

# Trustee Insights

## STRATEGIC PLANNING



## CEO Selection in a COVID-19 World

Evaluating leadership skills for future, unscripted crises

BY KIMBERLY A. RUSSEL

**T**he coronavirus pandemic has served as a wake-up call for health care boards. Many trustees are realizing, perhaps for the first time, how strongly connected the daily work of hospitals and health care systems is to the ability of our communities and our citizens to live freely and safely. Likewise, the governance responsibility for health care organizations has become even more meaningful: It is deeply serious work with sobering implications.

Trustees are both appreciative and humbled by the tremendous leadership emanating from C-suite executives throughout the pandemic. CEOs have had to retool operational procedures; seek supply chain miracles; cope with convo-

luted testing issues; communicate extensively both internally and externally; forge new partnerships with competitors, public health agencies and long-term care providers – all while providing constant support and leadership to the internal staff who are bravely providing health care services in the midst of adversity. With their universally high levels of achievement, CEOs who have navigated the pandemic have established a new performance expectation for future CEOs: the ability to successfully lead an organization through a life-or-death crisis that arrives uninvited and without a playbook. The pandemic of 2020 – and the leadership skills required to navigate future, unplanned incidents – will be on the minds of

board members with CEO succession planning and selection on their agendas.

### CEO Selection Is Job One for Boards

According to the American College of Healthcare Executives, hospital CEO turnover is 18% annually. This means that CEO selection is directly relevant to most board members at some point in their board tenure. The selection and hiring of a CEO is appropriately regarded as the most significant decision of any board. Boards and their search committees have always evaluated many factors when selecting a new executive leader, and the coronavirus experience has added even more elements

for consideration by boards.

Boards will have many questions for CEO candidates about their experiences in the 2020 pandemic. Boards will want a full understanding of the candidate's role in their organization's response to the pandemic. Of greater significance, boards will want to understand what the candidate learned from the experience: What went well? What did not go well and why? Boards will want to query candidates on their internal and external communication strategies. And boards will be listening intently to the candidate's discussion of partnerships with community leaders, elected officials and other organizations.

### Crisis Leadership Characteristics

Each candidate for a CEO position will undoubtedly have a fascinating story to tell about their health care experiences in 2020. However, it can be difficult for board members to discern the relevant skills and experiences that are translatable to the job in question, especially if a candidate has highly polished interview skills. How can boards best obtain relevant information that will contribute to a fair and accurate evaluation of each candidate's likelihood of successful leadership in a future crisis or disaster?

Kimberly Rath, co-founder and co-chair of Talent Plus, a global human resource consulting firm, advises boards and CEO search committees to use a combination of open-ended questions paired with a structured, uniform selection instrument. Rath notes, "Open-ended questions enable a prospec-

tive CEO to tell his or her leadership story. Always ask each interviewee for in-depth examples." For instance, what illustrations can the candidate provide regarding their involvement in the development and implementation of pandemic-related communication strategies?

Rath suggests that CEO candidates with attributes of positivity, ambiguity tolerance and collaboration

direct reports.

Prior to the pandemic of 2020, disaster response planning by most health care organizations focused on a single event, such as a weather emergency (hurricane, tornado, flooding) or a specific act of violence. Emergency response of this nature generally plays out over a matter of hours or days. For the coronavirus, most health care

### TRUSTEE TAKEAWAYS

- Expand the CEO selection process to include an evaluation of a candidate's ability to provide sustained leadership of the highest caliber in future, unexpected crises.
- Gather information via structured, open-ended questions.
- Seek candidates that demonstrate positivity, collaboration, an ability to tolerate ambiguity and the capability to focus during periods of extreme work intensity.
- Candidates with a leadership track record demonstrating those attributes can translate their skills for success during a crisis.

will be successful in leading organizations through unknown territory, such as the coronavirus response. She also recommends that boards look for examples of focus from each candidate. "A leader with a keen sense of focus stays on track and is able to analyze data quickly, make a decision and move the organization forward," she explains.

How does the prospective CEO respond to negativity? Rath observes that "effective responses to negativity are much more than just expressing optimism." Boards should look for evidence from the individual's past experiences showing they can respond to negativity in a strategic manner that results in guiding the way for their

organizations have operated their internal incident command centers for several months. The strict focus and intense nature of this work required significant mental and physical strength from health care leaders. Rath recommends, "Find out if work intensity is part of the candidate's makeup." Has the candidate experienced periods of extreme work intensity, and how did they personally manage through this time? Successful leaders have a history of sustaining themselves and their organizations during periods of extreme intensity.

The coronavirus was completely unfamiliar terrain for health care boards and CEOs. There were new challenges daily with more ques-

tions than answers. How should boards evaluate a candidate's ability to successfully lead during a crisis with an unclear path? Rath says, "Effective CEOs crave learning. They are always reading. They are always looking at what's happening across different industries and how it will impact health care." Ask candidates to describe and give examples of their personal plan for ongoing learning. How has the candidate developed and implemented learning strategies for their teams in the past?

The pandemic clearly illustrated to boards that a health care organization will not be successful as a solo player. Health care organizations must be open to partnerships with other community organizations. CEOs must have the ability to negotiate partnerships with both similar and dissimilar organizations. Candidates with a history of doing business with other community organizations will have well-honed collaboration skills that result in win-win outcomes.

Collaboration also means giving up a share of control. For example,

during the pandemic, some competitors shared personal protective equipment, adopted similar policies for visitors and even shared the stage at media briefings. Can the candidate operate in an environment in which they do not exercise 100% control? Boards may wish to ask candidates for examples of how they have developed partnerships in the past with a competitor organization, an unfamiliar organization and an unexpected partner.

The pandemic also has demonstrated the importance of CEO and leadership connections with government, including local, state and national leaders. Boards should probe candidates on their history with elected officials. How has the candidate specifically established and nurtured such relationships in the past?

### Final Thoughts

The CEO selection process should result in deep insight about each serious candidate. Boards have traditionally evaluated a prospective

leader's financial acumen, physician relationship skills, community engagement, people development potential and overall ability to drive results. Boards now also must consider the leadership characteristics needed to successfully navigate an organization to the other side of potentially disruptive and catastrophic events like a pandemic. CEOs with the leadership characteristics to steer an organization through an unscripted crisis have previously demonstrated these same traits before and after such an event.

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