

The Changing Competitive Environment for Executive Talent

AHA Executive Leaders Series

Session 1

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AON



Your Presenters



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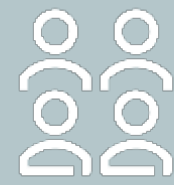
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Today's Challenges for Executive Talent: Healthcare vs. General Industry

The war for executive talent is alive and well...



Competition
for talent



Cultural
differences



Compensation
disparity

The Changing Competitive Environment for Executive Talent

Explore how recruitment and executive compensation has changed. Learn how your organization can remain competitive by balancing compliance and strategy.

The Impact Dynamics

There are many pressures impacting healthcare compensation:



- Competitive pressures beyond healthcare for excellent talent
- New jobs being created that are not healthcare-specific
- Emergent industries challenging for the “best and brightest”



- Changing performance requirements and demands for leaders
- Near, long-term, and career performance requirements
- Retention of high performers and high potential leaders
- Cost of recruiting the best and replacement of key resources and their motivation

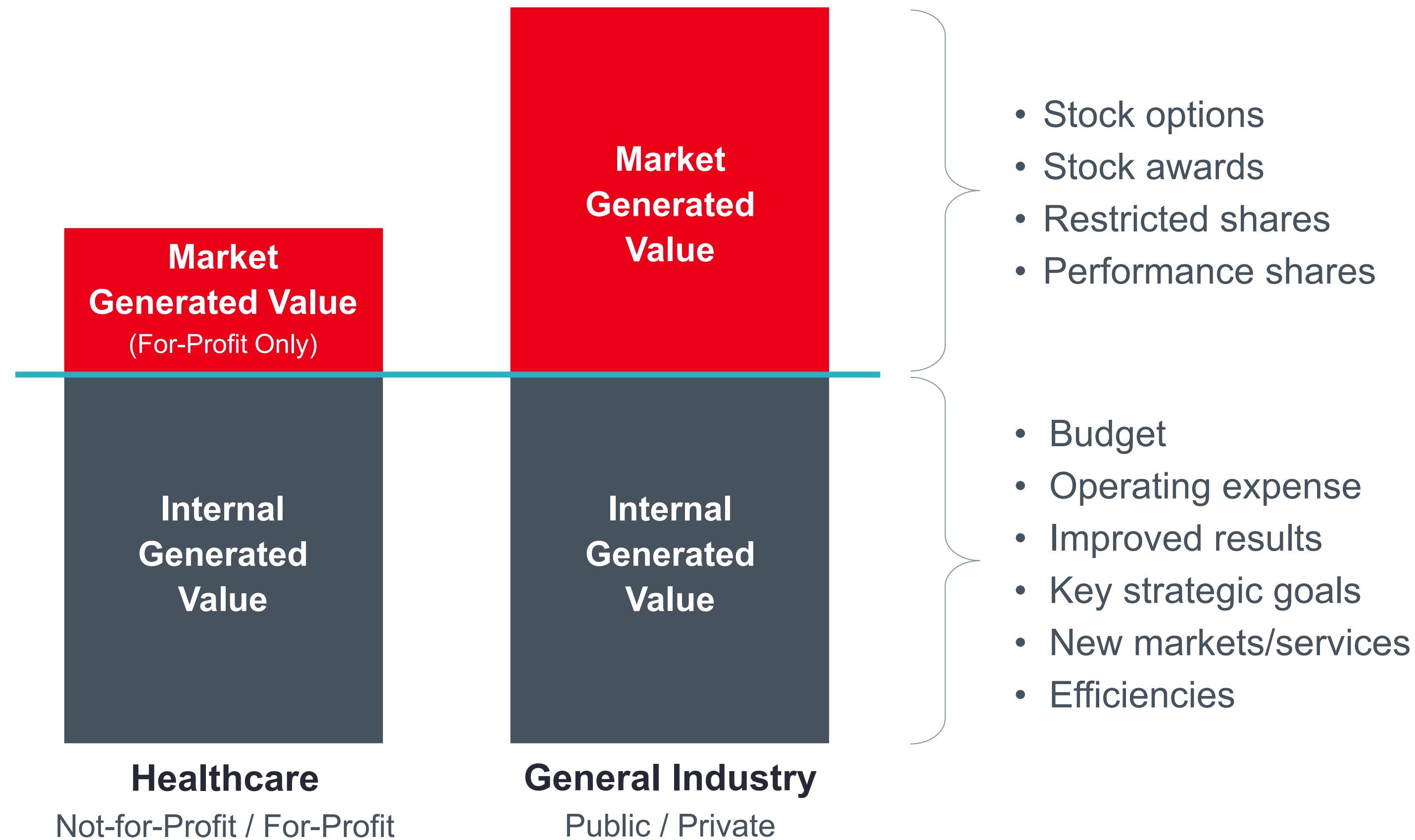


- Our organizations are being designed around new service delivery models
- Continual pressure on outcomes
- Greater Board involvement and disclosure



A Look at Two Worlds of Pay

So, let's just pay like other industry...except, they have help.



Market Detail

Competitive Market Values – 50th Percentile

Pay Component	Health Care CEO \$4B System	General Industry CEO \$4B Revenue	Life Sciences CEO \$4B Revenue
Base Salary	\$1,735	\$1,152	\$1,158
Target Short-Term Incentive %	50%	135%	128%
Target Short-Term Incentive \$	\$871	\$1,503	\$1,533
Target Total Cash	\$2,572	\$2,700	\$2,765
Target Long-Term Incentive %	65%	555%	748%
Target Long-Term Incentive \$	\$1,128	\$6,647	\$9,169
Target Total Direct Compensation	\$3,699	\$9,365	\$11,819

Data Source: Aon's Total Compensation Data Base



What Must Be Done?



Use **Broader** look at the **market** for talent



More **aggressive goal setting** beyond our normal “comfort zone”



Use **annual and long-term incentives** more aggressively – make the future faster



Use **capital accumulation** plans over the life of the executive – retention and increased value



Manage **career total compensation**



Board education and development

Thank You

See you at our next sessions, when we look at these new executive compensation designs and wealth accumulation strategies.

Session 2

Effective Methods for Building Competitive Compensation

February 18, 2025
11:00am - 12:00pm CT

Session 3

Effective Methods for Competitive Total Rewards Planning

March 26, 2025
2:00pm - 3:00pm CT

