Talent Development in a Lean Organization

Gary S. Kaplan, MD
Singapore Healthcare Management Congress
August 15, 2017
• Integrated health care system
• Became two hospital system in January 2016, with Yakima Memorial affiliation
• 501(c)3 not-for-profit
• 336-bed hospital
• Nine locations
• Graduate Medical Education
• Research Institute
• Foundation
• Virginia Mason Institute
Virginia Mason
OUR STRATEGIC PLAN

VISION
To be the Quality Leader and transform health care.

MISSION
To improve the health and well-being of the patients we serve.

VALUES
Teamwork | Integrity | Excellence | Service

Strategies

People
We attract and develop the best team

Quality
We relentlessly pursue the highest quality outcomes of care

Service
We create an extraordinary patient experience

Innovation
We foster a culture of learning and innovation

Virginia Mason Foundational Elements

Strong Economics | Responsible Governance | Integrated Information Systems | Education | Research | Virginia Mason Foundation

Virginia Mason Production System

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Tomorrow’s Challenges

- Lower reimbursements
- Higher expenses
- Competitive market
- Workforce challenges
- Increasing consolidation
- ACA uncertainty
“Among senior executives, there is a growing recognition that a shortage of leadership talent in their ranks is, in large part, to blame for the lack of progress ...”

- The Advisory Board Company
Leadership the Old Way

- No accountability
- Physician centered
- Non-strategic
- Political
- Little succession planning or focus on talent development
My Experience

- Why medicine?
- Resident to attending
- The leadership dilemma
- Serendipity
- Mentors and coaches
- Defining moments
Virginia Mason’s Leadership Journey

- Culture
- Lack of Shared Vision
- Misaligned Expectations
- No Urgency
- Ineffective Leadership
Transformation Requires Leadership

- Clarity of expectations
- Responsibility and accountability
- Culture of feedback
- Transparency
- Trust
VMMC Leadership Compact

Organization Responsibilities

Foster Excellence
- Recruit and retain the best people
- Acknowledge and reward contributions to patient care and the organization
- Provide opportunities for growth of leaders
- Continuously strive to be the quality leader in health care
- Create an environment of innovation and learning

Lead and Align
- Create alignment with clear and focused goals and strategies
- Continuously measure and improve our patient care, service and efficiency
- Manage and lead organization with integrity and accountability
- Resolve conflict with openness and empathy
- Ensure safe and healthy environment and systems for patients and staff

Listen and Communicate
- Share information regarding strategic intent, organizational priorities, business decisions and business outcomes
- Clarify expectations to each individual
- Offer opportunities for constructive open dialogue
- Ensure regular feedback and written evaluations are provided
- Encourage balance between work life and life outside of work

Educate
- Support and facilitate leadership training
- Provide information and tools necessary to improve individual and staff performance

Recognize and Reward
- Provide clear and equitable compensation aligned with organizational goals and performance
- Create an environment that recognizes teams and individuals

Leader Responsibilities

Focus on Patients
- Promote a culture where the patient comes first in everything we do
- Continuously improve quality, safety and compliance

Promote Team Medicine
- Develop exceptional working-together relationships that achieve results
- Demonstrate the highest levels of ethical and professional conduct.
- Promote trust and accountability within the team

Listen and Communicate
- Communicate VM values
- Courageously give and receive feedback
- Actively request information and resources to support strategic intent, organizational priorities, business decisions and business outcomes

Take ownership
- Implement and monitor VM approved standard work
- Foster understanding of individual/team impact on VM economics
- Continuously develop one’s ability to lead and implement the VM Production System
- Participate in and actively support organization/group decisions
- Maintain an organizational perspective when making decisions
- Continually develop oneself as a VM leader

Foster Change and Develop Others
- Promote innovation and continuous improvement
- Coach individuals and teams to effectively manage transitions
- Demonstrate flexibility in accepting assignments and opportunities
- Evaluate, develop and reward performance daily
- Accept mistakes as part of learning
- Be enthusiastic and energize others
Our Focus Areas

Talent Management: aligns people capabilities with organizational needs

Succession Planning: identifies individuals with the potential to fill roles
Our Strategy for Growing Leaders

Foundational skills at all levels of leadership

Focus on Executive and Leader capabilities to ensure future organizational success

Have Ready Now Leaders - Build Internal Pipeline including Executive Succession

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Leadership Talent Approach

Talent Review of Leaders

Identify and Develop High Potentials and Successors
Talent Review Guiding Principles

• Talent is an organizational resource
• Executive leadership is accountable for developing the talent
• Assessment of leadership talent is broad-based and supported with specific behavioral examples
• Executive leadership is accountable for “ready now” candidates
Talent Review

Annual Cycle

1) Pre-Review
Create or update profile

2) Talent Review Session

3) Post-Review
Discussion and Development Plan

4) Monitoring
Standard Process

- Instructions template
- Talent profile template
- Leadership development plan template
### Talent Profile

<table>
<thead>
<tr>
<th>Name</th>
<th>Job Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>Hire Date</td>
</tr>
</tbody>
</table>

#### Scope of Role
- Time in Current Role

#### # of Direct Reports
- Education Level
- &gt;Choose highest level completed&lt;

#### Work History with VM
- Area of Study / Details

#### Strengths – Competencies (Top 3)
1. &gt;Choose a Competency from this drop-down list&lt;
2. &gt;Choose a Competency from this drop-down list&lt;
3. &gt;Choose a Competency from this drop-down list&lt;

#### Areas for Development – Competencies (Top 3)
1. &gt;Choose a Competency from this drop-down list&lt;
2. &gt;Choose a Competency from this drop-down list&lt;
3. &gt;Choose a Competency from this drop-down list&lt;

#### VMPS Training
- &gt;Choose highest level completed&lt;

#### VMPS Next Step
- &gt;Choose VMPS next step, if any&lt;

#### VMPS Experiences
- Kaizen Event Participant
- Lead Kaizen Event
- RPM Participant
- Lead RPW
- KPO Rotation
- Japan Genba Kaizen
- 3P Participant
- Certified 3P Leader
- VMI Speaker
- VMI Faculty

#### VMPS Experience here

#### Career Plans or Aspirations
- &gt;Choose level aspired to&lt;

#### Performance Summary – Current Rating

<table>
<thead>
<tr>
<th>Does Not Meet</th>
<th>Meets (-)</th>
<th>Meets Expectations</th>
<th>Meets (+)</th>
<th>Exceeds Expectations</th>
</tr>
</thead>
</table>

- Comment on why this rating fits best at this time

#### Recommended Next Assignment (if applicable)
- &gt;Choose availability for next assignment&lt;

#### Recommended Timing (if any)
- &gt;If applicable, describe recommended next assignment here&lt;

#### VMCC Career Potential (beyond Next Assignment)
- &gt;Choose highest predicted level&lt;

#### Potential Level
- &gt;Describe VMCC career potential here. Those content in their current role are considered “well placed”&lt;

### Development Plan for Next Months

- Special Project
- Committee
- Leadership Development
- Seminar
- Fellowship
- Japan Genba
- Professional Certificate
- Financial Acumen
- Masters degree
- Attend Grand Rounds
- Attend Section Meetings
- Other (describe)

- Describe development plan here

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Talent Review Session

CEO
COO
CFO
CMO
Clinic Administrator
Senior VPs
CNO
Hospital Administrator
Chiefs
**Leadership Development Plan (LDP)**

The purpose of this plan is to capture the leadership development activities for near term and long range development. Developing the plan is a joint process between a manager and their staff member.

<table>
<thead>
<tr>
<th>Name:</th>
<th>Position: Administrative Director Hospital Quality/Safety</th>
<th>Date: 01/04/11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supervisor: Charleen Tachibana</td>
<td></td>
</tr>
</tbody>
</table>

**Short-Term Development Goals – Within the present position (1 year)**

<table>
<thead>
<tr>
<th>Leadership Development Activities</th>
<th>Resources Required</th>
<th>Start Date</th>
<th>End Date</th>
<th>Success Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competency 1:</strong> 12-Foster understanding of impact on VM economics</td>
<td>Enterprise - Sue Anderson Hospital - Charleen Tachibana Clinic - Kate Reed</td>
<td>01/01/11</td>
<td>12/31/11</td>
<td>Meet/round 1x with each individual; review revenue/expenses on qty basis</td>
</tr>
<tr>
<td><strong>Competency 2:</strong> 18-Demo. flexibility in accepting assignments</td>
<td>Introduction to CALNOC Advisory Team, NWONE, WSHA, or Puget Sound Health Alliance</td>
<td>01/01/11</td>
<td>12/31/11</td>
<td>Form working relationship with outside agency; utilize underdeveloped skills</td>
</tr>
<tr>
<td><strong>Competency 3:</strong> 3-Develop exceptional working relationships</td>
<td>Inquiry of Cathie Furman 12/31/10 &amp; KPO ADs</td>
<td>01/01/11</td>
<td>12/31/11</td>
<td>Lead RPIW or KE in non-hospital setting</td>
</tr>
</tbody>
</table>

**Long-Term Development Goals – For achieving career aspirations (2 – 3 years)**

<table>
<thead>
<tr>
<th>Leadership Development Activities</th>
<th>Resources Required</th>
<th>Start Date</th>
<th>End Date</th>
<th>Success Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competency 1:</strong> 13-Continuously develop oneself to lead/impl. VMPS</td>
<td>Steve Rupp/Katerie, Cathie Furman, Bob Mecklenberg, Lynn Chaafetz or Catherine Potts</td>
<td>01/01/11</td>
<td>12/31/13</td>
<td>Work/consult on 1-2 projects per year outside of my scope of work</td>
</tr>
<tr>
<td><strong>Competency 2:</strong> Other: Write-in</td>
<td>Complete MPH or Begin DNP degree</td>
<td>More flexible work schedule</td>
<td>01/01/11</td>
<td>12/31/13</td>
</tr>
<tr>
<td><strong>Competency 3:</strong> 6-Consistently demo effective communication skills</td>
<td>Diane Miller</td>
<td>01/01/11</td>
<td>12/31/13</td>
<td>Present a subject that’s not directly related to quality, safety.</td>
</tr>
</tbody>
</table>
Development Philosophy

Education Based
• Training
• Reading
• Workshops

Relationship Based
• Role Modeling
• Feedback & Coaching

Experience Based
• Development in Role
• Full Job Change
• Temp Assignment
### Leadership Development Intensive

**Jan. 14**
- LDI Orientation

**Jan-Feb**
- Online assessments
- Coaching
- Reading

**Mar. 11-12**
- Leading Large-Scale Change
- Action Learning Project Launch

**March**
- Focus Areas:
  - Health Care Industry
  - Leading Change
  - Executive Presence
  - Business Decision-Making

**March-April**
- Action Learning Team Project & Monthly Coaching

**May 13-14**
- Leading the Business of Virginia Mason
- Action Learning Report-Out

**May**
- Focus Areas:
  - Virginia Mason Strategy
  - Virginia Mason Finance
  - Leadership Across Boundaries Introduction
  - Building Trust
  - Thriving and Self-Renewal

**June-Aug**
- Action Learning Team Project & Monthly Coaching
- Practice Presentation Aug. 12

**Sept. 8**
- 8:00 - 10:00 a.m.
- Action Learning Project Presentations & Graduation Reception

**Sept. 9**
- Teams Meet with CEO

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**Focus Areas**

- Virginia Mason Strategy
- Virginia Mason Finance
- Leadership Across Boundaries Introduction
- Building Trust
- Thriving and Self-Renewal

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Leader’s Potential

Engagement

Ability

Aspiration

Source: Corporate Leadership Council
Succession Planning

• All leaders have development plan
• Use a targeted, high-yield approach for succession planning
• Priority successors have accelerated / focused plan
• Update list regularly
Position Assessment

<table>
<thead>
<tr>
<th>Strategic Importance</th>
<th>Retirement Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

- **Optional priority if position criticality is known**
- **Aggressive investment if position criticality is known**
- **Identification of emergency replacement only**
- **All imminent retirements treated equally if position criticality unknown**

Position Assessment Matrix

Source: Advisory Board
“It can be argued that the only thing of real importance that leaders do is create and manage culture; that the unique talent of leaders is their ability to understand and work with culture”

Edgar Schein
Tuesday “Stand Up”

- KPO aligned with operational executive leadership
- Executive sponsorship with accountability for sustained results
- Education
- Standardization of tools, results reporting, and communication
What I’ve Learned

• Genchi genbutsu
• Showing vulnerability
• Connecting dots
• Setting stretch goals
• Learning not to micromanage takes time
• Hire for fit and people who are better than you
• Communicate, communicate, communicate and find more ways to communicate
• Stay focused on the vision
Lessons Learned

- Trust is fundamental
- Be clear about the process
- Follow-up is essential
- Not an isolated event
- All need to be committed to the process
- If done right, it will strengthen engagement of your leaders
“In times of change, learners inherit the earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists.”

- Eric Hoffer