

Talent Management in Healthcare Administration

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Abstract

The health system is extraordinarily complex and more than other sectors requires building consensus among independent constituents, many of whom have existed for more than centuries. Health is a mission driven industry. The “end-consumer” for health is ultimately people everywhere, although the trend may be toward specialty delivery organizations (hospitals, pharmaceuticals, biotech start-up, insurance company) have at the core of their strategies making people healthy. These organizations recognize that health is about serving people at their most vulnerable and when they are in crisis.

Healthcare facilities today face talent challenges. The ability to sustain a steady supply of talents is a challenge facing all organizations worldwide. Among the issues confronting the “next generation” workforce are impending skill shortages, an increasingly generational gap and diverse workforce, the need for knowledge transfer from retiring healthcare providers, and significant leadership gaps. At a time when organizations like the healthcare, aviation industry, and others need to optimize their workforces, most agree that talent management is of strategic importance. Health leaders are especially challenged to create work climates that motivate high-quality, patient-centered care and retain high demand talent in a competitive market. This paper aims to present strategies to maximizing talent management in the healthcare administration or system.

Keywords: Healthcare, Talents management, Health system, Healthcare administration, Talent Strategy.

1. Introduction

Hospital systems continue to confront a series of demographic, marketplace, and financial challenges concerning the talent management process. The aging and increasingly diverse US workforce, the limited number of high quality graduate programs in healthcare administration, the comparatively low hospital CEO median tenure of four years, and a general lack of sustained investment in talent management compared to other industries are examples of talent management challenges currently facing hospital organizations (Ready, D. & Conger, J., 2007; Hartman, S. & Crow, S., 2002; Dolan, T., 2005; Abrams, M., & Bevilacqua, L., 2006). In order to proactively prepare for the unprecedented departure of managerial talent in the health care industry, many hospital systems are investing in talent management practices to ensure a sustained pipeline of future organizational leaders (Hartman, S. & Crow, S.; Groves, K. 2007).

Talent management (Human Capital Institute, 2008) is a complex discipline, encompassing a wide array of programs and processes. Talent management approach (Groves, K. 2007) is defined as the integrated system of strategies, policies, and programs designed to identify, develop, deploy and retain leadership talent to achieve strategic objectives and meet future business needs, and ensure hospital system of a sufficient supply of capable leaders to achieve strategic objectives. For such initiatives to be successful, a concrete talent strategy must serve as a constant guide, providing direction for how the organization will acquire, develop, and retain employees while always reflecting the key business goals of the organization. Successful companies embed their talent strategy into the overall strategic-planning process, integrating individual programs and practices to ensure they are all driving toward the same objective. Leaders who have an impact must exercise influence, consensus and coalition-building competencies at higher levels than most leaders.

The growing recognition that the quality talent is a sustainable competitive advantage, coupled with a realistic view of the complexity and scope of changes in the global workforce, has led to a renewed focus and urgency around talent management. Strong leadership (NCHL, 2006) is likely the single most important driver of overall organizational performance and well-constructed talent management and succession planning system remain critical to developing and retaining a deep bench of strong leaders.

2. Discussion

Nowhere is the need for effective talent management and succession planning more pronounced than in the dynamic complex healthcare industry, where leaders face unprecedented pressure to transform their organizations so as to meet growing demands for high quality, cost-effective care. The Institute of Medicine (2001) in its ambitious expectations of health reform in reducing costs and simultaneously assuring high quality of care by delivering safe, effective, patient-centered, timely, efficient, and equitable care – the industry needs to better prepare to retain men and women to manage the complex organization that provide and finance care (Ogden, 2010). According to the American College of Healthcare Executives (2010) the need for talent

management and succession planning is greatest in the healthcare industry hence it faces shortages in all types of leaders – administrative, physicians, and nursing; high turnover among leaders (driven in part by a large number of impending retirements), and front-line staff, and growing difficulties in attracting management talents from other industries.

Ogden (2010) claimed that many healthcare organizations are experiencing a crisis in their leadership pipelines, with 18% turnover among chief executives officers in 2009, increased significantly from previous years, and significant turnover among chief nursing officers (CNOs) as well. Jones, et al. (2008) also claimed that 25% of current CNOs have left a similar position in the past five years, and 62% plan to do so in the next five years. High CNO turnover may also be responsible for significant turnover among front-line nurses, with more than a quarter of new nurse graduates leaving their first job within two years. High turnover cause significant cost and quality problems for an organization. In addition, high levels of nurse turnover may have a negative impact on quality and patient experience, as those new to the profession or a particular organization may be prone to mistakes and /or otherwise not provide the same level of care as does a more experienced nurse (Kovner, C.T. & Brewer, C.S., 2009).

The National Center for Healthcare Leadership (NCHL) recently conducted a survey (the NCHL National Healthcare Leadership Index) and interviews on the systematic failure of healthcare organizations to provide leaders and those with capabilities to replace them with support needed to develop professionally and perform their jobs; finding that not nearly enough attention is currently being paid to succession planning or talent management activities (but by no means exclusively) for nurse leaders. To address this issue, healthcare organizations need to put in place a series of best practices related to succession planning and talent management, taken from both inside and out of healthcare, emphasize the following (American College of Healthcare Executives, 2010):

(i) Clear communication that stresses the importance of succession planning and talent management as key organizational priorities and processes. (ii) Tight linkages between succession planning/talent management and the organization's overall strategy, priorities, and projected needs. (iii) Extensive involvement of ownership of the program by various levels of senior management to help overcome organizational barriers to the career advancement of future leaders (iv) Integrated use of a leadership competency model, with competencies tied to organizational strategies and priorities. (v) Recruitment of new employees targeted at those who share the organization's values and have the potential to develop desired competencies. (vi) Rigorous and repeated assessment of those with strong leadership potential, combined with aggressive efforts to retain them. (vii) "Stretch" job assignments for high-potential individuals designed explicitly to create new skills and perspectives. (viii) Highly customized and flexible professional development plans emphasizing on-the-job experience, supplemented by other forms of development. (ix) Tight linkages between succession planning candidate assessment, and development planning for future leaders. (x) Ongoing measurement and evaluation of the outcomes derived from talent management and succession planning activities, with modifications based on what the organization learns to stimulate continuous improvement.

Congruent to NCHL best practices recommendations are the Moses Cone Health System Succession Planning Key Principles (NCHL, 2007) are the following:

(i) Employees are responsible for their own development. (ii) Transparency will guide the process. (iii) Multiple talent pools will be cultivated. (iv) The leadership competency model will guide the effort. (v) Candid, evidence-based developmental feedback is documented and shared. (vi) Losing unqualified candidate is expected. (vii) The board of directors' remains actively involved. (viii) Specific metrics guide evaluation of the process.

3. Conclusion

Talent management is a conscious deliberate approach undertaken to attract, develop, and retain people with the aptitude and abilities to meet current and future organizational goal (s). And in today's uncertain economic environment, including healthcare industry, it is important that talent management and succession planning issues must be addressed, but it is also important that they get them right – first time.

Prior research suggests that investments in talent management practices brings better financial performance; focusing on competency development, on the job training and project-based learning leads to effective individual and team performance; promoting mentoring, coaching, social networking and collaboration brings about knowledge sharing and high morale; implementing succession planning and career development improves loyalty and quality of services; and measuring workforce performance outcomes increases retention of high performers.

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