

Leadership and the Successful Brain in 21<sup>st</sup> Century Healthcare

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*You've got to take your brain out of your head every once in a while and jump on it."*

Mark Twain

Healthcare in the 20<sup>th</sup> century thrived on improving quality and increasing cost. Healthcare in the 21st century will thrive on improving quality--and *lowering* cost.

Unfortunately, the brains of most successful people are not wired to respond well to a change in how to thrive. Recently I visited the clinic of a successful orthopedic group and was taken aback by a motto prominently displayed on the office wall: "All change is bad, even if it makes things better."

In changing times, a more fitting slogan for healthcare leaders might be Mark Twain's suggestion to take "your brain out of your head every once in awhile" and let go with a few sound jumps.

Documented, dissected, and discussed time and time again is the reality that successful people are often the least likely to accept change. In his book *Collapse* (2005), Jared Diamond describes the challenge: "The values that people cling to most stubbornly under inappropriate conditions are those that were previously the source of their greatest triumphs."

In healthcare across the country, I see Diamond's quote playing out in this scenario: We standardize successful processes, create "best practices," hire and train similar people to work in stable organizational structures, and optimize strategies around past success. *Don't reinvent the wheel.*

That's a problem -- the time has come when there is no choice *but* to reinvent the wheel.

Many of us, convinced that hour is here, fully intend to 'seize the day.' *Carpe diem* is as wise now as when the Roman poet Horace wrote it 2000 years ago. The facts--and the stars--are aligned to indicate great opportunity in healthcare. However, to succeed, we must face up to three challenges:

- (1) The demands on healthcare are greater than ever.
- (2) The drivers for success have changed.
- (3) Thriving means thinking and acting differently – *better* care for *less* cost.

But better care for less cost is not a “best practice” nor is it a new technology. It’s a new level of performance, a new wheel, if you will.

That’s a wonderful opportunity. My focus is helping currently successful healthcare organizations surmount the major barrier they face in seizing that opportunity -- Historically successful companies commonly fail to make the jump when a new level of performance changes their industry.

Our great *capabilities can become disabilities* when it’s time to do something new. You’ve seen it many times. For example, these recent examples come to mind:

- (a) Historically successful, GM and Chrysler; New performance leaders, Toyota and Honda
- (b) Historically successful, American, Delta and United; New performance leader, Southwest
- (b) Historically successful, Microsoft; New performance leader, Apple

As a Visiting Scholar at Harvard Business School, I became immersed in research on how great companies commonly fail to create industry-changing performance. My studies identified three key differences between unsuccessful innovators and their successful counterparts.

The contrasts were never a matter of more resources, smarter people, better technology or “trying harder.” Without exception, the successful innovators made conscious choices that the unsuccessful companies overlooked or avoided. The Table below contrasts dead-end traditions with creative thinking answers to three questions about innovation:

<b>Innovation Questions</b>	<b>First Curve Choices</b>	<b>Second Curve Choices</b>
1. How are innovations acquired or developed?	Current systems, structures, methods and mindsets make, buy or copy innovations.	Management charters new innovation incubators with a strategic purpose to discover.
2. Where and how are innovation decisions made?	Gather and move data up to people in meetings who analyze, predict and implement.	Rapid, discovery-based decision-making is moved close to where information is generated.
3. What’s the method of innovation?	Analytic, data-based, “thinking” innovation	Experiential, discovery-based, “action” innovation

This White Paper focuses on question #3: *thinking* vs. *action* innovation.

Counter-intuitively, the brains of successful people are perfectly designed to miss the opportunity for transformative innovation. Why? - When things are going well, leaders are unlikely to *think* about a need for change. However, change should occur *before* it’s necessary—not *after*!

“Innovation” implies creating something that has not existed before. Many people in healthcare say, “We innovate by implementing best practices and new technology.” But, is that really innovation?

Best practices and technology are, by definition, not new. They have been tried, tested and proven worthy someplace else. They are valuable—and safe. But they are *not* innovative. In the Adaptive Design<sup>®</sup> mindset, best practices are freely available to anyone in the marketplace and therefore offer *no true competitive advantage*.

As such, best practices and new technologies have never helped anyone seize the day!

Delivering more and better healthcare at continually less cost is a combination that has not previously existed—even in most leaders’ imaginations. Therefore, the solutions must be new; they must be created – *action* innovation, not *thinking* innovation.

The success of innovation in Adaptive Design (AD) is explained by recent research in the neurophysiology of human decision-making. Rather than imposing change as a top-down, “radical leap,” AD touches and engages everyone in his or her work, every day. By eliminating the common discomfort of a rapid, top-down fix, AD builds trust and optimism by making innovation everyone’s work every day. That’s a new and powerful way to change minds and “seize the day.”

Neuroscience shows that our marvelously complex brains operate on the basic principles of (1) minimizing danger and (2) maximizing reward. In other words, our brains are constantly working to reduce threats and increase gains.

That explains why we often resist innovation. If one has been successful in the past, encountering a new, unknown path to success commonly registers in the brain as a threat. This is not a conscious choice, however. Rather, these threat responses are generated in non-conscious neural conduits.

Of our 100 billion neurons, 75% work in non-conscious neuronal pathways to constantly modulate our actions. This non-conscious hardwiring of past success and deep suspicion of anything new makes great sense from an evolutionary point of view. If our ancestors heard a roar on the other side of the boulder, the successful survivors did not to go see what was there; they ran.

I call those non-conscious brain pathways “beliefs.” Not beliefs in the conscious, “thinking” sense, but non-conscious drivers of behavior. When hardwired, they are powerfully resistant to change.

Thoughts like “stay the course,” “never give up” and “try harder” just seem to make more sense. However, Marshall Goldsmith, in his article “Helping Successful People Get Even Better” (2003, *Business Strategy Review*), writes this:

In a positive way, successful people are “delusional.” They tend to see their previous history as a validation of who they are and what they have done. . . While the belief, “I have been successful” has many positive benefits, it can cause difficulty when it is time to change behavior.

In addition, data and logic, although necessary to track progress, are insufficient for changing behaviors. Modifying one’s behavior and performance requires changing one’s beliefs, both individually and organizationally. And how do leaders change beliefs? By creating for themselves—and those they lead—new experiences that generate value. Successful experiences create new beliefs. New beliefs can then drive more new successful behaviors. It’s a cycle of increasing returns.

Understanding the neurophysiology of human decision-making helps leaders design more and better healthcare at continually lower cost. Experiences that create new beliefs drive new behaviors that make a difference for patients. The experience of successful *action-innovation* at the point of care decreases the reliance on *thinking-innovation* in meetings. That makes the difference.

We are blessed to work in one of life’s essential callings. We cure the sick and grieve when we cannot. Adaptive Design creates the new best practices -- more care at the *lower* cost through experiential, discovery-based, “action” innovation every day where it matters—with the patient.

Granted, our intelligent, motivated, dedicated, successful brains may cause us to drag our feet when facing change. By making it safe to shift the focus from past successes to emerging opportunities, our recalcitrant brains become energized by the opportunity for innovation.

That’s a wonderful opportunity for all of us. Healthcare organizations of all sizes and in all places will make the future when we defy our comfortable brains and consciously choose to be the change.

If thriving means re-inventing the wheel, so be it. *Seize the day.*

