

Original Article

Leadership and Effective Succession Planning in Health-System Pharmacy Departments

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ABSTRACT

Leadership succession planning is crucial to the continuity of the comprehensive vision of the hospital pharmacy department. Leadership development is arguably the main component of training and preparing pharmacists to assume managerial positions. Succession planning begins with a review of the organizational chart in the context of the institution's strategic plan. Then career ladders are developed and key positions that require succession plans are identified. Employee profiles and talent inventory should be performed for all employees to identify education, talent, and experience, as well as areas that need improvement. Employees should set objective goals that align with the department's strategic plan, and management should work collaboratively with employees on how to achieve their goals within a certain timeframe. The succession planning process is dynamic and evolving, and periodic assessments should be conducted to determine how improvements can be made. Succession planning can serve as a marker for the success of hospital pharmacy departments.

Key Words—succession planning, pharmacy department, hospital pharmacy, leadership

Hosp Pharm—2014;49(4):369–375

SUCCESSION PLANNING AS PART OF THE STRATEGIC PLAN

With the evolution of human resources in the hospital pharmacy setting in the 1980s, there was a focus on integrating institutional needs with employee needs.^{1,2} The approach to effective management became more comprehensive and included motivating and training competent employees and ensuring human resources were sufficient to meet the needs of an institution's strategic plan. A pharmacy department's strategic plan is a long-term vision of how the department will achieve its goals and objectives through programs, services, and effective management of its employees. It is usually a formal plan, with a recommended projection of 5 to 7 years in the future. It can be drawn up and submitted similar

to (or with) the department's formal business plan. A part of the strategic plan is succession planning, which focuses on ensuring key management roles will be filled through optimal recruitment and training of pharmacy employees.

Planning for successful management of employees requires a focus on preparation for successful leadership. A 2011 survey found that 75% of pharmacy directors would likely retire in the following decade.³ This percentage is similar to the 80% reported in the original 2004 survey. Furthermore, recent reports show that Baby Boomers are not delaying retirement as previously thought; over half surveyed were either partially or fully retired by the age of 65.⁴ It is no surprise that leadership succession planning is a topic of great interest within health-system

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pharmacy departments. The goals of the American Society of Health-System Pharmacists (ASHP) for leadership and management include the creation of management positions at all levels, with adequate training and mentorship for individuals in these roles so that a comprehensive vision is sustained across the institution's pharmacy department.⁵ Additionally, the sixth objective of the ASHP Pharmacy Practice Model Initiative (PPMI) is to "determine the tools and resources needed to implement optimal pharmacy practice models in hospitals and health systems."⁶ A strategic plan and succession planning support this objective.

Leadership succession planning is crucial to the continuity of the comprehensive vision of the pharmacy department. Leadership development is arguably the main component of training and preparing pharmacists to assume managerial positions. A variety of pathways are available for pharmacists to develop leadership skills; most important may be on-the-job training and residencies. The doctor of pharmacy curriculum, professional organization involvement, leadership training programs, and more formal education are other options for pharmacists to develop leadership skills. The process of succession planning revolves around leadership development. A pharmacy department's succession planning process should be dynamic and evolving, with periodic assessments to determine how improvements can be made. Emphasis should be placed on succession planning, and it should be a marker for the success of pharmacy departments. This article will focus on pharmacy leadership development and steps to leadership succession planning. It will also provide the results of the 2012 University HealthSystem Consortium (UHC) Succession Planning Survey and case studies on succession planning.

PHARMACY LEADERSHIP PATHWAYS

Historically, pharmacy leaders developed through on-the-job training, which still serves as a top leadership pathway.⁷ In a recent survey of 205 health-system pharmacy leaders by Pollard and Clark, on-the-job training was the primary pathway contributing to leadership development of both residency- and nonresidency-trained pharmacy leaders. Other leadership pathways noted by survey respondents include mentoring, life experiences, and performing leadership roles in professional organizations. The authors concluded that mentorship, networking, and on-the-job training are imperative to creating an effective leader in pharmacy.

Another leadership pathway is built into the doctor of pharmacy curriculum. The curriculum has evolved to ensure that leadership opportunities are available to students throughout the 4 years of schooling. The Accreditation Council for Pharmacy Education (ACPE) has published guidelines for the doctor of pharmacy degree.⁸ The guidelines state that admissions criteria for the doctor of pharmacy candidate should include a consideration of the candidates' leadership qualities. ACPE also requires the formation of a student government or other committees in order to develop student leadership, professionalism, and communication. Professional student organizations provide opportunities to exercise leadership and teamwork through committees and student officer positions and through activities such as the American Pharmacists Association (APhA) patient care projects, National Community Pharmacist's Association (NCPA) business plan competition, and ASHP's Clinical Skills Competition.⁹ Professional pharmacy fraternities offer seminars on leadership development and provide leadership opportunities through officer positions. Faculty, staff, and preceptors are responsible for committing to the strategic development of leadership skills and professionalism of the doctor of pharmacy candidates. One of the expected areas of competency of the doctor of pharmacy candidates is the social/behavioral/administrative pharmacy sciences, which includes an emphasis on leadership development within practice management. Colleges of pharmacy are also incorporating additional longitudinal leadership tracks or programs to further increase the focus on student leadership development.

ASHP supports ACPE standards and guidelines and has outlined goals for leadership development within the doctor of pharmacy curriculum, pharmacy internships, and residencies or residency equivalencies.⁵ ASHP's position statement on developing leadership and management competencies encourages current leaders to seek out mentorship positions and foster practitioners to move into leadership roles. Emphasis is placed on the development of administrative, managerial, and leadership skills. Through their position statement, ASHP encourages colleges of pharmacy to enhance leadership training in their curricula and to create more combined-degree programs. ASHP would like the colleges to encourage students to attend leadership conferences, pursue residency programs, and gain experience in medication safety and medication management. These standards are echoed in the American Association of Colleges

of Pharmacy (AACP) Argus Commission policy statements and recommendations.⁹

For many students, it is a natural progression to move forward into a postgraduate year 1 (PGY1) residency program. The purpose of this year is to build upon skills and knowledge acquired during the doctor of pharmacy curriculum and allow first-hand experience in providing optimal direct patient care, managing medication-use systems, and enhancing leadership skills that are conducive to any practice setting.¹⁰ ASHP mandates that all PGY1 programs provide some degree of management experience. ASHP is also the accrediting body for these programs, and it advocates for increasing the number of residency programs and the number of positions at each program. Its vision is that by 2020 the completion of an ASHP-accredited PGY1 will be a requirement for pharmacy graduates who wish to pursue direct patient care.

Leadership training programs are also available through professional organizations. ASHP has a distance-learning program called the Pharmacy Leadership Academy (PLA) that serves to enhance leadership skills at any level within a pharmacy department.¹¹ An expert team runs 7 self-learning modules over the course of 6 weeks to allow for the completion of the program in 12 months. Some colleges and universities recognize PLA as a graduate-level program. ASHP has also created the Pharmacy Leadership Institute, which is a rigorous 6-day leadership conference for established pharmacy managers.¹² The American College of Clinical Pharmacy (ACCP) offers a Leadership and Management Certificate Program, which aims to further develop these skills in pharmacists who are currently in leadership and management roles.¹³ The program has a mentoring component and requires completion of 18 hours of core modules and 8 hours of elective modules.

Another pathway to gain leadership experience, albeit not necessarily pharmacy leadership experience, includes obtaining more formal education.⁷ Pharmacists often obtain administrative graduate degrees, such as MBA, MHA, and MPH. These degrees are usually offered in both full-time (2 years) and part-time (4 years) programs. A greater number of colleges of pharmacy are offering dual or joint degrees.¹⁴ During 2009 and 2010, 36 colleges offered dual PharmD/MBA programs, and 30 colleges offered dual PharmD/PhD programs. Overall, students have cited improved problem-solving and leadership skills as an advantage to these dual degrees. Also available

are 1- and 2-year pharmacy practice management residencies, some of which are combined with a master's degree. Increasing numbers of PharmD students are beginning their pharmacy curriculum with prior degrees.

EVALUATING AND HARVESTING THE TALENT POOL

Succession Planning Team

The process of succession planning starts with the creation of a team of leaders who can review the organizational chart and workforce in the context of the strategic plan. The team should take a formal, objective approach to identifying candidates for leadership positions.^{15,16} Career ladders allow employees to understand the steps they need to take in order to reach their goals.² The succession planning team should ensure that job descriptions clearly state the skills and minimal qualifications that are required, and the team should draft a document that describes the procedures for advancement. The succession planning team needs to identify key positions for which succession plans should be created and begin the process of identifying and grooming potential candidates as successors as outlined below.

Needs Forecasting and Turnover Analysis

Needs forecasting is the next step in the succession planning process.² After review of the organizational chart, the team may decide that some positions have to be created or eliminated in order to support the strategic plan of the department and/or institution.¹⁵ Other positions may be at risk or have to evolve due to retirement or because individuals may not be willing to stay updated with the ever-changing health care environment. Patterns in the history of employee turnover should be reviewed as well. The use of a turnover analysis with 4 quadrants (**Figure 1**) can help clarify why employees choose to leave or stay within an institution.² If the reasons for an employee leaving are controllable from both the standpoint of the employee and institution, then poor supervision or working conditions may be an explanation. They are categorized in quadrant 1. Employees who are categorized as quadrant 2 can control their situation when the institution cannot, such as in the case of a spouse transferring to a new city or the desire for a career change. Forced retirement and layoffs fall in quadrant 3, and employees in quadrant 4 leave for reasons that cannot be controlled, such as death or health problems. Performing a turnover analysis can be a vital tool in needs forecasting.

		Employee Factors	
		Controllable	Uncontrollable
Organization Factors	Controllable	1	3
	Uncontrollable	2	4

Figure 1. Factors influencing employee turnover. Originally published in Chase PA. Human resources management for a hospital pharmacy department. *Am J Hosp Pharm.* 1989;46(6):1162-1169. © 1989, American Society of Health-System Pharmacists, Inc. All rights reserved. Adapted with permission.

Employee Profiles and Talent Inventory

Identifying competencies and skills that are imperative to departmental positions is also vital to the success of the strategic plan.^{15,16} Employees should be assessed objectively and systematically. Employee profiles should include general information (like that found on a *curriculum vitae*) and the employees’ current and anticipated interests. Completed education and areas of needed education should be documented. Employees should be asked what assignments they would like to receive, what departmental committees they would like to serve on, and their clinical specialty areas of interest.

After obtaining employee profiles, the succession planning team should conduct a talent inventory to identify talents and talent gaps in the workforce.^{15,16} An ASHP Webinar discussed the following areas that should be considered in a talent inventory:

- Alignment with organizational values
- Leadership competencies
- Skills
- Professional knowledge/competencies

- Exposure within the organization and key external environments

After the inventory, the succession planning team should assess individual and departmental talent gaps and offer solutions for filling these gaps.^{15,16} Measures should be taken to align talent to the department or institution’s strategic plan. An appropriate amount of time for training and development of the necessary skills required to fill (or hone) these positions should be estimated. An individual development plan is a tool that maps out ways for pharmacists to meet their personal goals, which in return will help the department meet its goals and fill the gaps. Individual development plans should be created by all pharmacists in conjunction with management. These plans should include ways that individuals can achieve their goals. These include formal education programs, expansion of the scope of responsibilities, assignment of a longitudinal project, transfer to a lateral position with different responsibilities or skill needs, mentoring, and coaching.¹⁵ Within the plans, the measurement of targets should be clearly defined.

UHC SURVEY

The succession planning process should be dynamic and evolving, with periodic formal evaluation of the effectiveness of the process to determine how improvements can be made. Leadership is an integral component to succession plans, and management should help individuals map out leadership pathways to help them achieve their short and long-term goals that align with the goals of the institution. Although it has been emphasized that formal succession plans containing objective employee assessment processes are a best practice, a majority of institutions do not have formal succession plans for their departments or individual employees. This was confirmed by a 2012 UHC survey of UHC-associated directors of pharmacy (DOPs).

The Succession Planning Survey that was e-mailed to DOPs at member UHC organizations aimed to identify formal and informal succession planning processes in place for DOPs, key positions, and pharmacy departments as a whole. A total of 36 directors responded, which was a 13% response rate. Sixty-three percent of the departments reported having formal (14%) or informal (49%) processes in place for key positions. Four respondents stated that their organizations have formal succession planning processes in place for the organization as a whole. Thirty-seven percent of respondents reported no succession plan.

Three of the 5 pharmacy departments with established formal processes for key positions have over 800 inpatient beds and are large health-systems. Most have formal succession processes for their director-level positions. Some list the process as emerging from the organization's formal plan as implemented by the executive suite. Others have conducted a department-wide review of the organizational chart and/or 360-degree evaluations with leadership and continuity planning.

Many organizations with informal processes in place for key positions listed all management positions or all direct reports as being included. One detailed response included informal plans for assistant directors of pharmacy positions (outpatient, ambulatory clinical, inpatient clinical and inpatient operations), the informatics coordinator, medication safety officer, P&T coordinator, and clinical specialists. Many DOPs mentioned that retaining general and specialty residents after they complete their residency is part of the informal plan. One director ensures that individuals being "groomed" alternate responsibilities every 2 years so they have the opportunity to manage the entire scope of the department. Common themes in

the informal plans are promotion from within and acquisition of leadership experience.

Most DOPs have identified their successor internally; they often look to the assistant director as their replacement. Some DOPs will use their "higher-ups" to help them identify and groom potential successors. One DOP planned to recruit an entry-level manager with the goal of promoting him or her to assistant manager within 5 years and DOP within 10 years. Another DOP engaged an executive coach to work monthly with the individual identified to be the successor. Most respondents are trying to expand the scope of experience for all levels of managers.

When asked whether their pharmacy department supported "flexibility" within the structure in order to support succession planning, half of the respondents answered yes. Some alluded to their institutions taking a more neutral position on succession planning, with no measures to impede or promote it. Another stated that succession planning is a part of obtaining approval for new positions. Consistency in the ratio of employees to managers was listed as an impediment to succession planning by one director. Only one respondent elaborated on why the institution is not flexible, stating that financial issues are a higher priority and leadership does not allow for a flexible budget to support the proactive measures of succession planning. One larger system (comprised of 11 hospitals) stated that its size will allow it to be flexible in finding successors.

Respondents listed the following themes of successful succession planning:

- Mentoring and coaching
 - Encouragement for expansion of responsibilities
 - Formal mentors for entry-level employees on up and external coaches for senior-level managers
 - Systematic program
- Leadership and skill development
 - Professional society involvement
 - Tools to assess performance
 - Participation of potential successor in new initiatives
 - Leadership development programs
- Internal commitment and support
 - Actively promoting from within
 - Robust residency program
 - Transparency in succession planning
 - Support for advanced degrees

Respondents listed the following barriers to successful succession planning:

- Budgeting
- Fixed ratios of employees to managers
- Unionized pharmacists and staff
- Finite number of management levels approved by the hospital
- Rivalries amongst employees vying for same positions
- Only allowed to use certain titles

CONCLUSION

The results of the UHC survey reveal that despite literature supporting use of succession plans to ensure a successful and goal-oriented future for pharmacy departments, many departments do not have them. Informal succession plans are more commonly in place for key positions than are formal plans. However, institutions that tend to have formal plans are larger health systems. Respondents consistently listed leadership, mentoring, and internal commitment as critical factors to successful succession planning.

Pharmacists have many pathways for gaining the leadership experience that is necessary for future career positions. A successful pharmacy department will have an evolving succession plan that systematically reviews all employees to identify their strengths and talent gaps. Succession plans are increasingly important for pharmacy departments, as many leaders in key positions are on the brink of retirement. By taking a proactive stance rather than a reactive stance through succession plans, organizations provide for a smooth transition when both controllable and uncontrollable factors contribute to changes in pharmacy services and a pharmacy department's organizational structure.

The case studies in the **Appendix** highlight the importance of succession planning and how the lack of a plan can result in negative consequences. They may be used as discussion tools during leadership training and at manager and staff meetings, as well as with residents and students when leadership topics are addressed.

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APPENDIX**Case #1: How deep is your bench?**

Institution: St. Elsewhere, an academic health-system in the midwest.

Leadership need: St. Elsewhere recently approved a new full-time pharmacist position to establish primary care services. The Pharmacy Director did not have any internal candidates who were ready to take on this role.

Solution: An external candidate with 2 years of postgraduate pharmacy residency training and previous ambulatory clinic practice experience was hired. Over the next 9 months, the pharmacist established an extraordinary practice that allowed pharmacists to operate effectively and efficiently. During this time, the pharmacist did not take any vacations or time off.

However... one day the pharmacist met with the Pharmacy Director to inform her that her father had become ill and she needed to move out of state to care for him. The pharmacist was resigning effective immediately. The Pharmacy Director had not trained other staff to take over, so primary care clinic services were suspended indefinitely.

Discussion questions:

1. Why is succession planning often not an immediate consideration when implementing new services? Should it be?
2. In which quadrant does this fall for factors affecting employee turnover? (see *Figure 1*)
3. What other strategies could have been utilized by the Pharmacy Director to avoid indefinite suspension of the primary care clinic services?

Case #2: How do you develop a strong pipeline of operational leaders?

Institution: Forward Thinking Medical Center (FTMC), an academic hospital in the northeast.

Leadership need: The pharmacy management team wanted to provide operational leadership training for its pharmacists.

Solution: FTMC chose to develop its own training program, so pharmacists would not need to attend a leadership “bootcamp” or seminar off-site and to minimize the impact on the department’s educational budget. The management team modified one of the current distributive shifts to a pharmacist-in-charge (PIC) shift to allow staff to gain on-the-job leadership training. The responsibilities of the PIC were modeled after the charge nurse role that had been used by nursing for many years. Pharmacists covering the PIC shift were provided with training on how to respond to sick calls, manage technology service disruptions, ensure appropriate shift-to-shift sign-out, and redistribute workflow when needed.

However... during training some pharmacists were opposed to this change in their usual daily routine. They were reminded that they were expected to perform these functions as listed by their job description. For example, the job description stated pharmacists will “oversee technicians,” “direct workflow,” and “ensure timely medication delivery.” Documents detailing the pharmacist and pharmacy technician workflows, information technology resources/troubleshooting tips, and a plan listing the steps to take in the event of a call-off were developed and distributed at the training sessions.

Discussion questions:

1. How do you think the PIC system develops confidence in pharmacists with varying levels of leadership experience?
2. What are the advantages and disadvantages to sharing the operational leadership role across so many employees?
3. Would you consider including PGY1 pharmacy residents in the PIC system? Why or why not?
4. How is the PIC system a step of the succession planning process?