



WHITE PAPER • SEPTEMBER 2016

As Healthcare Delivery Models Continue to Evolve the Talent Pool Must Do So With It

BY ROBIN SINGLETON, MANAGING PARTNER, HEALTHCARE PRACTICE GROUP



Executive Summary

In the face of constant growth, developing bench strength will only become more crucial to successful healthcare organizations.

Healthcare organizations are consolidating while, at the same time, healthcare as an economic driver continues to grow. At a predicted average growth rate of 4.9% a year, healthcare will represent 17.9% of GDP by 2018.

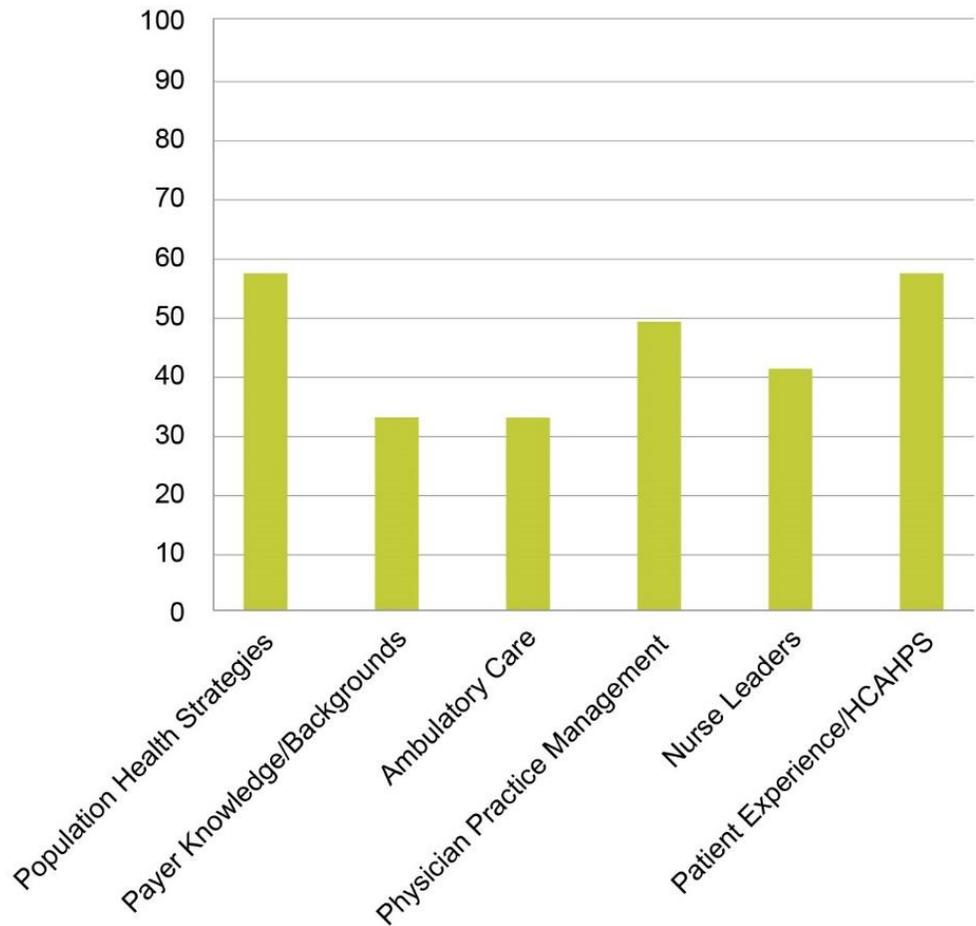
It may be counterintuitive but this consolidation is, at the same time, causing new opportunities for employment in healthcare to expand, especially on the ambulatory provider side. The rate at which baby boomers are retiring, while newly created roles come into being to meet new market and consumer demands, increase the need for both seasoned and emerging leaders in ways that the industry has never experienced before.

A survey conducted recently by DHR of CEOs and CHROs, primarily of healthcare systems, indicated that over 90% of those organizations grew in the prior 12 months, primarily through mergers and acquisitions. Fewer than 10% reporting downsizing and most significantly, perhaps, no closings at all.

ACA requirements are also driving the need for new leadership positions. As a result, more than 80% of these organizations are developing roles, more or less equally, at the senior, staffing and emerging leader levels.

Most of the newly created positions are centered on the needs in Population Health Strategies and Patient Experience/HCAHPS. Those are followed closely by Physician Practice Management, Nurse Leadership, and Ambulatory Care rounding out the top three. In all roles, having payer knowledge is a considered a plus in today's environment.

Hiring Trends in Healthcare



Respondents named the following leadership roles as particularly difficult to fill, and why.

1. Chief Medical Officer – Respondents indicated that they believe the candidate pool for this position to be limited. In reality the pool is not limited at all as physicians have increasingly been earning MBAs. Joint MD/MBA programs grew from six to 65 within 20 years. In 2011 and 2012 the number increased by 25 percent. Whether physicians return to school or graduate with a joint degree, viable candidates are out there - organizations simply need to know where to find them through access to appropriate networks.
2. Population Health – On the surface, candidates with the necessary experience appear difficult to find, and that outlook is understandable given that this is a newly created need driven, obviously, by factors that now exist outside the four walls of the traditional hospital. But, asks Mona M. Shattell, PhD, RN, FAAN, Professor and Chairperson, Department of Community, Systems, and Mental Health Nursing at the College of Nursing at Rush University, “I wonder if organizations are looking in the right places? Nurses with doctoral degrees in population health are perfectly suited for these roles.”

3. CNO – “Recruiting and retaining qualified CNOs is difficult in part because of basic economic principles of supply and demand,” says Dr. Shatell. “That, and the fact that the nursing workforce as a whole is ‘greying’ and retiring at a faster pace contributes to the problem. Candidates for these positions are also likely to have earned their degrees much later in life,” - the average age of nurses earning a doctorate is 46 - “therefore shortening the length of their careers at that level.”
4. Senior Level Operator – “I think there are a number of things that make it difficult to find qualified Senior Level Operators,” says Rick Gannotta, SVP for Hospitals at New York City Health & Hospitals. “There is less of an environment for people to be more “mobile”, whether that’s due to concerns around economic security or their aspirations to advance within their current organization. In addition, there is also some aging out, so to speak, of senior execs and not many early careerists with the breadth and depth of experience to take their place. Finally, healthcare delivery is totally changing. Positions that may have historically been filled by multiple people are collapsing into often times a single position, opportunities are fewer and the level of qualification and competencies is higher, and rare.”
5. Finance – A number of factors impact the availability of finance professionals in the healthcare space. Patients flooding into healthcare systems as a result of the ACA, reimbursement modifications and an aging population has increased patient transactions not only clinically, but financially. Many departments have developed specialized, internal units that require new teams and management positions. Finance professionals clustered on both coasts leave something of a void in other parts of the country.
6. Director of Quality – Larger organizations are able to hire multiple Directors of Quality, generally one for each service line, such as orthopedics, women and children, cardiology, etc. And though consolidation is making small, stand-alone hospitals increasingly rare those institutions must still rely on a single Director of Quality to handle it all. Therefore, the difficulty in finding talent is two-fold: more positions to fill and, though fewer, positions that require a wider and deeper skill set.
7. Clinical Directors - Any number of factors impact the talent pool for potential Clinical Directors, says Adrienne Navetta, Behavioral Health Nurse Manager/Director. “Perhaps business leaders who oversee clinical positions may not fully appreciate what frontline staffing matrices entail and the outcomes that are driven by that,” she says. “The role needs to be clearly defined as Clinical Directors face pressure from all sides.” That includes maintaining budgets, providing care, increasing patient satisfaction scores while decreasing costs, extensive reporting requirements, etc.

8. Physician Practice Administrators – “The challenge is driven by the diverse requirements of the role,” says Frank Letherby, CEO of Pinehurst Surgical in Pinehurst, North Carolina. “This includes knowledge/experience of very complex revenue cycle systems, health insurance programs, financial management, and federal and state regulations. And leadership, communications, and interpersonal skills are even more important. The ability to work effectively with the entire health care team, including physicians, nurses, medical assistants, and business office staff, is absolutely vital.”

Nearly 60% of the organizations that participated in the survey do not believe that they have adequate bench strength for emerging leaders in these roles, particularly as they pertain to meeting the metrics associated with both governmental and bottom line targets over the next two years. And though 92% of respondents have internal talent acquisition teams in place who fill about half of their roles, 75% of them reported that they need to hire externally more than 30% of the time.

Placing an emphasis on healthcare organizations’ large scale need for recruiting talent at the emerging leader level, that same 92% reported that 82% of the positions they concentrate on are at the Director Level and below; and Clinicians/Physicians/Nursing. Around 27% of the positions they concentrate on are at the C-Level, as well as functional VP/Operations/Service Line positions.

Filling these positions will become ever more crucial as the provider sector in healthcare continues to consolidate while, at the same time, individuals currently in these positions will be retiring at significant rates. The Social Security Administration and a Pew Research Center report estimate that up to 10,000 baby boomers retire every day, meaning that those leaving the workforce, or the workplace, are having a higher impact on the day-to-day glue that holds these ever enlarging systems in place.

Consolidation is simultaneously presenting the need to release underperforming employees, after which the organizations seize the opportunity to hire professionals with deeper, more unique and innovative skill sets. Another reality in the labor market is that the average worker today only stays at his or her job for a little over four years, according to the Bureau of Labor Statistics, and the tenure of the workforce’s youngest employees (millennials) is about half that.

It is crucial for healthcare organizations to have a full, robust plan in place for attracting, developing and retaining talent for the C-suite by building bench strength, meaning that there are emerging leaders that can be considered consistently viable candidates and are receiving the appropriate training. Organizations would be well advised to more highly prioritize this increasingly strategic issue. While our survey was distributed among CEOs and CHROs it is telling that only HR participated. It is anecdotal, but it may be indicative of how human capital development and retention is currently prioritized in the grander strategic planning perspective.

Prioritization and planning must be addressed for healthcare organizations to adapt to the ever growing and dynamic industry landscape. People are the most impactful asset that any organization possesses, particularly in healthcare. Proficiency in providing quality care that results in an outstanding patient experience goes beyond diagnosis and treatment. It also includes developing a palpable sense of caring, community and consumers' mindset and needs.

A fully and robustly staffed healthcare organization is better positioned to perform more efficiently, and in a cost effective manner, than those that don't. Leaders who realize this usually more highly prioritize human capital strategy, putting time and resources into succession planning and employee mentoring/engagement across the continuum. Granting Human Resources and Human Services a place at the table sharpens the organization's ability to compete effectively in our current consumer driven marketplace and directly impacts the bottom line in so many ways.



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DHR International

Worldwide Headquarters

71 South Wacker Drive

Suite 2700

Chicago, IL 60606

P 312.782.1581 • F 312.888.9346

dhrinternational.com