

The Impact of Hospital CEO Turnover In U.S. Hospitals

Final Report

Prepared for the American College of Healthcare Executives (ACHE)

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EXECUTIVE SUMMARY

In the past decade, CEO turnover in U.S. hospitals has ranged between 14 to 18% per year. Although top executive turnover has severe implications for any organization, the circumstance and impact of hospital CEO turnover until now has not been fully investigated. To help understand the background and the impact of such a change, a nationwide survey of hospital CEOs was conducted in the spring of 2005. Through a national sample, 2,118 hospital CEOs were requested to complete a survey sponsored by the American College of Healthcare Executives (ACHE). Of these, after repeated mailings, 805 (38%) completed the survey. The following is a summary of the findings based on data provided by the respondents.

Almost 97% of the CEOs who responded to this survey held permanent positions; the remaining 3% were serving as interim CEOs. While the average tenure of a CEO in his or her current position was a little more than 5.5 years (SD = 5.9 years) with a median of 43 months, only a very small proportion (3.4%) had served at the same institution as a CEO for more than 20 years. A little more than half (51%) had been a hospital CEO at other institutions prior to their current position. Among the 371 respondents who had previously **not** been a CEO before taking their current position, the majority (57%) were promoted from within the organization and most (75%) were currently based at hospitals with fewer than 200 beds. About one-third of such respondents, however, had previously occupied a non-CEO executive position at another hospital. More than half of the respondents (57%) indicated that they continued to be aware of the actions taken at their previous employers and indicated that they were completely, very, or quite knowledgeable about the changes that took place at the hospital after they left.

When asked whether their departure was voluntary, that is, whether the decision was entirely or mostly made by others or by themselves, more than two-thirds (67%) declared that it had been entirely or mostly their own decision. On the other hand, one-third of the departures were involuntary, that is, had been initiated entirely (16%) or mostly (7%) by others, or the decision had been made equally by others and the CEOs themselves (10%). The average tenure of a CEO at a previous hospital was also a little more than 5.5 years (and a median of 4.5 years).

The proportion of CEOs reporting involuntary turnover provides some interesting insights. As might be expected, CEOs reported a higher involuntary departure rate for their predecessors than for themselves. Between one-third and one-half of all CEOs—the range depending on whether the CEOs were reporting on their own or their predecessors' experiences—had been involuntarily terminated. Interestingly, however, the average tenure at a hospital is about the same for CEOs who involuntarily or voluntarily end their employment.

CEO turnover has affected hospitals and communities in a number of ways. Again, perceptual biases may have existed, as CEOs noted greater negative effects of their departures on their previous hospitals as compared to the negative impact of their predecessors' departures from their current hospitals. A high percentage (71 to 85%) of hospital CEOs perceived that community relations, medical staff relations, hospital culture, and employee morale suffered as a result of their departure. They also perceived at a lower percentage (34 to 44%) that building, construction, and equipment acquisition were delayed, along with physician recruitment and

community outreach programs. On the other hand, at their existing hospitals, a smaller percentage of CEOs (28 to 29%) believed that strategic planning and development of new services were delayed or halted. However, they also felt that many positive results and initiatives accrued to their existing hospitals as a result of CEO turnover. A higher percentage (60 to 73%) felt that the turnover improved financial performance; employee morale; medical staff, board and community relations; and hospital culture. Only a small percentage (14%) believed that the turnover had a negative impact on employee morale and medical staff relations. CEOs seemed to suggest that the departure of the previous CEO was in essence a good thing and had a positive effect on the hospital, while their departures from their former hospitals were problematic and created more negative conditions.

Turnover of the CEO also provided an opportunity for competitors to take advantage of the unstable circumstances. Competitors frequently (39 to 45% of the time) sought to recruit the hospitals' physicians, attract its patients, and recruit its key employees.

Another factor that should be considered is the ripple effect the turnover of a CEO has on other executive personnel. Our findings demonstrate a high rate of turnover for some personnel. Somewhat surprisingly, a very high secondary turnover of the members of the senior executive team, including the chief medical officer (77%), occurred within one year of the CEO's departure. About half (52%) of chief operating officers also changed in that period, as did more than one-third of chief finance officers, human resource officers, and chief information officers.

Key points

Frequency and reasons of CEO turnover

- Average tenure of a CEO is 5.6 years with a median of 3.6 years.
- Very few (3.4%) had continuous tenure of 20+ years.
- Half (51%) had previously been a CEO at another hospital.
- First-time CEOs were often (57%) promoted from within their organizations.
- First-time CEOs most frequently (75%) begin at smaller hospitals (fewer than 200 beds).
- Two-thirds of the CEOs (67%) reported that their departures from their previous hospitals were voluntary.
- One-half (48%) of CEOs reported that their predecessor's departure from the current hospital was involuntary.
- The tenure at previous hospitals when the CEO involuntarily had left the position was the same as for the CEOs' current positions (4.5 years).

Impact of CEO turnover for current hospitals

- As a result of turnover, 30% reported that strategic planning was halted or postponed; 29% reported a halt or delay in development of new services.
- Numerous activities were initiated as a result of turnover including: physician recruitment (27%), quality improvement efforts (30%), cost cutting (37%), development of new services (42%), and strategic planning (40%).
- Current CEOs report numerous positive effects based on the departure of their predecessors including improved financial performance (60%), employee morale (71%),

medical staff relations (71%), board relations (69%), community relations (63%), and hospital culture (73%).

- Conversely, current CEOs report several negative effects as a consequence of their predecessors' departures in such areas as employee morale (14%) and medical staff relations (14%), accompanied by increased marketing by competitors in the hospitals' service areas (35%).
- CEOs report that the following top-level managers left their posts within one year of their predecessors' departures: vice president (97%), chief financial officer (42%), chief medical officer (77%), chief human resource officer (37%), chief operating officer (52%), and chief information officer (14%).
- CEO turnover has had almost no impact on major organizational changes such as mergers (3%), joining a not-for-profit system (4%), or joining an investor-owned system (2%).
- Hospitals appear to have minimal difficulty finding replacements for departing CEOs, as approximately 75% have the CEO position filled within six months after the CEO leaves.
- The tenure of a CEO varies widely; while 42% of hospitals have had only one CEO in the past five years, 22% of hospitals have had three or four CEOs in the past five years.

INTRODUCTION

Stability at the highest level of leadership plays an important role in the performance and survival of an organization. Because of the unique mission, culture, and highly specialized workforce of hospitals, stability and continuity at the top becomes even more important. However, changes in top leadership occur rather frequently in U.S. hospitals. According to the American College of Healthcare Executives (ACHE), CEO turnover from 1996 to 2002 fluctuated between 14% to 18% per year (*Healthcare Executive* 2003). The lowest turnover rate of 13% was reported in 1983 and 1990; while the highest rate of 18% occurred in 1999 (Reilly 2003).

The interest in CEO turnover stems from the significant impact such a trend may have on U.S. hospitals in an uncertain and competitive marketplace environment. Studies examining various aspects of hospital CEO turnover can provide valuable feedback to all stakeholders including the CEOs, boards, medical staff, executive search firms, and academic programs in health administration (Dwore and Murray 1996). Our research provides specific findings that can be used to assist in structuring relationships and informing stakeholders of critical facets of turnover and its results.

Understanding the circumstances of CEO turnover is important; however, the determination of whether the CEO's departure is voluntary or involuntary may be a matter of interpretation and opinion. Generally, it is believed that as many as 71% of CEO departures are involuntary (Wiersema 2002). Of the hospital CEOs who left their positions in 2000, reportedly, two-thirds resigned voluntarily, and of these, 80% accepted positions at other hospitals. Overall, only 4 to 8% of voluntarily departing CEOs left the healthcare industry altogether (Tiemann 2001). A search for a better position, instability of the system, conflict with board or medical staff, and inadequate salary have been cited as the most common reasons for turnover by departing CEOs who were in that role for less than four years (Hart et al. 1993). Organizational factors such as smaller size, lower occupancy, investor ownership or church affiliation, range of service and high service use, and West Coast or Southwest geographic location have also been linked with higher CEO turnover (Wilson, Stranahan, and Mitrick 2000, Weil and Timmerberg 1990). Dwore and Murray (1996) in their follow-up of an earlier 15-year study of the reasons for hospital CEO turnover in Utah reported a continued pattern of promotion, force-out, retirement, and death as the leading causes of CEO departure

In previous studies, CEO turnover has been examined in terms of the predictors and determinants of change or in the context of difficult-to-manage hospital environments (Weil and Timmerberg 1990, Weil and Kimball 1995). The effect of CEO-board relations on a hospital's financial performance and the financial impact of changes in these relations have also been examined (Molinari, Hendryx, and Goodstein 1997). The effect of CEO departure on research and development, advertising, capital expenditures, and accounting accruals are explained only in organizations where poor economic performance preceded the CEO's departure, but not in settings where the CEO retired as a matter of routine succession process (Murphy and Zimmerman 1993). The effect of forced CEO turnover by the board has been found to have only minor impact on the number, type, and composition of board committees (Farrell and Whidbee 2002).

THEORETICAL FRAMEWORK

The range of potential effects on a hospital from CEO turnover is rather broad. For example, activities that can get delayed or terminated when the CEO steps down include cost-cutting efforts, proposed changes in service array, staffing ratios, and purchases of capital equipment. The overall disruptive effects may also include delays in strategic planning, market repositioning, or development of fiscal plans. The nature or degree of impact is likely to be a function of the size of the hospital as well. Since small rural hospitals are more dependent on the CEO for day-to-day operational and organizational tasks, they are more likely to suffer both qualitatively and quantitatively from sudden or frequent CEO turnover. On the other hand, large community hospitals may have a number of administrative personnel and the CEO may play an important role in community relations. In that case, an apparently sudden departure of the CEO can lead to a good deal of external rumor and speculation with overall negative impact on the organization.

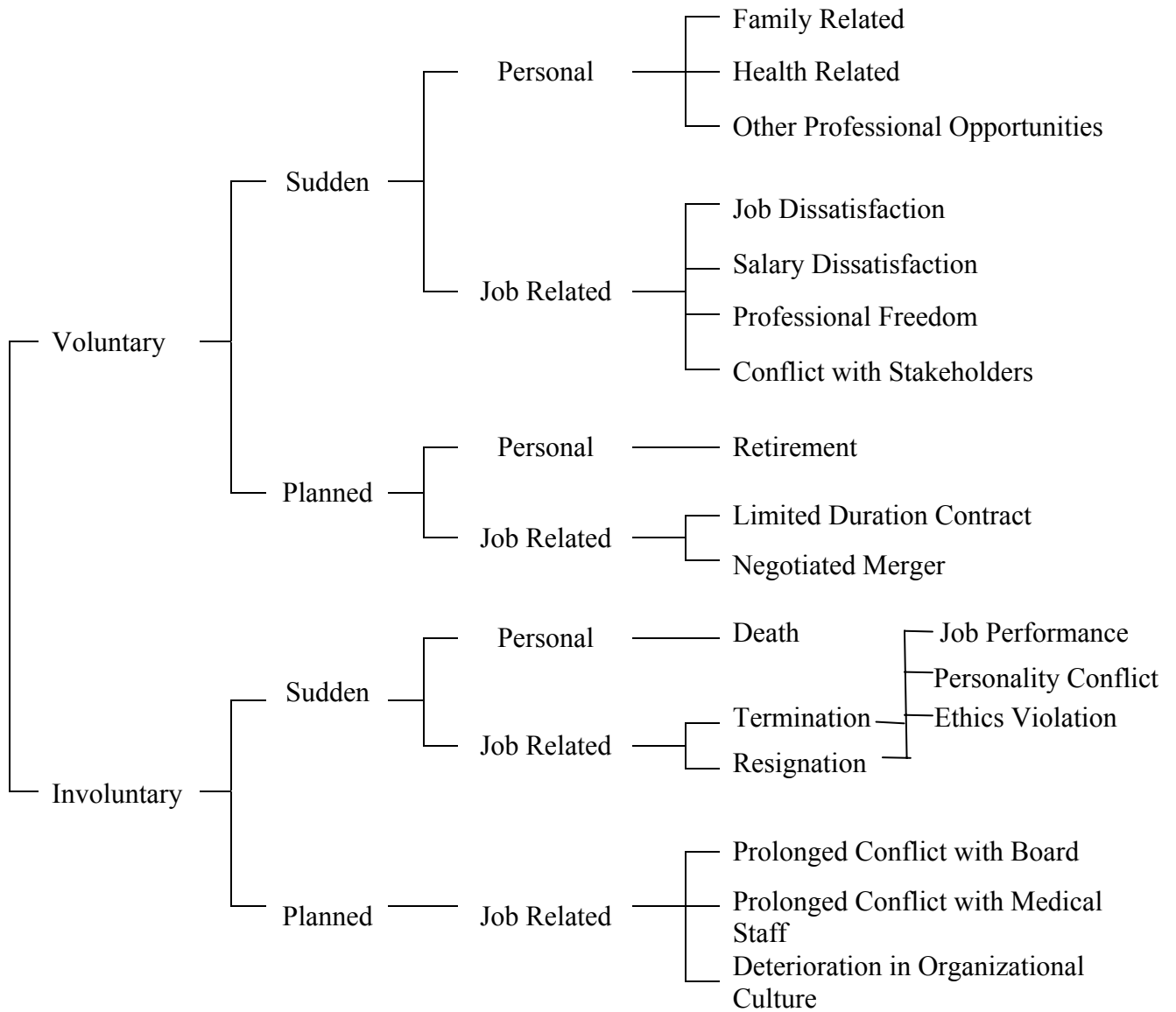
The following is a list of basic activities that may be initiated or halted consequent to a CEO's departure.

1. Strategic planning may be put on hold, especially if the plan is highly reflective of the CEO's ideas and philosophy.
2. The budget may be revised as a way of reversing unsavory aspects of the prior administration's plans.
3. Leadership retreats, employee forums, and even board retreats may be put on hold.
4. Investigations of alleged improprieties such as billing practices may be initiated subsequent to the CEO's departure.
5. Facility and equipment upgrade approvals may be delayed, awaiting the arrival of the new leadership.

Scenarios of change

The nature and degree of impact is also a function of the circumstances of turnover. A "situation" model to depict the circumstances of CEO turnover is provided in Figure 1. Recognizing the multiplicity of causes for change in organizational leadership, the model does not pretend to capture the entirety of circumstances but merely attempts to provide a conceptual framework. The terms "sudden," "planned," "voluntary," and "involuntary" in this model are relative in nature and used only to provide a context for discussion and investigation. In broad terms, the positive or negative impact on the organization, in some measure, is a function of the degree to which the change may have been foreseeable or abrupt and voluntary or involuntary.

Figure 1. Situation Model of CEO Turnover



METHODS

Survey design

A mail-based, structured questionnaire from ACHE consisting of both open-ended and closed-ended questions for CEOs of non-federal, general surgical/medical, short-term hospitals was developed, field tested, and mailed in February 2005 to 2,118 hospital CEOs from a selected sample of low- and high-turnover hospitals. The questionnaire was accompanied by a cover letter and a postage-paid, pre-addressed envelope. Approximately three weeks after the first round, another copy of the survey accompanied by a modified cover letter and another postage-paid, pre-addressed envelope was mailed again to those CEOs from whom the survey had not been received at the time of the second mailing. Broadly, the survey included questions dealing with the following areas:

1. The CEO's previous experience, his or her tenure in the current position, the voluntary or involuntary circumstances of departure from his or her previous hospital and the perceived impact of his or her departure on the previous hospital and community.
2. The CEO's assessment regarding the voluntary or involuntary departure of his or her predecessor, the tenure of the predecessor and the impact of the predecessor's departure on the hospital and the community.

A copy of the survey is attached as an appendix.

Sample size

Using the sampling methodology employed by ACHE for its 1989 nationwide study of CEO turnover and based on the number of CEO turnovers in the previous five years, the 4,700 U.S. non-federal, general surgical/medical, short-term hospitals were divided into low-turnover ($n = 3,130$) and high-turnover ($n = 916$) hospitals (low indicates up to 1 turnover and high, 2 to 5 turnovers in the preceding five years). A random sample of 38.4% was drawn from the 3,130 low-turnover hospitals while all 916 high-turnover hospitals were included in the sample, thereby yielding a total of 2,118 hospitals to which the survey was mailed in February 2005.

Non-response analysis

As indicated above, surveys were mailed to the CEOs of 2,118 non-federal medical/surgical community general hospitals in the United States. Altogether, 805 completed surveys were received, resulting in an overall response rate of 38%. While no differences were shown when comparing respondents by teaching status, non-respondents were more often CEOs of investor-owned hospitals with between 200 and 400 beds, located in cities of more than 1 million people (and less often in non-metropolitan areas), and located in the North Central region. The following is a tabular presentation of the differences between respondents and non-respondents by hospital characteristics.

1. Respondent versus non-respondent analysis by hospital teaching status

	Non-respondents *	Respondents	Total
COTH Member Hospitals	80 (6%)	41 (5%)	121
Non-teaching Hospitals	1,239 (94%)	753 (95%)	1,992
Total	1,319 (100%)	794 (100%)	2,113

* There was no statistically significant difference between response rates from CEOs of hospitals that are members or non-members of the Council of Teaching Hospitals (COTH) ($p = 0.39$).

2. Respondent versus non-respondent analysis by hospital size

No. of Beds	Non-respondents *	Respondents	Total
6–24 beds	72 (5%)	59 (7%)	131
25–49 beds	236 (18%)	158 (20%)	394
50–99 beds	250 (19%)	190 (24%)	440
100–199 beds	337 (26%)	205 (26%)	542
200–299 beds	187 (14%)	76 (10%)	263
300–399 beds	114 (9%)	42 (5%)	156
400–499 beds	53 (4%)	34 (4%)	87
500 or more beds	70 (5%)	30 (4%)	100
Total	1,319 (100%)	794 (100%)	2,113

* As compared to respondents, the non-respondents more often worked in hospitals with 200 to 400 beds, and less often in hospitals with 100 or fewer beds ($p = 0.0002$).

3. Respondent versus non-respondent analysis by hospital location

Metropolitan Statistical Area Size	Non-respondents *	Respondents	Total
Non-metropolitan area	586 (44%)	457 (58%)	1,043
Under 100,000	13 (1%)	6 (1%)	19
100,000–250,000	94 (7%)	55 (7%)	149
250,000–500,000	111 (8%)	48 (6%)	159
500,000–1,000,000	100 (8%)	55 (7%)	155
1,000,000–2,500,000	231 (18%)	86 (11%)	317
Over 2,500,000	184 (14%)	87 (11%)	271
Total	1,319 (100%)	794 (100%)	2,113

* As compared to respondents, the non-respondents more often worked in cities of more than a million population and less often in non-metropolitan areas ($p < 0.0001$).

4. Respondent versus non-respondent analysis by hospital ownership

Ownership Frequency Col Pct	Non-respondents *	Respondents	Total
Government, Nonfederal	323 (24%)	243 (31%)	566
Not-for-profit	764 (58%)	466 (59%)	1,230
For-profit	232 (18%)	85 (11%)	317
Total	1,319 (100%)	794 (100%)	2,113

* As compared to respondents, the non-respondents more often worked in for-profit hospitals

($p < 0.0001$).

5. Respondent versus non-respondent analysis by hospital region

Region	Non-respondents *	Respondents	Total
New England	46 (3%)	33 (4%)	187
Mid-Atlantic	124 (9%)	63 (8%)	334
South Atlantic	230 (17%)	104 (13%)	287
East North Central	157 (12%)	130 (16%)	198
East South Central	147 (11%)	51 (6%)	292
West North Central	146 (11%)	146 (18%)	306
West South Central	194 (15%)	112 (14%)	177
Mountain	105 (8%)	72 (9%)	231
Pacific	152 (12%)	79 (10%)	22
Other	18 (1%)	4 (1%)	79
Total	1,319 (100%)	794 (100%)	2,113

* As compared to respondents, the non-respondents were more likely to be in the South Atlantic or East South Central regions and less likely to be in the East North Central or West North Central regions ($p < 0.0001$).

RESULTS

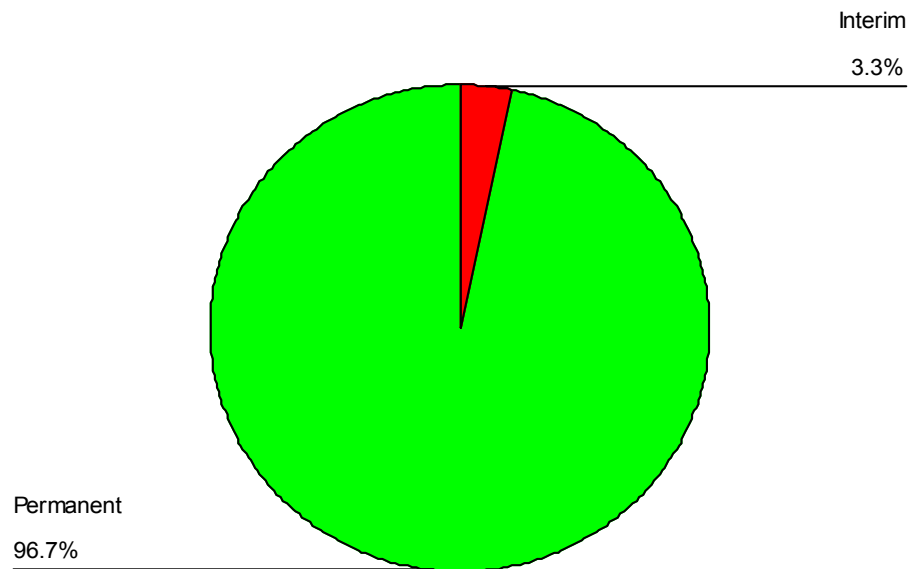
The results are presented under titles that refer to each of the questions in the survey. The titles, however, only represent the issue being explored rather than providing the full text of the question. For the exact wording of the question, please refer to the survey in the appendix.

CURRENT POSITION Status, Tenure, Prior Experience

Q1 The status of your current position—interim or permanent?

Almost 97% (726) of the CEOs who responded to this question were permanent CEOs. The remaining 3% were serving as interim CEOs.

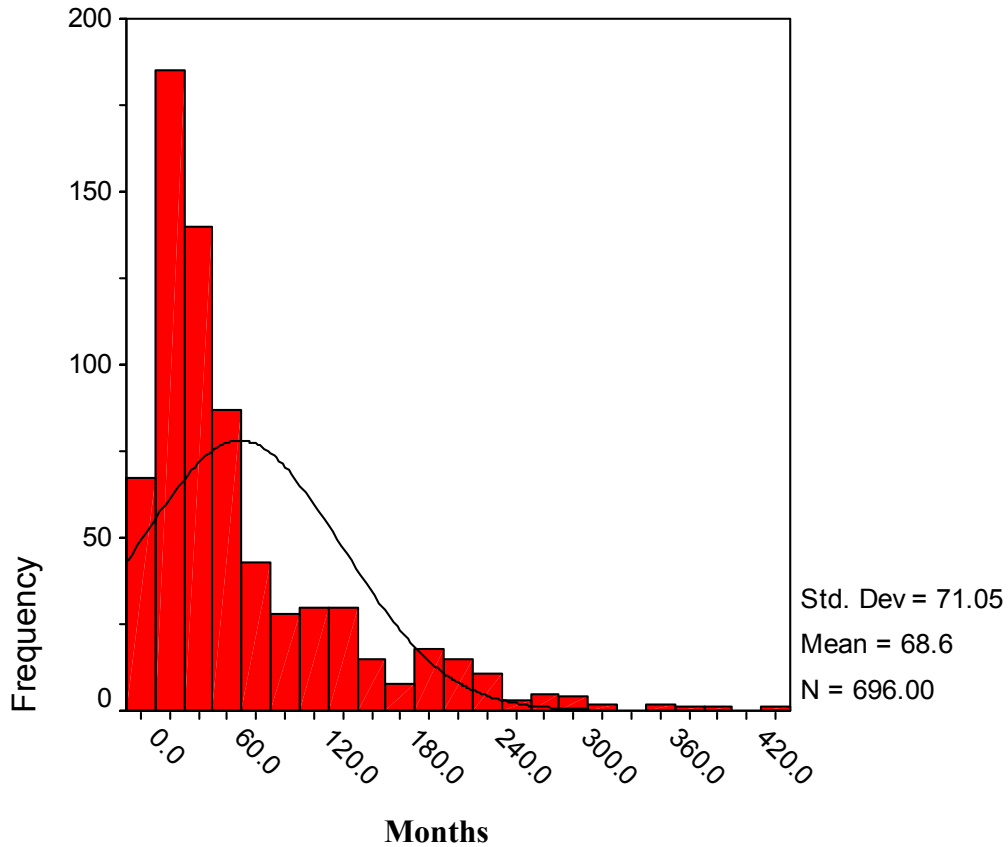
1- Interim or Permanent CEO



Q1-A If permanent—tenure at this hospital?

While the mean tenure of a CEO in his or her current position was a little more than 5.5 years (SD = 5.9 years, Figure 1A below provides this information in number of months) with a median of 3.6 years, a small proportion of them (n = 24, 3.4%) had served at the same institution as a CEO for more than 20 years.

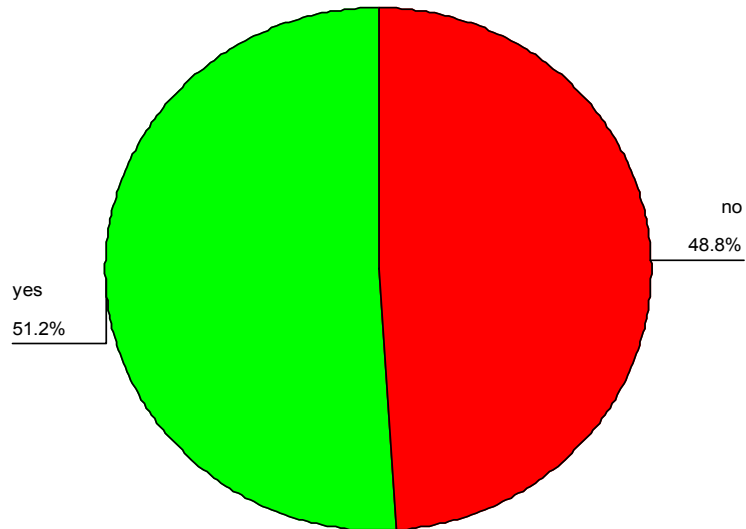
1A - Number of Months as CEO at This Hospital



Q2 Were you a hospital CEO prior to your current position?

A little more than half (51%) had been hospital CEOs at other institutions prior to their current positions.

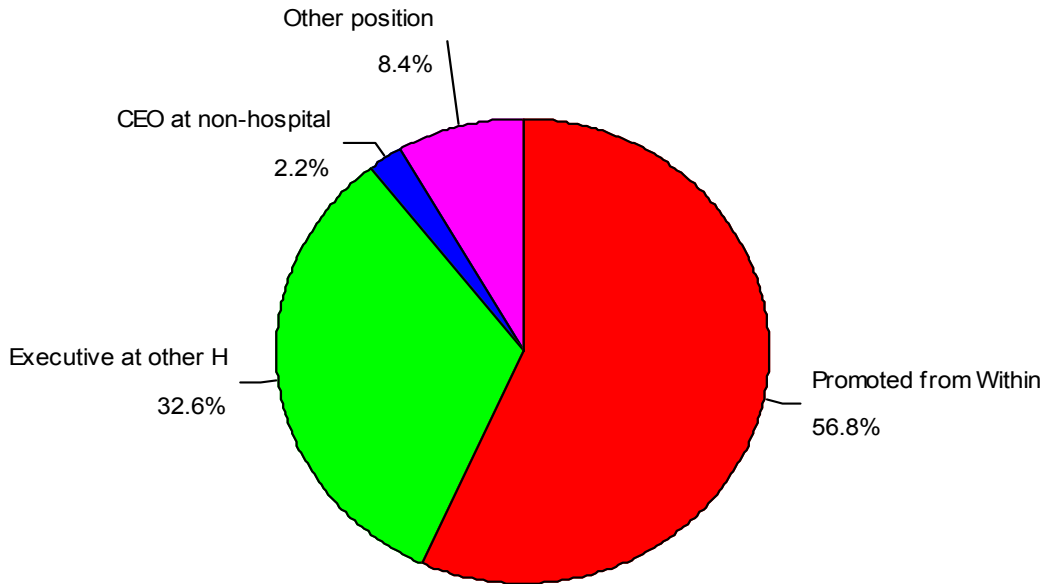
2 - Prior CEO Experience



Q2-A If previously not a hospital CEO—previous position?

Among the respondents who had previously **not** been a CEO before taking their current positions, the majority (57%) had been promoted to their current CEO positions from within the organization, and most (75%) were currently based at hospitals with fewer than 200 beds. About one-third of such respondents (32%), however, had previously occupied a non-CEO executive position at another hospital.

2A - Previous Position, If Not a Prior CEO



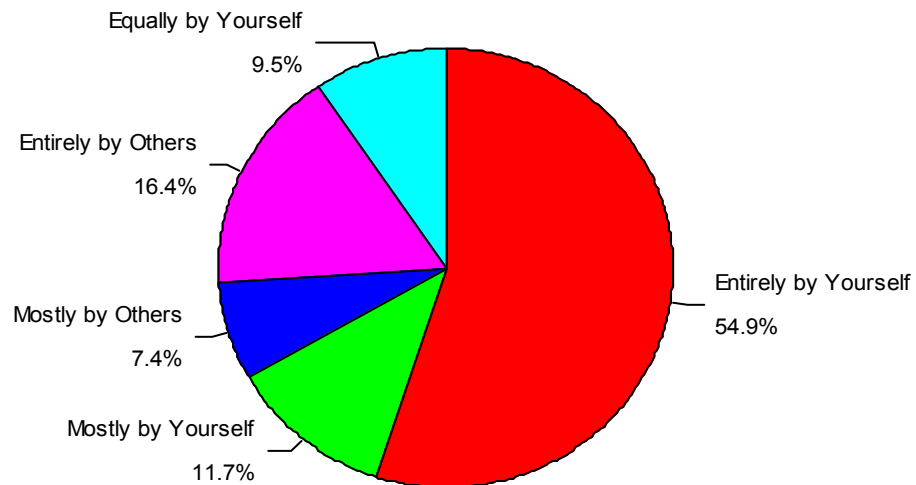
FORMER POSITION

Circumstances of CEO's Departure

Q3 Your departure from the previous hospital initiated by whom?

When asked whether departure from the previous CEO position was entirely or mostly decided upon by others or themselves, two-thirds (67%) declared that the decisions had been entirely or mostly their own. However, about 16% indicated that the change had been entirely decided by others. These results support earlier ACHE research that also demonstrated that about two-thirds of CEO turnover is voluntary.

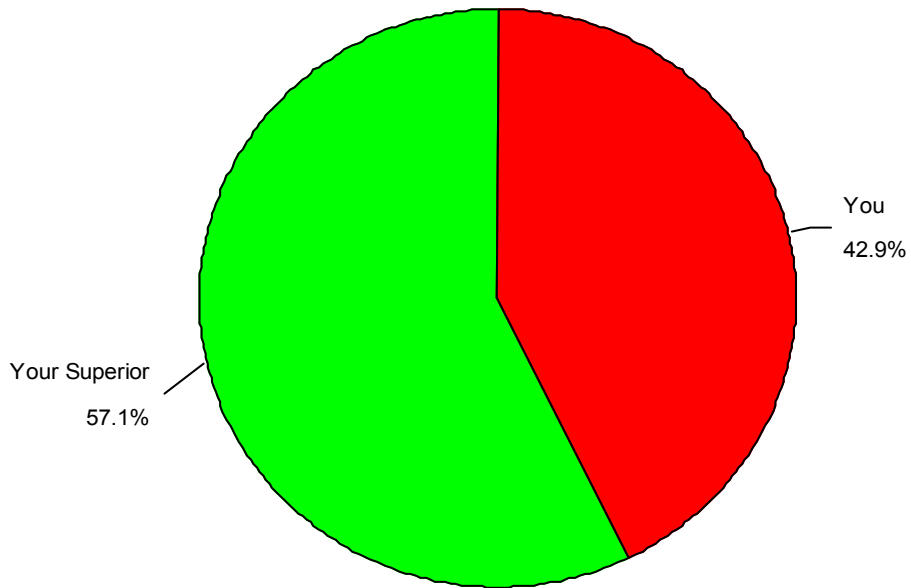
3 - Departure Decider



Q4 Who initiated the communication regarding your departure?

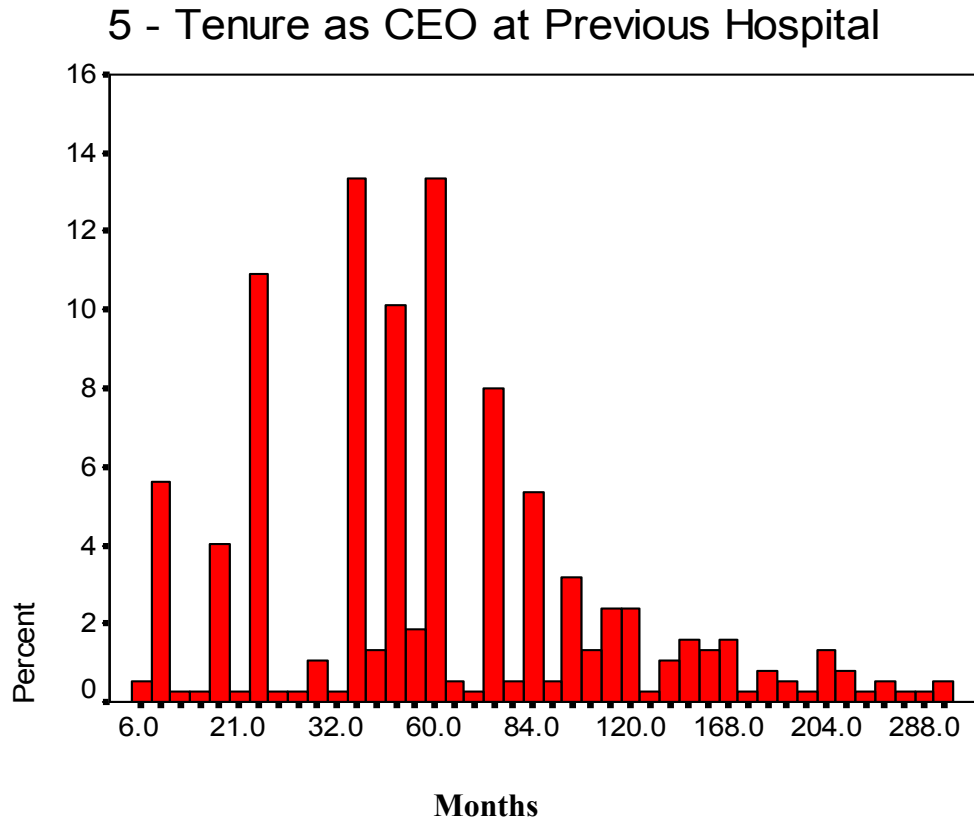
On further probing, among the small proportion (36 of 389, 9%) who, in response to the previous question (Q3), had suggested that the departure had been the result of an equally shared decision, 57% (n = 20) reported that the discussions about the departure had been initiated by their superiors.

Initiator of Communication about Your Departure



Q5 How long were you the CEO at your past hospital?

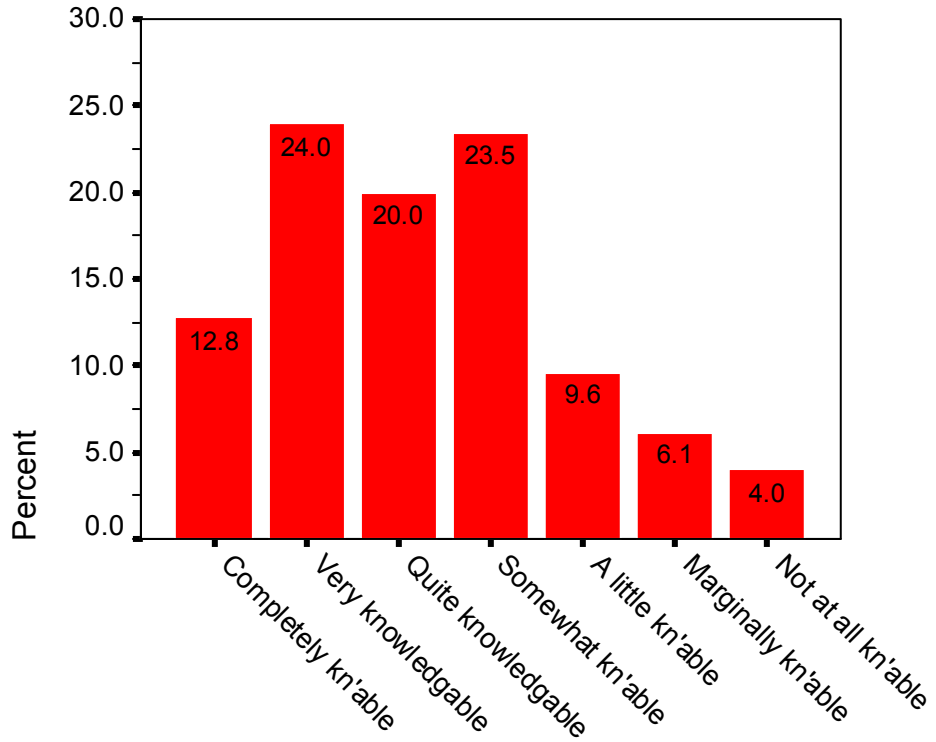
The average tenure of respondents who had previously been a CEO at another hospital (n = 375) was a little more than 5.5 years (SD = 4.4 years) at the previous hospitals with a median tenure of 4.5 years.



Q6 How knowledgeable are you about changes at your former hospital?

When asked how knowledgeable they were about the changes that took place at their former hospitals after they had left, 57% of the 375 CEOs indicated that they were “completely,” “very,” or “quite” knowledgeable in that regard.

6 - Knowledge of Changes at Former Hospital



FORMER POSITION

The Impact of the Predecessor CEO's Departure

Note: Questions 7 through 12 on the survey were not included in this report since a minority of respondents had been CEOs previously or had sufficient knowledge of changes that occurred at their former hospitals to provide reliable information about the impact of their departures.

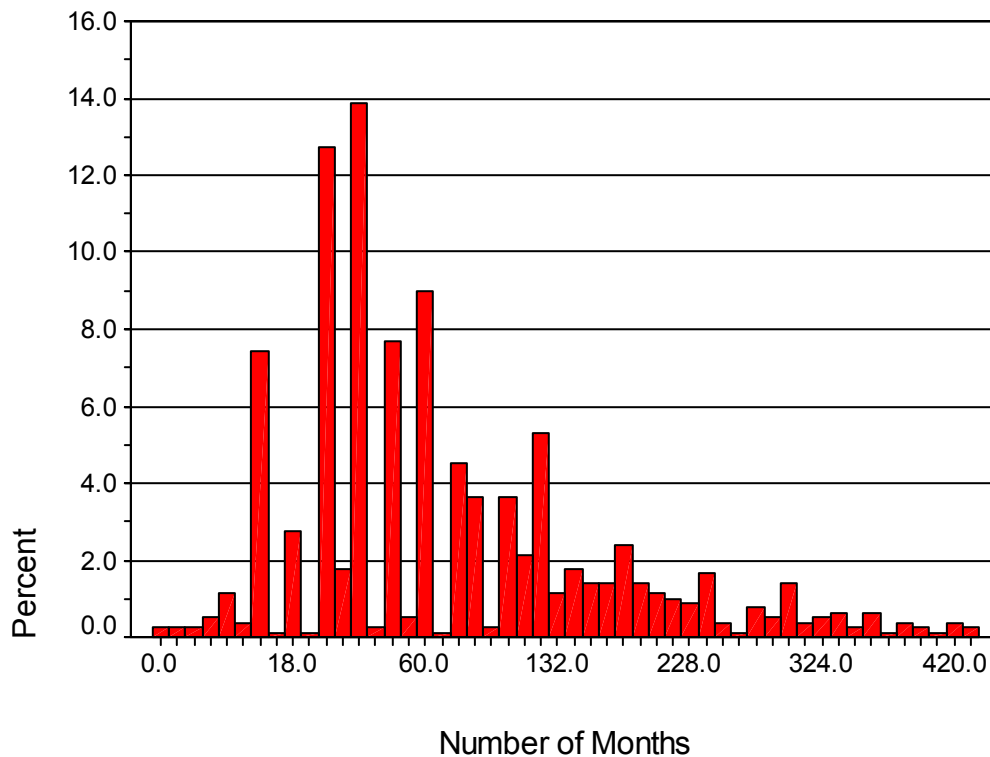
Q13 Was the departure of the previous CEO (your predecessor) voluntary or involuntary?

The departure of the previous CEO was voluntary according to 49% of the respondents and involuntary according to another 48%, while 3% of the respondents did not know the answer.

Q14 How long was your predecessor, the CEO, at this hospital?

The respondents indicated that the mean tenure of their predecessors was a little more than 7 years with a standard deviation of 7.3 years (median 4.5 years). Roughly 10% of the respondents said that the previous CEO had been there for 1 year or less, while 54% stated that the previous CEO's tenure was between 1 to 6 years.

14 - Predecessor's Tenure in Months



Q15 Possible immediate consequences of the departure of the predecessor CEO

The CEOs were asked how, in their opinion, the departures of their predecessors affected activities such as construction projects, purchasing of new equipment, community outreach, physician recruitment, and long-term financing or quality improvement efforts (for the complete list of activities included, please see question 15 in the appendix). The response options included activity “initiated,” “postponed,” “halted,” “not affected,” and “don’t know.”

The results indicate that out of the 22 categories of potential effects of CEO departure, 20 were predominantly answered as “not affected.” The other two activities that garnered a plurality of respondents were categorized as having been “initiated” at the departure of the CEO. These included “developing new services,” acknowledged by 42%, and “strategic planning,” by 40% of the responding CEOs .

In the context of construction projects, 62% of respondents indicated that construction projects had not been affected by the departure of the predecessor, 17% indicated that such activities had been postponed, and another 6% declared that construction projects had been halted as a result of the departure of the predecessor.

The activities for which the highest proportion of respondents indicated that the activity had remained unaffected included; “changing ownership status” (93%), “joining a system” (87%), “merging with another hospital” (90%), and “providing service to the poor” (91%). On the other hand, almost one-third of the respondents indicated that “strategic planning” (30%), and “developing new services” (29%) had either been postponed or halted.

Thus, strategic planning and developing new services are those activities that are most likely to have been initiated, postponed, or terminated when the previous CEO left.

Even though a plurality of CEOs said the following activities had not been affected when the CEOs left, a relatively high proportion of respondents indicated that the following activities were initiated: “cost cutting” (37%), board training (36%), “quality improvement” (30%), employee training and development (30%), physician recruitment (27%), restructuring (26%), community outreach (25%), and purchasing of new equipment (20%).

15 - Consequences of the Departure of the Predecessor CEO

Activities	Frequency (%)				
	Initiated	Postponed	Halted	Not Affected	Total
Construction Projects	119 (15%)	128 (17%)	49 (6%)	473 (62%)	769 (100%)
Purchasing New Equipment	156 (20%)	123 (16%)	63 (8%)	428 (56%)	770 (100%)
Community Outreach	186 (25%)	99 (13%)	71 (10%)	391 (52%)	747 (100%)
Physician Recruitment	206 (27%)	112 (15%)	78 (10%)	373 (49%)	769 (100%)
Seeking Long-Term Financing	102 (14%)	51 (7%)	39 (5%)	532 (73%)	724 (100%)
Quality Improvement	230 (30%)	50 (7%)	36 (5%)	441 (58%)	757 (100%)
Restructuring the Process of Care Giving	193 (26%)	41 (5%)	45 (6%)	468 (63%)	747 (100%)
Cost Cutting	285 (37%)	64 (8%)	62 (8%)	356 (46%)	767 (100%)
Developing New Services	321 (42%)	124 (16%)	100 (13%)	228 (29%)	773 (100%)
Closing Services	133 (18%)	62 (8%)	60 (8%)	504 (66%)	759 (100%)
Strategic Planning	310 (40%)	133 (17%)	97 (13%)	236 (30%)	776 (100%)
Reducing Clinical Staff	106 (14%)	44 (6%)	46 (6%)	556 (74%)	752 (100%)
Increasing Clinical Staff	148 (20%)	43 (6%)	64 (9%)	494 (66%)	749 (100%)
Reducing Administrative Staff	177 (23%)	54 (7%)	43 (6%)	486 (64%)	760 (100%)
Increasing Administrative Staff	68 (9%)	49 (7%)	80 (11%)	556 (74%)	753 (100%)
Providing Services to the Poor	45 (6%)	17 (2%)	9 (1%)	691 (91%)	762 (100%)
Training and Developing Employees	233 (30%)	70 (9%)	45 (6%)	421 (55%)	769 (100%)
Board Training	272 (36%)	75 (10%)	82 (11%)	327 (43%)	756 (100%)
Merging with Another Hospital	36 (5%)	13 (2%)	24 (3%)	653 (90%)	726 (100%)
Joining a System	56 (8%)	11 (1%)	27 (4%)	641 (87%)	735 (100%)
Changing Ownership Status	32 (4%)	9 (1%)	12 (2%)	678 (93%)	731 (100%)
Establish Joint Venture with Another Entity	110 (15%)	36 (5%)	39 (5%)	554 (75%)	739 (100%)

Q16 Did the predecessor CEO's departure have a positive or negative effect on the following?

Question 16 in the survey (see appendix) asked the current CEO whether the operations of the hospital were positively or negatively affected by the departure of the previous CEO in the following categories: a) financial performance of the hospital, b) quality of care at the hospital, c) mix of services offered by the hospital, d) employee morale, e) medical staff relationships, f) hospital-board relationships, g) community relations, and h) hospital culture. On a scale of 1 to 7, the options ranged from "very negative" to "very positive" with a separate option for "don't know."

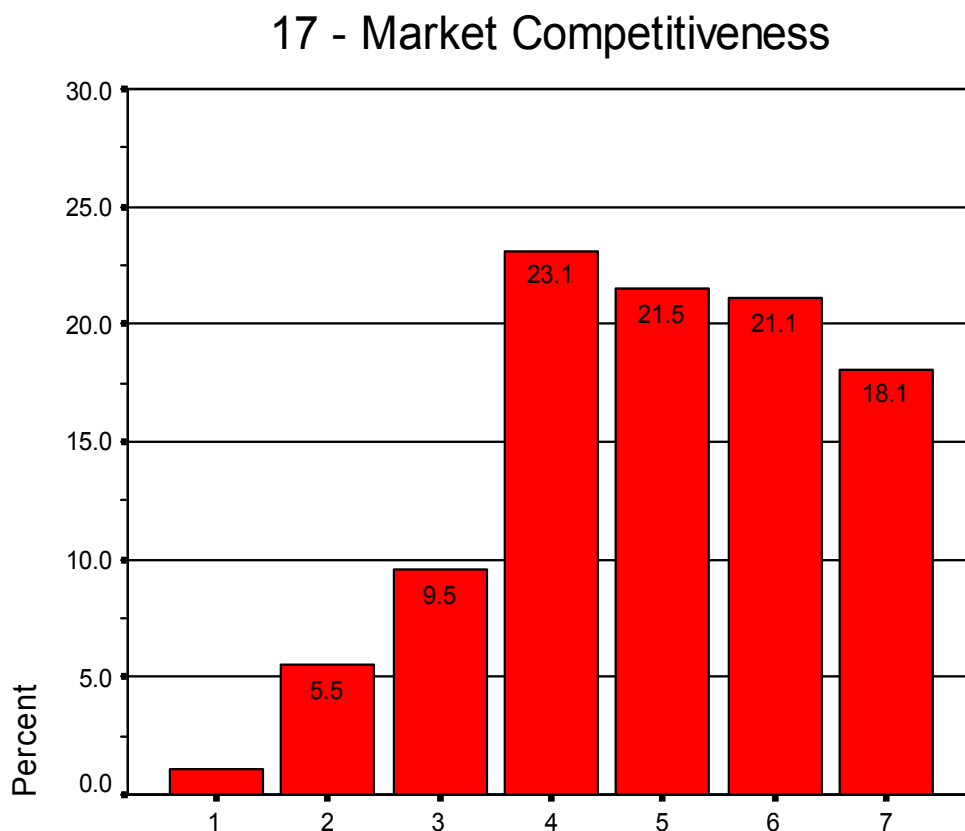
In general, for each of the categories from *a* through *h* except "quality of care" and "mix of services," the mean and median scores were in the range of five or higher, indicating a perceived positive effect of the departure of the predecessor CEO on various aspects of the hospital's operations. Specifically, 60% of the respondents indicated that their predecessors' departures had a positive effect on the hospitals' financial performance, 71% reported a positive effect on employee morale, 71% on medical staff relations, 69% on hospital-board relations, 63% on community relations, and 73% on hospital culture. With the exception of "employee morale" and "medical staff relationships," where 14% of respondents respectively reported a perceived negative effect of their predecessors' departures, in most other categories 10% or fewer respondents thought their predecessors' departures had a negative effect on the hospitals.

16- The Effect the Predecessor CEO's Departure Had on the Operations of the Hospital

Operations	Frequency (%)							
	Very Negative	Negative	Somewhat Negative	No Impact	Somewhat Positive	Positive	Very Positive	Total
Financial Performance of the Hospital	18 (2%)	15 (2%)	35 (4%)	244 (31%)	114 (15%)	196 (25%)	161 (21%)	783 (100%)
Quality of Care at the Hospital	3 (0.4%)	9 (1%)	23 (3%)	348 (44%)	157 (20%)	164 (21%)	81 (10%)	785 (100%)
Mix of Services Offered by the Hospital	5 (1%)	7 (1%)	17 (2%)	376 (48%)	149 (19%)	136 (17%)	89 (11%)	779 (100%)
Employee Morale	23 (3%)	28 (4%)	56 (7%)	109 (15%)	138 (18%)	218 (29%)	175 (23%)	747 (100%)
Medical Staff Relationships	11 (1%)	28 (4%)	74 (9%)	113 (14%)	139 (18%)	208 (27%)	210 (27%)	783 (100%)
Hospital-Board Relationships	9 (1%)	17 (2%)	51 (7%)	167 (21%)	128 (16%)	221 (28%)	184 (24%)	777 (100%)
Community Relations	14 (2%)	13 (2%)	61 (8%)	201 (26%)	154 (20%)	170 (22%)	161 (21%)	774 (100%)
Hospital Culture	11 (1%)	16 (2%)	50 (6%)	135 (17%)	138 (18%)	252 (32%)	176 (23%)	778 (100%)

Q17 How competitive is your market?

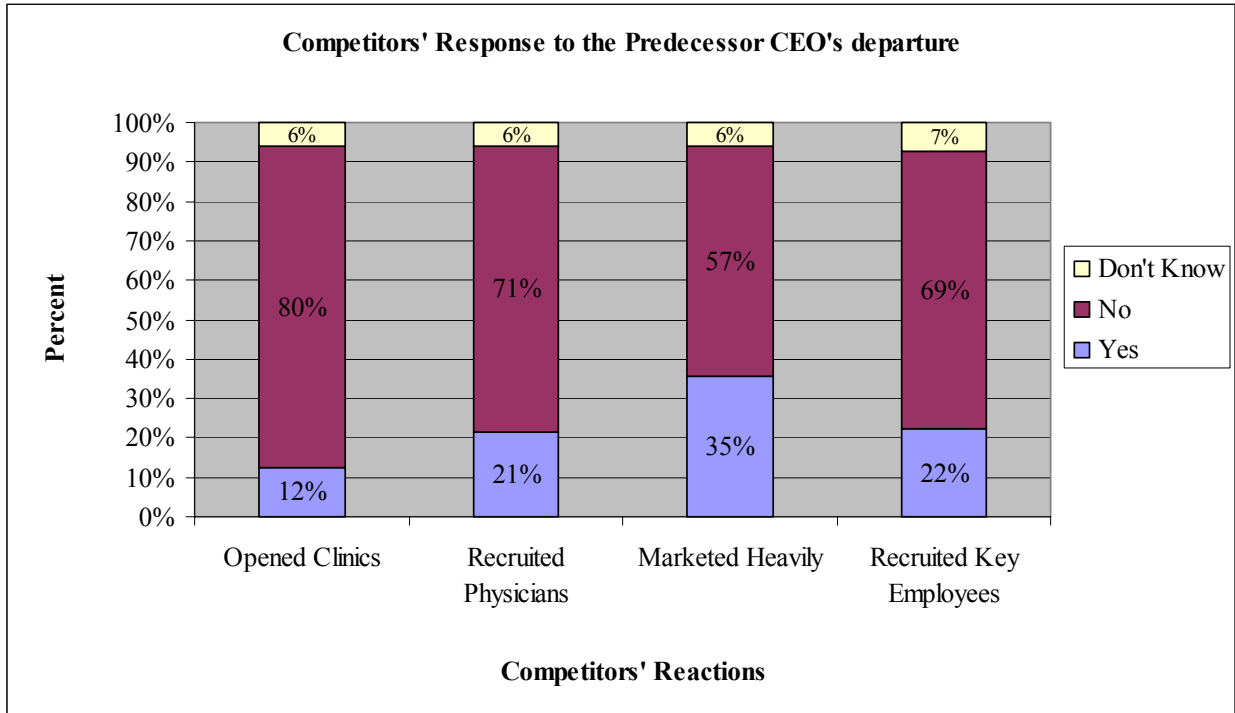
On a scale of 1 to 7, the CEOs were asked to rate the competitiveness of their current markets, where a score of 7 represented an extremely competitive market and 1 indicated no competition in the market place. The results indicate a mean score of 4.9 (SD = 1.5) with a median score of 5. Of the respondents, 61% considered their markets to be competitive or extremely competitive. Only about 6% of the respondents rated their current markets to be not competitive or only marginally competitive.



Q18 What did your competitors do as a result of your predecessor's departure?

Through “yes” or “no” responses, the CEOs were asked to indicate whether their competitors had taken specific actions such as opening clinics in their geographic markets, recruiting their

physicians, marketing in their service areas, or recruiting employees as a result of the predecessor CEOs' departures. Except for "marketed heavily in your service area," to which 35% of respondents answered in the affirmative, the respondents predominantly answered with a no (69 to 80%), while a small proportion (about 6%) indicated they did not know whether such actions had been take by their competitors.



Q19 Which of the following employee categories do you consider part of your senior executive team?

Question 19 was designed to ascertain the mix and size of the senior executive team and to assess the effect of CEO turnover in terms of the breakdown of this team as reflected by the departure of various members. First, in column 1 of question 19, the respondent was asked to indicate how many employees in certain positions were considered as part of the senior executive team at the current hospital. Second, in column 2 of question 19 (see appendix), the respondent was asked to indicate how many of those employees had left the hospital within a year after the departure of the previous CEO. The categories of employees included in this question were: a) chief financial officer, b) chief medical staff officer, c) chief operating officer, d) chief information officer, e) chief human resource officer, f) chief nursing officer, g) vice president, h) associate administrator, and i) assistant administrator.

For the respondents who provided information regarding their executive teams and the impact of their predecessors' departures on the executive teams, the data are shown in the table below. For example, 97% of the respondents indicated that the vice presidents left within one year of the departure of the predecessor CEOs. Similarly, a large percentage of assistant administrators, 91%, reportedly left after a CEO turnover. About 14% of the respondents reported departures of the chief information officers and 26% reported the departures of the chief nursing officers. The departures of 77% of the chief medical staff officers and 52% of the chief operating officers occurred within one year of the CEO turnover.

The above results, however, must be interpreted with some degree of caution because of the discrepancies in data provided in parts a and b of this question in the survey (see appendix) and the relatively small number of respondents (47 to 223) who provided usable information regarding their executive teams and the departures of some members of these teams within a year of the predecessor CEOs' departures.

19 – Senior Executive Team at Current Hospital and the Influence of the Predecessor's Departure

Executive Position	Hospital Has One or More of These Officers	Officer(s) Left After Departure of Predecessor CEO
Associate Administrator	52	16 (31%)
Assistant Administrator	47	43 (91%)
Chief Nursing Officer	223	58 (26%)
Vice President	91	88 (97%)
Chief Financial Officer	210	88 (42%)
Chief Medical Staff Officer	64	49 (77%)
Chief Human Resource Officer	138	51 (37%)
Chief Operating Officer	88	46 (52%)
Chief Information Officer	57	8 (14%)

Q20 Did any of the following events occur at your hospital in the last five years?

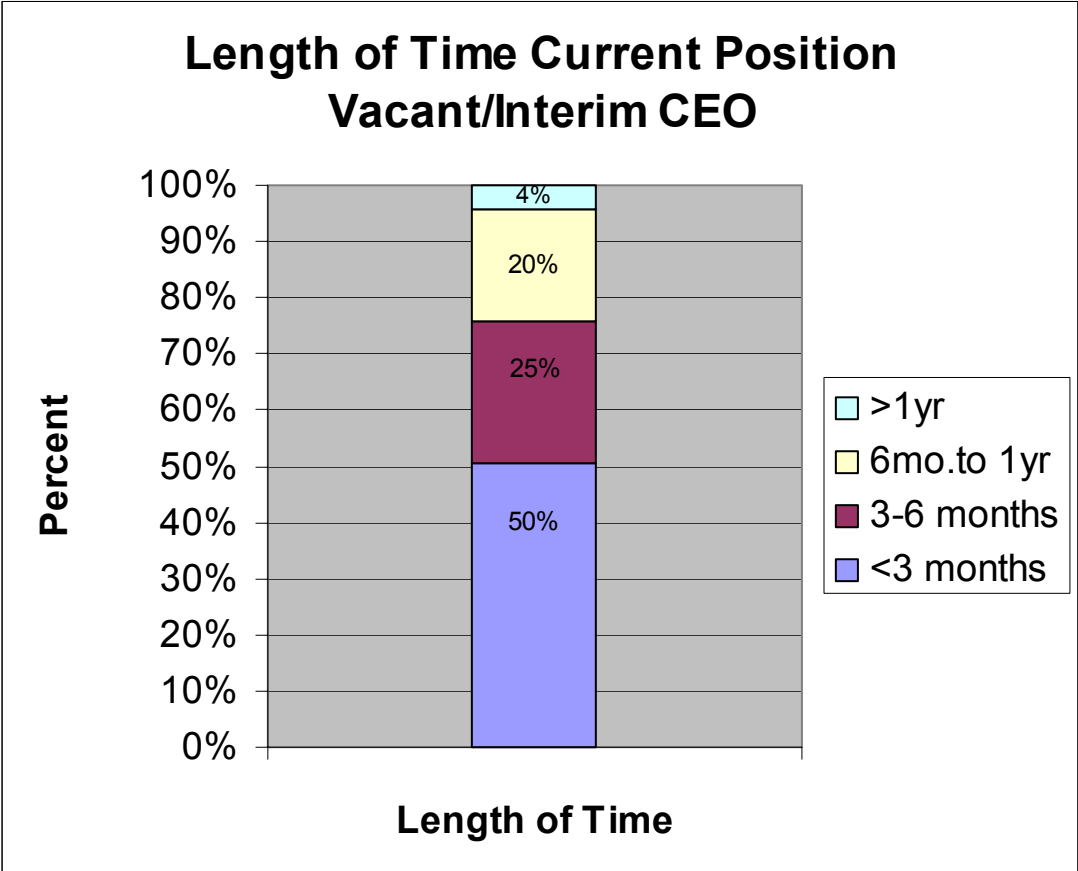
In question 20 the CEOs were asked whether certain events had occurred at their hospital in the past five years, and, if so, whether these events or activities had resulted from CEO turnover. The events of interest were: a) merged with another hospital, b) became part of a not-for-profit system, and c) became part of an investor-owned system. Regarding mergers, about 8% responded affirmatively and 4% indicated that the merger had resulted from a CEO turnover. Of the respondents, 11% reported that the hospitals had become part of not-for-profit systems in the last five years and 5% indicated that the change had resulted from CEO turnover. Similarly, 8% of respondents declared that in the last five years their hospitals had become part of investor-owned systems, but only 3% thought this event had resulted from a CEO turnover.

20 – Events that Have Occurred at the Hospital in the Last Five Years

Event	Frequency (%)			
	Happened in the Past 5 Years		Resulted from CEO Turnover	
	Yes	No	Yes	No
Merged with Another Hospital	36 (8%)	399 (92%)	11 (4%)	268 (96%)
Became Part of a Non-for-Profit System	48 (11%)	392 (89%)	13 (5%)	266 (95%)
Became Part of an Investor-Owned System	34 (8%)	400 (92%)	7 (3%)	263 (97%)

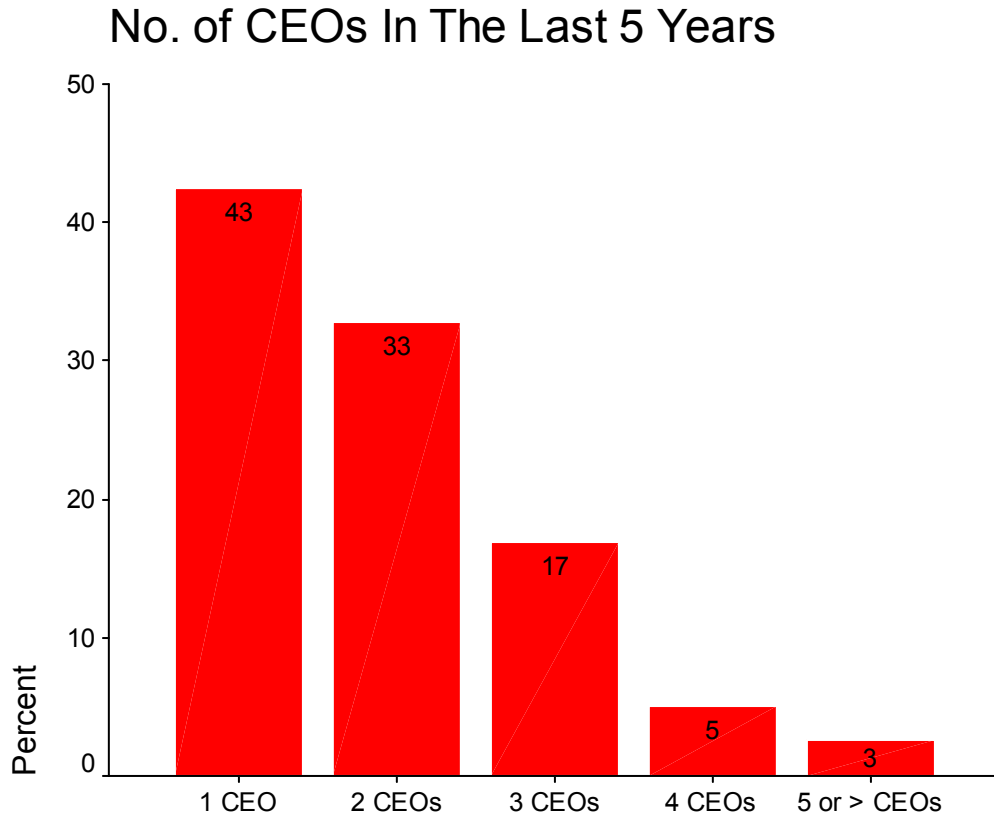
Q21 How long was your current position vacant?

Each respondent was asked how long had the current position been vacant before he or she accepted it. In most instances (50%, 394 of 781), the CEOs reported that the position was vacant for less than 3 months. While in 20% (155 of 781) of cases the position was vacant for 6 to 12 months, only 4% (34 of 781) reported that the position had not been filled for more than a year.



Q22 How many CEOs has your hospital had in the past five years?

To estimate the frequency of CEO turnover, the respondents were asked to indicate the number of CEOs their current hospitals had had in the past five years. In all, 43% (337 of 799) of respondents reported that their hospitals had only one CEO in the past five years, while 55% reported between two and four CEOs in the past five years. Finally, 3% (21 of 799) of the respondents indicated that their hospitals had 5 to 9 CEOs in the last five years.



OPEN-ENDED COMMENTS, SUGGESTIONS, AND FEEDBACK (Q23–Q25)

The last three questions in the survey were designed to seek comments and suggestions from the respondents to determine the kind of assistance a departing CEO, a hospital board, and an incoming CEO could use to help in the transition, whether the departure of the CEO was voluntary, involuntary, or due to retirement. Overall, 4,303 individual comments were received. Based on common ideas or themes, the 4,303 comments were grouped into 40 categories. The most frequent groups in each subsection of questions 23, 24, and 25 are reported in the six tables on the following pages.

Assistance for outgoing CEOs

As shown in Table 23A, over half of the 407 CEOs wrote in recommendations suggesting two main forms of assistance for colleagues who depart voluntarily from their CEO positions: (1) transition/succession planning, and (2) job placement assistance and career planning. Table 23B shows that respondents primarily recommended two types of assistance for CEOs who were asked to leave: (1) job placement and career planning/coaching, and (2) a severance and retirement package. Finally, 483 CEOs wrote in suggestions to assist those CEOs retiring from the field. A third recommended they be provided with retirement and financial planning and an additional 20% recommended they be given transition/succession planning advice.

Assistance for boards

CEOs were asked what kinds of assistance they would recommend for hospital boards when the CEO voluntarily left the hospital. Thirty-eight percent suggested they be given search and selection and referral services for a new CEO; another 31% suggested that boards be provided with assistance in CEO transition/succession planning. Search and selection and referral services were likewise recommended by about a third of CEOs for boards during involuntary CEO departures. Finally, CEOs stated that boards would benefit from two main types of assistance if the CEO was retiring: (1) transition/succession planning (41%), and (2) search and selection and referral services (32%).

Assistance for incoming CEOs

Over 600 suggestions were written in by CEOs regarding the types of assistance that should be given to incoming CEOs (Table 25). Confronted by the demands of a new position, 37% suggested a new CEO be given a structured orientation and introduction to key stakeholders of the hospital. Another 23% said the CEO should work to establish support from both peers and key staff. Finally, 19% said the CEO should be given support from the board, others in the organization, and members of the community.

Assistance for Outgoing CEOs

Table 23A

Assistance for Departing CEO/Voluntary	Frequency (%)
Transition/Succession Planning	120 (29%)
Job Placement Assistance and Career Planning	103 (25%)
Retirement and Financial Planning	43 (11%)
Peer Networking/Support	32 (8%)
Relocation Assistance	31 (8%)
Severance Package	27 (7%)
Fair/Honest References	27 (7%)
Appoint an Interim CEO	24 (6%)
Total	407 (100%)

Table 23B

Assistance for Departing CEO/Involuntary	Frequency (%)
Job Placement and Career Planning/Coaching	392 (52%)
Severance and Retirement Package	199 (27%)
Transition/Succession Planning	42 (6%)
Health Insurance Coverage	36 (5%)
Financial Planning	24 (3%)
Fair/Honest References	20 (3%)
Peer Networking/Support	13 (2%)
Relocation Assistance	11 (1%)
CEO Leave ASAP	9 (1%)
Total	746 (100%)

Table 23C

Assistance for Departing CEO/Retiring	Frequency (%)
Retirement Planning and Financial Planning	157 (33%)
Transition/Succession Planning	96 (20%)
Recognition for Service	78 (16%)
Severance Package and Retirement Package	53 (11%)
Offer a Consultation Position	47 (10%)
Health Insurance Coverage	21 (4%)
Relocation Assistance	16 (3%)
Solicit CEO for Selection Advice	15 (3%)
Total	483 (100%)

Assistance for Hospital Boards

Table 24A

Assistance for Hospital Board During CEO Transition/Voluntary	Frequency (%)
Search/Selection and Referral Services	210 (38%)
Transition/Succession Planning	176 (31%)
Recruitment and Retention Training	65 (11%)
Appoint an Interim CEO	60 (11%)
Corporate Support	19 (3%)
Peer Counseling/Advice	17 (3%)
Former CEO Involved in New CEO Selection	10 (2%)
Celebrate/Recognize Successes	5 (1%)
Total	562 (100%)

Table 24B

Assistance for Hospital Board During CEO Transition/Involuntary	Frequency (%)
Search/Selection and Referral Services	186 (31%)
Appoint an Interim CEO	115 (19%)
Transition/Succession Planning	102 (17%)
Recruitment and Retention Training	48 (8%)
Explanation/Analysis of Failure	41 (7%)
Legal Counsel	35 (6%)
Re/Define Board Role/Responsibilities	24 (4%)
Corporate Support	23 (4%)
Designing a Separation Package	20 (3%)
Total	594 (100%)

Table 24C

Assistance for Hospital Board During CEO Transition/Retiring	Frequency (%)
Transition/Succession Planning	205 (41%)
Search/Selection and Referral Services	156 (32%)
Appointment of Interim CEO	30 (6%)
Define Board Role and Responsibilities	22 (4%)
Former CEO Involved in New CEO Selection	20 (4%)
Corporate Support	18 (4%)
Recruitment and Retention Training	25 (5%)
Strictly External Selection Committee/Service	9 (2%)
Peer Counseling/Advice	9 (2%)
Total	494(100%)

Assistance for Incoming CEOs

Table 25

Assistance for New CEO	Frequency (%)
Structured Orientation and Intro to Key Players	239 (37%)
Establish Network of Peer and Support Personnel	149 (23%)
Organizational, Board, and Community Support	120 (19%)
Evaluation of Med Staff and/or Board	43 (7%)
Operations Analysis	39 (6%)
Make Previous Strategic Plans Available	25 (4%)
Recruit Former CEO for Advice and Consulting	22 (3%)
Temporary Housing	10 (1%)
Total	647(100%)

DISCUSSION

This study reports a number of interesting findings regarding the turnover of hospital CEOs and the impact of that turnover on the hospital and community. Our findings support prior research in demonstrating that few CEOs (3%) have a continuous tenure of over 20 years, and that about half of CEOs have been a CEO elsewhere prior to their current positions. New CEOs are also more frequently promoted from within their existing systems. This highlights the importance of succession planning for hospital CEOs. Although this study does not address the efforts hospitals and systems are making to train and prepare their employees to assume the position of CEO, clearly, succession planning is a critical function if over half of new CEOs are individuals promoted from within the organization.

The proportion of CEOs experiencing involuntary turnover provides some interesting insights. As might be expected, CEOs reported a higher involuntary rate for their predecessors (48%) than for themselves (33.3%). Thus, somewhere between one-third and one-half of all CEOs were involuntarily terminated. Interestingly, the tenure at hospitals is about the same for CEOs regardless of whether their employment ends voluntarily or involuntarily. This raises questions about the nature and “life-cycle” of CEO employment. CEOs and boards should be aware that after four or five years something seems to transpire that motivates the CEO to leave. Can greater communication, challenges, and direction ameliorate this transition? Further research should address this facet.

Impact of CEO turnover on hospitals and communities

Perhaps even more important than the circumstances of departure is the impact of CEO turnover on hospitals and communities. A minority of CEOs (29 to 30%) believed that development of new services and strategic planning were delayed or halted at their existing hospitals as a result of their predecessors' departures. However, they also felt that many positive results and initiatives accrued to their existing hospitals as a result of CEO turnover. A higher percentage (60 to 73%) felt that the turnover improved financial performance; employee morale; medical staff, board, and community relations; and hospital culture. Only a small percentage (14%) believed that the turnover had a negative impact on employee morale and medical staff relations. CEOs seemed to suggest that the departure of the previous CEO was in essence a good thing and had a positive effect on the hospital.

Turnover of the CEO also provided an opportunity for competitors to take advantage of the unstable circumstances. Competitors frequently (39 to 45% of the time) sought to recruit the hospitals' physicians, attract their patients, and recruit their key employees. This is an aspect that many boards may not anticipate when experiencing hospital CEO turnover. Boards should consider designing protective strategies to prevent or blunt the efforts of competitors during these times.

Another factor that should be considered is the ripple effect of CEO turnover on other executive personnel. With a cautionary note regarding the quality of the information, our findings revealed a high rate of turnover for some of the key personnel. The highest rate of secondary turnover within one year of the CEO departure was reported for the vice president and assistant administrator positions (97% and 91%, respectively). In addition, 77% of the chief medical staff

officers also left within one year of the CEO transition. Half of the chief operating officers (52%) also changed in that period, as did 42% of the chief financial officers and one-third (37%) of human resource officers. Again, boards need to be aware of the secondary effect of CEO turnover. While some of these changes may be desirable as new CEOs create their own executive teams to suit their management style, a high turnover of key personnel in a short period of time may be detrimental for the hospital. Therefore, plans should be considered to retain important individuals.

Many of the findings of this study are supported by other research. Recently a study conducted by Cejka Search and Solucient companies that was published in *Modern Healthcare* (Wilson 2005) used an e-mail survey to gather responses from CEOs from 42 of 91 “top” hospitals and 70 of 581 “typical” hospitals. They found that 50% of CEOs at top hospitals were promoted from within as compared to 37% at typical hospitals. The study also found that at top hospitals, 36% of the senior executives other than the CEO were selected from within the hospital as compared to 21% at typical hospitals. Their study also reported that a new CEO retained less than 30% of the members of the previous CEO’s senior executive team. As reported, only 29% of chief information officers and 20% of vice presidents of funds and foundations were retained at top hospitals as compared to 41% and 30%, respectively, at typical hospitals. The chief medical officers, however, were more often retained (43% versus 23%) at top hospitals than typical hospitals.

Limitations of the study

As with all survey research, this study has a number of limitations. Perceptual biases and recall are a primary issue with this type of survey. The only individuals answering this survey were CEOs, who by the nature of their work and employment are highly invested with the decisions and outcomes at their hospitals. We received only 805 completed surveys from a sample population of 2,118 hospitals, or a 38% response rate, which is reasonable given other survey response rates. However, the sample population was a random sample of 38% of 3,130 low-turnover hospitals and 100% of a designated 916 high-turnover hospitals. The sampling methodology and response rate should also be considered when the findings are generalized to all hospitals.

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Appendix

The Impact of CEO Turnover on Communities and Hospitals Questionnaire for CEOs

Instructions for completing this questionnaire.

1. For most questions, please check or circle the **ONE** response that fits you. If you do not find the exact response that fits your own situation, select the response that comes closest to it.
2. For each question, please follow the specific instructions next to the response you select. If there are no instructions, proceed to the next question. You should answer each question unless you are instructed not to do so.

Example: Were you a hospital CEO prior to this position?

Yes ___ (*Skip to question 3*)

No ___ (*Go to question 2A*)

3. Where you are asked to supply a number, **please do so even if the number is zero**. This will prevent confusion over whether the question was skipped or the answer is zero.

Example: How long was your predecessor the CEO at this hospital? _____ Years

Questionnaire

1. Are you:

a. An interim CEO the permanent CEO

b. If you are the permanent CEO, on what date did you take this position at this hospital (Give month and year): _____

2. Were you a hospital CEO prior to this position: Yes No

(If the answer is Yes, go to question 3, if the answer is No, please answer question 2A below)

2A. Please select the phrase that best describes your previous position. *Check ONE of the following.*

- Promoted from within the: hospital same system ? *(If checked, skip to question 12)*
- An executive at another hospital ? *(If checked, skip to question 12)*
- A CEO at a non-hospital healthcare organization ? *(If checked, skip to question 12)*
- Other position? *(If applicable, please specify below and skip to question 12)*

_____?

****Questions 3 through 12 should be completed only if you were a hospital CEO prior to your current position****

3. Would you say your departure from your last hospital was decided upon: *(Check ONE option below)*

- entirely by yourself ? *(If checked, skip to question 5)*
- mostly by yourself ? *(If checked, skip to question 5)*
- mostly by others ? *(If checked, skip to question 5)*
- entirely by others ? *(If checked, skip to question 5)*
- just about equally by yourself and others ? *(If checked, please go to question 4)*

4. Did you or your superior initiate the communication regarding your departure?

- You ?
- Your superior ?

5. How long were you the CEO at your past hospital? _____ years

6. How knowledgeable are you regarding the changes that took place at your former hospital after you left?
(Please circle one of the categories below)

Completely Very Quite Somewhat A Little Marginally Not at All

7 6 5 4 3 2 1

****If you are only “somewhat knowledgeable” or less (responses 1 to 4) about the changes that took place at your former hospital after you left, please skip to question 13****

7. In your opinion, how competitive is the market at your previous hospital? *(Please circle)*

Extremely competitive 7	Competitive 6	Somewhat competitive 5	Somewhat competitive 4	Marginally competitive 3	2	Not competitive 1
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8. What did your competitors do as a result of the turnover? *(Please check)*

- Opened clinics in your market Yes No Don't Know
- Recruited your physicians Yes No Don't Know
- Marketed heavily in your service area Yes No Don't Know
- Recruited key employees away Yes No Don't Know

▪ Other: _____

9. The following is a list of possible immediate consequences of a hospital CEO's departure. Please consider each activity and indicate how it was affected by your departure from your former hospital. *(Please circle ONE number on each line below)*

	<u>Initiated</u>	<u>Postponed</u>	<u>Halted</u>	<u>Not Affected</u>	<u>Don't Know</u>
Construction projects	1	2	3	4	5
Purchasing new equipment	1	2	3	4	5
Community outreach	1	2	3	4	5
Physician recruitment	1	2	3	4	5
Seeking long-term financing	1	2	3	4	5
Quality improvement	1	2	3	4	5
Restructuring the process of care giving	1	2	3	4	5
Cost cutting	1	2	3	4	5
Developing new services	1	2	3	4	5
Closing services	1	2	3	4	5

Strategic planning	1	2	3	4	5
Reducing clinical staff	1	2	3	4	5
Increasing clinical staff	1	2	3	4	5
Reducing administrative staff	1	2	3	4	5
Increasing administrative staff	1	2	3	4	5
Providing services to the poor	1	2	3	4	5
Employee training and development	1	2	3	4	5
Board training	1	2	3	4	5
Merging with another hospital	1	2	3	4	5
Joining a system	1	2	3	4	5
Changing ownership status (e.g., from not-for-profit to investor owned)	1	2	3	4	5
Establishing a joint venture with another entity	1	2	3	4	5

Other (Please specify other activities were affected by your predecessor's departure):

10. In your opinion, did your departure have a positive or negative impact on the following?
(Please circle one number on each line below.)

	Very Positive	Somewhat Positive	No impact	Somewhat Negative	Very Negative	Don't Know		
Financial performance of the hospital	7	6	5	4	3	2	1	D/K
Quality of care at the hospital	7	6	5	4	3	2	1	D/K
Mix of services offered by the hospital	7	6	5	4	3	2	1	D/K
Employee morale	7	6	5	4	3	2	1	D/K
Medical staff relationships	7	6	5	4	3	2	1	D/K
Hospital / board relationships	7	6	5	4	3	2	1	D/K
Community relations	7	6	5	4	3	2	1	D/K

The hospital culture	7	6	5	4	3	2	1	D/K
Other impacts? (Comment in your own words)	_____							

11. How long was your former CEO position not filled or filled with an interim appointee before it was filled with a **permanent** replacement?

- Less than 3 months 3 to 6 months 6 months to 1 year
 More than a year Don't Know

12. How many CEOs did your former hospital have in the past 5 years? _____

****Questions 13 to 16 relate to the previous CEO at your current hospital****

13. Was the departure of the previous CEO (your predecessor): voluntary involuntary ?

14. How long was your predecessor the CEO at this hospital? _____ Years

15. The following is a list of possible immediate consequences of a hospital CEO's departure. Please consider each activity and indicate how it was affected by your predecessor's departure from your current hospital. (Please circle one number on each line below)

	<u>Initiated</u>	<u>Postponed</u>	<u>Halted</u>	<u>Not Affected</u>	<u>Don't Know</u>
Construction projects	1	2	3	4	5
Purchasing new equipment	1	2	3	4	5
Community outreach	1	2	3	4	5
Physician recruitment	1	2	3	4	5
Seeking long-term financing	1	2	3	4	5
Quality improvement	1	2	3	4	5
Restructuring the process of care giving	1	2	3	4	5
Cost cutting	1	2	3	4	5

Developing new services	1	2	3	4	5
Closing services	1	2	3	4	5
Strategic planning	1	2	3	4	5
Reducing clinical staff	1	2	3	4	5
Increasing clinical staff	1	2	3	4	5
Reducing administrative staff	1	2	3	4	5
Increasing administrative staff	1	2	3	4	5
Providing services to the poor	1	2	3	4	5
Employee training and development	1	2	3	4	5
Board training	1	2	3	4	5
Merging with another hospital	1	2	3	4	5
Joining a system	1	2	3	4	5
Changing ownership status (e.g., from not-for-profit to investor owned)	1	2	3	4	5
Establishing a joint venture with another entity	1	2	3	4	5

Other (Please specify other activities affected by your predecessor's departure):

16. In your opinion, did his/her departure have a positive or negative impact on the following?
(Please circle one number on each line below)

	Very Positive	Somewhat Positive	No impact	Somewhat Negative	Very Negative	Don't Know		
The hospital culture	7	6	5	4	3	2	1	D/K
Financial performance of the hospital	7	6	5	4	3	2	1	D/K
Quality of care at the hospital	7	6	5	4	3	2	1	D/K
Mix of services offered by the hospital	7	6	5	4	3	2	1	D/K
Employee morale	7	6	5	4	3	2	1	D/K
Medical staff relationships	7	6	5	4	3	2	1	D/K
Hospital/board relationships	7	6	5	4	3	2	1	D/K
Community relations	7	6	5	4	3	2	1	D/K

Other impacts? (Comment in your own words) _____

17. How competitive do you consider your market?

Extremely competitive	Competitive	Somewhat competitive	Marginally competitive	Not competitive
7 6	5 4	3 2	1	

18. What did your competitors do as a result of the turnover?

- Opened clinics in your market Yes No Don't Know
- Recruited your physicians Yes No Don't Know
- Marketed heavily in your service area Yes No Don't Know
- Recruited key employees away Yes No Don't Know
- Other _____

19. In column 1 below please indicate how many of the following at your current hospital you consider as part of your senior executive team? In column 2 below indicate how many left the hospital within a year after the departure of your predecessor.

	Column 1 <u>No. in Each Position at the Current Hospital</u>	Column 2 <u>No. Departed from Current Hospital After Your Predecessor Departed</u>
Associate administrator	_____	_____
Assistant administrator	_____	_____
Chief nursing officer	_____	_____
Vice president	_____	_____
Chief financial officer	_____	_____
Chief medical staff officer	_____	_____
Chief human resource officer	_____	_____
Chief operating officer	_____	_____
Chief information officer	_____	_____
Others	_____	_____

20. Have any of the following activities taken place at your facility in the past 5 years (column 1 below)? Did it result from the turnover of the previous CEO (column 2)?

	Column 1		Column 2		
	Yes	No		Yes	No
Merged with another hospital	_____	_____	Resulted from CEO turnover	_____	_____
Become part of a not-for-profit system	_____	_____	Resulted from CEO turnover	_____	_____

Become part of an investor-owned system ___ ___ Resulted from CEO turnover ___ ___

21. How long was your current position not filled or filled with an interim appointee before you accepted it?
Less than 3 months 3 to 6 months 6 months to 1 year more than a year

22. How many CEOs has your current hospital had in the past 5 years? _____

23. In your opinion, what kind of assistance could **a departing CEO** use during his or her transition? *(Please respond separately to each of the following categories)*

a. If the departure is voluntary.

b. If the departure is involuntary.

c. If the CEO is retiring.

24. In your opinion, what kind of assistance could **a Board** use during the transition of a CEO?
(Please respond separately to each of the following categories)

a. If the departure is voluntary.

b. If the departure is involuntary.

c. If the CEO is retiring.

25. In your opinion, what kind of assistance could **a new CEO** use in his or her first few months at a new hospital?

a.

b.

c.

26. (Optional)

What was the name and location of the previous hospital at which you worked?

_____ Name
_____ City, State

Thank you for helping us learn about the impact of hospital CEO turnover. Please return the questionnaire in the postage-paid envelope provided.

If you would like to receive a summary of our research findings, please provide your e-mail address below.

E-mail address: _____