

CSHP Board and Branch Reference Manual

CATEGORY: 3.3 Human Resources	PAGES: 7
NUMBER: 3.3.13	EFFECTIVE: February 25, 2007
TITLE: Chief Executive Officer Succession Planning*	REVISED: November 2018 (Procedures) June 2018 (Position Title) May 2017 (Background and Procedures)

POLICY:

To ensure operational and administrative continuity and a smooth transition to new management in the event of the planned or sudden departure of the Chief Executive Officer (CEO), the Canadian Society of Hospital Pharmacists shall maintain a CEO Succession Plan that includes, but is not limited to, the following elements:

1. A current strategic business plan for the Society.
2. A definition of the desirable education, training, experience and competencies of candidates for the CEO position relative to the Society’s strategic business plan.
3. An up-to-date job description for the CEO.
4. A search process that includes but is not limited to:
 - a. the terms of reference for the CEO Search and Selection Task Force
 - b. time lines for the search and selection process
 - c. draft recruitment advertisement and posting strategy
 - d. structured interview questionnaire with rating scale
5. A draft contract for the new CEO.
6. The budget dependencies for the succession plan.

This policy applies to CSHP and its branches.

BACKGROUND

The position of Chief Executive Officer is the most crucial staff position in the Society, yet it is recognized that from time to time a change in personnel in this position is inevitable. There are many potential risks for the Society associated with a change in senior management, and they include loss of membership, decline in sponsor funding, turnover in other staff positions, and anxiety among stakeholders accompanied by a loss of confidence in CSHP. A thorough and successful recruitment and selection process will require considerable time and resources and must be implemented with expediency to mitigate the financial and reputational risks to CSHP of a change of personnel in the CEO position.

* Adapted with permission from three documents devised by the Canadian Nurses Protective Society:

1. Succession Planning Background
2. CEO Succession Planning Policy
3. CEO Succession Plan: Draft Schedule

PROCEDURES

Annually

The CSHP Executive Committee shall:

1. Annually review and confirm or revise:
 - a. The CEO job description to ensure it adequately describes the position in its current state and in the foreseeable future, as reflected in the Society's strategic business plan and its core values.
 - b. The skills, experience, and attributes required for the position and the ranking of the skills and attributes in order of importance.
 - c. A short list of people who could potentially take over the duties of the CEO position on an interim basis in the case of a sudden departure.
 - d. A list of key activities that are crucial to the organization and administered by the CEO and how to access current and historic files related to these activities.
 - e. The terms of reference for a CEO Search and Selection Task Force.
 - f. The CEO succession communication plan.

Upon Notification of the Unplanned Departure of the Chief Executive Officer

The CSHP Executive Committee shall:

1. Develop an interim management chain of command based on the availability of the Executive Officers and senior staff members.
2. Meet with staff members to inform them of the departure and the interim chain of command, to review the status of key activities and to agree on actions to ensure continuity in CSHP programs.
3. Confirm the availability of the President to be the official spokesperson for the Society externally, and which Executive Officer will be delegated that responsibility when the President is unavailable.
4. Review the CEO's calendar of meetings and agree to a plan to meet the commitments or cancel participation pending the appointment of an interim CEO.
5. Inform CSHP members and external stakeholders of the departure according to the CEO Succession Communication Plan appended to this policy.
6. Expedite the immediate identification and confirmation of an interim CEO by:
 - a. Reviewing and confirming or amending the established list of potential candidates.
 - b. Contacting each candidate to review the needs of the position and asking all interested parties to submit a written expression of interest and resume with a specified due date.
 - c. Presenting interested candidates to the Board and requesting an electronic vote within a short time period. If there is only one candidate, the Board is to be presented with the candidate's submitted documents for review and asked to vote electronically to confirm the selection. If no potential candidates come forward, contracting a consultant for transition management should be considered.
7. Take action to fill the position on a permanent basis according to the procedure outlined below for a planned departure of the CEO.
8. Confirm at least two Executive Officers to act as mentors and coaches for the new CEO through an orientation period of at least 6 months.

Upon Notification of the Planned Departure of the Chief Executive Officer

The CSHP Executive Committee shall:

1. Meet with the CEO to confirm a timeline for the departure and obtain guidance on the hiring and transition process.
2. Meet with staff members to inform them of the planned departure, and then inform CSHP members and external stakeholders of the departure according to the CEO Succession Communication Plan appended to this policy.
3. Establish a CEO Search and Selection Task Force according to the terms of reference appended to this policy.
4. Confirm assignment of an office staff member to provide administrative support to the Task Force.
5. Review the Society's current financial position and make provision for unbudgeted expenses such as:
 - a. Recruitment expenses such as search firm fees, advertising costs, and travel expenses for candidates and interviewers.
 - b. Hiring costs such as relocation expenses, additional salary expenses to allow for an orientation period with the outgoing CEO, a hiring bonus and/or a salary increment.
6. Provide guidance and support as needed to the CEO Search and Selection Task Force.
7. Provide regular updates to the Board on the work of the CEO Search and Selection Task Force and hold teleconference meetings with the Board as deemed necessary.
8. If a recommendation is received from the Task Force to hire an executive recruiter:
 - a. Inform the Board by teleconference of the recommendation and background and the anticipated financial impact of hiring a search firm and obtain the Board's approval by electronic vote.
 - b. Oversee the request for proposal process, as undertaken by the Task Force.
 - c. Approve the selection of the executive recruiter.
 - d. Charge the Executive Officer chairing the CEO Search and Selection Task Force to work with the executive recruiter.
9. Prepare and present an offer of employment to the candidate chosen by the Board. If offer is declined, Executive Committee will consult with Board for further direction.
10. Negotiate the terms of employment. The President or designate will be the sole contact with the candidate but will take guidance and direction from all Executive Officers in the negotiations. If the negotiated terms will have a significant impact on future budgets or employment practices, the approval of the Board must be sought.
11. Negotiate with the outgoing CEO an overlap period with the incoming CEO to ensure a comprehensive orientation, and confirm two Executive Officers to act as mentors and coaches following the departure of the outgoing CEO.
12. If the above process does not lead to the hiring of a suitable candidate, Executive Officers will schedule a teleconference with the Board and the CEO Search and Selection Task Force to re-examine the search process and selection criteria, and agree to steps to be undertaken to restart the recruitment and selection process.

The CEO Search and Selection Task Force shall:

1. Develop a list of known potential candidates to target.
2. Develop an advertising campaign plan:
3. Write a career advertisement based on the established job description and desirable skills and attributes. This will include a description of the material that must be submitted by applicants.
4. Develop a priority list of advertising services based on readership demographics and cost.
5. Establish a timeline for advertising, interviewing and selection and present to Executive Officers for feedback and approval. This would include the specific media for placement of ads, the frequency, and the closing date for submission of applications.
6. Develop a short list of potential executive recruiters for use if the advertising and targeted contacts do not generate a reasonable number of qualified candidates. This may involve issuing a request for expressions of interest per CSHP Policy 3.2.6, Selection of Suppliers.
7. Develop a list of candidate interview questions and forward to Executive Officers for feedback.
8. Launch the advertising campaign and, at the same time, personally contact the identified potential candidates to encourage them to submit applications.
9. Review applications received for match to desired skills, experience and attributes, identify suitable candidates and forward those applications to Executive Officers.
10. If the advertising campaign and targeted contacts don't generate at least two potential candidates, consider the options for next steps and submit a recommendation to the Executive Committee.
11. If approval is received to contract an executive recruitment agency:
 - a. Issue a request for proposal to potential executive recruiters identified in the earlier request for expressions of interest.
 - b. Review the responses and present a recommendation to Executive Officers for approval and contracting.
 - c. Review applications received for match to desired skills, experience and attribute, identify suitable candidates and forward those applications to Executive Officers.
12. After receiving complete application packages, perform a vetting of each recommended applicant in relation to established selection criteria and establish a short-list of preferably three candidates for interviewing.
13. Conduct in-person or videoconferencing interviews with the short-listed candidates.
14. Complete reference checks for preferred candidates.
15. Provide the short list of candidates, results of interviews and reference checks, and preliminary rankings for review and final ranking by the Board.
16. Prepare an offer of employment and provide to the Executive Officers for feedback.
17. Provide to the Board, the final package and include:
 - a. Name of successful candidate;
 - b. Supporting documents provided by the applicant (including criminal record check);
 - c. Offer of employment, with salary range.

Office Support Staff shall:

1. Provide administrative support as needed to the Executive Officers and the CEO Search and Selection Task Force.
2. Issue and receive all requests for expressions of interest and request for proposals for executive recruiters.
3. Receive all applications from candidates and confirm completeness before forwarding them to the CEO Search and Selection Task Force.
4. Arrange Executive Committee and Board meetings as needed.
5. Prepare correspondence to all candidates upon completing the selection process.

Attendant Documents:

1. CEO Search and Selection Task Force Terms of Reference
2. CEO Succession Communication Plan
3. List of suggested interview questions
4. Orientation checklist

APPENDIX

CEO Succession Communications Plan

Planned Departure of CEO

1. CEO informs the following persons/groups of plans to resign/retire, including planned date of resignation:
 - i. President/Executive Committee;
 - ii. CSHP Management Team;
 - iii. Board of Directors at Board meeting, if possible; otherwise, President to inform Board if between Board meetings, and;
 - iv. CSHP Staff.

Note- timing of steps b thru d are flexible and should be mutually agreeable to President and CEO
2. President prepares a short (1 page) announcement including, at a minimum:
 - i. CEO's intention to resign/retire, and planned date;
 - ii. A short biography, listing the CEO's professional accomplishments, significant awards, etc.;
 - iii. A thank you for the CEO's service to CSHP, and
 - iv. Information about efforts to recruit a replacement.
3. The announcement should be used to inform CSHP members of the CEO's departure and could be communicated to members in the following ways:
 - i. Email to all members;
 - ii. Publication in the eBulletin, and/or
 - iii. Social Media.
4. After CSHP members have been notified, external stakeholders are notified following notification of CSHP's Board, Office and membership. The CSHP Executive Assistant assists in notifying external stakeholders. The Executive Assistant maintains a list of potential external stakeholders to notify.
- 5.
6. The CSHP CEO Search and Selection Task Force is initiated and its Chair appointed. Notice of the Task Force having been initiated should be shared with members. Periodic updates of Task Force progress in recruiting a new CEO may be provided to members.
7. The Chair of the CEO Search and Selection Task Force will provide updates to Executive Committee and to the Board, as identified in the CEO Succession Planning Policy and CEO Search and Selection Task Force Terms of Reference.
8. Once a new CEO has been recruited and hired, the Chair of the CEO Search and Selection Task Force will prepare an announcement to be communicated in the following ways:
 - i. Announcement to staff;
 - ii. Email to all members;
 - iii. Publication in the eBulletin, and/or
 - iv. Social Media.
9. Once CSHP members have been notified, external stakeholders should be notified. The CSHP Executive Assistant assists in notifying external stakeholders. The Executive Assistant maintains a list of potential external stakeholders to notify.

Unplanned departure of CEO

Specific communications will depend on whether the departure is due to illness/ injury, or due to termination of the CEO.

If due to illness or injury

1. President will inform the Executive Committee, the Board, and CSHP staff of the CEO's departure/ absence.
 - a. Some or all staff may already know of the circumstances related to the CEO's departure/ absence.
2. Once an interim management chain of command is developed, as per the Chief Executive Officer Succession Planning Policy, the President will inform the Board and CSHP staff.
3. President prepares a short (1 page) notice of the CEO's departure/absence. This notice should include, at a minimum:
 - a. An outline of the interim management chain of command
 - b. Confirmation that the President is the official spokesperson of CSHP
 - c. Information about efforts to recruit an interim CEO.
4. The notice should be used to inform CSHP members of the CEO's departure. The notice could be communicated to members in the following ways:
 - a. Email to all members
 - b. Publication in the eBulletin
 - c. Social Media
5. Once CSHP members have been notified, external stakeholders should be notified.
 - a. The CSHP Executive Assistant should assist in notifying external stakeholders.
6. Once an interim CEO has been recruited and hired, the President will prepare an announcement.
 - a. The announcement should be used to inform CSHP members of the new CEO. The announcement should be communicated in the following ways:
 - i. Announcement to staff;
 - ii. Email to all members;
 - iii. Publication in the eBulletin, and/or
 - iv. Social Media.
 - b. Once staff and CSHP members have been notified, external stakeholders should be notified.
 - i. The CSHP Executive Assistant should assist in notifying external stakeholders

If due to termination of the CEO

This process assumes that all of Executive, some or all of the Board, and potentially some CSHP staff, have been involved in terminating the CEO, or deciding to terminate the CEO. This also assumes that at least one Executive member is present in Ottawa to terminate the CEO.

1. As soon as possible after terminating the CEO, the Executive will inform the CSHP staff and the Board.
2. Proceed as above for unplanned departures due to illness or injury.