



Health Care and Higher Education: Different Industries, Similar Profiles

By Ralph DiPisa

Introduction

Over the past several months, members of Phillips & Associates have remarked on a growing trend: mid- to senior-level managers and administrators are successfully making the transition between the health care and higher education industries when seeking new career opportunities.

We were curious about this phenomenon and decided to investigate further. We spoke with leaders who had moved between the two industries about their reasons for making the switch. We also talked with folks about the similarities and differences between the two industries.

We want to share with our clients the insights we are witnessing in the marketplace. We believe that this information will change some of the ways you look at recruiting, as well as the way you look at future career opportunities.

Health Care And Higher Ed: What Similarities Do They Share?

The health care and higher education industries share a similar profile and nowhere is that more apparent than in New England. In fact, some of the country's leading universities are located in New England. Many of these colleges and universities also have prestigious medical schools, such as Tufts, Boston University, University of Massachusetts, Yale, Harvard, Brown and Dartmouth, and they are affiliated with the area's top teaching and community hospitals. Gary Vassar, Director of Human Resources at Children's Hospital, notes that the close affiliation between academia and health care also extends into the training of allied health professionals; now most nurses and other non-physician providers are trained in schools that are part of university or college systems. In addition, many of the instructors for these academic programs are also practitioners.

Besides sharing a close connection from an academic perspective, health care and higher education institutions share many similarities in terms of organizational structure, philosophy or mission and personnel needs. These similarities open the way to increased career opportunities for seasoned organizational leaders, especially during these times of strong demand coupled with

a limited supply of professionals. For this reason, many employers are seeking to hire people from similar industries, rather than requiring specific industry experience.

Health care and higher education organizations are service providers. Their success depends on their strong reputation and the satisfaction of their customers with the quality of the service provided. Quality is determined through consumer feedback and success rates. This contrasts with many other industries, which are sales-oriented and product-driven in nature.

Health care and higher education organizations have to compete mightily for customers, requiring these institutions to invest in the resources that will help them be more quality-oriented, more cost-conscious, more customer service driven and more innovative than their competitors.

Higher education and health care attract individuals with similar profiles. "The service mission of both health care and higher education tends to attract people who are engaged in a social cause," according to Laura Avakian, Vice President of Human Resources at the Massachusetts Institute of Technology (MIT) and former Senior Vice President of Human Resources at Beth Israel Deaconess Medical Center and CareGroup, Inc. "Employees at all levels have social good as an important cause in their daily work."

Both health care and higher education are labor-intensive industries, employing a widely diverse population, in terms of ethnicity, job function and level of education. As Avakian explains, "You have highly educated people at one end of the spectrum, such as doctors and professors. On the other end of the spectrum, there is a large population of culturally diverse individuals whose first language is often not English. These are the dominant ends of the spectrum with specialized folks in between, providing an interesting organizational structure, which significantly affects policy making. This is of particular importance since these industries are complex, labor intensive organizations, where salary and benefits account for about 50% of the operating budget. Compare that to the airline industry, for example, which may be at 20%. In health care and higher education, you need hundreds of people with specialized skills at all different levels to make the place run well."

Most health care and higher education institutions are long-standing, not-for-profit organizations with rich traditions dating back one hundred years or more. Over time, they evolved into complex organizations, where decision-making involves input from a variety of key constituencies with a variety of viewpoints. For example, hospital administrators must involve physicians who may be reluctant to embrace the changes required to respond to dynamic marketplace conditions. In academia, the president requires input from faculty members. With decisions made by committee, change can come slowly. In these dynamic industries, however, it is imperative that organizations move quickly to mitigate risk. In addition, the administrators of higher education and health care facilities must deal with a unique group of service providers, physicians and professors, who are often independent, entrepreneurial, and somewhat autonomous.

The types of roles in which people have made successful transitions from one industry to the other are varied, including support services, development, information systems, facilities and

finance. Having worked in both industries, Cheryl Hoffman, former Chief Financial Officer at Beth Israel Deaconess Medical Center and now Finance Dean/Chief Financial Officer of the Faculty of Arts & Sciences at Harvard University, provides this view: "The leadership structure within the departments is very similar between the two industries. For example, the departments on the medical side are often divided along clinical lines, such as pediatrics and surgery, with a chief heading each; on the faculty side, the structure is divided along department lines such as humanities and social science with a department chair of each. If you look at the roles and titles of administrators between the two industries, you will see that health care and academia have parallel responsibilities: for example, both may have a vice president in charge of plant and facilities or a vice president of finance." Another example in the finance area is the controller or trust fund finance position that is similar in both health care and higher education, especially given similar cultures, missions and operations.

Transitioning Between The Two Industries

The fact that there are so many similarities between health care and higher education is good news for professionals in both industries. Many people have successfully made the transition from one industry to the other. The skills required for mid- to senior-level administrative positions are complementary and applicable to either industry. The cultures are similar, as are the roles within the operations area, often leading to a smooth transition for the new employee.

MIT's Avakian believes that the essential skills for many roles, such as human resources, purchasing, facilities management, budget, and audit are easily transferable between industries. "The nuts and bolts of the job are similar. I have a friend in HR at a manufacturing firm; she spends a considerable amount of time dealing with incentive compensation and other for-profit issues. My job requires more time dealing with labor/employee relations and management structure issues in higher education, just as I did when I worked in health care. Similarly, in the specialty fields, a research biologist here at MIT also could work in health care."

Mark Kostegan, President of the Healthcare Foundation of Cape Cod, hired several professionals with higher education experience into positions he supervised while at Children's Hospital and Massachusetts Eye & Ear Infirmary. "I looked into the academic pool for talent in the area of development and concluded that if you can raise money successfully in academia, you can transfer those skills to health care, and vice versa. It's the same skill set, tactics and process. Basically it's a service-based environment with a strong social cause. There are few obstacles to prevent someone from transitioning from one environment to another. With the right skill set, you can be successful in either arena."

Keene Metzger, Dean for Administration at Radcliffe Institute for Advanced Study at Harvard University and former Vice President of Finance at Somerville Hospital, acknowledges that switching industries can be worrisome. One may be concerned with the different skill base and knowledge needed for the new industry. As a financial officer for the third time, but without experience in academia, Metzger had this to add: "The key is to listen to the advice of those who have been in the industry for a long time. There is a wide range of opportunities and if you listen to others you can benefit from their strengths and knowledge. Keep your eyes and ears open." Cheryl Hoffman agrees, "Be open minded; learn and begin to understand the organization before

you move forward with changes. New blood and new perspectives can be very healthy for the organization as well for the individual."

About Ralph DiPisa

As a principal of Phillips DiPisa, Ralph DiPisa conducts executive leadership searches for the firm's healthcare clients.

A former President and CEO of Quincy Medical Center in Massachusetts, Mr. DiPisa possesses more than 20 years of management and leadership experience within healthcare settings.

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