between business strategy and leadership strategy.

The good news is that you can help your organization succeed. And while effectiveness depends on the active support of your leadership team, you have the opportunity to be an individual champion for strategic change.

Below are five important steps that you can take to help your organization build leadership strategy. To further explain the endeavor, we have illustrated how one major not-for-profit hospital system successfully implemented each crucial step. Use the questions that follow each of these steps to begin raising awareness among your senior leaders.

## 1 Clarify aspirations and business strategy

**Ask yourself:** Does your organization have a compelling vision and clear mission? Does it espouse values that people accept and embrace?

Is there a clear understanding of your organization's strategic drivers and business strategy?

Can you identify improvements to the strategy development process that will promote ongoing and widespread under-

standing and commitment?

One organization that exemplifies the power of clarifying aspirations and strategy is Catholic Healthcare Partners (CHP), one of the largest not-for-profit hospital systems in the United States. An ongoing challenge for this forward-looking organization is balancing its mission as a faith-based healing ministry with the dynamic and evolving challenges of a 21st century healthcare business.

Originally founded by Catholic sisters, CHP today has a mostly lay leadership team. Even so, it remains committed to the faith-based values and perspectives on which it was founded, including its mission to provide healthcare to the poor and underserved.

While it is a challenge for any healthcare system to provide clinically superior services while remaining financially viable, it's even more of a challenge when an organization's mission calls for it to serve those who cannot afford to pay.

"It requires more than that," says CHP Senior Vice President Jon Abeles. "It also means living out the values of our organization in the context of everything we do."

As a result, an important part of CHP's leadership strategy is making sure its values are understood and embraced throughout the hospital system.

"With no more sisters present in key administrative positions," Abeles says, "it's incumbent upon our leadership team to be able to articulate who we are and what we do in comparison to other healthcare organizations, so that we are aligned with our mission and live our values every day. Leaders in CHP need to have a passion for the ministry, be able to articulate it continuously to our associates, and project it in the communities we serve."

## 2 Identify capabilities to implement business strategy

**Ask yourself:** What are the new organizational capabilities needed as a result of changes in your competitive environment?

Will you need to practice leadership differently as a result of those new competitive challenges?

How will you support ongoing organizational change and the individual, team,

and organizational learning it requires?

At Catholic Healthcare Partners, senior leaders embraced the importance of aligning the organization's strategic priorities with the critical leadership factors needed to meet them. The senior management team met for several days to debate those qualities and identified these five as most critical: a passion for CHP's mission and values, servant leadership, the ability to handle complex mental processes, a bias for action, and the ability to develop others.

The organization's vision of ongoing leadership development for its next generation of leaders came to be known as the "leadership academy." Key objectives for the academy included identifying a pool of high-potential executives for higher positions and helping them develop skills in critical leadership areas; building a cadre of next-generation leaders committed to carrying on the organization's mission and values; and imbuing a sense of "systemness" in executives across the different regions of the organization.

### 3 Assess those capabilities

**Ask yourself:** Are there changes needed in your organization's culture because of new competitive challenges?

Are you able to identify and minimize aspects of your structure that undercut the ability of individuals and teams to implement your strategy effectively?

Do you have mechanisms in place for maintaining a strategic perspective amid tactical, day-to-day demands?

Does your organization have adequate systems for attracting, developing, and retaining the talent needed for success?

The culture, structures, and systems at CHP have been crucial to its success in enacting strategic leadership. CHP executives conveyed their commitment to the organizational mission in addition to their pragmatic determination to deliver both high-quality service and business results for the larger organization.

Most CHP executives displayed a genuine and selfless subordination to a higher organizational cause. As out-

siders visiting CHP to take part in an organizational intervention, we felt welcomed in this environment. That is not always the case with CCL clients. At some other organizations, we have felt that staff members were threatened by our presence and were circling the wagons as a result.

It is also worth noting that while other organizations we have worked with utilized reward and recognition systems that encouraged individual achievement, CHP's system offers relatively greater incentives to encourage collaborative work within clinical teams, across departments, across hospitals, and so on. Overall, the combined impact of culture, systems, and structure at CHP created fertile soil for making strategy a learning process.

### 4 Make leadership development a key component

**Ask yourself:** Which competencies are most critical to the success of your organization and its business strategy?

Does your leadership development strategy incorporate multiple types of experiences: training, coaching, mentoring, action learning, and developmental job assignments?

Have you created a feedback-rich environment that includes regular opportunities for 360-degree leader effectiveness feedback from bosses, peers, direct reports, and other key stakeholders, as well as periodic self-assessments?

Do you provide opportunities for developing not only individual leaders, but also strategic teams?

The leadership development process that took shape at Catholic Healthcare Partners is one of unusual depth: It includes a deliberate enculturation process for new leaders in the system. Because they may not be Catholic and may never have worked in a faith-based healthcare system before, it was important for new leaders to understand and embody the organization's values and to be able to teach them to others.

To achieve this enculturation, the CHP leadership academy uses multiple classroom sessions focusing on values and

the assessments and development of individual and organizational leadership capacities. That includes rounds of action-learning projects based on complex, strategic-level business problems, as well as individual and team coaching. An extensive evaluation process tracks participants' progress, their influence on the organization's future, and how the organization supports their development and the transfer of learning into action.

### 5 Get top leadership support

**Ask yourself:** Does the top see leadership as a strategic competitive advantage?

Are members of your senior team willing to be public champions of leadership and leadership development?

Do you have a communication plan for making the link between your leadership strategy and business strategy understood throughout the organization?

Leadership development at Catholic Healthcare Partners begins at the top. Everyone is involved: from the CEO down. For example, each member of CHP's executive team works with an individual coach. What's more, the team works with a coach to make continual improvements in its collective effectiveness.

From the very start, the leadership academy at CHP enjoyed strong support and participation from the organization's executive management team. They identified, screened, and recommended high-potential individuals for inclusion. They authorized absences from regular work obligations so managers could fulfill their academy training commitments. They suggested business dilemmas that could be used in action-learning projects, and sponsored, facilitated, and responded to the work of action-learning teams.

As a result of this top-down commitment, CHP has reaped many benefits from its leadership academy, including greater leadership effectiveness, a deeper connection and commitment to the organization's mission and values, and strengthened cross-regional and cross-functional networks. Other outcomes transcended the benefits to individual participants. For example, action-learn-

ing projects have brought greater clarity to partnerships with other healthcare facilities, reduced turnover rates among nurses, and fostered a more comprehensive focus on diversity in the workplace.

Initiating major organizational change is typically the responsibility of a CEO or senior leadership team. But that doesn't mean others can't promote new ways or influence more senior leaders.

Regardless of your position, you can impact your organization in a number of ways. For example, you can raise issues with your own boss. You can ask questions about some potentially counterproductive aspects of your organization's culture, while also being savvy enough to acknowledge the reasons they may have emerged. You can raise awareness among senior executives by acknowledging the link between business strategy and leadership strategy and the changes needed to produce desired results over the long haul. Also, you could try implementing new behavioral practices within your own area of responsibility and sharing the results with others throughout the organization.

But above all, you can promote a positive dialogue. Instead of pointing out what's wrong with the current situation, explore whether different conditions could be the foundation for attaining higher levels of sustainable, competitive advantage. Although impact on the broader organization may seem "above your pay grade," the outcome of your efforts could well be some of your greatest contributions as a strategic leader. **TD**

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