

A Conversation with R. Timothy Rice

Everybody calls him Tim. Since becoming president and CEO of Moses Cone Health System five years ago, R. Timothy Rice has worked to create an open, team-based culture that engages staff in working together to improve the performance of this multi-hospital health system in Greensboro, North Carolina. As a 30-year veteran of the organization, he emphasizes clear, consistent communication with its more than 7,400 employees. Even during this current economic downturn, he has not slowed down the organization's investment in its people or its leaders.

In this interview with NCHL's Executive Dialogue, Rice discusses his leadership priorities and his strategy for communicating with his staff, and he explains why the development of world-class, rigorous succession planning remains central to the organization's future.

NCHL: How does Moses Cone today compare with the organization five years ago when you took the helm as president and CEO?

Rice: Our focus over the last five years has been on quality and process improvement. We have been working hard with our medical staff on core measures and all aspects of quality improvement. We have also been building strategic relationships and developing joint ventures with other health systems and acute care hospitals in the area.



*R. Timothy Rice
President and CEO
Moses Cone Health System*

NCHL: What are your top leadership priorities, and why are they important?

Rice: Given the current economic downturn, we have been focusing on our financial performance, as we want to make sure we are here not just this year, but also five and ten years from now and beyond. But even as we work to ensure our financial success, we also continue to focus on quality improvement. We keep these two priorities ahead of everything else.

NCHL: How does leadership development fit into Moses Cone's strategic goals and priorities?

Rice: We began investing in leadership development roughly five years ago. The executive team and vice presidents periodically take time to discuss key issues facing the organization, and to make sure we are working toward the same long-term strategic goals, and not just worrying about short-term concerns.

We have increased our investment in leadership development, especially individual coaching and succession planning. Succession planning has become the focus of our talent development efforts, particularly in the last three years. While other organizations may be cutting back on these activities as a result of the economic downturn, we strongly believe that they represent an important investment for the future.

Healthcare organizations rely on human capital more than companies in many other industries. As a result, I think of leadership development in the same way that a pharmaceutical company executive views research and development into new drugs. The fact that the economy is suffering today is no reason to slow down our investment in people. As a result, we put tremendous effort into building strong leadership development programs here at Moses Cone.

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NCHL: Can you describe your leadership development program in more detail?

Rice: I work closely with Noel Burt, PhD, our chief human resources officer and Joan Evans, our chief learning officer, on leadership development which comprises succession planning, leadership mentoring, and an 18-month leadership development curriculum. Everyone at or above the level of department head—roughly 150 individuals—must complete this curriculum. If they don't, their compensation will be negatively affected. We don't assume that new employees have the skills needed to be successful leaders at Moses Cone. Consequently, every one must go through the same leadership development program.

I also require senior executives to teach this program. For example, some of the financial courses are taught by our CFO. I typically kick off the program by spending a few hours reviewing the history and values of the organization, and my expectations with respect to leadership.

NCHL: How do you compete in the war for talent, given that Moses Cone is in a relatively competitive environment, with several major health systems in the state?

Rice: I emphasize that Moses Cone is team-oriented and a very fun place to work. While the organization can appear complex and intimidating because of its sheer size, we make it clear to recruits that everyone here goes out of their way to make you successful. That's the type of "people organization" we strive to be; it is not healthy to have staff become stressed about hierarchal or dictatorial relationships. Instead, we emphasize friendliness, support, and being open to ideas so that people are not afraid to express themselves.

In addition, our senior leaders are always available, often walking around and interacting with staff and patients. I make it a point to go to new employee orientations every Monday to talk for 30 to 45 minutes about our values, why we come to work each day, and what we are doing to break down the barriers between the executive suite and the rest of the organization. To start with, everybody calls me Tim.

NCHL: Given the economy and other challenges facing healthcare, such as physician shortages, declining reimbursement, and the like, how do you create a culture that is ready for change?

Rice: The short answer is: communicate, communicate, communicate. For example, every month I do a video to all employees. It's very casual, and I only do one take. If I stumble, I stumble. If I want to

hold up a Duke flag at the end because I am a Duke fan and I get chided about that from all the North Carolina fans when they beat us in basketball, so be it. The goal is to make it clear that we are all here working together, trying to achieve the same goals.

Communication becomes particularly important during these difficult economic times, when people are concerned about potential downsizing and staff cuts, and about the fate of their annual merit raises or pension match. The more we tell people what's going on, the better. We don't always have answers, but we make it clear that we will work through these issues together.

NCHL: As a CEO, how do you personally demonstrate leadership?

Rice: I do two things. The first is that everyone knows that I've been here for 30 years, and that this is the only place I have ever worked. A lot of long-time employees have known me since I first came to work here. They know who I am, and they know my values.

Secondly, the entire leadership team takes on highly visible roles in the community. I do everything I possibly can in the community. This year I am chairing the local board of the Chamber of Commerce and a United Way fundraiser. All the other executives engage in similar kinds of activities. We are one of the largest employers in the community, and as CEO, I owe it to the community to be involved in and promote its educational system and economic development. Employees need to understand and be proud of the fact that we are playing this role.

NCHL: How did you start the succession planning process?

Rice: It wasn't something we consciously focused on until three years ago. But it is now a formal part of our system-wide goals. Our goal is to promote and develop from within, and to have a few candidates for each position. We've developed metrics to gauge our progress in this area, and the board now expects promotions to come from internal candidates.

We started with nursing, where we had many leadership vacancies that proved difficult to fill. We developed a rigorous process that provides feedback to existing employees on how to improve their performance so that they are better prepared for the next opportunity. Of course, some employees go through the process but then decide they are happy in their current position, but many others get promoted and have successfully taken on leadership roles. So we now have quite a successful process in place in nursing, and we have expanded it to other areas by adopting the best practices and lessons learned. The goal is to make sure there is a pipeline of qualified candidates for leadership positions in all areas.

NCHL: How do you measure your success with respect to leadership development?

Rice: We measure the return on investment, turnover rates in leadership positions, and the amount of time it takes to fill department head and vice president positions.

We also measure the employee satisfaction with their department directors and immediate supervisors. Last year 93% of employees completed this survey, which gives us lots of data in this area. Satisfaction with departmental leadership has gone up dramatically in recent years. Unfortunately, satisfaction with the overall system hasn't gone up as much, so we are still working on this.

NCHL: What else are you focusing on in the area of leadership development?

Rice: As I mentioned, succession planning is going well in nursing, and we are now rolling out the same approach in other areas.

Another program that we are trying to establish is called Rediscovering the Spirit of Leadership, which focuses on relationship-based care—that is, taking better care of one's self and each other. I am very excited about this program. It's a big investment and requires a lot of time, as staff go off campus for a few days to engage in exercises focused on why they came into healthcare in the first place. Some folks initially did not want to take the time away, but afterwards most felt it was well worth the effort. We will roll this program out to everyone in the organization over the next three years.

NCHL: What prompted Moses Cone to join NCHL's Leadership Excellence Networks (LENS)?

Rice: We like to connect with like-minded organizations and be part of leading-edge collaborations. For example, we want to be part of the Institute for Healthcare Improvement because they are on the leading edge of what's going on with respect to quality improvement and patient safety. For financial issues, I look for peer organizations with strong financial performance, including other hospitals and health systems with AA-rated bonds. So when it comes to leadership development, I also want to connect with peers who adopt best practices, and that means aligning with NCHL and LENS.

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NCHL: As an active member of the LENS CEO Advisory Council, in what ways do you envision working with us and other CEOs to advance excellence in healthcare leadership?

Rice: The LENS CEOs, including Joe Swedish, have been trying to get other hospital CEOs to commit to promoting leadership excellence. We are attempting to set the example and lay out a path for other organizations, but we still have more work to do.



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