



What Health Systems And Hospitals Should Do When An Executive Vacancy Arises

A Midwestern health system, one of the largest private medical group practices in the United States, came to Tyler & Company with the issue of needing to terminate a physician practice leader. The leader was overseeing over 700 physicians and 80 specialties. The Physician Practice Administrator was to be terminated for various reasons including major operational inefficiencies/incompetencies, poor leadership and oversight, low morale and accusations of “bullying.” The COO wanted an interim executive identified as soon as possible for an immediate transition after the Physician Practice Administrator’s termination.

When executive level vacancies arise, clients are often unprepared. It is not uncommon that a succession plan is not in place and/or the client does not have access to a network of strong potential replacement candidates. So once a decision like this is made, the stakeholder must prioritize decisions and timing on next steps for the following options:

1. Immediately start the process to hire the permanent replacement
2. Leave the position vacant
3. Move someone over internally
4. Engage an interim executive. Place search on hold and use the time and expertise of an outside, objective interim executive to assess and re-evaluate the organizational structure, culture and possible opportunities for improvement. (“clean up”, and “heavy lifting” by an interim can often help correct major issues which then allow the organization to attract and retain higher caliber candidates for the permanent search.)
5. Proceed with Steps 1 and part of 3 simultaneously

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The Challenge

Due to some of the cultural and operational challenges, the CEO decided to hold off on establishing a search committee to begin the search process. Instead they weighed the options to leave the vacant position open or to tap an internal operational executive resource for the role in the short term. While an internal resource is already familiar with the company, its values and day-to-day operations, and the COO knew they could save money, preserve optics by using a current executive to fill the role immediately, there was concern about bandwidth, internal politics and reporting confusion and general long-term sustainability. Permanent searches at the executive level can take 6 months + and asking an internal executive to “wear two hats” for an extended period is not ideal. Opportunities for fresh eyes and objectivity can also be lost; and if culture is part of the problem needing to be

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addressed, moving someone internally or bringing on a friend/former colleague of the CEO for example, doesn't instill hope for change with staff.

The client needed an executive ready to fill in immediately upon termination of the administrator, to create a perception of stability and positive change. In this scenario, the COO decided it was best to partner with an outside firm. Once engaged, Tyler & Company worked with the COO and executive team to assess what was going on internally and what was needed moving forward... basically working together to define the problem and both the short term and long-term solutions. We worked collaboratively to create an ideal candidate profile specific to resolving the problems they were trying to resolve.

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The Solution

When developing the interim executive profile, clients must recognize that there are two types of interim leaders. One type of interim leader fits a more traditional staff augmentation model, by simply dropping into an open role to provide stability with the staff as well as maintaining day to day operations while the permanent search is underway.

Another type of interim executive is a more consultative “Change Agent.” While this individual also functions as the interim seated executive, they bring a tactical skill set, ready to address volatile situations and/or execute on critical initiatives. When an outside interim “Change Agent” comes in, the client often delays the permanent search, as they benefit from the interim's analysis and assessment of the organization, the department and the role. The “Change Agent” becomes the leader who does the “heavy lifting,” restructuring and making tough decisions. This frequently broadens and improves the potential perm candidate pool by paving a clean start for a new executive by allowing them to focus on the future of the organization, versus cleaning up the past.

This client needed to engage the latter, as there were no viable internal candidates with the breadth and depth of experience required. Also, being relatively new to the role, the COO needed someone that had “been in his seat previously” and could act as an extension of himself while also bringing an outside, objective perspective to the organization and ultimately make some changes. The final candidate decision came down to a 1099 consultant found through a physician connection – or an interim leader through Tyler & Company.

The Result

The Tyler & Company interim leader was ultimately selected due to their extensive related experience, as well as being perceived a less risky choice than a 1099 consultant. Initially the engagement was expected to last 3-4 months; with potential to extend to 6+ months. Once the objectives for the interim were clearly defined by the client, the interim executive was able to affect positive change by quickly establishing rapport and trust with the staff to address low morale and improve operational inefficiencies.

Among several notable accomplishments and deliverables within the first 60 days, the Interim Executive assisted with key hires and most notably realigned the organizational reporting structure, thereby eliminating the permanent Physician Practice Administrator position. The interim's responsibilities increased and expanded and the engagement duration extended to 1 year.

About Tyler & Company

Tyler & Company provides both permanent and interim healthcare executive, physician leadership and academic medicine recruitment services on behalf of thousands of clients throughout the United States.