

Succession Planning and Management: The Backbone of the Radiology Group's Future

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Abstract

The transition of leadership within radiology practices is often not a planned replacement process with formal development of potential future leaders. To ensure their ongoing success, however, practices need to develop comprehensive succession plans that include a robust developmental program for potential leaders consisting of mentoring, coaching, structured socialization, 360-degree feedback, developmental stretch assignments, job rotation, and formal education. Succession planning and leadership development will be necessary in the future for a practice to be successful in its business relationships and to be financially viable.

Key Words: Succession planning, leadership, management, mentoring, coaching

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INTRODUCTION

All too frequently, leadership in radiology groups defaults to those willing to do it. Leadership vacuums commonly exist, and a specific focus on leadership identification and development is not emphasized because clinical work drives the group [1,2]. When entering medicine, most future physicians do not anticipate that they must be adept at business leadership activities [3]. However, when effective leadership is absent, radiology groups are vulnerable to significant exposure: loss of revenue through lack of financial oversight, loss of patient volumes through lack of business development, and potential replacement through lack of presence and lack of alignment with hospital systems and health care plans.

As in other businesses, the leadership of radiology groups plays a major role in their success [4,5].

The importance of leadership can be clearly demonstrated by two contemporary business examples. A company that had a market capitalization of \$115 billion in 2011 catastrophically plummeted 72% to \$31.7 billion by 2013, whereas another company's \$315 billion market capitalization skyrocketed by 915% to \$3.2 trillion by 2013. The first company, Hewlett-Packard, cycled through four external CEOs in 6 years. The second company, Apple, groomed and then internally promoted a homegrown leader to the CEO position during that time [6].

Apple learned from its history of succession planning missteps. Terminating Steve Jobs in 1984 had resulted in a marked corporate decline. This time, when Steve Jobs's health became an issue, an internal successor was identified and prepared for the top position. The transition of Tim Cook to CEO of Apple was a seamless success [7]. On the other hand, Hewlett-Packard's board has been responsible for serial succession selection failures, primarily because of the board's focus on outside candidates [8].

Many factors played into the dramatic outcomes at these two companies. However, one specific factor had a pivotal impact on the spectacular failure of one company and the remarkable growth of the other: succession planning and management. And although market capitalization

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may not be directly analogous to the practice of medicine, the practice of identifying, refining, and retaining talent is a critical factor in ensuring successful, progressive radiology practices [6].

IMPORTANCE OF COMPREHENSIVE SUCCESSION PLANNING

Succession planning is the process of identifying individuals with the potential to fill key leadership positions. The purpose of a comprehensive succession plan is to have an ongoing process in place to address the leadership vacancies that occur over time.

Most radiology practices do not have comprehensive succession plans. In small practices, the by-laws generally govern how a leadership vacancy is filled. Often, a group meeting is called to elect an individual to fill a specific position. Large practices may have formal policies and procedures to address leadership vacancies. An executive committee or a leadership team may have the responsibility of making a recommendation to the general membership for their approval. In an academic practice, university policies and procedures often govern the process. In reality, however, the current replacement process for a radiology practice leader is all too often an individual reluctantly agreeing to accept the responsibility.

Succession planning is important for all types of radiology practices, including traditional private practice, multispecialty group practice, academic practice, and employed radiologists [9]. As Churchill once said, "Let our advance worrying become advance thinking and planning" [10]. Succession planning should be a key component of a radiology group's strategic plan. Because leadership is so critical to success, radiology groups should take a formal, structured approach to succession planning, setting policies and procedures in advance and adhering to them [11].

Succession planning differs from replacement planning in that the emphasis is on forecasting organizational needs. Succession planning is designed to ensure a continued pool of qualified candidates [12] so that organizational structure and performance continue to be effective after a leadership change.

The concept of succession planning is not for just some practices. With the exception of a solo practice, the Commission on Human Resources of the ACR recommends succession planning as a necessity for all practices (Edward I. Bluth, MD, chairman, ACR Commission on Human Resources, personal communication).

Well-planned transitions between a leader and a potential leader assist in maintaining a climate of stability

[13]. Some leaders are hesitant to institute such a program because they feel threatened, but it is important for members of a group to insist on appropriate succession planning. For a group to continue to flourish, succession planning is a requirement.

CORE POSITIONS FOR SUCCESSION PLANNING

The most obvious positions for succession planning in a private practice are the chair of the board and the president, often the same individual in most private practices. However, succession planning must also extend to board members and members of the executive committee. Similarly, in a multispecialty practice or an academic environment, chair and vice chair replacements should be considered.

In most radiology practices, a single succession candidate for each position is adequate. In large radiology practices, multiple individuals may be engaged in the succession process for each leadership position. Radiology group size is increasing. Today, groups of 30 to 50 are common, and groups of more than 80 are not rare [14]. In most cases, the increasing group size leads to more organizational structure that can facilitate the implementation of a comprehensive succession plan, as well as allow appropriate designated protected time.

Many radiology practices, from private practices to academic practices, are highly subspecialized, with section heads for neuroradiology, interventional radiology, musculoskeletal imaging, breast imaging, body imaging, and other subspecialties. The leadership of each section should be included in the succession planning process. For example, the future leader could be an assistant section head who can currently function in the absence of the section head and who could replace the section head in the event of a succession.

Although the succession planning process may vary for radiologists and nonphysician employees, the process must be extended to all leadership positions. Each designated area of responsibility within the organization should have at least one contemplated replacement who is actively engaged in the duties and responsibilities of that position. In large practices, this contemplated replacement may have a formal title and his or her own contemplated replacement.

The nonphysician practice manager should not be overlooked in succession planning because of cost considerations. This approach is shortsighted. The expense of hiring a qualified assistant who may one day replace the practice manager may be cost effective in the long term.

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