

# The Paradox of Hospital CEO Succession Planning



CEO Circle White Paper January 2006

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#### INTRODUCTION

This CEO white paper focuses on an anomaly in contemporary healthcare management practice. While most healthcare management advisers recommend that hospital CEOs plan for their departure by identifying and developing a successor, few of the nation's hospitals actually have named one. This paper explores the likely reason for this paradox as well as key considerations for hospital leaders on the topic of CEO succession planning.

Based on a thorough review of the literature as well as interviews with representative board chairmen, CEOs and leadership transition consultants (e.g., consultants who assist hospitals in finding suitable successors for key executive positions—these can include search consultants, compensation consultants, etc.), we consider seven questions from the perspective of each of these parties.

- 1. Who is responsible for identifying the CEO's successor?
- 2. How should hospitals pick successors?
- 3. Is it preferable to have one or multiple candidates for the CEO position?
- 4. When should the CEO's successor be named?
- 5. What kinds of development experiences are structured for successors?
- 6. How can a hospital retain talented leaders who will be prepared to take the CEO's position when that individual leaves?
- 7. Should succession planning occur elsewhere in the organization?

The white paper concludes with a road map that CEOs can use with their boards to establish a succession planning process in their organization.

## The Paradox of Hospital CEO Succession Planning

"...some executives plan ahead for a smooth transition and stick around while the new chief executive officer gets a feel for the job. Others simply wait until the last minute to decide who will succeed them and then bolt for the exit with their severance check. They are afraid of designating a successor for fear it will make them appear to be a lame duck. Companies can suffer from such reluctance to trust the next generation." —Chuck Lauer, "Top of the Class," editorial, Modern Healthcare, April 25, 2005, p. 38.

Comments like Chuck Lauer's are by now commonplace in the healthcare management press. The ideal CEO plans for his or her departure by helping to initiate the process of transitioning the role to another person, an individual who is prepared to take on the job of guiding the organization into the future. But a study by Garman and Tyler (2004) shows that only 15 percent of the nation's freestanding hospitals had named a successor to the current CEO. Why does this disconnect occur between ideal and actual behavior?

#### One experienced leadership transition consultant stated,

"The reason that so few CEOs have identified a specific successor is because CEOs don't want it to be that easy for the board to replace them. It takes a very secure, very senior person who's looking in the rearview mirror rather than the windshield to be comfortable doing that. It happens a lot less than organizations want you to believe. CEO succession is infrequently practiced."

This CEO white paper explores some of the issues surrounding hospital CEO succession planning, including the field's apparent reluctance to get involved in this process at all. This paper is based on a review of the literature and confidential interviews with CEOs, board chairs and leadership transition consultants. It concludes with a step-by-step guide for hospitals preparing to appoint a successor CEO.

Recent research has shown that appointing a new CEO can be a traumatic event for hospitals (Khaliq et al. 2005). It impacts staff, planned programs and services for patients and the larger community.

Simply put, organizations are a reflection of their leaders; the leader's decisions move the organization toward its goals. CEO succession often triggers changes including placing on hold any directions that the hospital might be pursuing, forming new ties with hospitals in the area, and prompting the departure of many on the management team. In fact, external parties are likely to view succession as the key indicator of what is likely to occur in the organization's future. For all these reasons, succession planning should be a major concern to hospital leaders specifically for boards and CEOs.

As a result of our interviews, we identified seven issues that generated the most discussion and on which there is less consensus than might be expected, given the importance of the topic of CEO replacement.

#### Issues to Consider in CEO Succession

# 1. Who is responsible for identifying the CEO's successor?

#### **Board's Role**

The board (or corporate executive) is responsible for appointing the hospital's new CEO. This entails three functions: (1) defining specifications, (2) interviewing candidates to assess their skills and (3) attracting the candidate of choice through persuasion (Witt 1987). In addition, every board should have a "succession discussion" once a year to decide what it would do if the CEO left unexpectedly. If the CEO should suddenly become unavailable to lead the hospital, the board should appoint an interim CEO (Biggs 2004).

The board should add succession planning to the CEO's annual performance appraisal objectives. If an internal successor is selected to succeed the current CEO, the board should approve the choice and consider this decision as theirs and not the CEO's. However, appointing a successor in advance of the CEO leaving can create a problem because organizational relationships may alter over time (e.g., the

hospital may merge or join a system) and the ideal candidate at one point in time may no longer be the best person several months or years later. If promises are made, they need to be communicated to succeeding board members (Biggs 2004).

The board, especially a larger board, will generally appoint five to seven of its members to screen and recommend to the full board the final candidate for the CEO position. The past chair, sitting chair and chair-elect serve on this committee as well as others who ideally have had prior involvement in selecting executives, perhaps in their own businesses. The committee members are encouraged to espouse different views and reflect the diverse interests of the hospital and the community.

#### **CEO's Role**

The incumbent CEO is responsible for ensuring that a succession process is in place and is being addressed by the board (or corporate executive). CEOs see themselves as advisers to the board, not only to identify possible internal candidates but more importantly to ensure that a fair and consistent process is pursued in the selection of the successor. For example, the CEO may counsel the board to retain a consulting firm to validate the board's choice. The CEO can encourage board members to keep an open mind about the candidates.

But sometimes the CEO's relationship with the board is strong and the CEO may be the de facto decision maker. Nevertheless, leadership transition consultants agree that ideally the CEO should not be on the search committee. He or she may express an opinion but should maintain a hands-off policy when the succession decision is made. In fact, it may not be best practice for a CEO to groom a successor. Those features that the CEO may believe were important for his or her tenure in fact may be less important for the future than other features. Thus, the CEO who has a hands-off policy relative to identifying a successor may be seen as respecting the hospital's future directions.

In fact, some contention exists around the role of the CEO in succession planning. Kovner (1988) insists that CEOs need to set mutual expectations with the board, plan succession and recruit from within the

organization. By performing these activities, the organization can respond to a rapidly changing environment and minimize the time required for employing a new CEO. Arguing against external successors, Kovner notes that the success of a CEO at one organization does not predict success at another because the other organization may be facing different problems. Indeed, recent research by Solucient and Cejka (Wilson 2005) suggests that top performing hospitals grow their own CEOs and other top executives.

In sum, whether or not the CEO attempts to develop an heir apparent is a decision that is unique to the culture of each organization. It is likely that internal successors are the most appropriate candidates when an organization is successful and the board seeks to continue the strategies of the outgoing CEO.

#### Leadership Transition Consultant's Role

The leadership transition consulting firm provides objective counsel regarding the characteristics of the next CEO by asking the board to determine what the critical issues will be for the hospital to be successful in the future. The board must be engaged—it must develop a vision so that it can be objective about the leadership characteristics that are most needed. Sometimes CEOs will know what is important for the hospital, but the leadership transition consultant often adds clarity to the CEO's perspective. If they are brought in early enough, leadership transition consultants can help organizations assess internal candidates' leadership skills, which would give such candidates an opportunity to address deficiencies through development programs such as coaching.

A neutral party is needed to determine if the organization is on the right track. The succession planning activity, along with the strategic planning function, is the right time to bring in the leadership transition consultant. A strictly internal process likely will result in continuing existing policies and procedures. Further, the successful candidate usually wants the endorsement of the consultant, knowing that he or she achieved the position through a process conducted on a level playing field in which the organization considered all the choices. Leadership transition consultants work only for the board. Finally, as part of its contract, the consulting firm conducts education checks, reference checks, criminal checks and credit checks. They also perform covert reference checks with past employers and others in the industry. Candidates presented by the consultants have been vetted very carefully. When an offer is made, the leadership transition consultants then check with the candidate's current employer. They also typically confer with the search committee chair after three, six and 12 months to determine how the new incumbent is working out.

#### Summary

- 1. The board (or corporate executive) functions to appoint the hospital's new CEO by (1) defining specifications, (2) interviewing candidates to assess their skills and (3) attracting the candidate of choice through persuasion.
- 2. The board should conduct discussions about succession planning during the CEO's annual performance appraisal and, if appropriate, include it as a targeted objective.
- 3. If an internal successor is selected to succeed the current CEO, the board should sign off on this; caution should be exercised in appointing CEOs long before they actually take on the role as the hospital's leadership needs may change.
- 4. The incumbent CEO is responsible for ensuring that a fair and consistent succession process is in place and attended to by the board (or corporate executive).
- 5. The leadership transition firm provides objective counsel regarding the characteristics of the next CEO by asking the board to determine what the critical issues will be for the hospital to be successful in the future. Consulting firms can then assist boards in identifying the skills and experiences required and then locate potential candidates.

#### 2. How should hospitals pick successors?

#### **Board Chair Views**

Board chairs relate two key processes for picking CEOs. First, they plan to form a selection committeea subgroup of the board—to consider the merits of candidates. Second, most plan to hire an outside firm to locate external candidates and help them evaluate both external and internal candidates.

Board chairs also shared several attributes they look for in a CEO. The essential leadership skills that future CEOs must possess are viewed as dependent on the needs of the hospital at the time of succession. Nevertheless, board chairs cited the following characteristics of individuals who impressed them as possible or even likely successors to the current CEO:

- Able to handle difficult assignments
- Imaginatively develops ideas to resolve hospital/physician conflicts
- Able to think broadly
- Entrepreneurial
- Solid at crunching numbers
- A winning personality—able to relate to other healthcare leaders and have internal allies (e.g., physicians) and external friends
- A "joiner" active in clubs and community groups
- Good at public presentations
- Works well with the culture of the community

#### **CEO** Views

For the most part, CEOs echoed the views of the board chairs. Some additional characteristics cited by the CEOs who had identified a possible internal successor include:

- Sharp focus on benchmarking and performance improvement
- Shrewd negotiator with managed care organizations
- Visible with medical staff
- Knowledgeable about quality and patient safety
- Skilled at navigating the state's political arena

Internal candidates are sometimes suggested by the CEO to the board chairs for consideration. Incumbent CEOs often tap executives on their staff who are able to see the big picture, get along with the medical staff, think strategically and, in general, transcend their immediate role requirements.

CEOs also recognize that a major departure in strategic direction might necessitate selecting an external candidate. To radically change an organization, it is often necessary to recruit someone not associated with the previous regime. While internal candidates possess advantages such as knowing the organization's culture and its institutional history, they are sometimes disadvantaged because they often are viewed as limited to the functions that they initially performed and are seen as lacking in breadth of experience and understanding.

#### Leadership Transition Consultant Views

Leadership transition consultants, as noted above, generally recommended that prior to picking a successor, the board conduct a SWOT analysis (i.e., analyze the organization's strengths, weaknesses, opportunities and threats) to determine what the critical issues will be for the hospital to be successful in the future. Moreover, as part of the selection process, the leadership transition consultant helps the board understand the hospital's immediate and long-term needs.

One advantage of retaining external leadership transition consultants is that they can present the objective accomplishments of each candidate—internal or external. They can determine what unique ideas and views candidates offer and investigate their performance track record and the extent to which their subordinates and colleagues felt inspired by their leadership (Witt 1987).

#### Summary

- 1. Possible successors are considered based on their unique competencies and how they have contributed to high-level discussions over a period of time.
- 2. Occasionally, a potential successor surfaces if the current CEO becomes incapacitated or leaves unexpectedly.
- 3. CEO successors are selected based on the anticipated needs of the hospital.
- 4. To keep the search objective and validate the board's decision, a leadership transition consultant is typically engaged.

5. CEOs need to be circumspect about their role in identifying and grooming their successor. They can get involved in the search procedure (e.g., help to identify a consultant or make sure an equitable process is being adhered to), but they should avoid choosing (and perhaps even grooming) their successor.

A national study of freestanding hospital CEOs in 2004 showed that 87 percent of hospitals did not provide formal preparation of named CEOs prior to their assuming the role. Of the 13 percent that did provide developmental experiences, the following were cited in order of frequency: mentoring, "stretch" assignments (to broaden their understanding of strategic and operational management), meeting with key stakeholders, 360-degree feedback, job rotation and coaching from an external consultant (Garman and Tyler 2004).

# 3. Is it preferable to have one or multiple candidates for the CEO position?

#### **Board Chair Views**

Board chairs we talked to prefer having a single, identified successor. This avoids the possibility of having several internal applicants for the CEO position who might leave the organization if not selected for the position.

However, board chairs acknowledged that if the current CEO's retirement was several years hence, it might be prudent to identify two people: one to serve as an immediate successor and a second who could be developed to assume the role in a few years. All stated that although an internal candidate might have been identified, this should not preclude going to an executive leadership transition firm for additional external candidates. If nothing else, such a review of outside candidates can serve to confirm the appropriateness of selecting an internal candidate.

#### **CEO** Views

The CEOs we conferred with also preferred to identify a single successor. By using various techniques, they believe that others on the senior management team can be kept interested in serving the organization if one of their peers is elevated to the CEO position. Examples of ways to retain internal candidates who are not selected include providing them with an enhanced role in the hospital, giving them greater visibility and giving them a new title.

#### Leadership Transition Consultant Views

Leadership transition consultants state that ideally, every search should include one internal candidate. When two or more internal candidates surface, this can be a sign that there is likely no strong internal candidate. If the current CEO leaves the position suddenly, sometimes two or three senior managers step in to lead the organization. In such circumstances, however, one of the managers typically assumes the role of the de facto CEO.

#### Summary

- 1. Boards should identify one internal candidate who could take on the CEO role immediately if necessary.
- 2. Boards, probably with the assistance of the CEO, should consider identifying an immediate successor while possibly grooming a CEO for the future.
- 3. The board should not hesitate to call in external candidates if it is not convinced the internal candidate is the best person for the job.
- 4. CEOs should consider the impact on other senior executives by offering to expand their roles and titles when their peer is promoted.

A national survey conducted of freestanding hospital CEOs in 2004 showed that of those who identified a successor to their current CEO, 56 percent only considered internal candidates for the CEO position, 13 percent only considered external candidates and the remaining 31 percent considered both internal and external candidates. The research showed that organizations that included internal candidates in composing the candidate pool evaluated their succession planning process higher than those that considered only external candidates (Garman and Tyler 2004).

#### 4. When should the CEO's successor be named?

#### Board Chair and CEO Views

Board chairs and CEOs agreed that no one should be publicly named until after the incumbent CEO's departure is announced for the following reasons: (1) it might destabilize the existing management team, (2) it precludes an option to consider other candidates in view of changing requirements of the position and (3) sometimes CEOs change their mind and wish to retain the position for longer than originally anticipated. Board chairs especially wished to keep their options open until the issue of CEO succession was an imminent event. Nevertheless, those boards that had designated successors were generally pleased that internal talent had been identified and were in the process of being coached.

#### Additional CEO Comments

While the successor may not be explicitly named, CEOs confided that very often, senior managers and even board members had a tacit understanding that one of the senior managers was the probable successor. In the few instances where an internal successor was identified by the board, the identity of the individual was kept confidential. Thus, the CEO and board planned for the future, avoiding surprises and averting the possible destabilization of the management team as well as neutralizing the CEO's authority.

#### Leadership Transition Consultant Views

Leadership transition consultants echoed the views of board chairs and CEOs. Public announcement of the CEO's successor should occur once the CEO has announced his or her departure. In some instances, confidential conversations between the CEO and each senior executive may be advisable. This affords the CEO the opportunity to learn about each senior executive's aspirations and for senior executives to obtain feedback about the likelihood of assuming the CEO role.

#### Summary

1. Board chairs, CEOs and leadership transition consultants agreed that the public naming of the successor should take place only after the incumbent CEO's departure is announced. 2. In some cases, successors are identified but the information is kept confidential. Despite this, the development and coaching activities offered to designated successors might signal to the management team who the likely successor will be.

A national study of freestanding hospital CEOs in 2004 reported that CEOs who were previously identified as successors (15 percent) were significantly more likely to indicate that their own successor had been identified (23 percent) than hospitals where the CEO had not been part of a succession planning process (13 percent) (Garman and Tyler 2004).

## 5. What kinds of development experiences are structured for successors?

#### **Board Chair Views**

The board chairs believe that their CEO designates require good interpersonal skills, including the ability to relate to the medical staff, local business leaders and government officials. Moreover, future CEOs must be exceptional public speakers who need "stretch" assignments that broaden their understanding of strategic and operational management.

#### **CEO** Views

The CEOs cited various developmental experiences they would expose likely successors to, including (1) one-on-one meetings with each board member every month, (2) attending Governance Institute or Center for Healthcare Governance retreats with the board, (3) attending medical staff executive committee meetings, (4) participating in 360-degree assessments and (5) using the services of an executive coach. CEOs also encourage their successors to expand their professional commitments such as getting involved in state hospital association activities and the American College of Healthcare Executives.

#### Leadership Transition Consultant Views

Typically leadership transition consultants are not engaged in the process at this point. They evaluate external candidates based on their present knowledge and their ability to meet the needs of the organization as it goes forward. Leadership transition consultants do not usually present any candidates who would have to begin by taking a COO position or who would need to learn about the features of the organization. Such preliminary appointments generally do not work. For example, CEOs may change their mind and decide to stay on. Also, for the candidate, it is a long interview—every decision has to be political one and each is a referendum on the ability to lead.

Sometimes, however, "on-boarding" is recommended. In this situation, the candidate is brought in for a six- to eight-month period to develop certain skills and become acculturated to the organization. This is a very delicate, difficult situation—especially if the board is not in full agreement about the worthiness of the candidate.

Finally, on occasion, the previous CEO remains associated with the hospital. While this may be construed as an incomplete transfer of power, in reality and under special circumstances, it can work to benefit the organization. Over time, the CEO may have developed relationships with others in the community—especially corporate CEOs. The previous CEO often is able to galvanize other leaders and serve as a useful advocate for the organization as well as a mentor and advocate for the new CEO. When the CEO is "maintained as a consultant," he or she typically is taking the role of coaching the new CEO, often in the governance arena.

#### Summary

- 1. Board chairs need to consider prospective CEOs from the standpoint of existing strengths and areas needing development.
- 2. Board chairs need to discuss their perceptions of the successor's development needs with the CEO so that stretch assignments, coaching and formal education can be obtained in preparation for the CEO position.
- 3. Advance notice about possible succession—as much as five years—will allow the successor time to achieve the developmental expectations of the board.

- 4. CEOs can structure specific projects, external involvement and positional requirements to prepare their potential successors.
- 5. Leadership transition consultants typically do not present candidates for CEO positions who need development. (But this is sometimes done for lowerlevel executive positions, e.g., chief medical officers, chief nursing officers or others.)

A national survey of freestanding hospital CEOs in 2004 showed a median length of transition between a successor being named and assuming the CEO position was 12 months. On average, there is a limited period to develop potential candidates for the role. However, the strongest single predicator of perceived effectiveness in preparing successors was the length of the transition process. Transition periods of three or more years were associated with positive perceptions of the developmental process, as were the number of developmental activities used (e.g., mentoring, stretch assignments) (Garman and Tyler 2004).

#### 6. How can a hospital retain talented leaders who will be prepared to take the CEO's position when he or she leaves?

One suggested tool to retain executive management talent used by a CEO we interviewed is "golden handcuffs," a generous payment (or phased payments) to a senior executive who in exchange agrees to remain with the organization for a specified length of time.

#### **Board Chair Views**

While at least one board chair supported the notion of retaining top talent by offering a \$150,000 retention award, others were not in favor of that approach. For example, one suggested that the individual may develop an addiction, a performance or other personal problem and then would need to be dismissed.

#### **CEO** Views

A number of CEOs were in favor of golden handcuffs. In reacting to a specific instance, one CEO stated that if the hospital's leaders were quite sure this person would serve the hospital as the best next CEO, then such a retention bonus made sense. Some suggested that a higher incentive spread out over time might have been more effective, but the concept was deemed solid and worthwhile. One CEO suggested that the retention bonus be formalized in a contract with a clearly specified timeline.

#### Leadership Transition Consultant Views

Leadership transition consultants cautioned that as candidates begin to accrue degrees and experience, they become more and more valuable. The candidate may remain with the hospital until the target date is reached and then leave the organization a month later. Thus, golden handcuffs do not really minimize risk of losing prized talent. Another suggested that even though such a program can backfire, it can be a useful strategy and is frequently used in the business community.

Overall, it may be suggested that to retain executive talent, providing a retention bonus makes sense if the board is nearly certain that the senior executive will serve the organization as its next CEO. A less controversial tool than golden handcuffs is to structure stretch assignments that challenge and expand the future CEO's leadership repertoire.

#### Summary

- 1. To retain key executive talent for the future, golden handcuffs may, in special circumstances, be an effective management tool. Some considerations should be the desirability of the executive, the unique capacities offered relative to the needs of the organization and whether or not such capacities can be developed in others or recruited for.
- 2. In most cases, golden handcuffs will not prevent a candidate from leaving after the payout. At best, it is a temporary device that may serve to demonstrate the sincerity of the hospital's intention to promote the candidate.

#### 7. Should succession planning occur elsewhere in the organization?

Hospital interviewees were asked whether succession planning is valuable for other leadership functions, such as the governing board and medical staff.

#### **Board Chair Views**

Board chairs involved in CEO succession planning stated that they had structured the governance function of the hospital to promote continuity. For example, one respondent indicated that the typical board member tenure was three, five-year terms. Moreover, the board chair serves as vice-chair for one year after he or she completes the role to facilitate the work of the new chair.

#### **CEO** Views

CEOs who initiated succession planning in their hospital also had worked to ensure the leadership of the medical staff would be known and planned for in advance. This permits physicians to be trained to assume their future leadership roles.

#### Leadership Transition Consultant Views

Occasionally, transition consultants are used to locate and recruit board members. This has enabled hospitals to recruit minority and female directors who would have not surfaced through ordinary channels.

#### Summary

- 1. While CEO succession planning may be a rare occurrence, succession planning for the board appears to be more commonly practiced.
- 2. Medical staff succession planning is a good idea to prepare physicians to acquire leadership skills for their future roles.
- 3. Concerned hospital leaders should consider the future leadership capacity of the organization relative to governance, medical staff and executives.

In data derived from a national study of freestanding hospitals in 2004, we learned that in hospitals where the CEO's successor had been identified, there was a threefold greater chance that succession planning was routinely done for other key positions as well (Weil and Kimball 2004).

In a national survey of freestanding hospital CEOs in 2004, respondents were asked how effective their succession planning processes were in (1) identifying appropriate successors and (2) preparing the candidate for the role. Nearly half (47 percent) stated they were ineffective in both functions (Garman and Tyler 2004),

### A ROAD MAP FOR CEO SUCCESSION

Following are some pointers for your board chair and you to think about as you go about the important organizational task of establishing the succession planning process for your board or corporate executive to designate and prepare your heir.

- 1. Consider your anticipated tenure as the hospital's CEO. If you expect to leave within three to five years, begin the process of identifying where your organization is headed.
- 2. Take the initiative to broach the subject of your replacement with your board chair. As the time for your departure nears, suggest that he or she organize a selection committee composed exclusively of the board members that represent diverse segments of your community.
- 3. Ask your board chair to develop a list of the needed skills for the successor who will take the organization to its target.
- 4. Think about candidates inside the hospital that have the capabilities to meet the major challenges of the future. It might be financial skills, interpersonal skills, knowledge of information management or clinical innovations—think in broad terms about the hospital's directions relative to the community's needs. If the talent does not appear within your hospital, then consider outside candidates.

- 5. If you decide to evaluate internal and external candidates, develop a process that will evaluate each as equally as possible. For example, if a leadership transition firm is used, ensure the firm examines both internal and external candidates.
- 6. For internal candidates: If your board's search committee identifies an internal candidate, it must, perhaps with your help, assess his or her developmental needs. After the assessment is complete, begin working with the candidate over time. The period of development can range depending on his or her needs and your plans to leave. Thus, this relationship can continue from several months to four, five or more years. Bring that person to board meetings and meetings with legislators, key consultants and medical staff members. Work on his or her developmental needs immediately. Ensure he or she gets opportunities to present to the board. Also encourage him or her to meet with board members one on one. Make sure the candidate has current managerial responsibilities as well as an accountability to learn about the CEO's role. Coach your successor systematically. Set up a routine where you can provide counseling and encouragement. Your work will be cut out for you because coaching should be based on observed behavior. This can only work if you both trust and respect each other.

For external candidates: If your search committee or consultant identifies an external candidate, then begin the process of CEO transition as early as possible. Help that person learn about the organization's culture by inviting him or her to board meetings and social gatherings. Similarly, coaching should take place so that the external candidate is up to speed when that individual assumes your position. 7. For internal successors: Once you announce your departure, begin to step away and allow your designated successor to handle some board inquiries alone. This allows your successor to develop self-reliance and it will give the board greater ownership of the succession decision.

**For external successors:** Agree on a transition date. Introduce the new CEO to major stakeholders and work with him or her to identify major issues confronting the hospital. Develop a communications plan about the transition.

8. Institutionalize succession planning at your hospital. For example, consider adding succession planning as an accountability on which your board will evaluate you. Measures might include conducting an assessment of internal and external succession candidates, establishing a developmental plan for the successor, initiating the process of introducing the successor to key stakeholders and other key activities that prepare the candidate for his or her CEO role.

In conclusion, hospital CEO succession planning is a process that you should encourage. Although the outcome is not in your control, practicing succession planning helps provide for the organization's future and cements your legacy as a professional who is committed to the needs of the institution that you worked so hard to nourish.

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