

21ST CENTURY LEADERSHIP

(Edited transcription of a talk)

Leland R. Kaiser, Ph.D.

The twenty-first century is the golden age of health care. It is an era unlike any other. So you've chosen a good time to be born. Because, indeed, you will participate in the restructuring of the health care system and perhaps more than that, you will participate in the first global management strategy to occur on the planet earth. That's sort of exciting, That's worth getting up for. That's worth being born for. However, before you get too excited, understand that we are passing through a profoundly difficult period of time. It is a period of deconstructing (destruction) in order that we might restructure (create). We are moving through a gateway into a new millennium. The gateway will be one of great change and tribulation. We will experience a profound period of chaos and catastrophe, breaking down the old in order to create the new. We are creating a new world that will need a new type of manager.

Let's begin by reviewing, some of the traits, characteristics, mental abilities, and consciousness of the individual that is going to manage in the 21st century. The health care manager will be a very different kind of person. We are going to be taking a look at something that is sometimes called transformational management. Transformational means to change the form of a thing. Most of us have been trained to manage within a form. And so if you look at the traditional form of organizations, they have changed very little over the years. If you look back 50 years ago in health care, we essentially organized hospitals about the same way we do today. Lock step, hierarchical, pyramidal, boxes and lines. That's not the kind of organization we will manage in the future. And so the single most important skill of the future manager is the ability to change the form of the organization - to transform it. To change the form of the thinking of the organization - to change the consciousness of the organization. As we move into the future, organizations become more ephemeral, lighter, more buoyant, more plastic. Indeed, no form is going to last very long. So if you want to think of the substance of the health care organization of the future, think of plasma. Because that's where we are going, folks. Think of plasma structured by an electro-magnetic field that can change its form, its shape, almost instantaneously. That requires a new kind of management.

We will spiritualize all health care organizations. The sacralization of healthcare is one of the most important things to understand. And the reason is, ultimately, health care is a spiritual concern. That is it's highest dimension. Today we dwell on the vehicle. And if you take a look at what we do in hospitals, the appropriate metaphor for hospitals is automotive repair shop. Because, indeed, people do drive their vehicles in, and we work on them. We have a staff of automobile mechanics; nurses, physicians and others that work on the vehicle and then the person drives out. The difference in the future is that we will work with the driver as much as we work on the vehicle.

And so we are going to see organizations become more subtle. And the interventions will become more subtle. As I have said before, you can tell how primitive a medical care system is by simply asking the question, "Do they ever -More-penetrate the skin?" So if you were on an extra-terrestrial vehicle and I said go down and tell me what kind of a medical care system these people have, one of the things you would look for is do they cut or stick. And if they do it is primitive. Because in advanced systems you don't do that. In fact, even today we are seeing fewer surgeries as we are able to solve those problems medically and otherwise. That trend will continue. And so what will happen is we will have a set of interventions for the physical body (which we have now), a set of interventions for the emotional body, a set of interventions for mental body and a set of interventions for the spiritual body. Three of those can't be perceived with normal senses! What we will have is a new kind of organization that is both a healing and curing organization.

When you talk about the vehicle, changing the physical vehicle you're talking about curing. There is nothing wrong with that. We will get better and better at that as we go along, because the fact is, this is only a vehicle and it can be infinitely improved and worked upon. So there is no limit to the degree to which medical technology can improve human life. Every part is replaceable. We will clone human beings. Some people will be over half transistor. In fact, the line between what we think of as animate and inanimate will disappear in your lifetime. Therefore, we know that in the 21st century we will be managing very high technology institutions. Just genetic engineering, gene therapy, microrobotics, nanotechnology and holography will change everything we do in health care and that is all vehicle oriented. But at the same time we will be putting in a healing emphasis. And when you heal a person, you do one of two things. You either change their relationship to the vehicle or you change their relationship to the universe. Interestingly

enough, sometimes when you heal a person, you also cure them. We are totally interrelated, multi-dimensional people. Which says the physical vehicle reflects what is going on in the other three. That means an spiritual change in a patient, an emotional change in a patient, and a mental change in a patient will be reflected in the physical vehicle. So we are going to move toward integrated medical units (IMUs) that look at the total person and provide intervention on all those levels. That is patient centered care. What we are going to do with the individual is recognize that disease is an invitation to larger being. We are going to recognize that death is a celebration, not the enemy. We are going to recognize the hospital is a mythic institution and that, indeed, the administrator is a mythmaker. The most important characteristic you will have as a manager as you move into the future is the ability to confer meaning on people, significance, purpose, relevance. That says for the first time that the consciousness of the CEO is the critical issue.

In your lifetime we will see the death of credentials as we know them. The important consideration is not what initials you have after your name. The important consideration is how are you in the world and what are you able to do because of your being. Therefore, the future of health care and the health care professions will focus around ontology ("being"). We will say how you are with the patient is just as important as what you do to the patient. The subtle interventions, spiritual, emotional, mental, all flow from your "being". Now you may not care much about the "being" of the surgeon if the surgeon is only working on the physical part of you. But I want to tell you that if you want to intervene at any other level than the physical level it makes all the difference in the world because that is where the intervention is generated - is the being of the person. That says that the job of the manager is going to change significantly.

So let me talk about the organization of the 21st century. What is it? What is the healthcare organization of the 21st century? It is a group of high consciousness people (big ring thinkers) working in an enabling structure in pursuit of a shared vision. I would suggest that we don't do any of the three today so that is a rather profound difference. When you send an order down to the Human Resource and say, "Would you recruit for me some high conscious people?", you may have an interesting conversation take place. That is not determined by the degree or the years of experience, or your previous work. That is a different dimension and one that we have not paid too much attention to before. Yet I see it every day in hospitals.

Enabling structures? We do just the opposite. We try to build a structure that prevents the thing from occurring. The late Marshall McLuen said it the best way I can say it, "Most organizations end up preventing the purpose for which they were founded." What is says is that we've never developed our ability to alter our structures to liberate consciousness, to let people do their thing. We have repressive structures. We put people in boxes. We put them on little lines on charts. We create all kinds of barriers. And so as we move into the future we have to look at a new kind of structure. Let me suggest what that is. Each person in that new structure, their position in the structure, is determined by three things: (1) how inclusively they think (how much of the world they can take into account), (2) their demonstrated capacity to perform, and (3) their choice to do a thing. That says, folks, there is no way to go into the future with licensure.

One of the things we are discovering now on our high productivity units, when we try to do cross-training of technicians is we bump right into the licensure boards. Another thing we know is that in a rapid moving society licensure does not insure competence. The reason we are talking about outcome management and clinical standards of practice and total quality management is we have matured to the point of saying that I am only interested in one thing: the effectiveness of what you do, the clinical outcome, the value added. How you got there, I don't care. So we have to create a new structure that enables anybody to move internally to do anything they want to do and can do. Now ask yourself the question today, "Could anybody in my organization move anywhere in the organization if they wanted to and if they could demonstrate performance?" You will discover the answer is no. When a person wants to do surgery, I imagine the first thing you will ask, "Well are you a doctor? Are you an MD?" Or if you want to do nursing you will ask, "Do you have a license?" Or if you want to do management someone will ask you if you have an MBA, or an MHA. You see, the first question we ask is, "Can I put you in a box?" Boxes are dangerous. People have been known to be buried in boxes! So, the thing I want you to understand is the future is not about boxes. It is not about straight lines. It is not about linearity. If there is anything I know about the future it is this: it is non-linear. It is non-logical. And so the kind of manager we are going to produce is the manager who can think in circles, in spirals, spheres. Because that is the natural form, a nature form. You take a look at the nebulae and you see a spiral. If you take a look at RNA and DNA you see a double helix, you see a spiral.

Now if you think of the organization as a sphere, the first thing you will recognize is that spheres don't have tops and they don't have bottoms. Where is the top of a sphere? Where is the bottom? That tells us that as we move into the organization of the future we have to get away from hierarchy, rank, and position. The genius of the sphere is that it can release its total power because every piece on the surface, every part of the surface, every position on the surface is connected to every other part. It thinks as a totality. It draws on

its total power whether that is an electron or a death star. It can mobilize itself totally. There are no internal barriers.

One of my departments when I was a CEO was rehabilitation. I saw in rehab something I will always remember. We used to "staff" patients. We had sitting around the table the "team", just a group of individuals committed to try to help this individual, that is what they had in common. That was an unusual team because we never asked, "Who is the physiatrist? Who is the rehab nurse? Who is the physical therapist?", because it didn't matter. The issue was, how can we as a group enable this individual. We simply called upon the talents and abilities that had been demonstrated by the people sitting around the table. It was not an issue of degree, or experience. It was an issue of what do you bring to this discussion. How do you enter this conversation? I will tell you that is the only place that occurred in the hospital. In many hospitals today it is the only place it occurs.

We need to begin thinking about a new kind organization where an employee can declare what they would like to do, where we define what the essential abilities are, where they can demonstrate those abilities to us to our satisfaction and when they do they will then be enabled to do that thing by the organization. That is where we are going. There is only one hierarchy in the universe that makes any sense. That is the hierarchy of consciousness, which is recognized by all life forms. Either you can or you can't. When a small ring meets a bigger ring, there is an immediate recognition of that. There are no artificial barriers, there are no limitations. We need to begin thinking about a circular organizational chart. And you say that is sort of radical, sort of new? Not really! One of the ironies is that is the organizational form used by the pygmies. Wouldn't it be something if we had to learn something from a primitive culture? That is also the decision making form used by the American Indians. It is called the medicine wheel. Who sits around the medicine wheel? People with expanded consciousness. What do they do? They attune to the universe. And then what? They make decisions as a group.

You see, on a spiral, sometimes when we pick up the loop, we have to remember where we were on the last pass. The fact is, the medicine wheel, the circle, is the organizational form of the future. Those are people qualified by consciousness to work together. They have demonstrated their ability, there is no question about that. You can either call fire down from heaven or you can't. A PhD. does not help you. An MD does not qualify you. You can either heal people or you cannot heal people. And what it has to do with is "being". So one of the big changes we make as we move into the future is we move away from the artificialness of credentials and labels and boxes.

We move to the question of, "Who are you, how are you in the world, what is it that you can do? How do you add value to this patient? How do you add value to this organization?" So how will the CEO of the future be assessed? By the consciousness of the organization. What is the difference between success and failure? Consciousness! I just came from a town where there are two hospitals. Same town, same time, same circumstances, same reimbursement, same everything, except one thing! Consciousness. One hospital said, "Oh ain't it awful!" and they are moving into bankruptcy. The other hospital said, "Oh ain't it wonderful!" and they are thriving. It is not the environment. It is the way people think. The most important job of the manager in the future is to help the organization think in larger rings. If you think in a small ring, you are captured, you are victimized, and you are shaped by the environment. If you think in a large ring, you shape the environment, you are freed and resources are not a problem.

At a certain point we begin shifting our attention from the solid stuff to that which is behind it. And that is quantum. That is why quantum mechanics is the paradigm of the future, because it deals with the subtle, the sub-atomic particle, which is the basis for everything that appears solid. The interventions that take place in the organization of the future are not directives, they are not memos, they are not orders, they are not power, they are not imposition of will. They are subtle shades in consciousness. That is why Taoism is one of the things we need to look at as we understand the future of management, because it talks about rhythms and flows. It talks about how to attune yourself with the subtle dimension of what is going on. Now here is my experience, good nurses, good physicians, good college professors, operate on the subtle dimension. And if you simply look at the tools the doctor uses, or the lesson plans the teacher uses, or the patient care plans the nurse uses, you will not be able to connect that to the outcomes of the patient! That is because the critical variable was not taken into account. The interesting thing about TQM is that it is based on what you can see. By the way, we should do it. We should properly manage what we can see. What it leaves out is what you can't see. And what you can't see is the most important explanation of what is going on! Attitude? Perception? I believe a hospital should be a healing community. I believe a hospital should heal everyone who works for it. I believe a hospital is a womb. It is a nurturing sacred space. I think every hospital should have a program underway for the growth of its employees. It should say, "You are not just a worker who works here, you are a member of our family. We want to mind-link with you. We want to hear-

link with you. We want to engage in spiritual communion with you. We want to make sure your life is working as an individual because we want you to have a healing presence on everyone in this organization. If I know anything it is this, sick people can't heal. Sick people can cure, but sick people can't heal. It is a more subtle intervention.

As we move into the future, we need to begin thinking, then, about a new set of skills and abilities. Transformational management moves us in that direction. It says not only can a manager change a form, but the manager can evolve a form. Now think about this: what is the next logical step in the evolution of your organization? If your organization was to grow into a fuller kind of "being", what would it look like? All things in the universe unfold (Raymond, I think that is there for you!!). Everything is enfolded, it is wrapped in on itself. What it does over time is unfolds, reveals itself. What is good management? It is assisting the unfolding, creating the nurturing environment for people to grow and for that organization to become what it can become.

In the 21st century, the hospital is without walls. In the 21st century what you are managing is the health status of a defined population. In the 21st century, most of the interventions that take place to improve people's health will occur outside the medical system. That is because 90% of the morbidity of any population is outside the medical care system. You have heard me say before, "If you close down all the hospital, fire all the doctors, board up all the clinics, you won't do much to lower health status in this country." The two are barely connected. One of the greatest delusions that we have is that there is some relationship between health and medicine. If you look at what makes people sick, 90% of the variance is sanitation, nutrition, lifestyle, education and income. If you are going to make a person healthy, you have the first seven years of their life to prepare an appropriate foundation. Or you spend the rest of their life trying to pay for what you didn't do! So the schools, churches, family, parenting, day care centers, kindergartens - that is who makes people healthy. We are good at only one thing: promoting illness and treating it. That is not all bad. It is called "self created demand". That is not bad, understand that, people get sick. We should be proud of our hospital system. We should be proud of our physicians. We do one thing very well and that is treat disease. In fact, I think we do it better than most people in the world. But most of what needs to be done we don't do at all.

The greatest change for the manager is to understand this: "you manage the community's health, not the institution!" If I had to assess how good you are in terms of outcome measurement, that's what we are talking about, I would simply draw a ring around your hospital. Make that ring the service area of your hospital, the geographic area you serve, and then I would tell you, "You are accountable for the health status of everyone who lives in that ring." Which means your major accountability are for people who never use your institution, they will never walk through the doors. The question is, "Are those people healthier because your hospital and medical staff is there?" Physicians and hospitals know how to do this, but we don't let them. Many physicians know how to do wellness and preventive medicine in health care, but we don't let them. Not only that, we don't pay them for it.

Understand clearly, the manager of the 21st century manages the context of care. What we manage currently is the delivery of care. Sorry, most of the problems we have can't be fixed in our current delivery system. The thing that is the problem is the context that we operate in. There is nowhere to go into the future with anti-trust. It is counter-intuitive. Its purpose is to deny service to the poor, to prevent sharing of resources, to prevent collaboration. The effect of competition is to drive prices out of sight (editorial comment from Carol... how does this fit into your economic material??) and to disenfranchise the poor. Competition dis-empowers you. Not long ago I was in a hospital Board meeting and the Chairman of the Board passed a motion to buy a new piece of equipment and said, "This is in the best interest of our community." I don't usually get sick in Board meetings, but that made me ill. I said, "No it isn't! The community does not need that machine. It is a disservice to the community. You are doing it simply because of your ego, nothing else." Then the Board got sick.

Let's be very clear, they are not bad people. They're just like you and I, good people! You and I, salt of the earth! The problem in health care is not bad people. There aren't many. There aren't many bad doctors. There aren't many bad nurses. There aren't many bad CEOs. Most people are just like you and I, upstanding model people. The problem is context. You can't go into the future with anti-trust. You can't go into the future with tort law. You can't go into the future with licensure. We have to change the context. We have never designed the context of medical care in this country. We have a totally non-designed system. What I can tell you about the manager of the 21st century is that manager is first and foremost an architect, a designer of health and does that by designing the total context so people can do the right kinds of things. By the way, regulation is no better than competition. In regulation you give your power away to the government. There is nothing in the literature or in history to suggest that is a wise thing to do. If you give your power away to your competitor, you are disempowered. If you give your power to the government you

are disempowered. There is only one empowerment strategy which has never been tried in this country... and that is collaboration, cooperation, resource sharing.

The hospital of the future becomes the community designed center for health. It convenes a design party. It says to industry, schools, law enforcement, transportation, housing, "Come, let us sit at the table and let us reason together." I will tell you, if you empower people to act in their own behalf, they will!! Just as you can empower a patient to work in her own behalf. Just as you can empower employees to work in their own behalf, you can empower a community to work in its own behalf. One of the critical things we have to redesign is reimbursement. What do doctors do? They do what they are paid to do, like everybody else does. So what occurs if you say whenever a physician gives a health education interview to a patient, does preventive medicine, they are paid \$500 every twenty minutes. When they do open heart surgery, bypass, they get \$3.50. That will change the pattern of health care in this country. It is probably the best thing you could do to improve health status. It would be hard on people who need a bypass and it would be hard on some surgeons. I am not advocating that kind of a disparity. Listen carefully, we pay people to get sicker and the sicker they are the more money we make. That is an immoral system.

Therefore, one of the things I know about the CEO of the future is the CEO is an ethicist. Just as management becomes design, management becomes ethics in the future. In a high technology society, the question is never, "Can we?" The answer is, "Of course we can." The question is, "Should we?" and that is a value question. It is an ethical question. The ethical document in your institution is not the paper that comes out from the Bioethics Committee. It is not your Mission Statement. It is not your Articles of Incorporation. The ethical document in your institution is the budget! There are some institutions engaging in unethical behavior and they are about to lose their tax exemptions over this issue. The issue is are they self-serving or do they serve the community. The IRS is saying, "They are self-serving, take a look at the budget." The institutions that have lost their tax-exempt status, in most cases, I would say, "Amen, they should."

Perhaps we have a new kind of issue. How many hospitals here today tithe themselves? When I go to a hearing with the County Commissioners and they are talking about whether or not to remove the tax exemption for a hospital, the issue comes up, "What are they doing for the community?" The hospital says, "Oh, look at all the bad debt we write off." What is nice to understand is that I've never seen any other business doing that except hospitals. Everybody writes off bad debt. "Let me show you all the contractual adjustments we make on Medicare." By the way, that's not fair. That is another battle we need to fight, the reimbursement battle. But I will tell you this, everything you write off on bad debt and all your contractual allowances, I don't care how many millions of dollars it is, and ten cents will not get you on the bus in that kind of a hearing! So maybe the question is, "How much do you give away through your free will?" Ten percent? How often do you sit down with the community and say, "We don't have lots of money but we have a little. We need to define who is not getting service here. We need to go out and help people who cannot get into the system. There is no self-interest, we are just giving it away. We expect no return. We want no 'thank you' at all. This is just our duty and it is a loving duty because we are here for one purpose and that is to serve you as best we can."

How many hospitals tithe? What do you think the community would do if they saw you tithing? Wouldn't it be fascinating to have the people sitting around the table saying, "Well, I could throw in a couple of bucks." Someone else would say, "I could throw in a couple of bucks." I want to tell you that for every dollar the hospital tithes you could probably match it fourteen or fifteen times. If you change your philosophy!! The IRS is saying that if you don't give away as much as you would be taxed, we are going to tax you. You know what I don't like about that? It does not allow you to exercise your behavior from the standpoint of consciousness. The only way we make the health care system better is when we operate from conscience, not regulation, not to avoid paying taxes. It is the wrong motive! You say, "But it is all right on the piece of paper." "That is what I am telling you... that's the dense dimension. It is the subtle dimension that makes the difference. The motive! The intention! The affection of the heart. The reason.

I just came from a place where several hospitals are giving money away to build a clinic for low income people. It is being staffed by volunteer physicians. I think we should have this expectation for anybody in our hospital. You work in this hospital, we expect you to volunteer some time. In fact, one of the most exciting new categories of volunteers is the employee volunteer. I came from a place where there are employees who work in management information systems, to watch the cathode ray tubes, but they come in on Saturday and Sunday as host and hostesses to greet new admits and take them up to their beds. They tell me it is the best time of their week because they never get to see patients. I think one of the best questions of doctors when they come on the medical staff is, "Are you willing to volunteer some time?" I

discovered this: when you volunteer, you heal your soul. You will never heal your soul for anything you are paid to do. You have gotten your reward.

As we begin to think about the new manager, we begin understanding that we have to change people's attitude. This is a community, not just an organization. This is a community of people who are committed to a vision, who are linked to each other because of that kind of sharing. They are care-taking people. This is a nurturing place. This is a healing place, a transforming place. It tells us, then, that what we have to do is release that enfolded potential within that organization. Just as you unfold, become more like yourself over time, so does an organization. Once we sense that we no longer are reactive. We are evolutionary. Until you sense that you are just reacting. Which means that when the state does something, the Federal government does something, you react. React, react, react! You can adapt yourself into hell! The point is not reaction. The point is evolution. What are the grand ideas behind this place? How do we reach up and touch those? It is management by inspiration. It is management by valuing. That's a new kind of management.

Transformation is a subtle process, but an important process. I would suggest it is most appropriate as we move through the next ten years, the decade of chaos, which is the end of an old age and the beginning of a new age. It is the breakup of all forms. Pent up forces, natural disasters, chaos and catastrophe! If you are a high consciousness manager you say, "Good! The sooner, the better." If you feel insecure you are probably not fit for this profession. If say, "Oh, ain't it awful", you are probably not fit for this profession. A transformational manager loves chaos. A transformational manager celebrates catastrophe, because it is out of the void of pure possibilities that creation takes place. That means, until the towers fall down, until the bricks are not one upon the other, we are encumbered by our own forms. We can't escape our old history! How many of us are victimized by our history?!! So, it is an age where that history is going to change very rapidly, as that old castle comes down and we begin reconfiguring health care. We need to tell people, "Our security is in our vision! Our security is in our commitment to serve. It is not in existing forms. Do not be concerned when you see those forms change. We are in the middle of a cultural paradigm shift. That means a new view, an ecological view."