

## CHAC MAY 2006 CONFERENCE

### Managing succession in health care leadership Best Practices Panel

#### INTRODUCTION

Carl Roy, Marilyn Webber and I will take a maximum of 5 minutes each to give you our own perspective and then we will invite the audience to ask questions, make comments or share their own experiences and we will be available to respond or assist in this process .

#### **But first a very quick environmental scan:**

\*Ontario alone currently has a shortage of 13,000 nurses. The average age of our workforce is higher than most other large employers.

\*We have closed our schools of nursing over which we had some control and from which we could assure a proper supply of qualified nurses for our hospitals, care homes and primary health centers.

\*Our governments have, OVER A DECADE AGO, restricted the numbers in medical schools to reduce costs. Governments viewed this as way to reduce health costs. This has created a 'perfect storm' according to the past-president of Canadian Medical Association. We have and will have increasing shortages of nurses, doctors, specialists, pharmacists, Healthcare IT professionals and healthcare technicians.

\*For 5 consecutive years in the 90's, health care budgets increased by approximately 0.5 %. We consequently laid people off people in health care to meet budget requirements.

This downsizing, or lay offs of the 90's, though actually minimal compared to many other industries, were greatly publicized. High School students and their parents thought and often still think health does not need more employees. Besides, health professionals, for collective bargaining purposes advertised themselves as being overworked, undervalued and not respected. Why would the young aspire to such a career?

\*How many of us tell our children or grandchildren that they should seriously consider nursing as a career.

How many of us identify and encourage some of our nurses to pursue further training to become doctors?

\*We devote minimal resources to the proper management training and development of the potential star employees for more senior management positions?

\*According to the 2005 publication 'Canadian Healthcare Manager', of the 100 healthcare administrators interviewed, the most significant challenge for healthcare executives was not money, it was people.

\*It is very difficult to find a personal or family doctor or to see a specialist or even your doctor within a few weeks. Yet we can find and see a dentist, an orthodontist, a chiropractor, a lawyer, an accountant, an architect, an engineer, an auto body shop to fix your car, etc. within a few hours or days. What are we doing?

\*The forthcoming exodus of baby boomers from the health care workforce and for whom health care needs will greatly increase over the next two decades, will be proportionately more pronounced than any where else in the world. Yes, Canada has, proportionately speaking, the largest baby boomer component of any country in the world. The issue of succession management at all levels is, needless to say, a priority.

**The purpose of panel discussion** is therefore as follows:

- 1) Should we be sharpening our succession management practices?
- 2) How do leading businesses manage succession effectively?
- 3) How do and can large and small Catholic health care organizations in Canada, individually, apply proven succession strategies to manage succession more effectively?
- 4) How could Catholic health care organizations manage succession more effectively - acting together as a Pan-Canadian network situated as they are across this large country of Canada?

**I now invite Carl Roy to comment.**

**I now invite Marilyn Webber to comment.**

**My presentation:**

CHCM's network has 10 health care works and two recently established social services works. I will consider the 10 health care works only in my following analysis. They have been in place for as much as 135 years.

Raymond Lafond  
Managing Succession: Best Practices Panel  
May 6, 2006

CEO's who have been in place for less than 5 years	8 / 80%
CEO's who have been in place for 5 – 10 years	1 / 10%
CEO's who have been in place for 10 – 15 years	1 / 10%
CEO's who have been health care employees all of their work life	6 / 60%
CEO's who are health professionals, i.e.. nurses, psychologists or doctors	6 / 60%
CEO's who have come from within the current health care organization	3 / 30%
CEO's who have come from within current health care organization or from within our Network	6 / 60%

Chamber of Commerce Surveys indicate that roughly 70 per cent of Small and Medium size Enterprise (SME) owners across Canada intend to exit their businesses over the next 10 years, but only a third of them are currently planning for their succession. (Yes, we are not alone.)

**So what do Chambers of Commerce say makes a successful succession? The abbreviated answer: a plan.**

Like Chambers of Commerce, we Catholics all have an interest, directly or indirectly, in the orderly succession within our health ministries.

Here are some examples of what some of their members are doing:

- The 4 largest Credit Unions in MB, are getting together to train and hire well over 100 new immigrants per year in entry level positions. This training is firstly in language skills and then in financial and technical skills.
- A trucking company in Manitoba has gone to Britain to recruit 40 truck drivers last year and building on that success, they are going back to recruit 60 more this year. What are we doing in health care to train and hire new immigrants in entry level positions? There are qualified new health care immigrants driving taxis or working in all kinds of jobs to earn a living but outside of our health care organizations. Why is this? What are we going to do about this?
- Automobile dealers in Winnipeg are getting together and have hired Drake personnel, the oldest Winnipeg personnel consultant business in Winnipeg to assist them in insuring the required future workforce.
- All kinds of complementary/alternative health services shops are opening up on every second or third block of our Cities' main arteries. Where are they getting all these customers and more particularly all these health professionals? Could they be a great resource for us in more traditional health care services? Why would Chambers of Commerce invite these complementary/alternative health clinics to join them as members but not our Catholic health Networks?

**I now invite questions from the audience.**

**Possible questions to the panel:**

\* How do you have an effective management process and more particularly talent identification and development process in a union environment where seniority is the

priority and where for example, a nurse is a nurse qualified for any nursing duties, no matter what his or her previous training or experience has been.

\*Many of us know and have experienced the recruiting of a senior management person who had all the skills but simply did not fit in the prevailing organizational culture. Should an outsider first be hired at a lower level before being considered or confirmed to a vice-presidency or CEO position?

\*Do we need to recruit outsiders in senior positions to tackle an existing 'entitlement' mentality or when we have become too insular and lack fresh ideas.

\*How do we motivate employees to accept more senior positions? What are the requirements for an employee to access a more senior position? What does the employee need to know? As an example, my daughter, a fellow actuary at Manulife knows what she needs to do. For example, it is commonly known that a manager needs to demonstrate that they have strong capable people behind them before they can move into the next position, lateral or up on the organizational chart?

\*Do you need to be a health care professional, Nurse or Doctor, to access most management positions in health care organizations, to be valued and recognized, to have access to higher level positions? This is certainly the perception of the public and more particularly, Canada's Youth.