

CEO and Board Frustrations

Even if you have great relationships now, perhaps you can find an idea that will help enhance how you co-create your organization's future vitality.



PARTICIPANTS AT A RECENT Governance Institute conference were invited to define what frustrates a board in their relationship with their CEOs, and conversely, what frustrates CEOs in their relationship with their boards. We hope you will find these of interest, and try to avoid or minimize them in your organizations.

Great governance requires that great boards and great CEOs walk carefully through this minefield as you work together to guide the organization into a brighter and stronger future of great performance.

Top 10 Board Frustrations with Management:

1. Surprises at board meetings (i.e., a large deal or capital project has all of a sudden sprung onto the table)
2. Giving long speeches at board meetings, leaving little time left for quality discussion by the board on important, future-oriented issues
3. Overwhelming the board with management detail; not enough easy-to-read/digest information in graphic or picture form
4. Treating board members as figureheads, when they should be treated as valuable and respected assets from which to invite counsel on strategic directions or community relations
5. Waiting to seek board counsel until the problem has reached crisis stage
6. Often being at odds with the physicians
7. Spending too much time digging into/figuring out the process before actually taking action
8. It is difficult to measure the CEO's performance without having clear performance criteria
9. Weak orientation and not enough ongoing education about the complexities of finance and quality in the health sector
10. Lack of clear expectations of what one needs to do to be a great board member, and assessments of how the board member is doing against the criteria

Top 10 Frustrations of CEOs with Boards:

1. Poor meeting attendance and/or not prepared for the discussions on the agenda
2. Waffling on support of difficult and controversial decisions in meetings after they said they were ready to move forward
3. Treating the health system "just like any other business" and focusing on achieving the best financial results without regard for vision and mission
4. Having direct or indirect conflicts of interest (especially physicians), even after the board's adoption of a compliance plan, and expecting the CEO (rather than the board or committee chairman) to discipline trustees who violate compliance plans and policies
5. Board members (especially board officers) who seek, encourage, or allow the COO, CFO, and other senior administrators to communicate directly with them without the CEO's knowledge
6. Encouraging or allowing medical staff members to use social or family relationships to "inform the board" or lobby for specific decisions or actions
7. Failure of the board to select/elect new members who (1) bring needed experience to the board, (2) have talents that compliment, rather than duplicate, those of existing members, and/or (3) are able to be objective when difficult decisions need to be made
8. Unwilling to devote time needed to (1) learn about healthcare as a different "business" than those in which they are experienced, and (2) keep up with changes in healthcare, healthcare financing, and healthcare governance
9. Pressuring the hospital to work with local vendors that do not give the best service or price
10. Board chair who does not (1) establish priorities for work of the board and each board committee each year (in consultation with CEO), (2) approve the agenda for each meeting and/or (3) require each committee chairman to complete specific priority work during the year and report to chairman and board on the committee's work

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CEO Evaluations: Uncharted Waters? Top 10 factors to assess:

1. Does he/she establish clear strategic plans in partnership with the board that are reasonable and yet stretch the board to greatness?
2. To what degree did the organization accomplish plans and budgets for this past year?
3. Has the organization relied on outside counsel to establish formal compliance plans to assure the books and behaviors are appropriate and proper?
4. Leadership, ability, and skill of the CEO: Can he/she carry out plans and decisions approved by the board? Does he/she build board and medical staff understanding before the board and CEO reach a decision?
5. Integrity: Does he/she always tell the truth and the whole truth? Do our providers have faith and confidence in him/her?
6. Is he/she effective in identifying executive/administrative talent, recruiting, keeping, and developing people who will be successful in this environment?
7. Is he/she effective in building and maintaining provider confidence, agreement, and support?
8. Does he/she think strategically as a visionary in an increasingly competitive environment?
9. Does he/she focus attention and use time on vision, mission, and implementation of agreed strategy (rather than operating detail, which should be delegated to others)?
10. Does he/she represent the organization effectively to the community, sponsors, contributors, and public?

If so, do we recognize and reward the CEO so that he/she feels enthusiastic, respected, and among the top compensated hospital leaders in our region?