

# Academic Mission and Comp Plans

## Rewarding A and Expecting B







# Core Challenges Facing Head & Neck Surgery Departments, Next 10 Years

- **Funding to support the academic mission.**
- **Funds Flow Changes:** Many institutions are undergoing changes in funds flow distribution.
  - Compensation varies across institutions, making varying differentials in faculty salaries.
- **Fostering a steady pipeline of physicians scientists.**
  - **Need** supportive pathways and infrastructure are in place.
- **Building a transparent, collegial culture and faculty compensation plan.**
  - encourage collegial, fair and merit-based decisions.



# Vision

- *As a pioneer in the field, the vision of the Department of Head and Neck Surgery at UCLA is to passionately and relentlessly lead, innovate, and inspire excellence in patient care through education, research, and global community service.*



# Academic Mission

## Clinical Vision:

- Demonstrate the highest levels of professionalism.
- Provide outstanding patient care in all specialties.
- Compete at the highest level.
- Treat colleagues and patients as we would treat family

## Research:

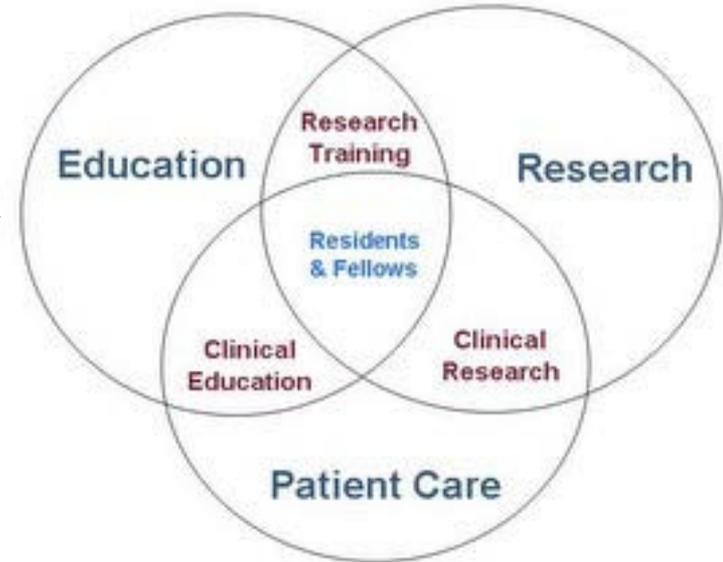
- Lead in NIH-funded research.
- Drive future discoveries and translational research.
- Support young investigators.
- Build internal and external collaborations.

## Education:

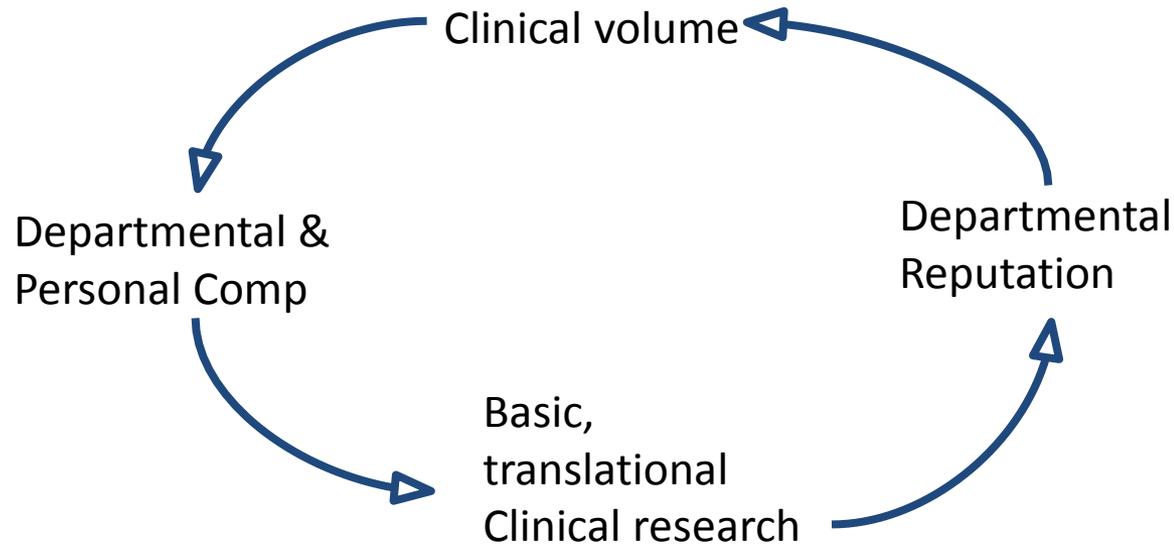
- Compete for the best resident candidates.
- Support the success of every ENT resident and every student.
- Instill enthusiasm for ENT in every medical student with whom we come in contact.

## Community and Global Engagement

- Engage and support our communities locally and globally



# Research and Educational pursuits Bolster clinical rankings/reputation of Academic Departments



Comp Plan should support the Balance

Clinical engagements

Research & academic pursuits



# Bring in the Experts

- *On the Folly of Rewarding A, While Hoping for B*  
Steven Kerr, 1975

- senior advisor to Goldman Sachs,
- Following term as a managing director and Goldman's Chief Learning Officer (CLO).
- led renowned leadership-education center GE
- Former president of the Academy of Management.
- His writings on leadership and "*On the Folly of Rewarding A, While Hoping for B*" most cited work in management sciences



# A Reward by any other Name

- > 40 years since Steve Kerr first noted that organizations invariably violate a fundamental law of social nature
  - rewarding the very behaviors which they are supposedly trying to discourage,
  - failing to reward the behaviors they desire to reinforce.
  - *Comp plans if not designed well could end up rewarding behavior opposite of what's needed to support the vision and mission*
- *40 Years After: Steven Kerr's Follies Are Alive and Well. Available from: [https://www.researchgate.net/publication/291371864\\_40\\_Years\\_After\\_Steven\\_Kerr's\\_Follies\\_Are\\_Alive\\_and\\_Well](https://www.researchgate.net/publication/291371864_40_Years_After_Steven_Kerr's_Follies_Are_Alive_and_Well)*

# Ah, Airline Travel

- Most of us arrived at this meeting via airline travel
- Airline travel can mean flight delays and cancellations, including time spent on the tarmac waiting for takeoff.
- **Policy Enforcement:** In 2010, the Department of Transportation imposed a tarmac delay rule to solve the problem (Forbes & Ames, 2012).
  - Fines airlines \$27,500 per passenger if an airline sits on the runway for more than three hours.

**Result for Airlines:** It must be a success as there haven't been many violations.

**Outcome for Passengers:** one practical reason why there haven't been many violations is because the airline response (to avoid the fine)

- cancel potentially problematic flights.

– - The result: more passenger delays . . .

## Moral:

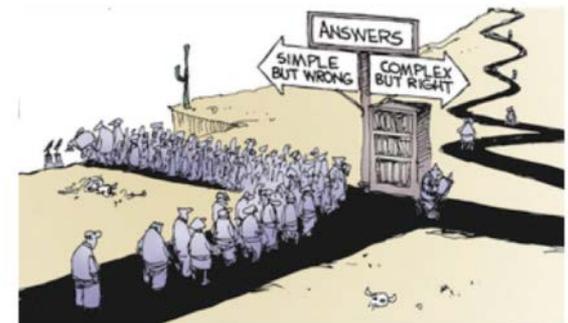
- *You get what you monitor so if the rules are aligned with constituents you are trying to impact, policies can be quite ineffective in achieving actual outcomes*



# On the Folly of Rewarding A, While Hoping for B

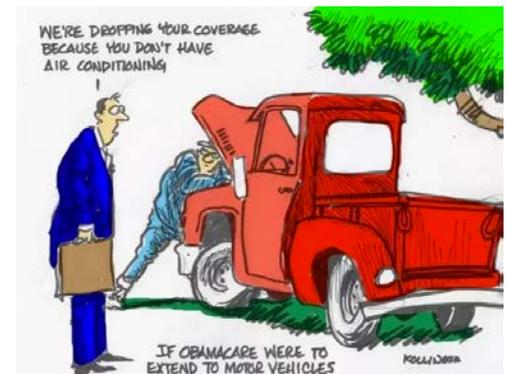
## Steven Kerr, 1975

- Four causes of the Folly
  - 1. A fascination with an “objective” criterion.
    - Simple quantifiable standards may be successful in highly predictable areas, but can cause goal displacement elsewhere.
  - 2. Overemphasis on highly visible behavior. (using what is easy to measure)
    - RVUs visible and therefore easier to reward than other important behaviors also worthy of reward like teamwork and creativity.
  - 3. Hypocrisy.
    - Rewarding and getting desired behaviors, even though claiming these are undesired.
- *It is important to measure what is important to measure.*
- *It is not important to measure what is easy to measure.*



# Comp plans if not designed ideally could end up rewarding behavior opposite of what's needed

- A “good” reward is one that gets you what you want.
  - Sometimes what you want is greater efficiency, more money, more quality, or more volume.
  - Sometimes what you want is more equality, distribution.
- If you define it wrong, you end up with a bad reward.
- If you measure it wrong, you end up with a bad reward.
- If the rewards themselves are unattractive, then you end up with a bad reward



# Align the reward system to generate the desired outcomes

- Three-step process to help one realign their reward system
  - 1. Define performance in actionable terms.
  - 2. Measure the right things and use the right measures
  - 3. Reward the right things and use the right rewards



# The Comp Plan

- Mission:

- The Comp Plan will :

- recruit and retain a faculty of high quality
- individually and collectively, build and maintain a department that excels in all of its mission areas
  - medical student teaching
  - physician training (residents and fellows)
  - research (basic/translational/clinical)
  - patient care
  - service to our greater academic community.



# Operating principles are key to getting alignment between comp plans and academic mission

- Comp Plan Features:
  1. **Simple:** Comp plans should be easily understood and transparent
    - timely and accurate reports that are provided to each individual faculty member with their own performance and departmental performance as to expectations and metrics of actual performance.
  2. **Affordable:** Funds from all sources should meet all departmental needs
    - meet compensation needs
    - fund staff salaries and benefits
    - support departmental programs and activities
    - provide for prudent reserves to meet unanticipated demands.
  3. **Foster the right culture:** constructed and executed in such a fashion as to foster positive and constructive faculty behavior, performance and success of both individuals and the Department overall
  4. **Comply with policies:** Comply with Health System and School of Medicine policies and practices.

# Metrics-What to measure

- Most compensation plans use metrics to measure a faculty member's contributions
- Advantages to using metrics:
  - quantify contributions, promote transparency and fairness.
  - Metrics are easiest to apply to individual clinical performance
    - metrics associated with billing and revenue generation can be applied (RVUs or value based metrics)
- Challenges to metrics:
  - Not all activities are easily measured.
  - Non-clinical activities do not generate revenue or have an established value,
    - education, research, administration and university service. (EVUs, salary credits, point systems)
- Challenge of weighting each performance measure based on the department's own strategic priorities or those of their school or health system.
- A **pitfall** in creating metrics is the tendency to choose an easy or highly visible measure, even though this may not adequately represent the activity that the department wishes to incentivize or reward.
- Achieving buy-in by the faculty members regarding the appropriateness of scores is also needed, though not always easy to achieve.

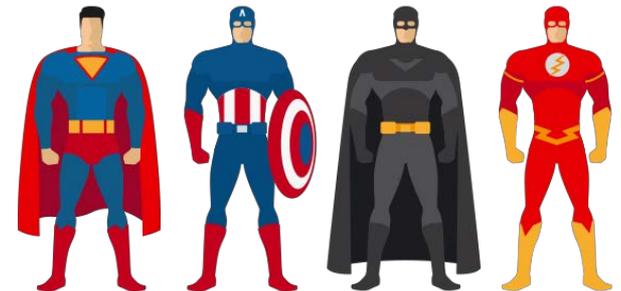


# General Models for Incentive Plans

- Clinical Productivity Based
  - Based on contribution to the clinical mission only
- Multi-factor Productivity Based
  - Based on contribution to the multiple missions
- Section Based
  - Incentives for collective performance are uniquely defined for each Division
- Tailored Individual
  - Unique incentives for each individual to fit talents and career goals
- Value Based
  - Defined by contributions to improving quality and lowering cost in delivery of clinical services or other missions

# Methods to Raise Visibility of an Individual's Contributions to Group or Team

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- **Interaction Rituals:** symbolic meaning group membership and involvement attendance at faculty meetings, resident events, teaching conferences. rounds, QI meetings)
- **Pro-active Availability:** efforts to anticipate and integrate work and projects (EVU, point system, salary credits)
- **Self-presentation:** volunteering to share activities publicly (grand rounds, team projects)
- **Conscientiousness and Helping:** extra effort to assist peers with their work (covering colleagues, call, clinic)
- **Voice:** making constructive suggestions for change (contribute positively to discussions)
- **Peace making:** working to resolve difficulties (volunteering to be on committees or workgroups)



# Risks of changing Comp Plan

- 1. Faculty morale and sentiments
  - Should be executed in a respectful way and that all voices heard



*Create a task force with a clear mandate to make recommendations that is inclusive of Faculty's POV and should be allowed 2-3 years to assemble their point-of-view*

# Risks of Changing the Comp Plan

- 2. Managing impact to patients
- 3. Clinical productivity void
- 4. Legal Ramifications
- 5. Sorting Effects
- *You never change things by fighting against the existing reality. To change something, build a new model that makes the old model obsolete.*



# Sorting Effects

- Faculty members are attracted or retained as a result of the activities rewarded in the comp plan
- Some faculty members are pushed out because they do not appreciate the reward system and choose to leave
- Sorting effects can change the work culture of the Department



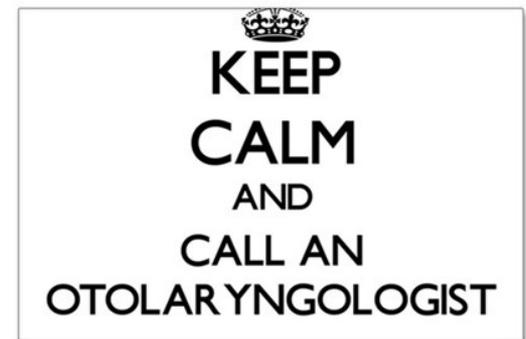
# Comp Plan and Diversity

- Diversity actually contributes to better performance
  - Diversity fosters innovation
  - Global opportunities
  - Diverse employees can better serve an expanded patient base
  - Department is seen as diverse and inclusive
    - increase talent pool and creates a happier more productive workplace
- Comp plan should strive to ensure equal chance of success across all departmental members
- help us attract the best candidates
- Comp plan should include incentives to support diversity candidates with better tools for success



# Closing Thoughts

- *Eyes on the Vision and Mission*
- *It is important to measure what is important to measure. It is not important to measure what is easy to measure.*
- *Change is hard but obsolescence is harder*



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