

8 Keys to Effectively Hire Physician Executives

Stephen Moulton Interviews Jennifer Grebenschikoff of The Physician Executive Leadership Center

*Jennifer Grebenschikoff is one of the founders of The Physician Executive Leadership Center. She is a widely respected expert on physician executive search, career counseling and compensation. Jennifer's been featured in publications as varied as AMA News, Modern Healthcare and Physician Executive. Jennifer is a regular Faculty Member at the **American College of Physician Executives'** (ACPE) meetings. She teaches one day of the four-day "Managing Physician Performance" course where her topic is how to successfully recruit and retain the physicians who match your organization's mission, vision and values. She also is a faculty member for ACPE's Certified Physician Executive program where her topics include Networking, Resumes, Interviewing and the Executive Image.*

Stephen: Jennifer you have a list of keys necessary for effectively hiring physician executives, where do we start?

Jennifer: The first item on my list is, **Assess the Need.** CEOs need to assess the need for the position well before they get to the hiring process. What we find is CEOs who come to us and say that they went to a conference and they heard about the chief medical officer role and say, "Well, we need to have a CMO," but they haven't really spent any time figuring out, "Do we really need one?" Of course I love it when a CEO calls me to say, "We need to do a search," since that is my business model, but does every organization need a CMO? Needs assessment is especially important if it's a brand new position.

Stephen: Would a needs assessment also apply to refilling an existing position?

Jennifer: Yes that is my second recommendation, **Reassessing the Need.** It is so important to reassess the need if it's a replacement search. Because so much in healthcare is changing, the old job description is not likely to carry

forward to the new job requirements. The old job description written in the 1980s and 1990s, or even ten years ago, won't reflect the new expectations necessary for 2013 and beyond. Saying, "Here's the job description we used for the last ten years and this is the role we're trying to fill," isn't going to help anyone. Another area to consider is the issue of the title of the role. There are so many different physician executive titles but now, generally it is Chief Medical Officer. Not so long ago that same role was called Vice President of Medical Affairs, and before that it was Medical Director. In some organizations the system-wide physician executive might have the CMO title and each of the hospital physician executives might be VPMAs. However we're seeing more and more CEOs naming their physician executives CMO regardless of where in the organization they are. When you recruit, candidates pay attention to the title, and if they see a title that to them signifies a lower level, they tend to dismiss it more quickly than if it had the right title on it.

Stephen: Okay we have determined the need. What is next?

Jennifer: My third item is related to our second step above, making sure the **Job Description is up to date.** Don't just pull out the job description that says 1986 on it. Let's make sure that we all agree, before we start searching and talking to candidates about this, that we've got a very defined set of expectations, objectives, accountabilities, responsibilities, and goals that reflect where we are today and where we want to be going forward.

Stephen: From an HR perspective that seems obvious, but often overlooked in a busy environment. What's next?

Jennifer: My fourth item is to establish a **Realistic Compensation Plan.** It seems only about half the organizations we work with understand that you get what you pay for and you've got to be realistic about the market. It is very competitive out there for physician executives who are worth their salt.

We see CEOs who say, “We used so-and-so’s executive compensation survey and the survey says we should be paying X.” From our perspective a survey is a set of averages and generally doesn’t reflect a specific market. It may also reflect the whole country or the whole region. Nor does it reflect today’s reality; it reflects when the survey was done, which could be a year or two ago. I work with CEOs to help them understand: “Here is what potential candidates are telling us they are making today and what it would take for them to make a move tomorrow. That’s where we have to meet them.” One of the things we do as we’re going along in the search, is that once we’ve identified about 20 or 25 candidates that we’re seriously interested in, we present to the client CEO a blind list of those potential candidates’ current compensation packages and what those candidates tell us about the comp they would expect for them to change jobs. We do that especially when we’ve got a client who says, “Well, I want to pay \$250,000” and all of our candidates are saying, “Yes, I might be interested in that role but I’m now at \$325,000.” If you want a candidate that looks like A, B, C and D, then you have to pay the market to get A, B, C and D. If you want to pay the market, minus \$75,000 then you might get A and B, but you’re not going to get C and D.

Stephen: I’m sure getting expectations on compensation can be challenging. So far we have focused on doing the ground work. What is the next step?

Jennifer: My fifth item is making sure the **Medical Staff is On Board**. The medical staff and especially the medical staff leadership needs to be onboard from the very beginning of the process. That can include Med Exec or perhaps some sort of ad hoc group from the medical staff that is working side by side with the CEO during the entire search process. Very often it is the search committee. CEOs often ask me, “Who should be on the search committee?” I generally recommend that at least half be physicians. Many CEOs will name only physicians to the search committee, and say, “As the CEO I represent the executive team so I’ll take care of that side, but I want the other six people on the committee to be physicians.” That way the whole issue of gaining acceptance

and buy-in from the medical staff is covered in the very beginning of the process. If it's a new role, having the medical staff understand the difference between the elected president of the medical staff and the appointed Chief Medical Officer and why those two roles are different, why both roles are important, and what the difference in accountabilities and responsibilities are, is critical. That way the president of the medical staff doesn't think, "Now, somebody's going to do my work for me." Or, "Somebody's going to come in and step on my toes."

Stephen: Organizationally it is important to give stakeholders a role in the selection process. I've seen CEOs brought down by disaffected stakeholders. I want to point out that one prominent researcher told me any more than four interviewers adds no value to the selection decision. I'm glad you suggested keeping the selection committee down to no more than seven members. So what is the next step?

Jennifer: Number six follows making sure the medical staff is on board and that is **Resolving Potential Turf Issues**. It is not only important to get the medical staff to buy in, but getting the leadership team to buy-in is also critical especially if this is a new role or a redefined role. When new roles are established or a current role is redesigned, we often see boxes move around on the organization chart. Then the discussion is about turf and territory; where someone else might have had responsibilities for patient satisfaction or quality improvement, now the CEO has moved that box somewhere else. Taking responsibilities away and moving activities around, even though it may result in a more efficient and effective organization, affects people in different ways. CEOs need to internally sell the reasons that they're making these changes.

One way to resolve potential turf issues at the medical staff level is to have the medical staff president and CEO attend a Physician Leadership conference together. For instance the American College of Physician Executives puts on many programs during the year; some of the programs are specifically for

medical staff leaders. It's in those programs where the medical executive and CEO can understand and come to agreement as to how it's going to work.

It also helps to have a medical staff president sitting in a room with 60 other medical staff presidents who are learning about leadership and how to balance the elected medical staff president's role with an appointed CMO's role in the same organization. It's a great way to get a little education and get the CEO and medical staff president on the same page.

Stephen: So you are facilitating the education of leadership to resolve the potential turf issues in advance. I'm sure that really helps in the assimilation of the new Physician Executive into the organizations. Do you also recommend having a transition plan?

Jennifer: That is number seven, have a **Transition Plan**. We have a long list of recommendations that we give to our client CEOs, once the candidate has been chosen. These regard the transition of the candidate and the family into the community, and into becoming a part of the organizational family. I feel strongly that if they don't do all these recommended items, they are making a huge mistake. For instance because the new CMO's family may not be there for three months or six months, the family should be getting a newspaper every day from the new community so that they can see what's going on in their area. Early on, we talk about how important it is for spouses to accompany the executive on the second interview visit; we know that spouses and families make up to 70% of the decision to accept the position. So, if spouses and families are that important in the decision to accept the position, we've got to continue to pay a lot of attention to them from the time the offer is signed, all the way through that first year that they're in that new community. For us, the search is not over, and it shouldn't be over for the CEO either, until the first anniversary of the hire.

Stephen: So often not only are the new leaders tossed in the pool and expected to swim, but so are their families. Do you have an example of a new leader struggling with a transition?

Jennifer: A recent example is where the CEO hired a CMO and it was a great hire, this person was the correct one for the job, but the CEO never sat down with the candidate to say, “Here’s what I want you to accomplish, here’s what I know about your areas for improvement, and here’s what I think you need to work on.” During the interview process we provide to our CEOs information about what the candidate says her areas for improvement and strengthening are, and what her references say about those same areas. We believe everyone has something they can improve and strengthen, and we encourage the CEO to nurture, to mentor, to support, and to educate the new CMO.

Stephen: Also, I think that coaching work that MEDI does can be so valuable. The CEO can get coaching on making the transition really effective, and help the new leader get up to speed and assimilated quickly.

Jennifer: That’s right a coach can very much help the candidate’s self-awareness and help the CEO to make this process really work.

For instance we had placed a new CMO with an organization. After she had been working there for four months the CEO was not happy with her performance. He then called in a coach. As it turned out, the CEO really hadn’t ever had a face-to-face with the CMO to say, “I’m not happy, this isn’t working out so well.” So when the CEO called me about this, I said, “Promise me that today you will sit with your CMO and say, ‘Here’s where I am, here’s how I’m feeling, here’s what I want to do.’” The CEO had that conversation with the CMO and the CMO was elated. The CMO likes the job and wants this to work. Transitioning in, on-boarding, whatever word you want to use, means setting goals, setting objectives, having six-week evaluations, and not waiting a year for performance evaluations of a new CMO. I’m a big supporter of performance

evaluations every six weeks during the first year, or at least every six weeks for six months and then every 12 weeks for the next six months. Let's not wait a year for the CMO to hear what the CEO is thinking about her job performance.

Stephen: A final question would be how important is it that the selection committee get training or coaching on how to actually conduct the interview?

Jennifer: It is critically important to **Train and Coach the Selection Team**. What you do, Steve, in helping executive selection teams make the most out of the interview process and making sure they are getting a candidate that will fit and be successful can give a selection team a huge advantage. Having a selection process that everyone follows is terrific and so important. I think once a CEO understands both the cost of making a hiring mistake and the benefits of having a candidate that can make a difference in a positive way, having someone like you take them through the process will pay dividends.

During the search committee meeting where I'm presenting the credentials of the candidates, we do set aside some time to talk about the interviews and the interviewing process and how to make that efficient and productive for the committee members and for the candidates, but your training and coaching, Steve, that takes a huge step forward to help them be even more successful.

Stephen: Thank you, these are eight great insights into the selection of Physician Executives. If any of our readers would like a copy of your transition plan checklist would you provide it if they e-mailed you?

Jennifer: Sure, I would be happy to.

Stephen: Great, I hope our readers find this instructional and useful.



Stephen Moulton is the Chief Insight Officer of Action Insight, he is also the author of the *CEO's Advantage*, 7 keys for hiring extraordinary leaders and the forth coming book *Engage - Leadership and Building an Engaged Team*. For a **free copy** of a new report **Seven Costly Interviewing Mistakes for**

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