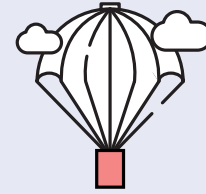


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Succession Planning: Preparing the next generation of healthcare leaders

Introduction

As baby boomers age and retire, a new generation of leaders will be needed. Developing a succession plan can help to ensure your organization is ready with a qualified candidate to step into the vacant position.

Many healthcare organizations do not have a succession plan, or only an informal plan. An article published in Deloitte Insights found, "While organizations realize that succession planning is an important priority, few manage to orchestrate it well." "While 86% of leaders believe leadership succession planning is an "urgent" or "important" priority, only 14% believe they do it well."

The article identified several reasons why succession planning may not be successful.

- Succession planning can be destabilizing and threatening
- It's not clear who is accountable for succession planning
- Good data is not available or ignored, leading to subjective decisions
- There is no clear process for succession planning

Although this article is about succession planning for leadership positions, it is important to note that not every employee aspires to a management position and that it is equally important to develop a career leader for those employees who want to continue to provide clinical care. There are excellent resources in the literature for how to implement a clinical ladder including numerous articles by Dr. Tim Porter-O'Grady.

What is succession planning?

It is the process where potential leaders are identified and developed to take over the role of the incumbent at your organization. For a business to thrive, it must avoid moments of crisis and lack of leadership. Succession planning can help with such a situation by preparing a candidate for a planned or emergency replacement.

Do you have a succession plan? Need some help or advice?

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Types of succession plans

There are two types of succession plans.

1. Long-term succession plan

The first type of succession plan is a long-term succession plan. This is the plan that you will more or less stick to as a standard for key positions. A succession plan of this nature can be reevaluated and changed as the organization grows.

2. Emergency succession plan

A secondary type of succession plan can be deployed in the event of an emergency. This type of plan may involve more temporary measures but is intended to keep operations running smoothly.

Your emergency plan could include senior members of staff or a department manager assuming extra responsibilities while a replacement is found.

Benefits of succession planning

The following are some of the benefits of a formal succession plan:



1. Candidates ready to start

When an upcoming promotion, retirement, or departure is approaching you will have the next generation of leaders ready to go. Thanks to your succession plan internal opportunities can be quickly filled with knowledgeable employees who have been upskilled and cross-trained.

2. Encourages managers to develop employees

Your succession plan can help your managers to start developing employees. The plan helps to define clear progression routes through the organization so managers can share appropriate training and information. Managers will also be able to start training their replacement when promotions are approaching.

3. Leads to higher job satisfaction

Employees report higher job satisfaction when there is a succession plan in place. This is because it helps to specifically define what skills are needed and decreases job insecurity.

4. Helps to track progress

Succession planning helps managers to monitor an employee's progress in the acquisition of new job skills & competency. This may occur with performance evaluations, or more frequent mentoring sessions.

5. Keeps governing board confident

Whenever a senior employee leaves the organization such as CEO, CFO, CNO or COO, it can leave the governing board feeling uneasy. A succession plan, that is shared with the governing board, gives the board confidence that a key position will not go unfilled and destabilize the organization.

6. Cultivate and maintain company loyalty

Having a strong culture of promoting from within can lead to increased organizational loyalty. You can attract talented employees who will stay with you for a long time. Employees are more likely to stick around for the long term if there are defined advancement opportunities.

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Succession planning process

The succession planning process is outlined in seven (7) key steps. It's important that your plan is in writing and shared with key stakeholders, including the governing board.

1. Determine the scope

You will need to identify how comprehensive you want your succession plan to be. Larger organizations may need a comprehensive document that starts with the hiring process and includes all leadership positions. A smaller organization may only develop a succession plan for senior leaders and critical positions.

Regardless of the scope, the fundamentals of the succession plan will remain the same. And of course, the plan should be revised and amended periodically.

Ask yourself the following questions to decide what is best for your business:

- Do you only need a plan that covers senior management?
- Do you want a succession plan that covers the entire organization?
- Are there any vulnerabilities in your organization? Such as having a department with a higher number of employees nearing retirement. Are you prepared for that?
- Should performance reviews be used to help identify potential candidates?
- Should talent acquisition process be a part of your succession plan?

2. Identify key positions and skills

Identify what positions to include in the succession plan.

Consider the following questions:

- How does this position impact the organization?
- If this position became vacant, how would that affect the organization?
- Are there some significant risks if this position became vacant?
- What skills (both hard and soft) are needed for this role?



The objective is to figure out how crucial the position is. If the organization would be severely affected by a vacated position then it should be included in your succession plan. Understand what specific attributes are needed for the role. That way you can build your training and development around nurturing those key skills.

3. Identify potential candidates

Perhaps the most crucial stage is identifying employees suited to a tougher challenge. You could ask the current employee for help determining who could step up in their absence. It's also worth considering that the right person for the job isn't necessarily the next in line organizationally. You may wish to make hiring part of the plan and use interviews to vet potential recruits for future positions.

Consider the following questions:

- Who are the strongest candidates to step into this role?
- What skills do they possess that could benefit the new position?
- What skills are the candidates lacking?
- Does this person have an appetite for more responsibility?
- What training will they need to succeed?

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It's important to identify people who want more responsibility. Your top choice may be someone who is happy in their current role and not looking to change. This is something that can be gauged during annual reviews or in meetings about their professional goals.

4. Speak to the candidates

It would be wise to speak with the people you are considering. This will give you a clear answer about whether they would be interested in the role.

Don't make any promises but explain that they are being considered for a leadership position. Explain that nothing is guaranteed as there are plenty of moving factors to consider. This includes the current employee, the hospital, and the candidates.

However, you can gauge their interest and it may help to encourage high-performing individuals to remain loyal to the organization.

5. Work on professional development

Leadership development is worth investing in particularly for employees you have identified for succession into key roles. There are a variety of ways to develop potential successors and help them to develop leadership skills. You need to test your employees to make sure they can meet the demands of the increased responsibilities.

Some of the ways this can be achieved are through:

Mentoring: Connect the candidates with leaders in your hospital. They can help to develop the skills of succession candidates and even share knowledge that might not be immediately obvious.

Training: Take advantage of education courses to help develop skills. These could be in-house courses or external courses such as those offered through professional organizations.

Task forces: Task force and project management is a great way to test your candidate. This will give them the opportunity to lead a team and see how well they cope under pressure.

When you think about development consider the following questions:

- What is the best way to upskill?
- What resources are required and available?
- Are there additional skills needed?

Focus on improving a candidate's skills, including interpersonal abilities and communication skills.

6. Trial and error

There should be ample opportunity to give your succession plan a trial run with the candidates you are considering. For example, if the employee is away on holiday or off for an extended period, you can use this as an opportunity to have someone step into the role.

The benefit here is twofold, the candidate will get a feel for the position and appreciate the opportunity. While you can assess whether they are the right candidates for the position.

Note: Such tests can affect the team so pay close attention. This is especially true for people from different teams. Not everybody will be supportive unless the candidate is a strong leader from inside of the team.

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This is what you need to consider:

- How does the employee interact with others?
- Have they kept the department running smoothly?
- How do they handle issues that arise?

You want to see them step up and take control of the position. This will help identify if there is any specific training they need to assume the role full-time in the future.

You can also gauge whether someone is wrong for the position. This may come down to their interpersonal skills or ability to deal with new challenges.

7. Refine and redefine

Your succession plan is something that can be developed over time. You may need to adjust the succession plan to adapt to a changing healthcare and business landscape. As the organization grows you will need to redefine what is included in your succession plan.

Succession Planning Best Practices

1. Start from key roles

You should start with the most important roles first. Which of the positions will have the greatest effect on your hospital if the current employee doesn't turn up tomorrow?

Roles at an executive level are going to be the most disruptive ones. From there work out the specific skills and knowledge required for the role. This will help you to create your plan and identify potential successors. Once the most critical roles are covered you can look at what other roles are important to include.

2. Talk to your employees

Your succession plan will affect people and may make some people feel nervous. It's important to explain the scope of the succession plan and why certain roles are included or not included.

By giving a clearly defined scope, you can avoid staff second-guessing their position.

3. Collaboration between management and Human Resources

The succession plan should be driven by the hospital leaders with support from HR where necessary. It is not strictly an HR process and senior leadership should be responsible for developing the plan.

Gain insights, input, and information from across the organization to help the succession plan run smoothly. Interviewing current employees about the wants and needs of their job can provide crucial information.

4. Forecast your business needs

You should have an emergency succession plan in place that can deal with the untimely vacancy of a position. Alongside this, you can create a detailed forecast and a longer-term plan. This is necessary to address things like upcoming retirement and promotions.

You will also need to consider how quickly the business can mobilize to fill the position. A strong succession plan will understand how it will impact the business in both the short and long term.

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5. Create a pipeline of talent

Create a pipeline of talent so you have individuals ready to take up new challenges as they occur. A pipeline of this kind is essential for finding a talented successor but it's also important to help fill newly created positions.

Even if you don't have any open positions currently, you can still start cultivating a pool of talented individuals.

6. Annual talent reviews

Your succession plan is something that should be continually developed. This includes reviewing potential candidates on an annual basis or more frequently.

People may have moved on or into new positions. Or promising candidates may no longer be performing at the standard you would like.

Take a look at your succession plan every year and change where it is necessary.

7. Build a learning culture inside your organization

It will help you nurture and grow potential candidates as well as new talents. When you have identified the individuals that are being considered for positions you will need to develop their skills.

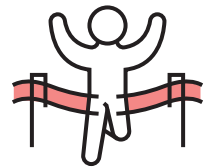
You can work with the candidates to develop a plan and then have them provide periodic updates. This ensures that their progress is actively monitored, and they can take ownership of the process. Managers should be on hand to provide guidance, resources, and provide timely reviews.

Succession Planning Resources

A Succession Plan example is included on the next page.

The National Institute of Health Office of Human Resources has several succession planning templates and resources including:

- Succession Planning Tracker Template in Excel
- Succession Planning Profile Template
- Transition Planning Interview Guide



The holy grail of effective leadership succession planning, How to overcome the succession planning paradox. Published in Deloitte Insights. Authors Rouch, Monahan and Doherty

Succession Planning: A Step-by-Step Guide: Produced by The Workforce Planning and Analytics Section; Workforce Support and Development Division; Office of Human Resources; National Institute of Health

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Succession Plan Example

1. The succession planning was developed by the [organization name] Senior Leaders in collaboration with Human Resources. The plan is dynamic and will be edited and updated periodically.
2. The primary goal of the succession plan is to facilitate efficient leadership transitions in the event of retirement, resignation or an unexpected vacancy. The plan reflects [organization name] values by ensuring that the continued success of the organization remains a high priority.
3. The positions currently included in the succession plan include the CEO, CFO, CNO, COO and [other critical positions]. Details including the candidate(s) name and readiness rating are included in the succession planning worksheet. The worksheet will be reviewed and updated periodically by Senior Leaders and Human Resources quarterly or more often as needed.

Succession Planning Worksheet						
Position Title	Incumbent Name	Individual to Assume Role in an Emergency	Retirement / Departure Date (if known)	*Number of Potential Internal Candidates	Candidate Name	Readiness Rating(s)

*If there are no internal candidates, talent acquisition will be considered as part of the hiring process.

4. The responsibility for identifying and mentoring potential candidate(s) is the responsibility of the incumbent. The incumbent will complete a comprehensive assessment of each candidate and based on the assessment develop an individualized training and mentoring program. At least quarterly, the incumbent will meet with the candidate(s) to:
 - Review the candidate's continued interest in the position
 - Review the current training and mentoring program and modify if needed
 - Review the candidate's current performance
5. At least annually, the Succession Plan will be presented to the Governing Board for review and approval.

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