LASTING IMPACT

LEADERS SHARE LESSONS FROM PAUL H. O’NEILL, SR.
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Foreword

This book, “Lasting Impact: Leaders Share Lessons from Paul H. O’Neill, Sr.,” is a true testament to my father’s legacy. George Taninecz did a wonderful job capturing the essence of what it was like to work directly with Dad. I would like to thank all of the contributors to this book for sharing their experiences and impressions. It is these personal experiences with him that truly provide the lasting impact.

If I can add one framing thought to what follows, it would be this: Dad knew that leaders, and people that want to be leaders, come with their own pre-existing biases and experiences, and that a true leader recognizes this and uses it to his or her advantage to learn together. Dad told me this in a conversation we had about leadership in the weeks before his passing. Of course, then he started talking about why a values-based orientation was required if organizations want to reach a transformational level. When explaining this to me, he had that look on his face that graces the cover of this volume.

I hope that anyone that reads this would also read the book published earlier this year, “A Playbook for Habitual Excellence, A Leader’s Roadmap from the Life and Work of Paul H. O’Neill, Sr.” The two pieces together provide a lasting framework for leadership development.

Introduction

Paul O’Neill’s career was a succession of significant achievements, from his time at the United States Office of Management and Budget to his work transforming the quality of healthcare (see Paul O’Neill’s Path on page 7). But despite his passing on April 18, 2020, his achievements continue and will multiply long after his death.

O’Neill left an indelible impression on those who knew him. He gave individuals a perspective of leadership like none they had encountered and might ever see again, forever changing their understanding of what it means to be a leader. His leadership behaviors and the principles he adhered to encouraged others to pursue similar paths; seeing O’Neill lead in unconventional ways that they themselves were attempting gave them the courage and confidence to follow their own moral imperatives. Today his leadership traits are wielded and shared by many executives in the healthcare industry as they carry forth what they learned from O’Neill, positively altering cultures, colleagues, and organizations in dynamic and lasting ways.

New Approach to Leadership

Many leaders in all walks of life would be pleased to be remembered for a single leadership characteristic. Those who worked alongside O’Neill identify many ways in which he
changed business leadership. They witnessed these revolutionary — yet for O’Neill routine — characteristics, and learned how to apply them in their own roles.

**Respect for People**

O’Neill led from a belief that people want to and can do great things, articulating his respect for people in a simple framework. He said that “in an organization that has the potential for greatness, it’s possible every day for every human being in that enterprise to say ‘yes’ to three questions without any reservations.”

- Am I treated with dignity and respect by everyone I encounter without regard to race, gender, rank, educational attainment, or any other distinguishing feature?
- Am I given the tools, training, resources, encouragement, etc., to make a contribution to the organization that adds meaning to my life?
- Am I recognized for that contribution by someone whose opinion matters to me?

Gary Kaplan, MD, Chairman and CEO of Virginia Mason Health System in Seattle, met O’Neill at an Institute for Healthcare Improvement event in December 2002, and they soon became good friends and colleagues. Dr. Kaplan has led Virginia Mason, the first healthcare provider to implement lean management principles throughout a hospital system and patient-care practices, for 21 years. “In many ways I was inspired by Paul’s deep respect for the frontline worker and a belief that a workplace be respectful and the worker be [able to] answer ‘yes’ to all three of his questions that he often asked.”

Dr. Kaplan embraced the questions as a foundation for respect for people, and they led him to implement mandatory respect-for-people training at Virginia Mason that all employees attended, including physicians, in 2011 and 2018. “A lot of physicians are enculturated the same as I was: the buck stops with you, you’re a solo actor, you’re to be respected, you’re on a pedestal. And that’s not what we need today... Today it’s about teamwork, collaboration, respectful interactions, empowering the frontlines, and skill/task alignment.”

The three questions posed by O’Neill also transformed Cliff Orme, President of International Hospital Corporation, a hospital investment and management company headquartered in Dallas that has built or acquired and successfully managed hospitals in Latin America. “The lesson I learned — and it changed me forever — was that every day, every worker at the hospital needs to be treated with respect.” After reciting the three questions, he adds, “These conditions are my responsibility. So I started preaching that message to the employees. And every time I did, I just saw their eyes light up, and they connected with me in a way that I’ve never connected with employees before.”

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1 “Paul O’Neill CEO of Alcoa, it’s all about safety,” [YouTube](https://www.youtube.com/watch?v=6Fwb26HCUrM), June 12, 2015.
“His three questions still resonate with everything we do today, everything I believe in,” says John Toussaint, MD, Executive Chairman of Catalysis, former CEO of the ThedaCare health system, and author of books including Management on the Mend and the recently released Becoming the Change. Since 2008, Catalysis, a partner of Value Capture, has focused on educational programs and resources designed to transform healthcare value. “I think those [three questions] are the core elements of respect, and I think that’s really

Paul O’Neill’s Path

- **United States Office of Management and Budget** (starting in 1967 and Deputy Director from 1974 to 1977): O’Neill brought a focus for efficiency, performance, and caring for personal welfare to the OMB along with a level of examination of the federal budget that is rare.²

- **International Paper** (Vice President from 1977 to 1985 and President from 1985 to 1987): O’Neill was the VP of planning and head of the company’s paperboard and packaging sector, and, as president, he continued a strategy of plant investments and development of new products.³

- **Alcoa** (Chairman and CEO from 1987 to 1999 and Chairman in 2000): His initial emphasis on worker safety and zero harm was met with skepticism, but during his tenure the aluminum giant’s lost workday rate improved from 1.86 to 0.2, and net income rose from $200 million to $1.48 billion. Through 2019, long after O’Neill’s departure, Alcoa’s lost workday rate has remained essentially unchanged.

- **United States Secretary of the Treasury** (2001 to 2002): He brought to government the same leadership tenets he displayed in the private sector — e.g., efficient management and high performance. But his willingness to speak out and emphasis on facts and evidence ultimately led to his resignation before he could be dismissed by President George W. Bush.⁴

- **Pittsburgh Regional Health Initiative** (founded in 1998): With O’Neill’s guidance, PRHI became one of the first organizations to demonstrate that lean principles and methodologies applied to healthcare could improve patient and staff safety, improve quality, and reduce cost. In an unprecedented way, O’Neill convened all major healthcare stakeholders in the region — competitive hospitals, clinicians, insurers, businesses, government — and got them to commit to working together to achieve uniform safety and quality goals.

- **Value Capture** (Non-Executive Chairman, 2005 until 2020): O’Neill channeled his passion for reducing healthcare costs and improving healthcare safety into the work of Value Capture, whose advisors help healthcare organizations apply principle-based methods to lower costs and capture and sustain astonishing improvements to safety, quality, efficiency, and patient and employee satisfaction.

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what the focus of organizational excellence is really all about. It’s about respect and building that culture of respect. It’s about making sure that people have the environment — the training, the tools, the cultural environments, the work that gives their life meaning — and then to say ‘thank you’ and celebrate the work that people do every day. I think those elements of his legacy will live on forever, at least for our work.”

O’Neill’s respect for people was without exception, says Stephen Muething, MD, Chief Quality Officer at Cincinnati Children’s Hospital Medical Center. “If we were at a dinner or at some event, I saw him talking to everybody the same way, with the same respect, the humble man that he was... I never saw him not that way, which was more impactful than anything. There was no onstage Paul O’Neill and offstage Paul O’Neill.”

“Initially I was struck by Paul’s absolute candor and the genuine warmth and respect that he showed for everyone in the organization regardless of rank or position,” says Kevin McKnight, a Value Capture Senior Advisor and an independent consultant focused on sustainability and environment, health, and safety who spent 35 years at Alcoa. “Paul addressed everyone in the organization by their first name, and he actually made it a point, even very early on, to know everyone’s name. I remember I was blown away by how good he was at remembering names... That simple act of learning everyone’s name and greeting them by their first name just demonstrated such enormous respect for each individual.”

Steven Spear, principal of HVE LLC, senior lecturer at MIT, and author of books including The High Velocity Edge, says, “The thing that I really took away from him was everyone matters. My faith and my upbringing and life experiences have certainly informed that point of view, but Paul gave it a boost, which was phenomenal because here was a guy with the responsibilities and authorities he had, and he spoke about it all the time. I mean, it wasn’t like every now and again it came up, but it was all the time about everybody in every situation. And if a guy like that can talk about it all the time, you realize, this matters. This is not just like, ‘Oh, yeah, I’ll throw some lip service at it.’ This is the real deal.”

Spear recalls working with O’Neill and a group of senior executives when Alcoa was implementing the Alcoa Business System: “One can imagine someone with Paul’s life attributes not paying attention to ‘the kid.’ I mean, 33 doesn’t sound that young, but relative to the other people who were in their 50s and 60s, I was the kid. Yet he made no distinction. If I had something to say, he listened with respect, and if it was right, he processed it and said, ‘Thank you.’ And if it was wrong, he told me in a very respectful fashion... I got treated in a way that really reinforced the truth of saying that he believed everyone counted because, in that group, I was the guy who didn’t necessarily need to count.”

While attending Harvard Business School, Vickie Pisowicz, Value Capture Senior Advisor, heard an O’Neill presentation to first-year students: “We had just completed a case study
that involved Alcoa, worker safety, and what it meant to lead a successful organization with a values-based approach. At the end of day, Paul was invited to address the HBS first-year student body. Alcoa’s success — the numbers and the financials — were irrefutable. Hearing about how Paul transformed the company, starting with a deep respect for people and the moral imperative of worker safety at the ‘West Point of Capitalism,’ was, needless to say, memorable.”

Pisowicz later interned at Alcoa and remembers her first day. “Paul came to my office and made a special point to welcome me to the company, and say how really important it was for me to be there, and how he was looking forward to working together,” she says, adding that this kind of respect for people and equality was pervasive throughout the company and reflected O’Neill’s leadership.

Pisowicz eventually joined Alcoa full time as a manager in the Alcoa Business System Group; she also worked with O’Neill at the Pittsburgh Regional Health Initiative (PRHI). “One of the things that I take away from Paul is that with respect to people, he really viewed every single interaction between himself and another person, between any two people, as an opportunity for two-way learning. There was this idea of ‘I respect you. I respect your point of view. I respect that you have something to offer. How can we learn together?’ He did that with every single person, no matter who you were or what your position you held. He was really, and genuinely, interested in you as a person, what ideas you had, and what could be learned together.”

**Zero Harm**

O’Neill’s tireless campaign for zero harm for employees and healthcare patients embodies respect for people. His desire to harm no one and feeling personally accountable if someone was harmed have become the stuff of legend, underscored by his October 1987 speech to investors and analysts as the incoming CEO of Alcoa: “I want to talk to you about worker safety,” O’Neill said. “Every year, numerous Alcoa workers are injured so badly that they miss a day of work. Our safety record is better than the general American workforce, especially considering that our employees work with metals that are 1,500 degrees and machines that can rip a man’s arm off. But it’s not good enough. I intend to make Alcoa the safest company in America. I intend to go for zero injuries.” The audience expected to hear about financial projections and shareholder value, but O’Neill did not budge from the safety theme — for his entire time at Alcoa and onward.

Kenneth Segel, Managing Director of Value Capture, was a cofounder of the firm, along with O’Neill and others (see *The Founding of Value Capture* on the next page). They met when Segel was an executive at the Jewish Healthcare Foundation in Pittsburgh, from which PRHI emerged (also founded by O’Neill with Segel as founding director). He recalls

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an early critical meeting at PRHI and O'Neill's fierce desire to get the region's physicians committed to zero healthcare-associated infections. As Segel recalls, one engaged but skeptical physician told O'Neill, “We don’t even know the biology of some of the viruses and some of the bugs to the extent that we know what to do to prevent them from transmitting. I would hate for you to sound stupid and uninformed to the medical community by advocating for this idea of zero healthcare-associated infections.”

According to Segel, O'Neill was unfazed, paused, and then said, “We don’t know the biology or the virology. That is wonderful! Why don’t we become the region that — because we set the right goal — goes out and gets the [National Institutes of Health] grants and anything else we need to do to figure out the biology and the virology so we’ll know what to do to get to zero, and why don’t we lead the way for the world on that?…” And so in that moment, he transformed our current deficits as humans and organizations into a gap worthy of our collective efforts to close. It was very powerful and very characteristic of how he would approach similar situations for the next 20 years and, of course, we know the 20 years before then.”

Richard Shannon, MD, Chief Quality Officer at Duke Health, met O'Neill in 1998 as “a typical academic physician, leading a large clinical department, but also running my research lab, doing what I call fundamental discovery research into human heart failure.” He eventually became involved with PRHI and O'Neill, and says he admires him more than any of the great minds he encountered in his 35 years of medicine as well as 17 years at Harvard Medical School and seven years at the University of Pennsylvania. Dr. Shannon was so overwhelmed by O'Neill’s approach that he gave up his research career “because he taught me that discovery didn’t have to be confined to a lab. It was a daily exercise in human behavior and in leadership. So I literally gave up what was 40 percent of my effort and began to think along the lines of developing quality platforms in healthcare. By 2003 or 2004, I was a completely different person.”

The Founding of Value Capture

Building upon the pioneering work of a community collaborative in Pittsburgh to prove that zero harm and perfect clinical outcomes were possible, Paul O'Neill, Jr. had a vision that this work could be accelerated and expanded around the country through partnerships with healthcare CEOs and their teams; they could use the same principles to run their entire organizations, not just succeed in individual projects. Prior efforts had produced strong evidence that it is possible to not only eliminate harm and quality defects, but make work easier and reduce the cost. Those efforts also revealed, however, that absent ongoing and direct involvement, even supportive leaders were less likely to lead successful transformation efforts.

Founding members recruited by O'Neill, Jr. to help found Value Capture included Paul O'Neill, Sr. as non-Executive Chairman, whose principle-driven leadership inspired the firm; he served Value Capture until he passed in April 2020. Lisa Beckwith, Leslie Corak, Geoff Webster, and Kenneth Segel also were founding members and remain with the firm to this day.
As a senior leader in healthcare, Dr. Shannon says he has built everything in his organizations around the principles of quality and safety. “Yes, we do have budgets, but I pay no attention to the budgets. I believe that if we do it right, the economics will follow. That is an O’Neill lesson. I don’t want to be misleading. There are people in the organization that spend a lot of time on the budget, but not me. Everything begins with quality, doing the right thing the first time, no defect, no error, no waste is the ‘economically good thing,’ the term that Paul coined of perfect patient care. And so I lead with an agenda of quality, not mergers and acquisition, not growth, not cost cutting, but the idea that building better clinical outcomes, making our patients better by delivering perfect care the first time, is the economic secret sauce of healthcare. And that was an O’Neill-ism. That was something that emanated from Paul.”

James Anderson is a senior strategic and external affairs advisor for the law firm Taft Stettinius & Hollister LLP and President Emeritus of Cincinnati Children’s Hospital Medical Center. He agrees that leaders should manage focused on quality and safety. He was the President and CEO of Cincinnati Children’s when he met O’Neill at an Institute for Healthcare Improvement (IHI) event. Anderson says one thing the two would talk about was “the notion that financial results are a trailing consequence of what we do as a business and that we should not confuse financial results as the thing that we do and manage to. But rather, do the thing that we do exceptionally well and understand financial results are the result of what we do and manage accordingly. If you follow that philosophy down through the organization, you really change radically the way most managers think they’re supposed to think about what they’re doing. It takes you away from cost reduction and budget sensitivity as a primary purpose, and, for us, to how do you take better care of kids, and where and how can we make this experience a better one for the family?”

The conventional thinking, especially for CEOs, is that financial results are what you’re trying to achieve, and shareholder value is what you’re trying to add, so leaders should focus on those numbers and deliver them, Anderson adds. “I didn’t believe that for the healthcare system. I believed we were strong enough financially. If we really focused on taking better care of kids, that was our purpose in life. And if we did that well, the financial results will be not just satisfactory but positive.”

Dr. Muething has always had an appreciation for the importance of safety, but it was O’Neill who brought him the insight that pursuit of zero harm was a fundamental way of showing respect and, if as a leader you don’t do it, you’re a “hypocrite or worse. It changed my perspective on safety from something that was right — definitely a key goal of an organization and definitely something that a healthcare organization should get right — to really a fundamental human respect issue. I’ve never gone back. He helped me make that transition from being a good technician of safety, probably a fairly good teacher of safety, to ‘No, this is fundamental to being a good human,’ not just a good quality improvement leader or those kinds of things.”
Dr. Toussaint of Catalysis similarly had his idea of safety altered by O’Neill in the early 2000s. “I was really impressed by his focus on employee safety... Those were the days when I didn’t necessarily equate employee safety and patient safety together, so I didn’t really understand why he was so focused on employee safety. Subsequently, after a few years, I finally got it: Patient safety starts with people being safe at work, and that was a real ‘aha’ moment for me. Why didn’t I understand that to begin with? But Paul was very instrumental in beginning to connect the dots for me on safety and safety mechanisms and procedures, and how it all starts with the leadership commitment to employee safety.”

O’Neill brought clarity around the fact that healthcare performance from a safety standpoint is incredibly poor compared to other industries, adds Dr. Toussaint, and that safety is not a benchmark or a performance metric, but living individuals who are injured and killed by medical errors. “He had a very sharp stick around how information was reported, and wanted to make sure that it was clear that these were people. These were individual people that were being harmed. That actually led to some changes at ThedaCare from a True North metrics perspective — moving away from benchmarking and percentile rankings to actual numbers, individual patient numbers, on safety and quality.”

Rick Wartzman got to know O’Neill when he was a young reporter at The Wall Street Journal Pittsburgh bureau working the non-ferrous metals beat, covering the aluminum industry and Alcoa. Wartzman, author of The End of Loyalty: The Rise and Fall of Good Jobs in America, spent 15 years at The Journal and eventually became Executive Director of the Drucker Institute, with which he is still involved. “Over the years, as I got to know Paul in another context, we talked quite a bit about his philosophy around [zero harm], and it always really impressed me, not only his vision, his strength, his courage as an executive, but just his goodness as a person, his humanity. I remember him talking over the years to me about ... conversations he had with managers who were used to having safety goals that were in many cases aggressive and, I guess, good on their face compared to whatever the accident rate was in that industry as a benchmark or what it had been in a facility historically. But for Paul, any injury, anybody hurt on the job, one was too many.”

Bill O’Rourke is a Senior Advisor at Value Capture and cofounder of Merit Leadership LLC, which provides ethical consultation and lectures. O’Rourke had many roles at Alcoa, starting as a patent attorney, and was eventually asked by O’Neill to run Alcoa’s environmental, health, and safety department: “Imagine, this guy is in charge of safety, not me, and everybody in the company thought they were responsible for safety. So it was a real joy to run an area of value to your corporation, especially safety. Talk about support at your job. It couldn’t have been better.”

O’Rourke says people initially were skeptical of O’Neill’s focus on safety above all else at Alcoa, believing it wasn’t legitimate and that when times got tough he would revert back to financial performance. “But that wasn’t the case. Paul never let up on safety. For the
whole 13 years that he was there, that stayed foremost in his mind, the No. 1 value in his mind.”

“Paul taught me that safety is threefold,” says Orme. “The first one is the most obvious, physical safety. Nobody should get hurt on the job. People don’t go to work thinking that they’re going [to get hurt]. That’s not fair for them or their families. And that’s my responsibility. But he expanded the definition of safety to professional safety, that people have to realize that their careers are safe with me and with this organization, and I’m going to do everything in my power to help them grow as professionals. And thirdly, he taught me that my responsibility — and this is what I preach to the employees — is to create an environment of emotional safety, that nobody should be bullied, that nobody should come to work and get yelled at or made to feel badly. There’s too much [of that] outside of the hospital, in communities, in domestic situations. But within the doors of the establishment, where I can control that environment, they are emotionally safe.”

Despite wide awareness of O’Neill’s commitment to safety in industry and healthcare, his drive for zero harm is likely still underestimated by some. Dr. Kaplan says O’Neill would “doggedly” drive home his focus on worker safety and respect. “His passion — some would call it zealotry — around worker safety, ultimately, was all about respect... It wasn’t just something on a long list, it wasn’t even his top three. It was for him front and center — and not allowing senior leaders like me to make excuses for why we hadn’t gone where we needed to go to make this happen, to make it the norm.”

Organizational Equality

Flat organizations have been around for decades, with an objective of eliminating managerial levels for greater employee involvement and faster decision-making. But for O’Neill, flattening wasn’t just an organizational construct, it was about equality, a belief that every individual in an organization — especially those on the frontline — contributes to the organization and deserves to be heard, respected, and supported equally.

Maureen Bisognano is President Emerita and Senior Fellow of IHI. In 1997 when she was the Chief Operating Officer there, she and CEO Don Berwick wanted to “harvest” the best business ideas outside of healthcare, and they identified a group of CEOs — including Jack Welch from General Electric, Desi DeSimone of 3M, and O’Neill — that they would visit. She remembers being blown away by the office arrangement at Alcoa, especially O’Neill’s workspace. “It was a small office, a little pod. I remember asking Paul about his feelings about the work environment. One of the first things he said was, ‘I don’t believe in hierarchy.’ His desk was right across from and the exact same size as his executive assistant’s.”

O’Neill’s office was unlike what was common in healthcare leadership, and his engagement with staff far different than many of the CEOs whom Bisognano and Berwick
met that year. One executive, she says, took them on a tour of his company and had a person follow along with a drink cart in case he wanted to stop and have a cocktail. “It was so hierarchical. You could feel hierarchy as soon as you walked in, you could feel entitlement and superiority. With Paul, it was just the opposite. That was probably the most important moment for me, because it said so much. That moment, looking at that cubicle, and then him just passing something over to his executive assistant who is sitting right across from him in the exact same desk. And then, when he took us on a tour, watching the way people said, ‘Hi Paul,’ and how many people he knew. It was a reflection of the culture that he built. It spoke so much to his personality.”

She remembers how it was fun to hear a well-respected leader talk about a philosophy that resonated with her. “He talked about flattening the organization, removing layers, and really empowering the people closest to the frontline to make the decisions that they knew best how to make.” She was impressed with how O’Neill “flipped the organization chart,” removing the pyramid with one person at the top; at IHI, Bisognano eventually eliminated the organization chart. “It was really a lesson that I took from Paul, who was saying, ‘That’s a drawing that only enhances people’s perception of power and takes away a sense of accountability to those people who feel like they’re at the bottom.’ I loved having no organization chart.”

Value Capture’s Segel learned from O’Neill and those around him that the really important things in any organization are happening with the people who are doing the real work — between each other, between them and customers, between them and the people the business serves, and between them and the people who serve the business. “It is their work that creates the social value, and everybody else in the organization exists to support it,” he says. Compared to what society often expects of leaders (e.g., big offices, great thoughts, fancy meetings), “he stood for the opposite, quite literally. Not just rhetorically, but the literal, physical way that he led. He aligned and drove others to lead at every level of the organization... I would say one of his key lessons was that transformational change really does require that.”

Even in flattened organizations, someone ultimately must make tough decisions. O’Neill was never afraid to make difficult decisions, but he did so by gathering and deeply valuing the input of others and showing everyone respect, says McKnight. “I have worked in organizations and encountered leaders that are very different. Many of the leaders that I have seen in significant roles think they are the smartest ones in the room all of the time, and they really don’t value the contributions of others. Many times when you sit with them it is more about them imparting their knowledge and experience to you.”

Following in the path of O’Neill, McKnight tries to lead with the perspective of a “directed democracy, [in which] everyone has a vote, everyone contributes, everyone’s perspectives and ideas are valued. And in the end, the leader has to make a decision, but it is guided and influenced by the experience and expertise of the entire organization. I really believe
this style and approach has enabled high performance in the organizations where I have been and, more importantly, the individuals all feel valued for their contributions and respected for what they bring. That is the key to creating an environment where people feel good about what they are doing and how they are contributing, and that is kind of Paul’s philosophy in a nutshell.”

**Values with Action**

O’Neill proved over and over again to colleagues in many industries that a leader’s job was one of doing — being involved in the important changes that need made, engaging others to contribute, and working directly with everyone to increase value and achieve excellence — rather than communicating a need and expecting others to execute.

Anderson remembers the strong, consistent, quiet compulsion that O’Neill had to advance the values he believed in, his desire to make things happen in pursuit of those values, and his support of those with similar beliefs. “It’s an action-oriented, value-driven philosophy that does not accept inaction, doesn’t accept compromise on values...What’s important is that a leader continue to advance the values and help the people, be a partner with the people that are working with you to advance those values.”

He adds that never was there a thought — for O’Neill or himself — that the CEO’s role was to stake out the values and say, “Go do this,” to others. “Paul very much set high goals but also shared those goals and the obligation to deliver on those goals with the people in the organization who needed to do the day-to-day work together.”

Cincinnati Children’s Dr. Muething agrees, and learned from O’Neill that “as a leader you need to understand systems, you need to understand data, you need to use that data — and then you need to use the position that you’ve earned of a leader and use it to change that. You don’t have the luxury of saying, ‘Somebody ought to do something about this.’ It’s you. That’s what I got from Paul. When you take on a leadership role, you can’t look around and say, ‘Somebody should fix this.’ It’s you. You’ve got the data, it’s staring you in the face, so you’ve got to figure it out and learn. And you’re not going to get it right the first time. You’ve just got to keep going.”

Spear says most leaders today have not embraced many of O’Neill’s leadership perspectives, such as organization wide contributions, because they’ve unfortunately been taught that the leader’s “job is to process data and arrive at decisions that are largely transactional. And Paul had a view that his job as leader was to create the environment in which people could be developed as contributors to the wisdom of the collective. When he’d talk to leaders who are oriented toward this transactional decision-making, he’d say, ‘Look, you have to invest more time, effort, social capital toward building this problem-solving dynamic.’ They’d say, ‘Oh, no, that’s not what I do. I’m going to delegate that to some lackey.’”
Sometimes O’Neill’s adherence to his beliefs and values was exhibited in small but extremely compelling ways. McKnight recalls early on at Alcoa when O’Neill was dramatically changing the company’s safety culture, a group of executives, including O’Neill, were walking to lunch on Sixth Avenue in downtown Pittsburgh. They were standing on a corner talking, and the crosswalk light was red; they looked both ways, didn’t see cars, and walked across the street. “When they get to the other corner, they look around, and Paul is not there. They look back across the street, and there stood Paul on the other side of the corner, standing there patiently waiting for the light to change. I mean, wow, what a powerful teaching moment.”

From the moment O’Neill began engaging the healthcare community in Pittsburgh, Segel says, “We knew he was a very high-profile figure, but we did not realize the depth of his leadership framework, his accomplishments using it, and just how suitable and powerful it would be, it could be, for healthcare.” That framework had deep roots in values, aspirations, and systems thinking and systems-based action, he adds, which was exactly what those attempting to improve healthcare had been searching for in trying to make sustainable change (see Leadership Model).

O’Neill’s ability to wield the leadership framework was forever there, adds Segel. “Even up to the very last encounters with Paul, even when his framework was very well known to me... he could pierce through what you were dealing with in a way that really attached
to the fundamental purpose, in a way that was deeply aligning and clarifying. This was even when he was quite ill. That sense of power, insight, and humanity never went away.” Dr. Kaplan of Virginia Mason says that O’Neill helped him to understand and embrace the fact that as a leader he was sending signals to people and that a leader’s actions are always being watched. “How we behave, how we respond, these are all things that are signals that we’re generating. I remember when I first realized this, I hated the fact that people were watching me and that I could no longer carry a cup of coffee down the hallway in the hospital without sending the signal that it was OK to eat and drink in the workplace. I think that has really helped me as the leader of an organization or a business, and, particularly, a special kind of business called healthcare.”

**Data-Based Decision-Making**

O’Neill wanted data as close to real-time as possible. While Treasury Secretary, O’Neill discovered that, despite incremental progress over the years, it took six months to close the Financial Report of the United States. In a statement to the U.S. House of Representatives, he wrote that the pace “will not move us forward quickly enough to close what I see as the gap between the current state of financial management and a condition that would adequately meet our responsibilities to the American people.” He proposed establishing private-sector-like objectives for governmental financial management, which would force people to think creatively. “We should start with the amount of time it takes to close our books. When I was in the private sector, we closed the books and had an audit opinion in three working days. We need the Government to establish a similar goal.”

While CEO of Cincinnati Children’s, Anderson had talked to O’Neill about his Treasury experience and his penchant for real-time data, and so he pursued a similar path, which was uncommon in healthcare at the time. “The only information that was worthwhile was real-time data,” Anderson says. “We had, at the hospital, lots of reports that came out months later and sometimes years later. I was insisting and pushing hard to change our system so that the data we relied on and had vantage to was real time to the extent we could do that.”

In 2010, when Dr. Muething was the Safety Officer for Cincinnati Children’s, O’Neill visited the hospital. “The time I had with him was all about him asking probing questions, wanting to know what work I do. He wanted to know every piece of data. He wanted to look at data. He wanted to know what we were doing about it. I could tell now, in retrospect, he was testing whether I was somebody who just talked the talk or walked the talk. And something happened through that visit where I must have passed the Paul

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O’Neill test because from that time on, he was always willing to answer emails, talk on the phone. From there on after that, it was always about the work, what are we doing moving forward.”

Value Capture’s Webster found it remarkable that O’Neill’s fundamental caring for people was also coupled with his data-based and, in some ways, dispassionate methods. “He wouldn’t get stuck in arguments about things that people didn’t agree about. It doesn’t mean he didn’t disagree or that he didn’t even try to draw out where people disagreed. But he always tried to bring it back to the facts, the things that could be known and known for certain and the universal principle, things as simple as dignity and respect and thinking — where you could always reach agreements because nobody was going to argue with you.” Webster says he would frequently get stuck in arguments, and from then on mirrored the O’Neill method of getting people aligned around and aiming for the same goal using ideas and information with which they can’t argue.

“One of the things that I remember very specifically about Paul is how critical it was to have all of the right data,” says McKnight. “You know, Paul always wanted to dig into the data. He was very data-driven, and so I remember several occasions where we would have meetings with Paul, and he wanted to see the data, and if we didn’t have the data that he needed to see in order to be able to evaluate the situation and be able to help make a decision, Paul would say, simply, ‘You know, sounds like we don’t have all of the data we need. Let’s go get the data, and then we will reschedule the meeting.’ And then the meeting was over.”

While at Alcoa, O’Rourke quickly learned to prepare for meetings with O’Neill: “I remember when he first came to the corporation, he would call individuals to his office. That’s always scary to get called to the boss’ office, but Paul was fact-based, first of all. So you better have your facts together before you went in that office. And then he would challenge it. He always challenged everybody to do their best.”

**Uncommon Leadership Characteristics**

Thousands of leaders in all walks of life are recognized by a title, office, or some other description that indicates their importance. O’Neill’s importance had nothing to do with a designation, nameplate, or corner office, and everything to do with the characteristics of how he led — in many ways foreign to that frequently exhibited by too many leaders today. According to those who knew and worked with him, O’Neill’s leadership habits were astonishingly consistent day to day and deeply ingrained. Imagine more of today’s business and government leaders acting in ways that for O’Neill were as natural as breathing.
Integrity

People make mistakes, and some who knew O’Neill cited mistakes that he had made. But they never questioned the process by which he came to his decisions or the motives that led to his actions. His intent was to do the right thing.

Dr. Shannon of Duke Health claims to not have the resolve of O’Neill, but he has held tightly to many principles he gathered from their time together: “What I have learned from Paul O’Neill is that it’s worth spending all of your political capital on something important.” Dr. Shannon has taken that approach at the University of Virginia (“220 years old, founded by Thomas Jefferson, etched in every tradition you can imagine, [and where anything] is an enormous undertaking and you spend a lot of political capital”), the University of Pennsylvania, and Duke Health. “You often times run out of that capital and, as a consequence, reach a natural ending to your tenure... You often times reach the limit of what the key executive is willing to do, and, at that point, you have to do something that Paul taught me — be principled. You leave... Paul was at Alcoa for a decade, a short period of time at International Paper before that, and, obviously, in the Treasury. You know, he spent every nickel of political capital and wasn’t afraid to do so, recognizing that at some point, it might mean that he fell out of favor.”

Segel says that working alongside O’Neill confirmed a lesson he learned in his youth: “You don’t have to compromise your values and your principles in order to exist in this world, hard as it is. And I don’t pretend that I lived up to that completely 100 percent when I intensely examine myself. But I know I don’t need to compromise. Paul was a big part of that, together with how my parents lived and a few others showing me that it really is true. I think that’s something really powerful.”

“I learned from Paul how important it is to do what is right, no matter the cost,” says McKnight. “Paul had a moral compass stronger than any leader I have ever known. I never saw him hesitate. Once he made a decision regarding what was the right thing to do, it was impossible to move him off his path.”

When in the Alcoa legal department, McKnight was involved in a delicate matter involving the U.S. EPA and reporting irregularities at a smelter facility in New York. Legal had developed various approaches to resolve the matter with the EPA, and spent time with O’Neill going over the facts and describing the various defenses that could be asserted to put an end to the situation. “Paul concluded that we were guilty, and we needed to say so. I remember he personally flew to New York, met with the governor of New York and the head of U.S. EPA, and pled guilty despite the strong advice and counsel from the experts and the lawyers regarding the fact that there were many easier approaches to get Alcoa out of the problem... What he basically said was, ‘Listen, I hear what everyone is saying. If I assess the facts, I think we did something wrong. We shouldn’t have done that, and we need to say so. That is how we are going to handle this.’ It was so important to him
that he did the right thing that it didn’t even occur to him that there might be other ways
to do it.”

“If you look at the basics of Paul, he had integrity,” says O’Rourke. “It made me want to
have integrity. He treated everybody with dignity and respect, and you wanted to do the
same. His inquisitive nature and fact-driving were just positive comments, but I think by
emulating those particular characteristics it makes your organization better. You improve
the climate in the entire organization.”

Webster of Value Capture recalls a time when he wrote an opinion piece for a Pittsburgh
newspaper about a local hospital that had done something not in the best interest of
healthcare in the region. O’Neill previously had been embroiled with the hospital. Rather
than attribute the article to Webster alone as was intended, it referenced Value Capture
and O’Neill as well. Webster says he felt badly that he had pulled O’Neill back into the
fray, and apologized. “He just looked back at me and said, ‘Geoff, it’s the truth.’ And that’s
all he needed to say. As long as you’re telling the truth, you’re never doing something
wrong. You’re actually doing something very right. You know, that’s just the kind of
person he was. I’m sure it was annoying, and I’m sure it caused him to have to have a
whole bunch of other conversations. But as long as you’re doing the right thing and as
long as you’re telling the truth, you never needed to even think about whether Paul
thought it was the right thing.”

**Humble and Kind**

The words “humble” and “kind” are not necessarily what comes to mind when considering
great leaders throughout history, many who have prided themselves on being the exact
opposite. Leaders are supposed to be the tough guys who make things happen — or else.
Yet this is where O’Neill once again differs from so many of his peers. He was able to
capture people’s attention with quiet — albeit determined — actions that are in stark
contrast to today’s standard of civility (or lack thereof).

Kathryn Correia is President and CEO of Legacy Health, a nonprofit health system in
Oregon and Washington with six hospitals. She was immediately impressed with O’Neill,
whom she met while serving on the Catalysis board of directors. “He was silver-haired,
very neatly attired, and an understatement of his presence. But when he spoke, everybody
that was on the board stopped to listen. He led with his humbleness, but he also had a
very dignified confidence.”

She says there was always a sense of genuine interest when speaking with O’Neill. “Paul
talked with you. He didn’t look over you. I’m pretty attuned to that. I’m 5’1”. I’m female.
I’m tiny. I get a lot of men that look over me; Paul never did that.” She says his physical
presence and how he carried himself — reserved and humble — spoke directly to the
respect he had for everyone he met.
O’Neill was gracious and humble even in his final year while dealing with illness, willing to share his time, which had become his most valuable resource, says Dr. Muething. “He saw leadership as I serve others, I serve the organization, but I have a specific role and a specific way I need to do that. Servant didn’t always mean doing everything somebody else wanted you to do. Servant meant because I have this role, I can do things that other people can’t, but I always have to remember it’s in service of others.”

One memory for McKnight reveals the kindness of O’Neill: Soon after O’Neill joined Alcoa, McKnight had met his wife and two young children for lunch on his birthday at the William Penn Hotel in Pittsburgh near company headquarters. O’Neill entered the restaurant with some significant Alcoa customers, walked past, saw the McKnight family, and then politely excused himself from his business guests. “Paul proceeded to spend about five minutes at our table, introducing himself to my wife and to both my kids, and telling my wife what a valuable employee I was. It was so graceful. He was not in a hurry. He was so genuine, and, to me, that was a moment that really captured Paul’s character and personality perfectly for me.” After O’Neill left, McKnight’s wife was surprised: “She was like, ‘That’s your CEO? You’ve got to be kidding.’ That was not her reaction to most of the CEOs that I worked with.”

**Courageous**

O’Neill’s willingness to immediately go before investors and analysts as Alcoa’s incoming CEO and proclaim employee safety as the company’s top objective clearly struck some at the time as crazy. Today it’s the stuff of business folklore and, in hindsight, one of many examples of his courage as a leader.

“I believe one of the key leadership attributes over these past decades, but particularly now into the future among many, is managerial courage,” says Dr. Kaplan. “Paul was a touchstone for me. When I have needed to kind of reflect and rely or draw on my own fortitude, so to speak, Paul often comes to mind in courage and willingness to really buck the status quo.” He says that in today’s world amid COVID-19, there is a need for leaders to have “courage to sort of center yourself, be able to tolerate the ups and downs, be able to stay strong when people are watching you.”

“Having had the great, great privilege of a lifetime of working with him for over two decades closely, I realized that part of his great courage and great strength was being willing to lead in ways that pushed uncomfortable questions and drew uncomfortable challenges of folks that didn’t necessarily want to be pushed,” says Segel. Over time, leaders who are trying to make meaningful changes will hit some walls and run into challenging personalities, and, even for O’Neill, those moments must have been hard and taken a toll, adds Segel. Yet even in his last years at Value Capture, when O’Neill could have found a comfortable way to exist, “he was still willing to do hard and uncomfortable
things, not just for others but for himself. And that was another dimension of learning about true leadership and the depth of his character.”

On a The Bottom Line podcast7, Wartzman spoke with O’Neill about a range of topics. One was the abject failure of America to invest in young people and their development and his vision for having government cost-effectively intervene when children are very young. O’Neill was about effectiveness and results, says Wartzman, and it didn’t have to fit into some ideological box. “If you would listen to him and the level of government intervention that he was calling for on the frontend as opposed to the backend — with people being incarcerated, needing all kinds of services, and lives falling apart as adults — it was smarter, it was more humane. But you’d have thought, ‘My God, who is this rabid socialist?’ I don’t look at that as a question of ideology as much of as a question of him always driving out, ‘What’s most effective, what’s the most humane?’ I think those were, from what I could see, his bedrock principles. He had the courage to stand by those things, even when it went against party or popular opinion.”

Citing an IHI keynote address by O’Neill in 2003, Pisowicz says that with respect to healthcare, O’Neill’s notion of the ideal was that every American have access to the health and medical care that they need, without regard to income or wealth. “Not only did he mean it, but through careful and thorough analysis, he generally knew how to accomplish it. He nurtured, he motivated, he expected, he even demanded us all to have the courage to think big and, most importantly, to have the courage to lead and act in the pursuit of making the seemingly impossible possible. Paul would say, ‘What would you do if you knew you couldn’t fail?’ Paul challenged us to make the ‘right thing to do’ the necessary urgent thing to do without fear. He had a forceful way of being impatiently patient. This vision in terms of the ideal, or the theoretical limit, coupled with responsibility and courage to act, and act quickly, was a powerful combination, one that I think about every single day.”

From his interactions with O’Neill and his colleagues at Alcoa, one of many things Spear took away was the pursuit of theoretical limits. He describes Alcoa as a chemistry- and physics-intensive organization where it was literally possible to calculate the bare minimum of energy and raw materials that went into a process to produce aluminum products, be they soda cans or door frames. Theoretical limits led to questions of, “What are the limits the universe puts on us?” and “Just how far are we from those limits?” Those questions become a huge diffuser of objections to improvement, says Spear, unlike arbitrary goals that seek to move from 1X to 2X, which likely will be viewed as impossible.

“But he said, ‘Look, the theoretical limit says actually we should be at 15X. So if we’re at 1X, it’s not because 2X is impossible, it’s just because we’re incompetent,’” says Spear,

paraphrasing O’Neill. “When faced with objections, the theoretical limit allows you to say, ‘Hold on. What does nature limit us to? The speed of light? Are we anywhere near the speed of light? No, no, no, we’re not. Then stop objecting. There’s room for more speed here.’”

Spear reflects on the compatibility of theoretical limits with O’Neill’s respect for people, and points to the phrase “all men are created equal” in the Declaration of Independence. “That was their theoretical limit. It didn’t exist, but that was the extreme truth, that all were created equal. By doing that, they set a standard, which obviously we fail at too often, but I think very often we strive to actually operationalize that point that all are created equal. They created tension for us. If we hadn’t had a founding document like that, if we just had a founding document that says, ‘The king sucks, we’re leaving,’ the stuff that’s going on around us now in terms of social discord wouldn’t be occurring because no one could have a theoretical limit to point at and say, ‘The system is not working to its theoretical limit.’ But we have a theoretical limit, and consequently the system is working toward it. Paul said there’s a theoretical limit to an organization. And in its theoretical limit, everyone has equal importance, and things can be much better for everybody... I think Paul threw out that challenge. I think that challenge, just like our Declaration of Independence, makes a lot of people uncomfortable.”

**Brilliant and Curious**

O’Neill’s resume is a huge hint at the expansiveness of his intellect. He had a masterful grasp of accounting while at the Office of Budget and Management and the U.S. Treasury, industrial concepts and business management at International Paper and Alcoa, and the complexities and challenges that exist in healthcare at PRHI and Value Capture. Mixed in were work and knowledge around climate change and clean water. Seemingly no subject was beyond the reach of his acuity.

Dr. Shannon got an initial glimpse of O’Neill’s brilliance around the time O’Neill was beginning his push to improve healthcare. As a cardiologist, Dr. Shannon’s CEO sent him to a meeting of civic and business leaders, which O’Neill chaired, to discuss cardiac outcomes in the region. “He made aluminum, and I couldn’t think of anything more remote from cardiac surgery than aluminum. So I figured this was going to be a slam dunk. I’d be able to go over and use my medical jargon and talk my way out of this, and I was confident my other cardiac colleagues would do the same. I remember making my statements to Mr. O’Neill about how our patients were sicker, we were a struggling organization, and all the reasons why our results were average. I remember two distinct things he said that day. One, he said to me, ‘Dr. Shannon, I’m really not interested in the reasons why you can’t. I’m interested in what you’re going to do over the next year to improve these outcomes.’
“I thought of him, obviously, as the CEO of a Fortune 100 company, and for those reasons, I would have expected him to be direct and brash,” adds Shannon. “But what struck me in that meeting was how much he knew about cardiac surgery. I would venture to say he knew nearly as much as I did. The enduring image I have of Paul O’Neill is this zeal for learning. He brought that same approach to anything that he encountered. And I will tell you, even as close as I was to him and as nurturing as he was of me, when I would know I was going to meet with him, I was always a little bit intimidated. I just knew that he would have such extraordinary command and such an innate ability to get to the heart of the issue; it was easy to feel inferior. But he always made it such that you provided the answer. He was the greatest questioner. So the paradox of this was, while I was intimidated by what I knew was his knowledge, at the end of any interaction I ever had with him he drew the answer out of me. He didn’t come armed with the answer. He built it by a series of questions. He would make you feel like Paul O’Neill. But it was intimidating because he was just so incredibly smart and incredibly resourceful.”

After that initial meeting the two became friends, and Dr. Shannon took on larger role in PRHI. They, along with colleagues who are now at Value Capture, did the first regional study to prove that bloodstream infections could be reduced with real-time problem solving. O’Neill, Dr. Shannon, Spear, and others authored a report on their study and its outcomes: process-improvement techniques, such as those used by Toyota and Alcoa, were implemented for central line placement and maintenance at two intensive care units of Allegheny General Hospital, and within a year central-line-associated bloodstream infections decreased from 49 to 6 and mortalities decreased from 19 to 1, despite an increase in the use of central lines and number of line-days; results were sustained for a 34-month period.8

“As I got to know him better, I came to appreciate the depth of his knowledge and the breadth of his perspective, but also his approach to leadership, his approach to lean and what we call the Virginia Mason Production System is all about, which is empowering the frontline workers,” says Dr. Kaplan. “His passion, fortitude, and perseverance were all things that I think were great leadership lessons.”

O’Neill was a good listener and always curious to know more, he adds. “As a long-time senior leader, I continue to believe there’s a ton that we all have to learn, and that one of those things is to be a better listener and [to have] another key leadership competency — curiosity. As well as we got to know each other and see each other on a regular basis, he was always listening, always curious, always mining for more information.”

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When Bisognano and Berwick of IHI were gathering best practices from other industries, O’Neill discussed his “need to learn from outside Alcoa, and how he regularly encouraged leaders at all levels to step outside and to go visit other industries,” she says. “And so again, I felt this incredible resonance with his perspective. He was telling us that he encouraged leaders at all levels to go out and visit people, both within their industry and also outside, to bring back ideas. And that was exactly why we were there.”

Pisowicz believes that one characteristic of a great leader is an “insatiable curiosity,” and she learned that from O’Neill. “He had this insatiable curiosity as a leader and as a person. He was curious about everything: ‘What is that? How does that work? What are the underlying principles? What is the science behind it?’ He was just this voracious learner who was curious about everything. And it didn’t matter if it was a national strategy, such as transforming healthcare or education, or how the nurse at the medical/surgical unit was being supplied sterile gauze. I learned from Paul how to see the world and ask questions at a much deeper level. The other thing that strikes me with Paul was that he was truly one of the best systems thinkers that I have ever had the opportunity to work with. He was uniquely skilled at instantly getting to the heart of the matter, understanding what the need and the data was, how the process would work if it was done perfectly the first time without errors and waste, and how each of the pieces were interconnected, mentally traversing the silos and eliminating the barriers that plague our current system designs. It really was an important part of his leadership.”

**Focused, Tenacious, and Impatient**

It’s possible to get the impression that O’Neill was a saint among men — quiet, humble, kind, intelligent, courageous. In fact, some noted that they’d never seen him angry or heard him swear. So maybe there was something saintly to him. But don’t equate his style with timidity or weakness. In his quest for habitual excellence in all that he touched, O’Neill was a relentless force with which to be reckoned.

“’The word that comes to mind is straight talk to leaders of institutions, in my case healthcare, but he did it with other industries as well, about making the right choices regardless of the consequences,’” says Orme. “He puts the leader in his place to say, ‘If this isn’t happening, shame on you. You’re excited about getting 60 percent hand-washing compliance? That’s awful. You got an award for that? Give me a break.’ That’s Paul. He says it like it is, and it took somebody like Paul to be able to say that because people don’t want to hear that. But it’s the right thing to do. [He would say], ‘Which patient do you want to infect? Is it your family member? Is it you? That’s not acceptable.’”

Dr. Toussaint was able to convince O’Neill to be a founding board member of Catalysis (then known as the ThedaCare Center for Healthcare Value) and as a member he attended every meeting. “’He always was very clear about what we should be doing,’” says Dr. Toussaint. “He served eight years on the board and was invaluable from the standpoint of
his laser-like thinking. He would not stand for anything but leadership’s total commitment to habitual excellence. He would ask things like, ‘Do the organizations in the Healthcare Value Network have metrics around zero harm to employees or zero harm to patients? What are they doing to create that environment?’ We would work with a lot of different organizations in trying to apply lean thinking, but for him it was about are they really committed to zero. He kind of kept us on a straight and narrow path in terms of [being] focused on employee safety. He was always asking, ‘OK, so when we talk about True North, where does safety come in? Where does employee safety come into that?’”

O’Rourke says that people loved working at Alcoa, but notes that it wasn’t easy: “He wasn’t an easy leader. He was hard. He was challenging all the time, but he was fair in the process. He treated you right.” Even when meetings became heated, he adds, O’Neill continued to show the kind of respect that he had for the process and for the people that were involved in it.

Anderson recalls a comment from an advisor at Value Capture who said that “Paul sits there and throws out thunderbolts. I think that captures what he does brilliantly. I do a fair amount of speech giving and occasionally try to startle people with a different way of thinking. But I had nowhere near the ability to throw out thunderbolts that Paul did. And it was always fun to hear.”

Dr. Kaplan describes O’Neill in many ways — respect, courage, curiosity, caring — and doesn’t want another perspective to come across unfairly: “One of his attributes that I admired — but that for some people could become annoying — was his perseverance. He had tremendous perseverance around the things that were important to him.”

“Being on the [Catalysis] board with him was a fascinating leadership learning experience for me because his style is very different than mine,” says Bisognano. “He was very direct and sort of impatient, I guess is the word. He would listen quietly, and then he would say, ‘This is what has to happen.’ He was very forthright in saying, ‘This change needs to happen, and it needs to happen now and quickly.’”

Dr. Shannon recalls a meeting at NIH where there was a recommendation that the clinical center have a board and that the board would oversee safety and quality. “So here we are at the NIH clinical center, surrounded by Francis Collins, who decoded the human genome, and Anthony Fauci, the now-famous public health face of our COVID crisis — I mean, extraordinary scientific luminaries. And I watched Paul O’Neill systematically take each of them on around issues of quality in just a stunning display in his final year, taking on the notion that zero was the only number that mattered when it came to harm. It was just as if I had met him yesterday, 20 years into our journey together, sitting once again in a conference room with a bunch of intellects, this time scientists, not business people, and Paul O’Neill holding court over the idea of, ‘Please raise your hand if you want to be the one person that gets hurt.’”
Dr. Shannon and O’Neill occasionally had their differences, and, he says, they were usually around how fast something could be achieved. “Paul would have had me go three times as fast as I moved, and I just couldn’t do it. I tried to explain to him that these medical institutions are nothing like what you’re used to. ‘Being the CEO of Alcoa, you control everything. You don’t have doctors that you have to manage — these highly educated, independent actors — and all these personalities.’ He would say, ‘Well, that’s all interesting, Rick. But come on, this is just a matter of continuing to daily engage in the ideas and practice them.’ So we would disagree on pace of change. Paul was a very impatient man, and I often had to remind him — and these were always funny conversations — that it took him six to eight years to get Alcoa into the position that it ended up. It didn’t start there, and it didn’t get there in the first year.”

At each organization with which Dr. Shannon was involved, he had “this daunting notion that the place had to be transformed in 12 months because that’s the way Paul would do it. But the reality was when he and I would sit down and truly lay out the timeline of what happened at Alcoa, it was a little longer than a year. But he was quick [to] condense that time at any chance he could to make the point of continuous improvement, continuous improvement.”

Lead as O’Neill Led

It’s clear why executives who knew O’Neill are compelled to lead as their colleague, mentor, and friend would have led: replicating his approach based on theoretical limits (e.g., zero harm); grasping the moral requirements of leadership and having the courage to accept that responsibility; understanding and applying respect to everyone in multiple ways; aspiring all with whom they interact to great things; seeking out facts and data with a never-ending desire to learn; and holding firm to unshakeable beliefs and values.

“I learned so much about leadership styles from watching him, both at Alcoa, but more on the board [of Catalysis] about how you accelerate the pace of change,” says Bisognano. “How do you create a culture of trust that respects every single employee in the organization? His focus on equity was always fascinating to me. If they were going to give a bonus, everybody got the same bonus. If they were going to implement a benefit, everybody got the benefit. The people at the top didn’t get a different set of benefits. That sense of equity and impatience really taught me a lot about being an effective leader.”

Legacy Health has been working with Value Capture to implement a business operating system, notes its CEO Correia. “Of course, with COVID now, we’re doing everything virtually. If it was hard before, it’s so much harder now. But it’s sort of like, well, do you just kind of throw in the towel for today? I have Mr. O’Neill’s quote about choosing excellence in my office: “… if we are successful, it’s not because of CEO cheerleading… it will be because the individuals at this company have agreed to become part of something important: they’ve dedicated themselves to creating a habit of excellence.”
She says the quote inspires her, such as giving guidance on daily team huddles. “If I don’t demonstrate my commitment to excellence, nobody else needs to. I will have given permission to everyone. So, yeah, it’s frequently in my mind: What am I doing today that will help everyone I come in contact with feel positive and improve something for tomorrow? My behavior is the Number 1 way I can do that.”

Correia has been involved with lean transformations at four healthcare systems, and says they’re always about culture and understanding “the DNA, the soul of the organization” in order to help the organizations reach their full potential. What’s been different at Legacy Health with the assistance of Value Capture has been the striving for safety as a precondition. “The idea of safety just resonated with the organization, and the commitment that Value Capture made to making that always front and center demonstrated the consistency and that clear vision that I saw in Paul O’Neill... I don’t think I’ve ever seen another organization with their values on an everyday basis [like] Value Capture.”

“He was very antidependency,” says Segel. “In fact, there were people that wanted to be dependent on Paul. At some points, we all wanted to because he cast such a powerful wake behind him. He wasn’t going to have it. He was not going to let you ask him, ‘Hey, Paul, what do we do, what’s the answer?’ In his view, that was managing up. His point was we all had responsibility to try to apply principles-driven leadership; to act from integrity; to act from facts; to act from a belief that people wanted to do great things, that they aspired to do great things; and that bad things — if God or the laws of physics do not force them to happen — then they do not need to happen, and great things could be accomplished. That was all of our work. Once I realized that and the humanity of that, it was empowering and also in some ways added to the challenge because I had a lot of work to do to measure up and try to make a contribution.”

Segel says he tries to measure up by asking himself, “What did I learn? What do I know a great leader does? What am I doing?” He then identifies the gap; in fact, he leads by knowing there will be a gap. He’s aligned his leadership to that of O’Neill’s in “advancing the same principles and possibilities in the same domain of American life that he targeted so highly in the last two decades of his life.” As a leader, Segel understands that he’s responsible for presenting a framework “that is rooted in values, rooted in integrity, and is rooted in aspiration and ways to improve together. Then people will apply that to their own work and move forward together. I have tried to empower a small but mighty organization of unbelievably talented people who want to live and work that way. In my case it’s easy because in our group, everybody is so talented, so experienced, and so smart that I couldn’t possibly tell them what to do.”

When O’Rourke was assigned to lead Alcoa Russia, which had come about due to acquisitions, he faced two manufacturing plants where “everything was broken, everything needed to be fixed. The plants were very neglected; nothing was right. It
doesn’t make you feel very good.” Flying to Russia to start his assignment and not knowing the language, culture, or people, he fully sensed the challenge that awaited. “Where in the world do you start? I had Paul as a leader. Where did he start? He started with safety... That resonated with me on the way to Russia. If we get safety right, maybe we can get everything right. So I did that. I led with safety. We trained 8,000 people the first year in safety, 6,000 a year later. I put in programs to put people in protective equipment because they had nothing... We made safety the lead, which was special. The first full calendar year that Alcoa was in Russia, there were no fatalities. They averaged five fatalities a year for 50 years in the eastern manufacturing plants. That first full year that we were there, there were none. They’ve gone eight years now in that facility without a fatality, which I think is wonderful.”

From O’Neill, Anderson witnessed how “to think through what really matters, don’t stray off the course, don’t get confused by conventional thinking, and be courageous in pursuing what really matters.” That was already the direction that Anderson was headed, but O’Neill made him bolder. Honest, frank conversations with O’Neill about issues, such as employee safety, helped to validate similar efforts that he’d gotten underway at Cincinnati Children’s and “upped our courage to blaze the trail in healthcare... Being able to have that conversation with Paul let me set a goal that we could be at least as safe as a smelter.”

Eventually, Cincinnati Children’s reached a safety goal similar to what Alcoa was achieving, and, says Anderson, “I remember teasing him when we finally got to his number. We were the only hospital in the country that low. I was enormously proud of it. And he had kind of a sweet little grin that said, ‘Well, of course, you should be there.’ I thought he clearly took great pleasure in our attaining goals of great importance in addition to his having attained those goals. There was never a competitive sense. It was always a ‘That’s great, keep going, how can I help’ reaction to the achievements we were able to achieve.”

“He was a terrific mentor, which I very much appreciated,” says Anderson. “He was helpful. If he hadn’t been there, would we have done it? I think the answer is, ‘yes,’ we would have. But it would have been probably slower, less courageous, less good. And because he was there, it helped me sell some fairly radical ideas. His being there shared the responsibility for embracing radical change. I appreciate that sharing because there were times it was a fairly lonesome pathway. Having Paul there as a sidekick through this was comforting.”

When Orme was CEO at LifeCare Hospitals in Pittsburgh, the healthcare system embraced zero harm, and O’Neill was invited to speak to medical staff, specifically about how to reduce illegible physician orders to zero because, as O’Neill explained, “it’s not fair for the doctor to not communicate in a concise, legible, clear way. It’s not a sign of respect for your colleagues, respect for the nurses, respect for the unit secretaries, respect for your
patients, respect for yourself. And you can do better.’ There were a few physicians in that room who took his message to heart, and I was able to carry the ball with his help and with the help of Value Capture to reduce illegible medication errors to near zero levels in 90 days.”

Today, learning from O’Neill and those with whom O’Neill worked has altered Orme’s leadership of International Health Corporation. “My day has completely changed. I start my day with my team reviewing the daily safety report. We look at the incident as a team, we review the A3, which is the system that we have that Value Capture taught me on how to solve problems to root cause. I realize that my job is to be the architect of a system that allows for the reporting and solving of every problem, every situation, every incident, everything gone wrong. That was a teaching that I didn’t have prior to that time. If there was a problem, we may get around to reviewing and looking for a solution within a month or two or maybe a quarter — but sometimes looking backward to solve problems that happened a year ago. What I learned from Value Capture and Paul was to take everything gone wrong and solve it in real time. It’s possible.”

Orme says the potential is great for every employee in the organization to report many problems in a single shift that need solved as quickly as possible; without knowing the problem, there is no solving the problem. “So I encourage and reward people for identifying problems. That was a shift in my way of thinking as a business leader, as a hospital leader, that I never had prior to Paul. And I could never run the hospital the same way after talking and working with Value Capture and Paul.”

Dr. Muething, in addition to his work at Cincinnati Children’s, helped to establish Solutions for Patient Safety, a learning network for children’s hospitals that today consists of leaders from more than 140 hospitals whose goal is to create a universally safe and healing environment for all children in their care. When he was getting the organization up and running, initially in Ohio with six hospitals, he met O’Neill. The network advocated for changes such as zero harm; data sharing openly, transparently, and honestly; and CEOs driving the work instead of quality leaders who were not in place or even considered. O’Neill was an ally and agitator as the organization grew.

“About five years ago or so when I relied on him the most, he was pushing me in his typical Paul O’Neill way: ‘Why aren’t we looking at employee safety? Why are we only looking at patient safety? How much harm is happening to employees at the same time it’s happened to all these patients?’ He really pushed me in the role I had as leader to take on employee safety at the same time we were doing patient safety, which we had already done at Cincinnati Children’s. But to do that on a national scale with all the children’s hospitals was a huge step forward.”

From O’Neill’s prodding, Solutions for Patient Safety organized a two-day summit in Pittsburgh, involving approximately 60 children’s hospitals, a dozen CEOs, and hundreds
of employees. “We used that as a leverage point to adopt zero harm for employees, just like we had adopted zero harm for patients. And it’s continuing to this day. Now we’re all sharing all our employee safety data at the same time we’re sharing all of our patient safety data... Maybe it would have happened without his mentorship, advice, and push, but it certainly wouldn’t have happened as soon as or as effectively as it did with his push and help.”

**Lasting Impressions**

With so many accomplishments in O’Neill’s life, it’s difficult to point to a most important contribution, which simply illustrates the breadth of his influence. Many achievements, both business and personal, were mentioned by his colleagues, friends, and mentees — deep respect for people and safety as the ultimate show of respect; leadership and objectives consistent with core values and beliefs; an unwavering intent to do the right thing; and an unremitting pursuit of improved healthcare safety and quality of care.

Bisognano says that she loved the fact that O’Neill would often talk about his family and, as a great leader, was also a normal person. “It wasn’t like when he walked into work, he shed everything and became a different person. He was a fully engaged human being every single day of his life.” Knowing him, she adds, was a wonderful experience. “He really is the definition, for me, of a truly revolutionary leader.”

What stands out about O’Neill for Dr. Muething is that “seeing that leadership, and what you’re trying to achieve, is not separate from your core values and your beliefs in the world and how it should be approached. You can’t serve as a leader with one set of values and serve as a human with a different set of values. A leader has to get clear on what their values are, and then you’ve got to lead that way, you’ve got to serve that way every day. I think somewhere along the line, he got that clear in his head, and he decided that’s the way he was going to live his life. That’s the kind of leader he was going to be. That was all one and the same.”

“Paul definitely had a vision of how to make the world a better place and how to do that from a values-based framework in the pursuit of excellence, in a way that engaged and unleashed every single person’s fullest potential, working together to continuously improve and learn,” says Pisowicz. “I think he did that in different ways throughout his career, from the very beginning, through Alcoa, through the Treasury, and through his work in healthcare and education.” She adds that what best embodies O’Neill’s passion and his view on leadership was his unwavering pursuit of worker safety and zero injuries in any industry or work. It was the first and only starting point for him. “Even if you don’t understand the total package, the starting point for anyone on that journey is working together, learning and sharing in real time, and employing our most creative thinking and innovative ideas to keep each other safe. In that way, for me, he embodied the theoretical limit of values-based leadership and humanity.”
McKnight says O’Neill will be remembered “first of all for the criticality of safety as the ultimate respect for the individual and, secondly, his enormous contributions to improvements in safety and efficiency in hospitals and healthcare in general. I know he cared so deeply about it, he felt so deeply that he could help and drive change. He dedicated so much effort and so much of his personal time to it.”

Yet, adds McKnight, it was never about O’Neill. Some leaders hold themselves up as being in a different class; O’Neill was not one of them. “Paul always wanted people to see him as an ordinary human, [albeit] maybe one with incredible insights, incredible drive, and an incredible sense of who he was and what he wanted to do. But what struck me so much about Paul in his life was how genuine he was and how much he was just an individual. He didn’t want to be seen as anything more than that I think... For Paul, everybody was the same. He believed so strongly that everybody should have the same opportunities, the same respect, and the same sense of self.”

“It was wonderful to know him, and when I went to Russia I tried to emulate him,” says O’Rourke. “I hold him responsible for the success that I had. It is because he was in my life that I was able to take some of those lessons and pass them on. If you have an opportunity to use the Paul O’Neill game plan, you’re probably going to be successful always.”

“He should be remembered for demonstrating one of the largest impacts of combining the heart and intellect that we’ve seen,” says Segel. “He should be remembered for the profundity of his commitment to lead others and to show what’s possible at scale for human beings working together based on the best of human nature. He worked damn hard to put himself in a position to take on the deepest challenges in a way that he felt would validate what he believed about people and that would play a role in eliminating a lot of the profound waste that we inflict on each other as human beings, starting with failing each other at the fundamental level of dignity and respect for every individual... [He had a] boundless willingness, along with his direct leadership roles, to share and teach others these ideas and make it not about himself but about the principles and the need for each of us — for everyone — to kind of have our own internal steel or internal rigor to act on them, as he said, ‘When no one is looking.’ And I would add, when everyone is looking.”

“I think Paul should be remembered for the person that proved perfect was possible; he proved it,” says Dr. Shannon of Duke Health. “Paul’s death has been difficult for me, much more difficult than I would have thought. It’s hard to imagine the journey forward without that little voice whispering in your ear, that resolve, that intellect, that insight, that drive, that you could see any time you were with him... I have had a really hard time. I’m not alone. I know that. I’m not the kind of person that is easily distressed by loss. But this one hurts.”
About Value Capture

In 2005, Value Capture was founded with Paul O’Neill, former Alcoa CEO and US Treasury Secretary, whose innovative thinking made Alcoa the safest workplace in the world. As a consequence of this achievement, O’Neill realized another important outcome — an increase in the company’s efficiency and profitability.

For over a decade, O’Neill’s passion for improving healthcare safety and reducing healthcare costs has been channeled into the work at Value Capture, where the methodology has been honed.

Today, the distinguished team of advisors and thought leaders at Value Capture seeks to help you and your organization achieve habitual excellence via one unifying focus, one value-based structure, and one performance system. In other words, we help you capture dramatically more value through achieving perfect care and perfect safety for patients and staff.

We developed the approach with world leaders in quality, safety and profitability, inside and outside healthcare. Starting with some of the earliest proofs that perfect safety and financial gain go hand-in-hand in American hospitals, Value Capture has helped CEOs from community hospitals to the nation’s largest academic medical centers to integrated delivery systems tailor the strategy to their unique circumstances to produce hardwired results.

Our principle-based methods are helping healthcare organizations across the country capture and sustain astonishing increases in safety, quality, efficiency and satisfaction, all while lowering costs.

To learn more, please visit our website: http://valuecapturellc.com/

We also invite you to:

- Listen to our podcast, “Habitual Excellence“
- Check out our YouTube channel
- Follow and engage with us on Twitter and LinkedIn