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Fill High-Level Vacancies by Developing Internal Talent

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By Daniel Sinnott, for HealthLeaders Media News, February 23, 2007

In my former role as a hospital CEO, I would occasionally remind my executives, "If I'm hit by a bus today when I leave the building, the hospital will still have to open its doors tomorrow." My point in saying this was not to use scare tactics or to be grim, but rather to underscore the reality that in our organization no one should be irreplaceable. In healthcare, the show must always go on.

Why then do we, as CEOs and boards leaders, not invest more energy in developing our internal talent bank so that people are ready to step up to the plate when leadership positions become vacant? CEO turnover rates in hospitals are often high, averaging approximately 16 percent across the country. Organizations need to be better prepared to deal with the reality of this turnover.

Handling turnover

Whenever a leader departs from an organization—whether it is a chief nurse, a CEO, or an academic clinical chair—valuable time and resources have to be diverted to fill the empty position. Often, the organization ends up spending hundreds of thousands of dollars trying to attract and woo top candidates from around the country because the talent bank of their own organization is too thin.

One solution to this problem is to spend more of our time and energy mentoring the junior leaders in our organization so that they will be prepared for promotions into top leadership positions as attrition occurs.

Mentoring staff into long-term leaders

Developing employees so they will be prepared and interested in serving your organization for the long-term involves the following two strategies:

1. Support your employees in their career development.
2. Teach them how to be leaders.

In particular, there are six key pieces of advice that I hand down to those I advise in my consulting business and that I often passed on to those I mentored during my years as a CEO. These tidbits fall into one of the two categories above. Time and again, I've found these strategies to foster strong organizational leaders who are prepared to fill high-level vacancies when the opportunity arises.

Fostering employees' development

Here are the three principles I focus on most when mentoring young healthcare executives regarding their career development.

Be the CEO of your own corporation. Just as your organization has a mission, vision and strategy, you want to encourage your employees to develop a personal mission, vision and strategy. People need to identify what is important to them, in what roles they want to work in healthcare and where they want their career to be in 10 to 20 years. I began my career as a social worker in a hospital and set as a goal that by the age of 40 I wanted to be a hospital CEO. Through hard work, some luck and a great deal of mentoring by others I became a hospital CEO by the age of 39.

Once an individual has a career goal and a plan for the future, he or she must begin to build a resume to take steps towards that goal.
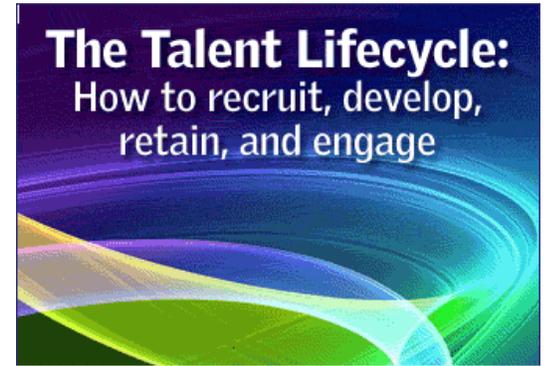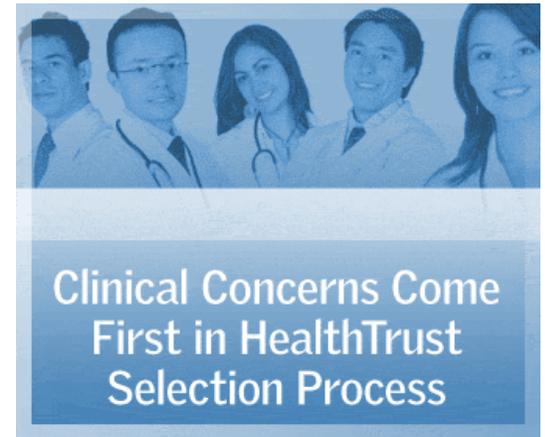
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Encourage your employees to seek out the experience they need to reach their goals and let them know you'll support them within the needs and guidelines of the organization.

In my own career, after I decided I wanted to be a hospital CEO, I began to get the necessary experience towards that goal by learning the day-to-day operations of a hospital. When I was interviewing for my first CEO position I realized that there were 45 departments in that hospital and that I had acquired operational leadership experience for 42 of those departments throughout my career. I was successful in getting the job based mainly on my previous work experience.

Finally, you can help your employees become the CEO of their own "corporations" by encouraging them to create their own "Board of Trustees." They should seek out individuals they can turn to for mentoring, advice and constructive feedback. Over the years I have been fortunate to able to call on several very successful individuals, whom I consider to be my Board of Trustees. This is an invaluable system you will want to encourage your employees to develop for the benefit of their careers.

Maintain balance. As an individual's career advances there will be continual challenges to maintain balance between the professional, personal, physical and spirituals aspects of his or her life.

I learned this firsthand years ago when work was particularly stressful due to a large managed care negotiation for seven hospitals under my responsibility. One evening while coaching my 11-year-old daughter's softball game, I was thinking more about the negotiations than the softball game. At one point I looked down the bench, deep in thought about work, and realized that the players were more interested in their bubble gum than the game. The girls didn't care much about the game because they could tell, in some sense, that I didn't. I needed to figure out how to return to the present moment or I was going to fall short of my role as a coach, not to mention miss out on some very precious family memories.

So often the professional part of a person's world dominates the other important aspects of life. Ironically, this can have a negative impact on one's career. As someone wrote years ago, "stress makes you stupid," and often results in an inability to think or act as you normally would in a similar situation. Consider someone who is going through a divorce or bad health; the stress of such a life experience will affect performance in the other areas of that person's life, including work.

So resist the temptation to push your employees to work overtime and encourage them to seek balance between their personal and their professional lives. Not only will this help your employees reenergize, but it will also motivate them to reinvest that energy at work. In turn this will promote their careers and benefit your organization.

Give something back. As your employees proceed with their careers, they should be mindful of all the help they have received from others who have helped get them where they are in their careers. This help could have come from parents, family, friends, professors, coworkers and bosses. In return your employees should make sure they are helping others advance their careers. Assistance may be in terms of a job reference, mentoring or providing feedback on career moves or strategy ideas. I have learned that what you give in helping others comes back tenfold to help you sometime in the future. I must say it gives me great enjoyment when one of the CEOs I helped mentor calls and asks for advice on a particular topic because he or she values my opinion.

Training employees to be leaders

Here are three of the major principles I pass on to those I mentor when helping them develop their leadership skills.

Get ugly early. At some point in your employee's career, something unfortunate or challenging will happen at the organization that he or she will be forced to deal with. The initial temptation will be to try to cover it up and not recognize that something bad has occurred. This is usually done out of fear that the reputation of the organization (as well as the leader) will be tarnished due to the bad or unfortunate situation. You will want to assure your employee, in advance of this situation, that more damage will result if he or she as a leader does not get out in front of a bad situation and "get ugly early."

I learned of this phrase from a retired three-star Army general when the hospital I was working in was found to be the source of a Legionnaires' disease outbreak. When I told the general of our situation he said "get ugly early," which is an old Army saying that signifies, in bad situations, it is better to get out in front of the

situation so you can control the message instead of the message controlling you. In the beginning of the Legionnaires' outbreak we were not sure how bad the situation was, but we made a decision to call the State Health Department and the Centers for Disease Control to invite them in to help with this unfortunate situation. This meant we had to go public and make the community aware of the situation. We also had to ask for the community's help in identifying and encouraging anyone with pneumonia-like symptoms to seek immediate care. This decision carried some risk because the community might be scared to come to our hospital for future treatments.

Nonetheless, the hospital held a press conference, developed and hand delivered newsletters to the surrounding communities and provided free testing to anyone who had symptoms resembling Legionnaires'. The positive end result was that no one died from the outbreak, and the number of community members that became sick was kept to a minimum. In the end, the hospital received local and national recognition for how well it handled this serious and potentially deadly situation.

Do the right thing. It has become a regular occurrence that leaders of an organization are charged with lying and cheating to make the organization's financial or quality results look better than reality. Recent stories about Monster.com, Tyco, Krispy Kreme, HealthSouth and Enron illustrate this corporate behavior. I believe these situations have occurred because there is too much pressure on executives to "make the numbers." Inevitably, corners will be cut to do so.

There will come a time in most leaders' careers, including those you mentor, where pressure will be placed or felt to "make the numbers at all costs." Caution your employees in advance that this will happen and advise them to be prepared to fight the easy response to tweak financial and quality reports just to make the numbers. Successful leadership is built on a foundation of integrity, and if employees, customers and investors cannot believe in someone as a leader who "does the right thing," then a person's career as a leader will be short lived. If a leader displays integrity, however, people inside and outside of the organization will respect that person, rally behind him when necessary, and bestow him with more influence and sway.

It is all about quality. Part of being an effective leader in healthcare is focusing on quality outcomes. There is certainly great opportunity for improvement in our industry, where approximately 100,000 patients die each year due to medical errors and mistakes. And now more than ever, insurance companies and patients are basing decisions regarding care on an institution's quality outcomes. Encourage your employees to focus on quality in everything they do, and you will help them prepare to lead effectively in tomorrow's healthcare industry.

Look at the approach Toyota has taken in order to produce quality automobiles. They are second only to General Motors in the United States in terms of overall market share. Toyota has made a long-term commitment to producing quality automobiles and that has translated into strong financial results. I have read books and articles about Toyota, and I am continually impressed by their leadership philosophy, which focuses on having quality drive their organization. Imagine the improvements in our healthcare system that could be achieved if we took the same approach as Toyota about having quality drive our healthcare organizations. Teach your employees to focus on quality and they will help lead your organization to success.

When employee turnover is high, an organization stays, at best, in neutral gear. At worst, the organization will go into reverse, losing recent gains in quality and more. One way to mitigate the damage that high turnover can cause is being prepared to fill vacancies quickly and effectively. A great way to do this is to mentor junior leaders so they are prepared to step up to the challenge and fill open leadership roles.

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