

# Key Takeaways from 2017 LEAP HR Healthcare Conference: Insights and Findings

## Successful Succession

Korn Ferry joined LEAP HR Healthcare in their annual conference, which brings together thought leaders from the most forward-thinking Healthcare systems, to engage in dialogue around solving complex HR challenges.

This report offers a summary on Successful Succession, and insights into to what healthcare CHROs and their organizations are doing to tackle this key issue.

### Pulse Check:

This topic was opened with a polling question asking “Of the 4 choices below, which presents the greatest challenge related to your succession planning efforts?”. Results are provided below:

- 42% Developing top talent
- 32% Convincing other C-suite leaders that succession planning is important
- 13% Identifying top talent within the organization
- 13% Retaining top talent

When the CHRO attendees were asked if they thought they had a successful succession strategy within their organization, only a few hands were raised.

### Internal CHRO perspective: Victor Buzachero, Senior Vice President/CHRO at Scripps Health

Buzachero began his comments by differentiating succession planning from what he believes is more prevalent today, which is replacement planning — simply identifying who is next in line. Replacement planning is more likely to result in someone filling a role who is mostly the same as the person currently filling the role. Buzachero believes that this type of replacement planning will be a failure as the healthcare industry continues to change and evolve. The future will be very different than the past and it will require a different skill set among its leaders.

He went on to describe an additional flaw that many organizations deal with subjective assessments of people. People who look good, speak well and are liked by their leader are not necessarily the best choice for a successor. These are all subjective attributes. They can be challenged, but in the absence of objective data, they are commonly the default decision criteria. When this default approach happens, you’re not only missing the objective data, but also missing the context of how others see the potential successor from a more thorough 360° perspective.

Buzachero described how our industry changes slowly. We are doing the same things that we did in the early ‘90s. He believes the approach should be to:

- **Measure executives’ performance and ability.** Look at outcome data of how they performed, and you’ll see top performers clustering on certain outcomes. You can determine who your top performers truly are, and who is just a good talker. If you track this data year-in/year-out, you may wonder why you keep some leaders around.
- **Have a robust discussion with the C-suite.** Discuss who is above-average and who is not. Develop a collective perspective on where talent should be deployed, who should be developed, and track them over time.
- **Lay the foundation.** Know where to deploy your most talented people, to address the most critical needs.

He challenged the attendees to think differently and not look at replacement, but look ahead at the skillsets that will be needed in the next 3-5 years. Strategically place people in areas that will build these skills. Use data and objective intelligence to inform their development plans so that they are ready to be deployed in the best way possible.

### External Market Perspective: Eugenie Dieck, Senior Client Partner at Korn Ferry

Dieck does a great deal of work within healthcare in succession planning. She continued the discussion by sharing some of things that she has heard over the years related to this topic including:

- “Succession makes me feel like I am professionally dying.” (CEO)
- “Can we just call it leadership development? I don’t want to call it ‘succession’ because it means I’ll have to do something.” (CEO)
- “She’s not leaving on my watch. Just offer her more money to stay longer.” (Board)
- “If I am not the replacement, I will leave.” (Executive)

Those comments reveal just how sensitive of an area succession planning can be. Dieck described the need to create a context in which the organization can have the courage to change. This requires creating discipline so that you have an architecture and the choreography for how people are going to go through that change. Then, be able to substantiate the necessary conversations, create a rigorous profile, and assess people against the profile. All of this is required to build a robust succession process.

### Insights from the CHRO discussion groups on this topic included:

Dieck facilitated the remainder of the discussion on this topic by asking for audience participation related to the following question: “What have you done, or are you currently doing, within your organizations to enhance receptivity to and acceptance of succession conversations?” Direct comments from the group discussion included:

- “Some people don’t like the word ‘succession’. I am in that camp. I hate the idea of some people choosing their successor. Or setting people up to think that they are the successor, but then having to tell that person that they are not getting the role.”
- “Courage is required. CHROs have to think about the enterprise. The talent review process needs to be clear, open, and honest. It can’t just be one leader deciding who they want to develop—it has to be an enterprise view.”
- “It is important to make sure the individual who is the potential successor has a plethora of paths. If the individual knows the organization is investing in them, the level of deep disappointment in not being selected for the one role they thought they were being groomed for can be recoverable because they know there will be other opportunities in the future.”
- “We’ve seen it all over the place, including HR, where we have to help people see the light of a different role. Open up the beauty of what the next role can be. Roles are constantly changing—we don’t want people to leave the industry, we want them to be open to different opportunities.”

