

# Trustee Insights

## BOARD COMPOSITION & SELECTION



## Data reveal characteristics shared by successful CEOs

Choosing your next CEO using Objective Data

BY KENNETH R. COHEN

**S**ixteen percent of hospital CEOs left their roles in 2021 according to a report from the American College of Healthcare Executives. “Hospital leaders have played, and continue to play, a critical role in our recovery from the COVID crisis, and the value of strong, capable leaders has never been more evident,” Deborah Bowen, president and CEO of the American College of Healthcare Executives, shared in a May Becker’s Hospital Review.

Trustees need to guard against the tremendous consequences of unplanned CEO departures on their acute care hospitals and health

systems. For example, previous research studies have found that when a president/CEO departs such an organization, four more senior executives are likely to follow that leader out the door within one year, thereby resulting in a crucial loss of organizational knowledge, momentum and severed relationships with key internal and external stakeholders, including physicians. Also, the actual costs of an inappropriate leadership hire, at or above the \$100,000 salary level, have been estimated to be at least 6-10 times that amount, with the direct costs paling in comparison with the indirect costs.

In addition, studies have found that the majority of these failed hires (92%) were primarily attributed to a leader’s poor behavioral fit with his

or her position. Most often, this can be attributed to the incompatibility of the leader’s demonstrated behavioral style with that required by the organization’s unique culture, their key stakeholders and the specific demands of the position.

What exacerbates matters further is that an overwhelming number of publications offer criteria or specific attributes claiming to differentiate great leaders. However, upon close review, most of these are based primarily on personal opinions, are subjective in nature and lack objective methodology or real scientific bases for their conclusions. Unfortunately, hiring the wrong leaders exposes organizations to extremely costly, yet often avoidable, risks.

In response to these challenges and risks, the current research sought to apply a “Diagnosis Before Treatment” approach to help key stakeholders make informed decisions about how to best identify their unique needs for their CEOs/presidents, minimize any conflicting expectations up front, select the right leaders the first time and provide both the trustees and CEOs with practical suggestions to help facilitate the success of these senior executives.

Recently, The Synergy Organization completed its latest leadership best practices research study with 30 Malcolm Baldrige National Quality Award recipient Presidents/CEOs of top perform-

ing organizations across multiple industries.

## GOALS OF THE RESEARCH

There were multiple goals for this research:

- First, this research sought to identify these Malcolm Baldrige National Quality Award leaders' perceptions regarding the specific leadership attributes required for success as presidents/CEOs.
- Second, this study sought to identify those leadership characteristics actually demonstrated by these award recipient presidents/CEOs.
- Third, as the investigator's previous national research with other high performing senior executives had identified "blind spots" between the perceived requirements for success in their positions and their actual leadership attributes, the current study sought to further investigate such blind spots and those areas of congruence and divergence.
- Finally, this research sought to identify practical, objective strategies and measurable criteria that aspiring high performing organizations can use to accurately select, develop, retain and conduct succession planning with those extraordinary leaders offering the greatest potential for long term success.

## Perceived Requirements for Success:

An initial review of the results revealed some significant, counter-intuitive findings along with independent validation of certain anticipated findings. Among the more striking findings is the fact that what

senior executives believe is required most for success in key leadership positions is not what they need.

In addition, a sampling of those leadership characteristics perceived by the participants to be most critical for success as CEOs and which differ significantly from those in the general population are:

### Significantly Above Most Others:

- **Self-Knowledge** – Showing insight, with the willingness to admit to personal shortcomings, is essential for success in this position.
- **Political Abilities/Emotional Intelligence** – Having the ability to handle politically-sensitive situations at work and demonstrating skills for working well with people from different backgrounds are essential for success in this position.
- **Delegation/Management Skills** – Having interest and skills in delegating tasks to others and managing their progress are essential for success in this position.

### Significantly Below Most Others:

- **Approval Seeking** – Having an interest in pleasing others and caring about making a good impression on other people are not essential for success in this position and can prove counterproductive. Simply stated, the respondents are not "pleasers" who are primarily concerned with make everyone happy. They understand that they are responsible for helping the organization to achieve great results and they are much more focused on being good than looking good.

### Additional Findings about the

## Research Participants' Own Demonstrated Characteristics:

In fact, some of the research participants' own demonstrated characteristics found to be statistically significantly different from others in the general population are:

## Relative Strengths

### Significantly Above Most Others:

- **Caring for Others:** Enjoys assisting others to reach their goals and enjoys being able to help others solve their problems.
  - **Scholarly Pursuit:** They report a history of doing well in school and enjoy learning new academic skills.
  - **Candor:** Willing to admit to personal flaws, he/she probably has a realistic view of his/her own skills and abilities.
  - **Emotional Resilience/Grit:** On average, compared with most others, the respondents perceive that they have not experienced any prior traumatic events as being major life traumas, they had not experienced recent critical events that affected their ability to enjoy life and daily routines and they reflect a high level of satisfaction with their lives.
- Several significant findings emerged from the review of the research data. These exceptional leaders scored significantly differently on several measures (both higher and lower) than do most others. For example, they:
- Are keenly aware of their own relative strengths and weaknesses, and willing to publicly acknowledge their shortcomings and to deliberately hire team members who complement and compensate for them.

- Develop trusting relationships with others around, above and below them because of their demonstrated genuine interest and commitment to helping others achieve their goals and to solving their problems.

- Are not “naturally” extroverted; they are well-received in their interactions with others and have earned multiple leadership positions because of their comfort and history in handling some difficult, politically-charged situations.

- Will be driven, results-oriented, hold others accountable for their performance and will not be overly concerned with criticizing others when appropriate.

It is important to note that one of this study’s unexpected results found that the participants’ confidence levels were only within the average range compared to the general population. In a subsequent follow-up conversation with one of the participants, Sister Mary Jean Ryan, former CEO of SSM Health Care in St. Louis, she explained she always tried to be cautious in making most

decisions and did not want to apply a Band-Aid when a more complex solution was required. She also shared that throughout her career, most of the people who struck her as being overly confident typically did not have any good reason for acting that way.

### Blind spots identified

Some critical differences and blind spots also were identified among these senior executives’ perceptions of the requirements for success in their positions and their own demonstrated leadership attributes. For example, they minimized the importance of prior academic performance and the importance of being able to learn new information quickly. Yet, they themselves had performed at a superior level while in school, enjoyed learning new academic skills and were comfortable and effective at picking up new information from many different sources on the fly.

Brian Dieter, FACHE, president and CEO, Mary Greeley Medical

Center in Ames, Iowa, a 2019 recipient of the Baldrige Award, shares that applying these findings helped him select candidates with confidence, knowing more about how they work and how they prefer to receive feedback. He believes this ultimately improves the likelihood of success both for the individual and the organization.

Given all the tremendous, documented risks and costs associated with a wrong leadership hiring decision for everyone involved, these results underscore the need to objectively cross-validate each organization’s unique needs up front and to systematically evaluate prospective candidates relative to these criteria.

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