REVIEW ARTICLE

# Leadership problems in the management of health institutions

## *Problemas de liderazgo en la alta dirección de instituciones de salud*

*Nilson A. Contreras-Carreto[1]* and Martha L. Ramírez-Montiel[2]*

*[1]Health Quality and Education Directorate General, Secretaría de Salud, Mexico City; [2]Women's Clinic, Ixtapaluca High Specialty Regional Hospital, Secretaría de Salud, Ixtapaluca, State of Mexico. Mexico*

## Abstract

*In health institutions, physicians or other health professionals frequently occupy senior management positions, usually without any administrative expertise. In such a way that, an excellent clinician can become a lousy leader and administrator. In this article, the administrative and organizational consequences of a bad exercise of leadership are displayed, interpreting the phenomenon from the classical and contemporary theories of leadership, and exposing the problems that top management in health frequently faces in hospitals. Leadership is not innate; it is a skill that can be developed. Leading and managing health institutions are a science and an art that should be learned from undergraduate and perfected in the postgraduate course. Unless the health professional has a solid administrative and political career, holding senior positions in the hospital are a fortuitous matter.*

***Keywords:*** *Administration. Hospital management. Leadership.*

## Resumen

*En las instituciones de salud es frecuente que los médicos u otros profesionales de la salud ocupen altos cargos directivos, habitualmente sin ninguna experiencia administrativa, de tal modo que un excelente clínico se puede convertir en un pésimo líder y administrador. En este artículo se abordan las consecuencias administrativas y organizativas de un mal ejercicio del liderazgo, interpretando el fenómeno desde las teorías clásicas y contemporáneas del liderazgo y exponiendo los problemas que la alta dirección en salud enfrenta frecuentemente en los hospitales. El liderazgo no es innato, es una habilidad que puede ser desarrollada. Liderar y administrar instituciones de salud es una ciencia y un arte que bien debiese aprenderse desde el pregrado y perfeccionarse en el posgrado, puesto que, a menos que el profesional de la salud posea una sólida carrera administrativa y política, el ocupar altos cargos de responsabilidad es un asunto fortuito.*

***Palabras Clave:*** *Administración. Dirección hospitalaria. Liderazgo.*

**Correspondence:**
*Nilson A. Contreras-Carreto
Avda. Marina Nacional, 60
Col. Tacuba, Alcaldía Miguel Hidalgo
C.P. 11410, Ciudad de México, México
E-mail: itzmard@yahoo.com.mx

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# Introducción

During the working life of a physician (or any other health professional), the opportunity may arise, sometimes even without planning, to occupy senior management positions at any health care institution (health centers, clinics, hospitals, health jurisdictions, etc.) so that the clinical professional, fully trained for the prevention, diagnosis, treatment, and rehabilitation of patients, faces the challenge of leading health institutions without the necessary skills for the exercise of administrative functions. This way, an excellent clinician, can become a disastrous administrator.

If the premise that leadership is one of the main factors for success in an organization is considered[1], current crisis in health institutions could be understood as a problem resulting from a poor exercise of leadership or even to an absence thereof. Even today, there is little research focused on studying leadership applied to health institutions. The vast majority of publications present exclusively success stories, without delving into possible mala praxis of health institutions senior management (HISM). For this reason, it is necessary for an analysis of the various health institutions as a study subject to be carried out and for HISM characteristics to be analyzed as study objective, as well as the leadership problems it faces, through the analysis of the phenomenon from the perspective of classical and contemporary theories of leadership.

## Classical and contemporary theories of leadership

Ever since man has lived in society, he has used leadership to achieve common goals. Its study has interested various disciplines, such as administration, psychology, sociology, and anthropology, among others. For this reason, the proposed theories are diverse and have different approaches, but rather than divergent they should be understood as complementary to each other. Some describe which are the characteristics that make of a manager a good leader; others, the types of behavior necessary to achieve effective leadership[2].

One of the main classical theories is the theory of traits, which state that leaders possess specific and universal innate traits that make them effective. These traits can be physical, of personality, intelligence, capacity for social skills, or related to task and administrative abilities. The theory also mentions charisma, self-assurance, assertiveness, communicational skills, creativity, and innovation. However, there is not enough evidence to ensure that having these traits ensure effective leadership[2,3].

Depending on the leader's behavior, leadership can be autocratic, democratic, or liberal[2], but there is also the paternalistic, mediating, and participative style[3]. On the other hand, if it is the situation that determines leadership, then traits and behaviors would not be the main element that should be analyzed. This is because, if circumstances change, the leader must adapt his behavior to the requirements and demands of each particular situation[3]. Other situational theories address the relationship between effectiveness and the leader's personality, interaction between the leader and the maturity of workers, as well as the determination of goals and their relationship with motivation and elimination of obstacles[2].

In turn, contemporary theories propose a comprehensive and multidirectional approach, analyzing factors such as the task, the type of organization, work structure, the budget, and the required organizational change[2]. All of them emphasize that each behavioral pattern can be effective in various situations, but it is not optimal for the resolution of all of them[3]. These theories include transactional leadership and transformational leadership, which are next described.

## Transactional and transformational leadership in health institutions

Transactional leadership is based on exchange or transaction. In this type of leadership, the leader uses his power to reward or sanction his subordinates and shows no interest in organizational development. His exercise focuses on specifying the tasks each one of the workers will perform and on verifying that these tasks are properly carried out. It is characterized by two sub-dimensions: (1) the "contingent reward," according to which the leader determines the reward or sanction depending on the compliance with organizational goals and (2) "administration by exception," in which the leader intervenes only to correct actions and ensure compliance with organizational goals. In this type of leadership, most actions are corrective and judgments on it are usually negative[4].

Conversely, transformational leadership conceives the leader as an agent of change, as the main promoter of commitment and motivator of teamwork. It also seeks the meaning of tasks, and its exercise is based on values[4]. This type of leader motivates his collaborators to share his vision and to achieve the goals that he himself dictates[5].

Among his personality traits, the transformational leader is charismatic, personalist, and self-confident and has

high influence on others[2]. This type of leadership is highly useful in companies with a high ideological purpose and in situations of tension or uncertainty[3]. It is the leadership that contributes the greatest benefits to health institutions, since it allows a shared vision and promotes commitment, cooperation, loyalty, and continuous innovation. It also allows members of the organization not only to develop in the organizational field but also intellectually. This facilitates decision-making, promotes the delegation of tasks, and allows greater autonomy for collaborators[6]. However, the main disadvantage of this leadership style is that it takes too much time for an appropriate climate of interaction and trust between collaborators and managers to be generated[4].

## Health institutions as public companies and leadership

The National Health System has three levels of care: basic health services provided in health centers and family medicine clinics (primary care), hospital care services with basic specialties outpatient services (secondary care), and high-specialty hospitals, national medical centers and referral hospitals (tertiary care); the latter are characterized for having high financing and state-of-the-art technology[7].

At all levels of care, personnel is heterogeneous and consists mostly of doctors and nurses, among other health professionals, administrative, and service personnel. Depending on the complexity of the institution, the staff ranges from a few tens to thousands of people[7]. Thus, leading health institutions are actually leading true companies. Hospitals as public companies have specific goals deriving from their health programs, which must be economically and efficiently met in response to the needs of the population[8].

Therefore, the situations that are faced by the leader every day are increasingly complex. This forces HISM to seek new leadership approaches that allow higher efficacy, better efficiency, and more productivity. The new leader in health must be characterized for making unforeseen decisions with high assertiveness, for possessing creative and innovative thinking, being collaborative, open to learning and change, for promoting organizational development, possessing a systemic and strategic vision, being consistent, being a motivator, able to influence others, and for having a high resolving capacity in the face of contingencies[2].

There is an erroneous belief that health care efficiency (caring for patients with minimal resources) is achieved by reducing staff or ensuring the purchase of supplies at lower costs. Although this will allow freeing up resources, it would sacrifice the quality of care. Administrative management in health must solve contingencies with the minimum necessary, without waste, but also without denying resources. Preventing disease, complications, disability, and mortality are always the most sustainable action in a country's economy.

Therefore, in health institutions, it is necessary for management to be modernized to make public expenditure efficient and raise the quality of services. Management of both public and private organizations must be able to lead in complex, changing, and uncertain environments, with leaders who are flexible and able to interpret environmental signals to the benefit of their organizations, with an adequate speed of response to changes, with efficiency, equity, and business vision. Therefore, hospitals with a good profitability are self-sustainable[9].

## Senior management and leadership problems in health institutions

Although all health institutions have commonalities with each other, each one of them should be led and managed in a particular way. Even if the same type of activities are carried out, there are no two hospitals or clinics that are equal; each one has its own structure, dynamics, and organizational culture[10]. Therefore, running health institutions without taking into account their peculiarities and their environment would probably be the main management error of a leader and a preamble for chaos.

Leading is influencing in some way on collaborators for carrying out the organization goals[11]. In health, leadership allows the provision of services to be improved in the particular institutional context, which favors organizational change to the benefit of the user population[12].

Leadership is the most important managerial skill, which promotes teamwork and is a key factor to the development of the organization[12]. Its proper exercise allows five elements that are fundamental for the institution: (1) vision; (2) identification; (3) use of others' complementary skills; (4) commitment; and (5) organizational learning. Leadership is also a strength that raises the quality of health services, as well as efficacy of the organization. However, the relationship of these with the degree of experience of the leader has yet to be investigated[13].

In health institutions, when the health professional is assigned a managerial position, two scenarios can result that he does not possess the necessary expertise to lead and administer the institution or that, possessing it, he does not know the portfolio of services or health

programs, he is in charge of. The above situations cause an inefficacious leadership and a limited or deficient administration, which results in decreased influence of the leader, poor exercise of power, lack of strategic planning, low sensitivity to the needs of the staff, limited resolving capacity, and, therefore, a high rotation of managers.

Consequently, if the aforementioned problem arises in health institutions, it can be inferred that the leader is not prepared to exercise his administrative functions. Some of the causes could be the following: he does not have a defined idea of his role or of what is expected of him; he does not focus his hierarchical ascent on continuous training; he prioritizes image and prestige rather than proper fulfillment of his functions; he focuses his administration on the exercise of authority; duplicates activities; does not prioritize necessities; settles for mediocre or modest results; he is insecure when making decisions or makes them by intuition; he has a poor capacity to react to crises; he has a problem of frustration mishandling; exhibits an aggressive administrative behavior; or promotes organizational division[8].

HISM tends to be frustrated when faced with administrative situations, it has no experience with. This can result in excellent doctors developing into incompetent and dissatisfied managers. The higher the rise in hospital hierarchy, the bigger the disengagement from clinical praxis, which will cause a decrease in the validity of his knowledge and may contribute to increase the degree of dissatisfaction, further diminishing the interest in the exercise of his leadership[14].

It is important mentioning that, in health institutions, there is no identifiable rigid structure of leadership. Vision is particular to each institution or simply does not exist. This results in each leader implementing his own management style and establishing his own scale of priorities and values[15.] This way, a health professional without administrative training, will execute a weak planning and conduction of processes within institutions, in addition to a restricted use of technical resources, with his effectiveness therefore being limited. It is also common to observe little or no adherence to the processes that he himself establishes, disorganization and disarticulation in the cooperation with collaborators, and results so modest that are barely visible[15,16].

Maybe one of the recurrent failures in health management is a weak or absent generalized influence on organization, which causes a diffuse organizational vision and, therefore, teamwork fails to concretize. Leadership deficit also generates a poor intellectual stimulus for workers, the solution of problems through innovation is poorly incentivized, and human contact is barely existent and inefficient to the detriment of interpersonal relationships[16,17]. As for the control function, a lack of objective-based management becomes evident, with a disconnection between what is programmed and what is accomplished, absence of an information flow that provides feedback for decision-making, and reckless attention to organizational problems that are detected[18].

Another error observed in HISMs is ignorance about the institutions that they lead. If the manager is unaware of that which motivates his collaborators, he will not have the capacity to influence their behavior and will mismanage incentives. Wrongly choosing incentives for the staff results in them being inefficacious for some and even counterproductive for others[14].

Regarding the exercise of power, an abuse of the authoritarian style has been observed to lead to less acceptance and poor support from collaborators. However, the exercise of an exclusively democratic style does not ensure for the manager to be conceived and accepted as leader. With the latter style, permissive attitudes are common, which can seriously compromise the accomplishment of goals. A management based on permissiveness will necessarily bring chaos to the organization. Both authoritarianism and excessive permissiveness are factors that affect and limit the establishment and development of satisfactory interpersonal relationships, as well as the influence of the leader on his collaborators[19].

The role of leadership in an organization healthy functioning is fundamental. The leader's ability to inspire, motivate, and create commitment to common goals is crucial. A true leader handles the motivations, values, and emotions of his own and others; generates awareness; and prioritizes common before personal benefit[20,21].

## Articulating the theory of leadership with the development of the manager is a priority

Health systems are immersed in dynamic and uncertain environments. They require flexible, proactive and forward-looking leaders who have a great capacity for flexibility and adaptability to adjust to the demands of the environment. Without a doubt, the ability to lead and manage should be skills taught, acquired, and honed during training, from undergraduate to postgraduate.

Investigating more deeply in this area will allow determining how to properly evaluate leadership in health, whether the clinician's managerial skills are taken into account for his administrative proposal, his effectiveness in positions of responsibility, the role of leadership

in the achievement of strategic objectives and goals, and which are the criteria for considering a good clinician as a good manager and leader[22].

A large proportion of managers learn as they go, by trial and error, and thus a leader becomes effective inasmuch as he achieves self-knowledge, is educated, trains, and learns from his experiences[23]. In this regard, it is necessary to consider that, for the institution, a doctor without administrative experience who assumes a high hierarchy position is as risky as a non-health professional administrator trying to care for patients. Therefore, articulating theory with practice through HISM leadership professionalization and development becomes absolutely necessary, since this allows to define the future of the institution, lead the collaborators according to his vision, and inspire them for bringing it into reality. Therefore, the health leader must create a shared vision, improve processes, facilitate learning for action, mark the path of change to be followed, and encourage the spirits of collaborators[23,24].

## A framework for improving leadership in health institutions

Without attempting to provide "magic explanations" or "cooking recipes," this text suggests some aspects for improving the exercise of leadership in health institutions. Management and leadership are an art; it is not about working everything at once, but we should gradually and progressively prioritize and manage changes, be prudent in order for not to "scare" the organization, but not so slow that it may be thought that "nothing is happening". Every change results from learning and, to be meaningful, it has to "mean something" to those who experience it.

There are various sources to "lever" the change into a more effective leadership that should be pointed out:

- *Management of complex systems*. Hospitals should be understood as a complex organism with multiple interactions of its subsystems, with dynamic and not entirely predictable relationships. It is important to emphasize that the correct choice of variables of change, however small they may be, can produce huge results[25,26]
- *Management by strategic objectives and based on performance*. Hospital management without hard data turns into decision-making based on serendipity, an anecdotal issue with assessments supported by qualitative judgments. However, they are still experiences; assessments based on subjectivity do not provide a solid basis to management, including the compliance with strategic objectives and evaluation of the performance of leaders and employees alike[25,27]
- *Management of collective experience*. As already mentioned, the implementation of a total quality hospital system is a matter of learning. Unfortunately, the experience of change focuses on the employees of the various health institutions instead of starting with HISM and from there transforming the institutions. Crises affect everyone, and it is up to everyone to solve them. Therefore, change is an issue that concerns all members of the organization and not just a few[25,28]
- *Research, development and innovation (R+D+i).* It is well known that, in health institutions, many of the successful experiences are not published, research is not encouraged or linking it to the real health needs of the country or the place, where the hospital is located which is not achieved. Development of patents or intellectual property registration is not promoted. In addition, there is an inertia against change that clinicians with or without administrative experience rarely manage to circumvent and overcome. This way, something that would provide a huge competitive advantage to health institutions becomes their main weakness and ends up being their greatest threat in a globalized world[25,29]
- *Human capital management*. The key to leadership is not forgetting that workers are not machines, but people. Productivity, efficacy, and efficiency depend on people; assuming; and practicing organizational and personal values do too. It is important to emphasize that the interests of the organization are not at odds with the interests of the health worker; getting both of them to become allies is an art for the leader of health institutions. Today, institutions are more competitive, they demand new levels of commitment, and they require for facts to be assumed and adequately respond to the various crises that arise in hospital management, making better decisions, and transforming hospitals into more humane companies. All these aspects could not be accomplished without considering the human aspect of administration[25,30].

## Conclusions

Leadership problems are a common phenomenon in HISM. For the most part, these are related to managers' limited or no administrative experience, or to a lack

of knowledge of the health programs that they are in charge of. The main leadership problems that have been identified include lack of business vision, poor identification of the leader with collaborators, poor commitment to the organization, and ignorance of the dynamics of the institution that is led, deficient strategic planning, poor decision-making, defective exercise of power, and settling for suboptimal results.

As a result of a poor exercise of leadership, the manager can become ineffective, ignore the importance of his functions, depreciate continuous training, get frustrated for not making assertive decisions, and show a deep disinterest in the excellence of the organization. This will cause for collaborators to have a poor identification with the leader, a lack of motivation toward achieving goals and even rejection of managers. This results in a high rotation of managers and an increase in uncertainty and organizational tension in health institutions.

Leadership is not innate, it is a skill that can be developed. It is a key factor in the development of administrative functions, and its proper exercise increases the quality of care and the efficacy of employees in complying with the organization goals. If a HISM lacks the necessary experience, he must be professionalized; if he lacks the knowledge on the strategic health plans, he is in charge of, he should seek to know them in depth. If the manager identifies the leadership problems of his administration, it will allow him to redefine the problem as an opportunity for improvement for an adequate administrative practice.

The current leader in health institutions has to be critical, creative and innovative, and focus on identifying problems before they occur and act before the consequences. He has to be the designer of a solid strategy with a defined and shared vision, with a high ability to influence others, and be recognized as an agent of change.

## Conflicts of interest

The authors declare that they have no conflicts of interest.

## Ethical disclosures

**Protection of human and animal subjects.** The authors declare that no experiments were performed on humans or animals for this study.

**Confidentiality of data.** The authors declare that no patient data appear in this article.

**Right to privacy and informed consent.** The authors declare that no patient data appear in this article.

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