EXECUTIVE SUMMARY

With heightened emphasis on the imperatives to improve the quality and efficiency of healthcare delivered in U.S. hospitals and health systems, healthcare managers are challenged to consider innovative approaches to address these issues. Leadership development programs are increasingly common offerings within healthcare organizations, but linking such initiatives to quality and efficiency improvement programs remains rare.

This article uses data from three qualitative studies of leadership development in healthcare to answer the question, "What opportunities might exist to use leadership development programs to improve quality and efficiency?" Interviews from 200 individuals were conducted between September 2003 and December 2007 with hospital and health system managers and executives, academic experts, consultants, individuals representing associations and vendors of leadership development programs, and program participants.

Analyses of these data showed that leadership development programs provide four important opportunities to improve quality and efficiency in healthcare: (1) by increasing the caliber of the workforce, (2) by enhancing efficiency in the organization's education and development activities, (3) by reducing turnover and related expenses, and (4) by focusing organizational attention on specific strategic priorities. Several concrete examples of how to leverage leadership development in these ways are provided to help managers consider how to apply these research findings.

Healthcare managers can use the results reported from these studies to extend the reach of current leadership development programs or to inform the design of new initiatives that focus specifically on quality and efficiency improvement. Although quantitative metrics are required to measure definitive improvements in quality and efficiency in healthcare, these qualitative data highlight opportunities through which leadership development initiatives can contribute to improvement efforts.

For more information on the concepts in this article, please contact Dr. McAlearney at mcalearnen.1@osu.edu. This research was supported by the Center for Health Management Research, the American College of Healthcare Executives, and the Division of Health Services Management and Policy at The Ohio State University.
Given the imperative to improve quality and efficiency in healthcare, organizations, researchers, and policymakers are currently challenged to develop and implement both innovative and proven methods to address these issues (Flood and Escarce 2007). Concerns such as the high and rising costs of medical care (Cutler 2004; Catlin et al. 2007), the potential of health information technologies to reduce medical errors and improve care delivery efficiency (Bates et al. 1998; Bates et al. 1999; McAlearney et al. 2007), and the startling quality chasm affecting both the insured and uninsured in the United States (IOM 2001; McGlynn et al. 2003; Newhouse 2002) are but three examples of pressing challenges highlighted in the recent literature.

In healthcare organizations, however, both development and implementation of initiatives designed to improve quality and efficiency rely on successful execution by individuals. Such initiatives are often introduced within a confusing organizational context where healthcare leaders are charged to address quality and efficiency concerns in addition to a myriad of other competing organizational priorities. Healthcare leaders are bombarded with daily demands to address a combination of clinical, managerial, and community issues (Hofmann and Perry 2005; Ramanujam and Rousseau 2004; Russell and Greenspan 2005; Smedley et al. 2002; McAlearney 2006; Schneller 1997), while striving to successfully serve their multiple stakeholders. Thus, although a clear imperative may exist to improve quality and efficiency in healthcare, it is vague on how to execute this agenda in practice.

Leadership development programs are defined as educational interventions designed to address and improve the leadership capabilities of individuals. Rooted in the traditions of management training, leadership development programs can focus on improving both individual job performance and managerial skills (Burke and Day 1986; Day et al. 2004; Giber et al. 2000; Tichy 1999), and research has shown that leadership development programs can have measurable effects on organizational culture (Schein 1985) and organizational climate (Moxnes and Eilertsen 1991). By facilitating learning (Gray and Snell 1985), leadership development programs include interventions that are intended to enhance leaders’ effectiveness, such as skills-based training, 360-degree feedback, developmental relationships that include mentoring and coaching, focused job assignments, and action learning (McCall et al. 1998; McCauley et al. 1998; Revans 1980).

Leadership development programs provide an important avenue through which both new and established leaders can receive education and training to meet their ongoing developmental needs. This article uses data from three extensive qualitative studies of leadership development in healthcare to explore the question of how leadership development programs can be used to address the important issues of improving quality and efficiency in this industry.

Importance of This Research
This research contributes to the literature in various ways. First, this project uses the largest collection of qualitative
data available to explore the issue of leadership development in healthcare organizations, focusing on a specific research question that has not yet been asked. Second, these data allow investigation of the issues surrounding leadership development and opportunities presented by leadership development programs from organizational and individual perspectives. By asking questions about organizations' practices and individuals' experiences, these three studies move beyond single points of view to consider both the context and practices of leadership development. Finally, findings from this analysis can help organizations understand how leadership development activities can support their strategic goals to improve quality of care and efficiency in healthcare as well as recognize that options for accommodating different leadership development approaches can be incorporated in virtually all healthcare organizations.

METHODS

Research Summary

Over the past four years, 200 key informant interviews have been conducted with participants in three studies, each of which was designed to better understand different aspects of leadership development in healthcare (Table 1). These three research studies were all exploratory and consisted of open-ended questions around the general research topic of leadership development in the healthcare industry. The first study, "Leadership Development in Healthcare: Practical Strategies for Healthcare Organizations," specifically investigated the content and process of leadership development programs in healthcare across the United States. A total of 160 key informant interviews were conducted from 2003 to 2004. Key informants included recognized experts in healthcare leadership who were purposely selected through a snowball sampling approach, informants who were selected through a focused study of specific healthcare provider organizations, and leadership development program vendors known to have ongoing leadership development initiatives. Interviews covered nine question domains, including such topic areas as program content, implementation, evaluation, and changes.

The second exploratory study, "Leadership Development and Succession Management in Healthcare Organizations," was begun in 2004 to extend the first study and specifically investigate emerging topics, including succession planning and strategic leadership program planning. As part of this second study, 20 key informant interviews were conducted from 2004 to 2006 with representatives of healthcare provider organizations concerned about the topics of succession management and leadership development. This study focused on seven question domains in the areas of leadership development and succession management, but there was less emphasis on implementation here than in the first study.

The third study, "Executive Leadership Development in Healthcare Organizations: Exploring the Evidence," is ongoing and was designed to learn more about executive leadership training and development programs in healthcare provider organizations. Since the study was initiated in 2006, 20 key informant
This qualitative research design (Maxwell 1996) was consistent with the exploratory nature and objectives of each of the three studies and provided opportunities to investigate different issues as they emerged in response to answers to the original interview questions. Given the suspicion that key informants’ perspectives about leadership development in these topic areas were both varied and multidimensional (Miles and Huberman 1994), the qualitative design was particularly appropriate for all three studies. Further, this qualitative methodology enabled the researchers to collect rich information about multiple facets of leadership development in healthcare with a variety of key informants across the country, which would have been extremely difficult to obtain using quantitative methods (Crabtree and Miller 1999; Miles and Huberman 1994). Across all three studies, no potential key informant contacted refused to participate.

**Table 1**

<table>
<thead>
<tr>
<th>Description</th>
<th>Number (%)</th>
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<tbody>
<tr>
<td>Experts</td>
<td></td>
</tr>
<tr>
<td>Association leaders</td>
<td>17 (42%)</td>
</tr>
<tr>
<td>University faculty</td>
<td>14 (34%)</td>
</tr>
<tr>
<td>Industry consultants</td>
<td>10 (24%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Executive level</td>
<td>52 (33%)</td>
</tr>
<tr>
<td>Director level</td>
<td>55 (35%)</td>
</tr>
<tr>
<td>Manager level</td>
<td>35 (22%)</td>
</tr>
<tr>
<td>Program participant</td>
<td>17 (11%)</td>
</tr>
<tr>
<td>Total key informants</td>
<td>200</td>
</tr>
</tbody>
</table>

Interviews have been held. These exploratory interviews focused specifically on executive-level leadership development programs and initiatives; the four broad topic domains were consistent with the prior two studies.

**Research Design**

For all key informant interviews, standard, semistructured interview guides (different versions corresponding to the three studies) were used that included open-ended questions to guide the interviews and probing questions to obtain additional information (McCracken 1988; Miles and Huberman 1994). All of the original interview guides were pilot tested with leaders in local healthcare provider organizations before they were used in the research. Interviews lasted 15 to 90 minutes, and the average duration was 45 minutes. Approximately half of the interviews were conducted in person and half were conducted over the telephone.
USING LEADERSHIP DEVELOPMENT TO IMPROVE QUALITY AND EFFICIENCY IN HEALTHCARE

Human-subject approval was obtained through the Institutional Review Board of The Ohio State University, and all participants were assured that their voluntary participation would remain anonymous.

Analyses
A predominant majority of interviews were audiotaped and transcribed verbatim, but extensive field notes were collected in the two cases where taping was infeasible. The constant comparative method of qualitative data analysis was applied (Glaser and Strauss 1967), and common approaches were used to code the data (Constatas 1992; Miles and Huberman 1994). Qualitative data analysis software (Atlas.ti, version 4.2, Scientific Software Development, Berlin, 1998) was used to support much of these analyses.

Research Question
To develop the concepts and ideas reported in this article, the data from all three studies were aggregated, and the general research question was asked: "What opportunities exist to use leadership development programs to improve quality and efficiency?"

To specifically explore this issue in the data, interview transcripts were reviewed using a search function for the key words "efficiency," "quality," "strategy," and "benefit," in addition to reviewing individual transcripts. Additional conversations with professional colleagues and an ongoing literature review have helped the attempt to conceptualize, compare, validate, and extend findings, when appropriate (Glaser and Strauss 1967).

RESULTS

Using Leadership Development to Improve Quality and Efficiency
Across studies, leadership development programs were found to provide four main opportunities to improve quality and efficiency in healthcare: (1) by increasing the caliber and quality of the healthcare workforce, (2) by improving efficiency in the organization's education and development activities, (3) by reducing turnover and related expenses, and (4) by focusing organizational attention on specific strategic priorities related to quality and efficiency. Each of these opportunities is described in further detail in the sections that follow. In addition, Table 2 summarizes these four opportunities and provides additional information about potential activities to consider in order to capitalize on each opportunity.

1. Improving the Caliber and Quality of the Workforce. Although multiple efforts are underway to improve quality and efficiency in healthcare, many of the results of such programs depend directly on appropriate focus and successful implementation, guided by skilled leaders. An effective leadership development program has broad organizational reach, touching both employees and affiliated professionals and spanning the organization. With this reach, leadership development programs can be used to help new and established leaders, as well as those in administrative and clinical roles, to improve their leadership skills and abilities to perform their job functions. As one informant explained, with a leadership development program,
### TABLE 2
Using Leadership Development to Improve Quality and Efficiency

<table>
<thead>
<tr>
<th>Opportunities for Leadership Development</th>
<th>Potential Activities</th>
</tr>
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| Improve the caliber and quality of the workforce | • Improve overall leadership skills of workforce to increase competencies and capabilities of employees and associated clinicians  
• Focus training in specific areas related to cost reduction, quality of care, and so forth  
• Provide clinician training and development in focused areas  
• Create opportunities for application of new skills, including planning structured follow-up after developmental programs |
| Improve efficiency in organizational education and development | • Focus development agenda for employees to reduce duplication and enable cross-communication regarding employee education and training activities  
• Take advantage of opportunities to provide development training and education in-house to reduce travel expenses and extend reach of programs |
| Reduce employee turnover and related expenses | • Tie leadership development activities to employee satisfaction surveys to emphasize importance of employee retention and satisfaction  
• Provide focused training for clinically trained individuals to learn leadership skills to reduce employee frustration and improve likelihood of success of clinician-employee promotion |
| Focus organizational attention on strategic priorities | • Deliver leadership development training and education explicitly linked to the organization’s strategic planning process  
• Design and deliver specific education and development modules, courses, and programs focused on quality of care, operational efficiency, and so forth  
• Tie performance-evaluation metrics to organizational goals, such as improving quality of care, reducing costs, improving patient satisfaction, and so forth, holding leaders accountable for success while making appropriate education and training available to help people meet goals |

If these “keys to success” are specifically focused on reducing costs, for example, then a program designed to address this issue can have an important impact. In the organizational opportunity is “to have a package in place where the keys to success are understood at the appropriate level by the appropriate people.”
another example, leadership development programs can be used to target education and training to those with specific needs. This informant also described how there are “certain issues that physicians need to have training on that are not medical [and] have to do with organization and the culture and where we are moving”; these are the issues addressed in his organization’s leadership development program. Considering the increasing demands for quality and efficiency in healthcare, such leadership development programs can provide an appropriate vehicle by which to provide this education and training.

The crucial need for strong leaders was expressed across all three studies. As one informant described when relating the history of her program, “we needed to build more bench strength in our leadership overall. We tended to go outside to hire managers.” This realization stimulated plans for a leadership development program that was designed because “we needed to have some people in the bullpen [who were] able to step up to the plate” when senior leaders left. In other settings, the specific importance of leadership competencies was emphasized as the “key” to organizational success on multiple levels. As one interviewee explained, “If I could find a magic bullet, it’s all about relationships and building those relationships. You have to be financially savvy and know how to have a strategy but even if you are really good at that and you are not good at relating to people I think over the long haul you are not going to be successful.”

Another informant explained how the constantly changing organizational environment increased demands on employees: “A lot of roles were changing and responsibilities were changing and as you know in healthcare people tend to have to take on more responsibilities.” Similarly, one interviewee noted, “I think we are going through an enormous amount of change. It never stops. And trying to support the staff and the system in those challenges is very difficult. It’s very stressful.” Ideally, leadership development programs help to better equip individuals as effective leaders so that they can more appropriately respond to organizational challenges, including those related to improving quality and efficiency in the context of limited resources and rapid change.

2. Improving Efficiency in Education and Development. A second major opportunity for leadership development programs to improve quality and efficiency in healthcare is through a direct efficiency impact. In many healthcare organizations, employee development proceeds haphazardly, and there is little cross-communication about successful or unsuccessful approaches to training and education. However, in those organizations with established leadership development programs, among the program metrics upon which initiatives were evaluated were specifically “quality and efficiency.” As one informant explained, “if we offer conference-type opportunities it doesn’t require people to take trips. It is a lot more cost-effective to bring a speaker here to talk to 500 people rather than to send 500 people on a trip.” Another specific example was provided by an organization that used an online education program to ensure
that annual compliance education was completed by emphasizing "the efficiency of getting the annual education done and being sure we can get compliance with it." These types of efficiency examples and the importance of "consistency" were commonly mentioned across the three studies, although they were more frequently mentioned by informants associated with larger hospitals and healthcare systems.

For many larger healthcare systems, centralized leadership development programs provided clear opportunities to improve efficiency by helping to focus on education and development at a system level rather than forcing reliance on entity-level repetition of individual educational programs. One informant described this process in her organization as, "making sure that we have standardization and that we support the hospitals and how they provide that training to their constituency." Another system-level interviewee explained how "there were a lot of politics involved in centralizing the program, but now we don't have to reinvent the wheel in every hospital." In these types of environments, multiple examples were provided of how the programs and professionals involved were "being efficient and learning from one another" by participating in cross-cutting leadership development activities.

3. Reducing Turnover and Related Expenses. A third opportunity for leadership development programs to increase quality and efficiency is the potential for such programs to improve employee satisfaction and retention. As one informant paraphrased the Gallup Organization's research finding (Buckingham and Coffman 1999), "People stay with an organization because of their supervisor. So, if you have good frontline managers who are happy because their middle manager is treating them well, who is happy because his upper-level manager is treating him well—it's like a trickle-down effect. If you have good leadership at the top, and that continues to trickle down, which is what we are working at... that's how you affect organizational performance."

Further, healthcare organizations provide many opportunities for clinically trained persons to assume leadership roles, with or without leadership training. Given the adage repeated by several informants that "just because you are a good doctor doesn't mean you will be a good manager," the potential for leadership development programs to address specific leadership competencies and improve managerial capabilities is certainly appealing. More specifically, when leadership development programs can help individuals become better leaders and managers and this reduces turnover, organizations save money. Given that the U.S. Department of Labor (2005) has estimated that the direct cost of employee turnover is around one-third of annual salary to replace a management-level hospital employee, the potential for leadership development programs to reduce that turnover is undeniably attractive.

4. Focusing Organizational Attention on Priorities of Improved Quality and Efficiency. A fourth opportunity for leadership development programs to tackle this industry challenge is by providing
a vehicle to focus training and development around specific organizational priorities. This opportunity was frequently mentioned in the context of a common language. As one informant noted, there was a need to "get a commitment and a shared vernacular." With leadership development activities, participating individuals will conceivably be more likely to be able to respond to organizational and system concerns about administrative efficiency and providing appropriate quality for the healthcare dollar because they will have "consistency of language and content [that] breaks down some barriers that previously existed." As another interviewee explained, the goal is to get the strategic priorities "hardwired into all the employees, in all you say and do." Thus, if quality and efficiency concerns are clearly explained and participating leaders are appropriately educated, initiatives designed to address those concerns will have a higher likelihood of receiving appropriate organizational attention and energy by virtue of this common understanding. Specific suggestions to immediately focus organizational attention on these priorities are provided in Table 3.

**DISCUSSION**

Organizational change is admittedly difficult, and changing organizational activities and incentives in attempts to improve quality and efficiency is perhaps among the more challenging organizational change initiatives recently introduced in U.S. healthcare organizations. Because many such changes can affect a variety of individuals associated with the organization—clinicians and nonclinicians, employed and nonem-ployed—organization-wide efforts may be required, and leadership development programs can provide a vehicle for this organizational focus. As this article has described, leadership development programs offer opportunities for healthcare organizations to increase the caliber of their workforce, improve efficiency in training and development, reduce turnover and related expenses, and hone strategic focus. Using leadership development programs to emphasize the quality and efficiency improvement imperative, while providing specific training in the skills required to implement new initiatives, has tremendous potential in most healthcare organizations.

Additional research is needed to formally assess the impact of leadership development programs on quality and efficiency-based outcomes. However, most quality and efficiency-focused initiatives could likely be enhanced by considering opportunities to broaden their reach and improve their likelihood of success by linking such initiatives to leadership development programs. By taking advantage of the capabilities and competencies of most healthcare organizations' training, education, and development departments, education and learning experts can help to ensure that efficiency- and quality-focused programs and initiatives are properly and strategically targeted, delivered, and emphasized.

**Study Limitations and Suggestions for Future Studies**

In these qualitative studies, participation rates were outstanding, but use of a snowball sampling technique to select key informants limited the ability to
focus on healthcare organizations that might be considered to have best practices in implementing individual leadership development program components a priori. Further, because these studies were exploratory and none of them was specifically designed to answer the question posed here, this article relies exclusively on the strength of inductive analyses to form conclusions. Although the validity of these reported findings was strengthened by discussions with colleagues and an ongoing review of the literature, the article remains limited in its ability to directly report answers to an a priori research question. Instead,
the study benefits from the large number and broad representation of key informants interviewed.

Future research targeted to study the use and impact of leadership development programs in targeted initiatives to improve quality and efficiency would be invaluable. In particular, this area of study would benefit from incorporating quantitative methods to further enhance our understanding of the role and impact of leadership development on quality and efficiency in healthcare organizations. For instance, an organization interested in using leadership development programs to reduce turnover could track turnover-related expenses as well as measure any changes in employee satisfaction or other standard human resources metrics, such as promotions, transfers, and so forth, that might be associated with the program’s introduction and implementation. Although it may be difficult to directly link factors such as workforce caliber or strategic organizational focus to quantitative measures of quality of care and efficiency, it is certainly conceivable that improvements in these factors will influence the culture and climate of an organization. A research study could be designed to investigate how a leadership development program affects organizational culture and climate, using both qualitative and quantitative methods, and then consider changes in standard measures of quality of care and efficiency that may have occurred during the same time frame. Such research blending quantitative and qualitative methods would undoubtedly be useful to further advance knowledge in this field.

**CONCLUSION**

Leadership development programs provide important opportunities to address the imperative to improve quality and efficiency in healthcare. Whether used directly, by strategically focusing education and training efforts on quality and efficiency concerns, or indirectly, by improving the quality of healthcare leaders and the capabilities of an organization’s workforce to address quality and efficiency issues, leadership development programs hold promise. Organizations and policymakers committed to improving quality and efficiency in healthcare should not overlook opportunities presented by leadership development programs that can be used strategically to support these systemwide goals.

**Acknowledgments**

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PRACTITIONER APPLICATION

Peter W. Butler, executive vice president and chief operating officer, Rush University Medical Center, Chicago

Through extensive interviews with key stakeholders across a variety of healthcare organizations, Ann McAlearney has assembled a unique dataset from which to identify themes in how we as an industry view leadership development. Given the growing public awareness and mandate for higher-quality and efficient care, I commend her for looking into leadership development as another driver in the pursuit of improvement goals.

The period in which the interviews took place—from 2003 through 2007—made me reflect on how much has changed in a brief span of time. Five years ago, healthcare executives were questioning whether quality could even be meaningfully measured, let alone whether we should voluntarily release data on quality. Today, releasing data has become acceptable practice, and many in the industry think that pay-for-performance schemes are a good idea. Pay for performance has become front and center in many organizational strategies, including our own here at Rush University Medical Center. Having the right incentives in place will likely do more than any leadership development intervention to ensure that appropriate attention is given to quality and efficiency.

The descriptions of leadership development in this article also left me struck by the variety of interpretations of this term. McAlearney provides us with her own definition—"educational interventions designed to address and improve the leadership capabilities of individuals"—that I would classify more as a description of leader rather than leadership development. Leadership development incorporates a focus on the relationships among leaders, as a collective system. This distinction is more than academic; individuals are indeed needed to perform, but this performance always takes place within an organizational context.

Healthcare workers do not approach their responsibilities with a mind-set that making mistakes is okay. Sometimes, however, the systems in which they work do not provide the tools, training, or support that permit workers to perform at the highest level possible. Also important to remember is that improving quality and