Managing Talent for the Future

By Jill Schwieters and Keith Pryor

Today’s governing boards need to take an increased interest in the talent running the organizations they govern. Once a largely overlooked function of a health care system, human resource or talent management is emerging quickly as a critical concern among boards trying to weather the changing economic climate and prepare for the future.

Progressive boards, however, are realizing that their financial success and quality of care are predicated on the human resources their organization recruits, retains and develops. This trend is driven largely by the realization of the significant investment an organization makes in its workforce, and a heightened recognition that quality of care is reliant on the quality of care providers. The result is that progressive boards are starting to give HR management a prominent place in their strategic plans.

**Trustees’ Influence**
Board members should set the stage for the strategic plan and insist key priorities are a focus. Talent management needs to be among those priorities.

Above all, the strategic human resources plan should include the organization’s total rewards and recognition program along with workforce development programs. These programs directly impact the quality and longevity of organizational talent. Because of the move toward value-based purchasing, the quality of service and clinical outcomes achieved will be linked directly to the organization’s reimbursement and financial well-being.

**MEASURES FOR SUCCESS**

To ensure that their mandates are being taken seriously, boards must require the tracking data on staffing patterns that affect health organizations. Metrics will vary by organization, but gathering data that answer the following questions is a good start.

- **Leadership development:** How many new leaders are being developed, how many are external hires and what level of diversity exists in our leadership ranks?
- **Progress in middle management:** How are these critical roles being prioritized, what has been achieved and what are the retention stats?
- **Workforce:** What are the vacancy and labor projections based on community size and workforce growth?
- **Culture:** What are our employee satisfaction scores?
- **Gender and diversity:** How are we reflecting the communities we serve?
- **Academic partnerships:** What programs do we have in place with local institutions to fuel the growing demand?

All governing boards share a universal goal: building a high-performance organization that provides quality care to its community. But each organization’s path will vary based on its unique circumstances and demands. Whatever your organization’s chief concerns, the following strategies are a good place to start as you align your human resources strategic plan with your overall organizational strategic plan.

**Succession Planning**
The best way to influence this is by hiring the right leaders to set expectations, establish the organizational culture and ensure quality care is delivered. Middle management is in the best position to influence employees directly. Yet, middle management ranks are being spread thinner through consolidations and cutbacks. Furthermore, few organizations cultivate a “bench of talent” for the future.

As the scope of responsibilities continues to grow for middle managers, these positions become harder to fill. In many cases, clinical or technical experts are promoted from within, yet they lack the management skills to meet the financial, leadership and human resource demands of their jobs.

One common example is a charge nurse promoted to nurse director. A highly effective charge nurse captures senior leadership attention by being good at staffing, orchestrating care delivery, providing quality care and earning credibility among peers and physicians. A nurse director has a far broader scope of responsibility, including accountability for the unit, budgetary responsibilities, patient satisfaction scores, quality outcomes, management of more than 60 full-time equivalents and physician relationships. Instead of working with these charge nurses to build a leadership pipeline for the future by enhancing their
skill sets, too many organizations promote these talented caregivers and then leave them to sink or swim. The cycle of promotion and failure has become so common that few charge nurses believe that success at the director level is likely. And the increase in compensation isn’t enticing enough when compared with the added scope of work, stress and responsibility associated with the role.

Boards must establish the expectation that leadership development at the middle-management level is a priority. For most organizations, this is the weak link in the chain and creates the biggest obstacle to success.

**Preparations for the Future**
A commonly overlooked responsibility of the board is maintaining and preserving a healthy pipeline of future talent. A progressive governing board understands that the labor shortage in health care is far from over. Most workforce projections still signal significant shortages in labor over the next 15 years coupled with increasing demand.

From 2008 to 2018, the Bureau of Labor Statistics predicts that "employment among health care practitioners and technical occupations is expected to increase by 21 percent. This growth, resulting in a projected 1.6 million new jobs, will be driven by increased demand for health care services. As the number of older people continues to grow, and as new developments allow for the treatment of more medical conditions, more health care professionals will be needed." Judges are a particularly vulnerable category due to a high number of exiting baby boomers and a shortage of new entrants to the field.

This shortage will place greater burdens on the health care system. The current economy temporarily has masked the issue with rising unemployment. Unfortunately, the quality of clinical talent available in the market has not changed, and finding qualified employees with the requisite competencies and expertise for these demanding clinical roles remains a challenge.

**Educational Partners**
As stewards of their organization’s relationship with the community, trustees can encourage partnerships with academic institutions to educate the community, build pipelines for future talent and guide curriculum decisions at institutions. This is an effective way to ensure that what is being taught meets health care organizations’ needs. It also enables hospitals to promote themselves in their communities and to control and feed their pipeline of future talent.

Looking at the near-term workforce, partnerships with universities enable hospitals to influence the education and training for nurses and other health professionals. Shaping the curriculum to reflect changing clinical needs keeps academic programs current and able to produce graduates that are prepared for the real world.

Finally, there is a pressing need to play an active role in the quality of instructors available to nurses. There aren’t enough teachers with master’s degrees, and they are retiring at an accelerated rate. Forming partnerships with the academic community is the only way health care organizations can protect and increase the supply of well-prepared graduates.

**Boards must establish that leadership development at the middle-management level is a priority.**

As hospital leaders plan for ICD-10 implementation, they will have to choose between simply complying with the new coding system or maximizing its benefits. For example:

- Providers can comply by updating their systems by the deadline so that claims are processed smoothly with no disruption in cash flow, or they can analyze and capitalize on the opportunities that the more detailed classification system can provide, such as improved documentation and data collection to support clinical and financial decision-making and coding audits.
- Providers can create staff awareness, develop budgets and build timelines, or they can develop an organizationwide vision to strategically evaluate the opportunities for improved workflow in the clinical, financial and operational areas.
- Providers can hold discussions with payers regarding claims processing and testing to make sure systems are ready on the go-live date and payments are not disrupted, or they can review existing contractual agreements with payers and determine how the more granular ICD-10-CM/PCS codes will affect their bottom line.

Boards should consider the challenges and risks associated with implementation of ICD-10 as they guide their hospitals through strategic planning and capital investment decisions for the future. It will be hard work, but it also can be an opportunity to improve quality and reimbursement.