Health Care Globalization
A Need for Virtual Leadership

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As health care organizations expand and move into global markets, they face many leadership challenges, including the difficulty of leading individuals who are geographically dispersed. This article provides global managers with guidelines for leading and motivating individuals or teams from a distance while overcoming the typical challenges that “virtual leaders” and “virtual teams” face: employee isolation, confusion, language barriers, cultural differences, and technological breakdowns. Fortunately, technological advances in communications have provided various methods to accommodate geographically dispersed or “global virtual teams.” Health care leaders now have the ability to lead global teams from afar by becoming “virtual leaders” with a responsibility to lead a “virtual team.” Three models of globalization presented and discussed are outsourcing of health care services, medical tourism, and telerobotics. These models require global managers to lead virtually, and a positive relationship between the virtual leader and the virtual team member is vital in the success of global health care organizations. Key words: health care globalization, virtual leadership, virtual teams

GLOBALIZATION IS A fact of life in American industry and is becoming an emerging issue for leading health care organizations that aspire to grow and expand their brand beyond the United States. This is the first article that relates the challenges of health care globalization to the concepts of virtual leadership and global virtual teams. Three models of health care globalization are presented, including outsourcing of health care services, medical tourism, and telerobotics.

Why are health care organizations becoming global players as opposed to remaining in their current market or current comfort zones? Competition results in several internal and external pressures on the organization, which may cause it to consider globalization. These pressures include a need to bring innovative products and services to the global market better and faster than the competition does, a need to access markets outside of the organization’s comfort zone, and a need to access intellectual capital resources and diverse knowledge from around the world. Another reason why a health care organization may make the leap to globalization is an expansion of operations through the formation of global strategic alliances, joint ventures, and subsidiaries.

Global virtual teams can be formed within an organization whose facilities are scattered throughout the world. An organization may use global virtual teams in partnerships with suppliers or competitors to pull together the necessary talent to complete a project or speed the delivery of a product to the marketplace. With today’s technological advances, the decision to “go global” is far less daunting than ever before.

Global virtual teams refer to teams that are separated by time, geographic distance, culture, and/or organizational boundaries and that rely almost exclusively on communication technology to interact and complete their projects. Many times, a global virtual team will be assigned some of the more important organizational tasks such as launching multinational products, negotiating...
mergers and acquisitions, and managing strategic alliances. Team members located in different countries regularly work together effectively in the absence of face-to-face interactions. The advantage of virtual teams is that membership is not restricted to a specific location. In all other ways, virtual global teams emulate traditional teams. The virtual component ranges from occasional to total reliance on technology as the medium for interaction.

Global virtual teams enable organizations to accomplish things more quickly and efficiently, in addition to providing new opportunities for training, product development, and product-market analysis. They also provide access to previously unavailable expertise and enhance cross-functional interactions.

VIRTUAL LEADERSHIP CHALLENGES IN GLOBALIZATION

The times when virtual team members are in one place are few, especially when members are located across the globe. This often makes global virtual teams more difficult to manage effectively. Communication is obviously the key to keeping teams working effectively together for several reasons. However, there are many managerial challenges.

First, dispersed team members often do not feel as connected or committed to the team. Consequently, virtual team members will need to get together from time to time. Second, communication problems between team members seem to be directly proportional to the number of time zones that separate them. If it is only a couple of zones, team members will be in their offices earlier or later than one another, but their workdays still overlap enough to allow telephone calls. If the distance stretches from 9 to 12 time zones, workdays do not overlap at all and e-mail and voice mail must be used. Third, there may be a language problem. Because English is becoming the world language, those team members with limited ability to speak and understand English may be placed at a disadvantage.

Additional challenges include cultural barriers and misunderstandings between team members based in different countries, unclear objectives, selection of team members who are self-starters and have technological skills, and behavioral problems caused by lack of close interpersonal contact. When a specific organization or industry as a whole makes the decision to globalize, leadership tasks can become very difficult.

According to Brake, the 2 key challenges of working in a virtual environment are isolation and confusion. The way to beat isolation is by building a sense of community throughout the team. Communication is filtered through the team members’ innate cultural biases, which can increase the likelihood of misinterpretation and misunderstanding.

Although it is clear that having cultural diversity adds a positive aspect to a team, virtual or colocated, drawbacks are much more likely to occur in the virtual setting. Something as simple as mentoring a protégé can be difficult in the global virtual setting, not only because of distance but also because the mentor may be from another culture, located halfway across the globe. After all, leadership has its challenges when a team is colocated, so one can imagine the challenges when a team is geographically dispersed, usually all across the world.

Countless tools are available these days to help virtual global teams stay in close communication. They include e-mail, voice mail, video and teleconferencing, groupware, and various aids to communication and decision making. In one survey, videoconferencing was viewed as one of the richest communication media, second only to face-to-face communication. Global organizations can also use instant messaging when they need a fast and secure way to communicate with their counterparts around the world.

No single tool is best for all situations. Some tools, such as telephone calls or face-to-face meetings, provide real-time communication.

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Others, such as e-mail or voice mail, have brief delay. However, having team members meet face-to-face, especially at the beginning of a project, is vitally important.

A variation of face-to-face meetings would be the use of "virtual expatriates." Virtual expatriates have an assignment to manage abroad without being located permanently to that country. The employee periodically travels to the overseas location, returns, and later uses videoconferencing and other communications technology to manage the operation. This setup allows the employee to manage globally by combining a period of face-to-face interaction followed by electronic communications. Virtual expatriates are also much less expensive than traditional expatriates, who can cost the organization more than 3 times as much as a host national employee.

The early stages of establishing a virtual team are vitally important because levels of trust, satisfaction, and performance are often based on initial meetings between the team and the leader. Trust is probably the most important aspect of creating an effective and successful global virtual team. Trust reflects an individual’s expectations that another person’s capability, goodwill, and self-reference will result in mutually beneficial behavior enabling cooperation under risk. A lack of trust could cause team members to be less willing to contribute and cooperate. Regular communication is the most likely way of maintaining a trusting relationship among team members and with the virtual leader. Trust tends to be made during the “first impression” stages of a virtual team meeting, usually during the initial face-to-face meetings.

Becoming familiar with team member’s backgrounds, culture, and experience can be vital in familiarizing each individual with the skill set of the others. This also helps build a culture for the team that everyone is a part of from the ground level. As mentioned earlier, face-to-face meetings are also necessary to build trust, comfort level, and rapport among team members more quickly than virtual communication alone does.

It may also be necessary for the virtual leader to establish regular one-on-one meetings with his/her team members to promote open and frequent communication. This is more than likely the only time the virtual team member may have to raise issues or concerns to management. One-on-one meetings are also a good time for the leader to suggest areas of improvement without doing so in front of the entire team. Still, the virtual leader should always be available by cellular phone or by some other means during normal working hours and should be responsive when a team member is expecting some sort of return correspondence. Availability is extremely important to a global virtual team because this is the only way the virtual leader can relay an “open-door policy” situation to his/her team.

Although these traits may garnish a certain amount of trust and respect from the global virtual team toward the leader, there is still room for disconnected communication. Communication problems are usually much more common in a virtual setting as opposed to a team that is colocated. Team members may misinterpret an electronic message because of the absence of body language or voice tone. Another possibility is that an American virtual leader may come across as speaking like a “Westerner” or using analogies that do not translate to other cultures, and his/her team may have no idea what he/she is trying to communicate.

GLOBALIZATION IN THE HEALTH CARE INDUSTRY

Potential benefits

With the globalization of health care, virtual leadership has become an important managerial tool in our industry. Health care leaders must learn to be better forecasters of the future of health care and the possible changes to prepare institutions for what the future may bring. The difficult part is to anticipate what new technologies are on the horizon and how the health care system as a whole will be structured over the next 5 to 10 years. Will some form of managed care become a global product? Will American hospital systems and clinics become more involved in an international marketplace? Will health care organizations
continue to outsource jobs outside of the United States?

It is very possible that the answer to all of the questions could be yes, but there are many other trends to expect and barriers to overcome before health care is as capable of functioning globally. If that is indeed the case, virtual leadership is going to become an even more important aspect of our health care system because most of the leadership functions will be provided from different parts of the globe. Understanding how to be a virtual leader and how to communicate with dispersed employees will be very important for current leaders in health care if they are to excel in a global environment.

Some health care providers already consider themselves as global providers. Examples include managed care plans such as Aetna Healthcare and Cigna Healthcare, as well as Pfizer pharmaceuticals. Both Aetna and Cigna have global provider networks created mainly for members who travel outside the United States. Pfizer is a global provider of pharmaceutical drugs.

In the past, the reputation of these providers would draw patients who were willing to travel great distances to receive superior health care services. That is not necessarily the case any longer. Providers must make their services easily available for all health care consumers. Competition for customers is part of the health care industry as well, and this is becoming a global competition. Patients, payers, and even employers are able to reap the benefits of global information sharing and health care services.

The potential benefits of health care globalization could also be felt in underserved areas around the world. Owing to telemedicine, nurses are already practicing worldwide. However, there are still concerns with how effective telemedicine can be. At this point, providers can only safely assist patients via telemonitoring and teleconferencing systems when concerns are chronic or nonemergent.

With our current shortage of health care personnel and the challenges with recruiting, our industry must begin looking at a worldwide labor market. Health care organizations may want to consider employing recruiters who live in other countries and specifically recruit workers from those regions. Because other countries have their own set of laws, cultures, and needs, it would be counterproductive for an American unfamiliar with these various cultures to waste valuable time and money trying to recruit foreign health care professionals. The foreign-based recruiter would become part of a global virtual team and would have the luxury of remaining in his/her country while working for an organization that is located in another part of the world. This makes much more sense than someone sitting in an office in Orlando trying to recruit a nurse who lives in a different part of the world.

Managerial challenges

Some challenges that the health care industry faces in globalization include regulation, cost, provider reimbursement, relationships with other countries, and, of course, the learning curve. Who is going to regulate international health care practices, enforce malpractice, and license health care providers across national borders? How will this globalization be funded? Using the earlier example of a telerobotic system, will the provider ultimately be responsible for cost or will grants and other governmental funding assist? We all know that the biggest question on the minds of global providers is "How will I be paid?" At this point, providers expect to be reimbursed their billed charge amount, but that rarely happens.

Globalization produces a need to work with various other cultures, which can sometimes conflict with our own American culture. Universal health care systems that are used around the globe are much different than our system, and American providers certainly need to adapt, as do their counterparts from other nations. Straining those relationships with other countries will only slow down globalization.

Lastly, there is a learning curve involved with globalization. The communication technologies available today are only as good as the person using them. Most of us are well aware of how the health care industry as a whole can be resistant to change.
the provider’s acceptance, it will not matter what kinds of new technologies are available because they will not be used.\textsuperscript{16}

\section*{GLOBALIZATION MODELS}

There are many models for future health care globalization. These include outsourcing of health care services, medical tourism, and telerobotics.

\section*{Outsourcing of health care services}

One way health care is becoming global is through the outsourcing of services. This practice provides additional support for the need of virtual leaders and teams alike. As medical costs continue to rise, health care organizations constantly look for ways to cut or control costs, and the outsourcing of services to foreign countries is a popular way of doing so. The main reason why outsourcing is able to cut costs is the fact that the wages and benefits paid to employees in most foreign countries are much lower than those in the United States.

A popular department that is outsourced by some health care organizations is customer service. However, the outsourcing of this type of position has received mixed reviews. Some American managed care organizations have outsourced many customer service and claims processing jobs to foreign countries such as India. Not only do American callers experience frustrations associated with a language barrier, but also, many of the customer service representatives seem to have little knowledge of how our American health care system works. Thus, the simple task of verifying a patient’s medical benefits or the reprocessing of a claim can turn into a very discouraging telephone call. Because money can be saved through the outsourcing of services to foreign countries, many health care organizations are opting to take this route. Rising costs in our health care system are slowly becoming a global problem, and organizations must adapt and leaders must learn to lead virtually if outsourcing of services is to succeed.

Technology also allows for health care organizations to outsource radiology services. Global teleradiology refers to the electronic transmission of radiological images such as x-rays, computed tomography scans, and magnetic resonance images across geographical locations for the purposes of interpretation and consultation.\textsuperscript{15} It allows a single radiologist to simultaneously provide interpreting services to several hospitals in different time zones. A common scenario under current arrangements would have the radiology services in an emergency department outsource its night calls to a teleradiology provider in another part of the world.\textsuperscript{17} This teleradiology process allows images to be read quicker, especially in the middle of the night.

\section*{Medical tourism}

Not only are health care organizations outsourcing services at a global level to reduce cost, but also, patients are doing something very similar. An increasing number of Americans are deciding to seek medical and surgical care outside of the United States to obtain services at a lower cost.\textsuperscript{18} This idea of shopping the globe for lower cost health services is known as "medical tourism." This new phenomenon is primarily consumer-driven, including patients, employers who pay the bills, and insurance companies who seek to identify low-cost provider networks.\textsuperscript{18} Not only are individuals with insurance coverage practicing medical tourism, but so is the uninsured population. Consumers who are financially strapped and cannot afford the high cost of health care now have the opportunity to comparison shop outside of the United States. Many employers who are self-insured are looking for areas to cut health care costs and also considering this type of medical outsourcing as an option for their employees.

Some foreign hospitals are even partnering with travel agencies to promote medical tourism services. One agency known as Planet-Hospital claims to be “in the business of making healthcare affordable” through locating the “best hospitals and surgeons around the world.”\textsuperscript{18}

Quality of care may concern many skeptics of medical tourism. However, many developing countries provide exceptional quality and rely on accreditation standards much
like hospitals in the United States. Many of these hospitals try to appeal to the medical tourist by advertising the number of physicians they have who are board certified and trained in US medical schools. Specifically, Singapore is a destination for many medical tourists because the country has the most hospitals accredited by US agencies as well as world renowned physicians.

Medical tourism provides yet another possibility for the health care industry to use virtual leadership through partnerships with foreign health care organizations or independent facilities staffed by foreign nationals. Geographically dispersed teams can be set around the world to aid in the medical tourism process. As more and more patients decide to explore different possibilities for health care services outside of the United States, it will become more apparent for the need of virtual leadership for this niche in health care.

Telerobotics

Telerobotics has also assisted in the globalization in health care. This technology affords physicians the ability to perform services from a distance. For example, in 2003, a surgeon at St. Joseph Healthcare Centre in Hamilton, Ontario, assisted with the first hospital-to-hospital telerobotics procedure at Ontario’s North Bay General Hospital. As technologies such as telerobotics become more accepted and widely used, providing services from a distance will open up a whole new world for health care, and our leaders of today must be ready and willing to take on the challenge of leading on a global basis. This process may involve either virtual leadership or onsite leadership using foreign nationals.

CONCLUSION AND MANAGERIAL IMPLICATIONS

The future is today, and the globalization of health care is creating more opportunities for organizations to apply virtual leadership. Unfortunately, this method of leadership does present certain challenges for the leader and the virtual employee or team. However, to many, the benefits derived from globalization through virtual leadership outweigh the negative aspects. Geography, time, and physical location are no longer a barrier for health care organizations that pursue globalization. Whether it is teleradiology, telerobotics, the outsourcing of jobs, the recruitment of providers from other countries, or medical tourism, virtual leadership is the ideal way to manage these global services.

Successful implementation requires virtual leaders who will do the following:

- Build team identity with an initial face-to-face meeting
- Promote open lines of communication with all team members
- Be easily available during working hours
- Build individual and team trust
- Develop a sense of team community by identifying and recognizing cultural differences
- Become familiar with the background and experience of each team member
- Offer one-on-one meetings with team members if necessary

There are several keys to successful implementation of health care globalization through the utilization of global virtual teams. First, constant communication is a must, and managers in such teams need to touch base with other team members on a continuous basis. The team members themselves should determine the most efficacious methods of facilitating such communications. Second, actual face-to-face meetings are essential to developing trusting relationships. Health care organizations should attempt to connect team members who happen to be in the same city on the same day to set up a real, live, personal one-on-one meeting. Third, technology breakdowns occur frequently and need to be anticipated so that managers can be quickly and painlessly directed to support centers. This will assure that valuable time is not lost because of hardware and software problems. Other potential implications might be the necessity for communicating “sensitive” information through telephone or face-to-face meetings and achieving team member agreement concerning the single best time for cross-continent communications.
The managerial challenges caused by global virtual teams are more than offset by the ability that this process affords health care organizations to get close to their customers or potential customers in other countries. It is extremely important to have individuals who know the language and culture represent the health care organization abroad. These individuals can spend time with customers or potential customers, which increases trust and understanding.

Globalization of health care services can be implemented through outsourcing of health care services, medical tourism, and telerobotics. In turn, these and other approaches to health care globalization can be enhanced through the use of virtual leaders and virtual teams.

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