How Boards Can Set New CEOs Up for Success

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A new CEO joins a hospital or health system inspired by the mission, energized to build on the organization's legacy, and ready to shape the future alongside a committed board and staff. Sustaining the CEO's early enthusiasm and motivation in today's tumultuous environment requires a well-developed system of governance support and an intentional approach to building and maintaining a strong board–CEO relationship. Boards spend considerable time and effort selecting the CEO; what happens after the search committee disbands is equally important. The board has a vital role in supporting the CEO's transition into the organization. This article offers tips for healthcare boards to reduce common transition risks and foster the new leader's success.

Establish a Healthy Foundation: The Board Chair–CEO Relationship

The most influential relationship during a CEO transition is often that between the CEO and the board chair. This relationship sets the stage for the broader board–CEO dynamic. Building on the rapport developed during the selection process, the board chair and CEO should have early, frequent, and candid conversations. In a mentoring capacity, the board chair can help the CEO understand board expectations, governance dynamics, and important historical context. The board chair should provide an essential safe space for the CEO to ask questions, raise sensitive topics, and seek counsel for early complex decisions.

The board chair and CEO will need to partner in developing board meeting agendas to ensure alignment on strategy, priorities, and messaging. The board chair can best position a new CEO through strategic agenda design, thoughtfully selecting whether the chair or the CEO should lead a particular agenda item. A new CEO brings change to an organization, which can be expected to alter board dynamics. Anticipating the impact of change, it is imperative for the chair and CEO to enter the boardroom aligned and for the chair to model support for the new CEO and to reinforce governance boundaries.

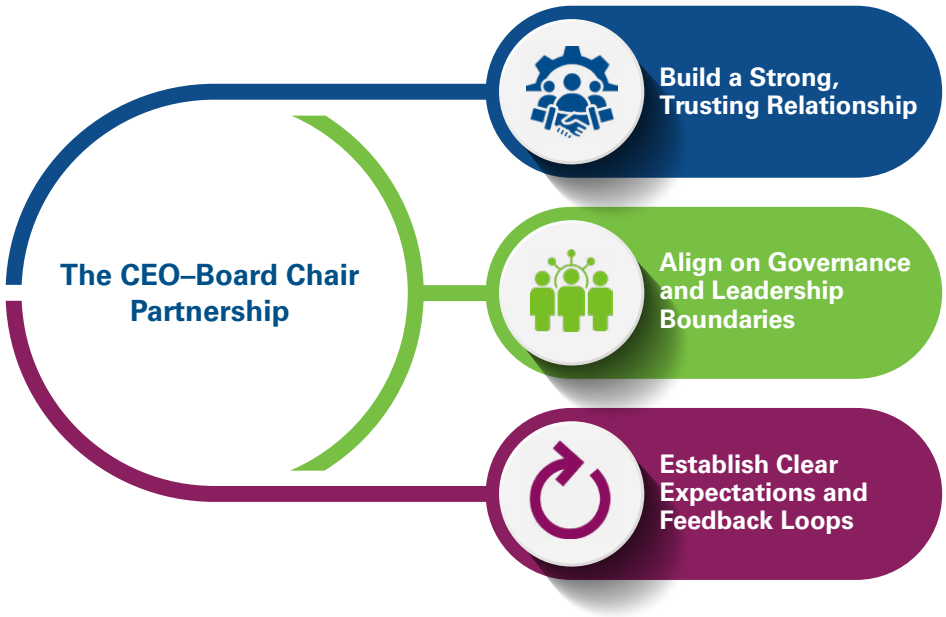
Serving as a mentor, confidant, buffer, and advisor, the board chair is uniquely positioned to create a healthy foundation for a new CEO to integrate into the organization. Developing this trusting and candid relationship early will set up the CEO, the board, and the organization for short- and long-term success.

Provide Space for the CEO to Lead

While a new CEO requires guidance and a great deal of knowledge transfer, they also need ample space and support to bring their own style, experiences, and vision to the role. One of the most harmful dynamics a board can create is comparison to the prior CEO, positive or negative. Ongoing references such as, "that's not how [prior CEO] did it" or "this was a real strength of [prior CEO]," can inadvertently undermine the new leader's confidence and willingness to innovate. Boards frequently place too much emphasis on managing the relationship with the outgoing CEO at the expense of focusing on the support of the new CEO. Often boards regret their decision to engage the outgoing CEO for too long in the transition process.

Boards should trust the selection process and operate with belief in the new CEO's abilities and fit for the organization, encouraging the new CEO to bring their fresh perspective to the strengths and challenges of the organization and chart a course that may differ from the past. Ensuring the space to lead also requires refocusing on the board's governing role to avoid any tendency to micromanage the new CEO. It is common during a CEO search process for a board to become more involved than usual at the operational level. Once the search is over, the board should resume its oversight role. As previously highlighted, the board chair plays a key role in maintaining governance boundaries, ensuring the strategic focus of the board, and granting the CEO trust and autonomy.

A successful CEO transition also requires the new CEO to show up with authenticity. The new leader must clearly and confidently communicate their leadership style to the board, proactively seek input from directors and governance staff, and build trust by leading with curiosity. Along the way, CEOs should leverage their partnership with the board chair to set and communicate appropriate boundaries with the board as needed.



››› KEY BOARD TAKEAWAYS

- Intentionally develop a strong board chair–CEO relationship—this is the foundation of an effective transition.
- Avoid comparing the new CEO to their predecessors, positively or negatively.
- Establish clear boundaries and build trust to empower the CEO's leadership.
- Co-develop strategic priorities and metrics early on with the CEO.
- Ensure frequent mutual feedback to foster alignment and promote growth.
- Invest in onboarding, coaching, and peer learning to support the CEO's success.
- Leverage board member relationships to connect the CEO to the community.
- Actively support and guide the CEO during the first 12–24 months to help strengthen the CEO's long-term effectiveness.
- Evaluate board effectiveness and impact as part of the CEO transition process.

Align on Expectations and Priorities

Clearly establishing expectations, priorities, and feedback processes are all important components of the initial transition period. Early alignment around strategic goals will help the CEO focus their efforts. Encourage the CEO to work with the board chair to craft initial annual performance goals, directly linked to the organization's strategic plan. Establishing measurable year-one goals, with key interim milestones, provides the CEO with explicit direction while offering the board a measure of initial progress and confidence in the stability of the transition.

Board members should use their voices and existing platforms to bolster the CEO's credibility in the community, celebrating the experience they bring and their vision for the future.

While formal evaluations of performance are important, regular informal feedback is especially key to the new CEO's early success. The board chair should seek feedback from the board, deliver real-time feedback to the CEO, and encourage the CEO to provide feedback about the level of support they are receiving.

Invest in CEO Success

Hiring a CEO is a significant investment and supporting their growth must be viewed as a strategic imperative. No matter how seasoned a new CEO may be, and whether they are taking on a new role within the same organization or a new role in a new organization, their successful transition will require ongoing learning and support. While high-performing CEOs are intentional in developing their broader leadership teams, it is not uncommon for them to focus less on their own development. The board has the responsibility to ensure that investment in the CEO's ongoing development is prioritized and appropriately resourced. Boards should work with the CEO to understand what resources are most helpful for them, considering the following:

- Adequate onboarding time and support from staff and board members
- Protected CEO-specific professional development budget
- Executive coaching, especially during the first year
- Participation in professional networks and leadership groups

Investing in the CEO's initial and ongoing development demonstrates the board's commitment to the new leader's long-term success. In tandem with professional development, it is essential for the board to also support the CEO's overall well-being. New CEOs will naturally want to demonstrate outcomes early and often. Boards should watch for signs of burnout and encourage the CEO to pace progress and change in a way that supports both the organization and the CEO.

Make Strategic Introductions

In parallel with the new CEO's integration into the organization, they must also focus on the external environment. Whether or not the CEO is new to the community, there will be key stakeholders to meet and market dynamics to grasp. Boards can accelerate this learning curve by leveraging their networks and helping the CEO navigate important relationships with donors, business and community leaders, and advocacy networks. Boards can provide the new CEO with important community history and highlight opportunities to strengthen partnerships or identify new opportunities. Board members should use their voices and existing platforms to bolster the CEO's credibility in the community, celebrating the experience they bring and their vision for the future. The new CEO must focus a great deal of their time learning the organization they are leading, but with the help of board members, they can simultaneously engage externally in a meaningful way.

Reflect on Governance Practice

The arrival of a new CEO provides an ideal opportunity for the board to evaluate its own effectiveness. Rather than expecting the new CEO to settle into the rhythm of existing governance practices and board norms, high-impact boards proactively assess whether they are investing time and resources in the most impactful and efficient ways. This moment of leadership transition invites the board to explore the following questions:

- Are board structures and processes efficient, forward-looking, and aligned with the organization's strategy?
- Does the board's composition optimally support the mission and strategy?
- Is the board spending its time focused on strategy and long-term value rather than over-indexing on oversight and reporting?
- How well does the board communicate and make decisions?
- Does the board culture encourage healthy debate and shared accountability?

Part of supporting the new CEO is leaning into the obligation for the board to evolve and adapt in a way that best supports the new CEO and the organization.

The early months of a new CEO's transition can materially enhance their long-term effectiveness. The board's approach to onboarding a new CEO and supporting them in the first few years is critical. By establishing trust, aligning on expectations, allowing space for leadership, and providing targeted guidance, healthcare boards create an environment for a new CEO to thrive and improve the organization's ability to deliver on its mission and achieve its strategic goals.

TGI thanks Andrew Chastain, President and CEO, Laura Orr, Senior Partner, Global Board Advisory Leader, and Susan Snyder, Executive Partner, Leadership Advisory, of WittKieffer for contributing this article. *They can be reached at andrewc@wittkieffer.com, lorr@wittkieffer.com, and ssnyder@wittkieffer.com.*