

Succession Planning



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83%

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- Over 673K acute care hospital rooms
- 29K operating rooms
- Over 4M hospital employees
- Over 125M Emergency Room visits



3.3M
Babies born



360M
Successful surgeries



28M
Patients discharged to
return to their families &
lives

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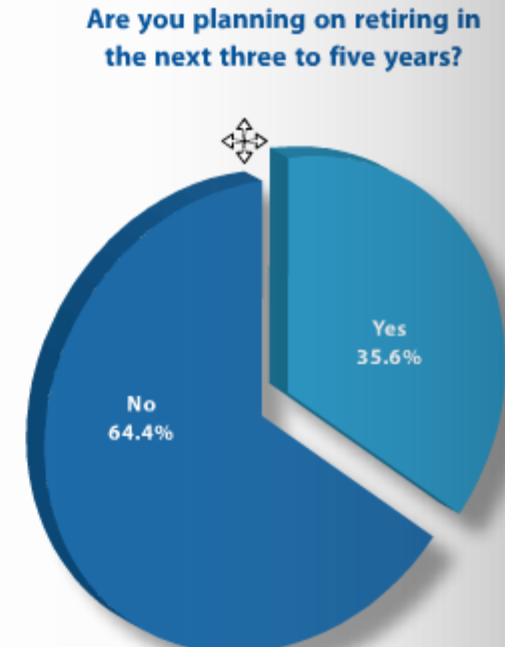
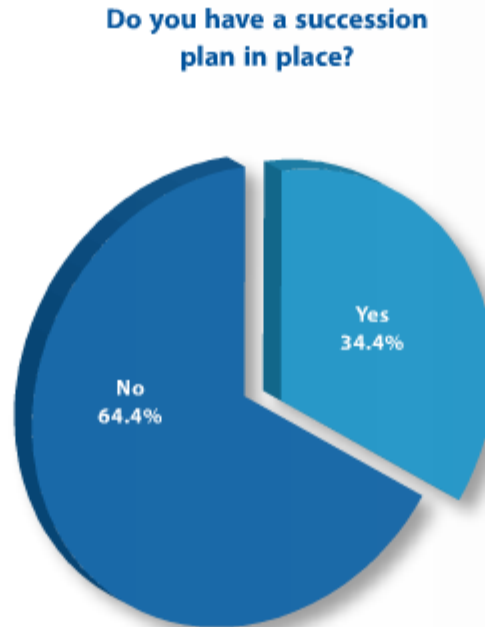
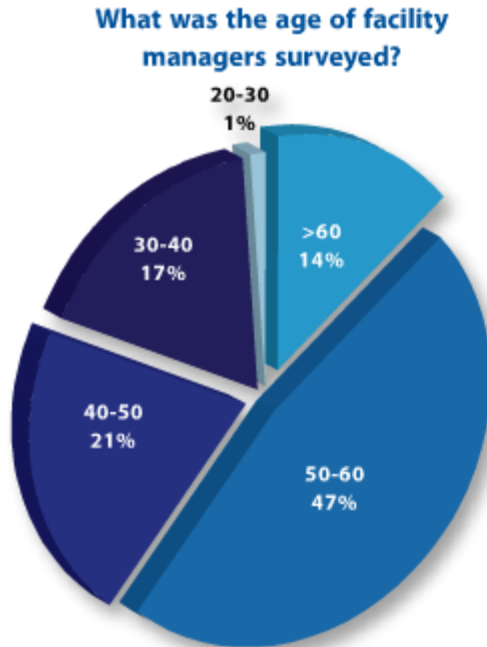
Aging Infrastructure



The Bohemian Blog



Healthcare Trends Today



- Avg 28 years of total work experience
- Avg 16 years in facility management
- Worked/grew into position through internal advancement
- Baby Boomers = Loyal, work long hours without complaining and follow approved processes and procedures

It's More Critical in Healthcare Than Other Facility Types

- Hospitals are more complicated than other facility types
- Aging infrastructure
- Regulatory compliance
- “Life or death” nature of healthcare
- Every hospital is unique
- Institutional memory
- No clearly defined career path
- Limited educational resources
- Long tenures of healthcare leaders





What is Succession Planning?

Succession Planning is a process of developing talent to meet the needs of the organization now and in the future.



What's It Really Mean For Healthcare



A pro-active, multi-step process that identifies and prepares an organization's future leaders and critical roles.

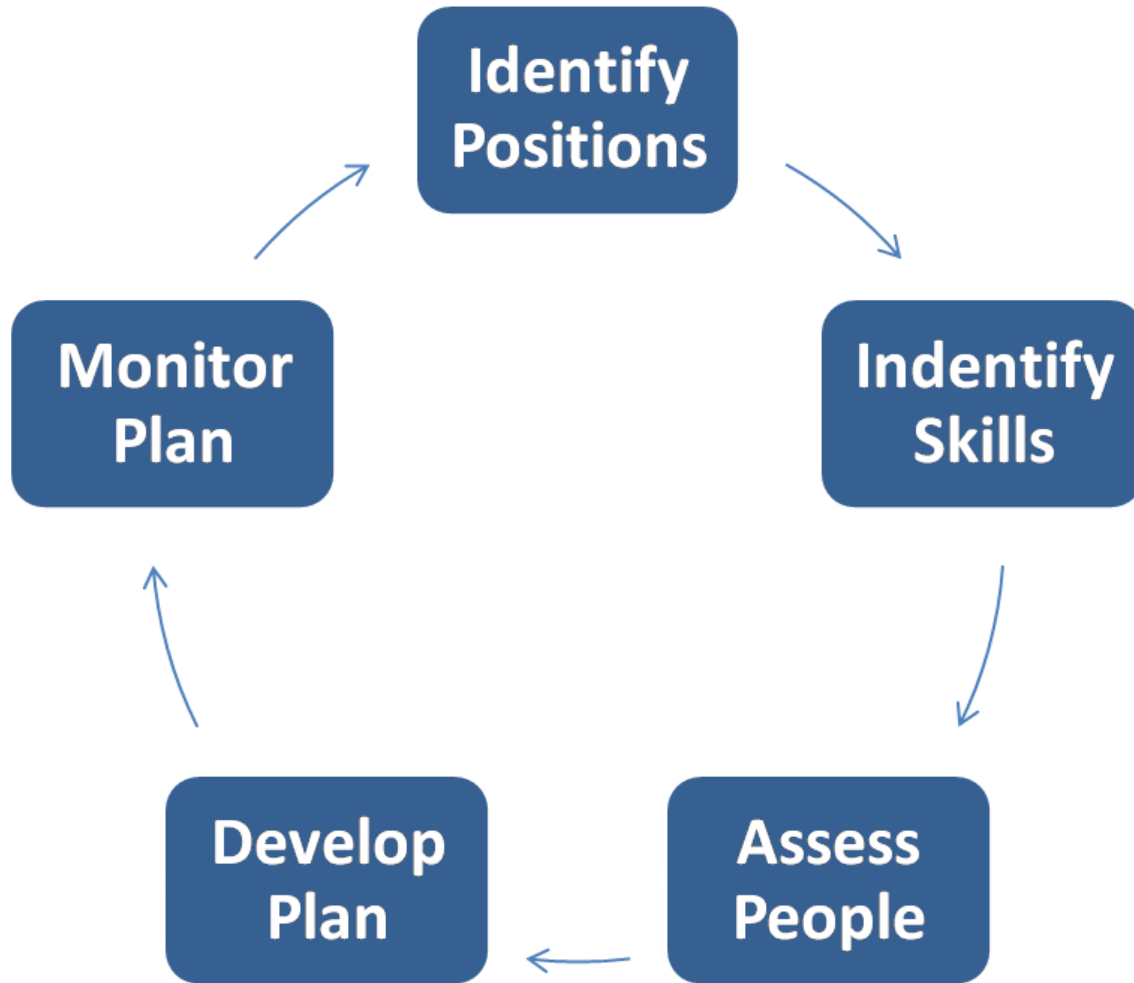
Process of identifying key positions and programs to develop employees. In advance of vacancies. Minimizing operational disruptions and ensure successful transitions.

Things you need to know before you get started

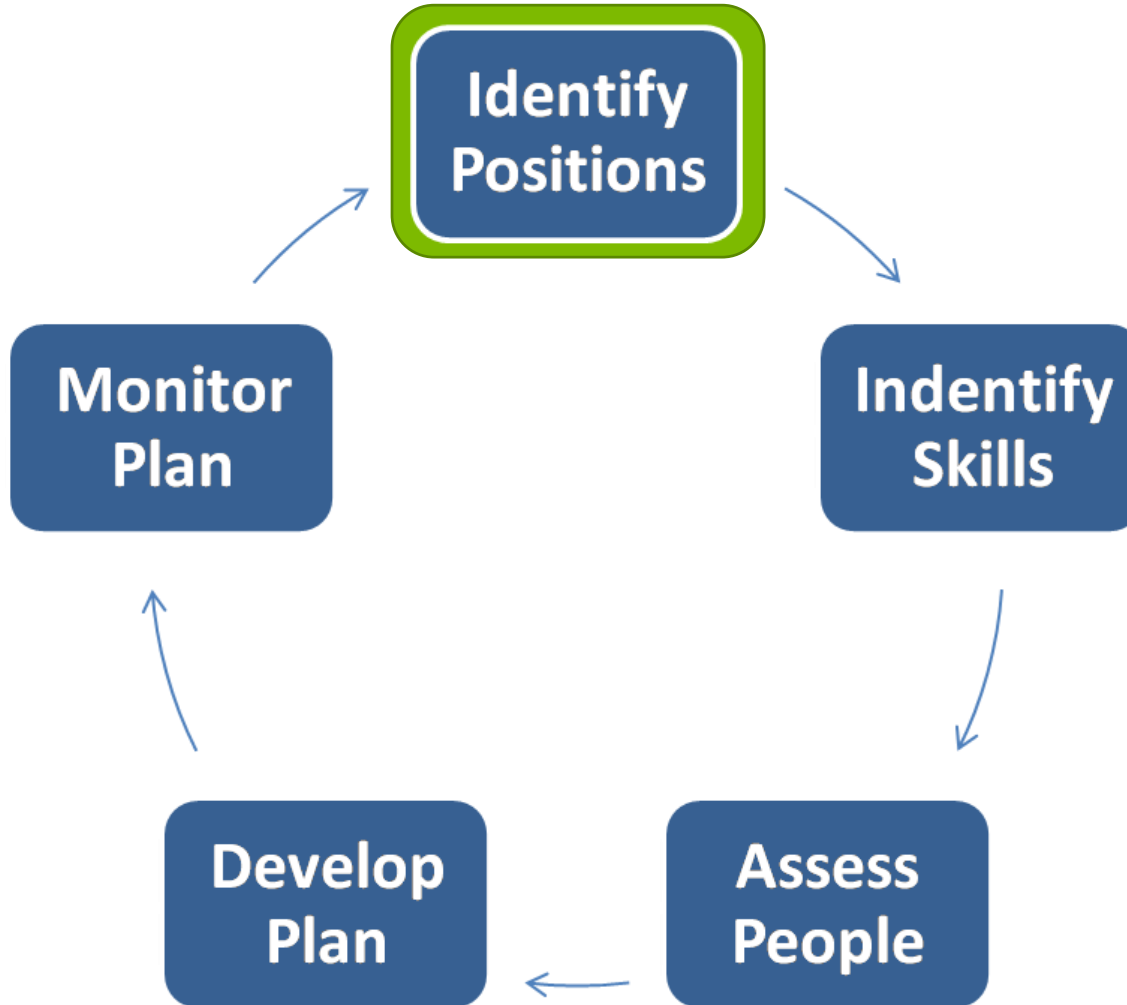
- Hospital/department strategic plan
 - Growth
 - Change in delivery/point of services
- Alignment of department to hospital mission
 - Ability to clearly tie your roles to the delivery of the hospital's mission
- Budget/financial considerations
 - Operational cost reduction strategies/pressures



The Process of Succession Planning



The Process of Succession Planning



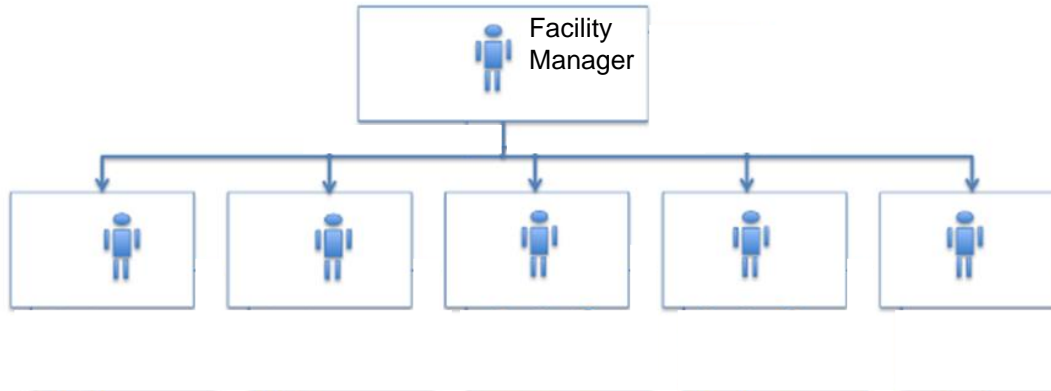
Determine Urgency

- Critical roles
- Age of employees
- Retirement plans
- Facility growth & expansion
- Position requirements & difficulty for training/hire



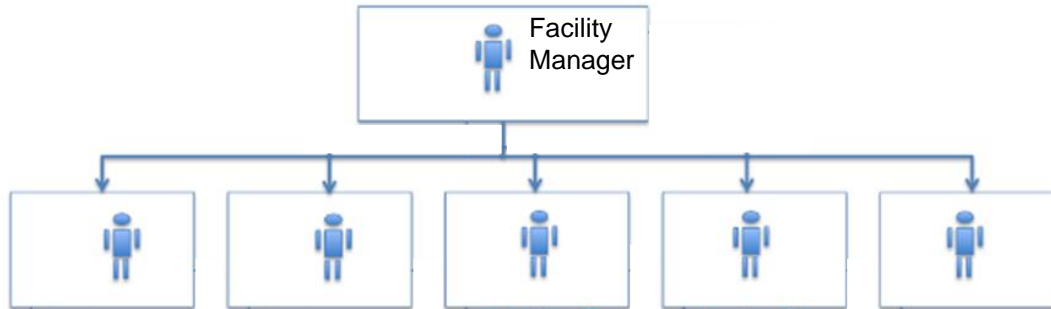
***For which roles do you need a succession plan?
What you need today may not be what you need tomorrow.....***

Which Positions Should Have Succession Planning?



- ✓ Role Title
- ✓ Responsibilities
- ✓ Key Duties/Critical Outcomes
- ✓ Length in role
- ✓ Employee goals (do they want to move up?)
- ✓ Risk of role vacancy
- ✓ Estimated time to retire/move vertically
- ✓ Are the roles meeting the needs of the facilities today? What are the gaps?
- ✓ How will these roles be impacted/changed by the hospital's master plan?
 - Growth
 - Change in delivery strategy
 - Mission

Which Positions Should Have Succession Planning?



Role Criticality:

High

- Ensures the facility is operating at optimal conditions conducive to treatments (OR), patient healing, and staff efficiency (ie heating, cooling, pressurization, lighting, water, air, gas, electric and emergency power)
- Controls operational budgets for facility operations

Difficulty to Fill:

High (average of 6+ months for a facility director)

- Leadership experience
- Budget management
- Crisis management skills
- Technical aptitude

Time Period:

Now: 0-1 Year; Near: 2-3 Years; Future: 3-5 Years

Which Positions are Critical?

Criticality Factors (Internal):

- Will a vacancy in this role have an immediate negative impact on our ability to meet our hospital goals or on patients?
- Does vacancy in this role cause considerable risk to the organization (e.g., patient care, bottom-line, ability to meet strategic targets, regulatory risk, etc.)?
- Is the role integral to patient care, regulatory compliance, facility operations, developing strategy, or facility growth opportunities?
- Would the hospital be able to deliver effectively on its business objectives without this role?

- Does the role involve relationships with key stakeholders, regulatory inspectors, finance, vendors, etc?
- Does this role directly drive revenue generation?

Criticality Factors (External):

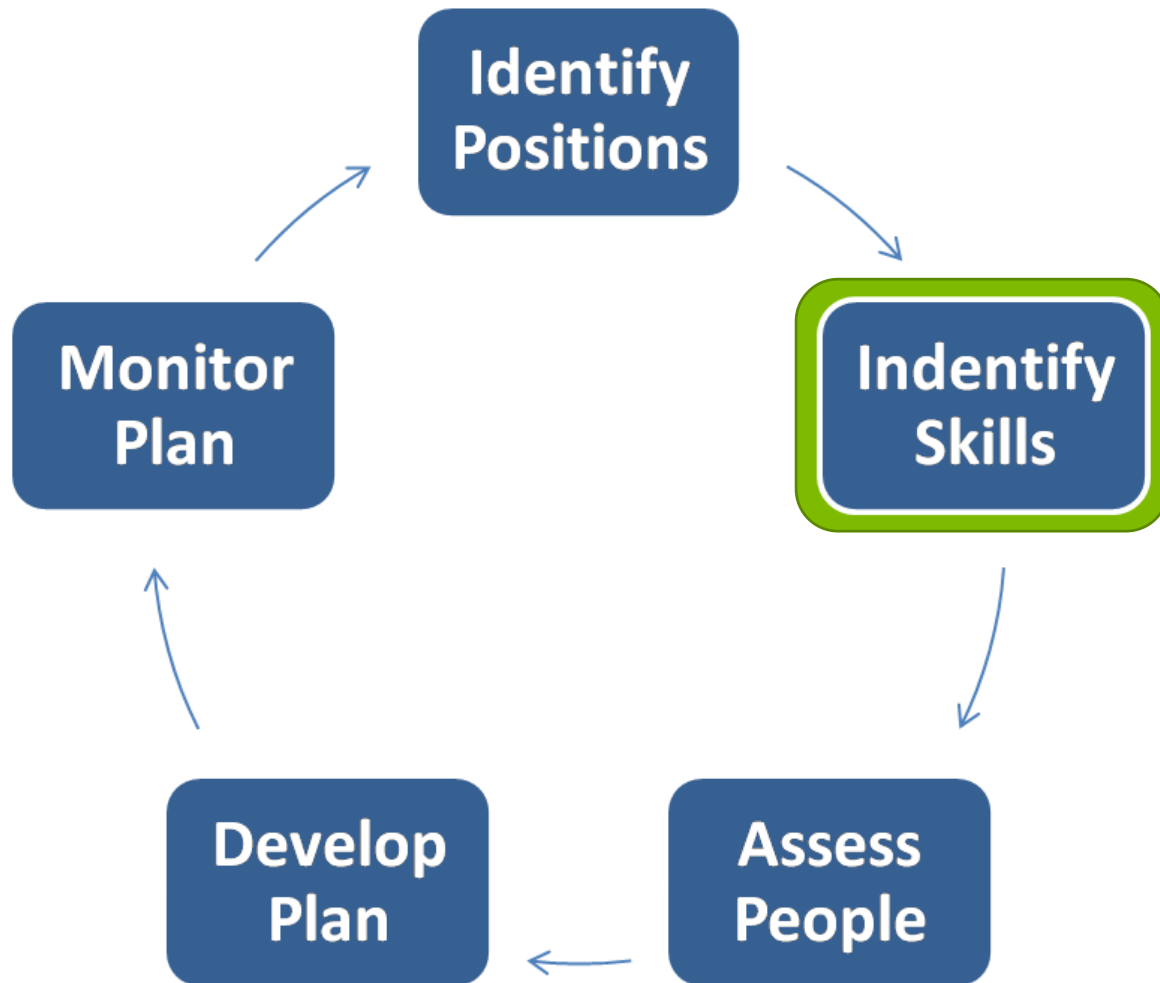
- What is the degree of competition for qualified candidates for this position in the marketplace?
- To what extent does the position require the use of difficult to find or unique capabilities and skill sets?
- Is there a projected labor market shortage for skills associated with this role?

Stage Completion

- Org chart of department
- Alignment of roles needed with hospital's mission/strategy
- Matrix of roles & factors for succession planning
- Identification of highest priority/risk roles



The Process of Succession Planning



Identify Skills: Job Description



Identify Skills: Job Description



Job Description

General Purpose Job Description

- Job Title
- Job Location
- Job Summary
- Reporting to
- Job Duties

Specific Purpose Job Description

- Detailed Duties & responsibilities
- Subtasks
- How job is to be performed
- Essential Functions

Consider

- Day in the life
- Monthly
- Quarterly
- Annually
- Role in long term planning

Clearly State Minimum vs Nice to Have

- Skills
- Capabilities
- Experience
- Education
- Qualifications

TIP

Create the job description for the job it should or will be. NOT the job it is today

Identify Skills

Identify Skills: Job Description



Skill	Skill Criticality
People Leadership: Experience in managing teams to include task management, development and HR.	5
Financial Acumen: Ability to understand and manage budgets for department and projects.	5
Regulatory Compliance: Knowledge of healthcare regulatory compliance. Ability to maintain hospital's regulatory compliance programs. Demonstrated experience in managing compliance and achieving high results.	10

TIP

The way we've done the role may not be the only way to get it done. Consider the necessary outcome versus the specific task

10 Point Matrix for each skill

- Define metrics to assess skill level scoring
- Define interview questions to help determine skill sets

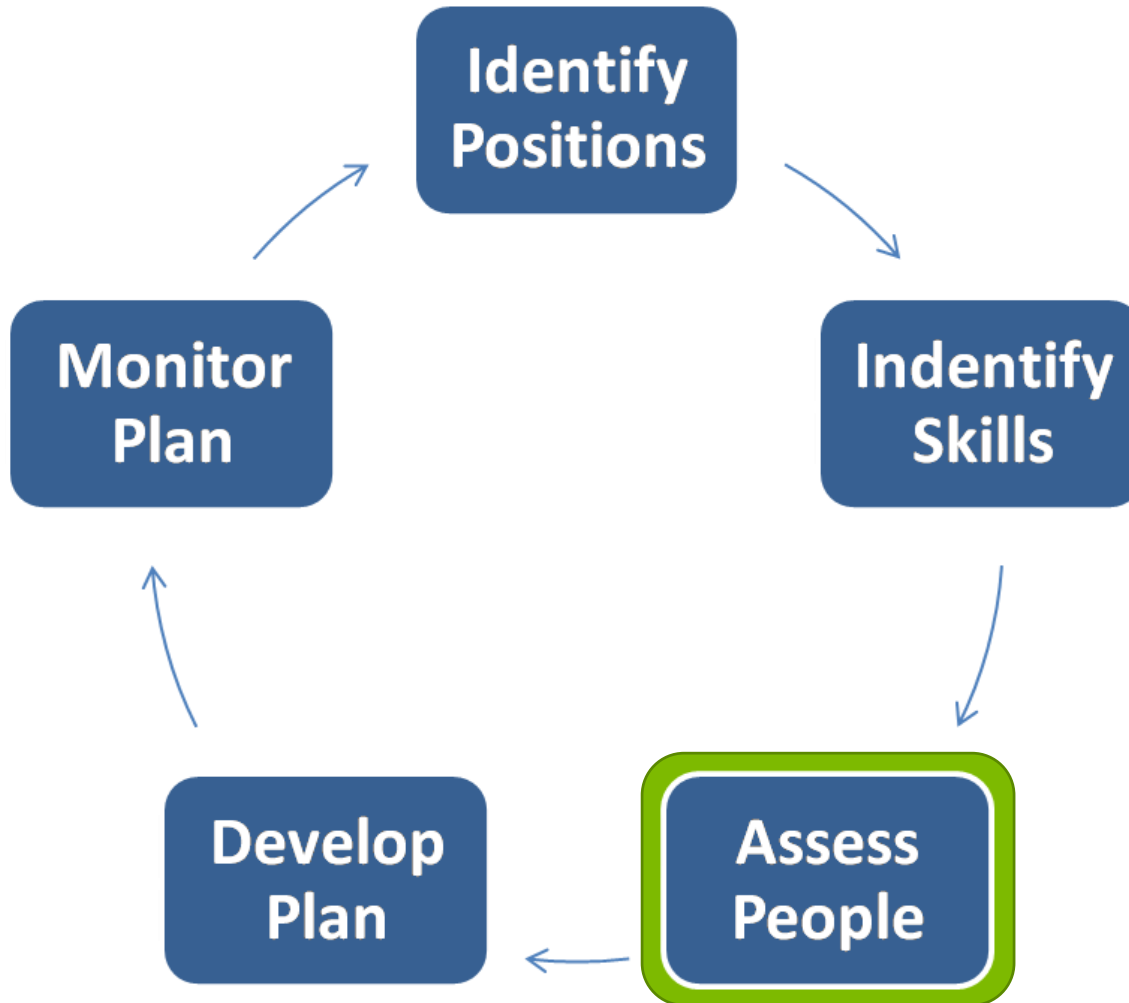
Example Scoring:

- 1 Minimal to no proficiency/needs training
- 5 Some experience / can do the task but will require some support
- 10 Highly proficient / Can do the job today

- Job description for all roles with succession planning development plans
- Skill assessment with criticality/importance ranking
- Suggested interview / assessment questions to determine role/goal compatibility
- Identification of key collaborators for role development/replacement



The Process of Succession Planning



Succession Plan Leader Discussion Guide

About the **ROLE**:

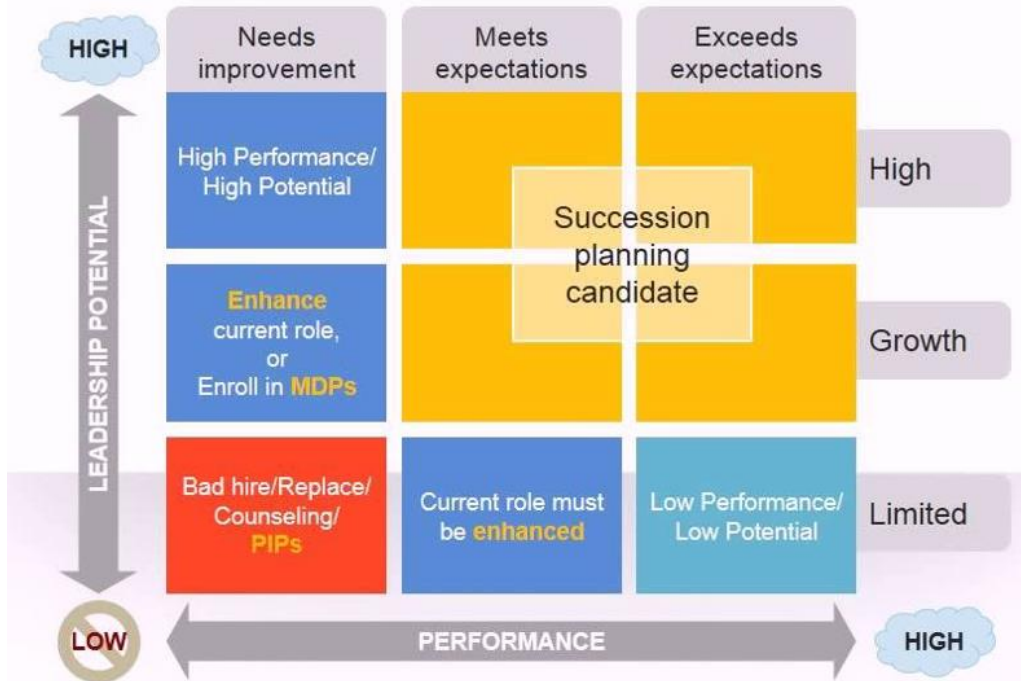
- What must this role deliver to the business? What are the challenges facing this role?
- What are the role expectations (skills, experiences, mobility, etc.)?
- How is the role evolving in the short/long term?
- What experiences can be developed while in the role?
- How/where can we find diverse candidates for this role? Is this an opportunity to consider this role as a feeder for emerging diverse talent?

About the **SUCCESSORS**:

- What are the person's aspirations? Do they match the role?
- What is their retention risk?
- What key experiences do they still need in order for you to be confident in them as a successor?
- Is this person a successor for other roles?
- What potential factors are exhibited by this person?
- How have they demonstrated the ability to consistently achieve results over time?
- How has this person encouraged others to express their views to increase understanding and create better solutions?
- What is the situational readiness of the successor in relation to current incumbent?

Assess People

Existing Team: Who's Ready for the Role?



- Existing department
- Cross-functional departments
- System/partner hospitals

Readiness for role	Timeframe
Ready Now	0 – 1 years
Ready Next	1 – 3 years
Emerging	3 – 5 years

Matrix of Skills

Employee	Current Title	Current Rating	Skill #1	Skill #2	Skill #3	Skill #4	Total Score	Readiness	Training Needs
Employee 1									
Employee 2									
Employee 3									

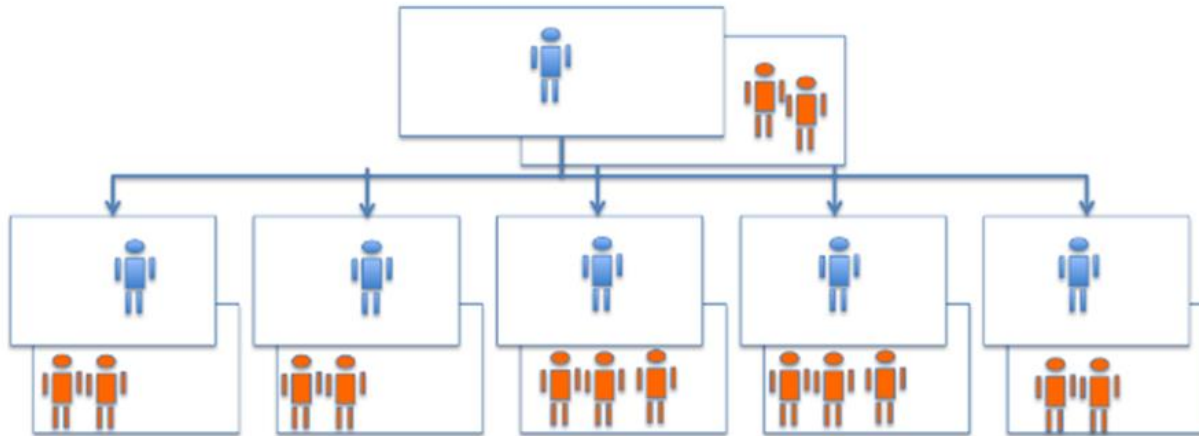
Key Considerations:

- Is the incumbent available to train and mentor future successors?
- What is the projected timing for succession?
- Is professional/out-sourced training required for the role?
- What are the employee's goals and desires for promotion?
- Gender or other diversity goals
- Get input from others on employees readiness

TIP

Have key stake-holders complete a survey about the skills and characteristics they feel are most important in the role.

Existing Team: Who's Ready for the Role?



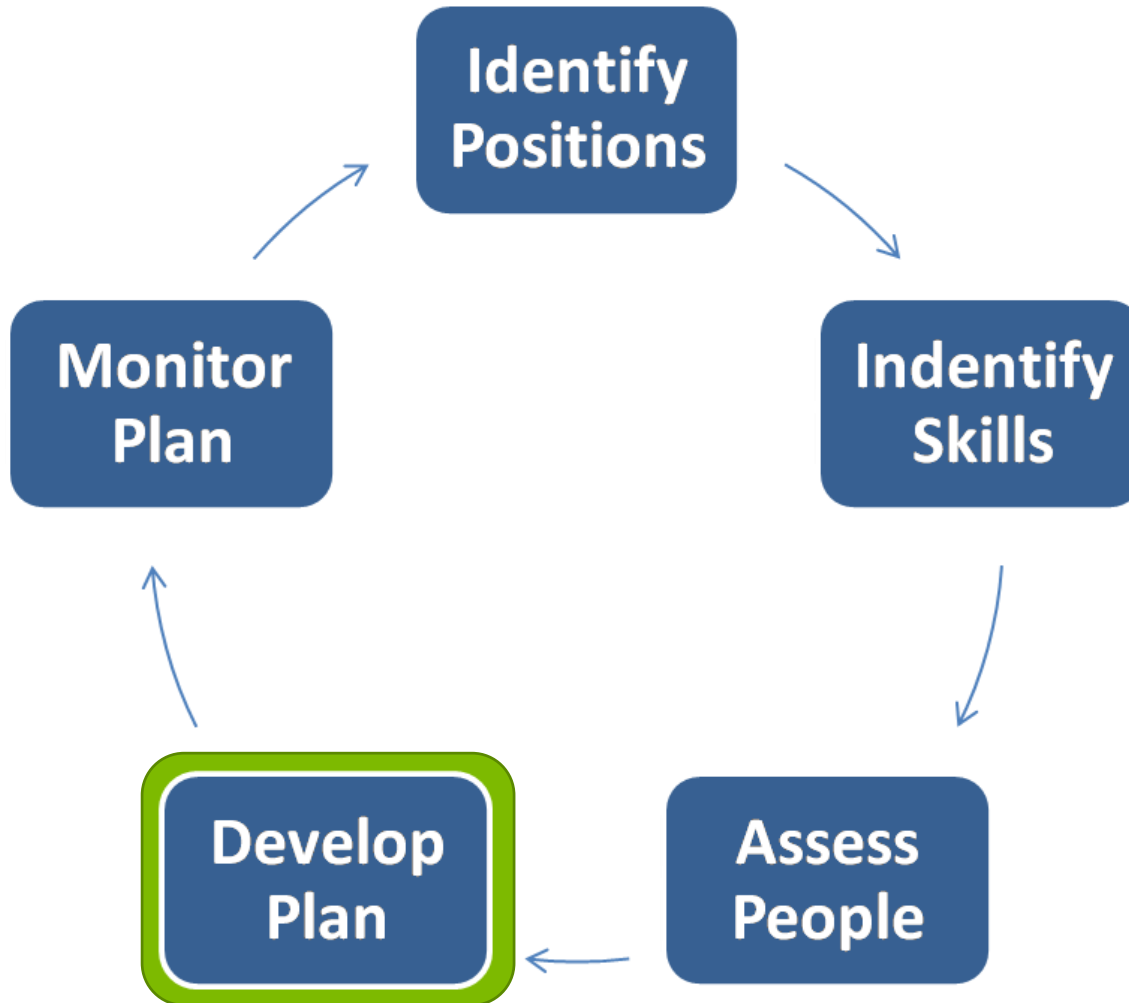
- Identify 2+ candidates for role succession (varying readiness)
- Timing/criticality should be based upon current employee age, retirement, and advancement plans (ie if incumbent is retiring in a year you need an employee ready to take the role in less than that time)
- Where there is no clear successor you need to begin the process to hire from outside the organization

Stage Completion

- Internal staff assessment for succession planning roles
- 1 – 2 potential succession candidates for each role
- Identification of training needed to be ready for the role
- Identification of key collaborators and mentors for development/replacement
- If no internal candidates – determine process for identifying external candidates



The Process of Succession Planning



Succession Plan Considerations

- Leaders should **actively develop and identify potential successors** to their own role/position (although they often do not have the final say on this decision).
- We must push ourselves to **think differently** about where we find successors and to find **diverse** successors. We may identify and discuss **both internal and external successors** during a ‘Talent Talk.’
- An employee may be a successor to **multiple roles**; however, we don’t want to dilute their development too much (some roles have similar experience and skill requirements).
- Succession **could be a lateral move**. Successors do not have to be rated as “high potential”.
- **Follow-up and communication is required** when successors are discussed who work in another part of the organization. Managers reach out to other managers to discuss and agree on communication and development with the possible successor.
- The **succession plan is not a commitment!** (We should not set expectations with successors that they are guaranteed a position.)

Prepare for Employee Discussions

- Prepare for conversations with employees
- Be ready to discuss why the employee would be considered for succession planning (strengths)
- What is currently keeping them from being ready (areas of development, training, etc)
- Do they want to be considered for advancement? What are their goals?
- Mentoring
- Training & Development opportunities
- Expectations
- Time-lines
- No guarantees – there are *NEVER* guarantees in succession planning!
- Plan needs to be customized for each employee based upon the development items they need to be prepared for the role



Develop the Training Plan for Succession

For each skill or area of development needed:

- Who could be a **mentor** on this skill or development area?
- Series of **1x1 sessions** with key roles that the employee would need to develop relationships with
- What **training** or **resources** are available to assist the employee?
- What additional **tasks** or **responsibilities** could the employee assume (think train the trainer) that would assist in their development?
- What **associations** should the employee participate in preparation for the role?
- Assign specific **projects** or **initiatives** for the employee to lead



Training Resources

Academic programs

Programs offered through colleges around the country include:

- ASHE university outreach.** Each year, students from several universities are invited to attend the ASHE Annual Conference and the International Summit and Technical Exhibition on Health Facility Planning, Design & Construction (PDC Summit). Besides learning about the field, students conduct research projects.
- ASHE internship program.** ASHE and Schneider Electric have collaborated to expand the ASHE internship program. College students participating in the program gain real-world work experience and are exposed to the health care facility management field. Hospitals that host interns benefit by providing a type of “trial run” that can lead to full-time employment down the road.
- Purdue University, West Lafayette, Ind.** Purdue offers a bachelor’s in building construction management, with an emphasis on health care. The program aims to prepare students for careers in the field as well as for the Certified Healthcare Constructor (CHC) or Certified Healthcare Facilities Manager (CHFM) examinations.
- Brigham Young University, Provo, Utah.** BYU offers a bachelor’s degree in building construction management that includes a specialty in health care.
- Owensboro (Ky.) Community & Technical College.** The associate’s degree program in health care facilities leadership was launched in January. It prepares students for careers in the field as well as for the CHFM exam. The course is offered online, so students from all over the country can participate. The program has garnered interest from a number of professionals already in health care facility management careers.



Continuing education

Educational opportunities to support professional development include:

- ASHE educational programs.** ASHE educational programs are offered around the country. Geared toward those already working in the field, the programs tackle subjects like infection prevention, commissioning, construction, life safety and accreditation.
- ASHE conferences.** The ASHE Annual Conference includes sessions to keep facility professionals up-to-date on such topics as code compliance, operations, leadership and value. The PDC Summit offers education related to planning, design, construction, compliance, leadership and value.
- Energy University.** Energy University, a program from ASHE's University Program Partner, Schneider Electric, offers a series of e-learning courses available to ASHE members at no cost. The courses help facility professionals to learn new ways to create energy-efficient health care facilities, which is an especially important topic as hospitals search for ways to reduce operational costs.



Certifications

Professional certifications that denote a level of expertise include:

- Certified Healthcare Facility Manager.** For those with several years of experience in the field, the CHFM designation is a way to be recognized as the elite in the profession. CHFMs tend to make more money on average than those without the designation. A 2012 salary survey conducted by ASHE and *Health Facilities Management* magazine found that the CHFM was worth an extra \$10,000 in salary on average.
- Certified Healthcare Constructor.** For those in construction, the CHC certification is a way to earn distinction in a crowded marketplace.
- Exam preparation.** ASHE offers preparation courses for both the CHFM and CHC exams. More information is available at www.ashe.org/learn.



- Nationally Recognized 4-Day Educational Conference (September)
- Codes and Standards Alerts, Regulatory Advocacy Program Participation
- Manager and Mechanic Training Seminars
- Teleconferencing and Webinar Educational Programs
- Chapter Meetings



- Internal leaders
- ASHE local chapters
- Toast Masters
- Local business leaders
- Chamber of Commerce
- Rotary
- Junior Achievement
- Vendors



A Slight Side Discussion



Develop Plan



BABY BOOMERS (1946-1964)

Work Ethic: Workaholics, competitive

Preferred Work Environment: Democratic

Interactive Style: Team player, loves meetings

Motivated By: Recognition, being valued and monetary rewards

For HR managers, baby boomers best respond to:

- Honest, simple language on benefits programs and financial planning
- Financial scenarios versus conversations
- Messages about how to conserve/pass on their wealth to the next generation



GENERATION X (1965-1981)

Work Ethic: Efficient, self-reliant

Preferred Work Environment: Flexible and fun

Interactive Style: Entrepreneur

Motivated By: Freedom, removal of rules and time off

For HR managers, Gen X-ers best respond to:

- Casual informational sessions
- Benefits offerings to help build a secure future
- Information on retirement and employers matching 401(k) contribution amounts



MILLENNIALS (1982-1994)

Work Ethic: Ambitious, multi-tasking, tenacious

Preferred Work Environment: Collaborative, creative and continuous feedback

Interactive Style: Participative

Motivated By: Autonomy, trust and time off

For HR managers, millennials best respond to:

- Frequent feedback on performance, both good and bad
- Open communication lines with HR and managers
- Multi-platform employee-facing communications about benefits offerings, open enrollment, etc.



GENERATION Z (1995-2012)

Work Ethic: Intense, pragmatic, project-oriented

Preferred Work Environment: Collaborative, fun, flexible and clearly defined chain of commands

Interactive Style: Entrepreneurial, face-to-face, teamwork

Motivated By: Opportunity for advancement, participatory decision-making and being involved

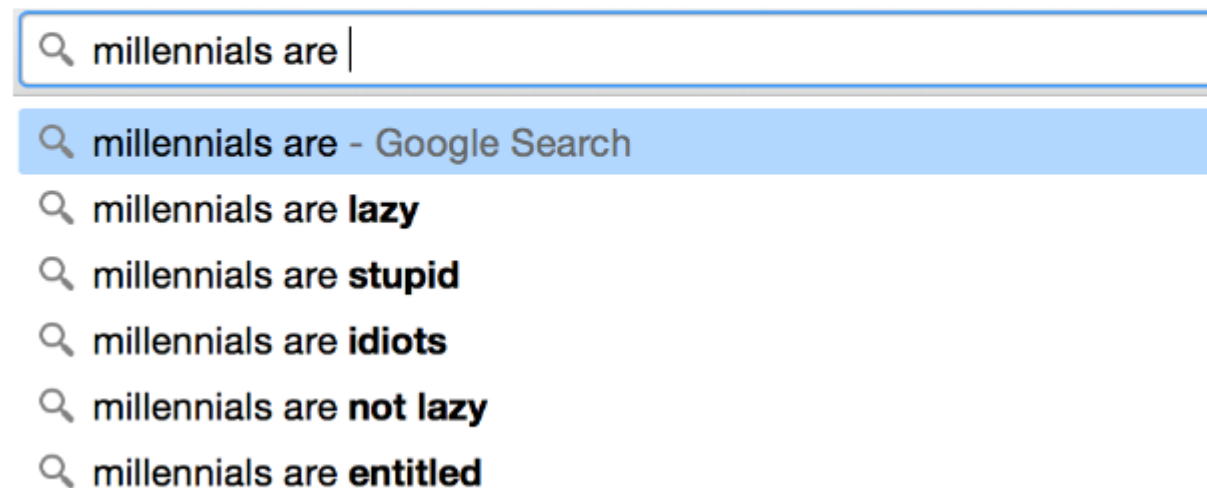
For HR managers, Gen Z-ers best respond to:

- Honest and open communications from HR and managers
- Expansive voluntary benefits offerings
- Messages about how to plan for their financial and physical well-being

The Millennial Challenge: Fact or Fiction

If you're having trouble separating fact from fiction when it comes to millennials, don't feel bad. There's a lot of noise online from thought leaders and big media alike as to what millennials are and aren't, what they want and don't want.

Even Googling "millennials are" can lead to confusion. They're lazy but also ... not?



These are real suggestions. Try it for yourself!

Millennial & Gen Z “Buzz Words” From HR

- ✓ **Collaborative**
- ✓ **Share stories**
- ✓ **Multi-tasking**
- ✓ **Comfort Zone**
- ✓ **Relevant**
- ✓ **Interactive**
- ✓ **Engagement**
- ✓ **Creative**
- ✓ **Innovative**
- ✓ **Independent Work**
- ✓ **Balance**
- ✓ **Fun**
- ✓ **Meaningful**
- ✓ **Flexible**
- ✓ **Advancement**
- ✓ **Recognition**
- ✓ **Challenge**

The Millennial Challenge: Fact or Fiction

The Good and Bad of Millennial Succession Planning



Ninety-one percent of millennials
aspire to be a leader.

*(Source: WorkplaceTrends Millennial
Leadership Study)*

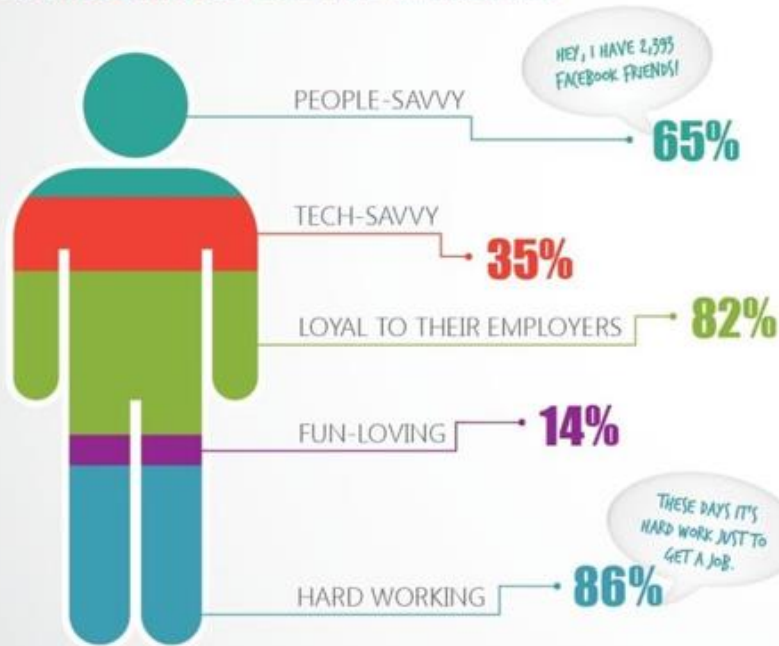


Sixty-six percent of millennials
expect to leave their employer by 2020.

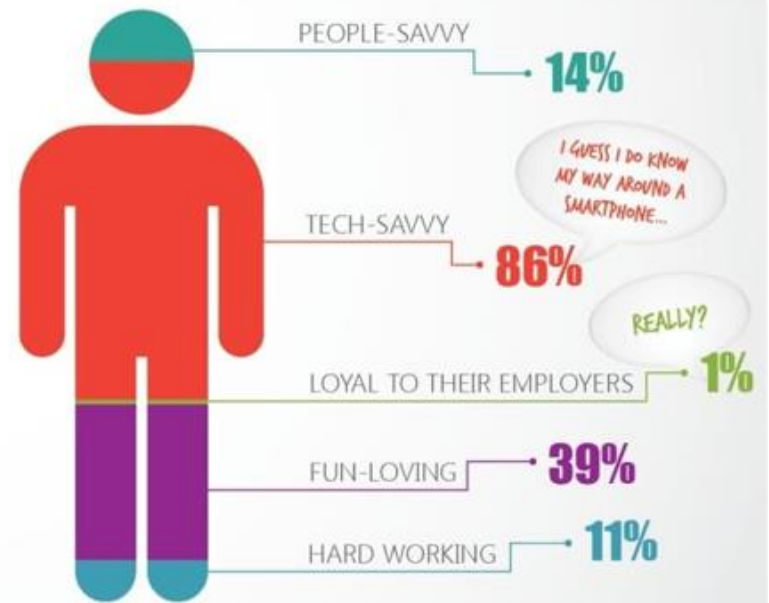
*(Source: Deloitte Millennial
Survey 2016)*

Millennial Perception

HOW MILLENNIALS DESCRIBE THEMSELVES

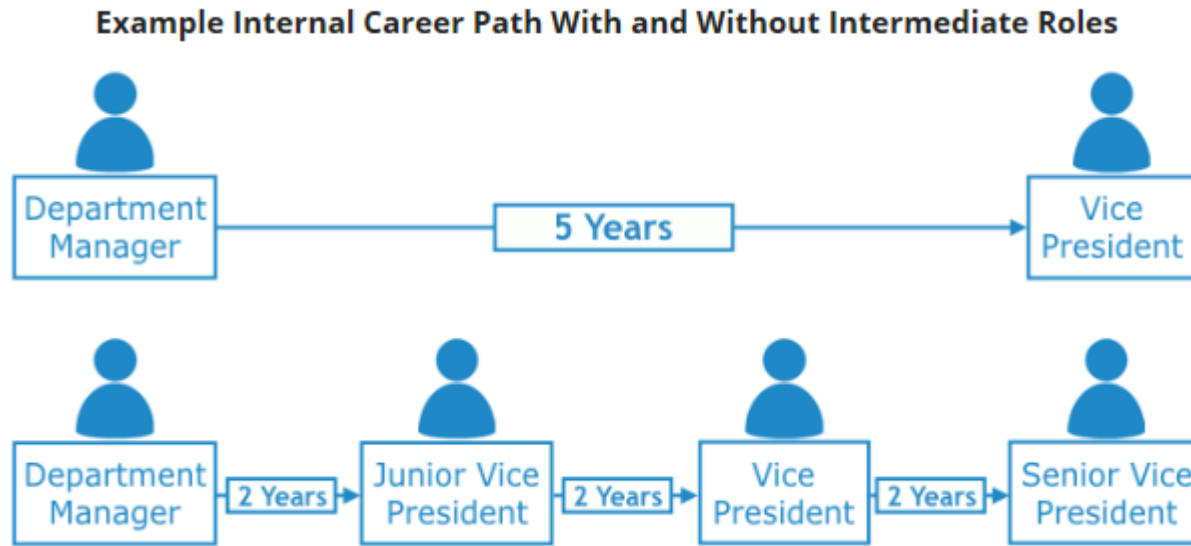


HOW HR PROFESSIONALS DESCRIBE MILLENNIALS



Source: A Beyond.com survey of 6,361 job seekers and veteran HR professionals

Millennial Best Practice #1: Plan for Impatience



- ✓ **Advancement**
- ✓ **Challenge**
- ✓ **Independent Work**
- ✓ **Balance**
- ✓ **Flexible**

Stagnation can be a millennial engagement and retention killer.

Millennial Best Practice #2: Engage & Collaborate

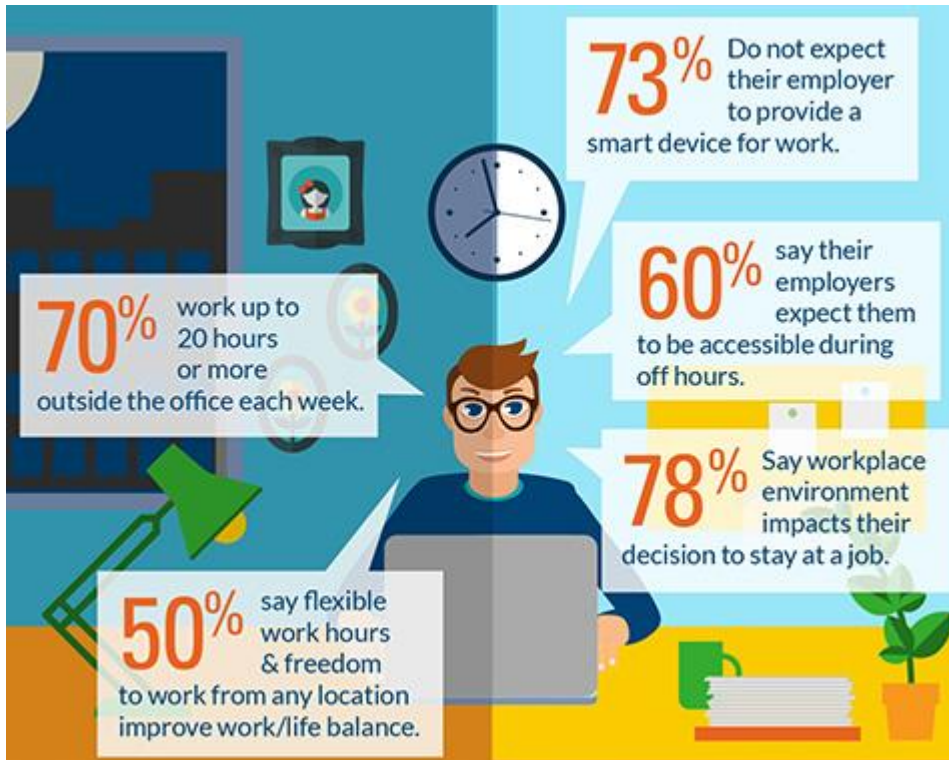


- ✓ **Advancement**
- ✓ **Collaborative**
- ✓ **Share stories**
- ✓ **Comfort Zone**
- ✓ **Relevant**
- ✓ **Interactive**
- ✓ **Engagement**
- ✓ **Challenge**
- ✓ **Independent Work**

- Drop the “Annual” from Performance Reviews
- Connect – Show an Interest
- Create collaborative environments with peers
- Coach versus manage
- Engage with technology
- Set clear goals with milestones for completion

85% of millennials want to have performance conversations with their manager more frequently.

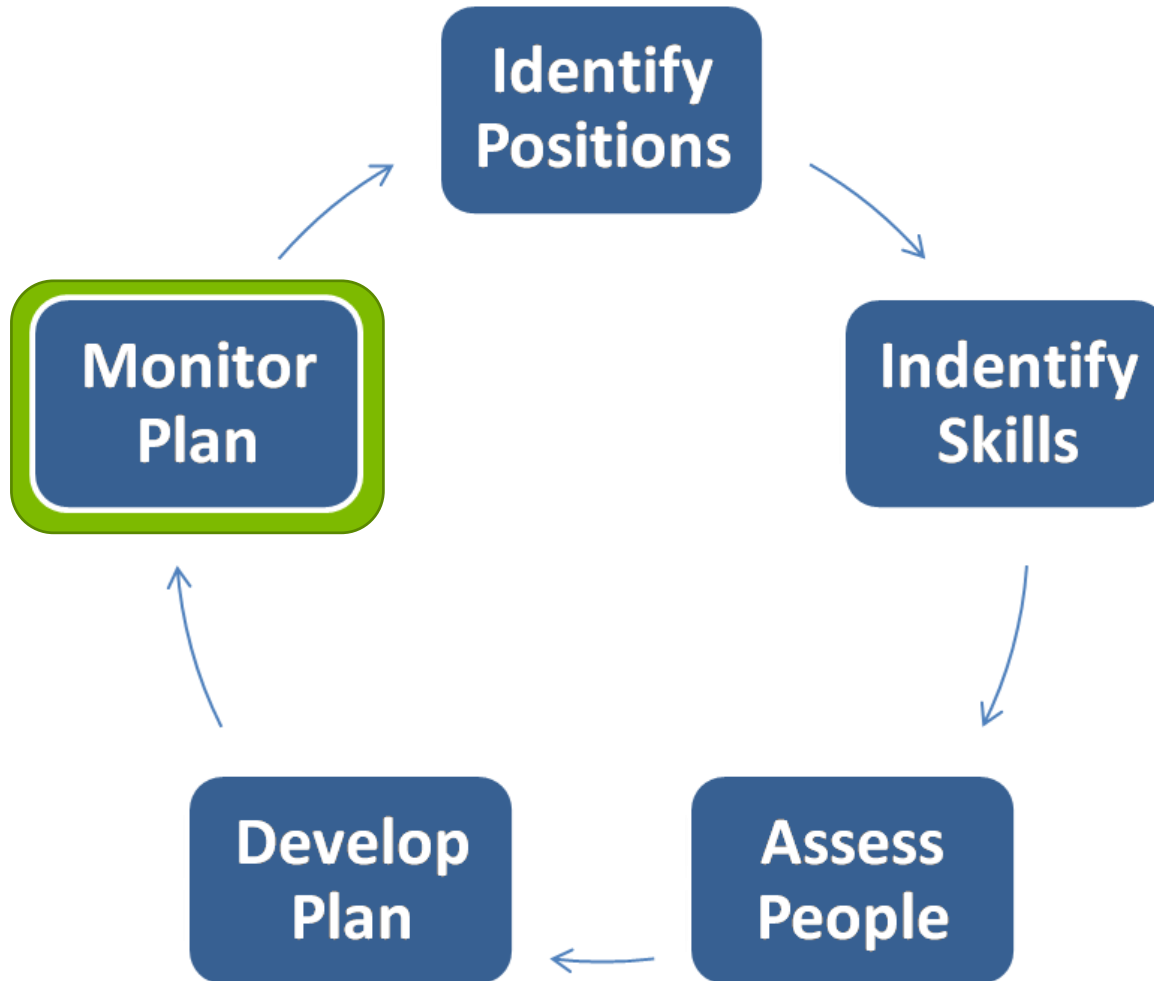
Millennial Best Practice #3: Flexibility



- Specify outcomes and allow leeway for how
- Be open to new ideas and process
- Allow flexible hours (when possible)
- Enable them with technology

45% of millennials choose flexibility over pay

The Process of Succession Planning



S

Specific

What, Where?

A specific goal is distinct & Defines as much of the goal as possible and contains no ambiguous language

M

Measurable

From and To?

A measurement that gives feedback and lets one know when the goal is complete

A

Achievable

Feasible?

Believe goals are challenging yet attainable within the given time frame,

R

Relevant

Why?

Goals that are relevant to the current role and/or aligned with future development

T

Time

When?

Set a completion date. Time frame must be aggressive yet realistic.

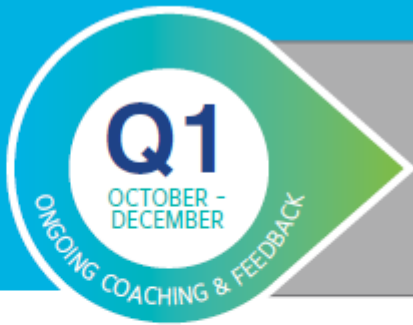
On-Going Coaching

- Schedule on-going & consistent 1x1 meetings to review progress
 - Frequency varies upon timing and criticality of the succession process
- Listen
 - How does the candidate feel their developing
 - Is the path still aligned with their goals/needs
 - Concerns and/or areas of excitement
- Be candid and clear on concerns and feedback
- Give recognition
- Identify key actions/tasks with due dates
- Re-assess and modify plans based upon development



LEADERSHIP SETS STRATEGY

ENGAGED EMPLOYEES
OPERATIONAL EXCELLENCE
GROWTH



ALIGN GOALS TO STRATEGY

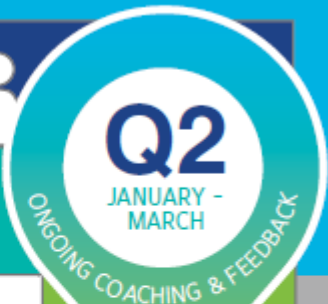
- ✓ Business
- ✓ Team
- ✓ Individual



SET GOAL PLANS



BUILD DEVELOPMENT PLAN



DELIVER REWARDS AND RECOGNITION

PLAN SALARY



UPDATE DEVELOPMENT PLAN

REVIEW YEAR-END PERFORMANCE

YEAR-END PERFORMANCE

- ✓ Assess and calibrate performance
- ✓ Plan development



TALENT MANAGEMENT CYCLE

CREATE A WINNING BUSINESS THROUGH PEOPLE.

RIGHT PEOPLE | RIGHT PLACES | RIGHT TIME

- PERFORMANCE MANAGEMENT**
Set annual performance goals and assess progress throughout the year.
- STRATEGIC TALENT REVIEW**
Build the talent pipeline and manage talent pools for effective succession planning.
- DEVELOPMENT PLANNING**
Expand people and team capability with opportunities that develop in-demand skills.



STRATEGIC TALENT REVIEW

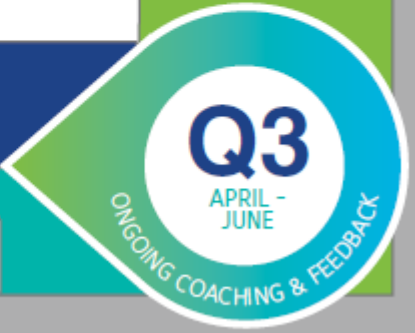



- ✓ Define capabilities and critical roles
- ✓ Assess and Calibrate Potential
- ✓ Plan succession and career development

DISCUSS MID-YEAR PERFORMANCE PROGRESS

CHECK DEVELOPMENT PROGRESS

1-ON-1

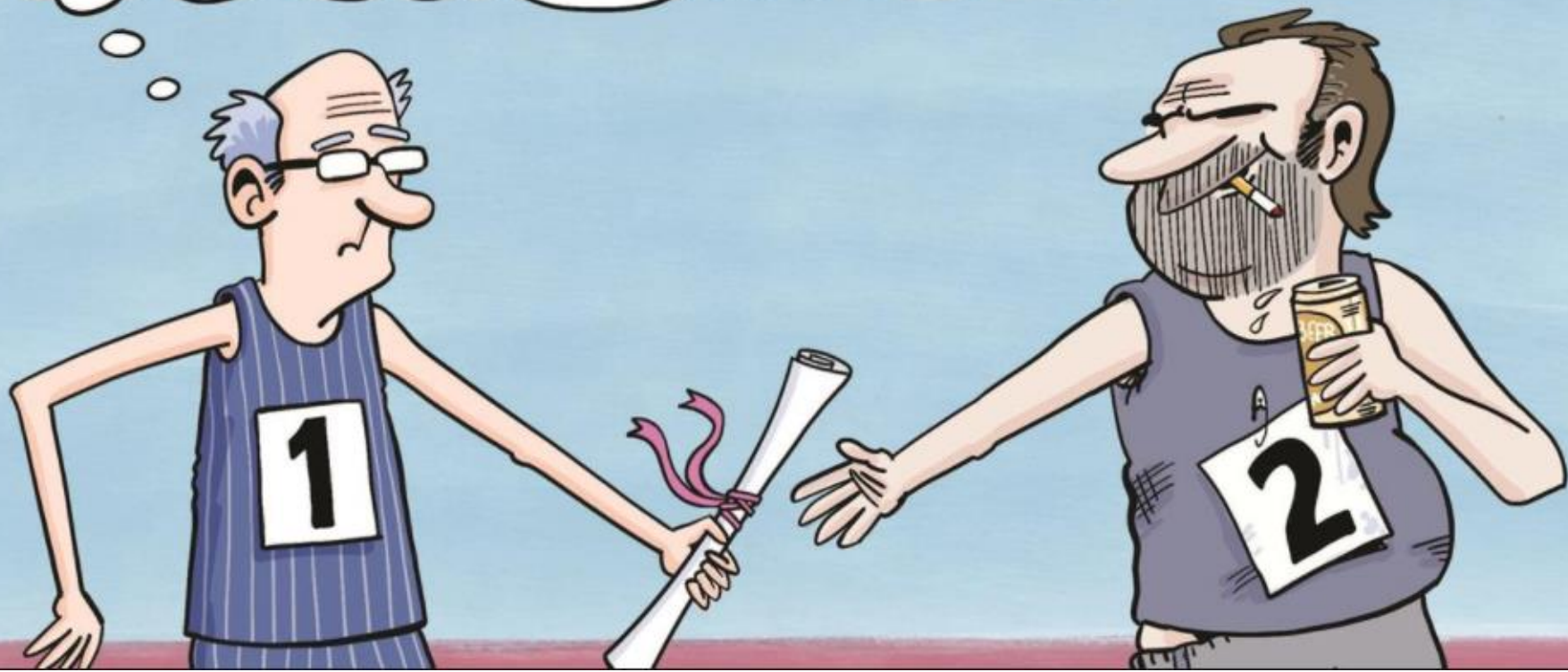




Succession planning is more than something you take off the shelf and dust off when someone is retiring.

It is a continually developing process that helps to develop employees to reach their potential while maintaining the integrity of your facility operations.

MAYBE I SHOULD HAVE PLANNED
BETTER FOR THIS DAY ...





Appendix

Job Description 101

Overview

A job description should be practical, clear and accurate to effectively define your needs. Good job descriptions typically begin with a careful analysis of the important facts about a job such as:

- Individual tasks involved
- The methods used to complete the tasks
- The purpose and responsibilities of the job
- The relationship of the job to other jobs
- Qualifications needed for the job

What to Avoid

Don't be inflexible with your job description. Jobs are subject to change for personal growth, organizational development and/or evolution of new technologies. A flexible job description encourages employees to grow within their position and contribute over time to your overall business.

What to Include

Job descriptions typically include:

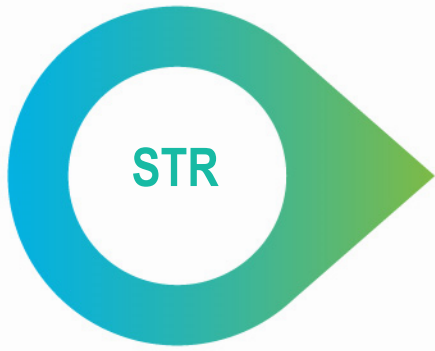
- Job title
- Job objective or overall purpose statement
- Summary of the general nature and level of the job
- Description of the broad function and scope of the position
- List of duties or tasks performed critical to success
- Key functional and relational responsibilities in order of significance
- Description of the relationships and roles within the company, including supervisory positions, subordinating roles and other working relationships

Additional Items for Job Descriptions for Recruiting Situations

- Job specifications, standards, and requirements
- Job location where the work will be performed
- Equipment to be used in the performance of the job
- Collective Bargaining Agreements if your company's employees are members of a union
- Salary range

Succession Planning Model



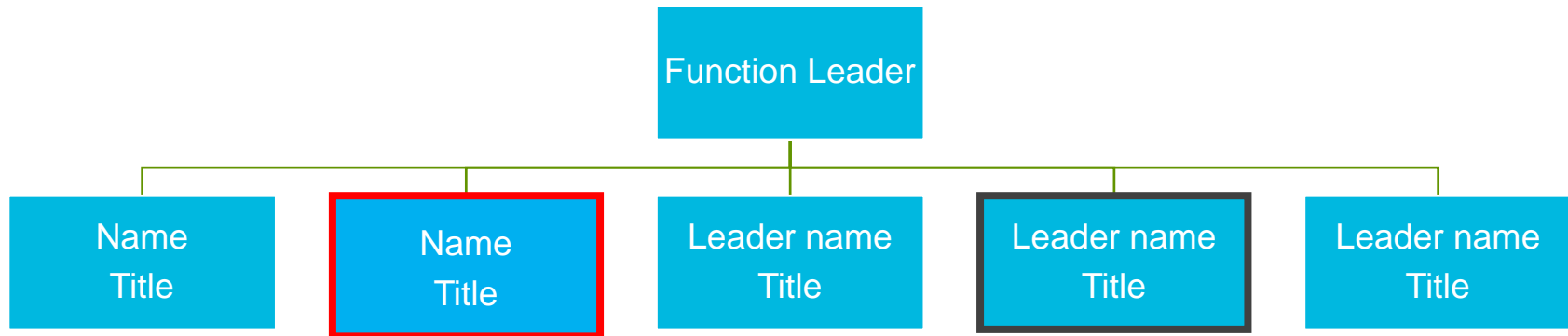
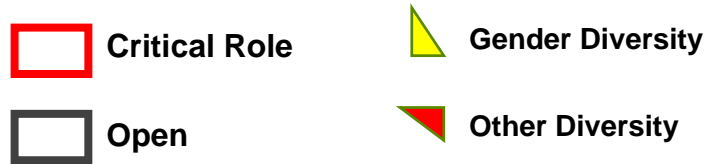


Employee Life Cycle – Core People Processes



Group Organizational Chart

Show positions incumbents/roles (including open roles)



Succession Chart (Critical Roles)

-  Gender Diversity
-  Other Diversity

Role for Succession Planning	Current Incumbent	Ready Now (<1 year) [name, title]	Ready Next (1-2 years) [name, title]	Emerging (2-5 years) [name, title]