

Building a Learning Organization

An Interview with Kathleen Gallo, R.N., Ph.D., M.B.A.
Senior Vice President and Chief Learning Officer



Kathleen Gallo

EDITORS' NOTE Kathleen Gallo held several previous positions at North Shore-LIJ, including System Administrative Director of Emergency Medicine and Vice President of Emergency Medical Services, and has more than 25 years of experience in emergency nursing, comprising a variety of clinical and administrative roles in tertiary care hospitals. She held several regional and national positions related to emergency medical services and emergency nursing, and has written numerous articles on trauma and nursing research. Gallo received her Bachelor of Science degree in nursing from the University of the State of New York, a Master of Science (Nursing) degree from Stony Brook University, and a Ph.D. in nursing and Masters in Business Administration from Adelphi University.

How do you define your role within the North Shore-LIJ Health System?

I'm fortunate to be the first Chief Learning Officer in health care.

About 11 years ago, when Michael Dowling was preparing to become the CEO, I was Vice President of Emergency Services. He wrote a white paper on developing a leadership institute at North Shore-LIJ. He had studied other industries and spent some time at GE's Leadership Institute in Crotonville, New York. GE's Chief Learning Officer was the first ever, and he reported to Jack Welch. Mike asked me to read the paper and then asked me if I wanted to assume this role.

At that time, we had a training function within HR like most companies. Mike Dowling's vision was to have a separate learning function strategically positioned and reporting to him. So we developed one – the Center for Learning and Innovation – in conjunction with the stakeholders. The learning strategy was connected to the goals and objectives of the organization in an effort to help the organization achieve its mission.

We recognized that, with a function like that in place, the culture would begin to change; instead of having discreet cultures in the different hospitals, it would create a consistent corporate learning culture.

A month into that process, Mike Dowling asked me to take on HR as well. He wanted somebody who would find a way to build a human resource function that was the gold standard. HR was transformed from a transactional department into one that is a strategic business partner of the organization. So HR is also helping us reach our goals and objectives.

We built a leadership development program, a Six Sigma/Lean program, and programs that are specifically designed for certain goals as well as a core management program for all middle managers. Five years ago, we opened up the Patient Safety Institute, a multidisciplinary clinical simulation center.

I created a dean structure so, for example, the Chief Financial Officer is the Dean of Finance; he and his team teach health care finance in our core management course. Having a CFO and his team in the same room as managers is pretty powerful with regard to intangibles in terms of value. Mike Dowling is the Dean of Leadership – he teaches in our leadership class. But beside content, it's also about the value of communicating with frontline managers. The senior executive is communicating in a room with frontline managers for several hours.

The process of culture change and creating a learning organization is not the responsibility of one leader alone, but all of leadership. ●

Managing New York's Most Financially Successful Hospital System

An Interview with Robert S. Shapiro,
Senior Vice President and Chief Financial Officer



Robert S. Shapiro

EDITORS' NOTE Robert Shapiro has held his current post since August 2000. He joined the health system in 1984 as Director of Finance/Assistant Administrator and later became Vice President of Financial Operations. He began his career as a senior accountant with Blue Cross and Blue Shield of Greater New York and later joined Touche Ross & Company, before being appointed Assistant Director of Finance at Maimonides Medical Center in 1981. Shapiro received his Bachelor of Science degree from the State University of New York at Binghamton in 1975. He is a Certified Public Accountant and a Fellow of the Healthcare Financial Management Association.

Can you talk about the financial strength of North Shore-LIJ Health System over the past 24 months and how it is positioned looking forward?

In the middle of 2008, Michael Dowling was motivating the rest of the management team to improve performance across the entire health system.

During that time, we put in place an infrastructure that began to improve financial performance through efficiencies such as revenue cycles and supply chain process improvements, and through building additional volume.

When the financial crisis hit, it was a call to action. We immediately started figuring out how to reduce expenses and delay capital requirements.

Mark Solazzo, our Executive VP and COO, did a fabulous job at getting quick control over capital projects that could be delayed and went through a process of identifying operating expenses that could be delayed or eliminated.

So we came out of this crisis stronger than we have ever been.

How has the role of CFO evolved?

The role of CFO is no more complex from a financial perspective than it was 20 years ago. What is different is that health care is much more of a business now than when the industry was regulated by New York State.

Business principles are important for a successful health care organization, but that doesn't mean we forget our nonprofit vision. We need to have a margin to reinvest in those activities that are important to our nonprofit mission and we need to create capital for future investment.

The future of health care involves constant change and capital investment, and our organization needs to be financially strong to deal with that.

As you have grown through acquisition, how critical has it been to develop a consistent culture?

From the moment Michael Dowling became CEO, he had a view of what the culture of this organization should be. He formulated his own thoughts on culture based on his own beliefs, and he visited CEOs around the country to understand their cultures and what they do to drive culture.

Michael reinforces that culture daily. He goes to every new employee orientation; he walks around the hospital; and he strongly encourages us to spend times in our shops or in the hospital, communicating that same message.

He also chose people for his team that he felt were already aligned with his values.

After five years, the culture permeated the organization, because those new hires that Michael met at orientation are now employed throughout the health system, and over the past few years, we reached that tipping point. ●