## System Focus

A Monthly Governance Institute Newsletter SEPTEMBER 2021





Ensuring Workforce Health: The Criticality of Empathic Leadership in Healthcare

By Steve Sullivan, Managing Director, *Pearl Meyer*, and Celeste Coruzzi, Ph.D., Managing Director and Practice Leader, *Veritas Partners* 

## An Industry and Workforce in Crisis

The global pandemic was a surprise shock to the healthcare industry, already overwhelmed by its pursuit of widespread preventive care, population health, digital access to care, building payer leverage, and controlling costs. Now, as the industry adapts to profound and permanent changes to direct care, it also faces a diminishing labor pool, entrenched virtual workers, shakeups in the health insurance and products markets, and a mandate to reinvent the workplace.

Voluntary turnover is at an all-time high in healthcare and elsewhere as millions of our nation's workers are simply quitting their jobs. Their reluctance to return to work involves many factors: lingering fears of the virus impacting personal health, childcare and elderly care challenges, generous stimulus checks that pay more than some jobs, and the enticement of jobs with higher pay. There is also the increased flexibility that comes with virtual work and its resulting financial savings with reduced commuting costs and significant lifestyle change opportunities with the ability to live anywhere and spend more time with family. Unlike other industries, healthcare providers are not able to envision a "return to normal" as significant COVID waves continue and must be met head-on with a workforce that is physically, mentally, and emotionally spent.

Marshalling such diminished resources to achieve success requires a different kind of leadership skill—one that aims to comfort and support medical staff still grappling with the loss of personal health and their own sense of well-being. Care providers' attitudes towards their chosen vocation have changed in fundamental and irreversible ways since the pandemic began. The loss, grief, pain, and exhaustion experienced by physicians and clinical professionals has unfortunately led some to suicide and a great many to walk away from their careers. The working world of healthcare has been transformed and health system boards and their local entities must incorporate

## → Is Your Board Creating an Environment to Foster Caring Leadership?

These 10 practices of empathic leadership can be built into both the system board's and the local entities' daily routines, changing the course from crisis to renewal for the workforce and the organization as a whole:

- 1. **Be fully present.** Be approachable for those coming to share their issues or concerns. Give them undivided attention by scheduling time for open discussion and omitting distractions.
- 2. **Actively listen**. One of the hardest things for many people is to actively listen to what others are saying, particularly when their views differ from your own. Seek out a range of perspectives and act on their ideas.
- 3. **Think safety first**. Show concern for people's safety and well-being. In these times of great upheaval and heightened personal risk, do all that can be done to make the workplace as safe as possible. Active communication and adherence to workplace protocols are critical.
- 4. **Take action.** See something, *do* something. Take immediate action to support others when they report feelings of unfair treatment. Difficult moments provide opportunity to demonstrate ethical leadership in action, giving workers deeper confidence and hope.
- 5. **Show vulnerability.** Admit to mistakes and create an environment in which others feel comfortable doing so. Humility and humanity allow people to engage in learning and positive change.
- 6. **Be authentic**. Act with courage and stand up for what the board believes with full transparency. Authenticity builds trust.
- 7. **Stay calm.** Maintain a calm presence in the face of adversity. People need stability in times of change, and the ability to demonstrate emotional stability provides the security needed for most to carry on and stay focused on the work.
- 8. **Be adaptive.** In this time of increased desire to balance work life and personal life, good leaders are finding novel ways to incorporate flexibility so people can be more productive in work and happier outside of work.
- 9. **Show curiosity.** Actively seek new information and make the effort to be continuously learning new things. Seek education on top issues, attend professional conferences and network, and bring those new insights back to the workplace.
- 10. **Be socially responsible**. Make decisions that are socially responsible rather than politically expedient. Think about serving the greater good rather than operating with self-interest. Make decisions that have a positive impact on global environmental and social issues.

the notion of active empathic leadership that supports workforce health in order to maintain organizational viability.

Frequent and ongoing discussions in the boardroom are key, with dedicated agenda items focused on the actions that can be taken by management to ensure the health and well-being of the workforce remains a priority. Communication across the system with board-to-board discussions can keep all local entities on the same path.

## How Is Your Board Preparing to Support Empathic Leadership?

More than ever, system boards are being asked to step up and lead in new and different ways while still needing to address all the traditional aspects of corporate governance. It will be the boards that can find consensus and alignment on emerging critical leadership skills that will be able to position empathy as a cultural touchstone. Even now, talent management has become a permanent part of the oversight responsibility of most compensation committees and that has only increased with the physical and mental health of the workforce taking a prioritized role.

Like executive compensation, successful leadership development and succession programs require the CEO and management team to own the process. Boards can reinforce these messages by creating an ongoing dialog with management about the need for clear succession plans and ensuring the organization is actively growing its talent. The board can request that the CEO formally initiate their succession process and provide the board with biannual updates. Positioning directors as mentors for key succession candidates will allow the board to quickly set organization culture as a key success factor. Board directors must also initiate conversations with management about culture and employee engagement, request metrics and results from deep in the organization, and stress these discussions as areas of strategic importance.

As the board considers these initiatives it may be useful to discuss answers to the following:

- 1. **Does the system board value empathic leadership?** Start by spending time as a group talking about the importance of empathy as a core value. Is there agreement that empathy is an important condition for improving individual and organizational health and well-being? If so, is the board visibly demonstrating and role modeling it with executives and others?
- 2. Is empathy a must-have competency for all leaders? Has the board established a clear set of forward-looking leadership competencies, including empathy, for which the board, CEO, and executive team are held accountable? To what extent has the board considered empathy as a quality in past executive hires? Did it

matter? Concrete and behavioral expectations for leaders increase the likelihood of solid achievement.

- 3. Are leaders assessed on empathy? Is empathic leadership part of the evaluation process for the board, CEO, and C-suite? Do these evaluations include an assessment of leaders' impact on organizational performance, employee health, and well-being? The use of leadership 360 assessment tools and employee engagement surveys are extremely useful tracking measures to gauge progress in empathic leadership, employee well-being, and performance over time.
- 4. **Is the board encouraging its CEO to make the needed investments in leadership development?** The road to increased empathy involves gaining greater self-awareness on the part of leaders along with a desire to change. To what degree is the organization making the needed investments in leadership assessment, coaching, and development to increase leaders' empathy quotient?

Boards and executive teams hold the cards in turning this healthcare crisis and workforce challenge into industry transformation. Empathic leadership is the key ingredient. Its impact will be far-reaching and those that succeed will find a focus on this evolved notion of leadership is the right thing to do from both a financial and mission perspective.

The Governance Institute thanks Steve Sullivan, Managing Director at Pearl Meyer, and Celeste Coruzzi, Ph.D., Managing Director and Practice Leader of Veritas Partners, a Pearl Meyer consulting practice focused on leadership and organization effectiveness, for contributing this article. They can be reached at steven.sullivan@pearlmeyer.com and celeste.coruzzi@veritaspartners.pearlmeyer.com.

