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Leadership Succession Planning: A Crucial Competency for Healthcare Organizations

As Boomers and Gen Xers retire or leave to pursue other occupational interests, the healthcare industry is losing highly experienced talent. When healthcare leaders and risk managers leave, the impact is especially noticeable.

An analysis of BLS data by the [Center for Health Workforce Studies](#) (CHWS) discovered that approximately 33,700 medical and health services managers will leave the workforce or find new jobs each year between 2019 and 2029.

To manage organizational risk, maintain a high standard of patient care, and minimize disruption, healthcare organizations must deploy proactive leadership succession planning strategies.

Understanding Succession Planning

The [National Institutes of Health](#) defines succession planning as “The process of identifying very important positions in the organization and creating a talent pipeline, by preparing employees to fill vacancies in their organization as others retire or move on.” It is essential for ensuring business continuity and performance.

Turnover and retention are long-term challenges that require a long-term strategy. Whether departures are unexpected or planned, daily operations and patient care may suffer if organizations are unprepared. Succession planning may help minimize the disruption associated with staff turnover.

C-Suite & Risk Management Succession Considerations

While medical professionals such as doctors and nurses often have clear and linear career paths, that's not often the case with C-suite leaders and risk managers. For example, if you ask a large group of risk managers to describe their career paths, you will hear stories of meandering roadmaps that led them to their current roles.

Carrying Out a Successful Succession Plan

- 1. Identify Critical Leadership Positions:** Begin by identifying all the key leadership positions within the organization, including the C-suite, administration, compliance, legal, and quality department heads.

2. **Assess Current Leadership Talent:** Evaluate current leaders' skills, experience, and potential for advancement. Utilize tools such as 360-degree feedback, performance reviews, and leadership assessments to gain a comprehensive understanding of individual strengths and weaknesses.
3. **Develop High-Potential Leaders:** Invest in high-potential leaders through mentoring, coaching, and leadership development programs. Provide opportunities for these individuals to gain experience in different areas of the organization and develop critical leadership skills.
4. **Create Clear Career Paths:** Establish clear career paths for high-potential leaders, outlining the steps they need to take to advance within the organization. This will provide a roadmap for their professional development and motivate them to strive for leadership roles.
5. **Foster a Culture of Development:** Create a culture that values and supports leadership development. Encourage open communication, provide regular feedback, and create opportunities for employees to learn from experienced leaders.
6. **Regularly Review and Update the Plan:** Regularly review and update succession plans to reflect changes in organizational needs, leadership talent, and industry trends.
7. **Execute the Plan:** Complete the succession with a warm handoff between the current and incoming leaders. Allow for a honeymoon period when the outgoing and incoming leaders may check in with one another to ensure a smooth transition.

Overcoming Succession Challenges in Healthcare

Succession planning in healthcare presents some unique challenges:

- **Physician Leadership:** Recruiting and retaining physician leaders may be challenging due to the competing demands on physicians' time and the complexities of transitioning from clinical practice to administrative roles. Create specific pathways for physicians to develop leadership skills and transition into administrative roles. This may include offering executive MBA programs, leadership fellowships, and mentorship opportunities with experienced healthcare leaders.
- **Burnout and Turnover:** High rates of burnout and turnover among healthcare professionals can impact the availability of potential successors. Implement strategies to promote a work-life balance, such as flexible work arrangements, generous time-off policies, and access to wellness programs.
- **Rapid Technological Advancements:** The rapid pace of technological change requires leaders to have good digital literacy and the ability to adapt to new technologies and innovations. Invest in technology and training. Provide training and resources to help leaders develop the digital skills they need to navigate the evolving technological landscape.
- **Changing Regulations:** The complex and ever-changing regulatory environment requires leaders with a deep understanding of healthcare law and compliance. Ensure leaders have access to resources and training to stay up to date about the latest regulatory changes and the impact of these on the organization.

Developing Leaders From Within

Although you may be able to recruit highly experienced leaders from other organizations, it may not always be possible, and some external candidates may not be a good fit for your culture. Therefore, it's important to continuously develop leaders from within your organization, creating a talent pipeline that can fill both temporary and permanent openings.

1. Assess and refine your organizational leadership style.

It's important to be aware of the leadership style(s) at your organization. The results of this assessment also provide an opportunity to refine your organization's leadership style to ensure it is in alignment with your mission. [Harvard Business Review](#) offers helpful tips.

2. Identify candidates with leadership potential.

Look for internal and external candidates who have leadership potential and are a good fit for your organization's leadership style, even if they lack the experience and credentials. Encourage these candidates to pursue professional certifications and training.

3. Provide mentoring, allyship, and advocacy.

Mentoring, allyship, and advocacy all offer support, however, they are not the same.

- **A mentorship** is a relationship in which a more experienced mentor provides guidance to a less experienced mentee. Since the relationship can be short- or long-term, formal or informal, it's important to have matched expectations.
- **An ally** provides empathetic support to a marginalized group or individual. You can become an ally by examining your privilege and using it to benefit someone who lacks that privilege.
- **Advocacy** refers to outspoken support. To be an advocate for someone with leadership potential, you need to praise the person (even when they are not around) and invest in their success.

Succession planning is a key component of any thriving healthcare organization in general and a robust risk management team in particular. By putting proactive measures in place and intentionally cultivating your talent pipeline, you can reduce organizational risk, maintain high standards for patient care, and reduce disruption when leaders depart.

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