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## The Case for Strategic Talent Management in Academic Medicine

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# The Case for Strategic Talent Management in Academic Medicine



For questions about the AAMC's Talent Management and Leadership Development Initiatives, contact R. Kevin Grigsby, D.S.W., Sr. Director, Leadership & Talent Development, [kgrigsby@aamc.org](mailto:kgrigsby@aamc.org)

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## Making the Case

The Association of American Medical Colleges (AAMC) has encouraged academic medical centers to embrace an integrative approach to developing leaders and organizational cultures that will prepare the health care industry to meet imminent U.S. health care needs.<sup>1</sup> This white paper was developed in support of this initiative and to encourage further consideration of the talent-related systems in academic medical centers that shape the organizational environment and its leaders.

Human capital – academic medicine’s workforce talent – can represent a key driver of transformation within academic medical centers. In order to play a leading role in addressing healthcare reform, academic medicine will need to rely on its dedicated faculty, staff and administrators to serve as leaders, innovators, and members of integrated healthcare teams. Further, academic medical centers face a heightened need to focus on attracting and retaining their work force as the supply of talent dwindles.<sup>2</sup> Thus far, however, the introduction of strategic talent management policies and practices to guide effective human capital planning, recruitment, leadership development and retention remains largely under-developed in academic medicine, despite robust evidence indicating positive results for individuals and their organizations.<sup>3, 4, 5</sup>

An evidence-based approach to attracting, developing, and retaining talent is a necessary foundation for supporting transformative change. Health care organizations that have implemented and sustained well-designed talent management systems and leadership development programs have documented substantial improvements to operating margins, improved faculty promotion rates, greater workforce engagement and performance<sup>6</sup>, and reduced patient mortality rates.<sup>5</sup> North Shore Long Island Jewish Health System, for example, has reported saving over \$7 million in turnover costs as a result of improved leadership development and talent management activities; Henry Ford Health System and Trinity Health have documented improved retention and stronger leadership pipelines through similar activities.<sup>6</sup>

In this summary, we highlight the definition, value, and potential impact of strategic talent management within academic medicine and in other sectors. We hope to raise awareness of the transformative potential of effective talent management and leadership development to help academic medicine achieve the larger aims of transforming health care delivery.

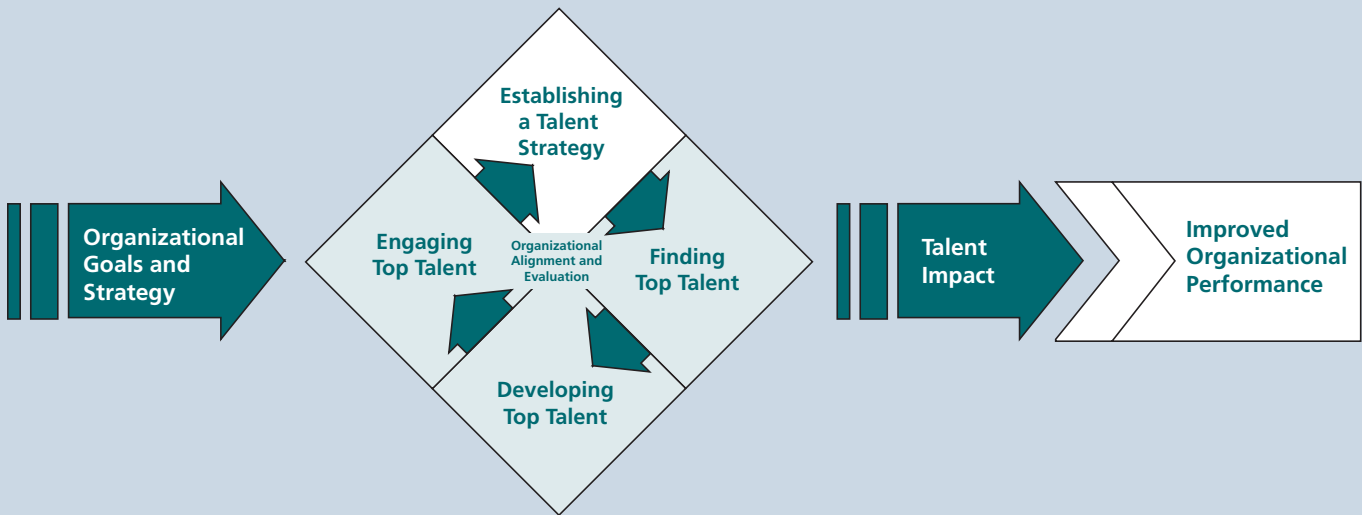
## What is Strategic Talent Management?

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Within academic medicine, strategic talent management activities are those that (1) engage the workforce as a key driver of organizational performance, including quality of healthcare, and (2) promote a strategic and systemic approach to building and sustaining the workforce as a critically important organizational resource. In other sectors such as human resources, psychology, and business, for example, the phrase “talent management” has been used to describe a range of similar approaches. In its purest form, this concept refers to a set of linked institutional policies and practices established to address recruiting, selecting, developing and retaining the workforce (faculty, staff, and administrators); the phrases ‘effective talent management,’ ‘strategic human capital,’ and other similar monikers generally refer to related issues.

Strategic talent management practices were developed through decades of organizational effectiveness research and practice. They encompass methods for developing individuals within organizations as well as the processes, information, and structures that help organizations foster and maintain a vital and productive workforce. An illustrative conceptual framework (next page) presents the types of talent management issues that are important to creating and maintaining effective working environments in academic medicine.

Conceptual framework for developing a strategic approach to talent management (illustrative)



Many scholars and practitioners define talent management as a catalyst for organizations to accomplish their mission. Ashton and Morton<sup>7</sup> call talent management:

*“a strategic and holistic approach to Human Resources and business planning. . . that improves the performance and potential of people—the talent—who can make a measureable difference to the organization now and in the future.”*

In their comprehensive review of research and practice on talent management, Silzer and Dowell<sup>8</sup> define talent management as:

*“an integrated set of processes, programs, and cultural norms in an organization designed and implemented to attract, develop, deploy and retain talent to achieve strategic objectives.”*

While many academic medical centers have implemented specific programs that utilize individual talent strategies, such as faculty mentoring programs or performance management processes, best-in-class talent management occurs when these strategies are integrated and viewed as a multi-component system that aligns with an organization’s strategic plans. This approach is predicated on the notion that the workforce in academic medical centers is a valuable and strategic resource driving organizational performance.

Based on our review of literature from several disciplines, the operational definitions of effective talent management tend to differ slightly across research and practice. In general, the practices that reflect good management of talent are those that:

- **Link directly to organizational mission and strategy**
- **Integrate recruiting, hiring, development, performance assessment and retention practices**
- **Emphasize the importance of managers and supervisors to implement and interpret institutional policies effectively**
- **Include employee views and are empowering of all employee groups**
- **Are perceived as equitable**
- **Are measured through a variety of organizational- and individual-level indicators**

### What is the Impact of Strategic Talent Management?

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The research on this topic has been more fully developed in other sectors and, we suggest, warrants deeper consideration and study within academic medicine. A review of the relevant multi-disciplinary literature indicates that effective talent management practices are consistently associated with the following outcomes, across a wide range of employee groups and organizational settings:

- **Higher levels of employee engagement and retention.**<sup>9, 10, 11</sup> These are important intermediate outcomes that research has linked to positive organizational performance, defined by productivity or financial measures.<sup>12, 13, 15</sup>
- **Positive individual-level performance of faculty and staff, including job performance and organizational citizenship behaviors** (outcomes that contribute to improved organizational performance).<sup>14, 16, 17</sup> Robust talent management practices in recruitment, employee development and morale-building can directly improve individual performance.
- **Positive organizational-level performance**, including quality of patient care, hospital mortality rates, customer service quality, productivity, and various measures of financial performance.<sup>5, 10, 18, 19</sup>

The value and impact of talent management have also been recognized in practitioner circles. Both McKinsey and the Conference Board consider talent management to be a critical component of an organization's business strategy.<sup>20, 21, 22, 23, 24</sup> Health industry surveys and benchmarks of faculty and staff satisfaction are, either explicitly or implicitly, designed to assess talent management issues.<sup>25, 26</sup>

### What Can Strategic Talent Management Do for Academic Medicine?

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By developing a better understanding of the value of its talent resources, leaders in academic medicine can more fully realize the strategic impact of faculty members and staff in carrying out mission-critical health care improvements. A logic model for how these ideas might be applied in academic medicine is provided on page 7. This model is intended to be illustrative and should be refined based on actual talent management practices in place in academic medicine institutions.

In order to achieve the long-term healthcare improvements articulated in the logic model, some fundamental questions about the current state of talent management within every academic medical institution should be considered. For example:

### Evaluate Your Talent Management Strategy

- Have you measured the resources your organization invests each year in recruiting (and re-recruiting) for key positions?
- Does your organization know which positions are most important in driving organizational performance?
- What impact does turnover in key positions have on the sustainability of organization- or department-level goals and performance?
- What competencies and experience will your workforce need to help your organization meet its future goals and challenges?
- How will your organization establish the kind of workplace environment that facilitates high engagement, strong performance, and excellent patient care?
- Is your workforce fully engaged and committed to accomplishing your organization's mission and goals?
- How will you keep your best talent from moving to competitor organizations?

Organizations with a strategy to address these kinds of questions will be well positioned to attract and retain the workforce talent needed to meet healthcare challenges.

### Next Steps

In the current political and economic climate, rethinking approaches to attracting and retaining high quality staff, faculty, and administrators will provide academic medical centers an opportunity to take full advantage of their resources to meet the health care needs of today and the future.

On the basis of robust research from other sectors, and a small but growing number of studies within academic medicine that focus on one or more aspects of talent management,<sup>27,28</sup> we know that addressing and leveraging talent resources can lead to the positive impact—including improved individual-level performance, organizational-level performance, and better retention of talent—that is necessary for creating sustainable healthcare reform.

Talent management practices, when viewed as a strategic priority and executed with explicit linkages among policies and processes, can lead to the creation of a coherent, integrated system designed to facilitate and support the successful performance and potential of individuals and the health care organizations within which they work.

Researchers and practitioners in academic medicine should test, demonstrate, and verify the positive contributions this approach can make in preparing our organizations to lead the way toward improved healthcare.

Logic model describing the impact of talent management in academic medical centers (illustrative).





## Endnotes

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