

Succession Planning: How Deep Is Your Bench?

Kevin Purcell, MD, PharmD, MHA

Regional Clinical Pharmacy Specialist for Pediatrics and Infectious Diseases

Program Coordinator for PGY-1 Pharmacy Residency

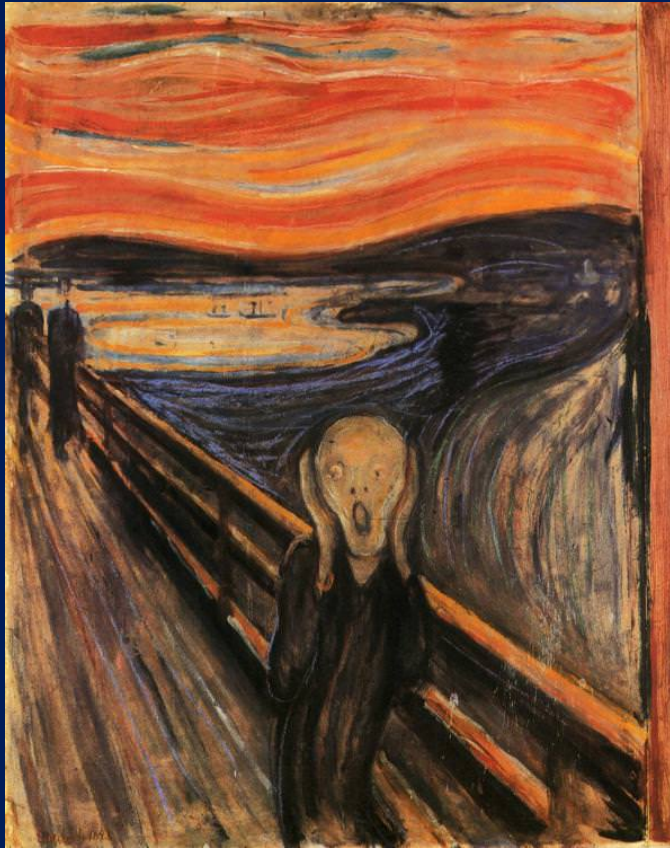
Department of Pharmacotherapy and Pharmacy Services

Baptist Health System, San Antonio, TX

Adjunct Professor, UTHSCSA School of Medicine

Adjunct Clinical Professor, UIW Feik School of Pharmacy

**Hopefully this management topic
doesn't make you scream or weep . . .**



The Scream
by Edvard Munch



The Weeping Woman
by Pablo Picasso

Practical Application and Relevance to *YOU*

- Understanding and engaging in succession planning activities is important to those in pharmacy leadership positions and to those who desire to move into another position within the department.
- This other position could be in management or not.
 - Example: It could be a specialized position – clinical, informatics/technology, purchasing, education/staff development, medication safety, regulatory compliance, etc.
- Hopefully everyone here falls into one of these two categories and can benefit from this session.

Corporate Ladder versus Corporate Lattice

The corporate ladder is giving way to the Corporate Lattice



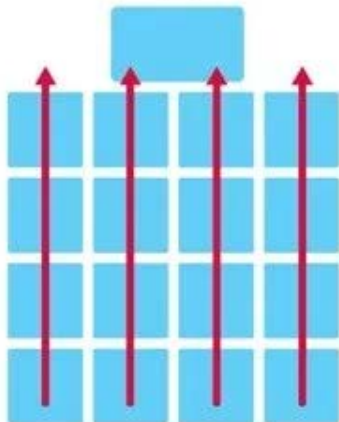
Corporate Ladder

- Hierarchical, top down
- Work is where you go
- Narrow career paths and jobs
- Homogeneous workforce
- Career versus life
- Low workforce mobility

Corporate Lattice

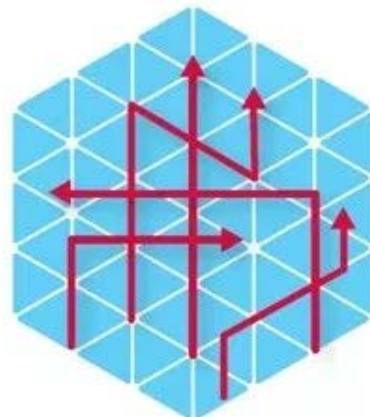
- Flatter, collaborative
- Work is what you do
- Multidimensional career paths and jobs
- Heterogeneous workforce
- Career and life
- High workforce mobility

Ladder progression



Examples of linear career paths

Lattice pathways



Examples of more varied paths for growth and development

KEY POINTS

- There are many pathways for career advancement.
- There are multiple ways to get to the top if that is someone's desire, and a longer zigzag approach is fine.
- Some pathways lead to the top and others don't, and that's OK too.
- People move into jobs that are the best fit for them personally and professionally.

So, How Deep Is Your Bench?





The bench is empty . . .

Personal Interest in Topic

- I've been involved with many strategic planning retreats as well as leadership development and coaching/mentoring programs over the years, but I've never participated in any formal succession planning activities.
- I'd like to see more strategic planning, succession planning, and staff development planning integrated into health system pharmacy departments and into pharmacy schools.
- I've worked as a pharmacist for 25 years and I often wonder who will take over for me when I retire . . . and hopefully that day is getting closer!!! :D

Kevin's Retired Life



Disclosure

The speaker has no actual or potential financial relationship that poses a conflict of interest in relation to this presentation:

1. Grant support - none
2. Consultant - none
3. Speaker's bureau - none
4. Major shareholder - none

Plan for Today

- First, I'll go through some background data and things to consider when creating a succession plan for a pharmacy department.
- Second, I'll facilitate a group discussion so we can share stories, ideas, challenges, best practices, and outcomes.
- Third, there will be plenty of time for questions and everyone can help answer them.
- Fourth, we can learn from each other while having some **FUN!**

Learning Objectives

Upon completing this ACPE activity participants will be able to:

- Define succession planning and describe its growing importance and current presence in healthcare.
- Explain the purpose, benefit, and scope of succession planning to the organization and its employees.
- State the crucial linkages for succession planning.
- Outline the steps for succession planning and relate some critical factors for success.
- List things that should be included in a succession plan.
- Identify key positions within the pharmacy department for which succession planning is critical.



"At a two-hour executive session, they mentioned something about me getting hit by a bus. Is this about succession planning or should I be paranoid?"

Illustration - Marcel Hirschegger / Abstract Edge

What will happen at your pharmacy if a key person is hit by a bus?



The torch of leadership can be hot and burn the fingers when passed to those that aren't adequately prepared . . .

Background – Definition

- ***Succession planning*** is the process of identifying and preparing replacements for key roles within an organization or department.
- ***5 Rights of Succession Planning*** – “Having the right person in the right position at the right time for the right reason for the right results.”



Although sometimes it seems like this is what's being done, it's obviously not the right thing to do!!!

Background – Growing Importance

- Succession planning becomes even more important as the:
 - Speed of change increases and the type of change is more radical.
 - Complexity of the environment (internal and external) and the challenges faced become greater.
 - Task migration downward occurs due to flattening of the organizational hierarchy.
 - Turnover increases due to aging of the workforce or consolidation and mergers of organizations.
 - Potential replacements are less interested and prepared for advancement, particularly into management positions.
- Does this sound like the healthcare industry???

Background – Purpose/Benefit (1 of 2)

- Succession planning supports the organization by:
 - Aligning strategic vision with staff development.
 - Determining critical positions and highlighting potential vacancies (due to promotion, retirement, or attrition).
 - Selecting core competencies for each critical position that are necessary for business continuity.
 - Focusing development of individuals to meet both current and future business needs.
 - Engaging and retaining employees (particularly millennials) through career development along a defined path with mentors and by involvement of them in “mission-critical” activities.

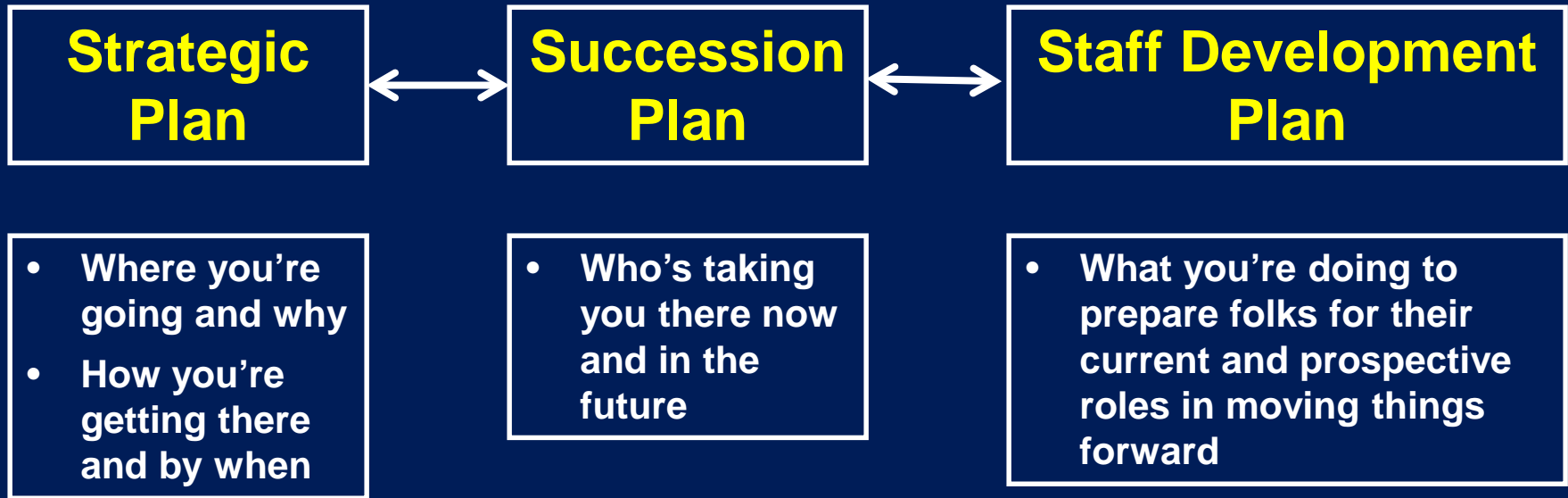
Background – Purpose/Benefit (2 of 2)

- Succession planning supports the organization by:
 - Safeguarding the departure of important institutional knowledge or “brain drain”.
 - Developing a leadership pipeline with “leaders at all levels” of the organization and within departments.
 - Providing stability to the organization and seamless transitions.
 - Supplying assistance to managers and directors from the “up-and-comers” that are helping out through developmental assignments.
 - Maintaining momentum of strategic initiatives.
 - At the CEO level, reassuring the board of directors and giving confidence to funders and debt holders (banks).

Background – Scope

- Succession planning is **NOT** just for executive and department director positions.
- Succession planning is for **ALL** key positions important to maintaining core operations, services, programs, and initiatives within the organization and its departments.

Background – Linkages



★ Having all 3 elements in place – a strategic plan, a succession plan, and a staff development plan – is essential to long lasting success.

★ This is even more critically important if your pharmacy department is large and complex and is embarking on a long-term journey to excellence to be the best at operations/safety, clinical services, education/training, quality improvement/research, and management.

Background – Impact

- Succession planning has been shown to:
 - Increase satisfaction and engagement of talent.
 - Decrease turnover of talent.
 - Raise performance bar as “top talent draws top talent”.
 - Improve financials of the organization.
 - Bring more external recognition for excellence to the organization.



You should always plan for the best, worst, and most likely case scenarios.

Background – Presence (1 of 6)

- Succession planning is rare in healthcare organizations compared with other industries due to lack of a cultural tradition for doing it.
- American Hospital Association (AHA) and American College of Healthcare Executive (ACHE) surveys consistently show that >50% of health systems don't have succession plans for the CEO and other executive positions, let alone for department director and other lower level positions.
- ACHE surveys consistently show one of the top 10 concerns of CEOs is a personnel shortage (due to accelerating retirements and lack of management-ready folks), and also the ability to recruit and retain talent.

Background – Presence (2 of 6)

- What is the state of pharmacy leadership and succession planning in US health systems?
- A 2005 report from the American Society of Health-System Pharmacists (ASHP) revealed that:
 - 80% of directors and 77% of middle managers anticipated leaving their jobs in the next decade.
 - 44% of directors stated they had someone qualified to replace them.
 - 77% of directors stated there was a shortage of qualified people for manager positions.
 - 30% of pharmacists stated they would seek a leadership or management position in the future.

Background – Presence (3 of 6)

- A 2013 follow-up report from ASHP showed that:
 - 75% of directors and 74% of middle managers anticipated leaving their jobs in the next decade (80% and 77% previously).
 - 48% of directors stated they had someone qualified to replace them (44% previously).
 - 45% of pharmacists stated they would seek a leadership or management position in the future (30% previously).
- 7 years later there still appears to be the potential for a pharmacy leadership crisis for a multitude of reasons (e.g. lack of pharmacists with leadership experience, belief that these positions are more stressful than ever, lack of interest by pharmacists).

Background – Presence (4 of 6)

- A 2012 University Health-System Consortium (UHC) succession planning survey of UHC-associated pharmacy directors revealed that:
 - 63% of pharmacy departments had a formal (14%) or informal (49%) process in place for key positions.
 - 60% of pharmacy departments with a formal process were in large health systems with >800 inpatient beds.
 - Only 1 pharmacy department included non-management positions in the succession plan (e.g. informatics pharmacist, medication safety pharmacist, P&T Committee coordinator, clinical specialists, pharmacy buyer).
 - Barriers cited included: budgeting; fixed ratios of employees to managers; finite number of approved management levels; allowance of use of only certain job titles; unionization; and rivalries among employees vying for same position.

Background – Presence (5 of 6)

- A 2018 survey of Canadian hospital pharmacy leaders found that 16% of pharmacy departments had a succession plan, but 72% felt that it was needed. Barriers identified included:
 - Lack of formal planning structure or tools.
 - Lack of plan implementation.
 - Unionized environment that prioritizes seniority over performance.
 - Lack of career ladder positions.

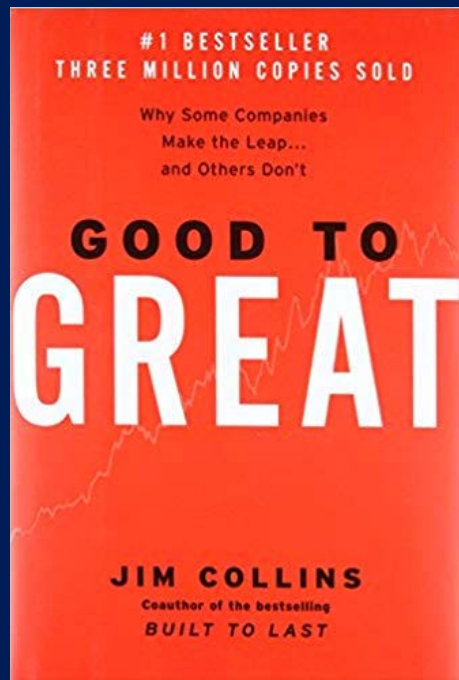
Background – Presence (6 of 6)

- A 2010 report of the American Association of Colleges of Pharmacy on succession planning in US pharmacy schools found that:
 - None of the Deans surveyed included succession planning in their school's strategic plan, and none had an emergency succession plan in place.
 - Reasons cited included the perception that candidates were being pre-selected, lack of understanding and acceptance of the philosophy by faculty, and not being considered a priority of the school.
 - Deans also expressed a slight preference for external candidates as they could bring fresh perspective and new ideas as well as less baggage in the way of alliances with or aversions to certain faculty.

In other words . . .

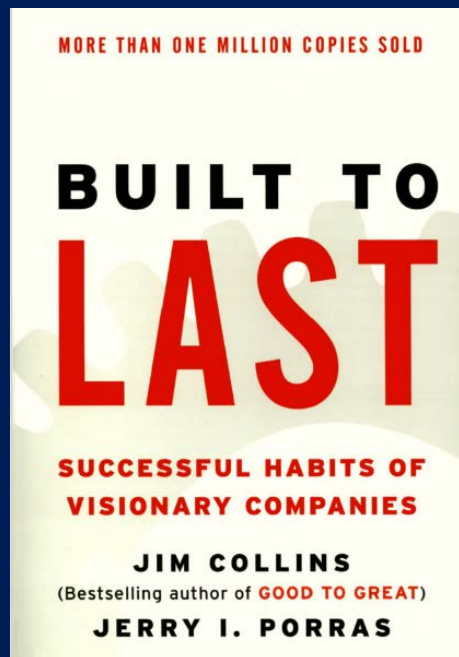


Long live the King!!!



Elements of Successful Companies

Leaders of companies that make the leap from good to great *channel* their ego needs away from themselves and into the larger goal of building a great company, which drives breakthrough.



Leaders of visionary companies that are built to last *engage* in management development and succession planning and *promote* strong internal candidates so there is continuity of leadership excellence from within, which preserves the core values and purpose and stimulates progress and change.



Eventually son, you'll be in charge of all this - assuming of course that I can't come up with any better alternative.

Remember the 5 rights of succession planning . . . ?

Considerations – Process/Steps 1 of 2

1. Form a succession planning team.
2. Align succession plan with strategic plan and business objectives – and with the staff development plan.
3. Identify critical positions, estimate the expected transition date for people in these positions (promotion, retirement, attrition), and define current and future needs for persons to be successful in each position. Think about emergency contingency options too just in case something unforeseen happens.
4. Engage people currently in critical positions to work closely with the team.
5. Assess leadership talent pool in organization with 9 box matrix (i.e. shining stars and diamonds in the rough).

Considerations – Process/Steps 2 of 2

6. Identify potential internal candidates for all critical positions (≥ 2), and external candidates if necessary.
7. Evaluate desire and capabilities of candidates, define any gap for their targeted position(s), and estimate their timeline for readiness.
8. Create a development and retention plan for each high potential person.
9. Capture important knowledge and assure transfer of this knowledge from the person in each critical position to those being trained for the position.
10. Measure, monitor, and evaluate results – and make adjustments when necessary.



“Whomever pulls the sword from the stone will be a top candidate in the high potential succession pool.”

Succession planning is not about finding the person with the mythical powers to do the impossible and be the rightful leader . . . like Merlin did with King Arthur and the Excalibur sword.

Tools

**for Assessing Talent,
for Succession Planning, and
for Staff Development Planning**

9 BOX PERFORMANCE – POTENTIAL MATRIX

POTENTIAL

	Below Expectations	Meets Expectations	Exceeds Expectations
HIGH	3 Rough Diamond Needs intervention; maybe in wrong job or with wrong manager	6 Future Star Challenge, develop, provide feedback, coach, recognize, and reward	9 Shining Star “Top talent” Delegate responsibility, mentor, promote, recognize, and reward
MEDIUM	2 Inconsistent Player Observe, motivate, engage, provide feedback, and coach	5 Role Player “Core employee” Develop, provide feedback, coach, and reward	8 Current Star Challenge, develop, coach, recognize, and reward
LOW	1 Poor Player “Bad hire” Counsel (PIP) or terminate	4 Solid Professional “Specialist or expert” Reached career plateau; refocus, motivate, engage, provide feedback, and coach	7 Trusted Professional “Specialist or expert” Reached career peak; retain, reward, and have help with developing others
	LOW	MEDIUM	HIGH

PERFORMANCE

SUCCESSION PLANNING GRID

Position	Director	Ops Mgr	Clin Mgr
Held By			
Expected Transition			
Position Needs <ul style="list-style-type: none"> • Qualifications • Experiences • Knowledge • Skills/Abilities • Values/Beliefs • Attitude/Behaviors • Personality/Style 			
Candidates Ready Now			
Near-Term Candidates (6 months - 2 years)			
Future Candidates (>2 years)			

STAFF DEVELOPMENT PLAN

Succession Candidate	Potential Position	Position Needs	Candidate Deficiencies	Readiness Timeline
<ul style="list-style-type: none"> Name Age Gender Race/culture Relocatability Retention risk 		1. 2. 3. 4. 5. 6. 7.		<input type="checkbox"/> Now <input type="checkbox"/> 6 mo - 2 yrs <input type="checkbox"/> >2 yrs
Development Area	SMART Goals	Action Plan and Activities	Completion Date	Progress and Comments
1.				
2.				
3.				
4.				
5.				
6.				
7.				
Knowledge to Transfer				
Retention Strategies				

Metrics for Succession Planning Scorecard

- Diversity demographics of talent pool (%)
- Critical non-management positions filled internally (%)
- Management positions filled internally (%)
- Average time high potentials are in same role (years)
- High potential turnover (%)
- Critical positions with ≥ 2 successors (%)
- Average time until successors are ready (years)
- Successors ready now (%)
- High potential engagement (average score)
- Individual improvement (performance evaluations)

CORPORATE DILEMMA

WHAT IF WE TRAIN THEM AND THEY LEAVE?

WHAT IF WE DON'T... AND THEY STAY?



INVESTING IN EMPLOYEES



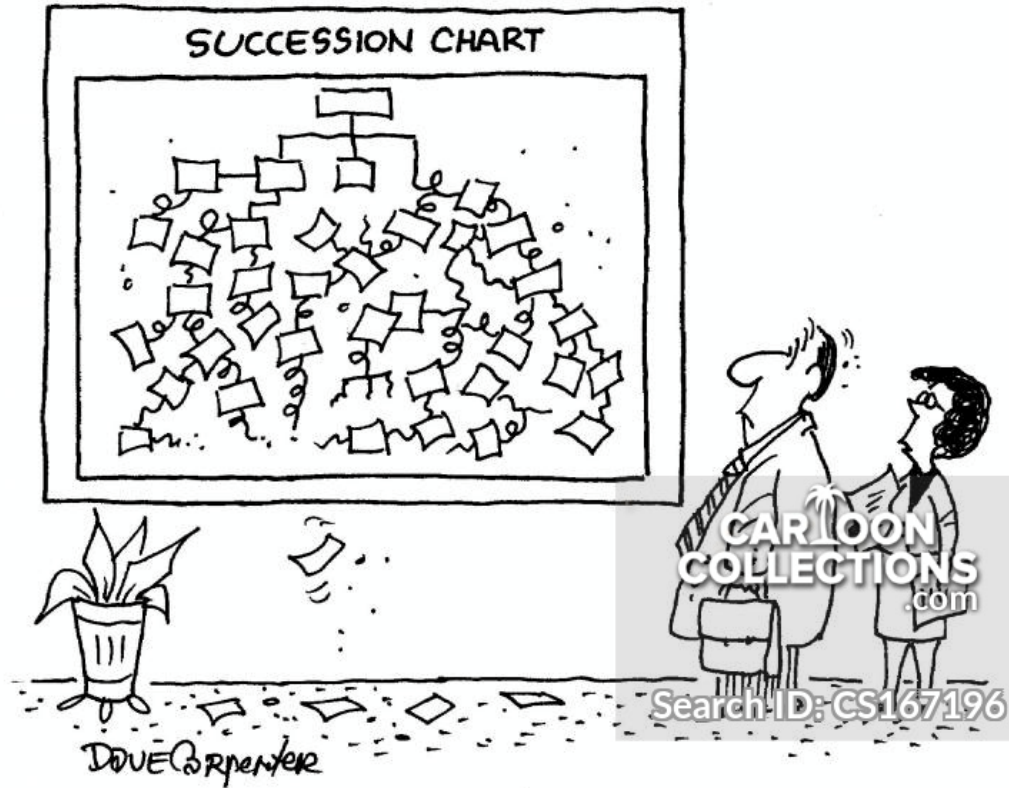
Sharks have rows of razor sharp teeth. When one breaks off, another flips right into its place. Organizations should be the same. When an employee leaves, another should be ready to move into his/her spot.

Staff Development Activities (1 of 2)

- Self-assessment instruments (e.g. personality traits, strengths/weaknesses, core values, emotional intelligence)
- Job rotation
- Stretch job assignments and business projects
- Exposure to executives, directors, and managers
- Review of formative feedback (e.g. 360 degree feedback)
- Assignment of a coach or mentor
- Service on cross-functional teams and interdisciplinary committees
- Work on schedules, policies and procedures, regulatory audits, and budget and financial analyses

Staff Development Activities (2 of 2)

- Teaching and training of others
- Discussion of case studies, books, and journal articles
- Formal education (e.g. courses, degrees) and development programs (e.g. leadership, clinical skills)
- Research and quality improvement projects
- Oral and poster presentations and publications
- Professional society involvement in leadership positions and attendance of educational conferences
- Reflective thinking and writing



“We’re presently entangled in a power struggle.”

How do you prevent a mess like this from happening . . . ?

Success Factors for Succession Planning

1 of 3

- Put someone in charge of overseeing the process.
- Align with strategic plan and business objectives and consider future versus present talent needs.
- Obtain buy-in, commitment, and participation of senior leaders in the process.
- Establish succession planning as a formal, organized, continuous, systemic, transparent process versus as an informal, disjointed, episodic, haphazard, secret event.
- Devote adequate resources to the process (personnel, financial, informatics) and leverage technology to enhance the process.
- Make talent management every manager's #1 priority.

Success Factors for Succession Planning

- Communicate about advancement opportunities. 2 of 3
- Be open-minded in assessing talent with nontraditional background.
- Nurture multiple talent pools for positions at various levels of the organization.
- Create very customized and flexible professional development plans.
- Emphasize on-the-job experiences and supplement them with other learning activities.
- Use stretch job assignments for high potential people that expose them to senior leaders.
- Recruit new employees who share the organization's values and can develop the desired competencies.

Success Factors for Succession Planning

3 of 3

- Perform rigorous and repeated assessment of those with medium/high potential and performance, and combine with candid evidence-based developmental feedback.
- Hold individuals accountable for their own development.
- Recognize and reward top talent and make aggressive efforts to retain them.
- Evaluate the process against key metrics of effectiveness and make adjustments as needed.
- Capture “lessons learned” periodically and use them to continuously improve the process.

**** Succession planning errors or failure points are essentially the opposite of these success factors.****

The 99th Floor

DON'T YOU
THINK WE'RE
CUTTING IT KIND
OF CLOSE?

**JILL'S RETIREMENT PARTY
AND SUCCESSION PLANNING
KICKOFF MEETING**



marketoonist

Unfortunately this is more often the norm rather than the exception . . .

Group Discussion

- Does your pharmacy department have a formal succession plan – yes, no, or you don't know?
- Should your pharmacy department have a formal succession plan?
- What pharmacy department positions are critically important and difficult to replace, and thus should be included on a succession plan?
- Does anyone have any stories, ideas, challenges, best practices, or outcomes to share related to succession planning?
- Does anyone have any questions or comments?

Contact Information

Kevin Purcell, MD, PharmD, MHA

- Work Email: rkpurcel@baptisthealthsystem.com
- Office: 210-297-4481, Pharmacy: 210-297-4470
- Home Email: kevinpurcell13@yahoo.com
- Cell Phone: 361-443-4825



References – Pharmacy

1. White S. Will there be a pharmacy leadership crisis? An ASHP Foundation scholar-in-residence report. *Am J Health-Syst Pharm* 2005;62:845-855.
2. White S, Enright SM. Is there still a pharmacy leadership crisis? A 7-year follow-up assessment. *Am J Health-Syst Pharm* 2013;70:443-447.
3. Ellinger LK, Trapskin PJ, Black R, et al. Leadership and effective succession planning in health-system pharmacy departments. *Hosp Pharm* 2014;49(4):369-375.
4. Dumont Z, MacKinnon NJ, Mueller W, et al. *Can J Hosp Pharm* 2018;72(2):119-125.
5. Amburgh JV, Surratt CK, Green JS, et al. Succession planning in US pharmacy schools. *Am J Pharm Educ* 2010;74(5):Article 86.

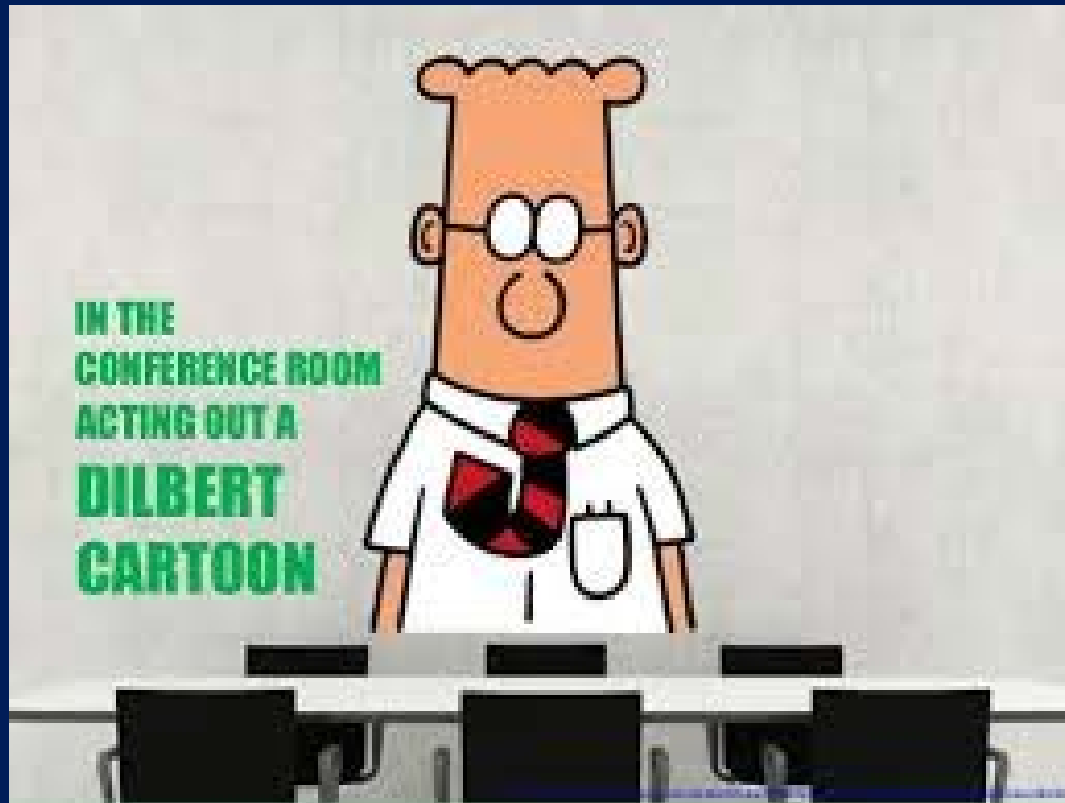
References – Nonpharmacy

1. Anderson M, Garman AM. Leadership development in healthcare systems: toward an evidence-based approach. National Center for Healthcare Leadership 2014. http://www.nchl.org/Documents/Ctrl_Hyperlink/doccopy6464_uid9192016443322.pdf. Accessed July 4, 2019.
2. Burt NF, Evans JH. Best practices in health leadership talent management and succession planning: case studies. National Center for Healthcare Leadership 2010. http://www.nchl.org/Documents/Ctrl_Hyperlink/doccopy5800_uid6102014456192.pdf. Accessed July 4, 2019
3. Myer H. Lack of diversity and succession planning revealed in AHA survey. Modern Healthcare. May 29, 2019. <https://www.modernhealthcare.com/providers/lack-diversity-succession-planning-revealed-aha-survey>. Accessed July 4, 2019.
4. Day DV. Developing leadership talent: a guide to succession planning and leadership development. SMRM Foundation 2007. <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Developing-Leadership-Talent.pdf>. Accessed July 4, 2019.
5. Branham D, Chaney D, Cummings L, et al. Succession planning: Ohio's talent for tomorrow and beyond. Ohio Department of Administrative Services 2011. https://das.ohio.gov/Portals/0/DASDivisions/HumanResources/LPD/ppt/Succession%20Planning_PRJ.pdf?ver=2012-07-27-140649-833. Accessed July 4, 2019.
6. AMN Healthcare News. Leadership succession planning is essential in healthcare today. <https://www.amnhealthcare.com/latest-healthcare-news/leadership-succession-planning/>. Accessed July 4, 2019.
7. Keilers LW. Leadership, succession planning and transitions: how do we balance them? National Rural Health Resource Center 2016. <https://www.ruralcenter.org/events/help-webinars/leadership-succession-planning-and-transitions-how-do-we-balance-them>. Accessed July 4, 2019.

References – Nonpharmacy

8. Bonner L, Fogarty G. A roadmap for succession planning. Forbes 2018. https://forbesfunds.org/sites/default/files/resource-files/Roadmap_to_Succession_Planning_PowerPoint.pdf. Accessed July 4, 2019.
9. Jenkins R. 5 steps to make succession planning a success. Inc. Newsletter. October 3, 2017. <https://www.inc.com/ryan-jenkins/how-to-secure-company-knowledge-and-equip-millenni.html>. Accessed July 4, 2019.
10. McCarthy D. Succession planning basics: the template. Great Leadership post. August 6, 2012. <http://www.greatleadershipbydan.com/2012/08/succession-planning-basics-template.html>. Accessed July 4, 2019.
11. McCarthy D. A no-bull%&\$ guide to succession planning and development. Great Leadership post. April 14, 2010. <http://www.greatleadershipbydan.com/2012/08/succession-planning-basics-template.html>. Accessed July 4, 2019.
11. Taylor J, Lehman K. Succession planning: it's not just for human resources. PharmExec News. April 3, 2019. <http://www.pharmexec.com/succession-planning-its-not-just-human-resources>. Accessed July 4, 2019.
12. Kennedy MA. Two helpful templates simplify succession planning. HR Daily Advisor. January 27, 2015. <https://hrdailyadvisor.blr.com/2015/01/27/two-helpful-templates-simplify-succession-planning/>. Accessed July 4, 2019.
13. Madden M. 6 common pitfalls of succession planning and how to prevent them. Becker's Hospital Review. December 13, 2016. <https://www.beckershospitalreview.com/hospital-management-administration/6-common-pitfalls-of-succession-planning-and-how-to-prevent-them.html>. Accessed July 4, 2019.

The End



Hopefully this wasn't us today!

Self-Assessment Questions

1. Succession planning can be described as:
 - a. Having the right person in the right position at the right time for the right reason for the right results
 - b. Becoming more important due to dramatic changes in the work environment and the work force
 - c. Not just for executive and department director positions
 - d. Rare in healthcare organizations compared with other industries
 - e. All of the above

Self-Assessment Questions

2. Succession planning does which of the following:
 - a. Links the strategic plan with staff development
 - b. Prepares an organization or department for departures whether they are planned or not
 - c. Ensures vital positions are always filled with qualified and capable people
 - d. Maintains the momentum of important services, programs, and initiatives
 - e. All of the above

Self-Assessment Questions

3. Steps for succession planning include:
 - a. Identifying critical positions and the required knowledge, skills, values, and behaviors for people to be successful in them
 - b. Assessing, developing, and retaining internal talent and recruiting externally when necessary
 - c. Capturing and transferring important job and institutional knowledge
 - d. Monitoring and evaluating progression and outcomes
 - e. All of the above

Self-Assessment Questions

4. Factors that affect the success of succession planning include:
 - a. Making it formal versus informal and documenting it in a written framework/tool
 - b. Having a systemic and systematic approach that addresses all levels and is well organized
 - c. Involving and gaining the commitment of leadership in terms of time, resources, and method
 - d. Creation of individual development plans that are customized, experiential, and longitudinal and get buy-in and accountability of employees
 - e. All of the above

Self-Assessment Questions

5. A succession plan should include:
 - a. All key positions with the current incumbents and their expected transition date
 - b. Critical needs (e.g. knowledge, skills, values) now and in the future of the person in each key position
 - c. Potential candidates with their defined capability gap and a projected timeline for readiness
 - d. Developmental goals and action plans for each candidate to prepare them as successors
 - e. All of the above

Self-Assessment Questions

6. Critical positions in a health system pharmacy department for which succession planning should be done are:
 - a. Pharmacy director as well as operations manager, clinical manager, and technician supervisor
 - b. Pharmacy residency program director, medication safety/regulatory pharmacist, and antimicrobial stewardship pharmacist
 - c. Informatics pharmacist and pharmacy technology technician
 - d. Pharmacy buyer
 - e. All of the above

Self-Assessment Questions

Answer Key

1. E

2. E

3. E

4. E

5. E

6. E