



Should I Promote Internally or Look to the Outside?

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THE CHALLENGE: A mid-size hospital needs a talented leader to replace their current charismatic director who has given notice to advance her career elsewhere. Do they promote from within or look externally to fill their vacancy?

HYPOTHESIS: Based on our own dealings with those in leadership, we have seen it backfire more often than is succeeded. Often the individual wasn't ready to go from peer to manager, or as one of our interviewees put it "BFF (Best Friend Forever) to Boss". Our experience had been that many were not fully aware of the level of responsibility needed or the dedication it took to lead a department and its' people. They just figured it was the next step in their career so they threw their hat in the ring.

DATA ANALYSIS: Not knowing the exact rate of those who succeed, we decided to pose this question to over 1,000 of our contacts that are currently, or have been, leaders in a hospital setting. We got an amazing response rate (over 400) as we learned that this was a very passionate topic for many leaders out there! The findings were interesting and the results were mixed. Overall more than 2/3 of those who responded advised AGAINST promoting from within, and the 1/3 that said it was a good idea gave the caveat that it's only going to be successful with a great (not good) mentorship program AND the support from the executives/department heads.

THE PRO'S:

Promotions induce loyalty which ultimately can help with retention.

It's good for the department moral to know there is the potential for career growth WITHIN the organization.

The internal candidate typically already has an understanding of the department (the good AND the bad). The newly promoted manager already has staff relationships, they don't have to start building them from scratch (although as noted below they DO need to begin to re-structure those relationships).

THE CON'S:

Very difficult to manage those who were your peers just last week/month/year.

Often a set of "outside eyes" is really what's needed to SEE and implement change.

Outside hires seem more willing to upset the apple cart in the name of innovation than internal hires (often due to "friendships").

Many are not ready to be leaders. Being a good clinician does NOT mean you are a good leader.

Hard time communicating with "old friends", especially when it's criticism, evaluations or just bad news.

Peers, Physicians will always see you as your "old" self. See you as when you were hired. Subject to above normal criticism, old peers will put you "under a microscope" and look for every mishap.

Often there is a fear to fail in front of your friends. That caused no action which is not a good leadership trait.

Old peer network will hold animosity toward their "new boss".

Jealousy among other staff who think they are just as good as new manager.

Hard to be objective when you have deep relationships with staff on a friend level.

Many people said politics play a much larger role when a new manager/director was promoted from within.

4 TIPS:

If you do decide that you have the person internally that deserves the promotion, following these four tips will dramatically increase the chances of success:

- 1.) Get them involved in a mentorship program- preferably with someone who has successfully made the transition in their own organization.
- 2.) Make sure administration, department fully supports (publically) the new promotion.
- 3.) Put internal candidate through the exact same interview process to determine if they really understand the entirety of the position.
- 4.) Judge candidate on their past behavior (are they a natural leader? do they go above and beyond?), not necessarily how they interview.

CONCLUSION: In this case our client decided to have more discussions with the internal candidate about "why" they wanted this promotion. After more in depth conversations they came to the realization the candidate didn't fully understand all that would be required and thought she would be looked upon negatively if she DIDN'T step forward. In the end they mutually decided management wasn't for her and they turned to the outside to hire someone who has already "been there/done that". The hospital is looking to stay on the cutting edge, remain progressive, this has potential to see a positive outcome as the new hire has no preconceived notions about the department and can come in and give an objective analysis of the changes that need to be made.

UNEXPECTED FINDINGS:

Many "internal" candidates won't raise either hand until all external candidates have been interviewed. They like to see who may become their new boss and if they feel they can do the same (or better) job than those interviewed from the outside they may decide to apply.

Many responses said it takes between 18-24 months to fully "break-ties" with your old "friends". Most respondents said this was a necessary step- some saying they need to go as far as "unfriending" them on Facebook and stop their other social interaction.

A lot of internal candidates we talked into applying by the staff- they would rather work for their "Friend", than an unknown outsider (who in their mind will probably be more strict and demanding).

Many internal candidates apply because they feel pressure to, that there is something wrong with them if they don't want to get into management- even though they don't.

Interview processes range widely for internal candidates, while external candidates go through a pretty streamlined, homogenized process. In the end you could be comparing apples to oranges if the process isn't the same.

Some organizations will promote with a 90-day probationary (trial) period. Many people said that if it doesn't work, the act of stepping back into a staff role can be damaging both to their own ego and to the unit.

Those who had the most success in promoting internally had a formal mentoring program and strong support from the department head.

Often an "Interim" leader can be the perfect bridge. Many respondents said they will hire an interim for 4-6 months to groom and mentor the new manager.

ADDITIONAL RESOURCES:

Throughout this assignment we were constantly humbled by those who offered advice, consultations and resources. Below are some of the most popular resources that were mentioned:

<http://hbr.org/> (Harvard Business Review)- source of several topics on making the transition from Peer to Boss

www.themanagementnation.com (website run by a Surgical Service Executive that speaks to management issues

"Peer Today, Boss Tomorrow" (Book by Laura Bernstein discussing the successful transition)

"Crucial Conversations" (A leading book on how to have those tough conversations- especially with "friends/coworkers" - Kerry Patterson

Several hospital systems have their own in house programs for leadership training and career tracks, don't forget to investigate those.

ACHE, AONE and other organizations offer training seminars/webinars and resources for this topic as well.

SUMMARY:

Obviously there are many factors to consider, most importantly the candidates own ability to transform. External candidates often offer a unique perspective that you can't find internally. They also typically require less hand holding as they have been in management before. Finally looking to the outside you will avoid many of the political issues you may see when promoting from within. Of course there are times when you have a great leader in the wings and it makes perfect sense to tap that person on the shoulder for your opening. If you do decide that the risks of promoting from within outweigh the dangers, there are plenty of resources available to help. It is advisable to have a formal mentorship program in place. The department head should also ease the transition by not only making a formal announcement, but discuss the new roles and responsibilities with everyone affected. Good luck in your search- happy hiring!

-Sean Milius

CEO

The HealthCare Initiative

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