

## ARTICLE

# The Power and Importance of Leadership in a Crisis

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Health care leaders are increasingly looking at internal talent in combination with a continued focus on external leaders, and are revisiting their organizational assessment, promotion, and succession plans as well. In addition, as a shift to virtual interviewing and on-boarding is becoming embraced, leaders are sharpening their focus on reference checks and certain leadership qualities.

The Covid-19 crisis has highlighted the critical need both for talented leaders and for empowering those leaders and the teams around them. With the health care industry thrust into unforeseen, existential circumstances, many leaders have risen to the challenge, working hard to ensure their organizational missions and longer-term survival while simultaneously focusing on the immediate safety and welfare of their people and organizations. Leadership is important in any situation and industry, but particularly critical to health care, where both patients' and providers' lives are at stake.

When our health care clients ask us what we have seen during the Covid-19 crisis — specific to executive search, leadership assessment, and team development — we point to a few consistent themes that have emerged. The overarching one is that leadership remains essential to organizational survival and success. That is why, even amid this crisis, the leading health care organizations continue to search for, actively recruit, and/or constantly develop and promote internal top talent. However, because of the threat of transmission of the novel coronavirus, coupled with the pandemic's impact on health systems, some changes in priorities and techniques are developing.

Below are some observations from our executive recruiting work during the Covid-19 crisis.

## *Executive searches continue, with a balance between external recruiting and internal promotion, and at a variation in pace*

As clinicians, we know that the exceptional health care providers are those who know what to do when things go wrong with their patients. The same is true for leading health care organizations during this crisis.

As the pandemic and ensuing financial challenges have upended the world in general and the health care industry in particular, strong leadership teams have never played a more important role. The work of filling key positions, particularly around critical finance and clinical leadership positions, through the assessment and promotion of internal candidates and/or the recruitment and onboarding of external candidates has carried on in the crisis, albeit with a different cadence and methodology. For example, at a well-regarded academic health system in the mountain region, a national search quickly led to the selection of the internal candidate among a strong field of finalist external candidates, both because the candidate was highly qualified for the position and also because the CEO wanted to send a strong signal to the staff that internal leadership mattered and was valued.

For some, the pace of searches slowed in the early spring — Willis Towers Watson from March found that 4 in 10 North American companies froze or reduced hiring, and another 28% were planning to do the same.<sup>1</sup> Yet we have seen executive searches and leadership assessments continue, restart from being paused, or accelerate to reach completion, albeit not yet at the volume of pre-Covid-19 levels. For example, the CEO of a large health system in the Southeast paused the assessments for development of his leadership team in March, but he and his team have rescheduled that important succession for late July. Hospitals are navigating increases in infection rates and hospitalizations with the need to rebuild their volumes of elective procedures. We anticipate pent-up demand for leadership recruitment leading to an eventual return to pre-pandemic search levels.

As we see with the many health system CEOs who credit strong teams with organizational successes in this crisis, it's clear that they continue to value efforts to recruit and develop leaders with the communication skills, collaboration abilities, agility, and resilience to handle unforeseen crises. We're also seeing the same trends on boards of directors. A recent Spencer Stuart survey of Fortune 500 governance and nominating chairs found that most are pleased with the skill sets in their board rooms and their ability to manage the crisis.<sup>2</sup> There is also growing comfort with interviewing board candidates virtually, while recognizing the challenge of onboarding and integrating new directors without in-person meetings.

### *Global uncertainty has led to professional and personal uncertainty*

A recruitment requires two parties: the organization with a leadership need, and the candidate(s) interested in new roles. The Covid-19 crisis has, quite naturally, added many nuances to potential candidates' reception to our outreach. This change is only natural, as uncertain times heighten the typical emotional elements associated with any possible career change. Family considerations are always high in any recruitment, but they weigh even more heavily today. Some of the concerns

we've heard in our work recently include: Could a candidate's working partner find a job in the new location during a major economic crisis? Will the local school system reopen in the fall? What would this change mean for proximity to elderly parents or children in college? How much will the economy impact the ability to buy or sell a house? Personal considerations have always been an important piece to closely track in any search; these considerations, which have only increased in nuance and sensitivity over the past three months, are even more pronounced now.

Furthermore, leaders' hard work to strengthen their existing team relationships could, in turn, make them reluctant to leave their teams during these extraordinary times. This may be a normal feeling in any "all-hands-on-deck" experience, but in the health care industry in particular, on the front lines of this global crisis, we are seeing more candidates demonstrate a heightened sense of not letting their colleagues down.

The comfort of *the known* is providing a greater sense of security and assurance to both candidates and their families. Prospect Theory tells us that most individuals are risk-averse when faced with an uncertain choice — and changing jobs is often perceived as unpredictable.<sup>3</sup> Exaggerating this tendency today are the economic difficulties linked to the Covid-19 crisis, which has left many hospitals in dire financial straits as hospital visits have dropped off.<sup>4</sup> These factors have influenced some potential candidates not to raise their hands for roles they may have been interested in previously, as institutional commitment and associated resources tied to the recruitment may be negatively affected in the short-term. Will the health system still be able to invest in programs and projects that will allow a new leader to grow not only professionally but also to drive programmatic and organizational impact?

At the same time, there are still many potential candidates following Rahm Emanuel's encouragement "never to waste a good crisis."<sup>5</sup> Some tell us they were concerned and disappointed by communication or transparency failures from their CEOs during the crisis, which inspired them to look for new opportunities. Either way, it is clear that many leaders remain open to opportunities to advance their careers, to have impact, and to flourish — even if it means a move to a new organization.

### *Organizations and candidates are quickly adopting creative, non-traditional approaches to recruitment*

Before Covid-19, industries such as technology, media, and financial services commonly used virtual interviews early in the search processes, but health care delivery organizations generally preferred in-person interviews early in the process. Covid-19 has changed the paradigm.

Virtual/video interviewing immediately became commonplace across all phases of the search process, even when filling the most senior positions and even in parts of the process that were traditionally done by phone. High-level searches are coming to conclusion in completely virtual settings, including a critical CEO recruitment for an academic medical center in the Midwest.

Meanwhile, social distancing and sheltering in place have led to creative and non-traditional approaches to evaluating and recruiting talent — virtual walks, virtual coffees and meals shared over video, and 3D tours of campuses, facilities, and real estate.



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Technology and best-practice preparation for client and candidate interviews are critical elements to optimizing virtual search. The literature is abundant in the methods of conducting remote interviews and meetings, but we aim to be particularly mindful of the biases inherent in remotely evaluating individuals. Could the candidate's background — for example, the wall's paint color, photos, lighting, or even the placement of the camera on the computer — unconsciously bias interviewers? What about low-bandwidth Internet access, video lag, or simple frustrations with problems logging in? Do we think less of a candidate who is having "technical difficulties"?

As with most biases, calling attention to the issue is the first step. Before and after virtual meetings we have raised these potential biases. To reduce potential technical issues, we encourage the use of well-known teleconferencing platforms and testing video and audio functionality across all parties before the meetings. Because bandwidth plays a critical role in the success of a virtual video meeting, we encourage clients and candidates to conduct interviews at locations with known stable and strong Internet connectivity.

However, you cannot control for everything, and flexibility is critical. At one recent virtual first-round interview session, two candidates in Texas suffered faulty Internet connections due to local thunderstorms interrupting cable service. The candidates and search committee quickly pivoted to an audio interview, enabling the interview process to continue.

### *Candidates' character, leadership style, and cultural fit are getting heightened attention*

Assessments should always include evaluating a candidate's experience, capabilities, and preferred working environment. Yet the pandemic has heightened our clients' focus on character, leadership style, and cultural fit — factors that are always important, but that are now getting more attention from companies seeking to fill top positions. Utilizing more probing and insightful assessment methods — inclusive of finalist assessment and new executive onboarding and development planning — can help determine and ensure successful fit.

And as most health care delivery organizations have shifted their first-round interviews to a video setting for both one-on-one and search committee interviews, the broader and more extensive use of on-list and off-list referencing has become even more critical. Clients are now playing an important role in making their own reference calls to augment those that we make, a step particularly important to clients wanting to better understand a candidate they may not meet in

person before an offer is extended. Although we expect final-round interviews to revert to in-person once travel restrictions and social distancing requirements are eased, the transition to virtual meetings for early-round interviews seems likely to persist long after Covid-19.

### *Leadership is a team sport*

While external searches are carrying on, many organizations are seeing a growing imperative to strengthen their internal succession planning to reduce their vulnerability to abrupt leadership challenges or changes. Whereas pre-Covid, we estimate that 40% of hires were internal, currently we are seeing a slightly higher percentage of internal placements. This added spotlight on internal selection and succession is giving current senior and mid-level leaders opportunities for professional growth, further highlighting the need for assessment, onboarding, coaching, and development.

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The last consideration is health care leaders’ unique position to being exposed to or infected with Covid-19, an outcome that could remove them from their leadership roles, even virtually. Senior leadership team preparations for succession planning must be about more than simply having “a name in the envelope” for emergencies, but rather a full organizational succession plan, updated on a yearly basis, that highlights the cascading list of who serves what roles and how, both immediately and in the longer term. The organizations that successfully navigate a crisis like this will have plans that feature talented individuals who are deployed on highly effective teams with the vitality and agility to confront crisis.

## **Looking ahead**

Amid the crisis, the mission of hospitals and care providers has not changed: to protect the health and well-being of patients, their families, health care workers, the public, and the organization itself. But how you fulfill that mission has changed, and rapidly, over the last several months.

We know that the health care industry will not be like the pre-pandemic past — some changes will remain, some will evolve, and others will be left behind. But strong leadership teams with the creativity and flexibility to adapt to the moment will be the ones who are best equipped to help their organizations fulfill their missions into the future.

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