How Smart Health Care Leaders Are Facing the Talent Crunch
Introduction

It’s not news that the health care industry is changing and facing complex challenges. Along with new standards of care, health care reform, new business models and increasing pressure on margins, there is also a looming talent crunch. The dual nature of this crunch is that providers are retiring even as an aging population and increased availability of insurance coverage are boosting demand for their services. The Bureau of Labor Statistics says health care employment is expected to grow 19 percent between 2014 and 2024, adding about 2.3 million jobs. The shortage of qualified and ready leaders makes this talent dilemma even more troubling.

That pressure has sparked new interest in managing health care talent more effectively. Recruiting, retention and training are all top issues for health care leadership, says Mary Jo Assi, director of nursing practice and work environment at the American Nurses Association. Even in areas with a surplus of new-graduate nurses, there are still shortages by specialties, and turnover rates can be high, Assi says. For health care organizations to reach their ultimate goal of providing high-quality, cost-effective care, they will need a more intentional and devoted talent-management strategy. Fundamental to this strategy is how health care organizations attract, develop and retain current and future leaders.

Fortunately, health care organizations have a built-in advantage when facing these challenges, because their missions don’t change, says Devin Lemoine, president of Success Labs, a management consulting firm whose clients include large hospitals. “Health care always has a pretty clear mission — taking care of the patient. What’s changed is how they’ll get there,” Lemoine says.

This guide will look how smart health care leaders are rising to meet these challenges and prepare their organizations for the future with a focus on attracting, developing and retaining their talent.
Attract

Competition for a shrinking talent pool is intense. Health care professionals have more choices of where to work as the global market makes skilled workers prime recruiting targets of organizations around the world, and the internet makes it simple for employees to find and compare job opportunities. With those stakes, health care companies have to capitalize on their unique value proposition with employees.

Double Down on Brand and Mission
Money doesn’t always talk, but your work culture does. Loudly. Patricia Johnson, senior vice president of patient care/NICU/respiratory therapy and chief nursing officer at Woman’s Hospital in Baton Rouge, Louisiana, says her organization is always focused on its mission of helping women and infants, and that its brand attracts people who are interested in upholding that mission. “Our brand is women’s care, and people know that when they apply,” Johnson says.

Share the Stakes
During times of change you need all hands on deck. If you’re seeking to build a stronger, more effective health care organization, you should get everyone involved in making that happen from the very beginning. Current employees are your biggest brand ambassadors. If your staff members are happy, productive and engaged, they will want to recommend your hospital as a great place to work for their talented friends, family and former co-workers. At Woman’s, for example, part of the interview process includes staff interview panels who meet with job candidates for bedside nurse positions. “We’ve found that they’re able to best identify the people who will fit with the Woman’s culture,” Johnson says. “They’re more vested in making sure they succeed, because they’ve chosen them.”

Onboard Effectively
Ensure new employees understand the organization they are entering and how they fit into the bigger picture. Setting expectations at the beginning of their careers at your organization will help people understand how their work supports the overall mission. Part of the onboarding process at Woman’s includes going over highlights of the organization’s strategic plan and its priorities, such as patient safety. “We start them off in the very first week,” Johnson says. “We try to have a lot of personal connection with employees.”
Develop

The primary purpose of talent development is to help individuals become more effective and successful in their current role, and in potential future roles. It’s a simple concept, but it’s rarely implemented consistently or holistically. Only 20 percent of health care organizations say they know the current leadership capability of their organization and have a process to identify talent for future business success, compared with a third of organizations in other industries that have both.

It’s no surprise, because health care leaders have been preoccupied with health care reform and other changes in recent years, and they haven’t been able to put significant emphasis on long-term succession planning. Many also struggle with the shift from excellent clinician to excellent administrative leader, since this move requires a vastly different knowledge base and skill set.

Managing talent effectively makes it easier to prepare for ebbs and flows in demand, Lemoine says. Health care organizations cannot necessarily control the ongoing and increasing demands, but they can prepare current and future leaders and help them thrive. When talent development is at the top of the list, health care will be able to manage any talent shortages while still providing top-level care.

Here is how to cultivate key leaders and secure the organization’s future.

Identify Risk and Need

Making sure the people strategy of the organization supports the business strategy is imperative. Woman’s Hospital periodically assesses critical positions and looks into what those positions require, says Wendy Singleton, director of nursing and magnet program director. The organization identifies positions that are at risk of going vacant as people retire or that are held by people who may take their talent elsewhere, and looks at potential successors for development.

“This allows for purposeful planning,” Singleton says. “We can look at individuals, find gaps and start developing. The key is to be proactive.”
Align Development with Organizational Strategy

Whether the aim is to help the organization achieve financial goals or operational ones, a strategy is needed. For Woman’s, that meant participating in the Magnet Recognition Program, which requires organizations to hit certain metrics in patient care, nursing excellence and nursing innovation. “When we first started looking at Magnet, we did a gap analysis and felt like we could achieve it with some change,” Johnson says. “We’ve had a hospital strategic plan for some time, but didn’t have a nursing professional model or nursing strategic plan. We used those components to guide our future work in nursing to a higher level.”

For example, one of the goals was to ensure that all nursing managers had bachelor’s degrees to meet Magnet requirements. Leaders examined what nursing managers would need to reach that goal, then committed the organization to providing resources to achieve it. Leaders established tuition-reimbursement programs and scheduling flexibility for employees to achieve their B.S.N.s by the deadline. “It’s given us a great structure to accomplish our goals,” Singleton says.

Build Leaders

Building meaningful, sustainable “leadership development programs” and processes for every level in the organization can help people gain the skills they need to be leaders. Woman’s Hospital implemented a leadership program with several best practices — including technology that automates 360-degree feedback reports, and development discussions with bosses and coaches to review feedback, discuss career objectives and create customized development plans for leaders and emerging leaders. “If you’re doing leadership development, you’ll be able to rapidly improve your outcomes,” Johnson says. “We’ve focused on developing transformational leaders who can improve outcomes for patients. If you have an effective leader who can also inspire the front-line nurse and have that nurse be engaged, you’ll have better outcomes.”

Additionally, mentoring and knowledge-transfer activities can help pass on knowledge from veteran employees to young leaders. In fact, recent graduates find it difficult to transition into nursing without mentoring and orientation, Assi says, adding that studies support the implementation of robust nurse residency programs that are at least three months long.
The key is making time to develop these plans, rather than simply hoping there will be time, Lemoine says. And while it can be daunting to embrace long-term thinking in a time of change, Lemoine says the situation requires it. “A lot of people are leaving it to chance — hoping that a leadership class will be enough to prepare someone for the next level — when it takes more nuanced feedback and intentional development experiences for leaders and emerging leaders to develop,” she says.

Keep in mind that employee development often translates into better patient care. If you’re developing competencies for leaders, whether on the front lines or in an executive role, you’re likely working on communication, teamwork and other critical relationship skills, Lemoine says. Developing those competencies in people who have superior clinical skills can help you build a strong leadership team. “If you’re working better with your team, you’re going to be better with your patients,” she says. “As people are challenged to be better, that’s going to affect the business of taking care of patients.”

**Use Change as a Talent-Management Strategy**

Change is scary and can seem like danger to employees, but within all the change health care employers are facing is a great opportunity to improve the work they do at all levels. As leadership-studies pioneer Warren Bennis said, “Leaders learn by leading, and they learn best by leading in the face of obstacles. As weather shapes mountains, problems shape leaders.”

The changes that health care organizations are facing can seem daunting, but it’s an excellent time to strengthen resilience through building employees’ careers. Change offers employees opportunities to do things they would never get a chance to do during static times. Make them a part of the change. Give them a chance to grow, shine and be visible. Your smart, talented employees will help get you through change — and your future leaders may emerge.

As you encourage people to take on new projects and set stretch goals, remember that there’s a risk of frustration and failure. Ensure that employees can grow through learning experiences, rather than feel shamed or punished, Lemoine says. “You have to be good at setting up development experiences as growth and learning opportunities and then offer feedback and coaching to build resilience in emerging leaders,” she says.
Retain

Studies show that one in five health care professionals quit their jobs every year. If your hospital has 1,000 employees, it’s likely that 200 of them are headed out of your revolving door next year. It can cost $50,000 to recruit and train a new nurse, and replacing an experienced critical care nurse can cost $120,000.

Cultivate a Strong Culture

A survey by Glassdoor found that 66 percent of health care workers are likely to accept less money to work at a company or hospital with a great work culture, and 56 percent would rather work at a hospital that values helping people above all else. A strong mission and brand will attract talent to your organization, and a strong culture will inspire key talent to stay there.

“We had a strong culture of patient experience long before that became the new buzzword,” Johnson says. The organization has continued to work to improve the culture, starting at the administrative level, she says. “When I came, the staff oriented me around the concept of making every woman patient feel like she’s a queen. Because of the nature of what we do, we have many employees who were born here and now work here. We have more commitment from employees to the organization than I’ve ever seen, and we’re careful to protect that.”

Leverage Data and Technology

Many health care organizations collect ample amounts of data, but not all effectively apply this information. Yet, now more than ever, innovative approaches to data collection and technology are becoming a vital aspect of talent management.

Data and technology can improve talent management in many ways. As a service industry, health care relies on people, and determining what kinds of people will succeed at your organization can help improve outcomes, says Monica Wearren, talent-development and engagement manager at American Health Network, a network of health clinics. Managers can significantly improve the experience of their patients and teams by using predictive analytics to understand the personalities, key strengths, values, motivators and communication styles of their employees and providers, Wearren says. Building stronger teams that uphold a culture of excellence can help organizations improve patient outcomes and satisfaction levels.
For Woman’s Hospital, this meant automating its leadership-development and succession-planning processes. It used Success Labs’ inQ software to assess critical leadership competencies and create individual development plans based on the results. “It feeds into the succession-planning piece of the system we use as well,” Singleton says. Now all of Woman’s talent-development data and plans are stored in one place.

Social software can also support day-to-day team communication, Wearren says. “I really like what’s taking place in the social intranet space. It’s a great example of how 21st century HR tech has figured out how to meet employees where they are by providing platforms for project collaboration, communication and crowdsourcing ideas.”

**Prepare for New Generations**
Part of dealing with an aging workforce means ensuring your culture appeals to a younger generation. “We have boomers, Gen Xers and millennials here, and how they communicate with each other is very different,” Johnson says. In addition, she says, younger generations tend to turn over faster, as they aren’t looking for a lifetime position. A more flexible dress code, a clear social media policy or a plan to retain young employees through quick development, career paths and promotion can help to engage the employees who will build your future.

**Be Flexible**
Above all, flexibility will be key in managing talent in the face of change. Woman’s Hospital has focused on it, Singleton says. Whether it’s time off for a family situation or a schedule that adjusts to fit someone’s needs, the organization has been dedicated to finding ways to make flexibility work for all employees, regardless of position. In addition, the hospital has an employee emergency fund and a program that lets people donate unused paid time off to each other. “It helps engagement and commitment to the organization,” she says.
Conclusion

As demand grows for health care services and providers continue to retire, health care organizations will be under increasing pressure to sustain their talent pipeline and level of care while bringing in new employees and expanding services.

Of course, the missions of health care organizations have remained the same, and they can serve as a guide through these challenges. The people, processes and technology that take care of patients are changing. But the mission — taking care of the patient — has not.

As an industry that relies on people, health care must focus on its people to effectively meet these new challenges. The landscape will continue to be a challenge. One of the best ways to thrive is to focus on people being integral to the organization’s vision and strategy. Innovative and intentional approaches to attracting, developing and retaining talent will be key to the organization building on a tradition of excellence and upholding its mission.
About Success Labs

Success Labs is a leadership development and management consulting firm in Baton Rouge, Louisiana. For more than 25 years, our expert team of consultants has worked with hundreds of companies to explore their business potential and improve their company and cultural performance.

About InQ

InQ®, Success Labs’ proprietary talent management software, puts crucial people-management data at your fingertips. This affordable, flexible tool ensures your high-potential employees have effective development plans and are on track to achieve their growth goals, so they’ll be ready when you need them to step into next-level roles.

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