

BOARD MANUAL

SUBJECT: Succession Planning for the CEO and Executive Staff NUMBER: 2-B-10	
SECTION: Oversight of Management and Professional Staff	APPROVED BY: Board of Directors
DATE: May 30, 2012	REVISED/REVIEWED: May 25, 2016, April 24, 2019, April 27, 2022

Policy

To ensure continuity of leadership of the Hospital there shall be a succession plan in place in the event of the sudden loss, resignation, retirement or termination of the President & Chief Executive Officer (CEO) or a member of the executive staff.

Definition

Executive staff: Members of the senior management group of the Hospital who report directly to the CEO and any others as defined by the Board.

Identifying, assessing, and developing leadership potential and building a sustainable leadership pipeline will be critical components of succession planning.

The CEO shall maintain a written succession plan containing the following elements:

1. An interim action plan for use by the CEO given the unexpected loss of any member of the executive staff;
2. An assessment of the availability and readiness of internal replacements for members of the executive and a development strategy in relation to these individuals; and
On an annual basis, a confidential assessment of each vice president's suitability for the interim CEO role and readiness for replacement of the CEO. The assessment should include commentary and analysis from their most recent performance appraisals and a development strategy in relation to these individuals.

The Executive Committee will include in its annual work plan an action item to receive and discuss with the CEO the CEO and executive succession plan report.

Following the discussion with the Executive Committee, the Executive Committee will report to the Board as to its discussion.

The CEO will ensure the potential appointees receive appropriate development, training, and exposure to be effective in the priority functions of the role of interim CEO outlined in Appendix A.

The Executive Committee shall implement the terms of the CEO succession plan in the event of an unplanned absence.

The process to select a permanent replacement of the CEO is set out in Board Policy 2-B-15, Recruitment and Selection of the CEO.

For the purposes of this policy, a temporary vacancy in the position of CEO is as determined by the Board from time to time in consultation with the CEO and may include the period of time in which the CEO is on a leave of absence, an extended vacation or has left the position and a competition pursuant to Board Policy 2-B-15 is underway. It does not mean to be periodic and/or occasional coverage of the CEO duties and responsibilities of the kind that is set out in job responsibilities for senior staff positions.

For the purposes of this policy, a temporary vacancy in the position of executive staff member's as determined by the CEO from time to time in consultation with the Board and may include the period of time in which the executive staff member is on a leave of absence, an extended vacation or has left the position and a competition is underway. It does not mean to be periodic and/or occasional coverage of the executive staff member duties and responsibilities of the kind that is set out in job responsibilities for other management positions.

Procedure

A. Approval and maintenance of the CEO succession plan

1. The CEO will submit a succession plan to the Executive Committee each year between April and June.
2. The Executive Committee reviews the succession plan and report to the Board thereafter.
3. At the same time the plan is presented for approval each year, of the CEO shall apprise the Board of the general activities undertaken throughout the year to promote leadership development and succession planning within the Hospital.

B. Process for the appointment of an interim President & CEO

1. As soon as practicable, the Board Chair will convene a meeting of the Executive Committee to discuss the process for appointment of an interim CEO.
2. The Executive Committee will discuss potential candidates for interim CEO as presented in the CEO's most recent approved succession plan.
3. In the absence of a suitable internal candidate, the Executive Committee will consider other possible candidates.
4. The appointment of the interim CEO will be subject to the approval of the Board of Directors.
5. Temporary adjustment to the interim CEO's salary will be negotiated by the Executive Committee based on the scope of additional responsibilities.

6. When necessary, the Executive Committee will consider in consultation with the interim CEO, the need to temporarily fill the executive position left vacant by the interim CEO where it concludes it is not reasonable to expect the interim CEO to carry out the duties of both positions in the circumstances.
7. The individual appointed as interim CEO shall have the authority for decision making as defined by the Board.
8. Following a appointment, the interim CEO shall ensure that the temporary leadership structure is communicated to the Board of Directors, the CMH Foundation Board, the CMH Volunteers Association, Hospital staff, Medical/Professional staff volunteers, appropriate health service providers, community stakeholders, government officials and media as appropriate.

The Executive Committee shall monitor the work of the interim CEO and provide needed support to the interim CEO as set out in the annual assessment of potential appointees when relevant.

C. Approval and maintenance of the executive staff succession plan

1. Each executive staff shall identify a potential interim appointee in their executive succession plan.
2. The executive staff will ensure the potential appointees receive appropriate training, exposure and experience in the priority functions of their position.
3. The CEO shall review and approve the executive staff succession plan.

D. Process for the appointment of an interim executive staff

1. In consultation with the Executive Committee of the Board, the CEO may appoint the individual identified in the executive succession plan or may appoint such other individual they deem appropriate to serve as an interim executive staff.
2. The individual(s) appointed as interim executive staff shall have such authority and responsibilities as determined by the CEO.
3. The interim executive staff shall receive a temporary salary increase to the entry level of the position they is appointed to or other compensation as deemed appropriate by the CEO, in discussion with the Director of Human Resources.
4. The CEO will have responsibility for monitoring the work and the special support needs of the executive in this interim position.

Appendix A

Priority Functions of the President & CEO of Cambridge Memorial Hospital.

The following are key functions of the CEO to be covered by the interim CEO:

- Continue to oversee the Hospital 's short and long range goals and objectives to ensure they are achieved
- Continue to advance the approved quality and safety plan of the Hospital
- Maintain accountability for the current year operating budget and for financial performance of portfolio
- Serve as the Hospital 's principal leader, representative and spokesperson to the community
- Support the Board of Directors by ensuring the integrity and strength of Board leadership and address issues around clarity of role, governance, bylaws/policies, corporate structure and membership
- Prepare reports to the Board of Directors and attend various committee meetings
- Convene and lead the senior management team

The complete CEO role description is found in Board Policy 2-B-5, CEO Role Description.