

## Needed: New Leadership Skills and Management Strategies at AHCs!

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The lower reliability of traditional funding in the face of uncertain future revenues is causing crisis-level anxiety among academic leaders as AHCs scramble to find a new business model.



A few years ago, *SGIM Forum* kindly published my ranting editorial about the management strategies in financially stressed academic health centers (AHCs), which have increasingly focused solely on financial spreadsheets and productivity benchmarks accompanied by decreasing emphasis on academic mission, vision, and values that have guided AHCs in the past.<sup>1</sup> My point was that in their attempts to maximize productivity, AHC leaders needed to use both monetary incentives and management strategies linked to the aspirations and motives that led faculty to choose academic careers.

I was struck by a recent longitudinal study in which investigators followed more than 11,000 West Point graduates and studied how cadets' motives for entering the military were associated with their eventual career success.<sup>2</sup> The researchers characterized motives as internal, the "intrinsic" desire to excel at a military career, or instrumental, the "extrinsic" motives for career choice such as fame and fortune. The relative importance to job and/or career success of each form of motivation, internal versus instrumental, has been debated in the management literature. The study showed that cadets driven by internal motives were more likely to succeed in their career than those driven by instrumental motives. Importantly, increasing the emphasis on instrumental motives, rather than being additive,

was actually counterproductive to achieving career success.<sup>3</sup>

The study is relevant to academic faculty. Faculty at AHCs have many reasons for choosing academic medicine as a career, but given the lower salary and limited recognition afforded to academic faculty, I suspect that a large proportion of faculty choose academic careers for internal motives. That is, faculty do not generally choose academic careers for fame and fortune! On the contrary, AHC management practices have increasingly emphasized RVU incentives and/or penalties (instrumental motives) and less often focused on the clinical or educational success that led faculty to enter academia (internal motives) in the first place. If the study by Wrzesniewski et al.<sup>2</sup> is generalizable to faculty careers, AHC management models that divert faculty from their internal motives actually reduce the likelihood of faculty career success.

Five years after my *Forum* rant, there continues to be financial pressure on AHCs. The Affordable Care Act is changing reimbursement with reduced Medicare payments and the growth of alternative payment models. Shrinking research funding due to sequestration puts more pressure on the AHC clinical enterprise. Now the Institute of Medicine report on graduate medical education funding, if acted on by Congress, could further threaten AHC finances. The lower reliability of tra-

ditional funding in the face of uncertain future revenues is causing crisis-level anxiety among academic leaders as AHCs scramble to find a new business model.<sup>4,5</sup>

In the future, AHC success will still be measured by financial success, but the way AHCs achieve financial success will be much more complex than the simple product of clinical volume and per service payment. Managing and measuring the changes required to achieve AHC success will not be a simple spreadsheet problem. AHCs will succeed by developing strategies to improve quality of care and patient satisfaction, reduce waste and inefficiency, implement evidence-based care to improve the health of defined populations, and produce a workforce that operates as an efficient and effective team.

The solutions to these challenges are especially suited to the creative talents of academic faculty, but the requisite skills have not been historically valued by AHCs. The solutions to AHC challenges require knowledge and skills that SGIM members possess and have honed over their careers. Most importantly, the requisite knowledge and skills are aligned with the internal motives of academic faculty. Leaders of AHCs may no longer be able to manage faculty solely using financial incentives. Successful AHC leaders will be those who can capitalize on the adaptive strengths of

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AHCs by mobilizing talented and creative faculty. Successful leaders will help faculty excel in doing the job they always wanted to do. That would be a refreshing change since my rant five years ago!

### References

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