Pearl Meyer

CASE STUDY | MAR 2025

Integrating Leadership Teams Results in Organic Growth

The Company

The company is a comprehensive, integrated health care system headquartered in the US, providing a range of services including acute, post-acute, and long-term care; skilled nursing; and health insurance services. It has more than 55,000 employees and $7B in revenue.

The Leadership Challenge and Strategic Approach

The regional healthcare system, traditionally known for its acute care and insurance arms, embarked on a substantial acquisition of a national post-acute and long-term care organization. While the parent organization had been growing through acquisition over several decades, the majority of those transactions were incremental, in the same sector as the parent organization, and in the same close geographic area.

Upon close of the large national deal, many of the technical elements of a transaction like payroll, email systems, etc. were completed, but many elements of the cultural integration remained largely untouched. Despite the long-standing growth-by-acquisition strategy, the organization did not have a mature, high functioning human resources operation, nor did it have a set, dependable cultural assimilation process in place. These shortfalls did not appear to have major impact until the large national transaction was closed and a few senior leaders departed.

Over several discussions about succession planning, it was obvious that the board and the CEO didn't have a clear picture of the full scope of the talent available within the organization, either within the legacy leadership team or among the new leaders who came into the fold from the transaction. The board determined that outside guidance was necessary to uncover a deep level of insight into the available leaders who could satisfy near term succession needs and the high potential executives who could be in line for C-suite-level roles in the longer term, three-year or more timeframe. The goal of the work was for the CEO and board to have definitive answers to the questions "Who will be able to

lead this organization into the future, and when will key successors be ready?”

The Solution

The first step was for the leadership consultants to work with the board to create a profile of the characteristics necessary to lead the organization into the future. These included strategic agility, the ability to unleash innovation, change leadership, resiliency, and advancing the organization’s role as an anchor institution in the community. The consultants then worked with the Chief Administration Officer to identify a pilot cohort of 10 C-suite and next-level leaders. This group included legacy executives as well as those who joined with the national acquisition. The leadership consultants then designed a high touch, year-long development experience which included an in-depth assessment of each executive with 360 feedback, development planning, and one-on-one executive coaching. Once the assessments were completed, the executives then went through a bespoke, cohort-based program that was designed specifically to address the gaps from the assessments in service of the long-range business strategy. This included targeted, in-person group learning sessions, work on strategic initiatives in cross-functional teams, and mentoring from board members.

Results

The first cohort yielded tangible results. There was progress on strategic initiatives including post-merger integration and driving organic growth. Key talent moves were made, including filling the CFO position with a member of the cohort, and setting up several others to assume broader responsibilities, which happened within a year after the program.

After the success of the first cohort, two additional annual cohorts of 10-12 leaders each went through similar experiences. The leadership consulting team met with the board and CEO periodically throughout the course of all cohort programs to provide updates on development, share depth charts, and offer suggestions for continued development for the leaders beyond the end of the program.

As a result of the full scope of the engagement, several promotions took place, along with multiple lateral, cross-business-unit moves designed to provide additional development opportunities. A total of 12 participants were promoted to either C-suite level or system-wide, enterprise-level roles. Six executives changed business units and moved across functions. Of the 32 total participants, 45 percent were gender and/or racially diverse. Remarkably, only two participants subsequently left the organization, a low percentage given the number of high potential leaders involved.

More broadly, each cohort’s enterprise-wide assignments offered the opportunity to learn, as well as get significant and much-needed projects across the finish line. The executives involved developed strong and highly collaborative working relationships across the organization’s services, breaking down previous silos and helping the organization deliver on its promise of integrated care. The result was a community of 32 top leaders who

significantly increased their enterprise leadership skills and created trusting relationships across the organization.

At the board level, this executive development program provided a rapid acceleration of the board's visibility into and knowledge of the leadership pipeline for the CEO and C-suite roles. It helped the board ensure a seamless CEO succession and helped support other changes that the CEO presented. Finally, it had the added benefit of creating an ongoing talent management conversation between the board and CEO that had largely been absent beforehand. It's success also underscored the benefits of planful cultural integration upon a transaction and helped set the stage for future growth.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.