The NCHL Health Leadership Competency Model was created through research by the Hay Group with practicing health leaders and managers across the administrative, nursing and medical professions, and early, mid, and advanced career stages. In addition, the Competency Model incorporates benchmark data from other health sectors and insurance companies, and composite leadership competencies from a group of global corporations. Although health delivery underscores the study, the benchmarks incorporated into the development of the Competency Model give it validity for health in its widest sense.

This summary version of the model provides background on the behavioral and technical competencies identified by the research. The full model contains levels for each competency that distinguish outstanding leadership at each career stage (entry, mid and advanced) and by the disciplines of administration, nursing, and medicine.

**Purpose of the Health Leadership Competency Model**

NCHL’s goal is to improve the health status of the entire country through effective health leadership by:

- Establishing core competencies for health leaders at all levels of the career cycle
- Strengthening the practice of health leaders with academic research
- Defining continuous learning opportunities for health leaders
- Increasing the diversity of health leaders

Consistent with this goal, leadership competencies are defined as the technical and behavioral characteristics that leaders must possess to be successful in positions of leadership across the health professions – administrative, medical and nursing. The Competency Model serves as the basis for focusing training and development initiatives for health leadership from graduate education through the course of their careers. The Competency Model provides a template for selecting and developing leaders who can meet the challenges of 21st century health. Third, the Model provides a guide for reorienting human resource development to stimulate the capabilities that make the most difference to performance. Fourth, it supports health management programs in higher education sharpen their curriculum in ways that will prepare graduates to become industry leaders.

**How the Competency Model Supports 21st Century Health**

The Committee on the Quality of Health in America in the Institute of Medicine (IOM) the Committee produced two reports. *To Err is Human: Building a Safer Health Care System (1999)*, addressed the quality of patient-specific care provided in the U.S. and the gulf between ideal care and the reality experienced by many Americans. The second, *Crossing the Quality Chasm: A New Health Care System for the 21st Century (2001)*, was a “call for action to improve the American health delivery system as a whole, in all its quality dimensions.” The report set forth “six aims for improvement, healthcare that is safe, effective, patient-centered, timely, efficient, and equitable. NCHL selected for interviews leaders who have demonstrated their commitment to those goals.

To ensure that the vision of health’s future was state-of-the-art, seven of the industry’s top futurists and thinkers were also interviewed:
The futurists identified several emerging trends about the state of health in the 21st century:

- US will become part of a global system focusing on wellness and preventive care worldwide. Patients will receive care from “virtual” centers of excellence around the world.
- Deeper understanding of the human genome will create exciting new forms of drugs that will prevent disease from developing. Treatment will evolve from disease management to prevention or minimalization.
- As the “baby boomers” become senior citizens around 2020, the issue of rising costs, resource allocation, and priorities will be exacerbated.
- Fueled by access to information through the World Wide Web, people will take more self-management of their personal health decisions and demand that the system treat them as customers rather than users.
- Most Americans will receive care from specialized centers for chronic diseases (cancer, women’s health, heart, etc.).
- Standard diagnostic health will largely be electronic, with people conducting their own “doctor visits” from home through miniature data collection and monitoring devices.

Collectively, these thoughts describe a health environment that today can only be imagined rather than defined. They reaffirm that the IOM goals are a necessary step toward the future, but they show that the competencies as they are defined in this Model require continuous reevaluation and sharpening as the future comes into clearer focus.

Why a Health-specific Leadership Model is Needed
Throughout the research for the competency Model many interviewees and other opinion leaders questioned whether a health-specific leadership Model was necessary. They cited the widespread availability of Models used throughout the health and non-health sectors, and some suggested that the industry would be well served to think about leadership from a non-health perspective. Hay, too, asked this question. At the end of the research, the conclusion was that a health leadership Model adds significant value. While the outstanding health leaders have a lot in common with and demonstrate the behaviors of the best leaders of the top performing organizations worldwide, they do so in an industry and environment that calls for additional competence:

- The “end consumer” for health is ultimately all people, everywhere. Although the trend may be toward specialty delivery organizations, the range of humanity is still the “customer”
- Health is a mission and values driven industry. We found that the top performing organizations—be it a hospital, a pharmaceutical company, a biotech start-up, an insurance company—have
at the core of their strategies sustaining health, wellness, a quality of life, and ensuring that effective treatment is available and provided when people need it

- The health system is extraordinarily complex and more than other sectors requires building consensus among independent constituencies, many of whom have broad social and political recognition. Leaders who have an impact must exercise influence, consensus and coalition-building competencies at higher levels than their counterparts in other sectors
- Health leaders are especially challenged to create work climates that motivate high-quality, patient-centered care and retain high-demand talent in a very competitive marketplace

The NCHL Health Leadership Competency Model reflects benchmarking against the best leadership models outside of health, as well as the unique health environment. It promotes the standards of leadership excellence, and necessary to achieve organizational performance excellence envisioned by the Institute of Medicine.

**Continued Research and Validation**

Given the intrinsic iterative nature of competency modeling, the NCHL Competency Model will continue to be refined and validated as it is applied throughout the field, including its dissemination and deployment in graduate education, professional development, and organizational transformation initiatives. On going feedback regarding its validity and relevance will be solicited from the users, researchers, and expert panels.

NCHL’s national healthcare leadership database will be used to assess the relevance of the Model to evolving health care leadership needs, understand the interrelatedness of competencies, and measure relationships to both individual and organizational performance. The latest review and refinement of NCHL’s Competency Model was completed in December 2005, resulting in version 2.1 of the Model.

**How the Competency Model Works**

The NCHL Model contains three domains with 26 competencies: The three domains—Transformation, Execution, and People—capture the complexity and dynamic quality of the health leader’s role and reflect the dynamic realities in health leadership today. Of the 26 competencies, eight are technical (or skills and knowledge) competencies. These include communication skills, financial skills, human resources management,
information technology management, performance measurement, process management and organizational design, project management, and strategic orientation.

**Transformation:** Visioning, energizing, and stimulating a change process that coalesces communities, patients, and professionals around new models of healthcare and wellness.

- Achievement Orientation
- Analytical Thinking
- Community Orientation
- Financial Skills
- Information Seeking
- Innovative Thinking
- Strategic Orientation

**Execution:** Translating vision and strategy into optimal organizational performance.

- Accountability
- Change Leadership
- Collaboration
- Communication Skills
- Impact and Influence
- Initiative
- Information Technology Management
- Organizational Awareness
- Performance Measurement
- Process Management/Organizational Design
- Project Management

**People:** Creating an organizational climate that values employees from all backgrounds and provides an energizing environment for them. Also includes the leader’s responsibility to understand his or her impact on others and to improve his or her capabilities, as well as the capabilities of others.

- Human Resources Management
- Interpersonal Understanding
- Professionalism
- Relationship Building
- Self Confidence
- Self Development
- Talent Development
- Team Leadership

**TRANSFORMATION**

Visioning, energizing, and stimulating a change process that coalesces communities, patients, and professionals around new models of healthcare and wellness. Competencies include:

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**Achievement Orientation:** A concern for surpassing a standard of excellence. The standard may be one’s own past performance (striving for improvement); an objective measure (results orientation); outperforming others (competitiveness); challenging goals, or something that has not been done previously (innovation).

**Analytical Thinking:** The ability to understand a situation, issue, or problem by breaking it into smaller pieces or tracing its implications in a step-by-step way. It includes organizing the parts of a situation, issue, or problem systematically; making systematic comparisons of different features or aspects; setting priorities on a rational basis; and identifying time sequences, causal relationships, or if-then relationships.

**Community Orientation:** The ability to align one’s own and the organization’s priorities with the needs and values of the community, including its cultural and ethnocentric values and to move health forward in line with population-based wellness needs and national health agenda.

**Financial Skills:** The ability to understand and explain financial and accounting information, prepare and manage budgets, and make sound long-term investment decisions.

**Information Seeking:** An underlying curiosity and desire to know more about things, people, or issues, including the desire for knowledge and staying current with health, organizational, industry, and professional trends and developments.

**Innovative Thinking:** The ability to apply complex concepts, develop creative solutions, or adapt previous solutions in new ways for breakthrough thinking in the field.

**Strategic Orientation:** The ability to draw implications and conclusions in light of the business, economic, demographic, ethno-cultural, political, and regulatory trends and developments, and to use these insights to develop an evolving vision for the organization and the health industry that results in long-term success and viability.

**EXECUTION**

Translating vision and strategy into optimal organizational performance. Competencies include:

**Accountability:** The ability to hold people accountable to standards of performance or ensure compliance using the power of one’s position or force of personality appropriately and effectively, with the long-term good of the organization in mind.

**Change Leadership:** The ability to energize stakeholders and sustain their commitment to changes in approaches, processes, and strategies.

**Collaboration:** The ability to work cooperatively with others as part of a team or group, including demonstrating positive attitudes about the team, its members, and its ability to get its mission accomplished.
Communication: The ability to speak and write in a clear, logical, and grammatical manner in formal and informal situations, to prepare cogent business presentations, and to facilitate a group.

Impact and Influence: The ability to persuade and convince others (individuals or groups) to support a point of view, position, or recommendation.

Information Technology Management: The ability to see the potential in and understand the use of administrative and clinical information technology and decision-support tools in process and performance improvement. Actively sponsors their utilization and the continuous upgrading of information management capabilities.

Initiative: The ability to anticipate obstacles, developments, and problems by looking ahead several months to over a year.

Organizational Awareness: The ability to understand and learn the formal and informal decision-making structures and power relationships in an organization or industry (e.g., stakeholders, suppliers). This includes the ability to identify who the real decision makers are and the individuals who can influence them, and to predict how new events will affect individuals and groups within the organization.

Performance Measurement: The ability to understand and use statistical and financial methods and metrics to set goals and measure clinical as well as organizational performance; commitment to and employment of evidence-based techniques.

Process Management and Organizational Design: The ability to analyze and design or improve an organizational process, including incorporating the principles of quality management as well as customer satisfaction.

Project Management: The ability to plan, execute, and oversee a multi-year, large-scale project involving significant resources, scope, and impact. Examples include the construction of a major building, implementation of an enterprise-wide system (patient tracking, SAP), or development of a new service line.

PEOPLE

Creating an organizational climate that values employees from all backgrounds and provides an energizing environment for them. Also includes the leader’s responsibility to understand his or her impact on others and to improve his or her capabilities, as well as the capabilities of others. Competencies include:

Human Resources Management: The ability to implement staff development and other management practices that represent contemporary best practices, comply with legal and regulatory requirements, and optimize the performance of the workforce, including performance assessments, alternative compensation and benefit methods, and the alignment of human resource practices and processes to meet the strategic goals of the organization.
Interpersonal Understanding: The ability to accurately hear and understand the unspoken or partly expressed thoughts, feelings, and concerns of others.

Professionalism: The demonstration of ethics and professional practices, as well as stimulating social accountability and community stewardship. The desire to act in a way that is consistent with one’s values and what one says is important.

Relationship Building: The ability to establish, build, and sustain professional contacts for the purpose of building networks of people with similar goals and that support similar interests.

Self-Confidence: A belief and conviction in one’s own ability, success, and decisions or opinions when executing plans and addressing challenges.

Self-Development: The ability to see an accurate view of one’s own strengths and development needs, including one’s impact on others. A willingness to address needs through reflective, self-directed learning and trying new leadership approaches.

Talent Development: The drive to build the breadth and depth of the organization’s human capability, including supporting top-performing people and taking a personal interest in coaching and mentoring high-potential leaders.

Team Leadership: The ability to see oneself as a leader of others, from forming a top team that possesses balanced capabilities to setting the mission, values, and norms, as well as holding the team members accountable individually and as a group for results.