An In-Depth Evaluation of Succession Planning and Management in Health Care

Organizations

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ABSTRACT

This descriptive case study explored, in-depth, the succession planning and management programs in health care organizations in the State of Minnesota. The purpose was to evaluate the extent to which succession planning and management programs are used in these organizations. Review of the literature showed that health care is well behind other businesses and industry in their succession planning efforts. To evaluate the efforts in these health care organizations, ten in person interviews were conducted with administrative and human resource leaders from member organizations of the Minnesota Medical Management Group Association. Participants were asked about succession planning and management programs within their organizations, how they prepared individuals for advancement within the organization, future challenges and opportunities and any critical incidents or personal experiences they had with succession planning. These interviews were then transcribed and evaluated for any themes. There were five major themes identified through analysis. Upon evaluation of those themes, the identified challenges that these organizations faced, mirror those outlined in the literature review. There appears to be a lack of coordinated succession planning efforts across health care organizations. In order to make improvements and develop strong succession planning programs in their organizations, it will be necessary to identify the competencies needed by individuals to take organizations forward in an uncertain future, openly and constantly communicate employees' strengths and areas for improvement, deepen their planning efforts past the highest level of the organization and continuously evaluate the changing needs of the organization among senior leadership to ensure alignment with succession planning efforts.

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CHAPTER 1: STATEMENT OF THE PROBLEM

As an employee in a large, world famous health care organization in the Midwest, my interest in succession planning is personal. I often watch in wonder as senior leadership positions are filled within my organization. How are these individuals identified as potential leaders? How do I develop myself or my employees into the type of employee who could attain a senior leadership position? There is no well-defined, well-communicated succession planning effort across this organization. While there are a number of manager and leadership development classes and opportunities offered in my organization, employees do not seem to truly understand where to look and who to look to in terms of upward movement and development. In my organization there does not seem to be any coordinated or communicated efforts to track high performers to specific leadership positions within the organization. This lack of coordination and planning leads to confusion and speculation each time a senior leadership opening occurs. This trickles down to middle management and lower management positions too. The pool of candidates for senior leadership comes from these ranks, but there is not a coordinated effort to develop lower-level employees into the leaders of tomorrow. I fear that if this continues, my organization will see decreased job satisfaction and lose potential high talent individuals to other organizations. Over time, I have been told that I have been identified as "emerging talent", yet I do not see any difference in how my career is being developed from all of those around me. There still seems to be inquiry regarding interest, rather than a strategic assignment of projects, departments or daily tasks.

For far too long, the thought process has been "this individual has been here a long time and is 'nice', so they should get the job" (J. Arnott, personal communication,

May 3, 2007). This process may have worked in the past but as the pool of qualified candidates begins to shrink with the upcoming retirements of the Baby Boomers and the increased business pressure to stay afloat with the falling reimbursements for larger Medicare patient populations, being a "nice person" is not going to continue to be an effective means of leading the organization. In order to stay viable, health care organizations need to develop and foster robust programs to develop the leaders of tomorrow.

Purpose

The purpose of this study is to examine succession planning efforts at health care organizations across Minnesota. By identifying the different succession planning efforts currently in place in a selected sample of organizations, barriers and challenges to successful implementation can be identified. By researching these planning programs this study can be used to develop a solid model for fruitful succession planning efforts in health care organizations of all sizes and geographic regions.

Rationale

The U.S. labor gap will reach 7 million workers by the year 2010 (Corporate Training & Development Advisor, 2006). This gap will continue to grow throughout the next two decades as the Baby Boom generation reaches retirement. By 2012, the 55 and over segment of the workforce will have increased to 19.1% with an annual increase thereafter of 4.1% (Journal for Quality & Participation, 2005). Many of the people in this ever increasing population segment hold senior level positions in organizations. The result of this workforce shrinkage is that it will become increasingly difficult for organizations to promote and retain the best employees for middle and senior

management positions. Arnone (2006) identified the following as the top concerns from business and industry: availability of talent, talent management, retention of key employees and maintaining intellectual capital. The Cutting Edge Information's data "Succession Planning for Results" indicates that 67% of organizations polled do not currently have any kind of formal succession planning and management process and that in addition, 45% of the world's largest corporations have no formalized and meaningful strategy in place for developing their next senior executives (Journal for Quality & Participation, 2005). This study also explored the considerable lack of confidence organizations have in their ability to competently staff senior leadership positions in the next five years as well as their assumption that there will need to be a significantly different skill set required of leaders in the future. This theme echoes through the literature time and again and is repeated over and over in all corners of business and industry. According to Arnone (2006), nearly one in five Americans aged 65 and over is currently working. As this population rises, organizations need to develop mechanisms to attract and retain these older workers as one strategy for coping with the projected shortfall of workers caused by mass retirements. Health care organizations may need to use this strategy to fully develop their succession planning and management programs.

According to Norm Devine, consultant for Development Dimensions International (DDI), (personal communication, May 10, 2007), only 38% of health care organizations have formal succession plans. In conversations with Mr. Devine, it became clear that many health care organizations are looking at succession planning as a replacement planning activity rather than looking more long term at developing leadership competencies, educational programs and looking at desirable personality traits.

Understanding the ever changing health care industry and developing a strategic plan for identifying the necessary skills to successfully manage through these changes will be imperative for the continued strength of the health care industry. In addition, organizations need to develop growth opportunities to retain talented employees by challenging their skills and finding more opportunity than they would find elsewhere (Corporate Training and Development Advisor, 2006).

This study seeks to identify applicable theory behind the issues that health care faces with succession planning and management and ultimately develop programs that lead to the successful implementation of these efforts across health care.

Research Questions

1. What models of succession planning are used by health care organizations in the State of Minnesota?

2. How are these plans put into effect?

3. What experiences have health care organizations had in development and implementation of these models?

Premise

1. The lack of high level qualified workers in health care organizations has resulted in a growing need to develop formal succession planning efforts.

2. Health care organizations may struggle more than other types of businesses with developing and sustaining succession planning and management programs due to the ever changing nature of the health care environment.

3. Health care organizations are looking for assistance with developing formal, effective succession planning and management programs.

Qualifications of Researcher

I was a doctoral candidate in Human Resource Development at the University of Minnesota. Because of my twenty years of experience in health care organizations, I chose to focus on succession planning and management. Having a background in health care, along with the knowledge gained through coursework, I have the necessary skills to undertake this study.

In order to understand the state of succession planning and management in health care organizations, I conducted eleven in-person interviews with leaders from health care organization in the state of Minnesota. These interviews employed open ended questions to understand the types of programs these organizations have developed, how they identify and nurture talent, lessons learned and any personal anecdotes they wished to share.

Definition of Terms

Competency assessment- the process of discovering job competencies (Rothwell, 2001).

Core competencies- specific core skills or characteristics necessary for successful execution of job duties (Rothwell, 2001).

Health Care leader- for purposes of this research, an individual who holds a middle to senior management position in administration or human resources in a hospital and/or outpatient clinic.

Health Care Organization- for the purpose of this paper, health care organization describes a hospital and/or clinic, where direct patient care is occurring. This can be either an inpatient or outpatient setting.

Job competency- "an underlying characteristic of an employee (i.e. motive, trait, skills, aspects of self-image, social role or body of knowledge), which results in effective and or superior performance in a job (Rothwell, 2001, p. 77).

Succession planning and Management- Rothwell (2001) defines succession planning and management as "any effort designed to ensure the continued effective performance of an organization, division, department or work group by making provision for the development, replacement and strategic application of key people over time."

Summary

My personal experiences have led me to an interest in succession planning and management in health care. These experiences have been somewhat frustrating, leading me to believe that there are others out there who experience the same frustration within health care organizations. Further research has shown that health care lags behind other business and industry in development of robust and successful succession planning and management programs. Through inquiry, the expectation is that best practices will emerge that can be applied to health care organizations of different sizes and patient focus. This will lead to an improvement in leadership within health care and also lead to further research on how to keep the gains and continue to improve the process.

An in depth review of the literature shows my personal experiences are not an isolated event in health care. The following chapter will review the literature on the current state of succession planning and management in the health care and business world.

CHAPTER 2: REVIEW OF RELATED RESEARCH

There is a wealth of information in the literature regarding succession planning and management. So much so, that it was imperative to limit the number used for this literature review. Much of it consisted of much of the same information article by article. Most of the information focuses on defining what succession planning and management is, what types of programs appear to be most successful and how to develop a successful succession planning and management program. Literature looking at the root causes of lack of succession planning and management systems was sparse, as was information relating specifically to health care. Articles specific to health care, focused on either executive leadership development-developing leadership at the highest level of the organization or on nursing staff. For the purpose of this research, inclusion of literature was limited to those containing theoretical underpinnings and health care administrative leadership. This chapter will review literature to give background on what succession planning and management is, the types of programs currently in existence and descriptions of some best practices. An interest will also be placed on the experiences organizations have with developing and maintaining succession planning and management programs. There will also be focus on leadership theories and their relationship to succession planning and management. Often it seems that that literature focuses on the "how" not the "why" and by understanding leadership theories and how they relate to succession planning and management, there is the opportunity to develop more effective programs and ensure leadership engagement. This understanding of theory can lead to understanding how to develop a robust and complete succession planning and management program. In addition, understanding the current leadership

styles employed in organizations can assist in the successful implementation of
succession planning and management programs by identifying specific tactics that engage
the different styles.

Succession Planning and Management

Succession planning and management programs focus on a systematic process for
developing individuals to move into key positions within an organization (Harrison,
McKinnon & Terry, 2006; Michaels, Handfield-Jones & Axelrod, 2001). These positions
could be limited to the most senior executive positions or could apply to a broader plan
for many levels of management within the organization.

According to Harrison, McKinnon & Terry (2006, p. 22), succession planning
"refers to a systematic process of developing individuals to fill an organization's key
roles". When an organization has a well-planned succession planning and management
program, there are a number of qualified people available who are prepared to transition
into a number of leadership roles (Harrison, McKinnon & Terry, 2006; Bonczek &
Woodward, 2006). The literature stresses the importance of developing many different
types of succession planning and management programs in order to meet the challenges
of the coming years. According to Rothwell (2001), succession planning and
management is important for several reasons:

1. the continued survival of the organization depends on having the right
   people in the right places at the right times
2. as a result of recent economic restructuring efforts in organizations , there
   are simply fewer people available to advance to the top ranks from within
3. succession planning and management is needed to encourage diversity and
   mutil-culturalism and avoid "homosocial reproduction" by managers
4. succession forms the basis for communicating career paths, establishing
   development and training plans, establishes career paths and individual job
   moves

In developing successful succession planning and management programs, there are some common themes throughout the literature. Harrison, McKinnon & Terry (2006), highlight that succession planning criteria should include examples of previous success in key operational experiences coupled with consistent demonstration of specific and relevant behaviors that leadership in the organization has identified as being critical for success. Succession planning and management is more about developing candidates for success rather than just filling a position (Harrison, McKinnon & Terry, 2006; Murphy, 2006; Larson, 2005; Gaffney, 2003; Cannella & Lubatkin, 1993). Growing potential leaders from within the organization, if done right, has a number of advantages. These include: increased loyalty to the organization, an inherent understanding of the underlying culture of the organization and individuals who may be more readily accepted into leadership positions by their peers, who have developed a trusting relationship with them (Harrison, McKinnon & Terry, 2006; Christie, 2005; Bonczek & Woodward, 2006). Byham, Smith & Paese, 2002, discuss the concept of developing "talent pools" in organizations. These pools consist of a number of identified high potential employees within the organization. Senior level management works with Human Resources to identify these high potential employees and work together to develop the precise competencies needed in the management positions. An advantage of the talent pools is the concept of having a number of employees ready to step into a broad range of leadership positions. The organization benefits because people are not selected for one particular position but their skills are honed for a wide range of activities. If individuals leave the organization, the impact to succession planning and management efforts is reduced by the ability to identify others within the group (Byham, Smith & Paese, 2002).

According to Larson (2005) & Keffner & Sebora (1994), the key to succession planning is not about what is on paper, but about creating an environment where future leaders can grow and flourish. It also means maintaining an awareness by leadership of the importance of identifying future leaders. If succession planning and management programs are left informal, they tend to perpetuate the consequence that managers will promote people most like themselves into the leadership roles, stifling change and creativity (Byham, Smith & Paese, 2002; Rothwell, 2001).

An important factor in succession planning is that those responsible for developing and monitoring succession planning in an organization need to have well-defined roles and responsibilities. The plan and its effectiveness need to be reviewed regularly, with input from senior leadership and human resources (Harrison, McKinnon & Terry, 2006; Byham, Smith & Paese, 2002). Organizations need to develop mechanisms for measuring employees' core and leadership competencies. It is imperative that organizations clearly identify the competencies that will be needed to fill higher level positions, not just today but in the future as well (Murphy, 2006, Christie, 2005; Bruce, 2001; Nadler & Tushman, 1999). All leaders in the organization need to work together to successfully execute the succession planning process and communicate the goals across the organization (Christie, 2005).

Best Practices

The literature describes some best practices that organizations are beginning to use to develop stellar succession planning and management programs. There are a number of factors that lead to stronger programs. For best practice organizations, senior or top level support was key (Fuller & Goldsmith, 2001; Rothwell, 2001). Pulling

together assessment, employee development, feedback, coaching and succession planning into one integrated system or plan is another key in developing strong succession planning and management programs (Gandossy & Verma, 2006; Christie, 2005; Fuller & Goldsmith, 2001; Rothwell, 2001). According to Haworth (2005), "organizations that are best at succession planning have adopted the following practices: understand your business, know your people, create trust, take time to think, spot potential, seek win-win approaches, let go, create opportunities, allow mistakes, invest in the future, use creativity, take risks, encourage them and establish a coaching culture." Kotter (2003), suggest that developing individuals for leadership requires more work on the part of senior executives than many realize. It is important to identify people with great leadership potential early in their careers and to then foster the skills and competencies that will be needed to stretch and develop them over the course of time (Kotter, 2003; Kelloway & Barling, 2000).

Finally, in reviewing the literature relating to succession planning and management, there is a dearth of information related to theory relating to the development of programs and relating to the ultimate success of failure of those programs.

Theoretical Background of Leadership in Succession Planning

There seems to be no major theoretical ideologies that play a dominant part in succession planning and management development in organizations. For this research, the following theories are thought to be of great importance: trait theory, behavioral theory, situational theory, transformational leadership theory and chaos theory.

Theory should be used by health care researchers and practitioners when searching for new leaders. According to Holdford (2003), the following questions are the utmost importance- what do you look for if you want to select an effective leader? What behaviors should you try to improve if you want to improve your own leadership effectiveness and under what conditions do different leadership behaviors work best?

Trait Theory and Leadership

Trait theory is an overarching term that refers to theories based on desirable traits for leaders. This theory proposes that the greatest predictors of effectiveness and success of leaders are the traits with which these individuals are endowed at birth or develop early in life (Holdford, 2003). In an extensive review of the literature regarding trait theory, the most important traits are identified as drive, motivation integrity, self-confidence, intelligence and knowledge (Holdford, 2003). Ultimately, studies of trait theory have shown that the relationship between these traits and ultimate abilities and success of leaders is weak and inconsistent. In spite of the weak link between these traits and success in leadership, they should not be completely discounted. Trait theory itself may not offer explanations to all facets of succession planning and management, but this theory is most certainly a piece of the theoretical puzzle.

Behavioral Theory of Leadership

The question that many organizations struggle with is "what behaviors should our leaders possess and develop to be most effective?" Behavioral theory attempts to answer these questions. When a person exhibits potential leadership behavior, he or she is assessed for distinctiveness regarding that behavior-if it distinguishable from behaviors of others in the group, then leadership may be attributed to that person (Kenney, Blascovish

& Shaver, 1994). Behavioral theory specifically identifies two primary examples of

behavior that leaders adopt: these are task orientation and follower orientation (Holdford,

2003). In those leaders who exhibit a task-oriented style, the focus is on accomplishing

the assigned job, while concerns about followers take a back seat (Holdford, 2003).

These leaders bring structure and direction to followers by setting goals, providing

training, defining expectations and limits on behavior and establishing rules and

procedures (Holdford, 2003). While this behavior can lead to structure, there comes a

point where it is no longer useful as it becomes restrictive to subordinates.

Follow oriented leaders focus less on the job at hand and express a greater

concern for the follower as a human being and not a cog in the machine (Holdford, 2003).

Leaders with this orientation demonstrate behaviors such as showing respect, gaining

trust, demonstrating consideration and being friendly and approachable (Holdford, 2003).

The ultimate goal should be to develop and promote leaders with a balance of

these behaviors.

Situational Theory and Leadership

Situational theory attempts to develop an understanding regarding how leaders

can and should adapt to the changing dynamics of leadership situations. According to this

theory, the greatest predictor of leadership effectiveness and success is the situation in

which a leader finds themselves (Holdford, 2003). The traits and the behaviors are

important in this theory but the focus is on specific situations. The following components,

taken from Holdford (p. 1783, 2003) describe situational theory:

> Nature of the job- jobs can be routine or nonroutine, structured or unstructured. A
> far greater level of commitment is needed in professional work settings where
> individuals work independently to solve complex problems.

<u>Follower characteristics</u>- Some followers are highly motivated, requiring little direction, while others are unmotivated and require close oversight and direction.
<u>Relationship between leader and followers</u>- Trust is essential to a leader's success. A good leader inspires confidence in and loyalty toward the leader.
<u>Organizational constraints</u>- Many organizations place many constraints on leaders. Leaders are often hindered in their ability to hire, fire, discipline and reward staff.
<u>The leader's abilities</u>- Some leaders are more capable and experienced in dealing with leadership situations than others. Adaptability is key.

The key component in situational leadership theory is the ability of the leader to adapt to diverse situations, rather than changing them (Holdford, 2003). Also, Kenney, Blascovich & Shaver (1994), offer the relationship between leaders and their subordinates explains a situational contingency that is a critical determinant of a leaders' effectiveness. In today's ever changing health care environment, those individuals strong in their ability to adapt to diverse situations can be a critical component to success.

Transformational Leadership Theory

Transformational leadership theory also fits into the succession planning and management equation. This theory explains one of the fundamental ways in which leaders influence followers is by creating meaningful work (Purvanova, Bono & Dzieweczynski, 2006). Transformational leaders are charismatic and inspirational and provide individualized consideration to followers, attending to followers' individual needs for growth and development (Bass, 1985). Transformational leadership should result in more engaged, more devoted and less self-concerned employees, as well as in workers who perform beyond the level of expectations (Purvanova, Bono & Dzieweczynski, 2006). In short, transformational leadership is about achieving results beyond expectations. In succession planning and management, this theory could be a

key component for success. By having leaders who possess these traits involved in the planning process, we could see greater engagement in the process and success of the program over time.

Chaos Theory and Leadership

Chaos Theory deals with unpredictability and uncertainty. Chaos, or disruption, is a necessary condition for change in social systems (Remer, 2006). This theory plays in to the difficulties that health care organizations face with succession planning and management. As the ever changing health care world continues to evolve, it has become increasingly chaotic amid worries about how to respond to caring for aging baby boomers, filling key top level management positions amongst the rising retirements and adjusting to falling insurance and Medicare reimbursements. The new health care legislation has added to the confusion and uncertainty in health care and has many organizations scrambling to understand the law and its effects on their practice. Chaos theory offers a view into why the health care system is the way it is and how successful succession planning can rise from this supposed "chaos".

Chaos theory can be described as a "period of transition in which change occurs in unpredictable, irregular and uncertain ways" (Duffy, 2000, p. 229). According to Merry (1995), the essence of chaos is change. Chaos is not a stable condition or fixed state but it is more like changing the relationship between things rather than the than things themselves (Merry, 1995). Remer (2006), states that social systems are in perpetual chaos and that the only degree to which there is any issue is that of how the interactions manifest themselves. According to Bright & Pryor (2005):

> The two key concepts of chaos theory are nonlinearity and recursiveness. Non-linear systems are characterized by the

elements of adding up to more (or less) than the sum of the parts. Chaotic systems display other characteristics, such as a lack of Predictability at the micro-level, while at the same time appearing to have a degree of stability at the macro level. Their non-linear nature means that minor events can have a disproportionate outcome on the system (p.292).

Remer (2006), describes chaos theory as being about patterns and how they develop and change. The patterns may be related to phenomena at various levels of application or abstraction from various disciplines-physics, chemistry, biology, ecology, sociology, psychology, anthropology or whatever dynamical systems exist (Remer, 2006, p.56).

Merry (1995), identifies five major concepts of chaos theory: trigger points, order in chaos, order from chaos, chaotic transition and self-organizing process. These concepts are outlined as follows:

1. Trigger points are an urgent sense that a change in conditions has occurred and something must happen if sufficient adaptation is to occur.
2. Order in chaos is the concept that order is found in chaos through the individuals' behavioral responses.
3. Order from chaos is the concept that order can emerge and a new Level of functioning can be achieved.
4. Chaotic transition is the time of transition in which the individual experiences uncertainty, unpredictability and ambiguity.
5. Self organizing process is when the system proceeds from a state of equilibrium through chaotic disequilibrium which eventually emerges into a new way of knowing (Merry, 1995, p. 85).

There are many additional components of chaos theory. These nine concepts are summarized below:

1. Phase spaces are the conceptualization of the possible views of a system. One sees only a portion of reality at one time. Different theoretical perspectives define different phase spaces or different maps and simplifications of the system reality.

2. Strange attractors and their basis of attraction are the focal points for many and the most challenging patterns generated by dynamical, chaotic systems. They are sets of attracting and repelling points that make up and generate patterns. Their basins of attractions are the areas containing the patterns within their boundaries.

3. Fractals are measures or representations of complexity and the term conveys two important concepts: that what one sees depends largely on one's perspective and that accuracy of measurement often depends on the definition of the process. Systems' structures and patterns are fractal.

4. Self-affinity denotes the tendency for recursive processes to evidence recurring patterns of various types. Patterns tend to repeat themselves, not exactly, but close enough to be recognizable even on different levels and scales.

5. Bifurcation is splitting in two. Bifurcation increases patterns complexity. Cascade occurs when bifurcations happen at such a rate that no patterns seem discernable.

6. Recursivity is self-reflexiveness, the feeding of information from one's patterns back into the process of producing them.

7. Unpredictability is the inability to describe with certainty the next state or the previous state of a system given knowledge of its present state. Everything about a system cannot be known with absolute certainty and that any attempt to assess a situation will affect it.

8. Self-organization is the inherent tendency for systems in chaotic state to form new coherent patterns and to re-organize, based only on the interactions of their components.

9. Resonance is the synchronicity of constituent components of a system, leading to reciprocal influence. The production of such patterns as chaos, reorganization and stagnation. Remer (2006, p. 57).

Chaos theory has been studied in many scientific disciplines but it is starting to show its applicability to social research. Social systems are continuously in a state of chaos. Change is something that is occurring all the time and with that change or as a result of it, there is chaos. According to Remer (2006), all dynamical systems, human or otherwise, are recursive and adjust by means of feedback loops. "These systems develop a and adapt their patterns of behavior, thoughts and interactions in complex, chaotic manners" (Remer, 2006, p.56).

Summary

   In developing and maintaining successful succession planning and management programs in health care, there needs to be an understanding of all the discussed theories, their implications for the future of health care organizations and their management structures. If programs are developed without an understanding of underlying theory, there is a strong likelihood of failure. This is due to not completely understanding the nature of the individuals involved, their motivations and external pressures that can affect how succession planning and management programs are developed and executed. Trait Theory is based on the concept of identifying desirable traits for leaders. This is key in the succession planning process. As talent is developed, there must be identifiable traits that these employees possess. Behavioral Theory seeks to identify what behaviors leaders should possess. This is also an integral part of succession planning as there are some behaviors that are more desirable and necessary in leaders than others. Being able to have these specific behaviors articulated as part of leadership development is essential to successful leadership development. Situational Theory focuses on how leaders can and should adapt to changing dynamics of leadership situations. If a succession planning program can put emerging leaders into varied and challenging situations in the work place, there is the opportunity for the employee and their superior to assess their readiness for further responsibility. Transformational Leadership Theory focuses on the assumption that leaders influence followers by providing meaningful work. This is important to succession planning and management on different levels. It encompasses the employee being developed, along with the ability of their superior to engage them in the

process. Leaders need to be able to motivate and engage their employees in order to be productive. Those being developed for leadership should possess the ability to create meaningful work for themselves and others. Chaos Theory states that chaos or disruption is a necessary condition for change in social systems. This fits into succession planning in health care with the ever changing needs of the workplace. Health care is in a nearly constant state of change and those who lead during these times need to be able to understand that chaos is a constant and predictable part of health care.

In addition, it is important to look to the current succession planning and management programs to learn best practices and discover further opportunities to improve. How I plan to conduct an in depth analysis into existing succession planning and management programs will be outlined in the next chapter.

CHAPTER 3: RESEARCH METHODOLOGY

The first step in conducting my research was developing specific research questions related to succession planning and management. The research questions developed for this study were as follows:

1. What models of succession planning are used by health care organizations in the State of Minnesota?

2. How are these plans put into effect?

3. What experiences have health care organizations had in the development and implementation of these models?

The method used to answer these questions was a descriptive case study using qualitative in-person interviews to identify models used in succession planning and management. This descriptive methodology was chosen in order to truly get to the experience of administrators and human resource professionals with succession planning and management. According to Patton (2001), "qualitative designs are naturalistic to the extent that the research takes place in real-world settings and the researcher does not attempt to manipulate the phenomenon of interest. The phenomenon of interest unfolds naturally in that it has no predetermined course established by and for the researcher such as would occur in a laboratory or controlled setting". Conducting interviews with health care professionals in their own environment, on their own experiences with succession planning and management, yields data that is far richer than that of a survey or focus group. These experiences have been categorized in order to draw conclusions. According to Yin (2003), case study is best used when a "how" or "why" research question is being asked about a contemporary set of events, over which the investigator has no control.

The descriptive case study approach was used in order to look at how different health care organizations are employing succession planning and management tactics. This approach was successful in looking at the current state of planning in organizations, where they came from and where they want to be in the future. This gives a real-life look at succession planning and management in action. Development of the Interview Questions

The interview questions were developed after reviewing the literature to determine what experiences leaders have with succession planning and management programs currently used in health care organizations. The interview questions covered the individual's experience with succession planning, what the succession planning and management process is, whether or not succession planning is formal or informal in their organization, what they felt the most important criteria for choosing individuals was, and whether or not they felt that the process was working. These interview questions were open ended with the intent of allowing the interviewee to fully articulate their experiences. The interview questions were as follows:

Interview Questions-An In-Depth Evaluation of Succession Planning & Management in Health Care Organizations

1. Do you have a succession plan in place in your organization?

2. What does this succession plan look like? Describe plan.

3. How do you choose individuals for advancement through a succession planning program?

4. How do you prepare selected individuals for advancement in your organization?

5. Looking back, what are the lessons learned and if you were to do it again, how would you do it differently?

6. Looking ahead, what would you consider the biggest challenges/opportunities and needs for your succession planning over the next 5 years? 10 years or longer?

7. Do you have any advice on how to do this well?

8. Do you have any critical incidents or practical stories that would illustrate your planning?

9. Do you have any personal experiences with succession planning and your career that you care to share?

Selection of Participants

Participants were contacted via an email invitation to participate in the interview process. This invitation provided an introduction to the study and information on the interview process. Participants were interviewed in person, with the exception of two that needed to be done via phone for travel reasons and the interviews were tape recorded for transcription and analysis. Three of the individuals who agreed to participate were eventually not used due to scheduling conflicts preventing the interviews from occurring.

Table 1
Participant Contact Data

Participants Contacted	*Yes to Participate*	**No to Participate/No Response**
45	13	32

Analysis of Interview Data

Interview results were analyzed to look for trends, obvious differences in practice and possible best practices in succession planning and management programs in the health care industry. I transcribed almost all interviews in order to immerse myself in the data. Using this immersion, I was able to identify and categorize trends. The results of

these trends are the basis for recommendations for best practices and the impetus for developing future research.

Data Collection

Data was collected through an in-person interview of senior administrative leaders and human resource leaders in health care organizations. The health care organizations were selected due to their geographical location in Minnesota. There were approximately forty-five indivduals contacted with the goal of being able to conduct 10 interviews. The interviews included participation from seven different organizations. These organizations and the individuals within were identified by using contacts from the membership of the Minnesota Medical Group Management Association. The organizations participating included smaller, independent outpatient practices, along with mid-to large sized organizations that included clinic and hospital based operations.

Data was analyzed to determine any themes in the interview text. These themes were then examined in depth to determine relevant information. Analysis of the textual data was done by hand in order to fully understand the data gathered.

The interview contained open-ended questions that sought to identify the successes and barriers that these individuals have faced with succession planning and management in their organizations and also in their personal work experiences. The invitation to participate in the interview process can be found in Appendix A, on page 74, while the consent form can be viewed in Appendix B on page 75.

Participants

Participants in this survey were middle to senior administrative leaders in health care organizations across Minnesota. This sample was chosen due to convenience for the

completion of the research. The leaders included were those who self-identified as

participating in succession planning and management efforts within their organization.

These individuals were identified as actively participating in the choosing of individuals

for further growth and promotion within the organization.

Table 2

Description of Interview Participants and their Organizations

Participant Job Level	80-200 employees	200-5000 employees	5000-15,000 employees	15,000-30,000+ employees
Vice President or Equivalent	1		1	2
President Level or Equivalent	1			2
CEO	1		1	
Human Resource leader				1

Confidentiality

In order to mitigate the risk of disclosure in this research, careful thought has been

given to the design of this study. It will be imperative to maintain confidentiality of the

individuals participating. Their identities were known only to me. In addition to personal

confidentiality, there was a need to assure the confidentiality of the organizations

themselves. The interview questions were designed so the information being collected is

useful to the study but not intrusive enough that any proprietary information is being

revealed. Findings do not include information that would inadvertently identify

individuals or organizations.

All participants in the interviews were provided with an informed consent letter as

part of their invitation to participate. This allowed participants the opportunity to see, in

writing, the scope of the research being conducted. They had the option to withdraw at

any point. Information was included informing them of their right to see the finished

research, their right to end participation at any time as well as access their own responses to the interview questions.

Significance

There are a number of benefits that will be derived from this research. The ultimate goal is to identify a model(s) for health care organizations to use in succession planning and management efforts. If factors that contribute to successful succession planning and management can be identified, this research would be the basis for change within organizations. This research will also identify areas of strength and opportunity within health care organizations' current succession planning efforts. Identifying areas of opportunity will enable organizations to begin the development of or improvement of, succession planning efforts. This research will also identify areas for further study on succession planning and management that will lead to the addition of new and valuable research to the field.

Limitations

There are some limitations to this research that must be addressed. The small sample size is a potential issue. The argument could be made that the size is too small to be relevant in looking at health care organizations as a whole. Also, the common geographic location could potentially lead to issues with generalization across health care organizations around the United States.

In spite of these possible limitations, it is my impression from reviewing the literature, that health care organizations, regardless of size or geographic location, lack a cohesive model for succession planning and management.

Summary

In order to most effectively understand the experience of succession planning and management in health care, the decision was made to employ a qualitative method of inquiry, using open ended interview questions. By employing this method, I was able to not only gather information about the practices but evaluate the feelings and experiences of those involved in the process. This improved understanding of why some programs succeeded, while others failed, as well as bringing an understanding of the human element to the research. The following chapter will offer an in-depth discussion and summary of the interviews and the themes that emerged.

CHAPTER 4: AN IN DEPTH ANALYSIS OF SUCCESSION PLANNING AND

MANAGEMENT IN HEALTH CARE ORGANIZATIONS

Chapter Three explained the method for gathering the information regarding

succession planning and management programs in heath care organizations in Minnesota.

Chapter Four will summarize, in the participants' own words, their experiences with

succession planning and management in their organizations and with their own careers.

Ultimately, ten interviews were conducted with administrative and human resource

leaders from eight different health care organizations in the State of Minnesota. The

positions that these individuals held were Vice President, President, Director or CEO

level. The size of the organizations ranged from 80 to over 30,000 employees. In order to

protect participants' confidentiality, any direct quotes listed in this chapter will use

numbers as identifiers. (See Table 2, Chapter 3).

A number of common findings emerged during the course of the participant

interviews. Upon evaluation of the text, there were five major findings that became clear.

This chapter will discuss these findings in detail and provide direct quotes from

participant interviews to support them.

Findings

There were five major categories that became apparent during the evaluation of the

transcripts. *One recognized that all of the participants said their organizations had some

kind of succession planning in place*, these plans were a combination of very formal

programs, to more informal activities. *Finding Two, Succession planning not well defined

in most companies, regardless of having formal or informal programs,* in that most didn't

have regimented forms of communication and development programs in place. *Finding*

Three identified that communication to employees about their place in succession planning was not always clear or consistent, there did not seem to be a lot of coordinated education and mentoring for high potential employees across the different organizations. *Finding Four was a feeling from participants that they needed better or more well articulated plans to meet the future needs within health care* in that the programs could be more directive and also could cross more layers of employees than they currently do. *Finding Five identified a sense of frustration among some with their own career succession planning and management and how it is communicated and executed,* resulting in feelings of being "passed over" or just not having a good idea where they and their talents fit in in the organization. The following section will describe the themes in detail.

Questions: Do you have a succession plan in place? What does this succession plan look like? Finding 1- Most organizations have some sort of succession planning and management activities

In interviewing the participants in this research, it was discovered that all of the organizations had some type of succession planning and management in place, whether they identified it as succession planning specifically. This varied between being a program for administrative leaders, physician leaders and plans for specific departments within an organization. As these programs varied in what population of employees they covered for succession planning, they also varied in what constituted "formal" to an organization. Many of the organizations said they had succession planning but in the next question in describing the plan, it could be accomplished with a once yearly discussion

with an employee, to a structured, well communicated development plan for the

employee.

Participant 7 had this to say regarding the succession plan in place in their organization.

> So, our company, has an annual performance appraisal expectation that a supervisor will do for the staff and as a part of that annual performance review process it incorporates everything from 360 feedback to feedback from all levels of the organization, of individuals who report to the individual, of their peer group, and of physician staff that they may interact with. And on an annual basis, there is an expectation that that will occur and as a result of that there's the opportunity then to place the individuals in a four-grid matrix related to, umm, their leadership potential. So, it includes Solid Contributor...let me start on the left side...it starts Limited Performance Potential, meaning likely has an improvement plan underway in order to be a strong contributor in the role. Then, Solid Contributor is a very talented individual who is in the right role and is unlikely, either out of their own interest or the contribution capability, to move up in the organization. Emerging Talent would be someone who may be ready for advancement in the next five years; while High Performance Potential individuals would be ready now or within the next two years. And by placing people in that grid if you will, it provides an opportunity for the supervising manager or the peer group of that supervising manager to ensure that individuals anywhere along the grid have an opportunity to take on addition roles in the organization to grow and develop, and further their skill set. And is also provides an opportunity for the supervisor to have a thoughtful dialogue with the individual either during the performance review or sometime shortly thereafter about: what are the goals of the individual in the coming year? [Participant 7].

Another perspective offered on formal succession planning and management

comes from Participant 3.

> We have a very detailed plan that encompasses president, vice president, directors and other similar positions. It starts with a review of job descriptions, the person in the organization who is responsible for that position currently selects two or more candidates, try to have at least two candidates who are selected as candidates for the succession plan. The internal candidates, that really would be really the internal candidate, we often use the suggestion that this could be the interim

position if there were unexpected circumstances and/or accidental injury or illness that would take the person out of their position. [Participant 3].

An insightful quote from Participant 9 offers up that although there is a formal plan in place, there is concern that it may not be enough.

> On the administrative side...let me just say this and then I'll pause...on the administrative side, we periodically over the years have identified leaders. We've had different processes in place; we've used different nine-cell grids to a four-cell grid, etc., etc. And what I would tell you is that we identified a leaders and not convinced...and I'm an administrator so I own a piece of this...I'm not convinced that it's a stand-alone piece of work, and until we integrate it into a...some sort of a leadership model it's gonna not be as impactful [Participant 9].

Participant 4 talks of succession planning that happens within their specific department.

> Ok. Our department does have a succession plan in place. It's something that they've been putting more focus towards over the couple of years. We've made a very concerted effort to do succession planning primarily for management positions within our division. And then we manage that at a employee level, so that within the six units within our division we work individually with our analysts building those succession plans and then feeling that up to our leadership team.[Participant 4]

Participant 5 talks of not having a defined succession planning model in place, but speaks to what they would like to do in the future and some of the challenges they face in just trying to build their small practice.

> I actually don't have it in practice right now, but I really, I really hope I'm . . . I have a new, a position out for an additional accountant person, but it's constantly in the back of my mind that I need to look for . . . I mean, our management team is very, very lean. It's too small for as big a company as it is.
> At some point in time, I would like to have that person come into that sort of assistant administrator role that would be, maybe younger, new in the, in the environment that I could start grooming for this, for this role. But, I think typical, at least all of my experience in independent practice, is there's been very little room for having somebody on staff that could be that person because your cost factor of having people at that kind of level of compensation just doesn't exist. And typically, in that independent practice, I just . . . My experience is I haven't had that skill set of somebody that's able to kind of move forward. But I think I have that potential here. I definitely have that potential. Now, where I was last, that was kind of interesting because they sort of did the round-robin when they

somebody left, they sort of did a round-robin of looking to see who might be able to move into that next role, and one thing that I find that the small . . . the smaller you are, the harder it is for people to accept somebody moving up. The bigger you are, where people, there are more layers of infrastructure and infrastructure the easier it is. I mean just taking somebody that's, you know, rank and file anywhere and just moving them to a lead position is, really takes a lot of support and training and finesse, and explanation, and preparation, and . . . We've spent so much time here just acting that the whole training program is a big hole. I mean that's just a, it's just a big piece in my career that's just been left out as far as being able to groom people for the next step. [Participant 5]

Participant 8 speaks to the limited succession planning that was occurring within their

larger organization.

> We talked about succession planning a lot, "a lot" meaning 3-4 times a year. And, and our h...one time we actually did do a formal plan...do you think she can see my hands...we did a formal plan, like who we thought was...and we kind of rated A-B-C .Just because we had read about it from the guy from GE, remember? Jack Welch did that, yes, so...we kind of did that with the leaders that we did have in place and then who potentially were future leaders. But w...but there was never a formal plan in place. And when anybody left, a manager or a VP for that matter, sometimes their jobs would be posted for months because there wasn't a formal plan. [Participant 8].

Finally, Participant 10, who has a senior leadership position, speaks to a lack of

communicated succession planning efforts.

> You know, not one that is either fully disclosed or articulated. And I'm part of the hospital president group, so I'm not at the highest level of the organization for a corporate standpoint, but the answer's "no," not that I'm aware of. The senior level, the joint...or the executive committee have something that's not been articulated to my level of management. [Participant 10]

While these organizations have some sort of succession planning, it is not always

formal, nor well communicated with the staff. Even though not all of the above quotes

involved formal succession planning and management in their organizations, there is a

desire or plan to identify talented individuals to move into management programs in the

future.

Question: How do you choose individuals for advancement through a succession planning program? Finding Two- Succession planning not well defined in most companies, regardless of having formal or informal programs.

Many of the participants spoke of different approaches to preparing employees for advancement. Some organizations discussed having formal educational opportunities for employees or the ability to send these employees to leadership development off-site. Others talked of providing "stretch assignments" to develop skills. Still others used a lot of employee interest, coupled with finding assignment opportunities to help with growth and development. The following quotes point to this theme.

Participant 3 speaks to how the organization prepares individuals for advancement.

> We do sponsor class work, we have a handful of individuals that…where they would have class work, typically everyone who would be considered, at least in a Bachelor's degree position, has a Bachelor's degree. If they were in a position that required a Master's, we have a for a small number of people enrolled…helped them pay for the Master's program, but I think, frankly, most individuals are pursuing advanced degrees on their own. We have also done stretch assignments. We've rotated individuals through a variety of clinical programs and so we had a director who was very successful in the management of a hospital based endoscopy program and was given the opportunity to manage a clinic and residency program, and even though the position was really felt to be the same level, it's not a major promotion either in pay or in responsibility but one of versification of the individual's experience to have them advance to a VP level position in the future. [Participant 3].

Participant 4 talks of how their specific department works with employees in terms of preparation.

> Sure. There's that standard organizational template that we've pulled a customized for our department, so we customized it in the specific areas in the traits that we were looking for unit head positions specifically. So the first step that we do is gauge interest in...from our analysts in moving into the unit head positions and if they are interest then we complete that document. Then we take those documents and the unit heads come together and we complete like an excel

spreadsheet and we categorize the candidates based on "ready now, ready in the next 1-3 years, and future 5+ years (I think)." Yeah, we gauge interest. I mean, we want them to have an interest in going into management positions because what we've found is that there's some people that make great analysts and some people that make great managers and they're not always the same people. So one is their interest and the other is our interest in them. And, so yes, we would approach...certainly approach people that we felt had high potential and then we would, you know, ask them their interest in long-term plans; either within our division or the organization. One is through project opportunities, so giving them large lead roles on large complex projects. We also look for opportunities to serve on committees...umm...and maybe leading internal committees or sitting on institutional committees.[Participant 4].

Participant 6 describes educational opportunities provided for all staff within their

smaller organization.

Yes, we actually do a training...well, we actually do a few different things...so, for...again, for our technicians and assistants, kind of the clinical operations staff, we do a annual educational meeting, and it's kind of a one-day... and it's in October every year, so, we do a one-day kind of...and then we have a variety of speakers...sometimes they're internal, sometimes it's external. And then if they need to get continuing education credits for the certification, we've applied for those, so that they can get those. So they do some internal...and then we do...which is, it's broader based, but for all our referring doctors, we put on what we call an annual update course, and sometimes we do that for our staff as well, that our physicians participate in, so it might be...like we've got Glaucoma is one of our sub-specialties...maybe it's about Glaucoma or a cornea or a just kind of some...what's going on in the industry or what are the new techniques, procedures, you know, studies, that type of thing. [Participant 6].

Participant 7 details the different ways of preparing individuals for advancement in their

organization. They are careful to note that people are not "chosen" for specific positions,

but must work on development and compete for the positions.

Well, "choose" is a word that we don't use; we don't tap people on the shoulder to take on roles. We offer opportunities for folks, so within Operations now, as we have open positions or committee assignments, we do our best to publicize that generally to let the forty-something people who may want to volunteer to make it...make their interest known to their boss who can then help bring that in: is this the right time?
Within Human Resources, we have a multitude of offerings for individuals depending on their interest and what their current roles are, and what the institutions needs are. So, for example, with the Quality Academy, with redesign

and value improvement expectations, we have set the expectation that
Administrators will achieve a silver level of competency in, umm, LEAN
methodology, if you will. So, it's a mixed model, I think if someone had a deficit
they'd be encouraged by their supervisor to, to enroll in a program and then
depending on the person's role and assignment they may see the need to take a
team through Teams Training and the like. So, there, there's a big portfolio of
offerings and it's somewhat individual specific depending on what their role is or
what their long-term career goals are. We also do encourage multi-site
responsibilities, so as we in the practice start to developing councils and whatnot
there will be an opportunity for folks to reach out of their normal comfort zone,
which would be the local responsibilities to have more of an Enterprise
responsibility for coordinating at least, which should lead to growth opportunities
for them in their career if you think about our organization coming
together.[Participant 7].

The above quotes have some similarities in terms of offering some stretch

assignments and educational opportunities for their staff. The interesting point underlying

these quotes is that none of these organizations seem to have a well defined program for

advancing the employees. There are not specific competencies, opportunities or

assignments that talented employees are steered toward. It become up to the employee to

find their way upward.

*Question: How do you prepare selected individuals for advancement in your
organization? Finding Three- Communication to employees regarding succession
planning and management not always clear or consistent*

Often it seems that there are not specific discussions occurring with subordinate

staff regarding their future potential or with those who need improvement. There is a lot

of assumption that occurs with succession planning in terms of people knowing where

they stand, gauging interest and lack of mentoring. Many of the organizations talk about

the employee initiating interest in advancement, rather than having those discussions with

them ahead of time. The following quotes outline this.

Participant 5 talks about a current situation with an employee. One who has a clear

understanding of her future, another one that does not.

> The marketing director know absolutely...that I, I don't know where the position's going to go; should it be a part of the management team, should it not, should it supervise staff, should it not? We've had that type of exact dialogue and she's, you know, very much a part of that whole process. With the customer service support person, she along with all the customer service staff know that there's going to be a lead position posted with the next couple of months, so she has told me she's very interested and she's asked if she can apply for it. I said "certainly..."and she has but we haven't had a direct dialogue about her in the role with me says "of course, that's why I'm giving you these things." I think it's very much an unwritten...[Participant 5].

Participant 2 talks about the struggles with communicating poor performance with

employees, which can interfere with effective succession planning.

> So we also had trouble, and I think entire organization struggles with this too, is if people aren't doing the job, you know if they are breaking policy and committing crimes, I think you have to just get rid of them. If they aren't but they just aren't quite doing the job, I think the organization struggles with getting those people "off the bus," and I think that is a huge barrier in succession planning. We haven't done, in my opinion, a good job of truly training supervisors to manage performance. If we had done that and if that was an accepted norm here where, not necessarily the GE model where you wipe out the bottom 10% every year, but you need to put the people where appropriate on performance improvement plans and point out their weaknesses. I can't tell you the number of times when I was fairly new to the department, I would look back at an employee's performance evaluation or the massive stack of them. In my opinion, they were underperforming in a number of areas. We looked back at previous PAs and it was spotless. [Participant 2].

Participant 7 speaks of how the process for promotion works within their organization.

> We offer opportunities for folks, so within Operations now, as we have open, positions or committee assignments, we do our best to publicize that generally to let the forty-something people who may want to volunteer to make it...make their interest known to their boss who can then help bring that in: is this the right time? And, and as you know, we have a posting process for promotional opportunities, so individuals would need to decide if they want to apply, and apply, and then be sorted out through the winnowing down process depending on the key attributes we're looking for. [Participant 7].

Participant 8 talks about the discussions that would occur with employees in their

organization. Again, there was guidance but nothing too prescriptive and the employee

was left to navigate this on their own.

> Well, in my organization when we did performance reviews we always said, you know, "here's something for the next year," and...until they had their major lay off...last year...a year ago...they had a department that had all the great education when you were there, they had everything, so you would recommend things for them to go to. I always encouraged reading journals and certain journals that gave them information. We suggested mentoring with others, you know, like following a VP around, or doing what you could do with that. I don't think many of them did that, but we did make that suggestion. And, what else did we do? Learn from other managers because some people had weak points. And let's see, go visit with...especially the younger ones, even those that came out of grad school, they had...they were nervous about managing people, but yet those grad school guys were the ones that had Excel experience, so we all kind of learned from them. And then there were the nurses, you know, we all kind of learned...so, we tried to learn from each other in our group of 7 or 8 people. [Participant 8].

Participant 10 spoke of frustration in trying to fill an open leadership position and the
difficulties with finding the right candidate.

> So, recently, I just did a recruitment for the director of patient care services , it's a nursing, a nurse executive position. And, I was...I followed the same process that I described; we had some internal candidates, I opening it up externally. Actually didn't find anyone on the first run from the pool with the exception of one person who ended up taking another job, then I opened it up again and I had a real challenge in trying to identify internally who were candidates for the position. It was, "well, so-and-so might be interested" type of thing. Now, you know, the bottom...the good thing is I that I got a great candidate who was a...or is a manager of intensive care at one of the hospitals and she's moving into a director position. Now, it would have been helpful to know that she had high potential, which everyone told me, but we would have been able to identify her sooner than four or five months into the process. [Participant 10].

Open, honest and continuous feedback to employees seems to be missing in many

organizations. Employees don't know where they stand in terms of being considered for

promotional opportunities, career development discussions maybe take place once a year

and the employee is often left to navigate the institutional offerings on their own.

Questions: Looking back, what are the lessons learned and if you were to do it again, what would you differently? And Looking ahead, what would you consider the biggest challenges/opportunities for succession planning over the next 5 years, 10 years & beyond? Finding Four- Participants feel they need better or more articulated plans to meet future needs within health care

The looming retirements of the Baby Boom generation and the rapidly changing face of health care are the two huge challenges that almost all of the participants spoke about. These two factors point to the need, in the participants' eyes, point to the need for more effective succession planning programs in their organizations. This was true regardless of whether they currently have a formal, informal or no succession planning in place.

Participant 2 speaks of the need for better communication of where people are in their career development and the need for preparation for senior leadership positions that will be vacated in the next five years.

> Well, I think, again in my opinion, the succession planning here has some holes, and I would personally going through it, I feel like it's kind of like running for office. So when you want a promotion or think you deserve a promotion, you will have to kind of bang on doors and visit people door to door to kind of market yourself. If you do achieve it, I think there is a natural lull, and this is true with myself too, you kind of go back into your hole for a while because in your mental state you are not ready for a promotion here because I think a lot is tied to experience, longevity, seniority, and all sorts of things. So I would imagine the next step when I think, whenever that is that I am eligible for promotion or move, you start up that campaign again and you try and knock on doors and get back with these people. I think alternatively a lot of other places have handled it with a more concerted effort for succession planning where you have kind of an assigned mentor and somebody that is helping you navigate through the system, and I think that is what is missing here. Even for the people that are really good, I think they're basically on their own to determine their career path. In some cases that is good because maybe they end up with positions that are good, but in other cases I

think the institution is missing out on good synergies because they aren't keeping in touch with the people that can provide them with the help. I think this organization, like a lot of other places, is going to struggle with the Baby Boomers retiring. Personally, I feel encouraged about that because of the stage of my career that I am in—maybe there will be a lot of opportunity—but also I am not necessarily endeared to this organization because I don't feel like anybody is watching out for my career here. I feel like it is up to me. I also feel like if I did choose to go to the outside, it really wouldn't matter that much to anyone here, at least that's my perception. So I think that is the disconnect because I think if you talk to a lot of our collective bosses, and I told them that they would say, "Oh, you're kidding me," "We wouldn't want you to leave." They have no real quantifiable answer for what they're doing for me as far as career planning. [Participant 2].

Participant 3 talks about the looming turnover in their organization over the next ten

years and the challenges that this presents.

I think we are quite like quite a few organizations in that we'll have a lot of turnover in the next 10 year timeline, so the challenge will be to move through a significant number of leadership changes and to accomplish this smoothly. That's what I would see as immediate. Longer term, the challenge is perhaps more one of identifying the physician leadership component in the organization. In a smaller organization like this, there aren't as many individuals who have an interest in the leadership roles. [Participant 3].

Participant 5 talks about the skill set that will be needed in administrative leaders in order

to grow their small practice.

Yeah, well clearly it it the...it is the growth in the administration role. I mean if I really carry forward these plans that this group has, which is local, regional, national, center, umm, one-center joint ventures with system partners, I mean all of that, then the depth of the administration has to get bigger and so that then that really does force me to go to that assistant administrator role, look for that person who has that drive and initiative and start going from there, because there really needs to be two people now and we'll need to be three or four people down the road as we start negotiating. And then the other part of succession planning will be a true position leader and that piece is, is being talked about right now because the, the company actually is still run by the founding physician who is sixty-three years old. And though he fully intends to practice at least another ten years, there's still is original structure set up about him being a founding board of governor, and that, of course, will never exist, there will never be a founder again. So, decision makers at the physician level will be on an equal footing with regard to ownership, so what does that mean with regard to decision making? In order for us to continue to have this growth pattern, there's gonna have to be a go-to

person and how do we develop that? So we're just in the beginning stages of talking about that. For the first time ever we have instead of two owners, we will have three owners January 1. So, that discussion is, is happening. [Participant 5].

Participant 6 talks of the uncertainty with the future of health care.

Well, and I think some of these may be kind of verbose, but I mean, I think that healthcare, you know the healthcare reform efforts, I think it's a little challenging right now to kind of...we're pretty good at planning from a financial standpoint, but because there are too many variables that you don't know what's going to happen with reimbursement, what's going to happen with like a combo-care organization or integrated delivery systems, or how is that all going to play out and how are we going to fit into that picture. [Participant 6].

Participant 7 talks of the challenges of losing Baby Boomers, making sure current staff develop the necessary skills for senior leadership and continued growth for the organization.

Well, we'll have a batch of individuals who are baby-boomers in the next five to seven to ten years where they'll be, where the majority of senior leaders will retire within the next ten years, and we went through a wave of this a few years about as well, so that will be a challenge, the structure of our organization is uncertain if you go out three to five years. So, many of the positions we have today that are site-centric will be single...Our organization going forward as much as Finance and HR have restructured, I think Operations or my world will restructure and so it's hard to know what positions will...what the breadth of the responsibilities will be two to five years out. So, if I stay at the traditional level, the retirements will be many and I think we've got a lot of bench strength. I'm not overly concerned that we're not going to have folks prepared for those. And then the Enterprise-like roles I think we'll get where we need to go because of the councils and other opportunities in the next two years as we bring the practice together. So that's, that's good, but it remains to be seen. The, the...in the area of diversity, we've got a long way with ethnic diversity and external knowledge coming into the organization, so I would say, as we operationalize the 2011 Operating Plan going forward will increase the organizations presence. We don't have multi-culturalism built into the fabric of the organization and we don't have partnerships with other Healthcare entities like the Affiliated Practice Network strategy, or some sort of global footprint, whether it be India or somewhere else. So, I think we're vulnerable about, umm, how we partner at the business level with the care delivery in a non-traditional format. So, are...there's a lot of things...lot of flux right now with both structure and, umm, what's going to happen and the national and international scene with healthcare reform? How's that? [Participant 7].

Participant 9 speaks more of the competencies that will be needed in order to bring their

organization through the constantly changing environment.

> Well, I think at a broad level and then I'll talk operational...at a broad level our business needs for leaders are changing. And so the business...the competencies that we want from our leaders may be a little different today than they are two years ago and probably two years from now. We're looking for somebody that's much more savvy and that can influence. We're looking for somebody who can innovate business models across the practice. We're looking for somebody who can engage and rally the troops. And so, and really understand our competitors, you know, I call them our competitors colleagues. We're looking for somebody, you don't need an M.B.A. but you need somebody who understands the economic environment and the competitive challenges that are happening in healthcare, in government, and regulatory. Because...and what your customers want. That, that is very different thinking for this organization. You know the attitude is often like the...I always think about "If you build it, they will come." Well, guess what? We built it and now we have to start thinking about different business models, that of a very different skill set of a leader. I think our challenge is going to be to make sure that we are preparing leaders to manage given the complexity. You know, so, that's kind of the...and by the way, that's probably all companies, trying to manage the complexity of the matrix organization. [Participant 9].

Finally, Participant 10 spoke of the fear that the up and coming leaders do not have the

education nor experience necessary to effectively lead when the current leaders are gone.

> Well, challenges one is that...I think within the organization, we have leadership that probably in the next five years we're pretty well secure, but going out, you know, we've got people that are in their later fifties and early sixties and their going to be wanting to retire. I think the challenge is the way we have defined and worked the time commitment on the position with leaders that are in their later forties, fifties, and early sixties may be different that the time commitment those succeeding us will want to give. So, I don't know if that's true or not...does that change with age or...but I think that's a challenge, I think that's clearly a challenge. The...I guess one of my concerns is that we have leaders...and this is a bias, so I don't know that they're, I don't know if the research bears it out, Allison, but the bias is that we have leaders throughout the organization, and if we're talking...if we're not just administrative leaders, we're also talking about clinical leaders, but from an administrative standpoint, that there's some experience and knowledge in clinical operations, hospital operations that...doesn't seem like the candidates I get from the graduate school review panel at the University of Minnesota, have had any kind of clinical or experience. So, that's a concern I guess. [Participant 10].

Question: Do you have any critical incidents or practical stories that would illustrate your planning? Finding Five- There is some frustration with personal succession planning efforts for themselves

One last common theme that ran through the interviews was the lack of

succession planning efforts or failed succession planning efforts in these leaders' own

professional lives.

Participant 2 speaks to the feeling of being alone in figuring out their own succession

planning and preparation.

> I feel like my preparation is fairly good to potentially move on to the next level,
> but what I don't know is if that is necessarily in the cards for me here, and that
> kind of points back to there is nobody necessarily looking at my career here, at
> least that I know of. And I think that the preparation that I've done and feel good
> about has been done by me personally. I've felt like I've had to take that on my
> own and really convince people that I need to be involved in this professional
> organization or take this class or do that. And I think you need to do that because
> you have to do that for yourself, but at the same time it doesn't leave you with
> most good taste in your mouth about your potential. So I guess I'm really reticent
> to comment on where I think I'm going to be at this organization if I chose to stay
> here, because I truly don't know. I mean, you know, you know as we discussed,
> it's timing, you know. I mean, I don't know if these positions come open. A lot
> of people say, "Well, you've got to interview multiple times to do that." You
> know that I think people really would help me. I mean, you know I don't feel like
> I get a lot of doors slammed in my face, but, you know, it's hard to know when to
> start that campaign. Because what I think nebulous here is the emphasis on
> seniority. So in order to be an associate administrator, for instance, I mean I think
> Person X is probably the youngest one. In general, I think, you know, well and I
> suppose Person Y, too, may be about the same age, but they bring a mix of
> experiences, but I have no idea what went into that progression. You know, I
> don't know what skill sets they have that are unique. I don't know. You know,
> all those decisions were made, and I don't know, you know, for in my own case I
> don't know what emphasis they're going to place on diversity. You know, so
> being a white male, you know, I don't know if that is going to be a detriment or
> whether it's not going to matter. Or what? So, I mean I think there are so many
> unknowns at our organization, um, so, I don't know. I think I will probably look
> outside at some point too just to make sure that I am doing a good job of doing
> that. I haven't made any decision to stay here my whole career necessarily.
> Yeah, even the rotations too there is no science behind that. I mean, if you ask
> anybody, even the people that are theoretically in charge of the rotation or the
> people that are being rotated, nobody knows what's next for them. You know. I
> think it's really an informal survey of what do you think you want to do? or who

do you work well with? But, you know, I don't know. Well, and I think a lot of that's done in a reactive fashion, which you always need to do that. I mean if somebody leaves you have to set have to backfill them, but you know as far as the rotations, it maybe starts with somebody that needs to rotate for some reason . . . and then just this massive domino effect that creates all this chaos and people aren't sure what's going on. You know, I think that a lot of people that have stayed here a long time have gotten used to that and just accepted it as the norm, but, I mean, if you are relatively new to the system you kind of look at it and say, "That's just kind of crazy, I don't know if I want to put up with that." Then, you know, the progression that you and I just went through wasn't that great either because, you know, they don't link skill set with position, so you interview to be an OA. They may have several. They may call you and say, "Hey, what do you think you want to do." . . . and you answer those questions, but you aren't sure where that is going to land and the landscape is unclear too. I didn't know how to comment about the other roles because I didn't know anything about it. You know, I mean how could I want or now want that? . . . Yeah. So, the whole process I just kind of left underwhelmed with it. I mean, I was happy to be promoted, I guess. That was the good thing. I mean they gave me more money to do my job, and, you know my current job is going fine, but I left with no confidence that succession planning is a high priority with anybody. I mean, I think it's a high priority to fill an open slot but, . . But I also think the next time there is an OA opening there will be a huge amount of interest and a massive applicant pool. [Participant 2].

Participant 4 speaks of her luck with having good mentors and help with some of her career planning but also states that she doesn't believe that any of this was part of a formal succession plan.

I have been very fortunate to have good mentors I think and good management, and I think both are very critical in the succession planning process. People that have taken the time to just invest in me and challenge me and push me outside my comfort zone and give me opportunities and support me through the process. So, I think my experience has been very positive. Now, I don't know if I was ever part of ant succession planning plan. You know I can tell you, even though...and I said that my succession planning experience has been positive for myself, I would say my career path has been not well planned out. Nobody has ever talked about or ever asked me what my long...what my five year goal is. I've never been asked that. So, I've never been asked that by my division chair, my section head, or...and I was never asked that as a unit head. Now I'm hoping...I do ask my employees that and I think, I'm hoping the other unit heads do to. Especially as much as we've been talking about it, but I was never asked that. [Participant 4].

Participant 6 spoke of her experience in leaving an organization and the havoc that

occurred. It definitely was an example of what can happen with lack of succession

planning. The experience stuck with the individual and helped ensure that in future

situations that they had control over, they would make sure to have a succession plan in

place.

> Well, I know...and I know that because you kind of keep this objective...but I was
> at another practice for many years and when I chose to leave, you know, they
> didn't have any succession plan there, no plan on what to do and I, was able to do
> some things, but I think it just illustrates that if you don't have any plans things
> can change, and something happens, and...So I, I think it's just always trying to
> think forward, anticipate and, you know, have that in your thought process, so at
> least if something happens you do have some plan and your not starting from,
> "ok, now what do we do now? We just thought that person would be here
> forever." You know?
> And I think it, it was easier because they already had that kind of a culture just
> from the whole teaching and education so they had a, you know...it wasn't as
> difficult as it might be if you didn't have...I think with, to me, actually in my role
> or anybody in a leadership role...it's always that balance between, you know, you
> have to have some external focus as well as an internal focus and if you get too
> far either way, it could cause a problem, but just, you know, trying to maintain
> that balance, so...[Participant 6].

Participant 7 had a sense of awe at where their career had taken them. There were no

discussions about career aspirations or whether they were considered for promotional

opportunities during their career within the organization.

> Frankly, during my twenty-four years at this organization, no one ever had that
> discussion with me. I never knew that I was either considered Emergent
> Talent/High Potential. Whenever I received a promotion I was astounded because
> I didn't know I was likely to have that opportunity. So, it was just fortuitous or by
> someone encouraging me or, in those days, saying, "well, we're going to try this
> experiment, are you willing to take this role?" and I naively would say, "yes."
> [Participant 7].

Participant 8 talked about complete lack of career direction from their manager.

> I have my own succession planning...in my head, but I don't think it was formal. I
> thought it in my own head. And I remember one at one of my reviews with my
> manager, I said, "I just think I need to do something different before I retire, and I

don't know what that is yet." She didn't lead me down any avenues at all; I think it's who you work for too. [Participant 8].

Participant 10 shared the experience of having a well-defined succession plan and then having that plan shattered when the economy forced lay-offs from the organization.

> Actually, we had a plan, so the plans don't always get implemented as intended. And there's no...there are no guarantees, even with a plan. So, I was over at Company X, as you know. I would have been the next president of the foundation at Company X and given the 2008 downturn in the market, it turned out that I wasn't; we ended up going through layoffs, as you might know. And I was laid off and whatever it was, who was around for it, it doesn't really matter. So, the plan, there was a plan in place and actually we did have a plan at our organization to the degree of the vice presidents and some of the directors, we were just kind of working it at the director level, so we actually had a pretty good plan. [Participant 10].

The findings outlined in this chapter give a snapshot of the lack of coordinated or well-communicated succession planning and management programs in health care organizations in the State of Minnesota. Finding 1 showed that there are varying levels of formal and informal succession planning efforts within the health care organizations interviewed. Although not all of them have formal programs, all of them were thinking of succession planning in their organizations. This inconsistency in planning led to missed opportunities within many organizations in terms of capturing and developing solid talent. Finding 2 identified some best practices that emerged from organizations. The ability to identify potential talent, offer internal and/or external educational experiences and the opportunity for individuals to take on assignments meant to stretch their abilities are seen as solid ways to move individuals forward in an organization. Finding 3 showed that there is a fundamental lack of communication to employees. Even in organizations that had formal succession planning and management programs, the level of communication with potential talent was lacking. Communication varied from a well-

developed talent management program in one organization, to yearly discussions in another, to the organizations that had not yet talked with employees regarding their plans for them. Finding 4 showed that all of the organizations felt that they could do better with succession planning and management. There was a feeling that the plans needed to be better developed, articulated or identified. Many felt that there was a disconnect to their strategic plan, that those being considered for development lacked some of the fundamental skills needed or that there had not been the time allotted to developing a comprehensive program. Finding 5 focused on the interviewees' personal experiences with succession planning in their own careers. The general consensus among the participants was that they had experienced little guidance, a lack of support and a general sense of a meandering career path that led them to where they are today. These findings are consistent to the literature reviewed. Chapter 5 will discuss the findings in more detail and also look at the possible lack of theoretical understanding that contribute to this issue.

CHAPTER 5: DISCUSSION

I undertook this particular research because of my personal interest in succession planning and management in health care. In my professional career in health care, I have felt a disconnect between the work I do and how I will get to the next level of leadership. There was a sense that no one was looking out for me and my career aspirations and I wondered how those I saw attaining the higher levels of leadership managed to get there. Did they have someone-a mentor or superior-assisting them along the way or were they just trying to navigate their career path on their own? I also felt that I did not understand my organization's plans for the future, for me and those colleagues around me. As I learned in my coursework how organizations worked, I began to apply the knowledge to my own career. I also began to look critically at my organization and the health care industry as a whole. We have such an important place in people's lives, why do we do such a poor job at planning for the future or our organizations. We engage in strategic planning, quality efforts and continuously try to stay ahead of changing laws and regulations, but we spend such little time focusing on those who will lead us through these changes. This self-reflection led me to this research. I wanted to know what other health care organizations were doing with succession planning and management. Could we learn from each other? Was the literature correct in stating that health care lags behind other business and industry? What experiences did other health care leaders have to share on this topic?

Chapter 4 outlined the specific comments and findings were identified. This chapter will discuss how these themes and comments relate to the literature and to the theoretical ideologies outlined in Chapter 2.

Review of Method

Interviews were conducted with health care leaders from organizations in the State of Minnesota. There were ten conducted in all, encompassing eight different organizations. These organizations ranged in size from relatively small organizations employing 80 employees to extremely large employing 30,000 or more. The interviews conducted were with individuals who were at the Director, Vice-President, President, CEO level or equivalent. They were actively engaged in the development and planning for future needs of their organization's and were responsible for succession planning activities. These interviews were audio taped and transcribed. I spent a large amount of time re-listening to these tapes and reading the transcripts. This process led me to identify specific findings for each question that emerged from the discussions. I was able to extract these findings from the comments of the participants. After this analysis, I returned to my literature review to validate the findings.

Literature Review and the Themes

After the findings through the transcripts were identified, I was able to evaluate these in comparison to the literature review that was conducted. Much of that information really meshed with the findings of my research.

Finding One- Most organizations have some sort of succession planning and management activities, although most not formalized.

The literature spoke to the lack of official succession planning and management activities in health care (Norm Devine, personal communication, 2007). This was true in the organizations represented by the participants. Only two of the organizations had a very formalized process in place. Others had some succession planning activities but they

were hit or miss, while others failed to have any type of articulated succession planning occurring. This lack of formalized and strategic planning has been identified in the literature going back a number of years. What is interesting to me is why this is still occurring. There is a noted deficiency but it has not been corrected. Why is this? I suspect that this is true because there are so many other needs and changes to respond to that succession planning becomes a "nice to have" rather than a "must do". Until there is a sense of urgency in these organizations and their attitude toward succession planning, there is no motivation to change. This situation may be occurring now with the even more rapidly changing health care environment. The passage of the American Recovery and Reinvestment Act (ARRA) and health care reform legislation have challenged all health care organizations with new requirements, regulations and milestones that need to be met. The challenge for organizations will be to be nimble enough to adapt quickly in order to meet these requirements. Although many businesses experience rapidly changing work environments, health care seems to be at the forefront of this. Health care is an ever changing environment and is in a very reactionary state rather than being proactive in how they meet new challenges. If they were to develop solid succession planning efforts, they could turn this tide and begin to anticipate change and how to adapt their care models and lead their employees through the changes in a deliberate manner. Developing and implementing formal succession planning programs will be imperative to the survival and success of an organization. Health care will need the right leaders in place in order to survive the changes. Table 3, p. 49, shows the distribution of succession planning and management efforts in the organizations of the participants.

Table 3
Succession Planning Efforts By Participant

Succession Planning and Management Efforts	Participant
Defined Succession Planning and Management Program	#2, 3, 4, 7, 9
Informal Succession Planning and Management Efforts	#5, 8
No Articulated Succession Planning and Management Efforts	#1, 6, 10

Finding Two-Succession planning not well defined in most companies, regardless of having formal or informal programs.

During the course of studying the text of the transcripts, it became clear that none of the organizations had a well-defined process for developing their future leaders and identifying talent. The responses ranged from well-defined development programs for their staff to educational opportunities to yearly discussions regarding employee progress and development. This lack of consistent development of staff is a big problem for organizations. Solid succession planning and management programs need to have well defined development programs as a foundation. In the literature, Larson (2005) talks about creating an environment within the organization in which employees grow and flourish as a means of developing strong succession planning strategies. Meeting with employees yearly to discuss goals and assignments does not provide a solid framework for them to work through. Although that method provides a set time for career planning discussion, it puts the responsibility solely on the employee rather than having the more specific guidance of the supervisor or organization. There needs to be a clearer mechanism for attaining competency development, educational opportunities and employee development. Table 4 shows the components of best practices that emerged

from the interviews and which organizations have developed components of these

practices.

Table 4
Strategies for Succession Planning By Participant

Strategies used in Succession Planning and Management within the Organization	Participant
Tuition Reimbursement	# 2, 3, 4, 7
Specific employee development template	#2, 3, 4, 7
Internal training opportunities	# 1, 2,, 3, 4, 7, 8
Offering developmental assignments (i.e. stretch assignments) within organization	# 3, 4, 7, 8, 10
Specific employee development plan	# 2, 3, 8

Although not all of the organizations employed these best practices, they can be viewed

as components of a successful program if put together. Other industries employ many of

these tactics, along with looking at succession planning as an integrated process in the

organizations. Developing pools of successful candidates for a number of high level jobs

instead of investing in just one or two individuals is another best practice seen in business

that health care could learn from. Health care may be unique with their focus, but they

can still take nuggets of information from business and industry.

Finding Three- Communication to employees regarding succession planning and

management not always clear or consistent.

There was a clear message in the interviews regarding a lack of communication

with employees regarding where they fit in succession planning and management within

their organizations. This finding fits in directly with literature on succession planning.

Rothwell (2010), speaks of finding that very few organizations make it a practice to

inform employees that they are being considered as being a successor. A couple of the participants spoke to having their eye on talented employees but they had not had any discussion with these employees about their potential within the organization. As stated earlier, another spoke of using the yearly performance appraisal process for having discussions with the employee regarding their career development prospects. One participant spoke of the very well developed program within their organization, wherein high potential employees were aware of their potential and they were encouraged to actively seek out opportunities for further development. This organization also actively worked with their high potential employees to identify projects, assignments and outside educational opportunities to enhance career development. Communication is key to any succession planning and management program. Employees need to know where they fit in the direction and future of their organization. Christie (2005) talks of leaders working together to communicate needs and opportunities available to their staff and this is key for organizations if they are to be successful in developing and implementing succession planning and management programs. Byham, Smith & Passe (2002) and Rothwell (2001) also talk about the importance of regular review and feedback of performance to employees. If you are to truly develop talent, you need to be having open, honest and frequent communication with these individuals in order to set expectations and outline programs for development. Health care organizations need to see the importance of this feedback loop and build regular opportunities to meet with superiors into these programs. Finding Four- Participants feel they need better or more articulated plans to meet the future needs within health care.

This finding is an important one. All of the participants felt that they either needed to start formal succession planning efforts or needed to re-evaluate their current efforts. Health care is an ever changing field and this means that the skills needed to be successful are ever changing. Organizations need to be far-sighted enough to anticipate the skills necessary to take their organizations through the next five to ten years and beyond. They also need to understand the attitude of their employees. Gone are the days when people stayed in an organization for their entire career. Employees now see that they may need to move around in order to achieve success. Byham, Smith & Pease (2002), speak to the need to have "talent pools" rather than looking at one individual for each position available. Participant 7 spoke of having a number of individuals prepared to move up and compete for senior leadership positions. Participant 3 also spoke of having at least two people identified for specific positions in order to give the organization and the employee some choice. Participant 2 and Participant 4 also spoke of having a number individuals to choose from for potential positions within their respective departments. These strategies are a good place to start. I think that these pools are focused on the middle to upper levels of management positions, but I think there could be much benefit to employees and the organization as a whole, if this strategy were employed at lower levels. I think there is the potential to miss opportunities to grow emerging talent at a lower level. Keeping people in an organization longer has many benefits, such as an understanding of the organizations culture and operations and by developing people earlier on, you gain some of these advantages. Those organizations that are just in the planning stages of developing a succession planning and management program could do well to use talent pools as a starting point.

The most important aspect of succession planning and management is the development of specific competencies for leaders. Murphy (2006) discusses the importance of identifying specific competencies necessary for success in different roles. There are some leadership competencies that are consistent for success, while there are many job-specific competencies that need to be identified for each leadership position. Identifying these competencies and clearly communicating these to employees is paramount in the development of strong candidates for future leadership positions. Employees need to know what skills are necessary to be successful in their positions. They also need to know what they need to develop in order to be competitive for promotional opportunities.

Finally, there is a sense that without developing specific competencies, communicating with employees and identifying specific development programs that there is no good idea of what is needed for future leaders. This can lead to the same type of people and ideas continuously being promoted. In the literature, Rothwell (2001) and Byham, Smith & Pease (2002), talk of organizations becoming very homosocial in their promotional moves. This is the phenomenon of promoting those most like themselves within the organization. Organizations that do not have well articulated competencies and well developed succession planning programs are most at risk of this phenomenon. By promoting the exact same type of leader over and over, there is the danger that true change cannot happen, as well as the concern that it will cause an organization to be unable to quickly adapt to the barrage of changes that the future will bring. Finding Five- There is some frustration with personal succession planning and management efforts for themselves.

The last finding had to do with personal experiences that the participants had had in their own careers. Their frustrations, trials and successes really mirror some of their current programs. None of the participants had any real development or guidance during their careers. Participant 2 spoke eloquently about feeling that any time they felt ready for a promotion, that they needed to "campaign" in order to be noticed. Participant 4 felt luck that there had been some strong mentorship to help guide them up to this point but that currently, there was no guidance for future opportunities. Participant 7 expressed shock at where their career path had taken them. There had been no one talking with them about their potential or what positions they should be striving to attain. These are just a few of the experiences but the main theme remains the same-health care does not do a good job with succession planning and management. Imagine how different the experiences could have been or could continue to be for these leaders, if they had an understanding of their potential and where they fit in to the organizations strategic plan. Most of them are trying or at least see the need for developing succession planning within their organizations. This is an important fact to note. They didn't think the "status quo" was acceptable and were hoping to change that. Although they may have a long road, the understanding of the need for these programs is a step in the right direction.

Theory Revisited

In Chapter Two, theory was discussed. The following five theories were thought to play a role in successful succession planning and management efforts: Trait Theory, Behavioral Theory, Transformational Leadership Theory, Chaos Theory and Situational Theory. It was interesting to see that after conducting the interviews, only some of these theories had some influence on how and/or why succession planning programs were

developed or not within health care organizations. Of the five theories identified, two really stuck out in how they fit in with the themes. There were two other theories that had small mention in the interviews. This section will discuss the themes in relation to theory and also focus most strongly on Situational Theory and Transformation Leadership Theory. Understanding those two theories may be key to helping organizations develop strong succession planning and management programs.

Behavioral Theory is based on distinguishable leadership behavior (Kenney, Blascovich & Shaver, 1994). There are behaviors that identify individuals as leaders in an organization. These behaviors arise in situations that set those with leadership potential apart from everyone else. This is an important theory to keep in mind while evaluating individuals for advancement. There are specific behaviors that need to be identified as desirable as an organization develops competencies and develops programs for developing their future leaders. There are two components to Behavioral Theory-task oriented or follower oriented leadership. Task oriented leaders are very structured and directive, while follower oriented leaders focus on the job at hand and express a greater appreciation for their followers (Holdford, 2003). In order to identify the most successful behaviors desired in future leaders, organizations should identify those behaviors that result in a balance between the task oriented and follower oriented behavior. Participants identified the need for different behaviors from future leaders. Participants 2 and 3 specifically talked about behaviors exhibited in the workplace and how these related to their search and development of emerging talent. These behaviors may not have been the same for each organization but each participant could identify the behaviors that were important to be seen in leaders in order to grow or sustain their organizations.

Chaos Theory plays into the current state of health care. This theory deals with unpredictability and uncertainty. These are two situations are what health care workers are dealing with on a daily basis. The constant changes in regulations and the need to keep up in a rapidly changing environment lead to what can be described as "organized chaos" in many organizations. Merry (1995), states that the essence of chaos is change. Remer (2006) states that social systems are in perpetual chaos and that the only degree to which there is any issue is that of how the interactions manifest themselves. Chaos can be a detriment or a motivator depending on how it affects the staff and operations. Organizations can learn from chaos in that it does have a pattern, and these feedback loops can be used to identify possible strategies for dealing with the changes. When developing succession planning and management programs, organizations need to understand how chaos relates to their current situation and the skills individuals will need in order to deal with the constant change within the organization. Participant 5 spoke of trying to keep up with the rapidly changing health care environment and the rapid changes in the development of their practice. This was a small group but they were seeing significant growth over a short period of time. This organization was without formal succession planning and management programs. They were thinking of succession planning and wanted to develop these programs, but felt they were focused on just keeping up with change and did not have the luxury of spending time on this activity.

Situational Theory

Situational Theory deals with how leaders can and should adapt to changing dynamics of leadership situations. The greatest predictor of leadership effectiveness and success is the situation in which a leader finds themselves (Holdford, 2003). This theory

really needs to be taken into consideration when developing succession planning and management programs. The best opportunities to learn and grow are often the challenges that new situations offer us. Participants 3,4 and 7 spoke of offering "stretch" assignments or the opportunity to work in different areas. This proved to be a great predictor of success and was useful in gaining the employee new skills. By showing a strong ability to adapt in situations, employers can see if their employees possess this critical component to success.

Transformational Leadership Theory

Transformational Leadership Theory is about achieving results beyond expectations. The central premise is that leaders influence followers by creating meaningful work (Purvanova, Bono & Dzieweczynski, 2006). These leaders are charismatic, inspirational and provide individualized consideration to their followers (Bass, 1985). These leaders are careful to attend to their followers' needs and to be able to identify their followers' needs for growth and development. Leaders with this style should result in a more engaged, devoted and less self-centered employees (Purvanova, Bono & Dzieweczynski, 2006). Understanding this theory is important to those leaders developing succession planning and management programs, as they themselves need to possess these skills and need to be able to identify and build these skills in their future leaders. Participants 3, 4, 7 and 9 spoke of having emerging leaders in situations that would test their ability to motivate and lead their groups through change. Although not stated as Transformational Leadership, per se, the underlying ability they were looking for was to effectively lead and offer meaningful work to others. This theory is imperative

to the success of a program, because it focuses on the employee and getting positive results.

Themes and Theory

There are a number of ways that the themes and words of the participants identified through data immersion correlate with the theories outlined above. I feel that chaos theory runs through all of the themes because of the lack of organization, communication and execution of the programs. All of the participants spoke of In order to develop strong succession planning and management programs, leaders will need to understand that by not formalizing a mechanism for development and promotion, they will be continuously throwing their organizations into chaos when a replacement for a leadership position occurs.

Situational Theory already seems to be ingrained in the practices of many of the organizations. Although succession planning and management preparation is not well-defined, per Theme Two, many of the organizations talked about giving "stretch" assignments to staff. This puts them in positions to challenge themselves and see if they have the skills and knowledge to push them to the next level. By seeing if high potential employees have the leadership skills to move to the next level, organizations can better plan and prepare their employees. This is an important point to include in any succession planning and management program that is being developed and I would suggest it as a "best practice".

The knowledge of the importance of Transformational Leadership Theory in developing and supporting a succession planning and management program is also paramount. The leaders need to understand their own importance in the process and what

skills they bring to the table in terms of employee development. If they want to continue to improve their existing programs or develop ones that are successful, they need to have an understanding of the skills they must possess in order to grow successful leaders. The participants spoke of disappointment in the lack of involvement of their own managers in developing their leadership track, but many did have mentors or colleagues who possessed the traits of a Transformational leader. They were able to be motivated by and encouraged by someone to stretch themselves and reach higher. Having a good understanding of this will assist them in developing programs in which they and other senior leaders will be engaged and active participants in the future of the organization.

Summary

The biggest take away from the interviews is that the health care organizations really do fit the description of the state of succession planning and the health care industry. Health care organizations across the state of Minnesota struggle just like health care organizations across the country. There is a lack of coordinated efforts across most of the organizations identified in this research. There is urgency in these organizations to get solid succession planning and management programs in place to deal with the loss of senior leaders to the mass retirements that will be occurring over the next five to ten years, as well as to continue to stay viable in an ever-changing health care environment. Health care must decide that proper succession planning is vital to the survival of their organizations and this realization needs to be from the top down. CEO's and other senior leaders must lead this charge and tie it to their strategic planning in order for these processes to become ingrained in their culture. Although the job market may be shaky at the present time due to the economy, there will be more and more pressure to keep top

performers as the Baby Boom generation retires. The only way to succeed is to make succession planning more than an exercise that needs to be crossed off the organizational "to do" list.

In terms of theory and succession planning and management, I would propose that the reason so many programs either fail or have difficulty getting traction within an organization is due to the lack of theoretical foundation for creating and nurturing tomorrow's leaders. By understanding the basic theory underlying their programs, they can begin to develop and implement succession planning and management efforts that can be easily understood and sustained.

Chapter 6 will outline how this research addressed the initial research questions from Chapter 1, as well as offer recommendations for developing successful programs and additional research on the topic.

CHAPTER 6: CONCLUSIONS AND IMPLICATIONS

The research questions asked in this research are: What models of succession planning are used by Health Care Organizations in the State of Minnesota? How are these plans put into effect? and What experiences have health care organizations had in development and implementation of these models? The conclusions that I reached in this study will be organized according to these questions and will be presented fully in this chapter.

What Models of Succession Planning are used by Health Care Organizations in the State of Minnesota?

There are a number of models for succession planning and management that are being used in health care organizations across the state. Some of these models involved matrices that identify those who are currently ready for advancement or those who have potential. Other organizations have detailed profiles on their staff and work closely with them to develop their potential. Still others have no formal programs in place.

In conducting the interviews, I was struck by how closely reality in these organizations and their succession planning efforts mirrors what the literature review showed. Health care lags behind industry in their succession planning efforts and these interviews outline the fact that although many organizations say they employ some sort of succession planning, the number of them doing it effectively is very small.

Two of the organizations had very structured succession plans-one utilizing a matrix, the other, basing their efforts on employee performance and development. While they both had these efforts, only one seemed to truly work directly and openly with their employees to gauge interest, select specific educational and developmental opportunities and have pools of individuals for specific roles within the organization. A couple of

leaders interviewed had well defined plans for their employees yet these individuals did not have a defined plan for themselves. Their direct supervisors had not had any meaningful conversations with them regarding further leadership opportunities within their organizations.

Other leaders expressed a strong desire to develop a defined succession planning and management program within their organizations. These organizations tended to be smaller in size and growing their practices. They saw the need to identify the next leaders and to recognize and grow the potential of their current employees. They may not have formal succession planning efforts in place, but are laying the ground work with identifying competencies for administrative staff, providing opportunities for stretch assignments and working to guide employees to appropriate roles.

How Are These Plans Put into Effect?

There were different ways in which organizations put their succession plans into effect. Some of the organizations worked more on developing plans within specific departments, while others looked at specific roles.

A few of the organizations identified specific leadership positions that they were targeting with succession planning efforts. This led to the ability to develop high potential employees for a variety of positions within the organization. Others had succession planning programs implemented first in specific departments and then saw succession planning efforts spread to higher levels of the organization.

The organizations that had not developed formal succession planning and management programs had their eye on some specific positions within the organization that they felt would benefit from having more organized planning efforts.

What Experiences Have Health Care Organizations Had in Development and
Implementation of These Models?

Overall, these health care organizations have not had a lot of experience with developing and implementing succession planning and management programs. The well developed models that were explained were both fairly new in their implementation so there is not enough information to determine if the efforts will be successful or sustained over time. It is positive to note that they are trying. The organizations that do not have formal plans seem to be looking for a good model to emulate as they work on development.

There also seems to be an underlying sense of frustration as to how to do this correctly. Participants 3 and 4 both talked of difficulties in getting started with the programs in their departments both with finding qualified employees to work with and with finding agreement amongst the leadership teams in terms of what skills and competencies were most desirable.

For this study, the smaller the organization, the less succession planning and management they were likely to be involved in. These small organizations did want to do more strategic succession planning but they were primarily focused on growing their practices. The larger organizations had formal programs in place, but it was the mid-sized organizations that seemed to have the most well-defined and followed succession planning programs. I believe that the mid-sized organizations were solid in their strategic plan and had the time to focus on succession planning. The largest organizations were formal in their programs as well, but were so big, that succession planning was harder to manage.

Implications

As I undertook this research, I felt that there would be implications for the health care industry as well as for employees within health care organizations. This section will discuss these implications.

Implications for Health Care

This research has many implications for health care. It can assist organizations with development of programs, foster a better understanding of the needs and challenges in health care and can lead to an understanding of theory and development to leaders.

Pointing out the weaknesses of the current state of succession planning and management can help organizations avoid the pitfalls identified. There is a huge need to engage in planning for the future in organizations due to the looming retirements and rapidly changing environment. Organizations can use this research to justify the need to expend time, energy and resources toward developing succession planning and management programs.

By understanding what other health care organizations are doing formally, there can be a better understanding of the current and future needs in their own organizations. This understanding can help with the development of their own programs. There is much to learn from knowing what other organizations are doing and whether or not these programs are successful.

Bringing an understanding of theory and how it relates to the development of succession planning and management programs is another implication. As noted in Chapter 5, there seems to be a lack of general understanding of theory in health care. By

developing an understanding of theory, organizations can build programs that have a basis in specific theories, which will allow them to be more successful.

Chaos theory really outlines the current state in which I believe health care is functioning. Leaders may balk at that assertion, but the fact is that many organizations are struggling to keep up with the rapid changes occurring and this reactive mode is keeping them from developing proactive solutions to their leadership gaps. If leaders understand that they are operating in chaos mode that this mode is actually more predictable by understanding chaos theory, there can be the foundation for developing successful development programs for employees. Identifying key behaviors in high potential employees and understanding how these behaviors lead to success or failure in leadership is also paramount. Right now, organizations are trying to develop leadership competencies but may be leaving out the key behaviors that can predict success more than one specific job skill. An understanding of Behavioral Theory can lead developers of succession planning and management programs to develop programs that help nurture the behaviors that will lead to the most successful leaders. This can also help weed out from leadership, employees that lack ability to engage in the fundamental behaviors that lead to success.

Transformational leadership is another theory that needs to be well understood by leaders in health care organizations. If it is imperative that succession planning become ingrained in the culture of an organization, it is equally imperative that senior leaders understand their role in making this happen. By understanding that their behavior and engagement is an important aspect of the success of succession planning and

management programs, they can develop a program for their employees that exceeds everyone's expectations.

It seems that many of the current programs are put together without any basis or understanding of theory and I would propose that it why they may not be wholly successful. Without an understanding of what factors may be affecting the planning and execution of the programs, these cannot be fully successful.

This research will also allow organizations to add more layers to their planning. This means that organizations understand that developing solid succession planning means more than just offering classes, but involves an understanding of theory in relation to leadership, developing competencies that cover the skills and traits necessary for successful leadership and offering opportunities for employees to stretch and develop their skills.

Implications for Employees

It is my hope that this research is able to be put in practice in health care organizations. If this is the case, high potential employees can benefit from this research in more structured succession planning and management programs. By becoming more structured, employees are able to understand where they fit in strategically in the organization, what is expected of them and the tools they have available to them in order to further their careers.

Implications for Further Research

There are a number of implications for future research that were identified through this study. They will be discussed below.

This research study conducted eleven in person interviews. It would be interesting to conduct a wider number of interviews in order to validate the findings. There are still some health care organizations within the State of Minnesota that were not a part of this study and it would be helpful to understand if their experiences are in line with the eight organizations that were contacted.

Another aspect to the study was that it was limited to the state of Minnesota. If further research is to be done, it would be prudent to interview leaders in organizations across the United States. This would give further credence to literature showing that health care as a whole does a poor job with succession planning and management.

Another interesting vein to explore would be to interview employees in more sub-ordinate positions, possibly those in lower level leadership positions. In the current research, the participants talked of their own frustrations with succession planning and management in their own careers. It would be interesting to see if their subordinates felt the same frustration in their own careers. Being able to understand whether or not the impressions of leaders are in sync with their employees would be fascinating. I noticed a bit of this in the interviews as a couple of organizations had more than one interviewee. These interviews showed some frustration with the current succession planning process, while the other participant spoke more positively about the process. Being able to validate the impact of succession planning and management programs is essential for ongoing success.

Recommendations

The time has come to discuss recommendations for developing succession planning and management programs in health care organizations.

First off, it is imperative that organizations identify competencies necessary for the positions at hand. These competencies must then be clearly articulated to employees in order for understanding to occur. The next is for there to be honest and regular dialogue with employees in regard to their performance. Those that are high potential or exceptional performers must be told of their status and steered to development programs, if they so have the desire. Those who do not meet the leadership competencies should also have open, honest feedback and be counseled on better career options within the organization or be encouraged to find opportunities elsewhere.

Organizations need to have well-developed programs offering training and education to their employees. These can be internal, external or a combination, but they need to be offered across the board and be an expectation to participate in order to attain promotional opportunities.

Finally, organizations need to see succession planning and management as a strategic priority and treat it as such. There seems to be the attitude that succession planning is an optional exercise or that it is something to be checked off on the list of things that have been accomplished during the year. Until leadership sees the development of their employees as paramount to the success of the organization, I think health care will continue to struggle. My hope is that this research will help convince organizations of the importance of planning for the future by investing in their most precious resource, their employees.

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LIST OF APPENDICES

APPENDIX A   Invitation to Participate Letter

APPENDIX B   Participant Consent Letter

APPENDIX C   University of Minnesota, Institutional Review Board Approval

Appendix A: Invitation to Participate

You are being asked to participate in a research study. I, Allison Suhler Hart, am the investigator for this study. I am a doctoral candidate in Work and Human Resource Development at the University of Minnesota and these interviews will be the basis for my doctoral dissertation-An In-Depth Evaluation of Succession Planning and Management in Health Care Organizations.

You have been selected to participate because of your current employment at one of the major health care providers in the State of Minnesota. The study is looking at your perceptions of, knowledge of and experiences with succession planning and management in your organization. Your responses will provide valuable information regarding succession planning and management in health care organizations. This interview will require approximately 30-60 minutes of your time to complete. Interviews will be scheduled in a one-on-one, face to face setting.

Participation is completely voluntary.

If you would like more information about this research or would like to schedule an interview ,please contact me at 507-252-1687 or at hart0542@umn.edu.

Thank you in advance for your participation,

Allison Suhler Hart

Appendix B: Consent Form

CONSENT FORM
An In-Depth Evaluation of Succession Planning and Management in Health Care

You are invited to be in a research study of succession planning and management activities in health care organizations. You were selected as a possible participant because of your leadership position within your organization.. We ask that you read this form and ask any questions you may have before agreeing to be in the study.

This study is being conducted by: Allison Suhler Hart, Ph.D. Candidate, University of Minnesota

Background Information

The purpose of this study is: Evaluate the succession planning and management efforts that are currently being used in health care organizations. I am particularly interested in how these plans were developed, put into effect and what the experiences of those in the health care organizations have been with these programs/efforts.

Procedures:

If you agree to be in this study, we would ask you to do the following things:
We will schedule a 60 minute time to do a face to face or phone interview covering 10 questions regarding succession planning and management efforts in your organization. These interviews will be audiotaped and then transcribed. I will be the only individual with access to these tapes and no identifying information will be transcribed.

Risks and Benefits of being in the Study

All studies have some inherent risk to the participant. This study has minimal risk. The biggest risk for this research is that of disclosure: There is the possibility that someone may be able to identify the individual interviewed or determine the organization. All precautions will be taken to insure this does not happen.
The benefits to participation are: There are no benefits to participating in the study.

Compensation:

There is no compensation offered for this study.

Confidentiality:

The records of this study will be kept private. In any report that may be published, no information that that may make it possible to identify a subject will be included. Research records will be stored securely and only researchers will have access to the records. Audio tape recordings will be destroyed upon their transcription.

Voluntary Nature of the Study:

Participation in this study is voluntary. Your decision whether or not to participate will not affect your current or future relations with the University of Minnesota. If you decide to participate, you are free to not answer any question or withdraw at any time with out affecting those relationships.

Contacts and Questions:

The researcher conducting this study is: Allison Suhler Hart You may ask any questions you have now. If you have questions later, **you are encouraged** to contact me at 507-252-1687, hart0542@umn.edu. My advisor is Rosemarie Park at the University of Minnesota. She can be contacted at 612-625-6267 or at parkx002@umn.edu.
If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher(s), **you are encouraged** to contact the Research Subjects' Advocate Line, D528 Mayo, 420 Delaware St. Southeast, Minneapolis, Minnesota 55455; (612) 625-1650.

You will be given a copy of this information to keep for your records.

Appendix C: Institutional Review Board Approval

UNIVERSITY OF MINNESOTA

Twin Cities Campus	Human Research Protection Program	D528 Mayo Memorial Building
	Office of the Vice President for Research	420 Delaware Street S.E.
		MMC 820
		Minneapolis, MN 55455
		Office: 612-626-5654
		Fax: 612-626-6061
		E-mail: irb@umn.edu or ibc@umn.edu
		Website: http://research.umn.edu/subjects/

10/13/2010

Allison S Hart
5242 Nicklaus Drive NW
Rochester, MN 55901

RE: "An In-Depth Evaluation of Succession Planning and Management in Health Care
        Organizations"
        IRB Code Number: **1003P79516**

Dear Ms. Hart:

The Institutional Review Board (IRB) received your response to its stipulations. Since this information satisfies the federal criteria for approval at 45CFR46.111 and the requirements set by the IRB, final approval for the project is noted in our files. Upon receipt of this letter, you may begin your research.

IRB approval of this study includes the consent form received October 11, 2010.

The IRB would like to stress that subjects who go through the consent process are considered enrolled participants and are counted toward the total number of subjects, even if they have no further participation in the study. Please keep this in mind when calculating the number of subjects you request. This study is currently approved for 10 subjects. If you desire an increase in the number of approved subjects, you will need to make a formal request to the IRB.

For your records and for grant certification purposes, the approval date for the referenced project is March 24, 2010 and the Assurance of Compliance number is FWA00000312 (Fairview Health Systems Research FWA00000325, Gillette Children's Specialty Healthcare FWA00004003). Research projects are subject to continuing review and renewal; approval will expire one year from that date. You will receive a report form two months before the expiration date. If you would like us to send certification of approval to a funding agency, please tell us the name and address of your contact person at the agency.

As Principal Investigator of this project, you are required by federal regulations to inform the IRB of any proposed changes in your research that will affect human subjects. Changes should not be initiated until written IRB approval is received. Unanticipated problems or serious unexpected adverse events should be reported to the IRB as they occur.

The IRB wishes you success with this research. If you have questions, please call the IRB office at 612-626-5654.