A board-driven CEO onboarding program forms the foundation of an effective working relationship

By Bob Clarke and Sherrie Barch

Sheila had just been hired as the chief executive officer of a major hospital. She and Jim, the board chair, had spoken several times throughout the hiring process. Yet, shortly after Sheila officially took the helm, the pair hit some bumps in the road.

Jim had very clear expectations about a major decision that had been on hold prior to the new CEO’s arrival. Understandably, Sheila wasn’t completely up to speed on the history of the issue, so she tried to be helpful by suggesting several options. Instead, Jim was aggravated by the delays and wanted no further discussion.

What was the problem? Neither Sheila nor Jim was wrong; they simply hadn’t established the groundwork for how they would communicate. They needed to establish an understanding about their different expectations.

Many trustees have experienced a situation like this, and most hospitals are able to muddle through it on their own. But, too often, the resolution is left to chance, which means the first year of a CEO’s tenure is rockier than it needs to be.

When a hospital seeks a new CEO, the energies and attention of the board of trustees are poured into finding the right person for the job. Yet, the recruitment process doesn’t end when a candidate accepts the position. Onboarding is the next essential step in the recruiting process. Following are ways the board can develop an onboarding program that will lead to long-term retention and a positive working relationship.

Stay in Touch
After the offer letter is signed, a communication vacuum can develop. Trustees don’t want to bother a busy executive who has a job to wrap up, a family to move and a home to sell. To get and keep everyone on the same page, the board should put a plan in place to communicate during and immediately after the transition. The following questions can be used to establish the plan’s framework:

• Outside of meetings, how does the board want to communicate with the CEO?

• What is the CEO’s communication style?

• In which decisions does the board expect to participate?

• When the CEO makes a decision, when will the board be informed?

Pick the Targets
When the board hires a new CEO, it empowers that person to lead the organization. At the same time, it needs to establish expectations for the CEO’s performance.

Upon hiring the new executive, the board and CEO should set specific initial goals and reach agreement about any perceived concerns about the CEO’s style and experience. The CEO should be encouraged to consider the board’s makeup in a similar manner. The hospital’s human resources leader can help to facilitate these discussions.
Together, the board and the CEO should develop 30- and 100-day plans with milestones for goals and discussions. If necessary, the board should offer to provide executive coaching. A CEO can feel isolated or struggle with new leadership challenges and may need an external sounding board.

The following questions can help trustees to clarify their expectations:

- Is the board looking for sweeping changes in a short time span, or is there an understanding that changes will be gradual and phased in over a certain period?
- What agreements have been made on operational, financial and organizational goals?
- What are the metrics for success for each of these goals?

When It Works

How does onboarding pay off? Consider Tom, who accepted his first CEO post with a mandate for change at an organization that needed a financial turnaround. He was replacing a retiring leader who had been at the helm for more than 25 years. Through numerous conversations, Tom and the board reached agreement on the boldness and freedom he needed to stop the flow of red ink. It involved a huge change in leadership style and philosophy, but the board, which had been known to be quite conservative, supported Tom, and positive results began to emerge within a year.

Ease the Transition for Everyone

The board is entrusted with finding the right person to lead the hospital and make a long-lasting, positive impact on the community. What can trustees do to help a new CEO meet and even exceed expectations? Here are five less-obvious hurdles the board can remove:

1. **Offer a Paper Trail.** Organizational decisions have been on hold during the search process. The new CEO will be expected to make some significant decisions in a short amount of time. The board can make it easier for the new leader with documents. In the weeks or months before he or she arrives, trustees can provide a great deal of context around decisions that were made over the previous few years. Strategic plans, board meeting minutes, historical documents — all of these can help a new executive understand why and how the hospital made its last major moves.

2. **Make Introductions.** Who are the major supporters of the organization? Who are the key constituents in the community? Set up the new CEO for success in the community by taking him or her to key contacts’ offices or places of business for a 20-minute introduction.

3. **Nurture the Family.** Don’t ignore the challenges of relocation. The new CEO is instantly immersed in a network and a job, but if there are a partner and children involved, they don’t know anyone. Be proactive in engaging the entire family and easing the transition to a new neighborhood, school or church. This has absolutely nothing to do with the CEO’s job, but if the new location doesn’t work for the family, everybody suffers.

4. **Communicate Continually.** A new CEO is pulled in several directions and has many things to consider before he or she officially starts. Still, the board should give him or her an opportunity to have a voice in decisions that need to be made prior to the first day and that will impact his or her job, such as a significant capital expenditure or a key hire.

5. **Build Trust.** Any new executive will elicit a variety of reactions from board members and employees. The new CEO needs to know that the board has his or her back. In private and public, the board needs to express support for the new leader and the decision process that brought the CEO to town. Any disagreements should be discussed — and left — behind closed doors. — B.C. and S.B.