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Designing And Aligning Collaborative Governance Strategies, Structures, Cultures And Skills

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Following on the heels of last year's craze over *Generative Governance*, there is now a new and improved "flavor-of-the-month" for healthcare boards, called, "**Collaborative Governance**". The good news is, you can do <u>both</u> -- at the same time.

For the most part, the people currently talking up the concept of "*Collaborative Governance*" really only mean that collaboration is a "good thing". It's a nice <u>value</u>, rather than an aligned pragmatic system design for governance. In this simple worldview, collaboration is "good" and, as such, <u>ought</u> to be practiced.

The people urging others to think about, or practice the values of "*Collaborative Governance*", tend to be focused on the emerging <u>LHIN-level</u>, and the <u>Health Link-level</u>, governance issues. At the *Health Link* level, we now have 37 groups of local health service providers who have come together to create a *Health Link* based on an agreed-upon, and approved, **Health Link Business Plan**.

The Boards of all HSPs who have joined a *Health Link* -- perhaps 400 to 500 Boards -- are now accountable to their *Local Health Integration Network* for the outcomes promised in their approved **Health Link Business Plan**. The "lead organization" in each *Health Link* is formally accountable to the LHIN for achieving the outcomes promised in their approved plan. The partners need to share accountabilities to cover off the "lead partner's" accountabilities. But many HSP Boards don't seem to be too aware of these developments and their new accountabilities.

While there are some examples of *Health Link Partners' Boards & Senior Managers* seeking to get aligned on a "**Shared Vision**" that would enable them to succeed, and to begin to transform their existing system, observers report that many *Health Links* have become a simple "add-on program" (dealing with the top 5% of health system users) to the same old/same old system -- with the same old/same old silos. They say that there is nothing that is "transformational" that is going on in these *Health Links* and that most governing Boards don't know much about their new system commitments.

If that's the case in some *Health Links*, people should re-read the memo from the government on health system transformation. *Health Links* are a new structure to integrate services at the local level -- starting with the 5% high users. But collaboration among HSPs and *Health Links* are here to stay -- indeed, there will soon be 80 of them. *Health Links* are not an "add on" program. They are intended to be vehicles for transformation and integration. The Minister calls them "silo-busters".

But the concept of "***Collaborative Governance***" must become more than just a "good intention" and a "nice value", it must be intentionally <u>designed</u> and <u>aligned</u> to actually work to create collaboration at the CEO/Management/and clinical levels. ***Collaborative Governance*** needs to be designed to be an antidote to "silo governance". It enables silos to be part of the network system. It is intended as a force for integration -- if the Boards of *Health Links* partners would ever meet together to ask the "wicked" and "probing questions" on behalf of the community.

Health service providers who are members of a *Health Link* now have two key system-level sets of outcomes for which they share responsibility and accountability. At the <u>LHIN-level</u>, they have their ***Integrated Health Service Plan***; and at the <u>*Health Link-level*</u>, they have the approved ***Business Plan*** -- with the agreed-upon outcomes.

When HSPs were only silos, boards only held their CEO's accountable for outcomes in their silo. Today, a major feature of ***Collaborative Governance*** ought to be that while boards exist to ensure good management in their silo, as *Health Link Partners*, and as members in a common LHIN, they are <u>equally</u> and <u>mutually</u> accountable for improved outcomes in their local healthcare services delivery system.

So in the future, Boards would hold their CEO accountable for both <u>system-level</u>, and <u>silo-level</u> outcomes. That's the leverage point for *Collaborative Governance*: system & silo accountabilities. It's the traction that makes integration actually occur at the *Health Link* level. So, it needs to be much more than a good intention.

Many governance Boards use management's *Balanced Scorecard Outcomes* as the measures they use to hold the CEO accountable for their silo-level outcomes. They can use the ***Integrated Health Service Plan***, and their ***Health Link Business Plan,*** as two key reference points for placing <u>equal value</u> on their CEO's <u>system-level</u> efforts.

The "lead" *Health Link* partner organization has been entrusted with one million dollars of taxpayers' funding to support the development of the partners' action plan. Some of the more strategic CEO-led *Health Links* (vs. the more operational ones), will be developing *Health Link Balanced Scorecards* that spell out the "cause-and-effect linkages" between the *Customer/Patient/Client* outcomes; the *Financial* outcomes, the *Process* outcomes, and the *Learning & Growth* outcomes in their scorecard.

The advent of *Health Links* as formal partnerships, with formal accountabilities, ought to trigger the governance boards of the *Health Link Partners* to get together -- perhaps three or four times per year -- to review the progress being made together by "the partners" in the network.

By bringing the ***Health Links Partners Governance Boards*** together to review their local delivery system's progress; and to explore how the partners could transform the patient experience as they travel across the continuum-of-care; communities, through these boards, would be able to hold "*stewardship*" for the local health services delivery system's transformation journey.

As "stewards" for the well-being of their community, our governance Boards need to stretch their minds ahead to 2015 and beyond. They need to understand that there will in fact be fewer resources available for healthcare services. There will also be a pressing need to re-allocate resources within the existing system to meet the emerging needs of each unique community.

The challenge for *Health Link Partner Boards* and their CEOs, is how quickly they can prepare for major transformational change over the next two years -- while funding remains somewhat stable. In the ***Fall Economic Statement,*** our minority government put the "day-of-reckoning" off until perhaps the Spring of 2015, but it could be sooner.

So, now would be a good time for **Health Link Governance Partners'** conversation about *Collaborative Governance* design -- before the financial crunch comes. At the bottom of this blog is the framework of the **Strategic Alignment Model** -- a best practice systems thinking design tool (in the shape of *tetrahedron*) for aligning complex adaptive human systems.

You need to start with **Mission & Vision**. Why do you exist, what is your purpose? And, what are you seeking to become -- your *shared vision* for the future?

I really like *mindmapping techniques* for this purpose because these day-long visioning exercises get people connected together as people. They are taken out of their "normal comfort zone", and engage in exciting and enjoyable *group mindmapping exercises*.

Once the Boards and Senior managers of a *Health Link* have engaged in *mindmapping* that has aligned them on a *Shared Vision*, the *Health Link Partner CEOs* can then develop a **Health Link Scorecard** that sets out the "cause-and-effect" relationships for their individual Board's approval of the aligned strategic directions.

If *Health Links* are to become the "transformational" vehicle that Queen's Park believes they are, the partner CEOs and senior managers need to be liberated by the governors to develop the strategy and a plan for aligning the structures, culture and skills of the partnering organizations.

Collaborative Governance design could also include an aligned structure for regular quarterly meetings of *Health Link* Board Chairs/Vice Chairs (as well as the LHIN's Board Chairs/Vice Chairs) in order to review the *Health Link Scorecard,* and to engage in *generative dialogues* on high-level strategic directions for the **Health Links Partnership**.

If partner Boards within a *Health Link* met quarterly, the CEOs would be able to demonstrate improved collaborative outcomes at each meeting of the governors. While the CEOs are accountable for outcomes, Boards can "add value" on behalf of their communities. How?

Of the three governance modes of *Strategic/Fiduciary* and *Generative*, the *Collaborative Governance Partners' Council* needs to focus primarily on being "**generative**". On behalf of the "owners" of our healthcare delivery system, they need to invest four days per year

asking wicked and probing questions that will help management uncover the strategic directions required to achieve the vision for a more integrated delivery system, that improves the patient experience, and achieves the goal of improved health status of the population served.

Health Links need to become learning communities, and the Boards need to play a role in facilitating learning, in their organizations, and across the sector.

STRUCTURE, as you can see on the **Strategic Alignment Model** at the bottom of this blog, *structure* includes: design, decision-making and accountability, information systems, rewards/incentives and strategic budgeting.

An organization's ***design*** includes: <u>what it does</u> (its *functional design*); <u>who does what</u> (its *structural design*); and, <u>how work is done</u> (*work process design*).

It includes ***strategic budgeting***: if the *Health Link* partners don't align their budgets with the *Health Link* promised outcomes, the outcomes won't be achieved. Boards of *Health Link* partnerships should ask to see the allocation of resources to support their *Health Link* commitments.

Health Link Partner Boards ought to be exploring how the components of <u>structure</u>, <u>culture</u> and <u>skills</u> need to be aligned to achieve the results outlined in the *Health Link Level Scorecard*. For example, *Accountability Design*. If each Board holds their CEO accountable for both <u>silo</u> and <u>system</u> outcomes, would the philosophical concept of "integration" not get a major practical boost?

Structure also includes the design of linked and integrated best practice ***accountability agreement processes*** that enable organizations to truly collaborat. Also it includes ***information systems*** that connect the service delivery system together as a patient-centred system.

While "*structure*" is like the DNA of the ***system design*** (whatever you design into the system, produces the outcome); <u>culture</u>, which is about "thinking & behavior", is said to "eat strategy for lunch". Culture is at the base of the **Strategic Alignment Model.**

CULTURE at the *Health Link-Level,* is about the thinking and behavior of front-line clinicians across the continuum-of-care. Are clinicians focused on the needs of the patient, not the "turf" of their silo?

A major part of culture is the "values practiced" on a day-to-day basis -- not the official list of "***values***", but the way people actually treat one another in their silo organizations, and as colleagues across the continuum-of-care in service to common patients. If the *Health Link* is to be a collaborative partnership, staff need to address/refresh their "behavioral expectations", their "rules-of-the-road", "commitments to one another", or whatever.

Leadership also plays a huge, huge role in how people think and behave. If the leader is razor-focused on patient-centred care, they will be too. If they are focused more on pay,

perks and ego, than on the well-being of everyone, most people will reflect that same attitude and behavior.

At the governance level, Board members need to understand that as healthcare budgets shift and system transformation actually occurs, they need to truly represent the interests of the citizens of each community -- as resources are re-allocated to meet shifting community priorities. In *Collaborative Governance*, they need to be in **Stewardship** to one another, to their silo, and to their community's best interests.

Senior team leaders and middle managers have to "walk the talk" -- being open-to-learning, learning from our best mistakes, and seeking to discover the organization's *collective intelligence*. They also need to practice *emotional intelligence*.

While culture is an anchor, the key leverage point for success is "*Transformation Skills*".

SKILLS required to achieve a fundamental system transformation at the local level need to be developed locally with intact learning teams on real projects. They might start by developing the *Organization's Silo & Local System Scorecards* among directors and managers/physicians -- rather than just sending people on a course on "*Scorecarding For Dummies*", who return with the answer.

The "skills" component of the **Strategic Alignment Model** ought to be the key leverage point for the speed and depth of an organization's -- or a local system's -- transformation journey. Essential skills for successful transformation include: *dialogue, system thinking, team learning, mindmapping, lean thinking, patient experience design storyboarding*, and new ways of thinking and behaving for Boards, called "*Collaborative Governance*".

While there is lots of talk about the new buzz-word for "*Collaborative Governance*" -- people don't address the skills required for asking "wicked" and "probing questions", for which there may be no answers.

Perhaps the best current example of emerging *Collaborative Governance* in Ontario is at the *North Simcoe Muskoka LHIN*. To see NSM LHIN Board Chair, **Bob Morton's** presentation at the **South East LHIN** *Collaborative Governance Workshop* this month, click here: **Collaborative Governance @ NSM LHIN**.

While the slide-deck outlines the logic of NSM's *Care Connections Project*, the glue that actually holds their process together is trust, ownership and commitment. Everybody "owns" the future they are creating together in NSM, and therefore brings high levels of "trust". Trust enables true collaboration, and, with practice, synergy.

It would seem that by the simple act of holding meetings between the LHIN Board Chair and the HSP Chairs in each of their five *Health Link Partnerships,* creates a "governance community" who truly care about the well-being of their community, and whose common goal is the successful achievement of the outcomes promised in the **Business Plan**.
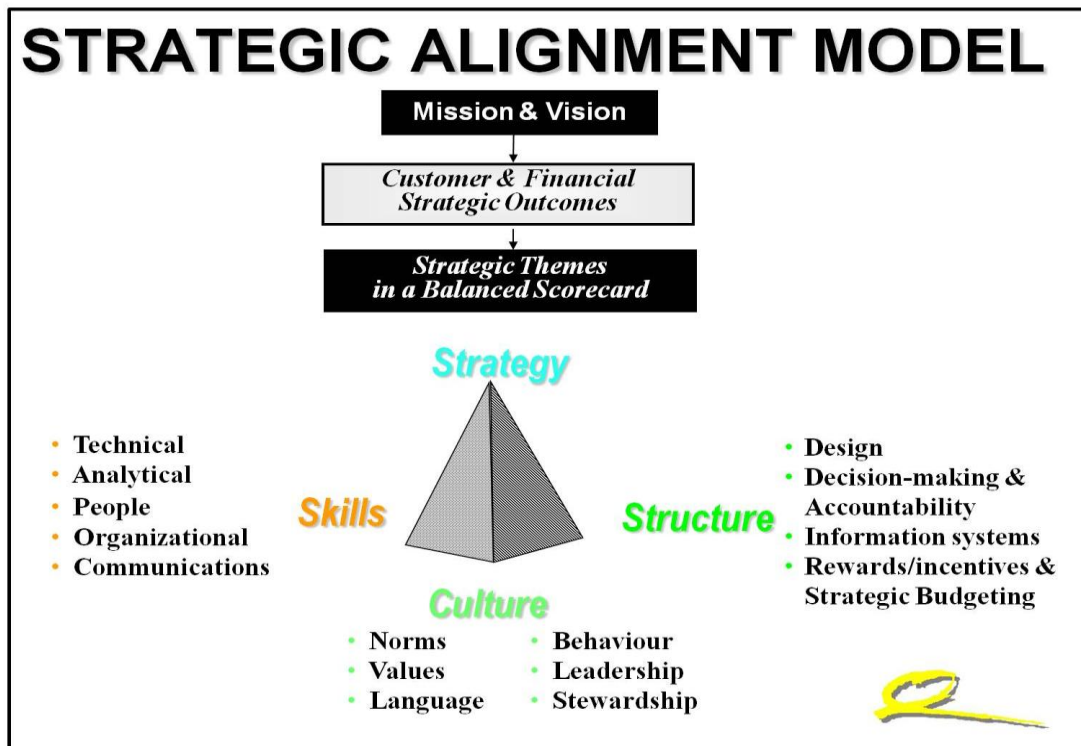
Beyond the *Health Link* level -- where the focus on is integration and collaboration at the clinician level -- is the larger community defined by the LHIN's boundaries. At this level,

boards and senior managers of Health Service Providers need to focus on their high-level *Integrated Health Service Plan*. In a *Collaborative Governance Model*, they too could meet three or four times per year as the HSP governors to monitor progress, and to explore potential *leveraged actions* that would propel the whole system forward -- the wonderful world of continuous improvement and strategic learning.

So, as outlined below on the **Strategic Alignment Model,** when Boards and Senior Managers are aligned on their *Health Link's* Vision & Mission; and, are clear on the Customer and Financial Outcomes that will be achieved -- as well as on the *Strategic Themes* in their scorecard -- they can develop and implement aligned Structures, develop the Skills required, and shift the Culture (thinking and behavior) of these organizations to achieve their outcomes and their visions. That's when transformation occurs.

When **Structure, Culture** and **Skills** are aligned to the **Strategy**, the system will be aligned and synergistic. People and their organizations will surge forward and achieve their vision. If the *Health Links* Partner Boards are waiting for a memo from the government or from the LHIN on what to do about governing *Health Links*, they don't seem to have much to say. So, if you care about the future well being of your community, start meeting.

Health Link Governance Councils can use the *tetrahedron model* to talk about the structures, skills and culture that will be required to make **Collaborative Governance,** and these community partnerships, successful.

STRATEGIC ALIGNMENT MODEL

Mission & Vision

Customer & Financial Strategic Outcomes

Strategic Themes in a Balanced Scorecard

Strategy

Skills
- Technical
- Analytical
- People
- Organizational
- Communications

Structure
- Design
- Decision-making & Accountability
- Information systems
- Rewards/incentives & Strategic Budgeting

Culture
- Norms
- Values
- Language
- Behaviour
- Leadership
- Stewardship

FORWARD THIS BLOG TO COLLEAGUES INTERESTED IN THE ART & SCIENCE OF ALIGNMENT, AND THE NEED FOR DESIGNING COLLABORATIVE GOVERNANCE FOR HEALTH LINKS AND FOR LHINS.