

# Academic health centres: managing the transition from good to great

Peter Noble, Fiona O'Neill, Andrew Kirk and Edward Hillhouse

**ABSTRACT – Academic health centres (AHCs) bring significant economic and health benefits to a community. This study focuses on four integrated AHCs in the USA. They are described as the ‘traditional great’ or ‘transformational great’, where a number of common characteristics have been identified on how these organisations have demonstrated superior performance over time. The conceptual framework of ‘good to great’ provides a structure to explore key factors that support enhanced performance.**

**KEY WORDS: academic health centres, leadership, performance management**

## Context

The UK government has announced the creation of five academic health science centres (AHSCs) (Box 1).<sup>1</sup> These are partnerships between universities and NHS organisations with variable levels of integration that are supported by robust and transparent governance arrangements. Each AHSC will be expected to deliver clinical and academic excellence with an emphasis on innovation and translational research. Moreover they will be rooted in their local communities where they will act as beacons for the public good and confer both economic and health benefits on the entire population. The key to success will be the achievement of strategic alignment across the tripartite mission, the components of which are interdependent since education and research are the threads that bind together a first-class clinical service. While each partner organisation exhibits excellence in their own right, the key question is whether they will be able to integrate their activity in such a way that they will achieve the required synergy, particularly between ideas and actions. Delivering the vision will require leadership and management of the highest calibre. In order to gain some useful insights into the issues four US academic health centres (AHCs) were studied. These were selected in consultation with the Association of Academic Health Centers on the basis of close geographical proximity, variable levels of integration across the clinical academic mission and their comparative league table

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performance (National Institutes for Health (NIH) rankings and the US News and World Report).

The study was built around the theoretical framework of ‘good to great’ and the observations were tested through action research.<sup>2,3</sup> The first category includes the ‘traditional great’ institutions such as Johns Hopkins Medical School and the University of Pennsylvania School of Medicine, where the comparative performance has been strong over a sustained period of time. The second cohort was the ‘transformative great’, such as Ohio State University and Vanderbilt University, which have both moved from the middle to the upper quartile of US medical centres over a relatively short period of time. Senior officers from the four centres, representing all strands of the tripartite mission, were interviewed using a semi-structured approach and the findings were validated with the interviewees.

## Theoretical base and key findings

Collins<sup>1</sup> identified the characteristics that distinguish ‘great’ companies from ‘good’ ones. He rejects the idea that the social sector needs to become ‘more like a business’ in order to improve performance and argues that the critical distinction is not between business and society, but between great and good and whether organisations deliver on their mission.<sup>3</sup> He identified five key variables that distinguish between good and great performance and these form the framework for this study.

### Great organisations

Each organisation analysed in this study fits with Collins’s definition of ‘great’ in terms of delivering superior performance and making a distinctive impact. Both Johns Hopkins and the University of Pennsylvania, described as historically great from their comparable and consistent performance, have a ‘distinctive brand’. In contrast, Ohio State University and Vanderbilt University have demonstrated a more transformational

### Box 1. UK designated academic health science centres.

Imperial College London and Imperial College Healthcare NHS Trust  
 University College London Partners  
 Manchester Academic Health Science Centre  
 King’s Health Partners  
 Cambridge Academic Health Science Centre

approach to performance improvement, in their aspirations of becoming great. A characteristic of all four organisations was a strong focus on performance metrics, through a balanced scorecard approach. Johns Hopkins has been using the scorecard over the last seven years and has learned from experience not to be dominated by finance, but rather to concentrate on how the organisation is performing against its mission and its impact on the different communities it serves:

*The balanced scorecard was introduced 6 to 7 years ago. We found we had far too many indicators...the Board has requested that we concentrate on 3–5 things...the approach has been to target 3 things over the next 6 months and demonstrate significant progress – thus we have tried to simplify the arrangements*

Johns Hopkins

A key characteristic was the way in which the institutions provided rigorous and transparent evidence, both qualitative and quantitative, to track progress. Many managers were challenged by the view that academic performance cannot be measured reliably. Observations from this study, however, indicated that where this occurred, it was often a result of line managers lacking discipline in the appraisal process or failing to adhere to strategic priorities. Both Johns Hopkins and the University of Pennsylvania have developed a ‘high-performance’ culture in which it is ‘what you do’ and not ‘who you are’ that defines your value to the organisation.

A consistent theme from the interviews related to the ‘difficult conversation’ with colleagues on their overall performance. This is an area where many academics struggle and where training and development could play an important role. Clear expectations and quality documentation were considered critical to inform the appraisal meetings and follow-up discussions. In particular, there was a remarkable awareness of the negative impact on the whole organisation of failing to tackle performance issues early enough in a consistent and fair manner. At Vanderbilt, there was joint investment in development initiatives linked to the Studer model of ‘hardwiring excellence’.<sup>4</sup> This model distinguishes between high, middle and low performers, and recognises that leaders need to adopt different strategies and hold different conversations with each group. Leadership development is seen as essential in equipping managers to hold these performance conversations and understand the reality that, ‘if you allow low performers to hang around, it really diminishes everyone’s performance’.

At Johns Hopkins, the philosophy was that no matter what you have achieved, you can always strive to be better. Therefore, greatness is a continual and dynamic process, not an end point in itself. The intensity of gathering evidence on performance to track progress was profound and was used to hold individuals and teams to account. This lack of complacency with respect to performance seems to play a significant role in making these organisations successful. Johns Hopkins had looked at the work of Christianson at Harvard Medical School,<sup>5</sup> which found that world-class organisations look at ‘best practice’ and adopt a

‘disruptive approach with competitive innovations’, where they continually challenge the system for improved performance:

*Every week we circulate the Friday Report of Harm, to all senior staff, which reports everything that has happened that you would not want to happen in the Hospital. In year one there was a blame game, in year two there is now a more mature discussion on how we avoid untoward events happening and we now have a new improved level of safety and quality as adjustments are rapidly made in the system.*

Johns Hopkins

At Ohio State, there was a strong sense of ambition and an understanding of the cultural changes required. The most important metric for cultural change was described as a shift from an ‘avoidance culture to a culture based on excellence’. Sometimes this meant raising people’s awareness of their own and the organisation’s comparative performance in order to encourage people to change behaviour:

*Changing behaviour is about showing them the data that they were simply not aware of.*

Vanderbilt

### Leadership

Effective leadership was mentioned as being crucial to the success of AHCs. Wiley Souba, dean of the College of Medicine at Ohio State, outlines the challenge below<sup>6</sup>:

*Regardless of the strategies that are implemented, external partnerships that are forged, or other kinds of institutional approaches, without a significant number of people across all organisational levels on board and engaged in the leadership process of the AHC, it is unlikely that any seriously complex challenge can be addressed successfully.*

Ohio State

Each organisation was investing in leadership development for staff including, in the case of Vanderbilt, ‘leadership days’ every six months where 400 or so delegates from all disciplines and levels of the organisation meet and engage in leadership issues, embracing strategy and vision. One consistent finding from the interviews of chief officers and presidents was their leadership style. They displayed a strong sense of modesty, calm determination and humility. They created an environment and culture that allows individuals room so that they can make changes at their own discretion. Phrases such as ‘research strategy is about recruiting bright people and letting them pursue their ideas, where breakthroughs are left to chance’ were common, as these organisations tended to function in a diffuse power structure. Power was not presented as a rare visible entity but as a network that you tap and draw into. These leaders have the capacity to understand and navigate the complex governance and diffuse power structures surrounding the AHC. What was significant was their relentless reference to their corporate,

rather than personal, ambitions, where they frequently attributed success to others:

*All I do is recruit great people, the success is attributed to those who make it all happen.*

Pennsylvania

These characteristics resonate with the 'good to great' principle of level 5 leadership where individuals combine what Collins describes as 'extreme personal humility' with intense professional will. They differ from other leaders in that they are ambitious first and foremost for the cause and mission of their organisation and not themselves. These characteristics are key factors in creating the legitimacy and influence they need to get things done. In relation to the type of leadership skills required for social sectors, Collins suggests that there are two types: executive and legislative. Legislative leadership is often more appropriate within social sector organisations, where power tends to be more diffuse and where leaders have to create the right climate where shared decisions can take place.<sup>7</sup> However, this is not an 'either/or' model, the reality is that most effective leaders will use a blend of both executive and legislative skills in accordance with the demands of the situation:

*It's relatively easy to get from mediocre to good but it's very difficult to get from good to great.*

Vanderbilt

During the transformational change it is interesting that Vanderbilt has taken a more executive style leadership through greater levels of centralisation and integration:

*We could not have grown the clinical and academic enterprise over the past 5–8 years with a decentralised model; entrepreneurial leadership at the centre of the organisation was critical in developing critical mass and growth.*

Vanderbilt

Traditionally great institutions, such as Johns Hopkins, tended to adopt a more legislative leadership style which relies on persuasion, strong political sensitivity and shared interests. The University of Pennsylvania, while consistently performing at the highest level in the NIH rankings, turned a \$200m deficit into a \$200m surplus over a period of eight years. During this period of uncertainty, a key component of the restructuring exercise was the ability of leaders to be flexible and, above all, to know when to play their executive or legislative distinctions. Knowing when to engage these two different types of leadership styles, to enhance the performance of individuals and the organisation, was seen as critical.

### People

All institutions agreed that the main weighted variable on organisational performance related to hiring great people, in being selectors rather than recruiters of staff. The visits high-

lighted a surprisingly low number of individuals identified as 'low performers'. This was attributed to rigorous systems and processes that support and develop staff from early on in their careers to enable individuals to perform to their full potential. At the same time, an ability to actively manage low performers and use incentives and 'sticks' as part of performance management, meant that individuals had been either managed out of the system at the onset or alternately they had made a decision to move on to other opportunities. The intensity of mentorship in all four institutions was staggering, where it is relatively common to have two or three mentors at any one time, supported by mentorship committees. The philosophy on mentorship and strong role models was considered a critical success factor to improved performance:

*Even Tiger Woods has a coach. No matter how good you are you can always be better.*

Ohio State

### Vision and values

Each organisation had undergone deep debates about the purpose and values of the organisation and how to align strategic goals with the behaviours and efforts of the workforce. This willingness to revisit the core mission and values of the organisation is linked to the fourth of the 'good to great principles' – the hedgehog concept. The framework focuses on what you are deeply passionate about, what you can be best in the world at, and what drives your economic engine? Understanding these three variables helps to translate vision into reality, which informs the strategic direction of the organisation and helps to align the efforts of all members of the workforce around organisational goals. This process usually involves being clear about what to stop doing and to say 'no thank you' to issues that fail the hedgehog test:

*One of the key questions we initially raised is why you are so happy when you are so lowly ranked? I did not need to do anything other than show them the dissatisfaction for the status quo in respect of culture and presenting this back to them saying, why are you all dissatisfied?*

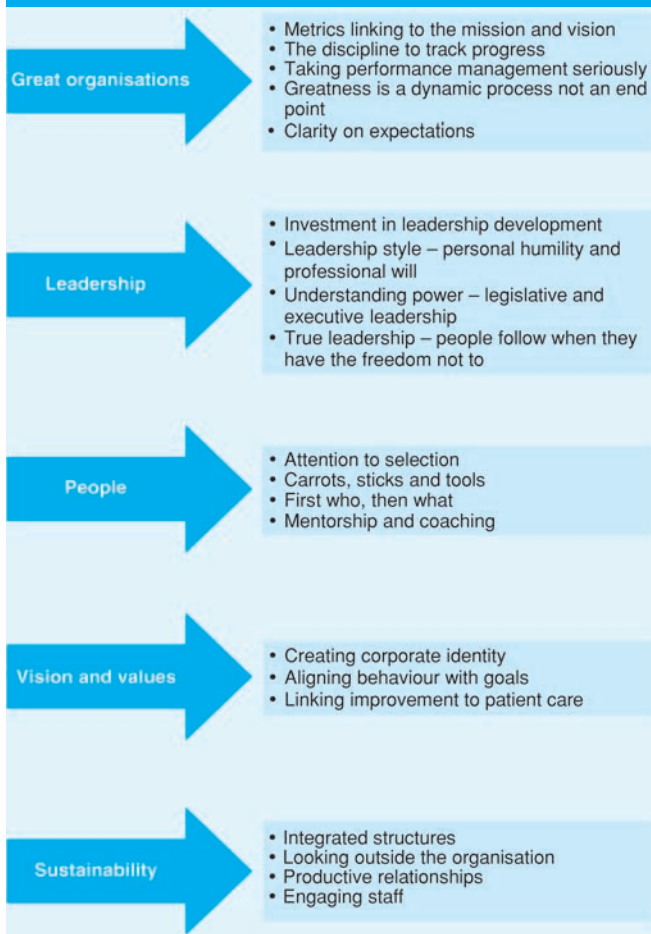
Ohio State

There was a strong sense of mission, values and purpose in all four institutions. To underpin this approach, a variety of management tools had been introduced. At Vanderbilt, the work with the Studer group included a focus on linking business improvement to patient satisfaction, using a model called 'Elevate'.<sup>4</sup> The process involves external consultants who work as a 'critical friend' to improve performance, facilitate dialogue and build capability within the organisation:

*We set out a clear prioritisation process and moved from 75 wide organisational programmes to six signature programmes where there was an exceptional gap in the performance of these programmes to others.*

Ohio State

**Box 2. Observations of common characteristics of ‘good to great’ from four US academic health centres.**



The importance of an organisation understanding what to stop doing was particularly significant in organisations undergoing transformational change.

*Sustainability in a time of change*

Collins describes success as turning a giant heavy flywheel, where success in itself builds support and commitment and makes explicit reference to brand reputation in the social sector, built on tangible results and the capacity to deliver the mission. What was remarkable in the creation of this environment was the level of communication to all staff, the ownership and breadth of staff engagement in the mission, the scale of organisational and leadership development, the willingness of individuals to commit that extra 20%, and the ability of these organisations to look outward:

*In addition to monthly performance monitoring, the senior leadership team of approximately 70 staff analyse metrics on a quarterly basis.*

Vanderbilt

*We have established a leadership development programme for 135 leaders with the Wharton Business School.*

Pennsylvania

**Emerging observations**

Many of the characteristics of great organisations appear fairly obvious and yet most organisations do not function in this way (Box 2). Moreover, as a number of participants observed, the problems across the world with AHCs are more alike than dissimilar and there is much to be gained from collaboration and shared learning. This study has provided a means of illuminating this landscape and developing a much better appreciation of these input variables and the impact of interventions that might improve organisational performance.

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