Succession Planning:
How Can We Staff Tomorrows Lab?

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Session #
Speaker Disclosure

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This presentation will not include discussion of pharmaceuticals or devices that have not been approved by the FDA or unapproved or “off-label” uses of pharmaceuticals or devices.
What is Succession Planning?

Identification and development of potential successors for key positions in an organization, through a systematic evaluation process and training. Unlike replacement planning (which grades an individual solely on the basis of his or her past performance) succession planning is largely predictive judging an individual for a position he or she might never have been in.

www.businessdictionary.com
Succession planning is a systematic approach to ensure stability and growth in an organization.

• Succession Planning is more than replacement planning, it should be a mix of tools and options to recruit, develop, and manage to meet the future needs of the organization.
• SP allows for periodic risk assessment and course corrections.
Why do Succession Planning?

• Business continuity

• Need to improve one of the core business measures

• Impending change in the business environment
Are there unique lab issues?

- Smaller pipeline
- Hard to fill Vacancies
- Changing technology
- Health care reform/ Regulatory requirements
- Pressure to “Do more with Less”
Demographics:
Who will fill the vacancies?

- ASCP Wage and Vacancy Survey
- More patients, less healthcare workers
- Chronic disease, complexity of multiple disease processes, treatments, nutritional status
- Baby boomers are more knowledgeable, involved than past generations
- Are we retooling for an aging population?
Will the work itself change?

- What impact will technology have?
- Will regulatory directives change how we work?
- Electronic Health Records and Meaningful Use?
- ACO’s and Managed Care?
How do you get from here to there?

- Assess where you are
  - Do you know where ‘here’ is?
- Develop a roadmap
  - Where do you want to be?
- Measure and evaluate your progress
  - Did you accomplish what you wanted?
- Institutionalize the process
  - Is it sustainable?
The Succession Cycle

**Assessment**
Define current state
Where are you today?

**Development**
What does your roadmap look like?

**Evaluation**
What are the outcomes? How do you sustain the process?
Determine Current State

• Analyze Bench Strength – People
• Map the workflow – Process
• Do a risk assessment
Succession Planning (SP) for Business Continuity

• Technical SP--planning for continuity of technical/professional staff

• Management SP—planning continuity of leadership

• Both are important!
Assessment: Are the right people in the right job?

• Assess and evaluate staff
  • Who is doing what?
  • How well are they doing it?

• Assess and identify the workflow
  • Are the job duties current and clearly defined?
  • Are the right people performing the right function?
People: Human Resources

- Verify tools and metrics currently available
- Review current performance reviews, peer feedback, 360’s, and Nine Box assessments for individual leaders
- Talent Management program available
- Turn over rates
- Time to fill rates
- Current openings
- Are they the “right” openings?
  - Review workflow, job descriptions/duties, future needs of the organization
Assess and Evaluate using the 9 Box

*Best Practice

- **High Potential**
  - 1. Talent Risk
     - Low Potential
     - Low Performance
  - 2. Inconsistent Player
- **Low Potential**
  - 3. Solid Professional
- **High Current Performance**
  - 4. Rough Diamond
  - 7. Future Star
- **Low Current Performance**
  - 5. Key Player
  - 8. Current Star
  - 6. High Professional
Talent Management - 9 Box Matrix

Potential Key

High (Turn)
Shows indicators of being able to make significant career step (e.g. at least 1 leadership level or equiv.)

Medium (Growth)
Shows indicators of being able to progress to more stretching roles within a similar level

Minimum (Expertise)
Likely to stay at current level, doing same same kind of work

Low
Medium
High

Talent Key
Calling
1 Top Exec Level
2 Divisional Board
3 Direct report to Divisional Board

Type
Leadership and/or Specialist

Readiness
Now or less than 3 years

Action Key
- Priority Action Needed
- Needs development opportunities
- Develop, Motivate
- Improvement Plan critical

Performance
Risk Assessment Tools

• Replacement Charting, Summary of coverage and exposure
• HR support
• Evaluate new business technology
• Regulatory directives:
  • Meaningful use and Electronic medical records
  • ACO’s and managed care
Identify where you need or want to be

- What are the internal drivers within your organization?
  - What is the financial status of the organization?
  - Is the organizational culture changing?
  - Will volume grow or change over time?
- What are the external drivers?
  - What is the impact of technology?
  - What is the impact of legal and regulatory compliance? Is it changing?
  - How will healthcare reform shape the future lab?
Assessing Workflow: How is Work Organized?

• Org Chart

• Workflow Analysis: Lean Tools
Org Chart: Structure makes sense? Knowledge and skills to do the job? How many direct reports?

Lab Manager

- LIS Supervisor
- Technical Supervisor
- Phlebotomy Supervisor
Simple Value Stream Map
The Succession Cycle

**Assessment**
Define current state
Where are you today?

**Development**
What does your roadmap look like?

**Evaluation**
What are the outcomes? How do you sustain the process?
Develop a plan

• Review the Gap analysis: Where are your holes?
  • Leadership roles?
  • Specific areas or departments?
  • Will the way work is done, change?

• How will you fill the gaps?
  • Develop and/or recruit?
  • Organizational support—your HR department
    • Tools and resources
Example of a plan overview

- Replacement charting assures business continuity in the event that you lose a key member of your team
- Developing leaders internally builds the pool of candidates
- Manage resource pools of candidates to respond to shifts in strategic or business direction
- Use as a strategic tool for future state planning—use to inform debate about future or emerging trends/needs
Developing People

• Apply HR Leadership training tools and programs
• 9 box Matrix and performance development
  • Coaching and Mentoring
• Career Ladder
• Education versus Training
• Rethink job duties and descriptions
• Independent Development Plan
9 BOX TALENT MANAGEMENT MODEL

- **ENIGMA**: High potential to advance further although underperforming. Maybe in wrong job/wrong manager; needs intervention.
- **GROWTH EMPLOYEE**: Demonstrates high potential to advance further. Valued talent, challenge, reward, recognize and develop.
- **FUTURE LEADER**: Highest potential – best for senior succession. Top talent, reward, recognize, promote, develop.
- **DILEMMA**: Likely to have scope to move one level/challenge is necessary as underperforming. Provide coaching.
- **CORE EMPLOYEE**: Motivate, engage and reward.
- **HIGH IMPACT PERFORMER**: Strong contributor, challenge, reward, grow and motivate.
- **UNDER PERFORMER**: Has reached job potential and is underperforming. Performance manage or exit.
- **EFFECTIVE**: Specialized or expert talent reached career potential. Engage, focus, motivate.
- **TRUSTED PROFESSIONAL**: Specialized or expert talent reached career potential. Retain, reward, help with developing others.

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Career Ladders and Professional Development

• Is there a natural progression within job groups?
  • Are there levels within a job (e.g. phlebotomy) and are they clearly defined and attainable?
  • Is one job a prerequisite for another position in the lab? (e.g. must be a current phleb to apply for a processing position)
  • Are there internal training programs that allow staff to move from one job to another, or do they need to access outside education?
Develop your own pipeline: Partner with Colleges/Schools

What programs are available and are they building blocks?

PHB → CLA → MLT → MLS

Available programs:

Local campus

Require relocation to attend

Distance program

Can they be integrated?
Build a Business Case to Support Missing Elements

- Current state
- Risks and costs associated with no action
- Cost savings for future state
- Non-financial or soft benefits of change
Assessment
Define current state
Analyze Bench Strength
(People)
Map the workflow
(Process)

Development
What does your roadmap
Look like?

Evaluation
What are the outcomes?
How do you sustain the
process?
Succession Management: Measure the Outcomes

- Have you identified high potential staff to develop for each leadership position?
- Can you fill positions internally?
- Are you an employer of choice for outside candidates?
- What is the success rate of internal versus external candidates?
- Cost savings?
- Employee/customer satisfaction?
- Productivity rates?
Succession Planning is a deliberate and systematic effort to assess the current status of your lab, identify both gaps and future needs, then grow, recruit or train to meet those needs.

This process should encompass all duties or competencies involved in lab workflow—not just the management!
Resources:

- *Practical Succession Management: How to Future-Proof Your Organization* by Andrew Munro
- *The Leadership Pipeline: How to Build the Leadership Powered Company* by Ram Charan, Stephen Drotter, James Noel
- *Leaders at all Levels* by Ram Charan
- *Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within* by William J. Rothwell
- *Good to Great, Built to Last, and How the Mighty Fall* by Jim Collins
- *Blink, Tipping Point*, and * by Malcolm Gladwell
- *A Class With Drucker* by William Cohen
- *Succession Planning and Management: A Guide to Organizational System and Practices* by David Berke
continued

• **Career Planning and Succession Management: Developing Your Organization’s Talent – For Today and Tomorrow** by William Rothwell, Robert Jackson, Shaun Knight, and John Lindholm
• **The Creative Destruction of Medicine** by Eric Topel
• **The Strategic Development of Talent** by H.C. Kazanas and William Rothwell
• **Grow Your Own Leaders: How to Identify, Develop, and Retain Leadership Talent** by William Byham, Audrey Smith, and Matthew Paese
• **Feeding Your Leadership Pipeline** by Daniel Tobin
• **Human Resources in Healthcare: Managing for Success** by Bruce Fried
• **Best Practices for Succession Planning** by Mark Sobol, Phil Harkins and Terence Conley
• Harvard Manager Mentor (online manager development program)
• Harvard Business Review has many articles related to talent assessment and development, succession planning, and career development that were useful
Why do Succession Planning?

Insanity: doing the same thing over and over again and expecting different results.

Albert Einstein