Leader Briefing

Beyond Executive Coaching

Why chief executive transitions are so uniquely challenging and how to make them more successful

Burl E. Stamp, FACHE
President|Founder
Alyssa Hwang, PhD
Vice President, Culture Transformation

Stamp&Chase

Climbing the healthcare leadership ladder – especially with today's financial, workforce, and operational pressures nipping at your heels – can be as risky as it is rewarding. Increasing levels of responsibility bring both opportunities for success and potential peril at progressively higher levels on the organization chart. For those who make it to the top, the move from vice president to CEO is the biggest, toughest transition healthcare professionals will make during their careers.

Hiring a new chief executive is a pivotal, high-stakes event for healthcare organizations, too. Boards, medical staffs, and communities expect new CEOs to deliver immediate results. But underlying organizational culture faults and conflicting priorities among key constituencies can easily cause the first year to become a period of uncertainty, misalignment, and lost momentum.

Organizations make a significant investment in the executive recruitment process to find and hire the best possible individual to assume the leadership reigns. Forward-thinking boards and health systems recognize that making an additional investment in targeted, dedicated support during the CEO's critical first year can help ensure their investment in recruitment and selection pays off.

This Stamp & Chase **LeaderBriefing** explores the risks and rewards that come with a new CEO appointment, both for the individual and the organization. The second half of this white paper introduces our new comprehensive, structured approach to confronting the unique challenges that come with hiring a new chief executive officer.

A Personal Message

No individual is ever 100% ready to step into their first CEO job. Even with years of experience in the C-suite of successful organizations, new executives are immediately thrown into situations that carry significantly more risk than they have assumed alone in the past. That was my experience when I was named a hospital CEO when I was 37 years old.

Drawing from personal experience and years of helping organizations improve leadership performance, our new **Executive Compass** helps an organization and the talented individual they hire as CEO reduce that inherent risk, providing an foundation for immediate and long-term success.

Burl Stamp, FACHE
President/Founder, Stamp & Chase

Why is a CEO's first year so challenging?

The person at the top of an organization carries tremendous responsibility on their shoulders. Expectations are high, and the margin for error is small, especially during the first year on the job. The fact that the Year 1 issues described below are often ones that no one in the organization likes to admit or talk about – especially with the new boss – makes overcoming them even more challenging but essential for long-term success.

Expectations are sometimes unrealistic

CEO searches are long, exhaustive processes that create high hopes among both internal and external constituencies for what the new leader will bring to the organization. When physicians and hospital staff harbor frustration around long-standing issues – which can range from compensation to the capital budget to the lack of an aggressive advertising campaign – they may expect the new CEO to immediately address and fix these issues overnight. And that, of course, will be impossible.

Not everyone is pulling for the new boss to be successful

For a variety of reasons, some individuals may greet the new CEO with at best lukewarm support. If internal candidates for the position were not selected, they understandably are disappointed, and that disappointment can make it more difficult for them to be fully supportive.

Additionally, the executive team may have had different ideas about who their new boss should be than the board, which potentially creates tension.

Finally, medical staff leaders in some organizations believe that the next CEO should be a physician. If that doesn't happen, they may be especially critical of early missteps or a perceived lack of attention to their specific issues. Conversely, if the new CEO is a physician, the medical staff may believe that all their issues will be addressed and solved immediately.

Even when the culture is weak, it can't be changed overnight

An incoming CEO may quickly recognize faults in the organization's underlying culture that are hampering long-term success. But an organization's culture has been built over many years, then reinforced every day by common beliefs, practices, and behaviors. Like an older building, when the foundation is terribly cracked and deteriorating, fixing it must be approached wisely and carefully to avoid destroying what's built above.

Context is as important as content in early decision-making

The strategic and operational changes needed to either turn around a struggling organization or accelerate success of a thriving one may seem crystal clear to a new CEO. High priorities voiced by the governing board, health system corporate leadership, and/or medical staff leaders will tempt the incoming executive to jump in with both feet and make substantive changes.

But below the surface, the water a new president dives into may contain hidden undercurrents and risks that will stymie or even sink initiatives that on the surface make perfect strategic sense. Understanding the extent of these unseen hazards can be challenging even for experienced leaders.

Smart incoming CEOs consider the following three questions to assess the organizational environment they are diving into:

- **Will the existing culture embrace or resist my leadership style, strategic initiatives, and operational improvement priorities?**
- **Is the current senior leadership group a highly-functioning team that's ready individually and collectively to support and successfully implement new programs and management approaches?**
- **Is the management team below the c-suite well-prepared and capable of successfully implementing fresh ideas and new initiatives, especially given increasing healthcare workforce challenges?**

Considering these questions out of the gate helps a new president develop a clear, compelling vision for the future that considers not just what needs to be done but more importantly how to implement change so that it is embraced and delivers the desired results.

Answering these nuanced questions is prudent but not necessarily easy. Because underlying cultural and talent issues within an organization are not always obvious, it is difficult for a new CEO to assess these concerns alone, especially when many in the organization may be working hard to defend or cover up past practices. A structured approach with an experienced external partner makes this assessment more efficient and effective.

Introducing Executive Compass

Like walking a tight rope for the first time, a newly appointed chief executive soon realizes that the role is a high-stakes endeavor with limited room for error. If they lean too far too quickly in either direction, the results can be perilous. And it often feels like you are walking that tight rope without a net.

Executive Compass, Stamp & Chase's structured leadership transition program for first-time healthcare CEOs, helps new executives find and maintain their professional and personal balance early in their tenure. During times of difficult decisions and uncertainty, Executive Compass also provides a safety net for CEOs, helping them rebound from crises or missteps and regain their footing quickly.

Led by Burl Stamp, FACHE, a former hospital CEO and industry thought-leader on best leadership practices in healthcare, **Executive Compass** is designed to achieve five major objectives that are critical to a new executive's success. While distinct, these five modules are also inter-related. When pursued together, they provide a synergistic lift to the new CEO's leadership impact that makes him/her and the organization more successful.

Objective 1:

Explore and describe dominant characteristics in the organization's culture, identifying both enabling strengths and potential liabilities.

Strategies/Tools:

Organizational Experience Snapshot

- In-depth interviews with board and executive leadership
- Focus groups with key constituencies: frontline staff, middle managers, providers
- Observation in key service locations, including conversations with patients and families

Organizational Culture Assessment Instrument (OCAI)

- Research-based, widely used tool developed at the University of Michigan to assess dominant cultural characteristics using the *Competing Values Framework*
- Deployed during interviews and focus groups

Deliverables:

Comprehensive summary report and presentation of key findings

- Initially to CEO
- Subsequently to Board leadership and executive team
- High-level summary provided to leaders at every level of the organization

Follow up strategy session with CEO to explore implications

Objective 2:

Objectively assess individual and collective strengths, weakness, and competency/experience gaps among senior leadership team.

Strategies/Tools:

In-depth Conversations with Senior Leaders

- Builds on the interviews conducted during the Organizational Experience Snapshot
- Self-assessment of personal strengths and opportunities for improvement
- Discussion of executive team dynamics and opportunities to improve collaboration and teamwork

Gallup StrengthsFinder Assessment

Survey instrument identifying top personal strengths/behavioral preferences (among 34 personas) for each executive

Deliverables:

Clear depiction of current executive team's strengths and opportunities for improvement

- Individual profile of top 5 strengths for each senior executive
- Collective profile of executive team across four major leadership themes: Executing, Influencing, Relationship-Building, Strategic Thinking
- Facilitated team development workshop to explore executive group profile and implications for future success
- Summary of major strengths and potential limitations of individual team members

Objective 3:

Identify Year 1 personal priorities for CEO that will define and differentiate his/her leadership style and accelerate favorable standing and reputation in the organization.

Strategies/Tools:

Personal Leadership Planning

- Three one-hour sessions
- Leverages key findings from cultural and individual executive team assessments
- Prioritizes CEO's personal strengths and how they can best be leveraged to achieve organizational success

Deliverables:

CEO's personal leadership roadmap:

- Top initial priorities, including potential obstacles to success
- Key milestones and approaches to ongoing progress assessment

Monthly one-hour advising sessions

- Monitor progress
- Problem-solve challenges
- Adjust roadmap specifics as necessary

Follow up strategy session with CEO to explore implications

Objective 4:

Enhance accountability among senior leaders and middle managers to achieve identified goals, improve operational performance, and increase loyalty/engagement.

Strategies/Tools:

MyTEAM® Platform Implementation

- Conduct intensive one-day Leadership Retreat(s) to introduce T.E.A.M. model and confirm expectations for middle managers
- Launch MyTEAM® cloud-based software platform to help middle managers implement and sustain best practicers more easily and complete restructure the annual performance review process
- Use MyTEAM® to monitor best leadership practices compliance

Deliverables:

Leadership Retreat(s) adapted to include organization-specific content

MyTEAM® leadership curriculum and cloud-based platform implementation

Objective 5:

Align strategic priorities across the leadership team to provide clear, consistent direction to managers and staff throughout the organization

Strategies/Tools:

Facilitated Annual Goal Development

- Review of key performance metrics
- Discussion and prioritization of major strategic initiatives
- Initial, interim, and final organizational goal document, developed in a series of sessions

Deliverables:

Comprehensive organizational and executive team goals document

- People
- Operations/Quality
- Growth
- Finance

Communication plan for larger management team and frontline staff

Summary

CEO leadership transitions inherently involve significant risks for both the new executive and for the organization he/she is joining. Especially for first-time CEOs, this risk can be reduced by approaching the transition in a structured, supportive way, helping the incoming leader anticipate, evaluate, and proactively respond to the immense challenges that have landed on their shoulders.

About the Authors

Burl Stamp, FACHE, is the President/Founder of Stamp & Chase, Inc. With broad-based experience working alongside health care professionals from the boardroom to the bedside, Burl has helped major health systems, academic medical centers and community hospitals improve bottom line, staff engagement, patient experience, and operational results.

Prior to launching Stamp & Chase over 22 years ago, Burl served several leading health care organizations in executive roles. As president and CEO of Phoenix Children's Hospital, he spearheaded development and construction of the first comprehensive, freestanding health care campus in Arizona dedicated to pediatrics. He also served on the executive team of BJC HealthCare/Washington University Medical Center.

Burl is the author of *Becoming a Better Boss* and *The Healing Art of Communication*. He has served on the Boards of Directors of SoutheastHEALTH (now Mercy Southeast) and the Society for Healthcare Strategy & Market Development of the American Hospital Association. He is a faculty member of the American College of Healthcare Executives and a frequent speaker on leadership, organizational culture, communication, and business development strategy.

Alyssa Hwang, PhD, serves as Vice President of Culture Transformation at Stamp & Chase, Inc., where she applies clinical psychology expertise to help healthcare organizations strengthen leadership, engagement, and culture. With more than 10 years of experience in healthcare systems, she brings behavioral science principles to drive sustainable improvements in performance and workforce well-being.

Alyssa partners with executives, HR leaders, and operational teams to design and implement enterprise-wide strategies that build leadership capability and align talent practices with organizational priorities. Her work includes implementing leadership programs for healthcare executives in transition, facilitating culture transformation initiatives, and developing leaders to enhance effectiveness across all levels.

A trusted advisor to hospitals, provider groups, and health systems, Alyssa has led initiatives that have improved engagement, retention, and operational outcomes. She translates clinical insights into practical solutions that help healthcare leaders navigate complexity and drive results.

About Stamp & Chase

Stamp & Chase partners with leading healthcare providers across the country to improve patient and employee experiences by improving leadership competencies and practices. At the heart of the firm's work are two comprehensive sets of tools and strategies to support care teams:

MyTEAM offers a robust portfolio of cloud-based leader tools and approaches that sustain performance improvement through more effective manager coaching, goal setting, mentoring, and accountability

CAREmunication® provides a comprehensive curriculum for frontline staff and managers, which is focused on building competencies and practices that improve communication with both patients and colleagues

CORTEX Innovation Community • 20 S. Sarah Street • St. Louis, MO 63108 • www.stampandchase.com