

A Leaders Guide For Establishing a Succession Planning & Management Process

By Don Hutton, FACHE and Stephen C. Moulton, SPHR



*“Insanity is doing the same
thing over and over, and
expecting different results.”*

Albert Einstein



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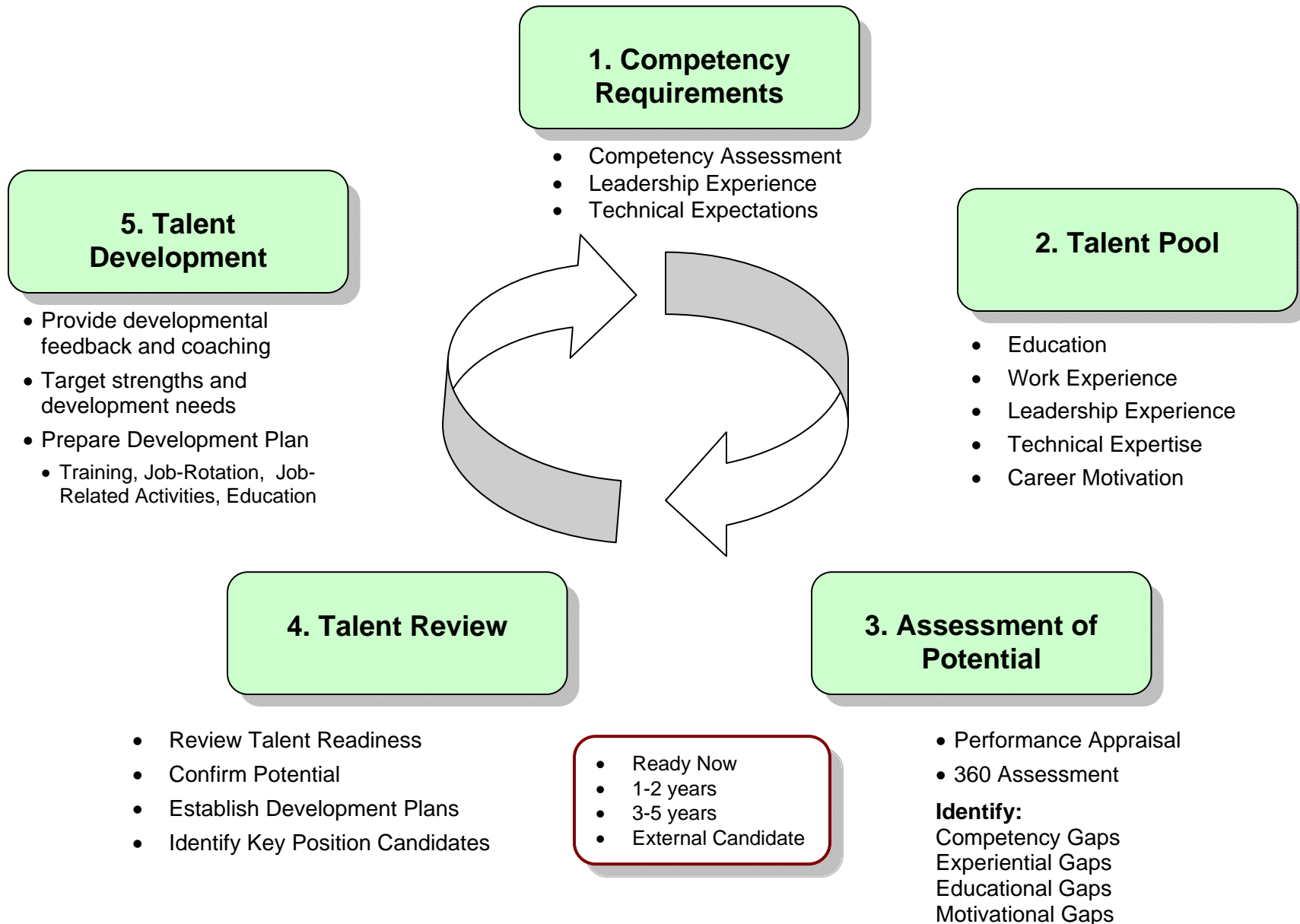
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Simplified Succession Management Process



Sample Policy: Health Care System Name

System Policies & Procedures

PURPOSE:

To identify the characteristics of the effective leader in the **Health Care System Name Name** and to specifically state the support of the **Health Care System Name Name** to that effective leader in the overall process of succession planning.

POLICY:

The Health Care System Name Name believes that an effective leader in today's health care ministry will possess the following characteristics:

1. Shall be truly committed to the philosophy, mission, values and vision espoused by the **Health Care System Name**. The effective leader shall also exhibit an ability to reflect values of the organization in performing management functions.
2. Shall demonstrate a personal commitment to the health care profession, to the **Health Care System Name**, and to the community being served by the entity to which she/he is assigned. This commitment shall take the form of active involvement in appropriate activities in the community, in the System and appropriate professional development opportunities.
3. Shall be willing to accept horizontal, as well as vertical, movement in her/his career path to personally develop skills and to support the System in needed areas as conditions change.
4. Shall be flexible and open to new experiences and geographic locations where various **Health Care System Name** campuses are operated.
5. Shall be committed to excellence.

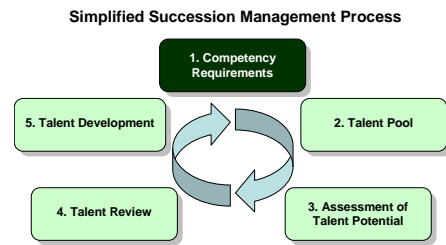
To support its efforts to recruit, retain, and develop effective leaders, the **Health Care System** shall:

1. Provide opportunities for educational and developmental programs designed to assist the executive to become a more effective leader.
2. Promote open and forthright dialogue to assist the executive in identifying areas of strengths and weaknesses and identifying opportunities in which the executive can grow while meeting the needs of **the Health Care System Name**.
3. Shall provide fair and just compensation and benefit packages.
4. Shall conduct itself consistent with its values, mission and philosophy in terms of its treatment of the executive.
5. Shall provide a fulfilling and rewarding professional experience for the executive.
6. Recruit, mentor, and advance women and minorities to maintain an ethnic diversity of executives reflected in the population as a whole.

1. Competency Requirements

“I am convinced that nothing we do is more important than hiring and developing people. At the end of the day you bet on people, not on strategies.”

Larry Bossidy



I have heard a fair number of managers and leaders say:

“I’ll know it when I see it.” Yet there is a more effective way to select people for positions, that actually has a very high level of reliability in predicting success, than, “when you see it you’ll know it.” The process requires a quick and simple competency assessment.

There are basically two kinds of competencies that need to be considered for succession planning.

Technical Competencies are learned in an educational environment or on the job. Skills such as:

- reading a balance sheet
- operating a computer
- conducting an interview

Behavioral Competencies are typically learned through life and are difficult to change, particularly if the individual doesn’t want to change. These competencies include such topics as:

- integrity
- dealing with pressure
- analytical skill
- strategic perspective and many others

Competency Assessment - To be effective, it is necessary to analyze each position that is targeted as a key position and each feeder position. This analysis needs to include the responsible supervisor and job incumbents.

This is where we offer a shameless plug for the Action Insight approach for conducting behavioral competency analysis, it saves time (taking 30-60 minutes), increases validity and leads to tools for selecting and developing talent that will make a difference.

Leadership Experience – What kinds of leadership experiences do the positions require to be successful?

Public Speaking? Media Relations? Management of Managers? Multi-Function Leadership?
Leadership by Wandering Around? Team Building? Collaboration? Large Project Management?
Others?

Technical Expectations – What Technical expertise does the position require for success?
What technical performance expectations are essential for success?

One typical failure in identifying a technical expectation for a position is in not clearly establishing an outcome for each expectation.

2. Talent Pool

*“Most people believe they see the world as it is.
However, we really see the world as we are.”*

Anonymous

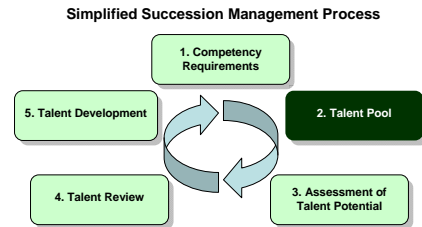
It is hard to see the world of talent in an organization without gathering at least a snapshot of information that gives you the ability to compare apples to apples. It is important to gather a profile of each individual that may be considered for development and succession to key positions.

Areas that need to be included are:

- Biographical Data
- Education
- Work Experience
- Leadership Experience
- Technical Expertise
- Career Motivation

There are two forms included in this module. The first creates a profile on the background, accomplishments, successes, missed opportunities, key goals, etc.

The second form is focused on determining the level of motivation for each individual.



COMPANY NAME**PERSONAL PROFILE**

Name:

Position Date:

Service Date:

Job Title:

Salary Level:

Information contained on this form is privileged and confidential.

WORK HISTORY (Last 5 Years)

Job Title:

Company:

Location:

Dates Held:

From/To

MAJOR AREAS OF EXPERIENCE (Prior to 5 years ago)**ACCOMPLISHMENTS****LEADERSHIP COMPETENCIES****Current Position Title:****Skill Level****Next Position Title:****Competencies****DN / C / HC****Competencies**

1

1

2

2

3

3

4

4

5

5

6

6

7

7

8

8

9

9

10

10

DN = Development Need**C = Competent****HC = Highly Competent**

KEY TECHNICAL COMPETENCIES / EXPECTATIONS

Current Position Title:	Skill Level		Next Position Title:
Competencies	DN / C / HC		Competencies
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10

DN = Development Need

C = Competent

HC = Highly Competent

Successes (last 12 months)	Missed Opportunities (Last 12 Months)

Key Goals (Next 12 months)

Development Plan (Next 12 Months)	Action
Expected Learning Experience	

SUCCESSION PATH

First Next Position:	Readiness:	Time Frame:
Second Next Position:	Readiness:	Time Frame:

Career Interest Inventory



Please complete the survey by:

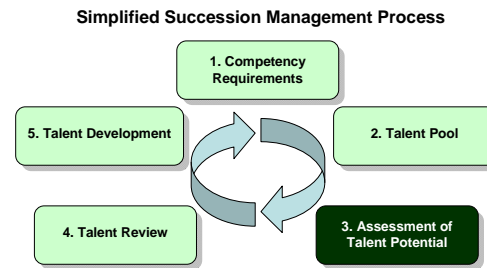
Personal Information	
Name	Today's Date:
Entity:	Birthdate:
Brief Career History with the Health Care System	
Current Title:	Entity:
Previous Title:	Entity:
Previous Title:	Entity:
Previous Title:	Entity:
Additional Information:	
Brief Career Synopsis prior to joining Health Care System:	
Education (type and school)	
Master's:	Year:
Bachelor's:	Year:
Other:	Year:
Questions	
1) I am interested in exploring other positions in the organization.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2) My current position is one which I expect and hope to keep until retirement or at least, for the indefinite future.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3) I expect to be "ready" for my next career move as follows (check only one category). <input type="checkbox"/> Ready now <input type="checkbox"/> Ready in 1 to 3 years <input type="checkbox"/> I am pleased with my current position but I am open to exploring other opportunities in the System if asked	
4) a. As a line operations executive, I am willing to explore staff (support) executive opportunities which will expand my experience	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. As a staff executive, I am willing to explore a line position which will expand my experience.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5) There are specific positions that especially interest me in my current advancement. If you answer yes, please identify specifics below.	<input type="checkbox"/> Yes <input type="checkbox"/> No
6) I would consider a "lateral" career move. (lateral career moves involve position changes with no apparent increase in authority or stature, but reflect a change or broadening of experience. This might include moving from one entity to another as vice president or to a staff corporate directorship from an entity vice president.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
7) Do you feel you have had a coach in the HealthCare System?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8) Identify the types of programs, support activities, or education necessary to be an effective leader in a changing health care environment to understand capitation, risk, network development, physician leadership issues, or other matters related to improving the healthcare community.	
9) Is there some contribution you would like to make to the Health Care System which is outside of your current role? Perhaps you have some talent or skill that you would be interested in sharing, not necessarily as a substitute for your current position but more of an added dimension.	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
10) I plan to continue working for: <input type="checkbox"/> the next 1-4 years <input type="checkbox"/> the next 5-9 years <input type="checkbox"/> the next 10-14 years <input type="checkbox"/> 15 years or more	
11) Comments Field:	

3. Assessment of Talent Potential

“Competence, like truth, beauty and contact lenses, is in the eye of the beholder.”

Laurence J. Peter

If competence is truly in the eye of the beholder, then gathering the perspective of multiple beholders will ensure a complete picture for making an informed decision. There are a couple of approaches to identifying the development needs of individuals in the talent pool.



360 Assessment

The first is the use of 360 assessments. There is some research that indicates that the typical “off the shelf 360” can have a negative impact on the productivity and profitability of an organization.¹ One study showed that organizations that used 360’s had an average 10.6% decrease in shareholder value.

That doesn’t necessarily mean 360-degree feedback programs should be abandoned. But it does mean organizations need to know how to use the tool for developmental purposes effectively.

Questions that need to be asked.

- Does one set of competencies really fit all positions?
- How do we know what competencies are job related and essential for success?
- How do we know that the 360 focus is congruent with my company’s goals?
- How do we minimize the amount of time spent on doing the rating?

Performance Appraisal and Action Examples

One approach is to use a structured coaching program that engages the individuals in the talent pool in the gathering verifiable examples. These verifiable examples are of how he/she acts or reacts in situations that relate to the competencies and performance expectations that are identified for their current job and the targeted succession position.

These Action Examples can be rated for level of success for both the results achieved and the actions taken to get those results.

Combining the two methods can be a powerful part of strategy for assessing and developing talent and identifying developmental gaps.

Gap Analysis

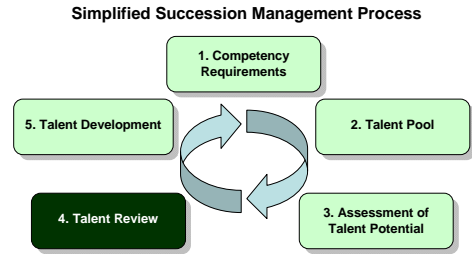
- Technical and Behavioral Competency Gaps
- Experiential Gaps
- Educational Gaps
- Motivational Gaps

1. *Does 360-Feedback Negatively Affect Company Performance?* Bruce Pfau and Ira Kay, HR Magazine, June 2002, Vol. 47, No. 6

4. Talent Review

“The business of expanding your consciousness is not an option. Either you are expandable or you are expendable.”

Robert Schuller



The Talent Review needs to focus on the key behavioral and technical competencies necessary for success.

The Leadership Team (as defined by the organization) reviews the Talent Pool.

The Leadership Team should meet at least twice a year and as often as monthly depending on the number of individuals in the talent pool and the needs of the organization.

Adapt the following guide and discussion items to your specific needs. A hard copy form is included in this module and an electronic version is available on the CD.

Guide

1. What are the current and projected openings?
2. Which Talent Pool members will be discussed and order of priority for discussion?
3. Review each Talent Pool member's status and recommend next step(s):
 - a. Why is he/she in the pool and what are their development goals?
 - b. Why are they in their current position?
 - c. How are they performing relative to Performance Expectations and goals?
 - d. How are they progressing against their development plan?
What does input from assessment tell us?
 - e. Are they ready to move?
What is the level of readiness? (see Readiness Chart)
Are there any obvious career stoppers? Such as:

Approval Dependent	Impulsive
Argumentative/Defensive	Micromanager
Arrogant/Abusive	Perfectionist
Avoidant	Self-Promoting
Eccentric	Risk Averse
Imperceptive	Volatile
 - f. Are they a potential fit for an opening (#1 above)?
What new opening or openings would be created by the move?
 - g. Would they benefit from working with an Executive Coach?
 - h. What training would be beneficial?
 - i. Are they a retention challenge?
 - j. Can his/her current responsibilities be enriched for development?

Readiness Chart

- Ready Now
- 1-2 years
- 3-5 years

4. Review openings and tentative decisions made during this discussion of pool members.
Are there any diversity issues?

If there are no Talent Pool members that are a good fit for a position should a lateral move by an internal candidate be considered?

Should outside candidates be considered?

5. Review overall staffing trends.

6. Should anyone be dropped from Talent Pool consideration?

7. Should anyone be added to the Talent Pool?

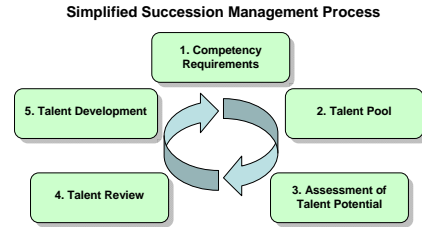
8. Establish communication plans.

9. Debrief meeting's effectiveness.

Use the Organization and Staffing Succession Plans forms to gain a visual perspective of the key positions and the talent pool backups for those positions.

Copy of the Organization and Staffing Succession Plans is available on the CD.

Leadership Team – Talent Pool Discussion Guide



1. What are the current and projected openings?
2. Which Talent Pool members will be discussed and order of priority for discussion?
3. Review each Talent Pool member's status and recommend next step(s):

- a. Why is he/she in the pool and what are their development goals?
- b. Why are they in their current position?
- c. How are they performing relative to Performance Expectations and goals?
- d. How are they progressing against their development plan?

What does input from assessment tell us?

- e. Are they ready to move?
What is the level of readiness? (see Readiness Chart)
Are there any obvious career stoppers? Such as:

Approval Dependent	Impulsive
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Readiness Chart

- Ready Now
- 1-2 years
- 3-5 years

- f. Are they a potential fit for an opening (#1 above)?
What new opening or openings would be created by the move?
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6. Should anyone be dropped from Talent Pool consideration?
7. Should anyone be added to the Talent Pool?
8. Establish communication plans.
9. Debrief meeting's effectiveness.

ORGANIZATION AND STAFFING SUCCESSION PLANS

Organization:

**ORGANIZATION/DEPARTMENT
POSITION TITLE
INCUMBENT/AGE**

REPLACEMENTS/AGE/READINESS (YEAR)

PRESENT ORGANIZATION DIRECT REPORTS

POSITION TITLE

INCUMBENT/AGE

REPLACEMENTS/AGE/
READINESS (YEAR)

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

PRESENT ORGANIZATION DIRECT REPORTS

POSITION TITLE

INCUMBENT/AGE

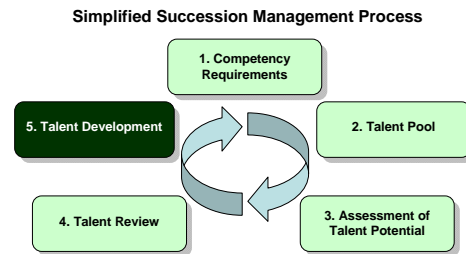
REPLACEMENTS/AGE/
READINESS (YEAR)

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

5. Talent Development

“People are like tea bags, you never know how strong they are until they are in hot water.”
Rite Mae Brown

Developing talent needs to focus on the key behavioral and technical competencies necessary for success.



Step One - Provide developmental feedback and coaching. The candidate needs to be given feedback on strengths and development needs. Typically the more objective the feedback the more likely it will be accepted and acted upon.

Step Two - Target key competencies and development needs. Having an understanding of the key competencies and the behaviors that are important measures for those competencies makes it easier to focus in on what should be targeted.

Step Three - Prepare a Development Plan. The development plan needs to focus in on the specific performance expectations that need to be developed. Methods for developing individuals could include:

Executive Coaching - Using executive coaches can be a very effective process that helps hold the candidate accountable.

Training – Training classes are great for developing technical skills but are much less effective for developing behavioral competencies.

Job-Rotation – Moving a candidate into a different job, to gain a breath of experience that they may lack, can be a good way to combine technical competence development, and if well defined, can also be an opportunity to develop Behavioral competence.

Job-Related Activities – Targeted developmental assignments while the candidate is in the same position may be a great choice for developing new skills.

Education – Education is usually associated with college or university efforts to obtain Bachelors or Masters degree.

See the Development Planning Forms for a way to document the development expectations, the process, and resources to be dedicated.

Development Plan

Associate's Name: _____ Date: _____

Coach's Name: _____

Competency

1. _____

R+

R=

R-

A- A= A+

Learning Objective

2. To be able to _____
in order to _____
3. How, when, and where will the associate learn/exercise this skill? _____

Competency

1. _____

R+

R=

R-

A- A= A+

Learning Objective

2. To be able to _____
in order to _____
3. How, when, and where will the associate learn/exercise this skill? _____

DON HUTTON, FACHE

Don Hutton recently entered his 30th year in healthcare. At this point he is beginning what he considers the most important work of his professional career – founding The Morgan Executive Development Institute (MEDI), an executive coaching firm that offers coaching programs tailored to meet the needs of today's healthcare executive.



Don has 23 years of experience as a healthcare executive in not-for-profit hospitals, with over 13 of those years as CEO in major hospitals and health systems. His experience in teaching, tertiary, Catholic and community hospitals in both metropolitan and rural settings have provided him with the depth of experience and insight needed to structure a healthcare-specific coaching firm.

Mr. Hutton successfully founded and built two other healthcare businesses: The Morgan Healthcare Group, a physician-driven, provider-sponsored organization which was sold to PhyCor in 1998; and the Morgan Consulting Group, which is still in operation under new ownership.

Mr. Hutton is a much sought after speaker who has presented numerous times at national healthcare meetings on topics related to leadership development. He has been a faculty member of Estes Park Institute and the American College of Healthcare Executives. In addition, he has authored a number of articles and is often cited in healthcare publications.

An undergraduate degree from Purdue University and a Master's Degree in both business and hospital administration from Xavier University was just the beginning of his education.

He has continued his lifelong learning experience by being an avid reader of today's foremost authorities on the challenges that face organizations and their leaders, by regularly attending healthcare conferences, and, most recently, being trained as a professional coach.

STEPHEN MOULTON, SPHR

Steve Moulton is the founder of Action Insight, specializing in the use of competencies for selection, performance development, and succession management systems.

Have you ever noticed that some employees are a lot more productive and effective than others?

In more than 20 years of corporate Human Resource experience I had seen the frustration leaders felt, trying to hire good people and not always succeeding. My passion was to provide leaders with some simple and practical systems and tools that would make a significant difference in hiring and keeping outstanding talent.

Steve now has over 25 years of experience in Human Resource Management having been responsible for such functions as Management and Organization Development, Succession Management, Staffing, Compensation and Benefits both domestically and internationally. He has experience in medium to very large organizations in such industries as healthcare, consumer products, capital goods, and aerospace.

Steve has a Bachelors Degree in Business Administration, from California State University at San Jose, a Masters Degree in Management from the University of Redlands, and two professional designations from UCLA the first in Industrial Relations and the second in Organization and Human Resource Development.





About Action Insight

Founded in 1997, Action Insight helps healthcare leaders achieve their goals for hiring and retaining talent. We do this by using methods and tools developed specifically for the healthcare industry.

The driving idea behind Action Insight's approach to talent management is really very simple: **begin with end in mind**. Asking such questions as, what are your organization's objectives, your culture, and leadership needs? How can you integrate talent management with business practices and metrics?

Healthcare organizations face a number of unique challenges that most corporations don't face. Community needs, the size of the organization, its mission and values, regulatory requirements, talent shortages, and many other challenges require solutions that fit.

Many leaders struggle with creating a simple yet objective and integrated process to meet such objectives as:

- Talent Definition
- Talent Selection
- Executive Development and Assessment
- Succession Management

"They (competencies) have helped us clarify the role for which we are recruiting, as a basis for effectively interviewing candidates, and to assist with designing individual tailored executive development programs."

*Jim Nathan
President and CEO
Lee Memorial Health System
Fort Myers, Florida*



About Morgan Executive Development Institute (MEDI)

In 2001, the Founding Partners of MEDI combined their 40 years experience in the Healthcare Industry with 20 years experience in Executive Coaching and Leadership Development to form MEDI in response to a growing need to effectively help Healthcare Executives achieve their personal and professional potential.

MEDI is the Industry's only Executive Coaching Firm that specializes in providing Executive Coaches to the Healthcare Industry. The result has been an Executive Coaching firm that delivers the following to their clients:

- Expanded self-knowledge and awareness.
- Sustained measurable behavioral change and personal accountability.
- Strengthened interpersonal communications.
- Clarity of vision, values and purpose, and an engaging strategy for implementation.
- Clear personal and professional priorities and commitments.
- Powerful partnerships and alliances with all key stakeholder groups.
- Increased leadership effectiveness.

"...the coaching program has increased my self-awareness, which has resulted in an improved relationship with my Board and medical staff."

*Lee Kirk
CEO
Culpepper Regional Hospital,
Culpepper, Virginia*