

Executive Talent: Key Questions for Today's Healthcare HR Leaders

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This past year Witt/Kieffer conducted informal polling of human resources leaders in healthcare about pain points they are experiencing in recruiting and retaining top executives. What we have heard is the type of individual they are seeking is changing, as is the way organizations are recruiting in today's fiercely competitive marketplace. Finding great executives is harder than ever. As one healthcare HR leader stated, "There is a shortage of executive talent while the learning curve is greater."

Following are burning questions for HR leaders to consider as they eye executive talent challenges.

How can we make our internal executive pipelines more robust?

CHROs state that they are more concerned than ever about their internal talent pipelines for leadership, and that they are committing more resources to succession planning and talent recruitment. Our survey of HR contacts suggests that one-half to two-thirds of leaders are spending more or significantly more resources on succession management than five years ago. One HR executive noted, "We hired an organizational development manager who will be implementing a leadership development strategy and succession planning." Another indicated that her organization is implementing stretch assignments for executives with on-site coaching as part of the process.

What types of expertise are truly essential in healthcare leadership today?

While there are core leadership skills and areas of expertise in healthcare that remain timeless – an exceptional mission-orientation, for example – other are emerging as the industry has changed dramatically in recent years. HR leaders have conveyed the following knowledge areas are trending up in terms of importance:

- Clinical integration
- Change management
- Retail orientation; consumer loyalty
- Partnerships and external collaborations
- Patient experience
- Physician alignment and relations
- Population health

Organizations are considering leadership expertise in light of their own needs, goals, and missions. "We have identified leadership competencies that are needed to be successful and have aligned our interviewing, feedback, and assessments around those factors," notes one top HR executive. "We are doing much more deliberate hiring with the landscape changing."

What personality traits equate with leadership success?

HR leaders said the following personal qualities are trending up or even "way up" in today's healthcare executives:

- Adaptable, flexible
- Collaborative, team-oriented
- Communicative
- Culturally competent
- Emotionally intelligent
- Resilient
- Results-driven
- Strategic, visionary

Good communicators and collaborators are so important, one executive noted. Today's executives "have to be more team-oriented, especially physician leaders, because they are not necessarily trained that way." Executive success "starts with emotional intelligence," another said.

How do we develop and recruit physician leaders as their importance increases but the pool shrinks?

The pool of qualified candidates for physician leadership roles is shrinking, keeping CHROs, and others charged with recruiting physician executives, up at night. Roughly 80 percent indicated they are more concerned about developing and identifying physician leaders than five years ago.

What are HR executives doing to position their organizations to attract physician leaders? Physician executives will look first at the current state of the organization, its leadership, and its commitment to clinical excellence. Next, they will assess their own opportunities to grow as leaders. "We have created custom development programs, focusing on MBA elements to round out our move towards care transformation, patient experience, and population health," said one HR leader. Others suggest that proactive leadership development programs - often customized for the individual physician leader - are essential to hiring strong physician executives in the first place and also in ensuring their success once on board.



Proactive leadership development programs are essential to hiring strong physician leaders and ensuring their success.



Resources are critical. "We are not as focused on identifying and developing as we could be," says one HR contact. A key reason: "bandwidth issues."

Can we find more executives outside of healthcare?

CHROs seem to be increasingly receptive to recruiting executives from outside of traditional healthcare, especially for HR positions but also in other functional areas. Roughly three-quarters of HR executives have made some effort to seek human resources leadership outside of healthcare. Marketing and communications is another area where we see clients recruiting outside of healthcare, a nod to the trend towards a more "retail" brand of healthcare and the need for innovative ways to reach patients and consumers. To a slightly lesser degree, HR leaders state that they are recruiting functional leadership in areas such as finance, legal, and IT outside of the healthcare industry as well.

What will millennial leaders mean to our organization?

Millennial leaders – those approximately 40 and under – are infiltrating healthcare organizations' leadership ranks, and are in some cases, assuming CEO positions. Are millennial leaders adapting well to leadership roles? Are they presenting new styles and strategies for their older peers to learn from? Witt/Kieffer recently conducted a survey of more than 100 millennial healthcare executives. (The survey report, "Emerging Millennial Healthcare Leadership," was published in December 2017.) The following are a few key takeaways:

- Millennial healthcare leaders place a premium on organizational culture and career growth, while issues related to compensation and job titles take a back seat.
- These executives are keenly aware of the potential for career stagnancy and burnout and therefore are on the lookout for new and rewarding opportunities.
- These opportunities might very well be outside of healthcare, as a majority of those polled would move to another field to further their careers.

When asked about the "most important consideration" for their next position, millennial respondents offered the following:

- Opportunities for career advancement within the organization/more responsibility (51%)
- Culture, mission, vision, values alignment (25%)
- Work/life balance (9%)
- Mentorship/leadership development opportunities (9%)
- Compensation and benefits (3%)
- Other (3%)



For millennial healthcare leaders, organizational culture and individual growth are inextricably linked.



Executive Recruiting and Retention Strategies

What can HR leaders, their boards, CEOs, and other top executives do to find and keep great leadership talent? The following are progressive strategies for securing executive talent that HR executives cite:

- **Undertake more deliberate, comprehensive succession planning.** Dedicate more resources if at all possible, but on the whole be more mindful and proactive in securing the right executives for the future.
- **Prioritize systematic leadership development.** This includes business and leadership training support for physician executives, who need and want to develop their administrative capabilities. Offer targeted, sustained coaching and mentoring for those executives who are open to it.
- **Develop your organization's leadership competencies.** Ensure that you have a set of identified competencies that define executive success for your organization – articulate them, hire to them, train for them.
- **Cast a wider net.** This means recruiting farther afield geographically as well as in other industries; partner more comprehensively with executive search firms to identify marketplace challenges and potential untapped pools of candidates, and to identify creative executive talent strategies.
- **Pay close attention to millennial leaders.** Understand their expectations and characteristics, and how they are shaping your leadership ranks. Proactively identify new and creative ways to engage them in organizational initiatives and tap their expertise and instincts.

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