

# Hospital Focus

May 2024



The Governance Institute

## The Board as a Boss: Effectively Support and Retain Your Sole Employee

By Tracy Warner, CEO, *Board Business LLC*

**There has been rising attention on organizational culture in the last few years.**

Coming out of the public health emergency, organizations have had to address multiple workforce issues including burnout, staff shortages, and pay to keep pace with increased cost-of-living expenses. Numerous articles have been written recently about techniques to enhance employee satisfaction. Ideas include recognizing achievement, offering opportunities for professional learning and development, providing mentorships, creating team-building environments, and making mental health and well-being a priority. Many conferences are addressing workforce culture with sessions on driving positive change, human-centric approaches to work, and systemic workplace equity. It is particularly important for the healthcare industry to heed the “great resignation” because having engaged staff results in higher patient experience scores, leading to patient loyalty, which contributes to revenue generation.

How many boards though are thinking about their sole employee: the CEO? How many boards are having meaningful conversations about CEO burnout, workload, and flexibility? Evidently, not many. The number of CEO changes at U.S. companies hit 194 to start 2024, down 5 percent from the 204 CEO exits recorded in December 2023. That number represents a 73 percent increase from the 112 CEO exits that occurred in the same month one year prior, according to Challenger, Gray & Christmas, Inc.<sup>1</sup>

January 2024’s total was the highest since 2020 when 219 CEOs left their positions.<sup>2</sup> Hospitals announced 11 CEO changes in January, a 52 percent decrease from the 23

- 
- 1 [January 2024 CEO Turnover Report: 194 Exits to Start the Year Led by Non-Profits, Health Care, Tech](#), Challenger, Gray & Christmas.
  - 2 Aden Eyob, “How CEOs Can Leverage the Great Resignation to Redefine Impact and Create a Purpose-Driven Culture,” *CEOWORLD*, February 20, 2022; [October 2021 CEO Turnover Report: The Great Resignation Hits The Top Spot](#), Challenger, Gray & Christmas.

exits in January 2023. The latest healthcare industry data is encouraging in comparison to 146 hospital CEO changes in 2023, marking an increase of 42 percent from the 103 exits in 2022.<sup>3</sup>

## Focusing on the CEO Experience

In his book, *Employalty: How to Ignite Commitment and Keep Top Talent in the New Age of Work*, Joe Mull explores how companies can retain talent by focusing on their employees' experience at work and quality of life.<sup>4</sup> According to Mull, "employalty" is more than just a buzzword; it's the heart of modern organizational success. He states, "It represents the merger of commitment and loyalty, where employees don't just work for a paycheck, but for a purpose and a passion."<sup>5</sup> Further, Mull believes that people will join and stay at an organization, and give it their all, if they consistently have three kinds of employee experiences:

1. Ideal job: Compensation, workload, and flexibility are the three components of an ideal job.
2. Meaningful work: Employalty emphasizes meaningful work that has a positive impact and inspires employees to contribute their best.
3. Great boss: The great boss factor is about the relationship with the person (or persons, in the case of the CEO) who directly supervises them and the degree to which they believe they are cared for as a person.

Boards can use Mull's framework to create favorable employment conditions for CEOs, particularly in the "great boss" category. Although supporting the CEO is one of the board's primary duties, most think the annual performance review accomplishes this task. However, it takes ongoing conversations to foster a climate of mutual trust and respect between the CEO and the board. These conversations begin during the CEO hiring process when board members learn a great deal about the individuals seeking the top position at their organization. A hiring decision is made based on qualifications and experience, as well as a candidate's values and motivations for leading a hospital. In the initial stages of new leadership, the CEO and board must clearly define management and governance roles to avoid any misunderstandings about responsibilities. If honest and direct conversations don't take place at this stage, it sets the relationship up for ambiguity that can build distrust. Furthermore, if the CEO senses a lack of respect for his/her decision making, future interactions with the board will be strained. The absence of a supportive relationship can eventually lead to lack of CEO engagement and ultimately, departure for a role in a different organization.

---

3 *Ibid.*

4 Mikaela Cohen, "How HR Can Help Improve Their Employees' Quality of Life," HR Brew, February 15, 2024.

5 Joe Mull, *Employalty: How to Ignite Commitment and Keep Top Talent in the New Age of Work*, 2023.

## Key Board Takeaways

Boards are urged to prioritize discussions about CEO well-being and engagement, adopting strategies like regular informal meetings, family inclusion, and quarterly development check-ins to foster mutual trust, support, and retention in the face of rising CEO turnover rates, aligning with principles of “employalty” for organizational success.

Does your board know how your CEO would answer the following questions?

- What does burnout look like for you?
- What tasks or activities in your job drain you the most? What tasks or activities in your job energize you? What do you do to balance these tasks?
- How do you recharge and refill your battery? How often are you able to take short breaks during your workday? Do you feel that you are getting enough downtime throughout your day?
- When do you feel the most useful or fulfilled?
- If you could change one thing about your job, what would it be and why?
- What is one thing the board could change that would improve your life or make your job easier?
- What do you need from the board in the next six to 12 months?
- What would be the one thing that, if it changed in your current role, would make you consider moving on?
- If you left your current role to join another organization, what would be the reason(s)?

Does your board know how your CEO would respond to the following statements on a scale of 1 to 5 (1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, and 5 = strongly disagree)?

- I have time during my workday to learn and grow as a professional.
- I have adequate time away from work to recharge.
- My work is mentally demanding.
- I feel a strong sense of purpose in the work I do.
- I get to use my strengths and talents frequently in my job.
- Members of the board coach me regularly.
- I can trust the board and they trust me.
- The board cares about me as a person and acts in my best interests.

## Building Trust between the Board and CEO

Boards can start building trust with the CEO from day one, and continue to build trust throughout the relationship, in a variety of ways:

- **Informal meetings/events:** By spending time with the CEO in informal situations, such as coffee meetings or regular lunches, and including the CEO's spouse and/or family in social events, when possible, individual members of the board will get to know the leader on a personal level.
- **Regular check-ins:** As the relationship matures, check in often with an intentional focus on the CEO's well-being. These meetings are a suitable time to ask specific questions about CEO-board interactions and how the board can best support the executive. Board members should have an awareness of how often the CEO takes time away from the hospital and the types of activities he/she engages in to re-energize.
- **Development conversations:** These discussions can take place more often than during the annual performance evaluation. Consider quarterly meetings to review the CEO's progress toward achievement of professional goals and to provide any feedback on challenges in the growth process. These regular interactions can also be used to check in on the CEO's needs from the board to ensure optimal governance engagement and support. (In fact, The Governance Institute considers it a best practice to mutually agree on the CEO's performance goals in the first quarter of the evaluation year, and then meet quarterly to check in on the CEO's progress on those goals, to provide time to alter or update the goals as needed, and ensure ways to remove barriers to progress. This is usually done by the committee responsible for the CEO's performance evaluation and compensation.)

While neither the board nor the CEO want to have conversations about turnover, it's vital to have a good understanding of what aspects of the chief executive role are fulfilling and where he/she achieves the greatest purpose. When these factors are known and discussed, the board can do its best to improve the CEO's job and work-life balance, likely resulting in higher retention.

By reframing perspective on its role as a boss, and adopting processes designed to increase employalty, boards can create stronger ties with their chief executives. CEOs who feel they are part of a trusting and supportive relationship with their board will be compelled to perform at their peak potential, which in turn is a positive factor for the hospital and the communities it serves.

Although supporting the CEO is one of the board's primary duties, most think the annual performance review accomplishes this task. However, it takes ongoing conversations to foster a climate of mutual trust and respect between the CEO and the board.

## Additional Resources

- [CEO Succession Planning: A Strategic Journey](#)
- [CEO Performance Evaluation in the New Healthcare Industry](#)
- [Trust: A Board–CEO Imperative](#)
- [CEO Retention: Beyond the Compensation Package](#)

*TGI thanks Tracy Warner, CEO, Board Business LLC, for contributing this article. She can be reached at [tracy.warner@boardbusinessllc.org](mailto:tracy.warner@boardbusinessllc.org).*

