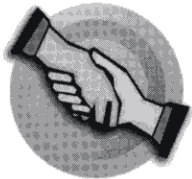


A B O V E B O A R D



BOARD/CEO RELATIONS

Count to Ten: Board and CEO Frustrations

By Edward A. Kazemek

After more than 20 years' experience consulting with hundreds of health care boards and CEOs, it never ceases to amaze me that trustees and CEOs continue to complain about the same relationship issues. Furthermore, these complaints are usually shared with me privately and rarely brought into the open, which probably explains why the same issues continue to be a problem. In the spirit of shining a light on the scenarios that most often frustrate boards and CEOs about one another, and with the hope of stimulating discussion and action, here are the top 10 frustrations boards and CEOs have with each other.

The Board's Pet Peeves

Boards become frustrated when their CEOs:

1. Present "baked cakes" (decisions that have already been made and committed to) without adequately engaging the full board in the decision-making process.

Most board members realize that they do not have the education and training that administrators have, but they are insulted when the CEO assumes that the board cannot help make major decisions. Board members also resent it when the CEO doesn't take the time to educate them on the issue or project being considered.

2. Don't sufficiently involve the board in the strategic planning process.

This frustration is closely related to the first one but is often caused by a lack of clarity on how a health system or hospital should develop a strategic plan, who

should be involved, and when. With today's heightened awareness of the board's fiduciary responsibilities, many boards are beginning to assert themselves more firmly in the strategic planning process, even though some CEOs perceive it as "management work."

3. Attempt to control or dominate the board (overtly or in subtle ways).

Many CEOs, unconsciously in most cases, feel the need to keep the board under their control. Packing the board with friends and business associates or threatening the board with dire consequences if the CEO's plans are not approved are just some of the ways that boards are made to feel powerless and frustrated.

4. Keep the board in the dark on important or sensitive issues.

Withholding information from the board or disseminating it in a highly controlled and manipulative fashion is arrogant on the part of the CEO and implies that he or she knows best when the board needs to know something.

5. Work with just a few board members (e.g., the executive committee or chair) instead of the full board.

Board members who are not on the "A team" end up feeling like second-class members and eventually lose interest in serving on the board.

6. Overload board packets with lengthy reports and data without attempting to make the information more user-friendly.

Most board members either don't have the time or inclination to wade

through telephone book-size information packets and will show their frustration by not reading the material.

7. Use too much jargon when communicating with the board.

Eventually, board members pick up health care industry acronyms and slang. But newer trustees end up sitting through too many meetings without fully understanding what is being discussed and hesitate to admit it for fear of looking stupid.

8. Invite too many staff members to board meetings, leaving little time for board deliberations.

There are times when board members may want to raise issues with the CEO that may appear to criticize the executive team. Out of politeness, most trustees will not ask the staff to leave the meeting, so they end up not raising issues that are of concern to them.

9. Don't develop trusting relationships with physicians.

Board members often feel the heat when the CEO and physicians conflict. CEOs who become defensive and draw lines in the sand with the medical staff trigger board member anxiety and feelings of helplessness.

10. Are insensitive to the fact that the trustees will continue to live and work in the community while CEOs often leave the area for other positions.

Board members have to live with the decisions they make for a long time and don't appreciate CEOs who ignore this simple fact.

ABOVE BOARD

CEOs' Pet Peeves

CEOs become frustrated when their boards:

1. Concern themselves inappropriately with hospital or health system operations.

Board members roaming the halls, giving orders, discussing management issues with physicians, and questioning tactical decisions are just some examples of behavior that drives CEOs crazy.

2. Don't show up for meetings and retreats, are chronically late, and/or leave early.

The time wasted bringing the offending board members up to speed, as well as the disrespect their behavior represents to other board members, angers many CEOs.

3. Are not candid with the CEO.

Board members who discuss issues concerning the CEO, the senior management team, or the institution behind the CEO's back breed an atmosphere of mistrust between the CEO and the board.

4. Don't function as advisors and "partners" with the CEO, but act more like "cops," keeping an eye on the CEO.

Over time, this behavior will lock the CEO and board into an unhealthy, counterproductive relationship.

5. Dwell on minutiae instead of dealing with strategy and policy matters.

Board members unable to elevate their perspectives (focusing on fixing the cracks in the parking lot versus long-range capital investments) disappoint CEOs who genuinely want help in thinking strategically and long-term.

6. Accept gossip or criticisms of the hospital (from the community or staff) as fact without checking with the CEO.

Board members who raise issues in an accusatory manner based on rumor or hearsay stimulate a defensive versus a problem-solving response from most CEOs.

7. Fail to set clear performance expectations with the CEO and do not give candid feedback on a regular basis.

Not knowing where one stands in the eyes of the board creates insecurity for even the most capable CEOs. Contrary to what many board members may think, most CEOs value having clear goals and expectations agreed upon, and receiving timely feedback on their performance.

8. Don't attempt to learn about the health care industry, especially regarding reimbursement, quality, and physician relationship challenges.

CEOs don't expect board members to know as much as they do, but they do expect the board to take every available opportunity to learn about the crucial issues related to governing a health care facility.

9. Don't keep sensitive information confidential.

Board members (including physicians) who share confidential hospital information with outside parties are in violation of their fiduciary duty of loyalty and often create difficult (and legal) problems for the CEO.

10. Disrupt meetings by dominating discussions, ignoring the agenda, or not participating at all.

Board members who behave like unruly children, causing meetings to run late, exasperate CEOs.

Fortunately, not many hospitals or health systems experience all of the frustrations described here. However, any one of these board/CEO dynamics can become a significant barrier to effective performance. Therefore, it would be worth spending some time at a board meeting or retreat and using this list of frustrations to stimulate discussion on the board/CEO process and performance. After all, in an industry as frustrating as health care, who needs self-inflicted frustrations? **T**

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