From left to right: Dr. David Nash, Colleen Wyse, Jack Welch, Dr. Stephen K. Klasko, and Suzy Welch.

America's Corporate Legends Tackle Academic Healthcare:

An Interview with Jack and Suzy Welch

What would happen if America's most legendary corporate leader looked at academic healthcare? In this interview, Editor-in-Chief Dr. Stephen Klasko finds transformative advice from co-authors Jack Welch and Suzy Welch who apply lessons from their recent book, *The Real-Life MBA*.

As Chairman and CEO of GE, **Jack Welch** grew the company's value 4,000 %, with initiatives that defined American corporate history in the late 20th century. **Suzy Welch** is a nationally renowned journalist, author, columnist and commentator. She is a former Editor-in-Chief of *Harvard Business Review*.

Now they are taking on business education for healthcare. Having developed the fastest growing online MBA in a partnership with STRAYER UNIVERSITY, they are expanding into changing the "DNA of healthcare" one physician or healthcare professional at a time. They have developed a relationship with THOMAS JEFFERSON UNIVERSITY toward the goal of creating a new generation of healthcare leaders. In a no-holds-barred interview, we took on two of the nation's most transforming industries—academics and healthcare.

► How to Lead: Define Mission and Behaviors, Banish Jerks

Dr. Klasko: I want to get right to your new book. One thing that stuck with me is your advice to "banish jerks." And let me just put this in the context of healthcare. A lot of my research has been about what makes physicians different than, depending on the audience, either other people or normal people. We still accept students based on science GPA, MCATs, and organic chemistry grades, and we are somehow amazed that doctors aren't more empathetic. How do you take high-functioning physicians and scientists, who are great at what they do, but were not selected and trained for business teams?

Editor's Note: What better way to adorn the first issue of a journal entitled *Healthcare Transformation* with a couple who has lived their professional lives working on the human factors related to positive transformation and creating leaders. For me, the takeaways from the book authored by Jack and Suzy, *The Real Life MBA*, which were accentuated in this interview, are the importance of aligning mission, behavior and consequences. You cannot market your patient centric clinical delivery system unless you "live it" and unless physicians, nurses and staff know there will be consequences if the patient is not the "boss." Similarly, you will be challenged to convince millennials that there is value to their university education if there are no consequences for faculty who consistently show poor student engagement or have poor faculty evaluations. It requires "speaking the truth," "expanding the humanity and authenticity" we give to patients into our leadership roles, and communicating a consistent vision, mission and "way of doing things" both within and without the organization. As a healthcare leader, even during tumultuous times, that will lead to an organization more optimistic about its future than its past.

If you want more information on the Jack Welch Management Institute at Strayer University, including its new healthcare MBA incorporating courses at Jefferson, visit healthcare.jwmi.com. If you want more information about population health degrees at Thomas Jefferson University visit <http://www.jefferson.edu/university/population-health.html>

Mr. Welch: In building any team, whether it is a team of doctors or a team of businessmen, you start out by setting the core question, “where are we going?” You define a real mission. And then you say: How are we going to get there? We’re going to get there through a series of behaviors. They might be speed. They might be collegiality. They might be to share ideas. They might be how many have you promoted. You decide what behaviors will drive your mission in your circumstance.

And here’s an example. I ran a conglomerate. And the conglomerate too often operates in stove pipes. You might have a neurology department, you might have an internal medicine department, but if you’re not getting the intellect across departments, you’re not

maximizing the intellect of the people playing the game. You’ve got to raise the intellectual level of the organization, and you want to get out of

stove pipes. Stove pipes kill you. A value is sharing ideas, crossing boundaries, and you reward people for behavior that does that.

“Every promotion you make is worth 100 speeches. Never forget that.”

Every promotion you make is worth 100 speeches. Never forget that. You can talk all day about culture, and “we believe this,” and “these are our behaviors,” but you put in some horse’s ass that doesn’t have anything to do with that, and all of a sudden you’ve destroyed the whole place, and all your speeches are just air, because everyone in the organization knows who the horses’ asses are. The organization knows who the winners are and who the losers are. And when you make a bad promotion, you wipe out all your speeches.

The problem with jerks is when they destroy those behaviors you want. In a business community, it’s the horse’s ass that gets the numbers, squeezes the people, kisses up, kicks down. And the whole organization knows they’re a jerk, and in promoting them, you lose all your credibility. The key is to make your expectations transparent, so that everyone always knows where he or she stands.

Dr. Klasko: I guess you don’t have tenure at GE?

Mr. Welch: No, and I don’t have tenure in my university. We built a university around a model of no tenure. Our students’ average age is 38. They’re spending their own money; they’re old enough to judge what they’re learning. If you’re that student, the worst thing you can do is work all night while your kids are crying, while other people are having fun, and you turn in the paper, and all a teacher writes is something lame like:

“Nice job.” When that happens, it is a disaster. You need to have a dialogue. The classes are 20 in size, so the faculty has to engage all of them. Faculty engagement is a key part of the measurement. Our students rate the faculty every term, and their rating is a significant factor in faculty retention.

► Be the “Chief Meaning Officer”

Dr. Klasko: How do you rally an organization undergoing change to have mission, behaviors and consequences match?

Mr. Welch: I think that is fundamentally the hardest thing you have to do, because you’ve got too many people that say: “That’s not the way we used to do it.”

Dr. Klasko: You must have been spying on our meetings!?

Mr. Welch: Look, we had annual meetings of our top 500 to 600 leaders. We used to have speeches, and my predecessor did a great job, but he used to talk about the Company being the *Queen Mary*. No matter how bad the storm was, the ship was big enough “we could weather the storm. We’ll always be the *Queen Mary*.” And most of the Company employees wanted to be the *Queen Mary*. When I got the job, I said we wanted to be a cigarette boat: fast, agile, speedy. And we put those values in: Speed, bias for action, hate bureaucracy – behaviors we wanted. Then we talked about them all the time, until we gagged. You have to repeat this over and over and over. You can’t say it enough. You want everybody from Jefferson to be on a plane and have your friend say to you: “I was sitting next to somebody from Jefferson, and they told me all about the mission and where you’re going, and how you’re going to get there.” And when that gets into the skin of every doctor in the class, and every doctor that’s in the program, and they really feel a mission to not be 106 years old, but instead to be a fresh, 21st-century medical institution taking on the biggest challenges of our time.

Ms. Welch: You don’t want your mission to be too abstract. You have to paint a very vivid picture of it. Because words are just words. People have to have in their mind this sense of what it is, what will it look like in five years.

Jack Welch speaking at the Jack Welch Management Institute.

► Be Authentic About Health

Dr. Klasko: Suzy, let's take this to healthcare for a minute. You were able to take something, technology, that could have really decreased interpersonal relationships, and then you made it more personal. We're doing that with EMRs now, and decisions analysis support. A lot of people are concerned it will depersonalize healthcare. What advice can you give us to use this technology to actually help the doctor–patient relationship?

Ms. Welch: You're right that there is this very intimate relationship. It is not the typical consumer–transactional relationship. But at the end of the day, customers—or in this case patients—want to get the best service. And you hear people complain about their doctors all the time, and they feel sort of trapped. I've got to believe that the way that healthcare is going, people are going to lose some of that intimacy, that you have your doctor for your whole life, and now you have to shop around for other doctors. And that's going to change the relationships.

“I would go to all kinds of lengths to bring humanity and authenticity to the profession.”

Dr. Klasko: Why do you think more people don't ask more from their doctors?

Ms. Welch: Well, because there's that built-in awe of your doctor from our generation. And I think it's changing, as doctors have been demystified as time has gone on. A lot of that because of TV, and the depictions of doctors on TV is that their humanity is showing. But from our generation, you were in awe of your doctor, and he knew a lot of stuff or she knew a lot of stuff that you didn't know. But now, with the great big Doctor in the Sky, the Internet, where everybody gets to diagnose themselves—and my doctor gets so mad at me when I say, “I looked it up online.” But I think that that relationship's going to change.

Dr. Klasko: If you were on my Admissions Committee, you know, you're now running a university, what would you look for in a medical student?

Mr. Welch: I would go to all kinds of lengths to bring humanity and authenticity to the profession. I would talk about it a lot. I would talk about bedside manner 30% of the time. I would absolutely make authenticity an important part of the whole curriculum. I would role model people that do it well. I would make them heroes of the school. Not just the person with the best marks, the best grades.

► Eat and Dream at the Same Time

Dr. Klasko: Right before I started this job, I was giving a talk, and the guy before me said, “Well, the two things you don’t want to run for the next three years—eventually they’ll be OK, because they’re totally transforming 180 degrees—are academics and healthcare, because you can’t succeed for the next three years.” And when I went home, I said, “Honey, I just took a job in academic healthcare.” But it hit me, something you said today. You said, “The modern CEO has to think short and long. The modern CEO has to eat while he or she dreams.”

Mr. Welch: I think during change you can’t blow the place up and talk about, “I’ll fix it down the road.” You’ve got to deliver while you’re planning the future. Any manager in the world, any leader in the world, can do a short-term job by squeezing. Any manager can say, “Come back in 10 years, I’ll let you see what I’m doing.” You’ve got to eat while you dream. And so they can measure you, and you’ve got to have short- and long-term goals. You’ve got to be building that facility while you’re doing something else over here that’s very short-term to fund it. Eating and dreaming are what a leader does all day, and how well they eat while they dream determines how well they will lead.

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► Case in Point: Mergers Are About Culture

Dr. Klasko: The past few years have been filled with mergers of the healthcare system; each trying to find ways to deliver value to populations; each trying to streamline. With your experience growing GE, you might be the world’s expert on merging corporations. The question I have for you is: What’s the greatest danger in merging two companies?

Mr. Welch: Well, we’ve seen a lot of pitfalls. Do you want to start, Suzy?

Ms. Welch: I’d just say, the first one is that we would say, “Uh oh. They had the conqueror syndrome.” And this is very common in acquisitions. When Jack was at GE they had an incredible number of acquisitions every year. And when they got it wrong, it was often the conqueror syndrome. That is when the bigger organization said, “Well, we bought you. Let’s just see how we can get rid of your people and put our people into your place.” And it just kills the energy, and you don’t reap any of the benefits of bringing these two organizations together.

Mr. Welch: You didn't buy buildings, you bought intellect—that is what people forget in 90% of the acquisitions. Suzy said the right word—we call it the “conqueror syndrome.” And unless you blend the best of each, you have rubble left behind. You've got to pick the best people, independent of who came with you, to man the new ship.

Take an employee of your new acquisition who is thinking: “What does this merger mean for me?”

He was happy the day before the merger. And now the merger's occurred. You've got to show him how he's part of your vision going forward, and you've got to make clear to him what's in it for him or in some cases not.

“ I just believe that a value of authenticity overwhelms everything. ”

► Only Truth Is Spoken Here

Dr. Klasko: What advice do you have, as CEOs get more and more—or deans or presidents get more and more—in their glass towers, what advice do both of you have to communicate to folks that you're really there to help them succeed?

Mr. Welch: I just believe that a value of authenticity overwhelms everything.

Ms. Welch: The thing, also, with alignment, is that it has to go along with behaviors and consequences, so you can talk about the mission statement, but you have to tell people how you get there. What are the behaviors? Is it speed? Is it sharing of ideas? Is it informality? What are the behaviors we value? And then the consequences are that people who demonstrate those values get promoted or get lauded or get celebrated.

Mr. Welch: Well, I think you create an atmosphere where only truth is accepted. Ideally, you'd have in every conference room: “Only Truth Spoken Here.” You know? No spin. No self-promotion. No coming in the side doors. Just truth.

In today's information environment, everybody in an organization knows just about everything. Start with that premise, and build trust, so that people can be truthful. You say, “We're a risk-taking organization.” Then they take a risk, and you shoot 'em? That's the end of that program.

It doesn't work. So you've got to constantly back up every word with an action.

Ms. Welch: As we've been on this book tour, we've been talking a lot about truth and trust. Because you know what? There's just so much written about leadership. I mean, a leadership book comes out every single day. If you type the word "leadership" into TWITTER, there's like a zillion quotes going around. For this book we really wanted to boil down what we had learned about leadership in the past 10 years. And leadership has changed a lot, because the business environment has changed a lot, and Jack kept on coming back to these two words at high-functioning companies. In the companies that did change, the companies that were resilient, there was an absolute preponderance of people speaking the truth and seeking the truth. Every meeting was about speaking and seeking the truth. No spin, no agenda, no politics, just what is the truth. And that there was an environment of trust, where you could say what you were really thinking and you wouldn't be shot for it, and so forth.

On the book tour, I've been saying to groups, ever since we thought about truth and trust, I think it would be interesting to go back to your organizations and sit with your team and say, "Do we have truth and trust here?" And the first time I said it, I was very surprised to see the looks of horror on the people in the audience, because immediately they're thinking, "Maybe we don't have truth and trust." And it's the kind of conversation that if you start it, people start saying, "Hey, you know what? I'm not so sure truth is actually being spoken in this room right now," or "I'm not so sure I'm feeling trust from people about this." Then you start building that environment, and that allows change. That allows the kind of swift change. It makes everything else possible, and it really sort of sweeps away all the other noise and gobbledygook around leadership. Just truth and trust.

“In the companies that did change, the companies that were resilient, there was an absolute preponderance of people speaking the truth and seeking the truth.”

► Generosity Is Inherent in the Best Managers

Ms. Welch: The “generosity gene” is something we talk about in the book, because when you're in a medical setting, you don't want to throw around the word gene too much, because you all sort of really know what genes are.

Somewhere between nature and nurture, there is a characteristic that some leaders have, and that is to be generous and to have a natural generosity of spirit. They love to give raises; they love to give promotions; they love to see people grow; they don't steal ideas; they don't kick up, kick down, or kiss up. This does not mean they are not performance-driven and demanding. They are. When you think back on all the good bosses that you've had, they all have this—you love them because they both raise your game and have the generosity gene. You would do anything for them. And you know when you've had terrible work experiences because you had somebody who was tight: emotionally tight, financially tight, they were just not generous in any way, right?

Now, it is a very good question you ask about whether you can nurture this, whether somebody is born with it. I think if you have it, and obviously some people are raised and

“ When you think back on all the good bosses that you've had, they all have this—you love them because they both raise your game and have the generosity gene. ”

born with more of this quality than others—and it comes from families, we see a lot of family members who are like this. But if you have it as an organizational value, and the leader is saying, “You know what? We love this thing that you call the generosity gene, and we actually promote people who have it because we really care about it.” That's the way you cultivate it, by creating it as a value.

Mr. Welch: And watching people. Keep your eyes open! Look for it. You will see it. It's a winning characteristic: Be generous as hell with your employees financially and emotionally. Self-confidence allows them to take risks. Praise them. It's just the right thing to do.

Ms. Welch: People have a strong tendency to go sort of into tribal mode and feel they have to play politics and to build little cabals. There are evolutionary biologists who would tell you that we're hard-wired to go into cliques, and we say it in the book many times: Love everyone. Right? Every time you feel yourself being drawn into a clique, or being drawn into a group where you're going to start excluding other people, and your circle gets smaller and smaller, fight that and just love everyone.

► And Finally, a Question from the Welches for Those of Us in Medical Education—Why Does It Take So Long?

Mr. Welch: And we tell our working kids to put in the drawer of their desk a sign we gave them that says, “Love everybody.” Every time they pull that drawer open, “Love everybody” hits them.

Mr. Welch: Steve, let me ask you a question. Why does medical school, the internship, the residency, why is it so long?

Ms. Welch: It doesn’t seem right.

Dr. Klasko: Excellent question. You’re absolutely right.

Ms. Welch: It’s crazy.

Dr. Klasko: It’s segmented; it’s siloed. We say to students, here’s your undergraduate four years. Here’s your medical education. Here’s your residency training. We keep adding to the steps instead of integrating them.

Ms. Welch: And why do doctors have to be 35 before they’re making any money?

Dr. Klasko: Well, because we still believe, falsely, that we can teach everything in science for your specialty. We still believe, falsely, that if you’re going to be a neurosurgeon, you have to learn everything about family practice, etc. In my specialty of OB/GYN, if I’m going to be a gynecologic oncologist, and never deliver another baby, I have to go through four years of general OB/GYN.

Ms. Welch: Sounds like a racket.

Dr. Klasko: It is a racket.

Ms. Welch: Somebody’s making money off of this!

Mr. Welch: Who wins in this game?

Dr. Klasko: Really, more than anything else, it is the accrediting bodies. After six years of multiple choice tests, we’re ready to let medical students see patients, and what do they have to pass first? Another multiple choice test. They’re not tested on whether or not they’re emotionally equipped to treat and guide a patient.

Ms. Welch: Why doesn’t somebody blow that model up? I mean, in business, when a model is that broken, somebody comes in and blows it up. ■■■