Session #12: CEO Evaluation — Taking the Stress Out of Taking Stock

Speakers: Margaret Sumption and Dan Ellis

Date: Saturday, Jan. 10

Time: 1:30 – 2:30 p.m.
Your resource for:

Executive Coaching
Teams Training
Strategic Planning

Margaret J. Sumption, MS, LPC, SPHR

Executive Coaching
■ Orientation for individuals new in executive roles
■ Assistance for specialists struggling with transition to advanced supervisory roles
■ Skill development for individuals seeking promotion to roles with expanded leadership responsibility
■ Career mapping for individuals in mid-career or seeking career change

Teams Training
■ Orientation for successful formation of new teams
■ Mentorship for teams in transition
■ Assessment and intervention for teams with behavioral and performance challenges
■ Customized training for employee groups seeking to build team culture

Strategic Planning
■ Comprehensive organizational assessment and strategic planning facilitation
■ Program-specific assessment and planning
■ Building evaluation and measurements systems for strategic plan implementation
■ Board and staff development organizational effectiveness

History
Sumption & Wyland opened in 1990 and for the past 22 years has provided strategic planning, training, and coaching services for business, nonprofit, and government sectors in the Great Plains Region.

As senior partner, Margaret Sumption provides leadership in all aspects of services. She holds a masters level degree in Education, is licensed in the State of South Dakota as a Professional Counselor, and is credentialed by the National Society for Human Resource Management as a Senior Human Resource Professional.

References for any aspect of work can be accessed by calling or making an inquiry through the web site.
Dan Ellis, Ph.D.

Dan Ellis has worked in the fields of education, human services and health care for the past 42 years. After completing his Ph.D. in adult education, Dan directed a counselor training program at the University of Nebraska. For several years, Dan served as an agency counselor and then maintained a private practice as well. Dan has authored three books and several journal articles in the field of substance abuse. In 1991 Dan went back to school and completed his MHA at the University of Minnesota. From that time on Dan has served in the CEO role in hospitals in Iowa and Nebraska. Since 2010 until his retirement in November of 2014, Dan has served as the CEO for Coteau des Prairies Health Care System in Sisseton, South Dakota.

Dan is a lifetime fellow with the American College of Healthcare Executives.

Dan is an adjunct faculty member teaching in the health care administration master’s program at the University of Sioux Falls and Bellevue University.

Dan is prepared to offer consultation in the areas of strategic planning, executive coaching and leadership training. Effective Jan. 1, 2015 Dan will be affiliated with the consulting firm Sumption and Wyland of Sioux Falls.

Dan and his wife of 30 years have raised 7 children.
CEO Evaluation: 
Taking the Stress Out of Taking Stock

Minnesota Hospital Association
Blueprint for Governance Success
2015 Winter Trustee Conference

Margaret Sumption & Dan Ellis

Overview

• Establish performance expectations
• Are we overlooking something important?
• Who should do the evaluation?
• How do we make sure the process is of value to the Board and the CEO?
• Is our evaluation process relevant given environmental & organizational changes?
Performance Expectations

• Identify key elements from the current strategic plan for measurement.
• Has the CEO effectively supported the organization’s mission and vision?
• Has the CEO actively participated in a personal growth and development plan?
• Has the CEO participated in activities that have strengthened Board relations?

Just what does a CEO do?

As a board we may have some expectations for our CEO and hopefully he/she incorporates them in their daily work.

How well do these expectations actually match up with the real day to day work of the CEO?
What do leaders do?

- Model the behavior they want from others.
- Establish expectations.
- Communicate values.
- Develop relationships.

Master and Commander

2012 ACHE CEO Survey

- 96% Evaluated at least annually

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<tr>
<th>Most Important Factors</th>
<th>Freestanding</th>
<th>System</th>
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<tbody>
<tr>
<td>Net Operating Margin</td>
<td>23%</td>
<td>26%</td>
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<tr>
<td>Quality</td>
<td>15%</td>
<td>16%</td>
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<tr>
<td>Patient Satisfaction</td>
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<td>Leadership Qualities</td>
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<td>7%</td>
</tr>
<tr>
<td>Planning</td>
<td>8%</td>
<td>5%</td>
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2012 ACHE CEO Survey

What types of leadership qualities did the ACHE survey identify?
Communication
Integrity
Judgment
Sensitivity

2014 Truven Health Survey

The survey found that for both freestanding and system hospital CEO’s their compensation was highly aligned with “objective” measures of performance. “Hospital boards appeared to have weighted financial performance more strongly than other metrics.”

Creating a Value Based Process

“In the current environment of risk and uncertainty, the CEO needs freedom to make politically sensitive decisions & to be assured they will be treated fairly by their boards.”


The Less Objective Measures

• Effective Communication
• Leadership
• Integrity, judgment and sensitivity
• Knowledge and skills
• Community relations
• Political effectiveness
• Board and medical staff relations
Wayfinding

Mau Piailug - “Practiced the ancient Polynesian art of wayfinding: piloting a double-hulled canoe with only the lore in his head, traversing hundreds, or thousands of miles from one island to another.”


Wayfinding

Mau Piailug demonstrated the value of experience and the use of data, systems awareness and detecting patterns hidden within chaos. These are essential qualities for a great leader. Can we measure these qualities?
Emotional Intelligence

“Understanding and working with other people’s emotions while understanding and managing your own emotional responses requires emotional intelligence. The most effective leaders have a deeper understanding of their emotions.”


Emotional Intelligence

“Healthcare leaders must understand the value & critical importance of delivering an emotionally and behaviorally intelligent style of leadership to ensure that their staff feel empowered and supported as they work through… some of the greatest changes…since introducing Medicare.”

Measuring the Right Things

Ideally, the CEO evaluation process should measure a range of outcomes, qualities and skills that can be aligned with the work of the CEO. To be effective at this process boards will need to incorporate a variety of tools and sources of information/feedback.

Creating a Policy

To ensure consistency, the Board should create a policy that guides the present and future boards.

- When is the evaluation done?
- Who does it?
- What instruments/assessments/measures will be used?
- How will comp. & benefits be distributed?
Balanced Scorecard

What is a balanced score card?
“…an integrated set of measures, driven by the organization’s vision and strategy, typically covering the following:
Financial, Internal Business Processes, Customer, Learning and Growth.”


Other Measures

- Rating scales. (i.e.) Iowa Hospital Association CEO Evaluation Guide. 2007.
- Create your own survey
- Structured interviews with the CEO
- Personal assessments. (i.e.) Emotional Quotient-Intelligence 2.0 (EQ-I 2.0)
- 360 degree assessment
Final Thoughts

To be effective in both recruiting and retaining effective leaders the evaluation process must create value for the Board and the CEO.

Is the process relevant for the current healthcare environment and the organization’s strategic goals?

Thank You!

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