

Leaning forward to recruit health leaders

Academic medical centers, by adopting Lean methods, can make executive searches faster, more efficient, and less taxing. This can result in more favorable outcomes in attracting top talent.



A TIME-CONSUMING, TRADITION-BOUND GRIND TO FIND TOP TALENT.

INTRODUCTION

Academic health care centers combine a focus on service and education with a culture that values tradition and precedent. The emphasis on tradition, however, can leave these institutions mired in inefficiencies. Consider, for example, the process by which these organizations recruit their top leaders, whether the executive search is led internally or by a specialized outside search firm. In more traditional academic centers, high value is placed on a deliberate and inclusive search, which typically occurs too slowly to meet such organizations' needs. Instead, opportunity exists for executive search processes in academic health centers to apply new approaches that may lead to significant efficiency gains without sacrificing favorable outcomes.

CURRENT HIRING TRENDS.

The Association of American Medical Colleges (AAMC) in 2011 surveyed the CEOs of major United States teaching hospitals, finding that 75% of respondents had filled at least one executive-level position in the previous two years (Mallon et al. 2011); the average number of new executive appointments among hiring hospitals was 2.54. A similar survey of medical school deans (Mallon and Corrice 2009) found that the schools averaged 4.1 new chair or center director appointments in a two-year period. These surveys also found that for major teaching hospitals, leadership searches took seven months on average and that the average search for department chairs and major center directors in medical schools took almost a year; some searches took almost four years. These long pursuits not only drained resources but also resulted in lost opportunities for the institutions, which had to delay launches of executive-led strategies while waiting to fill key positions.

A typical hiring process at these institutions consists of multiple stages (Alexander 2003):

- **In-house preparation:** Forming a search committee, selecting a chair, creating a position description, drafting advertisement language, and developing a search timetable (Alexander 2002)
- **Candidate sourcing:** Developing a list of potential candidates through direct contact, referrals, and advertising
- **Candidate screening:** Establishing which candidates meet the criteria for the post and deciding which qualified candidates will participate in first-round interviews
- **Candidate interviews:** First- and second-round interviews of qualified candidates requiring scheduling of transportation, hotel arrangements, interview timelines, etc.

Executive search within academic health care institutions has become mired in a focus on traditional processes, rather than on streamlined best practices. By understanding and appreciating Lean transformation principles and applying them to the search process, an institution can reduce waste and optimize flow, resulting in more sophisticated hires while achieving lower costs.

- **Reference checking:** Contacting candidate references
- **Offer and negotiation:** Closing the deal and determining the selected candidate's compensation and benefits

The AAMC surveys showed that 74% of teaching hospitals used external search firms, while 12% tapped in-house human resources professionals. For leadership posts in teaching hospitals, the search committees included 10 members on average; 8% of these committees had 20 or more members. The survey authors speculate that committee members often are appointed for symbolic and representational reasons rather than because they offer specific competencies to assist the search. External executive search firms were retained for only 26% of clinical department chair openings, probably because of potential costs and a tradition of hiring faculty in peer-driven processes. It is worth noting, however, that external firms' searches were done three months faster than in-house searches for medical school clinical chairs.

Several hiring challenges in academic health care institutions emerged in the surveys. The research showed that for teaching hospitals, proper fit between candidates and the organization was the most challenging hiring aspect. CEOs said they struggled to find candidates who were highly qualified and who understood academic medical centers' unique needs. Respondents also specified a need to develop better succession strategies for internal leadership hiring, saying that they would ease both the issues of cultural fit and the complexity of the transition period.

For medical schools, the survey found the top hiring challenge to be development of solid candidate pools. Respondents said it was tough to find candidates with the proper background, skills, and abilities; the lack of diversity in the candidate pool was disappointing. Leaders at teaching hospitals and medical school deans also said that finding candidates with the appropriate fit was a challenge.

This information offers insight into challenges and opportunities in hiring academic health care leaders. It is clear that institutions must fill positions often and that doing so takes a long time. Candidate pools lack optimal breadth and diversity. Those tapped to identify and vet candidates often don't have the experience and capacity to do so; there are high productivity costs for committee members, who are pulled from their normal responsibilities to assist in searches; bloated and ineffective teams worsen the situation.

Most significant, the practices common to the search process remain largely unexamined, perhaps because of cultural inertia, as the AAMC surveys suggest. Scholars (Poole et al. 2010) argue that, as part of the health care industry, academic medical institutions have resisted accepting advice from industry

outsiders who could help them improve their systems and processes. In discovering inefficiencies in current leadership hiring practices in academic health care, opportunity exists to address weaknesses through application of a Lean philosophy.

LEAN TRANSFORMATION PRINCIPLES.

At its core, Lean transformation is a method to put in place principles designed to optimize systems by reducing waste and improving flow. By applying Lean principles, practitioners can find which aspects of a system are wasteful and which produce value. With extraneous components removed, systems can become Leaner, reducing costs and optimizing performance. Although Lean concepts originated in manufacturing, scholars (Suneja and Suneja 2010, and Kimsey 2010) have applied the Lean perspective to multiple industries, including health care.

Three concepts are essential to understanding the Lean philosophy:

- Flow (also known as JIT, Just-in-Time)
- Waste
- Value-added activity

Optimum flow, as defined in automaker Toyota's Production System¹, is achieved when "each process produces only what is needed by the next process." In manufacturing, this often means that assembly lines move constantly, with products rarely idle. When applied to hiring, flow would imply little down or waiting time while candidates go through the hiring process.

ELIMINATION OF WASTED TIME.

Waste best describes all aspects of a system that interrupt flow or fail to produce value. In the Lean philosophy, there are multiple categories of waste, which others have applied to health care (Poole et al. 2010, and Teich and Faddoul 2013). In hiring academic health care leaders, categories of waste include:

Type of Waste	Description	Example
Overproduction	Producing unnecessary abundance or producing out of pace with other processes.	Creating a candidate pool unnecessarily large and divergent from critical competencies and fit.

¹ Toyota Production System. http://www.toyotaglobal.com/company/vision_philosophy/toyota_production_system/

Type of Waste	Description	Example
Inventory	Any occasion when components of a system are not processed efficiently.	Candidates getting stuck or moving too slowly through hiring process stages.
Motion	Movement that exceeds the necessary minimum to accomplish a task.	Unnecessary travel time for candidates and search committee members.
Waiting	Any element that leads to a break in flow.	Slow communication from search committee members or time lost waiting for missing candidate information. (The single biggest issue is lack of availability of key hiring team members, especially deans and chairs; another is failure to create good documentation on candidates.)
Over-processing	Unnecessary or redundant paperwork, approvals, data collection, etc.	Unclear or ambiguous application materials for a candidate; nonessential red tape for the hiring team.
Defects	Mistakes or problems in the process.	Essential information missing from the application; unfit candidates continuing to move through the hiring process.
Transportation	Unnecessary component movement.	Inappropriate candidates flown in for on-site visits; non-centralized interview sites and uncoordinated schedules.

Type of Waste	Description	Example
Underutilization	The inefficient utilization of resources.	Missed opportunities in using interviews to effectively learn more about the candidate and establish fit, perhaps because of untrained panelists or lack of process preparation; taking staff off key duties to handle nonessential hiring activities.

By clearly defining and prioritizing flow, Lean philosophy reveals the necessary and value-producing elements in a system. Some of the rest could be considered value-added activity: “a step in any given process that changes the person or thing going through the process ... and about which a customer cares.” Audits of search processes can show where value is added in it and where activities occur that simply waste time. This big-picture approach is referred to as value stream mapping (Suneja and Suneja 2010).

5S SOLUTIONS.

What are specific best practices that health care search committees and hiring managers can apply to minimize waste across the hiring process? Lean philosophy provides tools called the 5S: Sort, Set in order/stabilize, Shine, Standardization, and Sustain. Although these were designed for physical work spaces, they can apply to academic health care hiring:

5S Step	Description	Search-specific example
Sort	Eliminate unnecessary items from the process.	Remove any elements of the search not in use, e.g., cut the number of search committee meetings with better planning for well-defined goals and objectives.

5S Step	Description	Search-specific example
Set in order/ stabilize	Arrange all components for maximum flow efficiency.	All search materials should be organized and easily accessible to all team members and candidates, as appropriate; candidate confidentiality also must be maintained.
Shine	Use cleaning as an opportunity to inspect and ensure that problems are easily detectable.	Evaluate materials the institution provides for candidates.
Standardize	Every process should be standardized according to established best practices. This is the most important 5S solution.	Centralize the search's administrative coordination to one office or individual; use visual management tools to track completed tasks.
Sustain	Keep everything in proper working order.	Perform regular audits and ensure that best practices become part of the search committee culture.

LEAN PRACTICES.

A fundamental principle of Lean transformation is continuous improvement, which involves both challenging oneself to commit to a long-term vision and refusing to settle for just “good enough.” No process is ever perfect; systems must constantly evolve and improve. The academic health care industry is highly based on relationships, especially in the hiring of colleagues. But, as is also the case in other industries, academic health care must embrace transformative change and continue to evolve.

At its highest level, this transformation demands a reevaluation of executive recruitment. Because institutions' opportunity costs soar in the absence of effective leadership, it is no longer just about finding the “right” candidate; institutions also must focus on creating flow and using the time taken up by the search as a metric for success. The search chair and hiring managers must ensure that the search team's time is never wasted and that each step of the process flows smoothly to the next, with little downtime and minimal waste.

This perspective, and the application of Lean principles in general, suggests practical steps that a search team leader should apply in hiring executives.

- Throughout the process, the search committee chair should provide an easily accessible, password-protected, online visual communication of the process status. This ensures that all team members share an understanding of what's going on. This helps them evaluate the process flow. Every step should be evaluated for waste and opportunities to add value without increasing costs. Further, decisions should be made in the context of value against long-term or opportunity costs: Consider, for example, hiring a Lean firm or spending to train an internal search committee in Lean methodology. This move ultimately would add value when set against the opportunities lost when leaving an executive position unfilled for long periods and the time and resources wasted in traditional searches.
- Avoid overproduction by filtering out less viable candidates early. Search leaders should weigh the wasted time and motion in setting up 12 shortened interviews with candidates flying in, for example, versus focusing on in-depth discussions with five or six prospects. Fewer candidates mean lower travel and accommodation costs and fewer search committee meetings. The unneeded meetings waste the time of the committee members in evaluating unsuitable candidates.
- To quickly eliminate lesser-qualified candidates, search teams may wish to tap technology, such as using remote video interviews early on. The search committee should apply the 5S strategy to ensure that the group grasps the institution's needs and presents a small slate of top candidates. A subcommittee can winnow the candidate pool based on the evaluation of the institution's needs and culture; the full committee rarely needs to consider all the applicants.
- To maximize process flow, hiring managers may wish to practice future scheduling, holding specific dates well in advance for interviews and search committee meetings; members may need to be prequalified for search committee participation based on their schedule availability. Rather than scrambling to find one time when five search committee members can talk with one candidate, as commonly occurs, multiple prospects might circulate on one work day among several committee members for interviews. Committee members then can gather for a comparative discussion. It can be complicated to juggle and schedule multiple candidates and committee members. Sufficient experienced staff support or the counsel of an external search firm may be required to craft the detailed itineraries to avert awkward situations involving overlaps in candidates' travel and accommodations as well as any other chance meetings that might compromise applicants' confidentiality.

- The search committee should be a seasoned core group. Its chair should be well versed in Lean principles for search processes, in particular the idea of continuous improvement. Ideally, the chair helps to develop and sustain a Lean search committee culture in the organization as a whole. The organization also should provide training for the search committee in Lean search and screening practices, both for practical improvements and to signal that it values a Lean culture in general. Remember, building Lean culture is more than process change; it also is about creating a culture, cultivating a shared attitude, and providing opportunities for all staff members to evolve and grow professionally.
- If organizations retain an executive search firm, these external experts should be intimately familiar with the institution's culture, vision, leadership, processes, strengths, and weaknesses. Both sides should set clear expectations at the outset and for each search stage (Ross 2005). Organizations should seek firms that can provide research-validated, formal executive assessments (such as Korn Ferry's Four Dimensional Executive Assessment or KF4D) to ensure that qualified candidates with the right institutional fit advance in the hiring process. Asking the right questions of candidates is critical to a successful hire; asking the right questions succinctly, organized within a timeline, can create search efficiencies. Candidates should be asked in advance to provide key information on critical issues, including their compensation and expectations. Early on, they should authorize background checks and should self-disclose involvement in parallel searches, barriers to relocation, and similar potential problems. But knowing when and how to ask about these key matters can be decisive in avoiding unnecessary delays.
- To prevent delays in the final and time-sensitive offer and negotiation phase, institutional leaders must have established clear expectations about the position's duties, benefits, and compensation parameters early in the search. Neither candidates nor organizations can afford surprises about a position's advertised description, title, or reporting structure. Compensation expectations must be managed as early as possible. Compensation must be differentiated from academic recruitment packages; in the biomedical sciences, these can be difficult to predict.

CONCLUSION

We are in an era of value-based care. As many aspects of health delivery undergo scrutiny for efficiency and outcomes, it makes sense to reevaluate and transform the traditional executive search process in academic medical centers. Lean principles provide an opportunity to conserve time, both across the process and for all parties involved. This adds value in increased productivity for search committee members, administrative and hiring staff, and the candidates themselves. It also potentially produces a better search outcome by reducing the occurrence of process errors, providing a better experience for elite candidates and reducing the number of these top talents who drop out of what can be a prolonged search process.

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doi:10.5041/RMMJ.10107

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