



**THE LEADERSHIP DEVELOPMENT GROUP**

Innovative Solutions. Impactful Results.

## How to Succeed in Succession Planning for Leaders in Healthcare Organizations

American Medical Rehabilitation Providers Association

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# Your Presenter

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Kathy F. Bernhard is a senior consultant with TLD Group, an accomplished executive coach, facilitator and former senior HR executive with 30+ years of experience spanning industries including healthcare, pharmaceuticals, as well as non-profits.

Kathy's areas of expertise include executive coaching and assessment, the design, development and delivery of senior level leadership development programs, organization development, succession planning and mentoring.

Clients value Kathy's ability to identify and articulate the core issues preventing individuals and teams from realizing their performance potential, along with her ability to craft tailored development solutions to address these obstacles. They also appreciate her relationship skills and practical, results-oriented approach to solving business problems.

# Your Presenter

**Tracy Duberman, Ph.D., MPH,  
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Founder of The Leadership Development Group, Tracy brings with her a depth of expertise in the field of talent management and leadership development. With broad experience as a senior healthcare executive and consulting partner to Fortune 100 companies, Tracy collaborates with her clients to develop impactful and innovative leadership development and talent management solutions to meet business needs and drive desired change.

As a firm, TLD Group is comprised of a team of leading-edge academicians, talent management consultants, executive and physician coaches, and facilitators who design meaningful solutions to enable leaders, teams and organizations to reach their goals. With a background combining business experience with innovative research on healthcare/physician leadership effectiveness, TLD Group works with leaders to improve performance through succession planning programs, educational workshops, tailored on-site leadership development programs, such as The Applied Physician Leadership Academy®, and tailored individual coaching for physician and healthcare leaders.

Tracy is an executive coach, organizational development consultant, frequent keynote speaker, Board member of the Physician Coaching Institute, and a Fellow of the American College of Healthcare Executives.

# Objectives

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- To understand how succession planning can drive competitive advantage
- To understand how to best align strategy and talent through succession planning
- To share practical succession planning processes and tools

# Agenda

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- Unique Health Care Industry Talent Challenges
- Succession Planning Then and Now
- Succession Planning in Action

# The Burning Platform For Our Industry

- Healthcare leaders must meet growing demands and complexity related to the shift to a value-based system
- The healthcare industry has been faced with the crisis of high turnover and talent shortages
- Increased importance of preparing and retaining talented clinical and non-clinical individuals to:
  - Manage the challenging healthcare climate
  - Meet the ambitious expectations of health reform
  - Reduce costs
  - Ensure quality of care

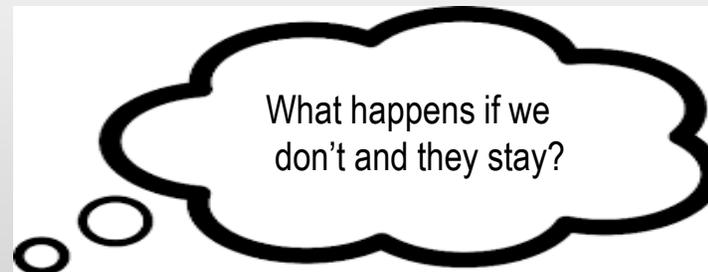
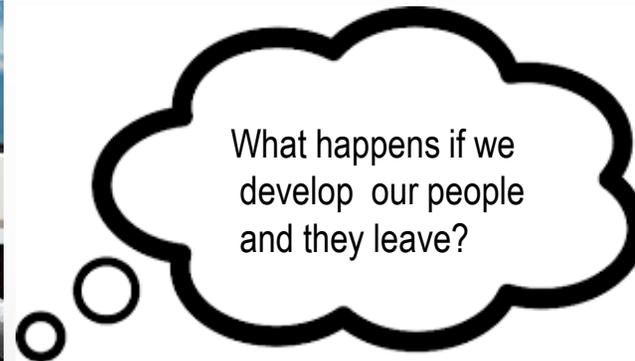


# The C-Suite Conversation

**CEO:**



**CFO:**



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“Train people well enough so they  
can leave, treat them well enough so  
they don’t want to”  
- Richard Branson

## Strategic Issues / Talent Issues - Example

### Strategic Issues

- Losing patients to competitors
- Cost pressures accelerating
- Pressure to transition to electronic record-keeping

### Talent Issues

- Three long service leaders eligible to retire by 2015; risk of loss of institutional knowledge
- Need to infuse talent with strong fiscal skills, technical savvy, creativity and openness to change
- Difficult to recruit for xxx location

# What is Succession Planning?



Deliberate and systematic effort to ensure leadership continuity in key positions, retain and develop human capital for the future, and encourage individual advancement

*Adapted from William Rothwell*

# Succession Planning Then and Now

## Then

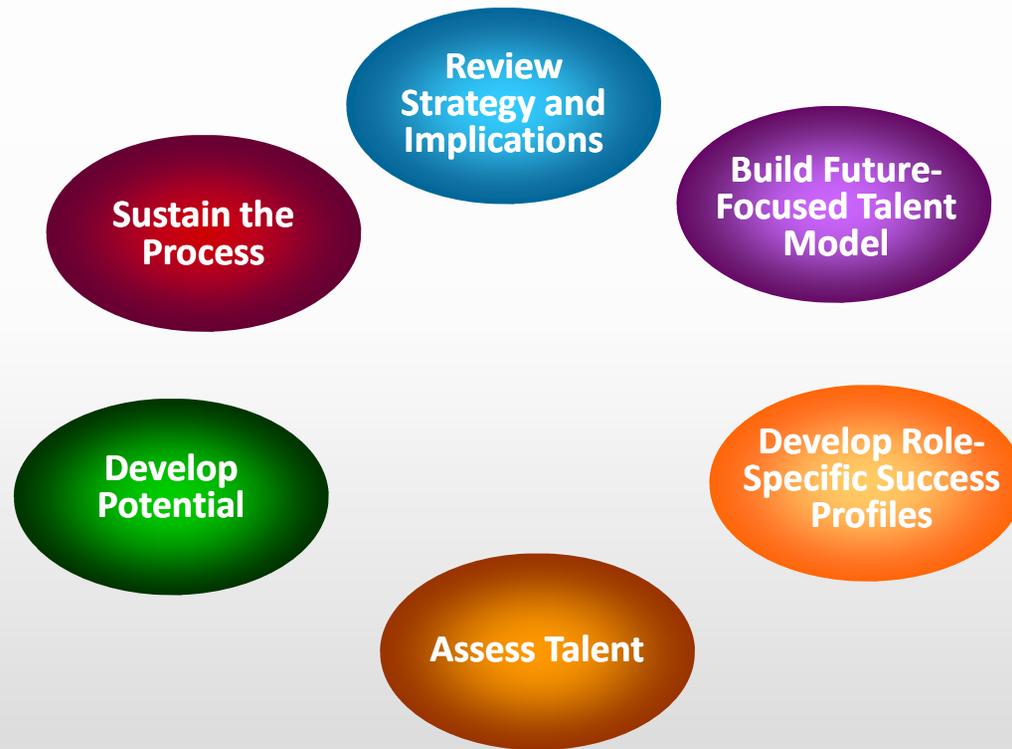
- Replacement planning; risk management
- Mostly tactical
- Annual event / activity
- HR driven
- Often non-value added
- Not acted upon
- Results not measured

## Now

- Strategic development; future focused
- Mostly strategic
- Ongoing process
- Owned by sr. leadership
- Mostly value-added
- Mostly acted upon
- Accountability for results

# Succession Management Process

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# Succession Planning Tools

# Succession Planning Tools

## Basic

- Competency Model(s)
- Success Profiles
- Individual Profiles
- 9-Box Grid (Performance vs. Potential)
- Talent Reviews
- Individual Development Planning with Monitoring

## Advanced

- Development & Retention Discussions
- Critical Positions
- Development Resource Guides
- Succession Risks
- Derailers
- Leadership Pipeline Turns
- Development Roadmaps and Experience Grids

**Emphasis on dialogue and actionable development planning**

# Healthcare Leadership Competency Model



Note: Based on the National Center for Health Leadership (NCHL) Health Leadership Competency Model.

# Chief Experience Officer Success Profile

## Key Roles & Responsibilities

- Senior-most executive responsible for total operations of a facility, including clinical, financial and infrastructure perspectives
- Serves as primary liaison between clinical staff, department heads and medical governing boards
- Ensures efficient, fiscally responsible and fully compliant operations providing the highest quality care and services to residents and families
- Focuses on the future and creates and communicates a vision compelling enough to inspire others to follow
- Keeps abreast of and often anticipates changes in models of care, regulatory environment, financial reimbursement models, etc. and serves as a catalyst for change where appropriate
- Ensures that system-wide initiatives are appropriately implemented locally

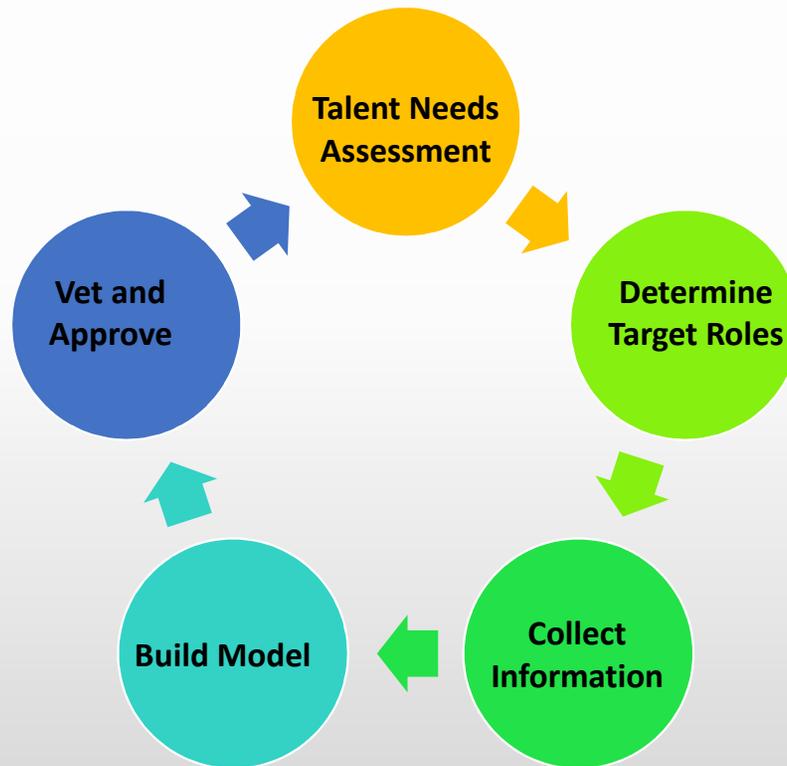
## Essential Experiences

- Has held increasingly responsible health care administration leadership roles over a minimum period of 10-15 years
- Has a broad healthcare operational background, which may include nursing or other aspects of clinical care, finance, administration, etc.
- Ideally will have been involved in some form of organizational transformation
- Master's degree (MBA, MPH, MPA, MSN or the equivalent) plus NYS Nursing Home Administrator license required
- Experience with a multi-cultural and / or multi-generational workforce; international experience a plus
- Has led in a union environment and understands the nature of the labor / management relationship
- Has led through periods of organizational change such as changes in regulatory requirements, changes in models of care and reimbursement, growth and contraction of the workforce, labor conflicts, etc..

## Developmental Preparation

- Reputation for ability to run an efficient, high quality operation within budget and with minimum operating disruptions while providing the highest level of resident care and compassion
- Knows the value of prudent risk-taking and is viewed as a leader who makes it safe to fail in the process of risk-taking and learning
- Has the courage of his / her convictions and is committed to quality resident-centered care and service
- Is a true collaborator, partner and a strong communicator with staff, peers, senior executives and union representatives
- Is a consummate multi-tasker, is nimble, can switch gears quickly and can make a decision without complete information
- Known for empowering others to act and facilitating teamwork without siloes
- Known for ability to deal with volatility, uncertainty, change and complexity

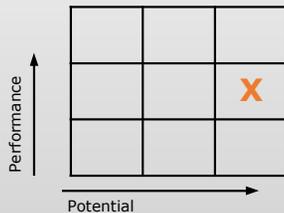
# Success Profile Development



# Pat Sample, VP of Operations



- 51 years old
- 21 years of service
- Responsible for the operations of the XYZ facility
- Chairperson of the Advisory Board of XXX
- BS, Mathematics, Queens College
- MHA, NYU

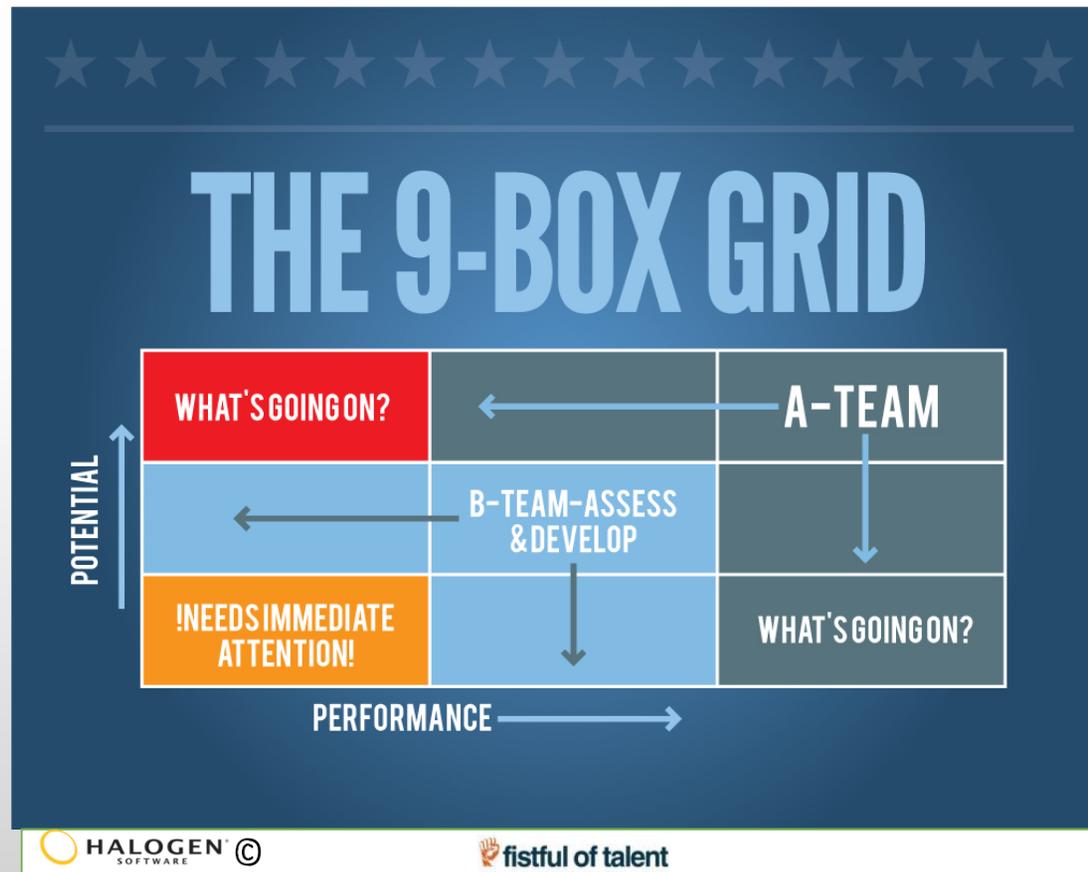


<b>Overall Strengths</b>	<ul style="list-style-type: none"> <li>➤ Strong operational leader</li> <li>➤ Relationship builder</li> </ul>
<b>Development Concerns</b>	<ul style="list-style-type: none"> <li>➤ Needs stronger financial acumen</li> </ul>
<b>Development Actions</b>	<ul style="list-style-type: none"> <li>➤ Give full P &amp; L responsibility for all operational departments</li> <li>➤ Assign CFO as mentor</li> </ul>
<b>Current Challenges</b>	<ul style="list-style-type: none"> <li>➤ Must determine which operational functions to outsource</li> <li>➤ Enhancement of employee engagement levels</li> </ul>
<b>Possible Career Moves</b>	<ul style="list-style-type: none"> <li>➤ Has potential to move into system-wide corporate operations role</li> </ul>
<b>Retention Risk</b>	<p>High _____ Medium _____ Low <b>X</b> _____</p>

## VP of Operations Successors

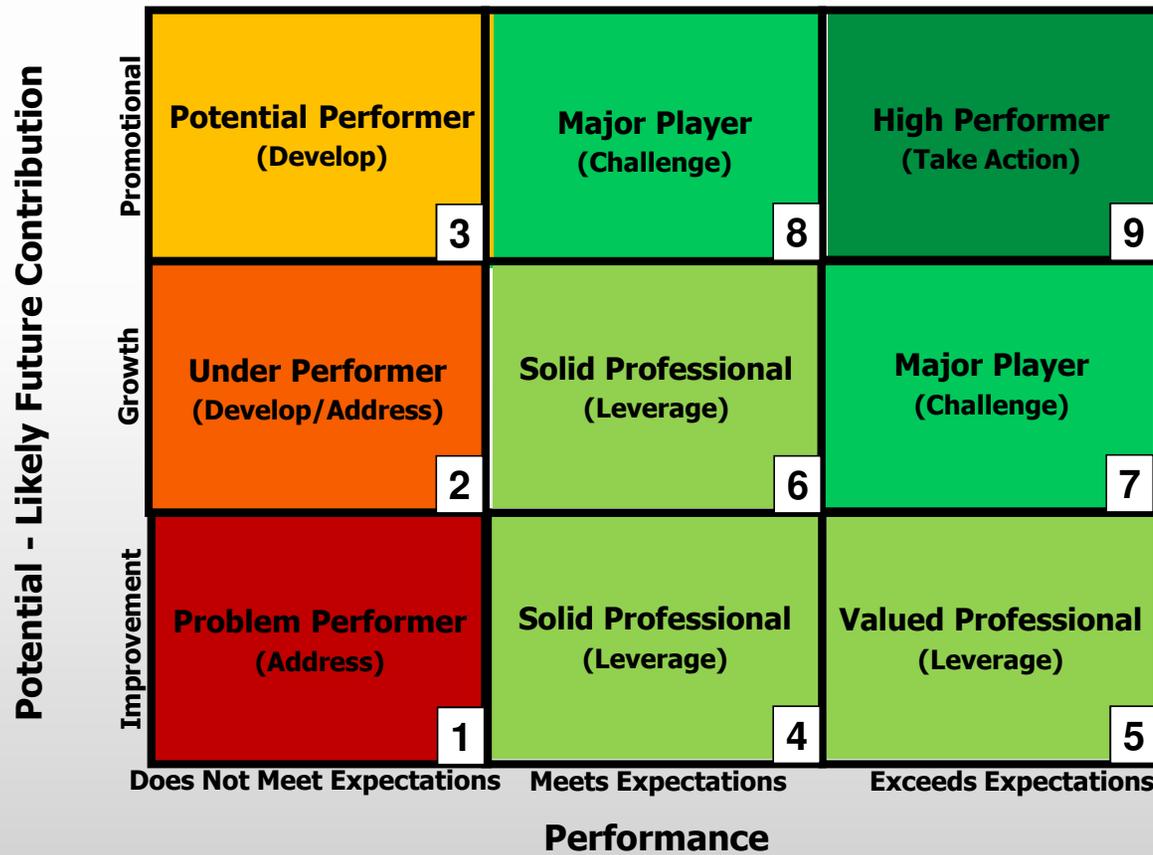
<b>Ready Now</b>	External Hire
<b>Acting</b>	> Taylor Roberts
<b>1-3 Years</b>	> Devon Ames
<b>3-5 Years</b>	> Jamie Peters

# The 9-Box Grid



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## 9 - Box on Performance and Potential





# REVERSE ENGINEER



# Sample Talent Review Agenda

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- Each business leader presents individual profiles and 9 -Box for their direct reports, high potentials and critical positions
  - Facilitated dialogue to confirm or modify 9 - Box placement; must be supported with evidence
  - High level agreement on development actions / next steps

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# Next Level: Sample Talent Review

## Lenses: The Four Succession Risks

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- Vacancy Risk – Risk of critical leadership positions being vacant
- Readiness Risk – Risk of underdeveloped successors
- Transition Risk – Risk of poor assimilation of executive talent into organization
- Portfolio Risk – Risk of poor deployment of talent against business goals

*Corporate Leadership Council Research (2003), Succession Management Survey*

# Talent Review: Key Strategic Questions

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- What do we do about the lowest performers?
- What is the overall “talent health” of the organization as a whole at senior levels, and for each organization reporting to a member of the Senior Leadership Team?
- Who are the potential internal successors for each of the Senior Leadership Team roles? What contingency plans are there?
- Given the future needs of the organization, do we have enough talent in the pipeline to fill those needs?
- What is the strategy for sourcing and attracting appropriate external candidates with the potential to succeed members of the Senior Leadership Team?
- Are the % in each box the right ones?
- What are the implications for our business strategy?

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# Accountability for Development

# Don't Let This Be You!

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*“Development plans typically crash at the intersection of good intentions and busy managers” – Marc Effron*

# Development Action Plan



Name: \_\_\_\_\_  
 Reports To: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Addendum to 2014 Performance Review - Section VII: Action Plan**

**DEVELOPMENT ACTION PLAN FOR THE NEXT 12 MONTHS**

(1) Read the sections of the JHL Development Resources Guide related to the competencies to be developed  
 (2) Identify specific development actions, using the Guide to trigger your thinking

Use this space to identify up to three development needs to strengthen. Then specify a combination of experiences, coaching / mentoring / feedback, and reading / courseware that will be used to drive progress

Developmental Goals by Competency	Measures of Achievement / Expected Outcomes
1. Enhance executive presence (Executive Presence)	Is seen as the "go to" person for xxx and can be counted on to respond clearly and articulately even in the face of pressure
2. Delegate more effectively (Empowering and Holding Others Accountable)	Pushes decisions down to lowest level possible and no longer performs tasks that can be done by more junior staff
3. Think more strategically (Strategic and Systems Thinking)	Regularly speaks the language of strategy and asks basic strategy and systems thinking questions

**Methods to Be Used**

**Related Job Assignments / On-the-Job Learning**  
 List assignments intended to further progress against the developmental goals above. List the goal number next to each item.

Goal #	Type of Assignment	Time Frame
1.	Represent JHL in an industry, community or professional organization and take a leadership role in one of their initiatives	By September 2015
1.	Join the xxx project team	Immediately
1.	Use the resources in the "Additional Resources" section of the Resource Guide, along with any other resources of your choosing, to deliver a presentation to the staff on Executive Presence	By December 2015
2.	Create a plan to delegate a key responsibility to a more junior person and then do it	Plan created by June 30 Implemented by July 30
2.	Conduct development and career discussions with all direct reports	One per month until all are completed



Name: \_\_\_\_\_  
 Reports To: \_\_\_\_\_  
 Date: \_\_\_\_\_

2.	Serve as a role model for development with your team by sharing your development goals and regularly asking for feedback	Ongoing
3.	Identify an aspect of JHL's operations such as xxx and apply one of the widely used strategy tools such as SWOT, PEST or QUEST and present your findings to senior management	By October 2015
3.	Take an assignment related to Green House	As opportunity becomes available

**Training / Education / Reading**  
 What specific training, educational experiences, and performance support measures (including online learning) can be used to develop desired skills and assist in achieving the employee's goals? List the goal number next to each item.

Goal #	Type of Training/Education/Support	When
1.	Presentation Skills Training (In-house)	When offered
2.	Read Lublin article on Delegation	Immediately
3.	Peter Senge video "What is Systems Thinking?"	By May 30

**Support Needed**  
 What additional support is needed to achieve the employee's goals (e.g., coaching, mentoring, etc.)? How will it be provided?  
 Xxx would benefit from having a highly respected and self-confident mentor and we will identify the right person by the end of this quarter. Additional coaching and feedback will be provided by the immediate manager. In addition, we will identify several other executives with strong strategic orientation for Xxx to interview and rely on as subject matter experts for strategy.

**Monitoring Progress**  
 Who will provide feedback on the employee's progress, and how often? Be as specific as you can regarding who is involved and how often progress will be assessed.  
 Xxx's current manager, Yyyy, will meet with him at least monthly to assess progress and share feedback.

# Development Planning Tips

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- Some things just take longer to develop
- Real weaknesses don't often grow into real strengths
- Development is not just about closing gaps
  - Capitalizing on strengths
  - Marketing what hasn't been visible
  - Creating a work-around
- Specific, Measurable, Achievable, Realistic, Time-bound (“SMART” goals)

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# Common Pitfalls

## Traps to Avoid

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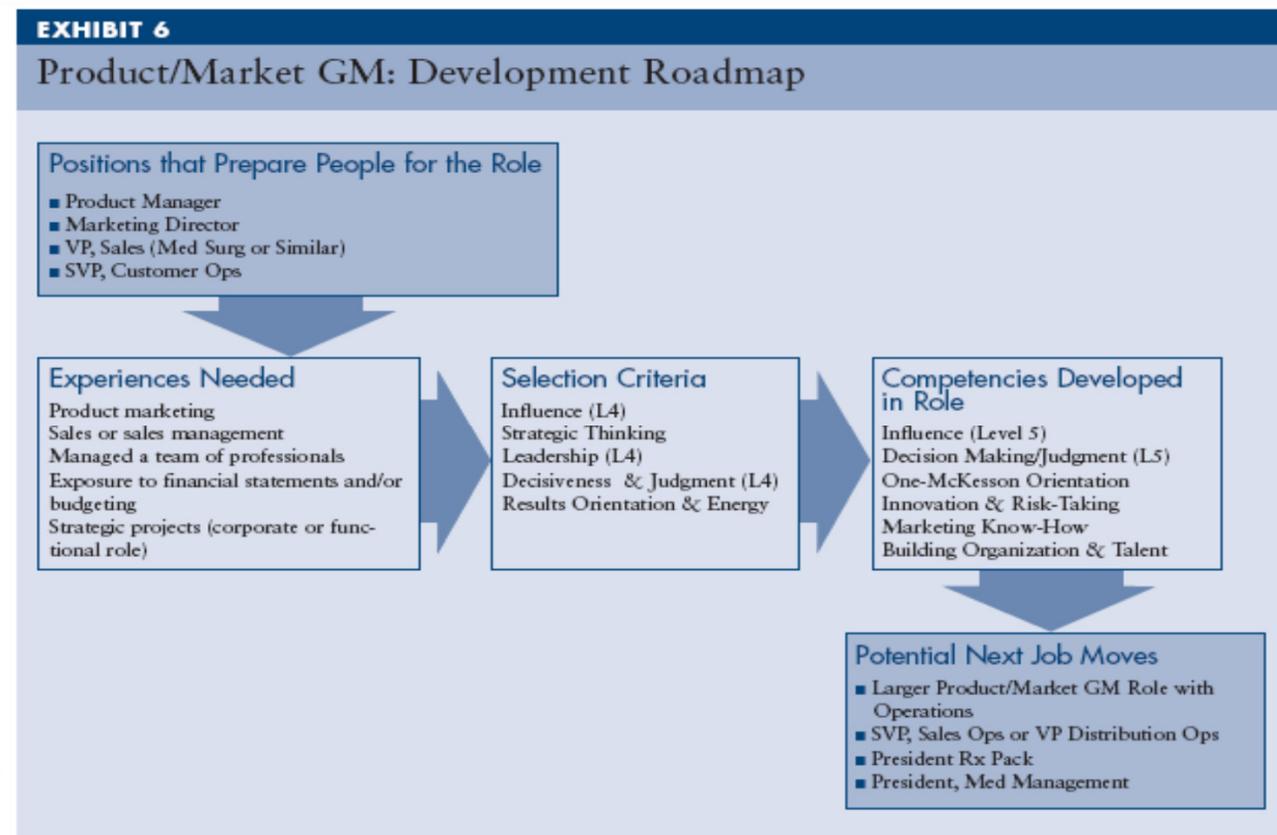
- Over reliance on current performance
- Don't link potential criteria to strategy
- Don't know what potential looks like
- Fail to make differential development investments
- Lack managerial courage to deal with low performers and blockers
- Fail to stay close enough to successors
- No accountability for development actions leads to no development
- Nothing really happens except the passage of time

## Best Practices: McKesson

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- Create Development Roadmaps
- Use Leadership Pipeline “Turns”
- Create Development / Experience Grid

# McKesson Development Roadmap - Sample #1



## Final Thought

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What steps can you take to make succession planning a value-added competitive differentiator for your organization?

# Your Questions?



# References

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- 1) Rothwell, William J. "Effective Succession Planning, Second Edition, AMACOM, 2001.
- 2) Corporate Leadership Council Research (2003), Succession Management Survey
- 3) Fistful of Talent and Halogen Webinar "The Difference Between Performance and Potential: A 9-Box Primer for Smart HR Pros, April, 2015
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- 5) Charan, Ram, Drotter, Stephen, and Noel, James, "The Leadership Pipeline: How to Build the Leadership-Powered Company," Jossey-Bass, 2001.