



# SYSTEMS TRANSFORMATION

THE ROOT OF THE MATTER:

WHAT EVERY HEALTH LEADER SHOULD KNOW

Numerous studies, commission reports, media editorials, and professional organization reports have been calling for major reform in the Canadian health sector. Expectations for change—driven by funding pressures, demographics, public expectations, and technology—suggest that transformation to reform the health sector is both expected and required.

Significant efforts have been undertaken across Canada to prepare tomorrow's leaders to take on the looming challenges of Systems Transformation. The result of these collective efforts has been the development and adoption of a forward-looking health leadership capabilities framework: *LEADS in a Caring Environment*.

This document looks at Systems Transformation, the fifth domain of the framework. The Systems Transformation domain of leadership capabilities is aimed at generating the strategic ability to create the changes required. This domain is increasingly more important than ever, because more sophisticated leadership is required to address the fiscal, technological, and professional challenges, particularly in the large, integrated health systems that are becoming the norm in Canada.

In the context of Systems Transformation, leaders need to better understand how they perceive change and what change actually means: i.e., their experience of the dynamics of change. It is valuable to distinguish to a greater extent how change is perceived, and also to perceive change differently, depending on personal qualities such as worldviews, beliefs, and mindsets, which demonstrates the link between the Lead Self domain of the LEADS framework and Systems Transformation. Leaders are asked to reflect even more fundamentally on whether and how they learn to change, and through this reflection, decide to take action. And to increase the likelihood of success, there is a pressing need to actively identify and engage all pertinent key players in a system in the conceptualization and framing of the issues related to Systems Transformation, as well as in collaborative planning and implementation.

Lead Self  
Engage Others  
Achieve Results  
Develop Coalitions  
Systems Transformation



The Systems Transformation domain of the LEADS framework requires that leaders have four capabilities:

1. **Demonstrate systems/critical thinking.** They think analytically and conceptually, questioning and challenging the status quo, to identify issues, solve problems, and design and implement effective processes across systems and stakeholders;
2. **Encourage and support innovation.** They create a climate of continuous improvement and creativity aimed at systemic change;
3. **Orient themselves strategically to the future.** They scan the environment for ideas, best practices, and emerging trends that will shape the system; and
4. **Champion and orchestrate change.** They actively contribute to change processes that improve health service delivery.

The first capability of demonstrating systems and critical thinking suggests that leaders need to pay more attention to the dynamics of complex systems—i.e., large, complex health delivery organizations in which the variables are huge and interactions among them impossible to predict—and using their knowledge of those dynamics, to apply critical thinking skills in determining what will work to create the health system of the future.

Leaders are also expected to encourage and support innovation. There has been a strong movement over the past decades to integrate quality improvement into the health system at a unit level, using models such as the Plan-Do-Study-Act (PDSA) cycle of innovation. (IHI, 2010; <http://www.ihi.org/IHI/Topics/Improvement/ImprovementMethods/HowToImprove/testingchanges.htm>). Drawn from change management thinking, these approaches need to be integrated into and combined with approaches to change using the lens of organic, complex systems. This capability pulls in both perspectives, as it addresses the leadership demands of change in human systems such as health.

Leaders orient themselves strategically to the future. Leaders are visionaries: they envisage a brighter, progressive future, and they express hope in that future. They enroll others in a common understanding of that future, and utilize strategy to define and engage people in creating it. The health sector's size, number of professionals involved, and political sensitivities pose particular challenges. Meeting these challenges entails that effective leaders gather the knowledge that foreshadows the future, and anticipate issues that need to be addressed to move toward that future (e.g., chronic disease challenges, sustainability challenges). Leaders are also encouraged to identify tools, techniques, and approaches for generating enthusiasm for that future.

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In order to champion and orchestrate change, effective leaders are aware of the dynamics of stakeholder and professional engagement and take action to stimulate it. Effective leaders are aware of the dynamics of physician engagement and take action to stimulate it. They make efforts to assess capacity for change and change readiness, and see where these may have to be enhanced. Many of the tools, techniques, and approaches for championing and orchestrating change emphasize inter-professional interaction, giving power to those affected by the change in order for them to help design it. Leaders are also aware that when patients, clients, or citizens are affected by a change, methods to activate their engagement must also be employed.

The tools, techniques, and approaches used to champion and orchestrate change are also profiled in the other four domains of the LEADS in a Caring Environment framework. This emphasizes the inter-dependent nature of the framework's five domains and 20 capabilities for leaders in a modern complex health system. This booklet reviews how the domain of Systems Transformation can make renewal of the Canadian health system possible.

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## FOR MORE INFORMATION

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