Competency-based Board Composition
In 2007, the AHA Center for Health Care Governance’s Blue Ribbon Panel on Competency-based Governance identified the following essential board characteristics, skills and experience:

- **Characteristics:** Reputable, intelligent, big-picture thinker, objective, open to new ideas, highly engaged, proactive, able to ask tough questions and able to challenge others in a nondisruptive way, embraces organization’s values.
- **Experience:** Demonstrated leadership, board experience, community involvement, particular business achievements. Some board members should have clinical experience.
- **Skills:** Specific expertise in one or more of the following: finance, quality, business partnerships, legal. In addition, strong relationship skills.
- **Core values:** Respect, integrity, compassion, excellence.

In 2009, a follow-up Blue Ribbon Panel report identified two sets of core competencies for board members of hospitals and health systems. First, the panel identified the knowledge and skills that all boards, regardless of the type of hospital or system they govern, should include: 1) health care delivery and performance; 2) business and finance; and 3) human resources.

**Knowledge and Skills: Health Care Delivery and Performance.** Board members should have the knowledge and skills to:

- Track measures of quality, safety, customer satisfaction, financial and employee performance.
- Ensure patient and customer satisfaction survey results, as well as demographic and epidemiological statistics, are used to set organizational priorities, plans and investments.
- Monitor and evaluate organizational success by tracking community wellness and clinical performance against benchmarks.
- Anticipate community needs.
- Ensure close adherence of performance to the Institute of Medicine’s six aims: to provide care that is safe, timely, effective, equitable, efficient and patient-centered.
- Advocate for care decisions that are evidenced based.

**Knowledge and Skills: Business and Finance.** Board members should have the knowledge and skills to:

- Guide development of long-term plans for funding growth and development.
- Oversee development of revenue sources and understand their financial implications.
- Consider the impact of reimbursement and payment systems when assessing management alternatives.
- Oversee development of long-term capital spending for renovation and expansion of facilities, equipment and services.

**Human Resources (employees, physicians, volunteers, etc.).** Board members should have the knowledge and skills to:

- Ensure human resource functions are aligned to achieve organizational strategic outcomes.
- Ensure that recruitment and selection, job design and work systems, learning and development, reward and recognition and succession planning are aligned to encourage behaviors and performance needed today and into the future.
The panel further recommended several personal capabilities that should be sought in all board members:

- Accountability
- Achievement orientation
- Change leadership
- Collaboration
- Community orientation
- Complexity management
- Information seeking
- Innovative thinking
- Organizational awareness
- Professionalism
- Relationship building
- Strategic orientation
- Talent development
- Team leadership

While critical competencies (skills and knowledge) are important, what differentiates excellent board members are characteristics that cannot be taught in an educational seminar: self-image and values, social role, traits and personality, and motivation. (See Beyond the Visible Director Competencies: Select for Core Values graphic below.) How a trustee perceives the role of the hospital in the community and his or her role on the board impacts leadership style and decision making. A trustee’s self-image must be appropriately aligned with the new enterprise, and trustees must possess the personality and intrinsic motivation necessary to serve. The best trustees are motivated by achievement of the hospital’s mission.

Beyond the Visible Director Competencies: Select for Core Values

Source: Nygren Consulting, LLC