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Personal Best: Coaches Help CEOs Reach New Heights

by Dede Henley and Donald H. Hutton

Because health care administration is increasingly complex, many CEOs are turning to a tool that has long been used successfully by business leaders and sports figures – professional coaches.

Executive coaches help CEOs learn new skills, techniques, and ways to improve self-awareness. Just as other professionals use coaches to help them improve their performance, health care CEOs use a coach to teach them how to take their performance to a higher level. At most every health care organization today is facing one or more significant problems: medical staff unrest, financial pressures, nurse retention, patient safety, and/or marketplace competition, to name just a few. Many organizations are also struggling with their communication methods, employee relations, or team development, all problems coaches can address.

In a survey of 125 hospital and health system CEOs conducted by The Morgan Executive Development Institute, Ponte Vidra Beach, Fla., 86 percent said they would consider using a coach/mentor. These CEOs said they would want a coach to take their performance to the next level, or to address or help them solve a specific problem. Of those surveyed, 50

percent indicated they had previously retained a coach, and 88 percent of those were satisfied.

The results also showed that 86 percent of CEOs surveyed believe there is a need for professional coaches in the health industry. Sixty percent felt that they needed a coach to help them relate to the board or to help the board work with them. In fact, many of those who had used coaches in the past noted improved working relationships with their boards.

Scott Malaney, CEO of Blanchard Valley Hospital in Findlay, Ohio, says his coaching experience has helped make his annual appraisal and goal setting more productive. He says that "part of the coaching process is a 360-degree feedback mechanism that gives me accurate information on how I am doing in the eyes of the board, medical staff, and executive group. Working with the coach has given me someone to speak to confidentially and to work with to identify ways to grow professionally."

He adds: "My experience has been that people enjoy telling the CEO what is going well but hesitate to express concerns. I wanted a way to ensure I could hear about things I needed to change or improve as well as things that people liked."

Lee Kirk, CEO of Culpeper (Va.) Regional Hospital reports that his coaching program "has increased my self-awareness, which has resulted in an improved relationship with my board and medical staff." In addition, he believes he has acquired more effective

leadership techniques, which has improved his senior management team's performance.

Kirk's board supported his coaching program as part of his leadership development. Trustees gave him candid feedback on his performance, which he found very helpful. He recommends that the chair or vice chair speak directly to the CEO about board support for this endeavor.

Health care executives who do not engage coaches, while still admitting they could use one, usually fear that the board will not be supportive or that the medical staff will see it as a weakness. This common perception is untrue.

Boards make an investment in their CEOs, and protecting this investment must be a high priority. The American College of Healthcare Executives, Chicago, reports that the CEO turnover rate is running about 17 percent annually. Hiring a new leader is costly, time-consuming, and disruptive to the organization. One national firm estimates that the cost of bringing in a new CEO can approach \$1 million, including costs for severance pay, a search firm, and relocating the new CEO.

A coach can enhance the board's investment by helping the CEO improve his or her performance, strengthen relationships, address specific issues or problems, and become adaptable to change. This is the classic win/win situation for all parties: The board and CEO form a strong partnership, the

organization becomes more successful, and the CEO grows professionally.

When a boards or CEO consider retaining an executive coach, CEOs should take the lead in identifying who they would like to use. Executive coaches should undergo rigorous training and be certified by a reputable school or organization, such as the International Coaching Federation. Because the coach's contract is with the organization, not the individual, both the CEO and board chair should sign the agreement.

More and more boards are advocating coaching for their CEOs. After all, the board and CEO are partners, and when one succeeds, both benefit.