



Succession Planning for Chief Executive Officer

Section: Board of Directors Policy
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Policy:

Through succession planning, the Nevada Primary Care Association (“NVPCA” or “Association”) Board of Directors (“Board”) seeks to ensure the continuation of effective day-to-day operations should the chief executive officer (“CEO”) be absent through an emergency, short-term leave, long-term leave, or permanent separation. As changes in staffing are inevitable, the Board has established this process to provide continuity in staffing and avoid extended and costly vacancies in the position. Thus, ensuring the transition is managed to assure staff remain focused, feel supported, are productive, and morale remains high during the period of transition. Succession planning for the CEO position is the responsibility of the board of directors. Succession planning for all other executive and management positions is the CEO’s responsibility.

1. **Definitions.** For the purposes of this policy:

- a. A “short-term absence” is one in which it is expected that the CEO will return to the position once the events precipitating the absence are resolved. Such events are generally unplanned or unexpected and are three months or less. A “long-term absence” is one that is expected to last more than three months.
- b. “Acting” refers to a person assigned to fulfill the duties of a position on a temporary emergency or short-term basis, excluding vacation leave and business travel.
- c. “Interim” refers to a person designated to fulfill the duties of a position on a temporary long-term basis or until the position is permanently filled.
- d. “Succession planning” is an organized, proactive process of preparing for the loss of a position; and involves the development of existing employees to fill key leadership positions in an organization.
- e. “NVPCA Leadership” refers to Directors at the senior management level.
- f. “Board Leadership” refers to the Board president, vice-president, and secretary/treasurer.

2. **Short-Term Absence of the CEO** - An Acting CEO shall be named during the time of a short-term absence of the CEO in order to protect the Board and NVPCA, and to maintain consistent day-to-day operations.

- a. Pending formal action of the Board, the NVPCA Director of Strategic Partnerships shall serve as Acting CEO. In the event the Director of Strategic Partnerships is not able to assume the role of Acting CEO, the line of succession, pending formal action by the Board, shall be the Director of Administration and Finance;
- b. The Acting CEO status shall be communicated to employees and appropriate stakeholders as soon as reasonably possible.

- c. The Acting CEO shall consult with the CEO, if available, on major decisions and continue to implement the goals and initiatives of the Strategic Plan; and
 - d. The Acting CEO shall receive, in addition to their standard salary, an additional 10% of the daily rate of pay, unless otherwise approved by the Board.
- 3. **Long-Term Absence of the CEO** – In the event that the CEO’s short-term absence is determined to become long-term or the absence is greater than 3 months, the Board shall take action to formally name an Interim CEO.
 - a. It is recommended for continuity that the Acting CEO be named as Interim CEO. (See below for general guidelines).
 - b. Once named, the Interim CEO, in consultation with the board president may consider other temporary appointments necessary to backfill the former responsibilities of the Interim CEO to ensure smooth functioning of the organization.
- 4. **Permanent Leadership Change / New CEO**
 - a. Upon announcement of the resignation or immediate vacancy of the CEO, the Board shall determine the process for hiring a new CEO.
 - b. A CEO Search Committee comprised of NVPCA Board Members will be formed and shall be responsible for ensuring the CEO search is conducted via the process decided by the Board.
 - c. If CEO change is immediate, the Board shall vote to name an Interim CEO.
 - i. It is recommended for continuity that the Director of Strategic Partnerships be named as Interim CEO.
 - ii. An Interim CEO does not necessarily have to be a current member of NVPCA Leadership, though it is highly recommended it is not an individual seeking to become the permanent CEO.
 - iii. The Director of Administration and Finance (Human Resources) shall make recommendations to the board regarding NVPCA policies to be followed and the process for filling the vacancy. (See below for general guidelines)
- 5. **Continuity of Daily Operations during CEO Transition** - The Board, CEO and NVPCA Leadership shall have strategies and processes in place to ensure that transitions occur smoothly, with little disruption to the operations of the Association. To that end, following are roles and responsibilities:
 - a. The Board:
 - i. Shall direct the CEO to create and maintain a Chief Executive Transition Plan that addresses timelines, transfer of organizational knowledge, communication, and personnel plans.
 - ii. Shall select and take action to hire an interim, or new CEO, as necessary.
 - iii. Shall create a CEO Search Committee to manage CEO transition including the search, selection, onboard and support processes for a new CEO.

- b. The current CEO shall:
 - i. Create and adopt a Chief Executive Transition Plan that addresses timelines, transfer of organizational knowledge, communication, and personnel plans.
 - ii. Maintain an up-to-date leadership succession plan that addresses unplanned absences as well as planned transitions for all NVPCA Leadership positions. This includes instances where a current individual from NVPCA Leadership becomes the Acting or Interim CEO, leaving an open position in senior management. The leadership succession plan does not require board approval.
 - iii. Ensure appropriate employees become familiar with Board, CEO, and Association issues and processes. Knowledge of Board policies, and personnel, legal, and financial issues shall enable the designee to assume the role of Acting or Interim CEO with reasonable proficiency and be fully accountable to the Board for all CEO authority.
 - iv. Manage the orderly transition for all staff roles other than the CEO position.
 - v. Disclose plans to separate from NVPCA as CEO to the Board at least six months before the departure date, when possible.

6. Hiring of New CEO

- a. Chief Executive Succession Plan
 - i. To support proper due diligence and ensure that the best possible candidate is hired, the Association is committed to a dynamic search and selection process that includes internal and external candidates. A regional or national search shall be conducted unless the board concludes that a current staff member is most appropriate and available for the job.
 - ii. To develop a finalist pool that reflects the communities served by member organizations, NVPCA commits to the recruitment of diverse candidates to fill the role of CEO.
- b. Board CEO Search Committee (“Committee”)
 - i. Composition - The Committee will be comprised of a minimum of three (3) to a maximum of five (5) Board members. The Board may also consider appointing a non-voting staff member for the purposes of planning and preparation; the appointed staff member will not participate in the interviews of the CEO candidates.
 - ii. The Committee may:
 - 1) Implement and manage the core tasks of the leadership transition:
 - a) Manage the entire transition process from planning for the leadership change through the conclusion, making sure the new executive is properly onboarded and supported.
 - b) Ensure team readiness by making sure that the board and the departing executive are ready to play their parts in the transition process and are clear about their roles.

- c) Ensure leadership continuity by recommending the board appoint an interim CEO to serve for a minimum of one month between departing CEO and incoming CEO. This allows staff a neutral zone to emotionally transition from the old CEO so they may fully embrace the new CEO (The Bridges Transition Model).
 - d) An interim CEO will also allow time to hire for senior leadership position that will be vacated if senior leadership is promoted to CEO.
 - e) Manage transition communications with appropriate announcements and updates for staff and key stakeholders. Also, ensure that there is positive closure with the current executive.
 - f) Onboard and support the new executive with an appropriate introduction to the Association and the community.
- 2) Determine the need for consulting assistance (i.e., transition management consultant, executive search firm) based on the circumstances.
 - 3) If needed, schedule a board retreat or work session to review and refresh the Association’s strategic plan and recalibrate the CEO role.

7. Guidelines for the Appointment of an Interim CEO

- a. The NVPCA Board authorizes the board president (or the vice-president if the president is not available) to implement this policy in the event of the absence of the CEO.
- b. Either the current CEO or a member of NVPCA Leadership shall immediately inform the board president of the absence, or the vice-president if the board president is not available.
- c. As soon as possible following the notification, the board president shall confer with Board Leadership on the implementation of this policy.
- d. The full board shall be convened to appoint the interim CEO and or hire a new CEO, as applicable.
- e. The board president (and potentially board leadership) shall consult with the Interim CEO on the circumstances of the absence, organizational situation, and related factors, making necessary adjustments to the implementation of this policy.
- f. After the board chair and Interim CEO confer, the staff and stakeholders will be notified of the temporary staffing structure.
- g. The acting or Interim CEO may have the same authority for day-to-day decision-making and independent action as the CEO except for decisions that require board approval including:
 - i. Program expansion or divestiture
 - ii. New partnerships or collaborations with external parties
 - iii. Taking public or policy positions on behalf of the organization
 - iv. Financial decisions not included in the current approved budget
 - v. Check signing over \$xxx

- h. The Interim CEO shall receive compensation as determined by the Board as part of the formal action of the Board. NVPCA Human Resources shall provide to the Board research and related information for potential salary as part of the action to name the Interim CEO.
 - i. The Board President and Board of Directors will have the responsibility for monitoring the work of the Interim CEO. The Interim CEO will provide regular updates and meet regularly with the president. The president will also be alert to the special support needs of the Interim CEO serving in this temporary leadership role, and act to address them.
- 8. Professional Development
 - a. NVPCA is committed to a program for developing leaders who are dedicated, prepared, and equipped to continue with the initiatives of the Association. This comprehensive approach to growing, cultivating, and nurturing talents within the Association is a positive step toward ensuring success and the evolution of an equitable environment.
 - b. The CEO shall continuously identify, encourage, and develop staff members to meet the Association's future leadership needs, including occasions when the CEO or other leadership position must be filled on a temporary basis.
 - c. To provide career advancement for staff, NVPCA is committed to encouraging the professional development of all employees.
 - d. Where reasonable and practical, funds shall be set aside and/or obtained for professional development opportunities. Such opportunities must be approved by the CEO to ensure they align to the initiatives and objectives of the Association.