

PROTECTING YOUR LEADERSHIP CULTURE

In today's health care environment, leadership continuity is more important than ever. Protecting Your Leadership Culture is a four-part series that examines how organizations can ensure smooth leadership transitions. This series will explore interim leadership, the CEO search, executive compensation and succession planning.

Why Interim Leadership?

The pace of change in health care today places tremendous pressure on health care organizations as they balance the transition from volume to value. As organizations focus on cutting costs and enhancing value, leadership continuity is more important than ever. Gaps in leadership, whether in the C-suite or at the departmental level, can create significant disruption in operations, as well as impact employee satisfaction and the patient experience. Interim leadership provides hospitals and health systems a solution to not only bridge the leadership gap, but maintain — or even accelerate — the organization's momentum in the competitive health care marketplace.

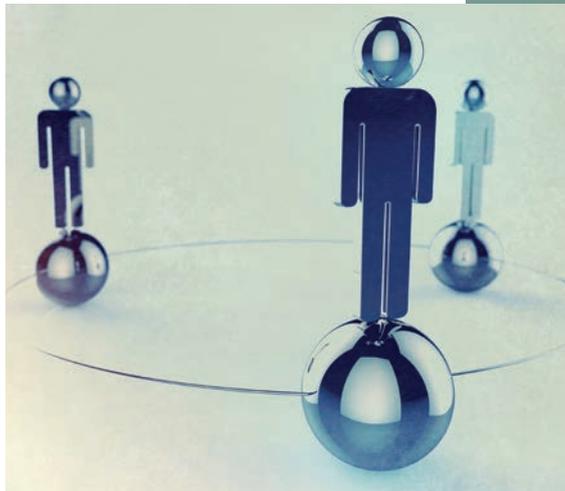
The implementation of the Affordable Care Act coincides with a significant

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transformation in the U.S. workforce. Retirements among baby boomers continue, as the demand for health care services increases due to large numbers



of newly insured patients and an aging population. In 2012, the turnover rate for hospital CEOs was 17 percent. The retirement of baby boomers creates a significant void in knowledge and experience that is not easily filled.

“Mission-critical roles can take six to nine months, even a year, to fill,” says Doug Smith, president and CEO of B. E. Smith, Lenexa, Kan. Placing an interim leader gives the organization the time it needs to fill a vacancy. Interim leadership also gives the organization time to

CASE STUDY

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The health care environment is rapidly changing with the implementation of the Accountable Care Act. It's a fast-moving, dynamic time in health care. When a key leadership position becomes open, it's crucial to have coverage

24/7. We cannot afford to have gaps in any leadership position at any time. It's critical to keep moving at our current pace and we must demonstrate to our board our commitment to enhancing quality and safety. We've used interim leaders in various areas throughout our organization, including behavioral health, obstetrics and the emergency department. They provide

a fresh set of eyes and bring a different perspective to the organization. We look for individuals who have the technical skills necessary for the job. They must be extroverted, adaptable and have a history of developing relationships in a collegial way. Our experience has been positive and has provided us the time we needed to recruit and hire a permanent replacement.

thoroughly review the position to see what, if any, changes should be made. "In areas of high turnover and low employee satisfaction, interim leadership gives organizations the opportunity to perform a root-cause analysis to ensure stability going forward," notes Colleen Chapp, R.N., interim senior vice president of interim leadership for B. E. Smith.

"It's important to remember that interim leaders are not merely placeholders," notes Smith. "They are experienced leaders who can help move the organization forward." Many organizations look for interim leaders with skill sets that will help the transition to a value-based world. "We're seeing an increase in requests for leaders with transformational experience, expertise with physician alignment and case management," says Smith. Interim leaders have substantial experience and provide new insights into organizational challenges, he adds.

Keys to a Successful Interim Leadership Engagement

Before hiring an interim leader, it's imperative to set clear, measurable ob-

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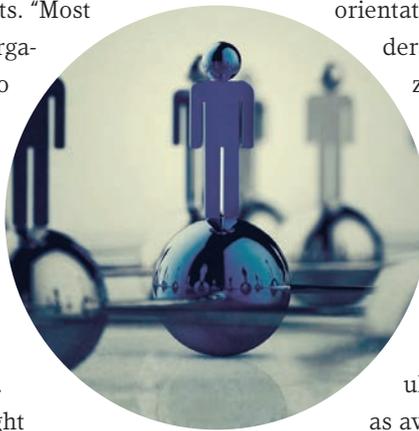
jectives for the role. It's also important to identify key management qualities for the position and outline relevant regulatory requirements. "Most interims arrive at an organization site-unseen, so setting expectations up front is critical," says Smith.

"We look for experienced leaders that are confident and credible and who look forward to a challenge. They will get tested right from the start," he says. Interim leaders must be effective communicators and decision-makers. Other key traits of interim leaders are flexibility, reliability and adaptability.

Educating interim leaders on organizational culture is a requisite challenge. "Interim leaders should attend general orientation to gain an understanding of organizational culture and operations," says Chapp. "It's important for them to fit in as soon as possible." Interim leaders should be apprised of key regulatory issues, as well as available resources within the organization.

Another critical step is informing staff of the interim leader's hire. Chapp recommends that the CEO or other senior executive distribute a memo detailing the interim leader's professional experience and relevant goals and objectives for the assignment.

Periodic engagement evaluations help to ensure that the interim leader is meeting the assignment's objectives. The CEO should meet with the board and share the interim leader's objectives and details about the placement. "There are risk issues with interim leadership," says Smith. "If the interim fails, it can be very damaging to the organization financially as well as culturally. It's important to bring on a solid, well-respected leader."



RESOURCES

"Hiring an Interim CEO" by Gary M. Stein, http://www.trusteemag.com/trusteemag/dhtml/article-display.dhtml?dcrpath=TRUSTEEMAG/Article/data/07JUL2007/0707TRU_DEPT_CenterVoices&domain=TRUSTEEMAG *

"Interim Leadership – A Talent Strategy Leveraging Healthcare's Top Executives" by Laurie Gehrt, R.N., <https://www.besmith.com/thought-leadership/white-papers/interim-leadership---talent-strategy-leveraging-healthcare-s-top>

"Top Nine Reasons to Engage a Skilled Interim Leader" by Doug Smith, <https://www.besmith.com/thought-leadership/white-papers/top-nine-reasons-engage-skilled-interim-leader>

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