

Trustee Insights

WORKFORCE



The Board's Role in Cultivating Next-Generation Leaders

Organization-wide leadership development should be a board priority

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"The need for leadership development has never been more urgent. Companies of all sorts realize that to survive in today's volatile, uncertain, complex and ambiguous environment, they need leadership skills and organizational capabilities different from those that helped them succeed in the past."

"The Future of Leadership Development,"
Harvard Business Review, March 2019.

Although this quote was written six years ago, it holds true today — perhaps even more so. Leadership development eroded long before 2019. The

COVID-19 pandemic exacerbated the neglect as organizations went into full survival mode.

This inattention to leadership development has come at a time when health care has grown even more complex with the expanding use of data and technology such as artificial intelligence and the growth of personalized care, combined with the pressures of regulatory oversight, rising costs and threatened funding.

Ensuring strong health care leadership across the board and executive leadership in the midst of major market disruption and growing complexity should be a top priority for hospitals and health systems. This article explores the board's role in organization-wide leadership development and leadership continuity. A key focus is on the ways in which different generations at

work respond to training and the important theme of transformational leadership to respond to the enormous changes taking place in health care systems today. A companion piece, scheduled for October, will follow up with the board's own need for development and continuity.

Designing Leadership Development for a Multi-Generational Workforce

Hospitals and health systems typically invest in a range of leadership development programs to strengthen the skills of their employees, clinicians and executives. These include foundational training for new leaders, targeted development for mid-level managers, mentoring and executive coaching. Many organizations also offer formal leadership academies — structured, cohort-based programs designed to build a pipeline of leaders who understand the organization's strategy, culture and expectations. These academies often serve as a cornerstone for cultivating internal talent and advancing long-term leadership succession.

Effective design of internal leadership academies, management training, mentoring and sponsorship programs requires a tailored approach. To begin any of these efforts, it is essential to understand that a "one-size-fits-all" approach is unlikely to succeed.

Hospitals and health systems today employ professionals from

four distinct generations — Baby Boomers, Generation X, Millennials and Generation Z. Each generation brings unique values, communication styles and learning preferences. Effective leadership development programs must be designed to engage and support all generations to ensure cohesive growth and alignment across the organization.

Baby Boomers (born 1946–1964) bring deep institutional knowledge, a strong work ethic and a commitment to patient-centered care. Many are in senior leadership roles now or preparing for retirement and are motivated by opportunities to mentor others and contribute to succession planning. They typically respond well to structured programs with clear goals and appreciate respect for their experience while adapting to technological and organizational change.

Generation X (born 1965–1980) often serves in middle to senior management roles and is known for being independent, pragmatic and adaptable. They value practical, results-oriented training with a focus on strategic leadership and managing organizational complexity. Programs that provide flexibility, allow for autonomy and offer tools to navigate multi-generational teams resonate best with Generation X.

Millennials (born 1981–1996) are now the largest cohort in the workforce. These individuals often hold emerging leadership or mid-level roles. Their growth is fundamental to the future of the organization's mission and values. They are collaborative, values-driven and seek continuous feedback and purpose in their work. They respond well to development opportunities that are

Sutter Health's Multi-Tiered Approach for Leadership Development

Sutter Health is a not-for-profit integrated health delivery system headquartered in Sacramento, California. It operates 24 acute care hospitals and over 200 clinics in Northern California. Sutter Health University includes unique programs for Emerging Leaders, Supervisors and Managers, Directors and Executives/Senior Leaders. Here are examples of three different offers that serve different levels of employees.

MENTOR MATCHING

SHift Up is Sutter Health's first system-wide mentoring program that aims to help team members fulfill their potential by developing capabilities, honing desired competencies in skills, fostering career growth and making valuable connections. The six-month program elements include: Matching through algorithms powered by MentorcliQ, 1:1 mentoring structure and online mentoring and career learning resources. Sutter Health encourages all employees to seek out and work with internal mentors that can support their professional development and expand their network.

LEADER SPONSORSHIP PROGRAM

The Sutter Leader Sponsorship Program is a six-month, cohort-based initiative aimed at developing high-potential talent and accelerating their career growth. Participants will be paired with senior leaders within the organization. In addition to meeting with these leaders, participants will engage in a hybrid format, attending both in-person and virtual learning and networking sessions. They will also complete self-directed learning assignments and readings, as well as participate in virtual small group coaching sessions. Key topics include: Executive Presence, Managing Up, Creating a Strong Network for Career Success, and Working with Sponsors Effectively.

LEADERSHIP ACADEMY

Leadership Academy is an intense, year-long development / executive advancement program for leaders within Sutter Health. The program is comparable in time, effort and development to an internal Executive MBA program, though focused on leadership within and for Sutter Health. This program is essential for aligning leadership capabilities with the organization's long-term goals, including Destination 2030, ensuring leaders can optimize performance, foster collaboration and build a positive, engaging workplace culture. By closing critical leadership gaps, Leadership Academy supports the continued growth and success of both the organization and its employees.

open to all, emphasize the importance of digital fluency (AI, virtual interactions, online communities) and foster alignment with mission and social impact. Growth opportunities,

mentorship and sponsorship are key motivators for this generation.

Generation Z (born 1997–2012) is the newest entrant to the workforce, often in entry-level clinical,

administrative, or technical roles. They are digital natives who value innovation, flexibility and transparent leadership. They seek programs that are interactive, technology-integrated and that support communication skills, adaptability and early career advancement. It is this generation that was greatly impacted by the pandemic when informal coaching and key conversations were no longer part of their work life routine. Understandably, they benefit the most from formal mentoring and sponsorship programs.

Though largely retired, the **Silent Generation (born 1928–1945)** laid important groundwork for today's health care systems. Their legacy of professionalism, dedication and institutional growth continues to influence the values that underpin effective leadership in modern health systems. Their engagement in leadership programs can be meaningful as sponsors and mentors to the next generation. They feel valued when their experiences and lessons learned can shed light on why key protocols or policies are followed within the organization.

Bringing all the generations together in leadership development programs is vital to the success of health systems and requires a multipronged approach. Sacramento, Calif.-based Sutter Health has embarked on several efforts: a mentor-matching solution available for all employees, a leadership academy for emerging senior leaders and an executive sponsor leadership program that engages managers who have at least five years' tenure with outstanding performance ratings.

The Transformational Leader

Impact4Health has identified a set of leadership competencies that foster collaboration, engagement and a receptiveness to new ideas and solutions. A transformational leader intentionally seeks a wide range of perspectives when considering an issue or contemplating a decision. Being open to the many voices of key constituents—patients, family members, community leaders and staff—ensures that key solutions take into account the ideas that stem from unique lived experiences. This is especially important to foster trust and engagement among those who may have been historically underrepresented in decision-making and have been negatively impacted in the past.

These transformational leader competencies include:

- **Self-awareness:** ego management, humility, emotional intelligence
- **Responsiveness:** considering unique perspectives, accessibility, openness to a wide range of inputs
- **Flexible style:** adaptability, collaboration, transparency, cultural agility
- **Advocacy:** recognizes potential and promotes fairness, promotes a culture of caring that reduces health disparities
- **Sector knowledge:** "Future-casting," intellectual curiosity about emerging trends impacting the organization that need to be taken into account in serving the needs of all

Today's leaders, including those in the boardroom, should understand these competencies and ensure they are cultivated in future leaders so they will sustain the ability of their organizations to provide more patient-centered health care along with services that better meet the needs of the community.

What Is the Board's Role in Leadership Development?

Board support is essential to the success of these leadership development efforts as it signals organizational commitment, ensures adequate resource allocation, and reinforces that developing the organization's future leaders is a strategic priority critical to mission fulfillment and long-term organizational success.

Additionally, ensuring strong health care leadership in the midst of market disruption and growing complexity should be a top priority across the entire enterprise. Recruiting, retaining and engaging the workforce is often the strategic imperative. The board

can show its support and interest in leadership development efforts by asking good questions about the efforts underway to not only find and retain but also engage and develop the workforce. Expecting budget line-items dedicated to staff development—specifically leadership development—is another key way boards can encourage and prioritize this work at your hospital or health system.

Boards should also recognize that existing best practices on leadership development can be sourced among a range of professional organizations. For example, the American College of Healthcare Executives has a comprehensive tool for assessing the competencies

of health care leaders. The assessment encompasses five competencies ranging from leadership, communication and business skills to professionalism and knowledge of the health care system.

Growing Our Own Future Leaders

To gain clearer insight into the organization's leadership development strategy, boards could also ask about system-wide succession planning practices. Ideally, the board sets the expectation that the CEO holds each senior leader accountable for identifying and developing up to three potential successors: one ready now, one ready within a year and one who could be ready in two to three years. This approach requires a robust pipeline of internal talent and meaningful opportunities for staff to build leadership competencies aligned with the organization's mission, values and patient needs. Boards can strengthen these efforts by supporting investments in programs that tap into the experience, potential and aspirations of current employees.

High-level leadership development should also include training on governance — an area too often overlooked. Many new CEOs learn to work with a board entirely on the job, without prior preparation. Providing executive leaders with a clear understanding of board roles, norms and best practices for engagement and communication can accelerate their effectiveness and ease the transition into top leadership roles.

Building the Self-Aware Leader

In recent years, leadership devel-

Questions Boards Can Ask

- What leadership development efforts do we have in place, and how broadly are they accessible across our workforce?
- How do our programs reflect the needs and strengths of a varied, multi-generational workforce?
- Are we drawing on recognized models or best practices to inform our approach to leadership development?
- In what ways do these efforts help develop leaders who understand and represent the full range of patients and communities we serve?
- What is our organization's approach to succession planning across leadership levels?
- How are we ensuring leadership development opportunities are open and available to all who aspire to lead?
- Do our programs intentionally cultivate leadership qualities like empathy, emotional intelligence and alignment with the organization's mission and values?

opment has evolved to emphasize so-called "soft skills" such as empathy, self-awareness and relationship-building — qualities increasingly recognized as essential for leading in high-stress, mission-driven environments like health care. To address this, health systems have centered new training on building key competencies that include self-awareness, responsiveness, a flexible style, advocacy and sector knowledge (*see sidebar, The Transformational Leader, previous page*). Many programs now integrate such elements, including servant leadership principles and leadership and work style assessments, as well as training focused on compassion, emotional intelligence, resilience and reinforcing connection to the organization's mission and values.

Leaders trained in concepts such as empathy will better understand the struggles and pressures of their workforce and are more

likely to take effective steps to address burnout, quiet quitting and disengagement. Leaders who show empathy and compassion will imbue their workers with greater resilience and fortitude to flourish both professionally and personally. Research shows that employees who have been shown empathy and compassion are more likely to demonstrate those same qualities toward the plight of patients and their families, creating a virtuous cycle that enhances patient satisfaction, employee engagement and ultimately the quality of care provided.

Access is Essential

Boards should also be aware of who has access to these leadership development opportunities and how workers are recruited and accepted into them. Without intentional efforts to ensure broad

access, there may be managers in the organization who consistently receive high evaluations yet aren't invited to participate because they do not fit the traditional conception of "a leader." Clearly defined and widely communicated application processes — along with opportunities for employees to self-nominate to these programs — can be essential in retaining highly engaged employees who aspire to become your organization's future leaders. When executed effectively, these professional development programs should result in stronger employee retention, improved scores in annual engagement surveys and fewer regretted departures among employees who do leave.

Leadership Is a Board's Legacy

A board's work covers an array of areas from policymaking and decision-making to setting strategic direction and overseeing quality. The board's most lasting impact, however, may not be a policy or a program, but the people it empowers to lead.

Ensuring a succession of strong leadership requires understanding the needed competencies and ensuring the organization is cultivating those competencies in the next generation of leadership. The board, in effect, should model strong leadership development practices. These board-specific practices will be presented in the companion piece to this article.

In an environment as dynamic

and high-stakes as health care, continuity of capable leadership isn't simply desirable — it's indispensable. A board that takes seriously its role in shaping and sustaining leadership ensures not only the stability of its organization today, but also its success for years to come.

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