

Recruiting Executives During Reorganization

Five Steps for Hospitals and Health Systems Recruiting During a Reorganization

December 29, 2014 by Bonnie Siegel and Paul Bohne, Witt/Kieffer

There is a school of thought in health-care recruiting that organizations in flux should delay major hires until the dust settles and stability returns. Get through a merger, restructuring, or even a mild strategic repositioning, the thinking goes, and then target your next great CEO, CIO, CMO, or other senior executive. This always made sense in the past when hospitals or health systems rarely faced dramatic change or upheaval and executive recruiting was more deliberate.

Today the pace of change has quickened and, in many organizations, it seems the dust never really settles. Hitting the pause button on executive hiring may result in missed opportunities from a talent perspective, and thus missed strategic and other opportunities for the organization. Great leaders won't always wait. Therefore, in times of flux, recruiting not only must continue but it needs more urgency and a slightly different approach.

The Demand for Disclosure

How can the organization undergoing change reassure top candidates that opportunities significantly outweigh the risks? How does a hospital or system recruit effectively during reorganization? Following are a few suggestions:

1. Be up-front and transparent with top candidates. Good talent is so hard to find, and if you have a difference-making executive interested in your organization, open up about what changes are in motion. Are there merger talks underway? How disruptive to the organization could a potential merger or restructuring be? What are the worst-case scenarios for the new

executive? What are some clear opportunities? These are candid conversations to have with someone who is not yet an employee of your organization – or even an internal candidate who may not be fully briefed on changes underway – but they need to be had. We all know professional acquaintances who, six months into a job, have said, “If only I had known what was going on!”

2. Disclosure depends on the level and function of the hire. Clearly, more needs to be shared with a potential CEO. Nevertheless, there are some roles for which candidates deserve sufficient disclosure in order to make an informed decision about whether or not to accept a job. An IT executive would be one, for example. Nothing is more critical today in health systems than technology changes that drive better data, lower cost, and ultimately improve patient outcomes. It should be noted, however, that CIOs and other IT leaders often tend to be recruited after the dust settles from a reorganization. (More on this below.)

3. Require nondisclosure agreements. An NDA, properly constructed, allows the hiring organization to disclose confidential information to candidates with fewer worries of leaked intellectual property or competitive information. NDAs aren't foolproof but tend to be very effective in executive hiring situations. They require a measure of good faith from both parties. Candidates may balk at signing an NDA if it is too restrictive, and yet organizations will balk at providing meaningful information about changes underway without some guarantee of confidentiality. NDAs should be ap-

proached with an understanding that there will be a negotiation over terms.

4. Present your A team. Introduce executive recruits to the individuals that will be calling the shots in the new organization, as well as those who can vouch for what kind of values, culture, relationships, and reporting lines will exist in the post-reorg environment. Let candidates interact with potential future colleagues and influencers more than would happen during a typical recruitment.

5. Assess candidates thoroughly. It is critical to look for leaders who have a high comfort level with ambiguity and an ability to contribute during times of change. Organizations can rely upon modern behavioral and leadership assessment methodologies to gauge candidates' adaptability, their ability to lead others during change, and their tendencies in times of duress. These assessments provide qualitative and quantitative data to support an organization's gut instincts about candidates and how they will fare in an uncertain, evolving environment.

Recruiting IT Executives: A Few Caveats

Reorganizations are also times when marketable executives within one's own organization grow uneasy and look for work elsewhere, and obviously retention of key leaders becomes a priority alongside recruitment. IT executives can be in precarious positions during mergers—their fates tend to be very situation-dependent. A CIO within an organization that is restructuring may find himself or herself laid off, transitioned into another role, or even promoted to CIO of the larger, newly formed entity.

Partnering hospitals and health systems need CIOs who have broad expertise in integrating disparate units and different electronic systems. On occasion we have seen organizations recruit their next CIO during periods of flux in order to get astute guidance on the road ahead. Many organizations will wait until there is more clarity and certainty about the future.

Physician IT and informatics executives are highly valued in today's market and may be targeted during a restructuring.

Here again transparency is important. Want to hire a great CMIO, for example? It may be necessary to make him or her privy to information normally reserved for the CEO and board—an honest presentation of the state of informatics within the merging organizations, expected integration challenges, relationships with clinicians, and so forth.

A New Era

Executive recruiting in healthcare has changed in the past decade. The era of reform dictates that organizations must not wait for ideal windows during which to recruit, nor should they keep their best people in the dark until, for example, the ink has dried on a merger.

Top executives will see opportunity in a reorganized entity, but only if they are given some transparency into the changes that are happening and access to the people who are making them happen.



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