Leadership for Health System Transformation: What's Needed in Canada? Brief for the Canadian Nurses Association's National Expert Commission on The Health of Our Nation – The Future of Our Health System

Raquel M. Meyer, RN, PhD
Assistant Professor
MOHLTC Nursing Early Career Researcher
Lawrence S. Bloomberg Faculty of Nursing, University of Toronto

Susan VanDeVelde-Coke
ACEN President

Karima Velji
Chair, ACEN Leadership/Policy Committee

Overview

The purpose of this brief is to recommend what is needed for health executives and senior leaders to effectively lead health system transformation in Canada. To develop a truly integrated patient-centred healthcare system, health leaders are called upon to work across boundaries related to organizations, professions, sectors, geography and jurisdictions.

We offer the following recommendations to strengthen the role of executive leadership in transforming the Canadian healthcare system:

1. Balance national vision and strategy with local flexibility
2. Develop avant-garde executive leadership competencies
3. Tap into expertise to develop executive leadership capacity and accelerate change
4. Foster executive leadership continuity and succession planning

Note: In this brief, the terms "executive" and "health leader" both refer to executive and senior management leadership roles in healthcare.

What Is ACEN?

The Academy of Canadian Executive Nurses represents the voice of nursing leadership in Canada. Founded over 30 years ago, ACEN is now a network of nurses in executive and leadership positions in healthcare, education, research, government, and health and nursing associations. ACEN provides a forum for nurse executives to deal with unique challenges and a network to influence federal policies on several health-related subjects in the interest of better healthcare for Canadians.

ACEN would be pleased to collaborate with the CNA's National Expert Commission and other key stakeholders to support and implement emerging recommendations in our organizations and regions and at the national level.

Canadian Values and the Leadership Imperative

Canada's healthcare system is fundamental to Canadian culture and identity. Canadians strongly support the Canada Health Act's principles of administration, comprehensiveness, universality, portability and accessibility and are concerned about the long-term sustainability and accountability of our healthcare system (Commission on the Future of Health Care in Canada 2002).

Tommy Douglas, the father of Canadian medicare, envisioned an acute care system solidly underpinned by a comprehensive primary and public health system to optimize the health status of Canadians (Margoshes 1999). A preventive approach to population health was essential to minimizing acute care demands and ensuring a sustainable health system. As Michael Rachlis has pointed out, although we have committed to funding acute care systems extensively, we have yet to achieve the second stage of medicare (Rachlis 2007). Integration of health services across the continuum of care is urgently needed, given the dramatic increases in life expectancy and chronic disease prevalence over the past 50 years. The second stage of medicare must build a system that is population health focused, equitable, patient-centred, effective, accessible and safe (Rachlis 2007). To achieve these goals, the health system must be efficient, accountable and appropriately resourced and be based on non-profit delivery (Rachlis 2007).

What's needed from health leaders to achieve this transformation of the Canadian healthcare system? Visionary and servant leadership, ethical decision-making and the adoption of innovation grounded in the principles of the Canada Health Act are all necessary to uphold these core Canadian values (Canadian College of Health Service Executives 2005; May and Ferguson-Paré 1997). This brief extends the discussion by recommending strategies to strengthen the contributions of health leaders to transforming the Canadian health system.

Leadership Challenges in Health System Transformation

Despite decades of restructuring, the Canadian healthcare "system" remains a patchwork of health services. Health leaders face many challenges to develop a truly integrated patient-centred health system. In recent years, regional health authorities and local integrated health networks have required health leaders to work across organizational, sectoral and geographic boundaries to align local needs with broader systemic priorities. Health leaders are also contending with flattened structures and leadership shortages within organizations, as well as fluctuations in labour and financial markets (Baker 2001; Leatt and Porter 2003). These trends are complicated by increasing pressure to demonstrate improved quality and outcomes relative to population health needs, in a transparent, accountable and cost-effective manner (Leatt and Porter 2003).

In coming years, key challenges that will continue to drive health system transformation include:

- the need for integrated delivery of health services across the continuum (Leatt et al. 2000) to manage a growing population of clients with chronic conditions (Baker 2001), as well as the complex legal, financial, regulatory and leadership issues that accompany such a reorganization of services;
- advances in technology, such as pharmacogenetics and bioinformatics, which will not only alter the costs and methods of medical treatment, but also the power dynamics of the healthcare industry (Baker 2001);
- a shrinking government tax base coupled with an aging baby-boomer population and anticipated healthcare provider shortages, which will oblige health leaders to provide more healthcare service with fewer resources (Shamian 2010).

While organizations have made great strides in reorganizing services and building cultures to support patient-centred care, now is the time for health leaders to harness their collective efforts to develop a truly integrated patient-centred healthcare system for Canadians and to achieve the second stage of medicare.

Approach

Information for this brief was synthesized from a variety of sources, including a literature search on the professional competence of executive health leaders. Commentaries by opinion leaders and lessons learned about health system transformation from the Veterans Health Administration (VHA) in the United States, the National Health Service (NHS) in the United Kingdom, the Jönköping County Council in Sweden and Canada were also included. Synthesis of information from all sources was guided by the following questions:

1. What is the leadership imperative to transform Canada's healthcare system?
2. What leadership lessons can be learned from other jurisdictions?
3. What competencies and characteristics are needed in future leaders to enable transformative change in Canada's healthcare system?

Recommendation 1: Balance national vision and strategy with local flexibility

Although mainly delivered through organizations and networks, health services for populations are positioned within a broader healthcare system (Denis et al. 2011). The planning, design and funding of health systems are influenced by the limits and opportunities afforded by broader political, economic, social and technological contexts (F/P/T Advisory Committee 2005). The interplay between the local level, where services are delivered, and the systemic level, where overall strategy is determined, is key to health system transformation.

First, a singular, compelling vision and a performance orientation were pivotal to focusing efforts and effecting large-scale health system change. A clear and consistent vision and the metrics to monitor progress and accountability towards the vision were central to transformations in the VHA, NHS and Sweden (Baker et al. 2008a; Fooks and Decter 2005; Rachlis 2004).

Second, local flexibility in adaptation of performance measures and in change implementation supported health system transformation. Tailoring performance measures to the clinical populations served enabled health leaders in the VHA and in Sweden to drive changes that were meaningful to care providers and patients (Baker et al. 2008a,b; Rachlis 2004). In the NHS, a recent shift from compliance with quality standards to commitment to quality improvement is allowing health leaders flexibility and creativity in leading local change (Blackler 2006; CHSRF 2011).

An overarching national vision and strategy for Canadian health system transformation will enable health leaders to rally around shared goals. Local flexibility in aligning priorities and performance measures within an overall Canadian strategy will enable health leaders to meet local needs and to improve quality.

Recommendation 2: Develop avant-garde executive leadership competencies

A review and synthesis of recent literature on professional competence (Arnold et al. 2006; Englebright and Perlin 2008; Hartman and Crow 2002; Huston 2008; Kirk 2008, 2009; May and Ferguson-Paré 1997; Meadows et al. 2003, 2005; Misener et al. 1997; Palarca et al. 2008; Porter-O'Grady and Malloch 2009; Sentell and Fenstuen 1998; Stefl 2008; Sutto et al. 2008) revealed high consistency with the Canadian College of Health Service Executives' competencies (2005), which include leadership, communication, lifelong learning, consumer and community responsiveness and public relations, political awareness in the health environment, conceptual skills, results-oriented management, resources management and compliance with standards, ethics and laws (see Appendix A).

The following are newly emerging competencies identified from the literature:

- Global awareness and interoperability (Huston 2008; Palarca et al. 2008) is the ability to dialogue externally and internally with other leaders and to proactively identify and synthesize healthcare and health profession issues (e.g., pandemics, migration of health human resources) across diverse cultures and markets. This competency facilitates the planning and alignment of national, regional and local healthcare initiatives across professional, organizational, sectoral and jurisdictional boundaries.
- Public policy acumen (Margoshes 1999; May and Ferguson-Paré 1997; Rachlis 2004; Shamian et al. 2002) is the ability to assess the broader policy context, to position healthcare on the policy agenda and to engage and gain the commitment of policy makers and influential stakeholders in adopting change. This competency enables health leaders to secure the political will that is necessary to address the broad determinants of health and the systemic nature of healthcare issues.
- Rapid response capacity (Hartman and Crow 2002; Huston 2008) is the ability to use short-term, highly responsive strategy formulation and implementation skills. This competency aids health leaders in adapting proactively to a rapidly changing healthcare industry characterized by fragmentation and turbulence.
- State-of-the-art communication and information technology savvy (Huston 2008; Wertenberger et al. 2011) refers to the ability to apply work design processes to virtual communication modalities and to harness emerging information technologies (e.g., biometrics, information systems, electronic records). This competency facilitates the portability and integration of relationships and operational processes.
- Innovation (Hartman and Crow 2002; May and Ferguson-Paré 1997; Porter-O'Grady and Malloch 2009) is a state of being that draws on all executive competencies to strategically redesign health services to achieve an integrated health system in a manner that is both responsive to the changing context and consistent with core values.

These emerging leadership competencies are crucial to transforming increasingly integrated, virtual and high-tech health systems in globalized, policy-driven and rapidly changing contexts.

Recommendation 3: Tap into expertise to develop executive leadership capacity and accelerate change

Many health systems attributed success in the transformation process to investing in the ongoing training of executive and medical leaders. A key lesson is that organizational learning and cultural change were expedited by tapping into centralized expertise outside the organization (Levine 2008).

For example, the VHA, NHS and Sweden purposefully trained health leaders in change implementation through the Institute for Healthcare Improvement in the United States, with some systems subsequently developing internal capacity to spread these improvement methods (Baker et al. 2008a; Levine 2008; Martin 2008; Rachlis 2004). Both the NHS and Sweden invested in leadership councils to foster leadership capacity, as well as mentoring relationships with either leading healthcare corporations or experts from abroad (Baker et al. 2008a,c; Martin 2008).

Investing in centralized or national initiatives, such as the Canadian Health Leadership Network (CHLNet), to increase local training and to create mentoring partnerships among organizations are potential approaches to tapping into external expertise that will accelerate health system change in Canada.

Recommendation 4: Foster executive leadership continuity and succession planning

Health leader tenure, stability and succession planning enable transformative change and improve health system performance. In Canada, the supply of executive and management roles will soon suffer deep losses due to the baby boomer retirement demographic, who will be very difficult to replace because of the advanced educational and experiential requirements associated with health leadership roles (Hewitt 2006).

Allowing administrators to build long and successful careers within an organization enhanced transformation efforts in the VHA, NHS and Sweden (Baker et al. 2008a,b; Levine 2008). Succession planning through extensive training and leadership development at all levels was essential to ensuring ongoing transformation of the system (Baker et al. 2008a,b). Developing clinician leaders was critical to success in the NHS (Baker et al. 2008c), and similar calls have been heard in Canada (CHSRF 2011; Denis et al. 2011; Shamian 2010). By virtue of their professional expertise, clinician executives are well positioned to unravel the complexity of point-of-care issues, incorporate the broad determinants of health, balance financial and clinical outcomes, and foster collaborative interdisciplinary cultures (Denis et al. 2011; Rachlis 2004; Shamian 2010).

Monitoring the production, supply and deployment of qualified health leaders as part of an overall health human resources strategy will inform system-level planning for health leadership sustainability. A deliberate strategy to cultivate a critical mass of clinician executives across all disciplines will strengthen the interface between management and clinical domains and facilitate local and system-level transformation.

Call to Action

For these recommendations to be put into action, ACEN provides the following considerations to the Commission:

- Articulation of a compelling, national vision for system-level change grounded in the principles of the Canada Health Act is essential to achieving an integrated patient-centred health system for Canadians.
- A strong, overarching federal strategy balanced with jurisdictional flexibility will enable health leaders to meet the population health needs of Canadians in local contexts.
- Investing in the development of avant-garde executive competencies will enhance leadership capacity for rapid health system innovation.
- Tapping into expertise to develop leadership and quality improvement capacity and mentoring partnerships will accelerate health system change.
- Growing a critical mass of clinician executives will enhance local and systemic change.
- Fostering executive continuity and planning for succession will ensure the sustainability of health leadership in Canada.

Healthcare remains integral to our Canadian identity. To achieve the second stage of medicare, that is, the fully comprehensive and preventive medicare system originally envisioned by Tommy Douglas, we must consider who will lead systemic innovation and redesign. Urgent action is required to ensure a vanguard of visionary and influential health leaders who will enable the successful transformation of our Canadian healthcare system.

References

Arnold, L., K. Drenkard, S. Ela, J. Goedken, C. Hamilton, C. Harris, N. Holecek and M. White. 2006. "Strategic Positioning for Nursing Excellence in Health Systems: Insights from Chief Nursing Executives." *Nursing Administration Quarterly* 30(1): 11–20.

Baker, R. 2001. "Healthcare Managers in the Complex World of Healthcare." *Frontiers of Health Services Management* 18(2): 23–32.

Baker, G.R., A. MacIntosh-Murray, C. Porcellato, L. Dionne, K. Stelmacovich and K. Born. 2008a. "Jönköping County Council – Småland, Sweden." In *High Performing Healthcare Systems: Delivering Quality by Design* (Chapter 4, pp. 122–144). Toronto: Longwoods Publishing. Retrieved November 29, 2011. <http://www.longwoods.com/content/20144>.

Baker, G.R., A. MacIntosh-Murray, C. Porcellato, L. Dionne, K. Stelmacovich, and K. Born. 2008b. "Veterans Affairs New England Healthcare System (Veterans Integrated Service Network 1)." In *High Performing Healthcare Systems: Delivering Quality by Design* (Chapter 3, pp. 71–114). Toronto: Longwoods Publishing. Retrieved November 29, 2011. <http://www.longwoods.com/content/20142>.

Baker, G.R., A. MacIntosh-Murray, C. Porcellato, L. Dionne, K. Stelmacovich, and K. Born. 2008c. "Birmingham East and North Primary Care Trust and Heart of England Foundation Trust – Birmingham, UK." In H*igh Performing Healthcare Systems: Delivering Quality by Design* (Chapter 2, pp. 27–64). Toronto: Longwoods Publishing. Retrieved November 29, 2011. <http://www.longwoods.com/content/20135>.

Blackler, F. 2006. "Chief Executives and the Modernization of the English National Health Service." *Leadership* 2(5): 5–30.

Canadian College of Health Service Executives. 2005. "Competencies for Today's Health Service Executive." Retrieved November 29, 2011. <http://www.cchse.org/assets/certification/2005%20Competencies%20for%20Certified%20Health%20Executives.pdf>.

Canadian Health Services Research Foundation (CHSRF). 2011. *CEO Forum 2011: Report of the Fifth Annual CEO Forum.* Ottawa: Author.

Commission on the Future of Health Care in Canada. 2002 (November). *Building on Values: The Future of Health Care in Canada – Final Report.* Commissioner: R.J. Romanow. Saskatoon: Author.

Denis, J., H.T.O. Davies, E. Ferlie and L. Fitzgerald. 2011. *Assessing Initiatives to Transform Healthcare Systems: Lessons for the Canadian Healthcare System.* Ottawa: Canadian Health Services Research Foundation.

Englebright, J. and J. Perlin. 2008. "The Chief Nurse Executive Role in Large Healthcare Systems." *Nursing Administration Quarterly* 32(3): 188–94.

Federal/Provincial/Territorial (F/T/P) *Advisory Committee on Health Delivery and Human Resources. 2005. A Framework for Collaborative Pan-Canadian Health Human Resources Planning.* Ottawa: Author.

Hartman, S.J. and S.M. Crow. 2002. "Executive Development in Healthcare During Times of Turbulence: Top Management Perceptions and Recommendations." *Journal of Management in Medicine* 16(4–5): 359–70.

Fooks, C. and M. Decter. 2005. "Commentary: The Transformation Experience of the Veterans Health Administration and Its Relevance to Canada." *HealthcarePapers* 5(4): 60–64.

Hewitt, A. 2006. *Health Leaders and Managers in Canada: The Human Resource Dilemma*. Ottawa: Canadian College of Health Service Executives.

Huston, C. 2008. "Preparing Nurse Leaders for 2020." *Journal of Nursing Management* 16: 905–11.

Kirk, H. 2008. "Nurse Executive Director Effectiveness: A Systematic Review of the Literature." *Nursing Management* 16(3): 374–81.

Kirk, H. 2009. "Factors Identified by Nurse Executive Directors as Important to Their Success." *Journal of Nursing Management* 17(8): 956–64.

Leatt, P., G.H. Pink and M. Guerriere. 2000. "Towards a Canadian Model of Integrated Healthcare." *HealthcarePapers* 1(2): 13–35.

Leatt, P. and J. Porter. 2003. "Where Are the Healthcare Leaders? The Need for Investment in Leadership Development." *HealthcarePapers* 4(1): 14–31.

Levine, D. 2008. "Commentary: Veterans Affairs New England Healthcare System (VISN 1)." In *High Performing Healthcare Systems: Delivering Quality by Design* (pp. 115–120). Toronto: Longwoods Publishing. Retrieved November 29, 2011. <http://www.longwoods.com/content/20143>.

Margoshes, D. 1999. *Tommy Douglas: Building the New Society.* Lantzville, BC: The Quest Library.

Martin, M. 2008. "Commentary: Birmingham East and North Primary Care Trust and Heart of England Foundation Trust." In *High Performing Healthcare Systems: Delivering Quality by Design* (pp. 65–70). Toronto: Longwoods Publishing. Retrieved November 29, 2011. <http://www.longwoods.com/content/20141>.

May, K.A. and M. Ferguson-Paré. 1997. "Preparing Nurse Leaders for the Future: Views from Canada." *Seminars for Nurse Managers* 5(2): 97–105.

Meadows, A.B., K. Finstuen and R.P. Hudak. 2003. "Pharmacy Executives: Leadership Issues and Associated Skills, Knowledge, and Abilities in the U.S. Department of Defense." *Journal of the American Pharmacists Association* 43(3): 412–18.

Meadows, A.B., L.L. Maine, E.K. Keyes, K. Pearson and K. Finstuen. 2005. "Pharmacy Executive Leadership Issues and Associated Skills, Knowledge, and Abilities." *Journal of the American Pharmacists Association* 45(1): 55–62.

Misener, T.R., J.W. Alexander, A.J. Blaha, P.N. Clarke, C.M. Cover, G.M. Felton, S.G. Fuller, J.

Herman, M.M. Rodes and H.R. Sharp. 1997. "National Delphi Study to Determine Competencies for Nursing Leadership in Public Health." *Image: Journal of Nursing Scholarship* 29(1): 47–51.

Palarca, C., S. Johnson, A.D. Mangelsdorff and K. Finstuen. 2008. "Building from Within: Identifying Leadership Competencies for Future Navy Nurse Executives." *Nursing Administration Quarterly* 32(3): 216–25.

Porter-O'Grady, T. and K. Malloch. 2009. "Leaders of Innovation: Transforming Post-Industrial Healthcare." *Journal of Nursing Administration* 39(6): 245–48.

Rachlis, M. 2007. "Completing the Vision: Achieving the Second Stage of Medicare." In G. Marchildon and B. Campbell, eds., *Medicare: Facts, Myths, Problems, Promise.* Toronto: James Lorimer. Retrieved November 29, 2011. <http://www.policyalternatives.ca/publications/reports/medicare>.

Rachlis, M. 2004. *Prescription for Excellence: How Innovation Is Saving Canada's Healthcare System.* Retrieved November 29, 2011. <http://www.michaelrachlis.com/pubs/Prescription%20for%20Excellence%20pb%200412.pdf>.

Sentell, J.W. and K. Finstuen. 1998. "Executive Skills 21: A Forecast of Leadership Skills and Associated Competencies Required by Naval Hospital Administrators into the 21st Century." *Military Medicine* 163(1): 3–8.

Shamian, J. 2010. "Clinician Executives: A New Breed of Leader." *Canadian Journal of Nursing Leadership* 23(4): 22–27.

Shamian, J., J. Skelton-Green and M. Villeneuve. 2002. "Policy Is the Lever for Effecting Change." In *Realities of Canadian Nursing* (pp. 83–104). Philadelphia: Lippincott, Williams & Wilkins.

Stefl, M.E. 2008. "Common Competencies for All Healthcare Managers: The Healthcare Leadership Alliance Model." *Journal of Healthcare Management* 53(6): 360–73.

Sutto, N.B., M.D. Knoell, K. Zucker, K. Finstuen and A.D. Mangelsdorf. 2008. "Executive Competencies of Nurses in the Veterans Health Administration." *Military Medicine* 173(1): 47–53.

Wertenberger, S., K.M. Chapman and S. Wright-Brown. 2011. The Department of Veterans Health Administration Office of Nursing Service, "Transforming Nursing in a National Healthcare System: An Example of Transformation in Action." *Nursing Administration Quarterly* 35(3): 260–69.

Appendix A: Competencies for Health Service Executives

Canadian College of Health Service Executives (2005)

These are the nine competencies that are seen as essential for leaders of health service organizations:

1. Leadership
   Defining a vision and guiding individuals and groups while maintaining group cohesiveness, motivation, commitment and effectiveness.
   - vision
   - team capabilities
   - flexibility
   - personal management
   - commitment
2. Communication
   Communicating information effectively and understanding the essence and subtle meanings of what is said.
   - verbal communication
   - listening

- written communication

3. Lifelong Learning
   Continually learning and promoting the value of learning for self and others.
   - self-directed learning
   - teaching/mentoring/facilitating
   - emotional intelligence
4. Consumer and Community Responsiveness; Public Relations
   Responding to consumer and community needs; actively partnering with and promoting positive relations with the community and consumer groups.
   - public relations
   - responsiveness
   - partnerships
5. Political Awareness in the Health Environment
   Sensitivity to political issues and the health environment and their impact; furthering health services through active involvement.
   - political awareness and sensitivity
   - health services environment
   - determinants of health
6. Conceptual Skills
   Identifying and analyzing situations and problems to find viable solutions, and approaching tasks and problems in a way that considers total systems and strategies.
   - analysis and synthesis
   - problem solving
   - systems thinking
   - emotional intelligence
7. Results-Oriented Management
   Establishing courses of action for self and others to achieve results.
   - planning
   - implementation
   - monitoring/evaluating
8. Resources Management
   Managing human, capital, financial and information resources so that organizational objectives are achieved.
   - human resources/intellectual capital
   - financial resources
   - capital/material assets
   - information
9. Compliance with Standards, Ethics and Laws
   Promoting compliance with accreditation standards and ethical and legal requirements.
   - accreditation standards
   - ethical practices
   - legislation