



# Raymond A. Mason School of Business

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LEADERSHIP & BUSINESS PODCAST

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## EPISODE 22: LEIF MURPHY – LEADERSHIP IN HEALTHCARE

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### Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from all across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. Well, if you've ever lived in a small town, you know the important role the local hospital plays in the community. For many small towns, the hospital is the heart of the community. In addition to providing local healthcare, it's often the town's largest employer, and it pays taxes that keep the area up and running. Well, that small-town hospital had an effect on Leif Murphy when it was time to choose a career. After earning his MBA, Murphy decided to work in healthcare. Now after 20 years in the business, he's Executive Vice President and CFO of LifePoint Health. An organization headquartered near Nashville, Tennessee, that operates almost 70 hospital campuses in over 20 states with the goal of making communities healthier. Murphy has been on the leadership teams of several healthcare organizations, in addition to holding the title of CFO. He's also been a CEO, and that experience gives him a unique perspective on leadership. And he shares that perspective with us today. Here's our conversation with the Executive Vice President and CFO of LifePoint Health, Leif Murphy.

### Ken White

Leif, thank you for being with us. We're sandwiching you in a couple of tough audiences. You've met with some undergrads a little while ago. You'll meet with some masters of accounting students. Thanks for taking time to talk with us today.

### Leif Murphy

Ken, I am very excited to be here. It's been almost 20 years since I graduated from the MBA program, and it was very exciting to come in as a daytime professor and help out with a couple of classes.

### Ken White

Did you ever see when you were in the MBA seat as a student? Did you ever think of yourself coming back in the future and doing that?

Leif Murphy

I can honestly say I did not.

Ken White

We're glad you're here. You've been a part of a number of leadership teams throughout your career. What makes a good leader?

Leif Murphy

I believe Ken that to get people fully engaged in the mission, the vision, and the values of an organization, people need to park under a bright blue sky. They need to work in an environment where they feel productive and where they feel like they are making a real contribution. So as I think about leadership creating and being a part of a place where people want to come to work and where people are aligned on the mission, and the vision makes it very easy for people to make an impact. So as I think about leadership, a good leader creates that environment and creates that alignment. So in regard to specific things that I believe help on that front, one and probably first and foremost is communication, and I believe that good leaders communicate well and they communicate well both internally and also externally. And I think that having alignment in what is being discussed what's being described across the organization and outside of the organization is very important, and consistency there, quite frankly, makes a leader's job easier. I think second, from a great leader's perspective, helping people understand what their roles are and helping keep them focused on the key things that are going to make a difference for the organization are very impactful in helping to ensure that an organization is successful and making sure that a leader is successful and I think that lastly the best leaders that I have worked with they are people that acknowledge good ideas. They recognize hard work, and frankly, they highlight the contributions that each individual makes inside of the organization and aren't always focused on themselves or on the accomplishments of the company itself.

Ken White

Yeah great. Now you also lead the organization but also the executive team that the leadership team. How do you approach leading the executive team?

Leif Murphy

So as I look at my teams of folks and the people that I am working with on a day-to-day basis. I start in the details. It's always been a fundamental tenet of how I will do my job, but I don't micromanage people. And one of our management pillars today at LifePoint is talent development, and if we've hired the right leaders and they're on board with the culture, then they need room to show that they are capable of accomplishing the tasks that get us from point A to point B. And if I am in the way if I am micromanaging, it does not give them an opportunity to really demonstrate what they are capable of doing. I think

is an extension of that same empowerment. I challenge people not to bring problems without solutions, and that is something that has been near and dear to me throughout my career. And I believe it's a direct way of asking people for ideas and new perspectives. That is very beneficial to an organization, and then lastly, from my own personal perspective and how I approach leadership, I am very accepting of our leaders when they make mistakes. And if we're going to encourage leaders to solve problems and bring ideas to the table, we need to be prepared for the fact that some of those decisions will wind up as mistakes. Now mistakes, for me, should cause us to go back and look at policy and look at procedure and evaluate where were the holes in our approach to that decision-making process. And it gives us an opportunity to be better. And what I'm not saying is that if there is a mistake, and it is a reckless mistake that doesn't require some form of remedial training or even going beyond coaching to sometimes more harsh consequence. But in my experience, that is very much the exception.

Ken White

You've worked with many leaders over the course of your career. Chances are there's been a not-so-effective leader along the way here or there what makes a leader not so effective.

Leif Murphy

I think it goes back, Ken, to the things we just talked about. So poor communicators, leaders that did not give me a good sense of the vision and the mission for the organization. They didn't give me a sense for how I fit into it. My contributions weren't recognized in terms of how I was helping us to progress along that roadway. Blame cultures have been cultures that I've never been excited to be a part of. I've always wanted to park under a bright blue sky, and I've wanted to work around people that I enjoy.

Ken White

You work in a high-growth enterprise. What are the challenges associated with leading in that space?

Leif Murphy

In a high-growth organization which, I have been fortunate to be a part of several times. The things that we just discussed in leadership become even more critical. It is essentially about communication. It's about making sure that for us in healthcare that physicians, that employees, and that communities are engaged in what we're trying to achieve. It is making sure that the buy-in is there as we add new markets to our company at LifePoint. I'll give you what I think what's been an innovative approach at LifePoint in terms of how we integrate in a high-growth environment. About five years ago, learning from mistakes that we had made in previous integrations. We developed a transition services division with a dedicated team of individuals that provide in-depth coordination of the resources that we have at LifePoint and bring those resources to a particular market in the post-

acquisition environment. That team is involved in every aspect of due diligence in strategic planning and integration, and then that team is responsible for the operations of the hospital for the first few years that it is under LifePoint ownership. I think other important pieces of managing growth is having executive leadership on the ground, meeting with employees, meeting with physicians, meeting with community leaders every step of the way. So that we can ensure transparency and that we can help make sure that each one of the stakeholders is highly aligned in the mission and the vision, and the values that we're bringing to the table in the marketplace.

**Ken White**

It's interesting that feet on the ground because so many CEOs we talk to on the podcast talk about that. I need to be out there. They say I want to be with not just folks on the payroll but customers as well and everyone who has a role. Do you enjoy that piece of your job when the feet are on the ground getting out with the folks who work for you?

**Leif Murphy**

I do. I enjoy that very much. I spend probably 50 to 60 percent of my time in the field, working with new communities, working with transactions on a pre and post-integration basis, and then working with the leadership inside of our markets.

**Ken White**

For-profit and not-for-profit. Any differences in leadership in those two areas?

**Leif Murphy**

So, Ken, that's that's a great question, and it's one that I have been asked many times, as you can imagine, in healthcare and particularly in health systems. There are more not-for-profit systems than there are investor-owned for-profit systems. At the end of the day is, I think about leadership. Good leaders think strategically, and they make decisions based on effective strategies, and both types of organizations must create a return. They must generate value in the community, or else there will be no mission without margin. So I see those two things being very comparable and the leadership attributes being very similar across both organizations.

**Ken White**

Healthcare reform means I can only imagine just constant change and in your space. How do you manage that and communicate all of that change?

**Leif Murphy**

So, Ken, you're absolutely right. We're dealing with lots of changes as a function of reform. Much of that change is very, very positive change. Where if we look at ourselves as

a health system, I think it would surprise most people that 20 percent of the emergency department visits that walk in the door have historically gone uncompensated. Upwards to 8 or 9 percent of the admissions into a hospital have gone uncompensated. So reform has brought some very positive tailwinds by bringing coverage to those individuals either through health insurance exchange premium support or in the states that have expanded Medicaid, also covering those folks that are at the lowest income points inside of our communities across the country but along with that there is a lot that has had to get done operationally. It's things around readmissions. It's things around new quality metrics. It is things around the development of what are very complex areas of billing and coding and just basic administration. And so for us is we have if we had tried to tackle those complexities at LifePoint, we have worked to leverage our resources. And we've done it through a hospital support center where we have essentially created a hospital without patients. And we have subject matter experts in each of the areas where our hospitals need help the most. So there those are areas around quality, areas in safety, contemporary practice guidelines across the different medical specialties. Things like reimbursement, things like risk management across the board, we have experts that our teams in the local markets can reach out to and use as a resource to help them move through this very complex web of change in a reform environment.

Ken White

That is so much change. This is a wide spectrum. What you do is wide. It seems to me. What is it you like about this? What gets the passion going? What gets you fired up?

Leif Murphy

So I grew up in a small town. I have spent my entire life in healthcare, and our mission at LifePoint has been to make communities healthier. And it has been to keep care close to home. And so, it is not uncommon in the markets where we operate for us to be the largest employer. We'll be the largest taxpayer. And so we're integral to the success of that particular community. Interestingly as you've mentioned, Ken, I had a chance to participate in a classroom here earlier today, and with a roomful of kids, I was able to start naming the markets where we own and operate health systems knowing I wouldn't get a single hand recognizing the names of the places where we are. So we're making an impact and bringing real quality, bringing real safety to communities where they don't have to get in a car and drive two or three hours for care. They can have that care close to home.

Ken White

And anyone who has lived or grown up in a community like that understands that role.

Leif Murphy

They do.

Ken White

And it's huge, isn't it?

Leif Murphy

It is. It is critical to having a successful community.

Ken White

Absolutely.

Leif Murphy

It's I think about it, and I think about the things that make a community successful, not just having healthcare but having healthcare to be able to recruit new businesses. Having a community where people are able to retire and essentially be confident in the healthcare that's being delivered inside of that marketplace.

Ken White

You see up-and-comers, young professionals, aspiring leaders, aspiring executives. What are you seeing out there as you do day-to-day activities?

Leif Murphy

So I am energized when I can work around young professionals that are hungry in their careers in the things that they have ahead of them to accomplish. On the positive side, what I have seen change over the last couple of decades is a real emphasis on work-life balance. And I think that that balance has become a real priority in most young professionals and in their lives. I think it's a good thing, but it means that you need to be very effective while you're on the job. It means to me that you have to run efficient meetings, you need to be on time, you need to work productively with specific goals set for every day. And I think that the kids and the generation that I am working with are doing that very effectively. On the negative side, I think that many young professionals have lost some of the social graces of our older generations and how they present themselves and how they communicate. And if I were going to offer a piece of advice, I would offer young professionals that they be very present in the meetings where they participate. That they leave their electronic devices behind in those encounters and that they engage with the people in person, and start to develop their intuitions around how their organization is being perceived in a particular environment.

Ken White

We talked about that here in our MBA program about being an other centric communicator. It's not about you. It's about the person with whom you're speaking and that, and you're seeing it probably just as much as anyone that the different generations in

the workplace. What are you observing when millennials are talking to baby boomers and vice versa? What are some of the issues and lessons you see?

### Leif Murphy

You know, I think the biggest is that the tendency to look to your device, and so whether that's multitasking with email or monitoring the markets or trying to be responsive to all of the different claims on your time at every minute in time and that becomes very difficult and sometimes disruptive as you're trying to communicate and build relationships. And so that's an area of coaching for all of us. It's been one for me. I participated in an executive leadership team offsite one day, and the presenter came in and gave us each a little glass token and it says be here now on it. And it's a reminder that sits on my desk that while I'm in a meeting, while I'm on a telephone conversation, I'm going to work hard to be here now. Part of the conversation that I'm engaged in.

### Ken White

Great advice.

### Ken White

That's our conversation with Leif Murphy of LifePoint Health, and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you and your organization by designing and delivering a customized leadership development program that specifically fits your needs. If you're interested in learning more about the opportunities at the Center for Corporate Education, check out our website at [wmleadership.com](http://wmleadership.com). That's [wmleadership.com](http://wmleadership.com). Thanks to our guest this week, Leif Murphy, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.