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## The Behavioral Health Organization of the Future

*A Guest Article from David Nour, Author and MHCA Fall Conference Keynote Speaker*

In my most recent book, *Curve Benders* (Wiley, 2021), I wrote an entire chapter on the organization of the future. In preparation for my upcoming return keynote to MHCA, I can't help but to think that behavioral healthcare leaders could benefit from this perspective.

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*"The organizations that will truly excel in the future will be the organizations that discover how to tap people's commitment and capacity to learn at all levels in the organization."*

*– Peter Senge, American systems scientist*

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Most knowledge workers yearn to work for an organization that they believe values innovation. According to research, Millennials vastly favor startups over traditional corporations because they are seeking company cultures that prize innovation. Did you know that there are an estimated 70,000 books on innovation available for purchase right now? HBR alone offers some 5,000 digital articles and 10,000 case studies. In PwC's most recent Annual Global CEO Survey, 55% of the participants said, "We are not able to innovate

effectively.” They place innovation at the top of the talent gap. The Conference Board, in its 2020 C-Suite Challenge Report, surveyed 740 CEOs globally. They listed “building an innovative culture” among the top three most pressing internal concerns. From classrooms to newsrooms and boardrooms, innovation is the buzz. It has become the global darling and is on every CEOs’ go-to playlist.

Over the past two decades, I’ve consulted with hundreds of executives under a broad spectrum of industries. When asked what an innovative culture looks like, most leaders in mature companies in mature industries are predictable in their response: entrepreneurial, collaborative, fun, a high tolerance for failure, with great candor amongst the team members. More recently, desiderata like psychological safety, hearing all voices, a willingness to experiment, leaning in, and flat organizations have entered the popular lexicon. Who wouldn’t want to work in a company with these attributes? Yet, for most people, this is a flowery wish list.

If everyone wants to work in a company that values innovation, why is it so hard to create a culture where the personal S-curve of reinvention can equally be developed in teams and organizations?

There are a handful of insights I’ve captured regarding mature companies in mature industries and the mindset of the leadership when it comes to real innovation versus innovation theater:

- They focus and thrive from a highly transactional core business.
- They’ve garnered a great deal of success from perfecting their execution model.
- The business fundamentals are based on a sound business model where steadfast leadership is rewarded, like in legacy manufacturing and distribution companies.
- They’ve benefited from flat to moderate organic growth because of their maturity and known market dynamics. They perhaps have a fixed set of current and prospective customers and have the fundamentals it takes for flawless execution. Their overall growth and profitability are predictable considering acquisitions, divestitures, or access to abundant, cheap capital that may enable financial engineering.
- Risk mitigation is their accepted norm, primarily to avoid any surprises in the forecasting and production planning efforts.
- The governance model consists of a CEO, a capable C-suite, and board members who are typically conservative, elder statesmen and -women. In member-based organizations or trade associations, you can exchange the C-suite for an executive committee.

### **Core Business Blind Spots**

Following are a handful of fundamental business model challenges and opportunities with the core business and leadership/governance model:

1. **What it *really* takes to innovate.** I define iteration as doing the same thing better. Real innovation is about doing things differently. This is why real innovation is often grossly misunderstood and mismanaged.
2. Due to many organizations’ sheer size, complexity, or lack of courage from key leaders to nurture exceptional talent, **incompetence and coasting is excused, tolerated, or simply transferred.**

3. **Experimentation is ad hoc at best.** It is shoved deep down in the bowels of most organizations. There is no discipline in how the process is initiated, resourced, or documented.
4. **Brutal candor is seldom the modus operandi** because it's incredibly uncomfortable for most people. Candid debate is viewed as uncivil. There is little to no training, development, or coaching for a culture that's unafraid of retribution.
5. **Collaboration takes a second chair to individualism**, accountability, commitment, and results, as if they're somehow mutually exclusive. Shifting technologies and/or business priorities can make a competent individual in one context be utterly incompetent in another.
6. **Reduced bureaucracy takes courage.** Abandoning old habits takes a new purpose, and flattening the organization takes a commitment by strong leaders. The modern-day organizational structure dates back to Adam Smith!

Senior leaders who clearly differentiate between valuable and useless failures set the right tone in creating a culture that balances learning and growth with performance and results. Valuable failures produce incredible insights relative to the investments to gain them.

Behavioral healthcare P&L leaders have a great opportunity to model innovative behaviors. They can begin by mustering up the courage to critique other's ideas constructively without being abrasive or abusive. A great way to set the tone would be to insist on criticism of their own ideas and proposals. I've been on several leadership business plan reviews for one of my favorite CEOs. He openly asks, "Here is what we've come up with that I believe in. Shoot holes in it. What am I not seeing or thinking about?" Talk about a leader who's dedicated to uncovering his own flaws and aiming for the best results. He does this through constructive and forward-thinking criticism, almost like a solemn duty by his direct reports. That is not only intentional and proactive S-curve learning and growth, but he's also demonstrating to others that he doesn't have all the answers and that the team is dramatically better off through surgical collaboration. He's not asking for grandiose ideation or some vague corporate-speak; he wants specific questions or statements to uncover his blind spots.

I look forward to seeing you on October 19th at the beautiful Peabody in Memphis to experience the Curve Benders keynote and get a signed copy of my new book. See you soon!



## Integrating behavioral and physical health *is essential to thriving in 2021*

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