THE IMPORTANCE OF TRUST AND TRANSPARENCY IN HEALTH CARE LEADERSHIP

Bui Trung Dung
Bach Mai Hospital, Hanoi, Vietnam

Abstract

In order to be successful in leadership roles, leaders do not need only technical expertise, but also fundamental competencies aiming at bridging the gap between who they are as an individual and which behaviours expected in their job. Developing and managing trust and transparency in organizations are seen as the most powerful competencies of the leaders. This paper discusses the role of trust and transparency in effective leadership in health care sector. The key question is how trust and transparency are related to good governance, staff engagement, stakeholder relationships, organizational performance, organizational culture, strategic decision-making and reputation. It also analyses barriers in practicing leadership to achieve trust and transparency in organizations.

DEFINITIONS

The definition of trust varies. One of the best definitions of trust offered by Duane C. Tway described the trust as "the state of readiness for unguarded interaction with someone or something". By another way, Fernando Flores and Robert Solomon defined the trust as something people do, something people make, but not something people have (Solomon & Flores, 2001). Warren Buffett also said that the trust is "like the air we breathe. When it's present, nobody really notices. But when it's absent, everybody notices".

Similarly, the transparency has been defined by many ways. For hospital, the transparency could be identified as the share of information involving governance, patient satisfaction, safety, quality, prices and other aspects which build public confidence and trust (Henke, Kelsey, & Whately, 2011).

RELATIONSHIP BETWEEN TRUST AND TRANSPARENCY AND EFFECTIVE LEADERSHIP

Trust plays a key role in the effective leadership which affects followers in a mundane way or a heroic way. Trust could help to explain the effective completion of some employees in their work, which is above the call of duty, without rewards. In the heroic perspective, trust has been found to explain the willingness of individuals who follow the leaders' visions, even place their lives and fate in the leaders' hands in modern organizations as well as ancient expeditions and armies. Theoretically, the trust in leadership includes two qualitatively different perspectives based on relationship and on character (Burke, Sims, Lazzara, & Salas, 2007). In the relationship-based perspective, followers define their relationship with leaders beyond an economic commitment. Both leaders and followers act on the basis of goodwill, trust and the awareness of mutual responsibilities. In contrast, the character-based perspective stresses on the characters of leaders and its influence on the vulnerability of followers. Because leaders are decision-makers who influence on followers and their work performance, trust-related concerns over the character of the leaders are crucial.

For transparency, there is a strong connection between organizational transparency and employee trust. The more transparent organizations become, the more trusted they are (Rawlins, 2008). Customers always tend to seek mutual benefits from organizations in which it implies honesty and transparency. Employees also ask their organizations for the transparency in fundamental principles such as relationship building methods and authentic communication which is transparent, open, and allows employees to voice their suggestions and ideas to drive strategies of the organization. In converse direction, the transparency requires the trust. When an organization is transparent, it is at risk of vulnerability because it is not sure about the way people use the information shared. There is always a temptation to keep organizational information hidden, instead of being transparent and then rising criticism (Tapscott & Ticoll, 2003).

In health term, the transparency is one of the most recent interests of policy makers and

- *Corresponding author: Bui Trung Dung, email: btdungbmh@gmail.com*
- *Received: 9/12/2016 Revised: 15/12/2016 Accepted: 25/12/2016*

employers. Transparency measures are expected to be a method to deal with concerns of 71% of Chief human resource officers in the US, particularly the increase of healthcare spending and the reduce of the service quality (Troy, 2015). Transparency also drives and enables several changes in the reform of the U.S. healthcare system (Wetzell, 2014). It makes healthcare providers to be accountable for their performance. Additionally, it helps individual purchasers to choose health plans, treatments and providers with full information. It also enables employers to drive organization to the best alternatives to get benefits designed.

GOOD GOVERNANCE

When patients and communities trust a hospital, they are completely confident to entrust their lives and health to the hospital and believe that the hospital will do the best things for them. Communities believe in the integrity and commitment of the hospital's managers as accountable and responsible stewards of the future of the hospital. This trust will occurs throughout the community when people have to understand the issues and challenges that the hospital's leader boards, medical staff are facing as they attempt to develop the services and organization to meet the needs of healthcare in the future. The transparency of organizational governance procedure is often a concern among people in the community. Common questions could relates to the leaders of local hospitals, their responsibilities, their tasks, the way they think and drive the hospital, the reasons why they make policy decisions, and finally the reasons why people should trust them. In this case, the transparency builds the trust, the core intangible in developing an unshakable loyalty in the community and the commitment of community in supporting the hospital. Loyalty occurs when residents and patients in the community are totally confident and faithful to the integrity of the hospital's leaders. The trust is the core of the loyalty (Walker, 2007).

STAFF ENGAGEMENT

Trust and transparency are crucial elements in engaging medical employees. In a healthcare organization, a doctor providing a tough diagnosis fosters trust based on his/her experiences, and the way he/she diagnoses is transparent. Efforts to engage staff have to follow the similar pattern (MacLeod & Clarke, 2009). When leaders start planning a project relating to employees in an organization, they must share aims, goals and action plans with employees. Unless, the leaders weaken their own transparency and the trust their staff put in them and the organization. In this case, the engagement efforts will be scuttled before they begin. Alternatively, leaders should be open with employees' ideas they heard and share the reasons why they prefer some ideas, but not others. A report of King's Fund in the United Kingdom found that health care organizations where staff and clinicians are more engaged achieve better experiences and patient outcomes (KF, 2012). Healthcare organizations have chances to develop workforces which are engaged, thriving and mission driven. The engagement can begin with a plan for listening and improving.

STAKEHOLDER RELATIONSHIPS

Employees, who do not trust their leaders and businesses, will be less productive, less motivated, and less loyal. Customers that realize the lack of trust in an organization tend to become competitors. In a supplier relationship lacking of trust, more resources will be dedicated to monitoring and enforcement which lead to the increase of transaction spending. An organization that breaches the trust of their financial supporters will be quickly perished. The trust management, therefore, should be a priority of the organization. However, this task is likely difficult due to the diversity of stakeholder groups with different perspectives and demands. On the one hand, organizations mostly acknowledge the importance of stakeholder trust management (Pirson & Malhotra, 2008). Several methods for such management have been developed to increase the transparency, to ensure the satisfaction, to manage brand strategies, to recall voluntary, to perceive customers as partners, to raise the organizational responsibility in society, and other trust-consolidating initiatives. On the other hand, organizations unlikely manage the trust of stakeholders effectively (Pirson & Malhotra, 2008). The concern is in the questionable value of the approaches building and consolidating the trust, which organizations are practicing. Eventually, some of them could kill the trust. Because trust is multidimensional, it is difficult to determine which dimension should be focused on when tackling particular groups of stakeholders. It can be considered that employees should trust their leaders due to genuine concerns of the leaders

on their health, or the competency of leaders in management. Leaders should trust employees due to the values of employees congruent with them, or the efficiency of work of the employees in their supervision. Investors should trust leaders due to the integrity of the leaders perceived, or steps the leaders have implemented to improve the transparency.

ORGANISATIONAL PERFORMANCE

The transparency of data is effective as financial rewards in encouraging leaders to improve the organizational performance (Henke, et al., 2011). Much powerful evidence in terms of the value of transparency is the result of efforts in the publishment of comparative performance data. The existence of such data promotes the health care organization to provide services in the cost-effective manner, despite the data is broadly shared in public or internally spread within the organization (Ariely, Bracha, & Meier, 2009; Burnham & Hare, 2007). The simple reason of this promotion is that the careful examination and monitoring of peers is enough to incentivize changes in behaviours. The Citistat is a typical example about benefits of sharing comparative data in Baltimore (Perez & Rushing, 2007). As a system tracking real-time comparative data, the Citistat has been used to provide a huge amount of performance information relating to governmental services. The rapid improvements of productivity after that saved the city more than $13 million only in the year 1999, and reached approximately $350 million by 2007. One more example is that healthcare organizations in some countries such as Denmark, Sweden, and Canada have to publicize the waiting time for their services on their websites. Consequently, a decreasing trend in the waiting time has been observed due to steps taken by the hospitals to improve the performance.

ORGANISATIONAL CULTURE

Organizational culture is one of the most crucial intangible aspects which impacts on the effective management of an organization. In the converse way, a poor culture in addition to the lack of trust and transparency in hospitals will result in failures in clinical activities. An illustration of this is the unusual increasing rate of death and treatment failures in hospitals managed by the Mid Staffordshire NHS Foundation Trust (the Trust) in the U.K. A group of staff and patient carers tried to find out the reason why the rate happened. As a result, a report was issued to give warning signals relating to the culture of the hospitals (MSFT, 2013). It revealed that the culture of the hospitals concentrated on purposes of a business, but not on patients. The institutional culture there promoted the positive information of services to customers much more than implications of concerns. Meanwhile, challenges in developing a positive culture in nursing as well as medical professionals have not been tackled. Moreover, the hospitals did not listen to its staff and patients carefully, and then not correct deficiencies with sufficient attention. The employees were afraid of reporting their concerns. A culture of secrets bullied what had been happening in the hospitals. The hospitals failed to settle the negative culture including the disengagement from leadership and managerial responsibilities and the acceptance poor standards. In order to deal with the problem of the hospitals, the trust put priorities on building a transparent culture with the participation of all service-related parties in which the patient is at the central. The integration of a sharing culture into the recruitment and staff education is also necessary to be enhanced.

STRATEGIC DECISION-MAKING

The management of healthcare organizations in a currently complex environment asks for making competitive and effective strategic decisions. CEOs and administrators of organizations made decisions to identify relevant competitiveness in service delivery in community. These decisions could be the professional areas should be invested, which departments should be expanded or eliminated, or it is necessary to build a new operation centre instead of increasing the capacity of the old one. In order to make such decisions, leaders of the organization often join in teams, so-called strategic decision-making teams. It is asserted that trust within a group may increase the information sharing (Serva, Fuller, & Mayer, 2005). The intra-group trust was also seen to be the key of the interpretation procedure. In other words, a trusting relationship will make team members more openly, and ready to challenge ideas of others without any fear of retribution or ridicule. In these teams, members collaborate to make strategic decisions in which the commitment and trust between team members are very important (Chowdhury, 2005). The increase of the team effectiveness is followed by the

interpersonal trust. However, there is no evidence about the connection between the trustworthiness among members of the team and the quality of the decisions (Garman, Tyler, & Darnall, 2004).

REPUTATION

Reputation refers to how an organization reacts depending on what patients and people in community think or know about it (Shore, 2005). Reputation is always crucial in businesses as well as in healthcare organizations. People make purchases with a business which is seen at the good level of reputation due to their belief on the trust of the business. People also go to hospitals and clinics with the high level of reputation because they have faith in the hospital and ready to entrust their well-being to doctors. However, while consumers judge the goods based on tangible aspects, the patients only judge healthcare services based on intangible factors. The health care services cannot be shaped as a television or computer in a store. Therefore, the reputation of a healthcare organization bases on the trust of patients towards the doctors as well as the hospital. Noticeably, the reputation needs to be regularly strengthened (Shore, 2005). The brand of a healthcare organization built around the trust will be easily weakened by the poor services and inappropriate cost in any departments of the organization.

THE PERSONAL BARRIERS

Data sharing may create the transparency in an organization, but it can be at risk. These risks should be carefully settled before the implementation of any transparency program. It is argued that when a large number of anonymized records are publicized, the possibility will be opened up for patients to be re-identified. The theoretical risk still exists though no cases of re-identification has happened and reported (Henke, et al., 2011). It is necessary to publicize anonymized individual records to analyse health outcomes, but it should be undertaken at suitable levels of independent governance. One more barrier of transparency is surging from the quality of the fundamental database. Clinicians sometimes oppose the publication of performance metrics, particularly when they realize and fear that the database publicized is of variable quality. Similarly, surgeons bias reports of their treatment performance by providing services to patients who are likely to get positive treatment outcomes, but not people in need. However, no evidence of the behaviour against the best interest of patients has been found (Henke, et al., 2011).

THE ORGANISATIONAL BARRIERS

The weakness in the information management in a healthcare organization is another barrier of the effective leadership. Normally, the data reflecting organizational performance and effectiveness has been strictly guarded. There are only few people, such as database administers in the Information Technology department, allowed to access to the information a manager or staff needs. He/she must wait for getting information from them and then have follow-up requirements. After that, he/she must wait in line again for hours, days and eventually weeks until they are able to deal with his/her requirements. This strict protection procedure and long waiting time to access to organizational information will lead to questions about the transparency within the organization. Sometimes the reason of the barrier to transparency in an organization is simply the poor of bandwidth. The Texas children's hospital, for example, met many issues with the inefficient process of internal reporting (HC, 2016). Practitioners, administrators and even senior assistants dedicated many hours per week for reporting. The transparency of the hospital had been a big concern before information technology solutions was applied. Consequently, the automated reporting was not only to save $400,000 for the hospital or to gain $1 million due to the minimization of procedure referral leakage, but also to improve the care delivery as well as to increase the satisfaction of both patients and providers.

THE SYSTEMS BARRIERS

The resistance to the information transparency occurs not only in clinicians and hospital leaders, but also in pharmacy managers. As the third party of prescription drug programs, many pharmacy benefit managers in the U.S. are resistant to the full transparency, particularly information related to the actual price of drugs and other financial benefits they gain in administering drug prescription (Wetzell, 2014). While waiting authorities for considering the implementation of measures to enhance the transparency in drug procurement process, the current market still operates on the approach of negotiated discounts named the average wholesale

price. By this operating mechanism, employers are unable to know about the actual cost that pharmacy managers paid for drug producers and the marking-up price that they sold to employers. Methodologies pricing drugs are evolving and complex involving discounts, price spreads, rebates and payments from manufactures and chains of pharmacy retailers, so it is understandable when pharmacy benefit managers hided their compensation (Troy, 2015; Wetzell, 2014).

CONCLUSION

Generally, trust and transparency are important for organizations when they stand between ordinary and extraordinary results. In community, trust and transparency interact each other to create the loyalty of patients and local residents. They also engage staff and empower the relationship with stakeholders. Consequently, both organizational cultural and financial values are improved to reach better cost-effective services and increasing performance as well as higher standards of services through sharing information between partners in hospitals. Moreover, the making-decision procedure will be more effective with the participation of a group of organizational members established with sufficient trust and transparency. The reputation is also one of the most valuable rewards that the organization achieves when it is regularly strengthened by both trust of partners and transparency of the organization. However, the trust is unable to be built up in short time and the transparency does not mean the share of everything. The trust is sometimes reduced and the organizational transparency is sometimes questioned due to many barriers in, simply, administrative processes to access information or, complicatedly, the differences in operational objectives between members in the organization as well as stakeholders in the healthcare system.

REFERENCES

1. **Ariely, D., Bracha, A., & Meier, S**. (2009). Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially. [10.1257/aer.99.1.544]. *American Economic Review, 99*(1), 544-555. Retrieved from http://www.aeaweb.org/articles?id=10.1257/aer.99.1.544.

2. **Burke, C. S., Sims, D. E., Lazzara, E. H., & Salas, E**. (2007). Trust in leadership: A multi-level review and integration. *The Leadership Quarterly, 18*(6), 606-632. doi:http://dx.doi.org/10.1016/j.leaqua.2007.09.006

3. **Burnham, T. C., & Hare, B**. (2007). Engineering Human Cooperation. *Human Nature, 18*(2), 88-108. doi:10.1007/s12110-007-9012-2

4. **Chowdhury, S**. (2005). The role of affect- and cognition-based trust in complex knowledge sharing. *Managerial Issues, 17*(3). Retrieved from http://connection.ebscohost.com/c/articles/18420521/role-affect-cognition-based-trust-complex-knowledge-sharing.

5. **Garman, A. N., Tyler, J. L., & Darnall, J. S**. (2004). Development and validation of a 360-degree-feedback instrument for healthcare administrators. *Healthcare Management, 49*(5), 307-321; discussion 321-302.

6. **Health Catalyst**. (2016). *Streamlining radiology operations and care delivery through analytics*. Retrieved 1 November 2016, from https://www.healthcatalyst.com/wp-content/uploads/2013/12/SuccessStory-TCH-Radiology-2013-12-02-a.pdf

7. **Henke, N., Kelsey, T., & Whately, H**. (2011). *Transparency - the most powerful driver of health care improvement*. Retrieved 1 November 2016, from https://www.mckinsey.com/~/media/mckinsey/dotcom/client_service/Healthcare%20Systems%20and%20Services/Health%20International/Issue%2011%20new%20PDFs/HI11_64%20Transparency_noprint.ashx

8. **King's Fund**. (2012). *Leadership and engagement for improvement in the NHS*. Retrieved 1 November 2016, from https://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/leadership-for-engagement-improvement-nhs-final-review2012.pdf

9. **MacLeod, D., & Clarke, N**. (2009). *Engaging for Success: enhancing performance through employee engagement* Retrieved 1 November 2016, from http://engageforsuccess.org/wp-content/uploads/2015/08/file52215.pdf

10. **The Mid Staffordshire NHS Foundation Trust**. (2013). *Report of the Mid Staffordshire NHS Foundation Trust public inquiry*. Retrieved 1 November 2016, from http://webarchive.nationalarchives.gov.uk/20150407084003/http://www.midstaffspublicinquiry.com/sites/default/files/report/Executive%20summary.pdf

11. **Perez, T., & Rushing, R**. (2007). *The citistat model - How data-driven government can increase efficiency & effectiveness*. Retrieved 1 November 2016, from https://www.americanprogress.org/wp-content/uploads/issues/2007/04/pdf/citistat_report.pdf

12. **Pirson, M., & Malhotra, D**. (2008). Unconventional insights for managing stakeholder trust. *Sloan Management Review, 49*.

13. **Rawlins, B. R**. (2008). Measuring the relationship between organizational transparency and employee trust. *Public Relations, 2*(2), 1-21. Retrieved from http://scholarsarchive.byu.edu/cgi/viewcontent.cgi?article=1884&context=facpub.

14. **Serva, M. A., Fuller, M. A., & Mayer, R. C**. (2005). The reciprocal nature of trust: a longitudinal study of interacting teams. *Journal of Organizational Behavior, 26*(6), 625-648. doi:10.1002/job.331

15. **Shore, D. A**. (2005). *The trust prescription for healthcare: Building your reputation with consumers*: Health Administration Press.

16. **Solomon, R. C., & Flores, F**. (2001). *Building trust in business, politics, relationships, and life*. New York: Oxford University Press.

17. **Tapscott, D., & Ticoll, D**. (2003). *The naked corporation - How the age of transparency will revolutionize business* New York: Free Press.

18. **Troy, T. D**. (2015). *Knowing more, managing better: Transparency and the emergence of enterprise healthcare management*. Retrieved 1 November 2016, from http://www.americanhealthpolicy.org/Content/documents/resources/AHPI_Transparency_Study_April_2015.pdf

19. **Walker**. (2007). *Governance strategies for building trust through transparency*. Retrieved 1 November 2016, from http://www.arkhospitals.org/archive/arktrusteespdf/BoardBRIEF%20-%20Trust%20Through%20Transparency.pdf

20. **Wetzell, S**. (2014). *Transparency - A needed step towards health care affordability*. Retrieved 1 November 2016, from http://www.americanhealthpolicy.org/Content/documents/resources/Transparency%20Study%201%20-%20The%20Need%20for%20Health%20Care%20Transparency.pdf