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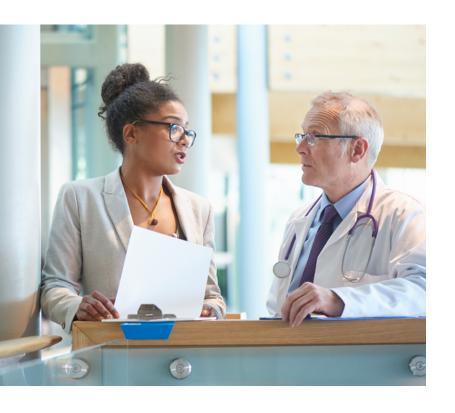


¹Quotations from The Gathering Storm: The Uncertain Future of the Healthcare Industry, part 1 of a 4 part series by Shubham Singhal and Addie Fleron. McKinsey Insights, September 2022.

We at WittKieffer hear directly about the challenges healthcare executives face every day: industry consolidation, low staff morale, a dire workforce shortage, physician burnout and retirements, depleted resources and supply chain disruptions, diminishing quality of care and more. Just as importantly, we see the pain, the worry and the fear that healthcare executives feel as they struggle to meet these challenges.



Significant ink has been spilled on burnout in the healthcare provider ranks (physicians, nurses and other staff) and rightly so. These workers are the heart and soul of our healthcare system, and they have gone through extreme hardships. We notice, though, that little has been written on the emotional toll faced by healthcare executives². While not on the front lines, executives are accountable for those who are – and for the financial imperatives required to keep the doors



open for all of us. They have the triple challenge of wanting and needing outstanding patient outcomes, provider morale growth and financial stability – all at once. These are hard dynamics to manage during the best of times. Healthcare executives also tend to be deeply purpose-driven: they didn't fall into healthcare by accident. They chose it, because they care – adding a fourth level of pressure when things go wrong.

² A notable exception is <u>Factors Affecting Burnout Among Healthcare Leaders</u>, ACHE, 2022.

In 2018, we ran our first <u>survey</u> of healthcare executives about career burnout. 60% of survey respondents were experiencing burnout and, in fact, more than half confided that it might cause them to leave their positions. In the summer of 2022, we conducted another survey of executives across the healthcare industry to understand the status of healthcare executive burnout now, and the ramifications for leaders and their organizations.

As we expected, it is not a pretty picture; nonetheless, some of the patterns offered evidence of the resilience of these executives we are honored to serve. We offer these findings – and our recommendations for addressing the systemic issue of burnout – because it is these executives, collectively, who must find the strength and the courage to act in the face of the storm: not just for themselves and their institutions but for all of us. There is perhaps no other industry that each one of us depends on so viscerally.

Defining Burnout

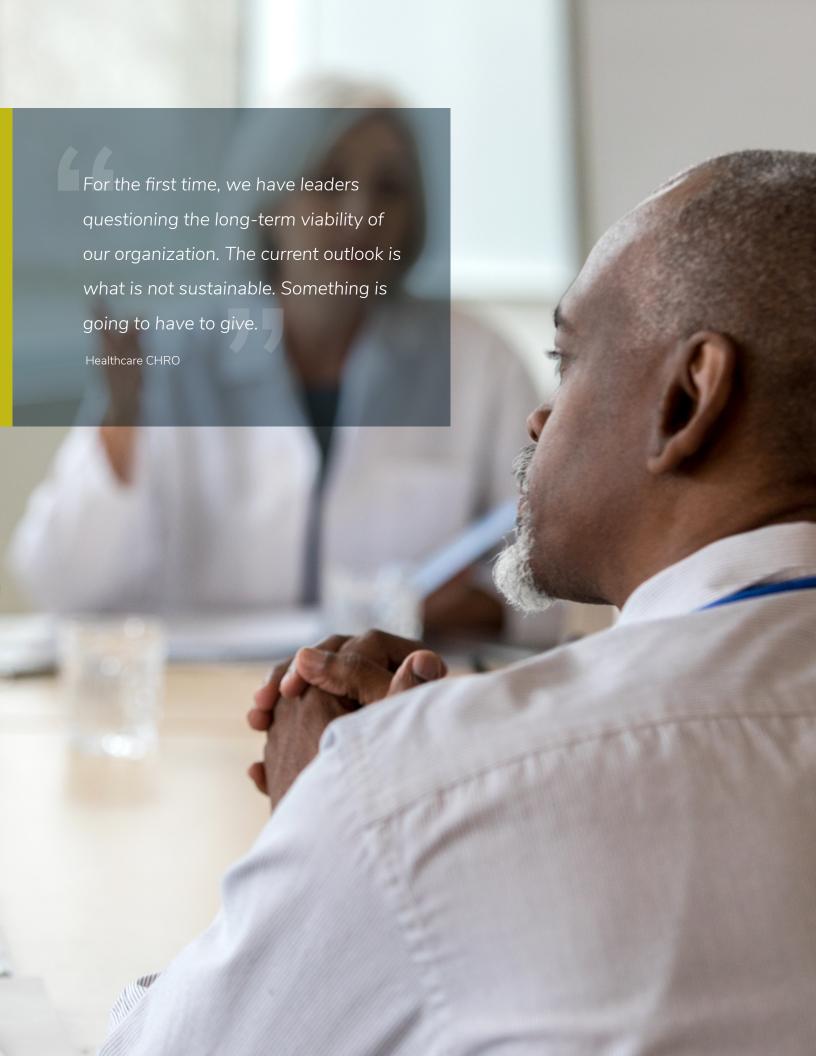
Burnout is often used as a catchall for the many permutations that come from working too hard, too long, often in frustrating and even distressing conditions. It can encapsulate chronic stress, exhaustion, anger, feelings of inefficacy, hopelessness, even moral injury. It's often many of these things wrapped up into one. Burnout is not a perfect word but it seems the most appropriate moniker for what ails many healthcare executives today.

To preface our survey, we provided respondents with the Mayo Clinic's definition of burnout, specifically job burnout: "clinically defined as a state of physical, emotional or mental exhaustion combined with doubts about your competence and the value of your work."

The World Health Organization defines burnout as "a syndrome conceptualized as resulting from chronic workplace stress that has not been successfully managed."

Methodology and Demographics

In the summer of 2022, WittKieffer emailed an online survey to thousands of healthcare C-suite executives of a range of titles at leading hospitals, health systems, academic medical centers, medical groups and other provider organizations. The survey asked questions about feelings of burnout in leaders' lives and at work as well as the professional impact of the global pandemic. A total of 233 healthcare executives, including 63 CEOs, completed the survey. Of these leaders, 64% were men and 34% women; 88% identified themselves as White or Caucasian, with 5% Black or African American and 2% Hispanic or Latino.



The Healthcare Executive Experience in 2022

We were surprised to find that only 74% of our sample experienced burnout over the prior six months; we fully expected a higher number, given the challenges these executives are facing. The overall percentage of burned out executives, however, has climbed substantially since 2018:

Have you felt burned out within the last six months? YES



The great majority of them are concerned about the impact that burnout is having on their organizations:

Do you feel that burnout is negatively impacting your organization? YES



This concern has not only risen since 2018, but is felt even by a strong majority of executives who are not personally experiencing burnout; though those with burnout are understandably more conscious of the negative impact.

Do you feel that burnout is negatively impacting your organization? YES



This executive captured the general tenor of the comments: "The wins are fewer and farther apart than what was possible just a few short years ago. Emotional and physical fatigue are nonstop. Healthcare is on the brink of disaster as the workforce dwindles yet community needs rise. And the ability to have a reasonable and healthy margin to continue operations and serve the needs of all is just not sustainable."

Pandemic Pressures

Covid-19 added unprecedented challenges and stressors within healthcare. Executives were left to establish and staff Covid command centers, wade through complex and shifting government regulations and stimulus funding requirements, navigate supply shortages and group purchasing contracts, and orchestrate nearly nonstop communication with their boards, leadership teams, clinicians, staff and the government.

"The pandemic created a sense of doubt that I have had trouble shaking," said one CEO frankly. "I felt frustrated about my leadership in a world constantly changing. I've also developed anxiety through the pandemic. The amount of worry has become overwhelming."



But the pandemic's undeniable impact only accelerated the strain of long-standing issues within the industry – issues that organizations had been dealing with for years. Indeed, most executives – regardless of burnout – felt their organizations dealt appropriately with the pandemic.

The response actions taken by your organization during the COVID-19 pandemic were reasonable and appropriate.

	STRONGLY AGREE	SOMEWHAT AGREE	TOTAL
All respondents	76%	21%	97%
Burned out	72%	24%	96%
Not burned out	88%	10%	98%

"Executives were burned out before Covid-19," one leader recalled. "The pandemic elevated burnout due to long hours and prolonged uncertainty and fear. It shed light on a problem that was already in existence."

"It isn't the pandemic in isolation," another CEO disclosed. "It is everything that keeps coming." This executive cited pressures to make margins, supply chain issues, employees "jumping ship", even physical violence to healthcare workers.

Productivity and Persistence

When people are burned out, they tend to feel less effective, which leads to pessimism, which then spirals into a negative and self-destructive cycle. You can see this in the charts below, where those struggling with burnout tended to be less positive than those who weren't experiencing burnout personally. That did not surprise us.

We were surprised that most executives experiencing burnout were still feeling a level of productivity and confidence, despite their burnout. They still express determination to make a difference, continuing to demonstrate the sense of purpose and mission that drew them to healthcare in the first place. The levels at which burned out executives experience these positive emotions, however, are notably lower than their peers – and likely to drop further without intervention.

I am productive at work most days.

	STRONGLY AGREE	SOMEWHAT AGREE	TOTAL
All respondents	48%	42%	90%
Burned out	37%	52%	89%
Not burned out	83%	14%	97%

I feel confident that I am able to overcome challenges at work.

	NEVER	SOMETIMES	OFTEN	ALWAYS
All respondents	3%	26%	42%	29%
Burned out	3%	31%	48%	19%
Not burned out	2%	12%	25%	61%

I feel more determined to make an impact in my organization.

	NEVER	SOMETIMES	OFTEN	ALWAYS
All respondents	2%	24%	36%	37%
Burned out	2%	31%	40%	26%
Not burned out	2%	5%	22%	71%

The Next Career Step

Out of a sense of duty and purpose, many executives stuck with their organizations during the Covid-19 pandemic, but lately we have seen a wave of retirements of prominent leaders across healthcare. Those experiencing burnout are much more likely to be considering a move.

"I have chosen to resign from my current role in order to better navigate a more reasonable work/ life balance," said one executive. "I will continue to contribute positively to my organization and work to have true success and professional gratification in my roles going forward."

I think about leaving my current position due to burnout.

	NEVER	SOMETIMES	OFTEN	ALWAYS
All respondents	28%	39%	22%	11%
Burned out	13%	43%	28%	15%
Not burned out	73%	25%	2%	0%

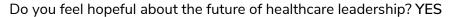
Burnout is causing me to consider a career path outside of running hospitals, or a shortened career overall," said one CEO. "It has been very difficult to segment my professional and personal life in a healthy way.

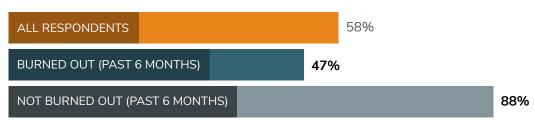
I think about leaving the healthcare industry due to burnout.

	NEVER	SOMETIMES	OFTEN	ALWAYS
All respondents	39%	32%	18%	10%
Burned out	24%	38%	24%	14%
Not burned out	81%	17%	2%	0%

The Impact of Burnout

Healthcare leaders by their nature tend to be resilient and resolute. They entered the profession with a mindset to make a difference in the world. That hope is still present in those burned out – but at strikingly lower levels.





"There is a feeling of helplessness when you have no levers left to pull," said one chief executive, citing in particular labor and supply costs. "Working seven days a week impacts my personal life, and there is no end in sight to the staffing/diversion nightmare. I'm seriously planning to retire early."

The combination of ongoing crises and disruptive business model change requires executives to deliver positive outcomes for their patients, staffs and institutions while simultaneously transforming them. This, in turn, requires a broader mindset, more varied skills and a more nuanced and effective use of executive teams to span the broad range of paradoxes to manage. Doing these things while experiencing burnout, and the accompanying decrease in confidence, agency and belief, is simply too much to ask.

We believe that is why healthcare executives want to see more action from their organizations to address executive burnout – even if they're not experiencing it.

Could your organization do more to reduce and/or prevent executive leadership burnout? YES



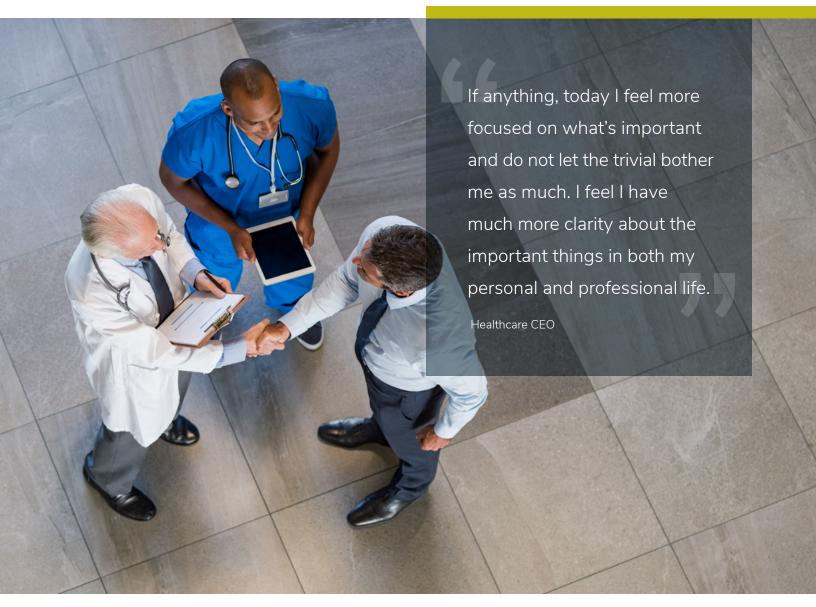
"Front line workers get all the burnout attention, while the leaders are abandoned," one CEO lamented.

While perhaps an exaggeration, organizations must develop proactive strategies for supporting their executives or face a continuing loss of executive talent that the industry – and all of us dependent upon it – cannot afford.

What You Can Do

"The workforce crisis and nursing shortage – coupled with the financial pressures facing health systems – has created a sense of anxiety that permeates throughout the industry right now," one CHRO shared. "For the first time, we have leaders questioning the long-term viability of our organization. The current outlook is what is not sustainable. Something is going to have to give."

There is not an easy answer to the executive burnout crisis. Like all crises, it brings both danger and opportunity. And, like all crises, it requires action at multiple levels to counteract the sense of helplessness and inefficacy that walks hand-in-hand with burnout. Organizations that are able to implement even some of the recommendations we share below are far more likely to come through this crisis more capable of delivering positive patient, caregiver and financial outcomes.



RECOMMENDATIONS	BOARDS	CEOS	SECUTIVE
Make it a topic of discussion. Burnout breeds isolation, which exacerbates feelings of inefficacy. Executives who know that the Board and senior leadership realize the pressures they face, and are actively engaged in finding solutions, can take some comfort in at least not being alone. This does not mean you should not continue to expect executives to rise to the challenges of enterprise leadership. It does mean that you recognize their humanity – and let them know it.	•	•	•
Encourage/require all of your executives to take the pressure seriously. While 72% of our respondents shared that their organization offers access to wellness resources (e.g., EAP), it is unclear whether executives use them. They should. They can also benefit from confidential executive coaching – not because they're "broken", but because they are facing extraordinary pressures. Executives must "put on their own oxygen masks" in order to support others – and they often need a push to do so. This is true for all your senior executives – with special priority on your CEO, CFO, CHRO and CIO who indicate the highest levels of pressure in our survey.		•	
Understand some executives may need to move on. Career change may be the logical next step for some of your executives. Be ready by prioritizing succession planning, focusing especially on your most critical roles. As you build your succession plan, clarify the experiences, competencies and mindsets needed now and in the future (which are very different than what was required even five years ago) and take action to build these within your current leaders. When regrettable turnover happens, consider interim leaders to fill the gaps: there are previous healthcare executives waiting in the wings. Honor the service and sacrifice of outgoing executives – they have given their all. Creating a respectful and gratitude-filled exit means the world to other executives and your workforce.	•	•	
Build up the executive team. An enormous burden rests on the shoulders of the CEO; we were struck by how precarious many of them feel. Again, we do not see this as a symptom of weakness, but as a rational reaction to the challenges they face and their desire to have positive impact for their multiple constituencies — including the Board. Moving from a "hub-and-spoke" leadership style to a focus on the broader executive team is good for the CEO, the team members and the business. Outstanding teams generate options that are greater than the sum of their parts. When CEOs have a high-performing team, it increases their impact, enabling more focus on the needs of the external ecosystem; crucially, it also increases the CEO's own resilience and reduces burnout. Interim leaders may be one solution to augment an executive team and ease pressure on the CEO and others.	•	•	

RECOMMENDATIONS	BOARDS	CEOS	EXECUT.
Consider a broader range of executive roles. The industry challenges facing healthcare require a different mix of executive roles. We see some new roles emerging: those that focus on the external community and partnerships with a lens towards improving health outcomes within the communities served; those that serve to champion better conditions for physicians, nurses and employees (a resurgence of the Chief Wellness Officer role, which only 12% of our respondents cited); and those focused on digital health. Within existing roles (CFO, CIO, CHRO, CMO, CNO), functional expertise is no longer sufficient. Your executives also require emotional awareness and the willingness to act inclusively to recognize the value of a much more diverse range of experiences on the executive team. This should be considered both in the selection process and in ongoing development.	•	•	
Model authenticity and boundaries. Take the opportunity to share what you're experiencing, and what you are doing to manage it. (If you are not doing anything, start.) If you have a coach, share how they have helped you. Establish reasonable boundaries for yourself and share them with others, to set the expectation for others. (This article, for example, discusses the "7 – 7" rule, in which executives are discouraged from emailing or working between 7 p.m. and 7 a.m. While that may not always be feasible, challenge yourself (and your teams) to recognize your own limits and honor them. Know that if you do not do it, they won't either.		•	•
Build connections. The higher up you go in an organization, the more isolated you become. Suffering in silence exacerbates burnout. Encourage executives to engage with each other – as well as with peers within and outside the organization, whether through formal affinity groups or informal gatherings (e.g., retreats, leadership lunches, workshops, etc.). This includes your executive team itself: take the time to rebuild the interpersonal connections among the team, as well as the sense of purpose, so they can better support one another – and you.		•	

We offer the above suggestions with humility – and in full awareness that the challenges faced by the healthcare industry go beyond any individual executive, board member or institution to solve. We join our industry colleagues in advocating that the true solution lies in collective action³. The underlying causes

driving executive burnout require an ecosystem-wide solution and we look forward to participating in that broader movement. As Margaret Mead said, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

³ <u>New Report Highlights Financial Challenges Facing Hospitals That Are Jeopardizing Access to Care</u> (American Hospital Association); <u>National Plan for Health Workforce Well-Being</u> (National Academy of Medicine)



Acknowledgments

WittKieffer wishes to extend special gratitude to all those who participated in and supported this research project.

We wish to express special thanks to Brittani Littleton, our AHA Institute for Diversity and Health Equity Summer Enrichment Program intern in 2022, for all her efforts in developing and implementing the survey.

Contact

For more on this report, please contact:

Rachel Polhemus

Senior Partner, Healthcare rachelp@wittkieffer.com

Susan Snyder

Managing Partner, Leadership Advisory ssnyder@wittkieffer.com

About WittKieffer

WittKieffer is the premier executive search and advisory firm developing inclusive, impactful leadership teams for organizations that improve quality of life. For more than 50 years, we have operated exclusively at the intersection of not-for-profit and for-profit healthcare delivery, science, and education – the Quality of Life Ecosystem. Through our expert executive search services as well as our Professional Search, DEI, Interim Leadership, Board Services and Leadership Advisory solutions, we strengthen organizations that make the world better. We help clients:

Find the right people

- We combine the science of Executive Assessment with the judgment and market knowledge of Search to bring clients exceptional leaders at the Executive and Professional leadership levels for permanent or Interim placement
- We support clients in the identification and development of outstanding talent already in their organizations preparing them for even-more impactful roles through Succession services

Develop their capability to do the right things

- We accelerate the impact and mitigate the risks of executives moving into a new organization or role through Onboarding, and deepen and broaden their development through Executive Coaching
- We enable leaders to role model and increase diversity, equity, and inclusion in the workplace through Multicultural Coaching and Implicit Bias Training

Engage in ways that build value

- We work with executives to Launch, Align, and Accelerate the Impact of their leadership teams an often overlooked lever for organizational performance
- We enable leadership to leverage organization Culture to enhance rather than impede strategy execution

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