

Quint Studer Discusses 5 Important Issues Facing Hospital Leaders

Written by Ariel Levine

Quint Studer, founder of the Studer Group, a healthcare consulting firm that coaches thousands of leaders at organizations worldwide on creating and sustaining service and operational excellence, and recently named one of the "Top 100 Most Powerful People" by *Modern Healthcare*, discussed with *Becker's Hospital Review* five of the most important issues he believes currently face hospital leadership.

1. Financial crisis limits access to capital

The market strain has affected every sector, from Main Street to Wall Street, and it has certainly affected hospitals and healthcare organizations. This is easily the top issue for hospital leaders, says Mr. Studer.

“What I’ve found in healthcare, over the last 20 years, is that the No. 1 challenge is financial,” he says. “Charitable giving is down, and getting access to capital is becoming more difficult. As a healthcare industry, we tend to be very regimented, so as soon as we see our revenue being squeezed, we look to cut expenses, beat up vendors, change group purchasing deals and squeeze our labor.”

Mr. Studer says that while he understands this reaction, taking these restrictive measures can do more harm than good to a healthcare organization in the long run. Many of those cost-cutting activities can ultimately impair an organization’s ability to function optimally. It’s often smarter to reduce costs by limiting a factor such as employee turnover, for example, because this not only improves organizational performance but also eliminates money wasted on hiring new staff. Without running afoul of ethics, you want to find ways to positively impact both your balance sheet and your patients, so that the actions you take are sustainable long-term.

2. Resistance to change hinders execution

Mr. Studer suggests that healthcare leaders begin to view hospitals more holistically. That is, they should focus on their organizations' cultures, make systems transparent, standardize functions and make evidence-based decisions in order to stabilize their organizations financially.

Mr. Studer cites the example of Dave Fox, CEO of Advocate Good Samaritan Hospital in Downers Grove, Ill., who leads using a values-based system.

“Dave finds cost savings by focusing on and preventing preventable errors such as central-line infections and hospital acquired pneumonia. By focusing on these issues, he was able to make a significant impact. He saved lives, and money — about \$92,000,” says Mr. Studer. “Cutting infections lets patients heal faster, return home sooner, [which means it] costs less to care for them. Everybody wins.

“That’s a sustainable way to manage finances, as opposed to cutting out staffing or

freezing travel budgets, both of which end up having a negative impact at times."

Mr. Studer notes that if hospital leaders are "kept busy with symptoms, they will miss root causes." Hospitals should try to cultivate a "culture of execution": If you can't execute actions, you are not maximizing the investments you've already brought in, he says. Although individuals in the healthcare field are typically hesitant to change, "Leaders have to understand cause and effect and lead evidence based-leadership," he says. "For example, the research on hourly rounding to prevent falls is clear: Falls are reduced 50 percent. If every hospital in the United States rounded on patients hourly, we could prevent 250,000 falls, 75,000 injuries and save the American healthcare system more than \$2 billion."

When programs such as this fail to be carried out and when projects are late or over budget, it is rarely a problem in planning, he says, but rather in the execution.

"In many cases, hospitals are led by people like me, in their 50s, who were trained during a time when there wasn't a nursing shortage, when financial challenges were met with tweaked hours or negotiation. It's hard to do things a little differently," says Mr. Studer. "The first thing organizations need to look at is whether they have the right accountability system in place. Without a value system, they won't achieve their goals. They need to look at themselves in full-circle mode. Then they need to make sure their leaders have the skill sets they need to be successful."

Many organizations struggle with maintaining strong leadership because they fail to allocate resources for supporting and further developing leadership, he says. Unfortunately, when organizations cut costs, training and development often top the list. The Studer Group teaches organizations how to assert their goals, and trains them to close the gap between current skills/ current performance and new skills required to enhance performance. It also teaches leaders to use their new skills to re-emphasize organizational goals regarding staff behavior.

3. Lack of communication leads to major losses

Mr. Studer observes that leaders are often too busy to effectively communicate decisions to their organizations. Part of the reason is that executives don't want middle managers to have to deal with external changes, thinking they are better left undistracted by budget cuts or larger administrative decisions. But this approach doesn't allow organizations the agility necessary to change together and potentially alienates the individuals the leaders are trying to protect.

"The best thing you can do to be financially sound is reduce employee turnover," says Mr. Studer. "A startling stat reveals a direct correlation between length of stay and employee turnover. There are cost savings in that. And what's more, mortality is lowered."

If employees don't know why a supervisor or organization leader decides to, for example, cut the budget, they may lose their desire to work for the organization, leading to

turnover and extra cost. This underlines the importance of communication to patient and employee satisfaction, says Mr. Studer.

4. Leaders must consider women's needs

Understanding your employees can ensure they are satisfied. Mr. Studer notes that women comprise approximately 83 percent of the hospital workforce. So while it's certainly important to work on your organization's culture of execution, sense of values and goals, if you are forgetting to incorporate the unique needs of a predominantly female workforce into the organizational plans, you're likely making a mistake.

In creating a culture for your organization you have to create an environment women enjoy being in, Mr. Studer says. On Oct. 29, the Studer Group released the findings of a 2007 study regarding work/life blend among women employed in healthcare. The 20-minute online survey was distributed nationally and 7,792 women responded. The results, which were discussed at the Creating Great Places for Women to Work Summit for Senior Leaders in Chicago, were clear: Hospital leaders must consider women when they structure the culture and management of their organizations.

"A woman in healthcare feels she has to make one decision a week that puts her at odds either at work or at home," Mr. Studer says. Women who don't work for healthcare organizations aren't put in this position as frequently, he says. For example, if a child is hurt at school, most parents will leave their jobs to check on their child, but many women who work in healthcare are unable to do this because patient care requires their presence. This can cause conflict, since the priorities of the job displace a woman's ability to care for her family.

Mr. Studer says that, in his career, he has found that one of the keys to job satisfaction for women in healthcare is that they feel supported by supervisors. He further notes that, in many situations, that supervisor, hospital leader or CEO is a man, so he needs to think about that dynamic and how he relates information and supports his employees, both men and women.

5. Execution and productivity should become top goals

Mr. Studer believes that, without a value system, an organization lacks strong leadership and accountability. Employee and patient satisfaction suffer, productivity slows and execution of policies and programs weakens. Every organization should evaluate whether it is implementing practical and long-term beneficial tactics to save lives and money, and ensure decisions are evidence-based. For example, although many leaders find peer interviews threatening in relation to hiring, Mr. Studer noted the strong correlation between letting employees hire and a decrease in turnover. Policies need to be made with evidence and then those policies need to be standardized.

When making changes, an organization should avoid taking on too many projects at once, as this could hurt all projects, Mr. Studer says. It is also critical for organizations to not reward employees who hinder growth and quality.

“Healthcare as an industry hangs onto low performers longer than other industries [because many of us have a] care-taking mentality,” Mr. Studer says. “This absolutely kills us on productivity.”

-- Mr. Studer has spent the last 20 years in the healthcare industry. Before founding the Studer Group, he was the COO of Holy Cross Hospital in Chicago and president of the Baptist Hospital in Pensacola, Fla. He is the author of many books including *Hardwiring Excellence*, *101 Answers to Questions Leaders Ask* and *Results That Last*. For more information, e-mail Mr. Studer at quint@studergroup.com or visit www.studergroup.com.