



Outside-In HR Leadership: Why Integrated Health Systems Are Looking Beyond the Sector for Their Next Chief People Officers

In recent years, integrated health systems have been quietly re-defining what leadership looks like at the top of the HR function. The appointment of chief human resources and chief people officers from outside the healthcare industry signals a shift in mindset: from stability to adaptability, from tradition to transformation, and from internally focused workforce management to externally benchmarked talent strategy.

Across the United States, leading, innovative health systems are setting the tone. They have turned to executives with broad, cross-industry experience to modernize how large, complex healthcare organizations attract, retain, and engage talent at scale. Their decisions reflect an understanding that the challenges of today's healthcare workforce—staffing shortages, rising costs, and a fatigued labor base—require capabilities honed in other high-velocity, distributed sectors.

A new kind of chief people officer CEO model

Historically, healthcare systems drew their senior HR talent from within the sector—leaders who understood clinical hierarchies, credentialing, and compliance frameworks. Today, boards and CEOs are prioritizing operators of scale, individuals who have managed complex, multi-site workforces and built digital HR architectures capable of supporting tens of thousands of employees.

Outside-in HR leadership: Why now?

Several structural forces have converged to make this the moment for “outside-in” HR leadership:

- First, **financial realities**. Despite modest improvement in margins following pandemic-era lows, hospital operating results remain fragile. Expenses—especially labor and supply costs—continue to outpace revenues. Systems require HR leaders who can drive productivity while preserving engagement and culture.
- Second, **labor market volatility**. Healthcare employment remains near record highs, but churn and organizing activity are rising. Workforce activism is reshaping how systems think about employee relations. Leaders experienced in large, unionized or consumer workforces bring both the analytical rigor and relational fluency to navigate this terrain constructively.
- Third, **digital transformation**. The HR function itself is entering a new era. AI-enabled talent analytics, skills inference, and predictive scheduling are changing how organizations plan and deploy their people. Executives from technology-adjacent or consumer sectors often bring a level of digital comfort that accelerates adoption.
- And finally, **culture**. The modern health system is as much a community brand as it is a care provider. Leaders from outside the industry often carry fresh instincts about brand experience—translating “customer” logic into employee engagement and patient-centered culture.

The next five years: What to expect

Over the next half-decade, the influence of outside-in HR leadership will be most visible in three domains.

• Skills-based workforce design

Health systems will evolve from role-based to skills-based talent architectures, enabling internal mobility, redeployment, and more flexible staffing models. Borrowing from manufacturing and technology sectors, leaders will emphasize workforce forecasting, skills taxonomies, and agile learning pathways.

- **Consumer-grade employee experience**

Expect a re-engineering of frontline experience—from mobile scheduling and day-one readiness to personalized recognition and learning journeys. Borrowing from retail and hospitality, these leaders will apply design thinking to simplify work and elevate engagement.

- **Strategic labor and productivity management**

Data-driven labor forecasting, predictive staffing, and new models of constructive labor engagement will take hold. Rather than managing unions defensively, systems will build transparent, data-informed partnerships to support sustainability and quality.

These shifts will not occur without challenge. Translating non-healthcare practices into clinical contexts requires humility, credibility, and respect for mission. ***The most effective outside-in leaders will move deliberately—testing new models in pilot environments, earning trust, and demonstrating results before scaling.***

Implications for health system boards and CEOs

For boards and CEOs, this trend underscores the need to re-define success profiles for HR leadership. Future CHROs in healthcare will be expected to combine operational sophistication with cultural dexterity. They will manage the complexity of an academic medical center with the responsiveness of a consumer enterprise, and they will interpret workforce data with the nuance of patient-care analytics.

The first generation of these leaders is already demonstrating measurable impact. Over the next five years, their influence will be evident in improved retention, stronger engagement, more sustainable staffing models, and an HR function that operates not as a support service, but as a strategic engine for transformation.

The future HR leader in healthcare services

The decision to recruit from outside the healthcare sector reflects more than a hiring trend—it represents a reimagining of what leadership looks like in mission-driven institutions. As integrated health systems evolve into diversified, consumer-connected enterprises, their people strategies must evolve just as quickly. Leaders who have mastered scale, complexity, and innovation in other sectors are now being called upon to shape the next era of healthcare's most valuable resource: its people.

Authors

Sarah Eames leads the Russell Reynolds Associates' Healthcare Services practice. She is based in New York.

Amy Saddington is a senior member of Russell Reynolds Associates' Healthcare Services and Health Tech Practices. She is based in Dallas.

Sarah Brooks is a senior member of the Russell Reynolds Associates' Healthcare Services practice, and leads the firm's Academic Medicine practice. She is based in New York.

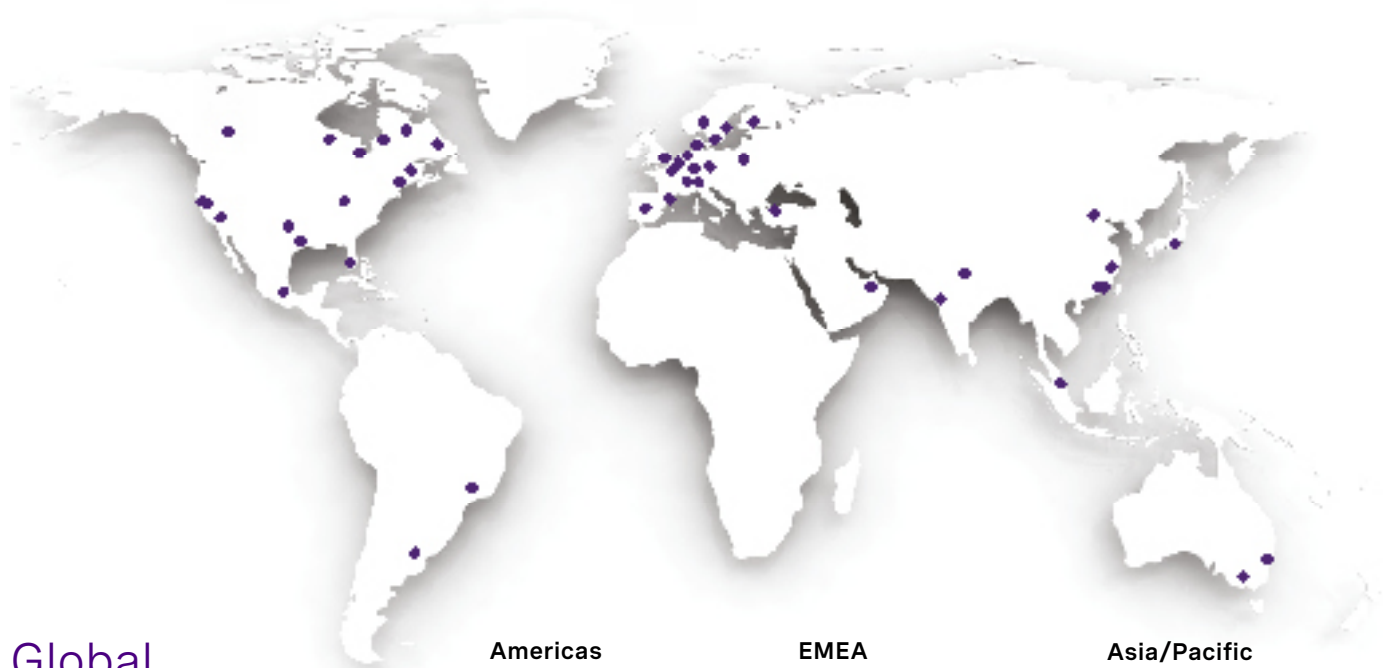
Annabel Toren is a senior member of Russell Reynolds Associates' Human Resources Officers capability, and leads the firm's Healthcare Services HR Practice. She is based in New York.

Olivia Floto leads Russell Reynolds Associates' Healthcare Services practice knowledge team. She is based in Chicago.

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