Great health care boards primarily focus on enabling their organizations to create innovative solutions that address community needs for improved health and well-being. They also address regulatory, competitive, resource and other challenges that sometimes may seem daunting, but these do not divert them from their primary purpose. While times of significant change can create organizational inertia as leaders and trustees wait for the next onslaught of obstacles and challenges, great boards help their organizations move beyond a victim-focused mindset to a success-oriented one that focuses on being a winner.

Boards can help their organizations confront the rapid, transformational changes under way in health care. They must keep their organizations focused on their mission to meet community health needs, encourage collaboration and generative thinking with internal and external partners, and engage in governance practices that foster disciplined oversight and decision-making processes.

A benchmarked, practiced and disciplined board process combined with regular self-assessment and robust reflection on process and outcomes are key determinants for great board performance and sustainable organizational success.

In *The Board Book*, author William Bowen, former president of the Mellon Foundation and Princeton University, writes, “Governance ... is a team sport, par excellence, and individual members must understand that boards have a collective oversight responsibility. ... Nonprofit boards, in turn, have much to learn from disciplines characteristic of corporate boards — especially the routine use of benchmark data and the constant monitoring of discrepancies between planned outcomes and actual results.” Bowen concludes: “Appropriate governing arrangements can enable the CEO-board partnership to operate smoothly, and ... facilitate both the exercise of courage and effective forms of collective decision-making. ... Being explicit about conventions reduces awkwardness and increases the odds that responsibilities will be discharged appropriately. ... Experience has helped me overcome an ingrained distaste for spending time thinking about matters of process when substantive issues are more interesting ... and I have come to believe that the upfront investments of time and energy needed to put good mechanisms in place can pay large dividends.”

**PAST IS NOT PROLOGUE**

Many health care governance processes have been fashioned on a long-standing tradition of strong CEO direction and minimal collaboration between the chief executive and trustees. While this approach may have worked in a more stable past, it is ill-equipped to deal with the transformational changes now being accelerated by health care reform.

Effective leadership requires boards and CEOs to work together as a high-performing team. The process involves tapping into the collective intelligence and energy of the board, the executive team and key stakeholders to make better decisions faster and to generate new and better solutions to achieve the ambitious performance, quality and cost goals that characterize successful organizations.

“As the new CEO of Shore, it was clear to me that the tools, processes and skills the entire organization had developed, including our board, were appropriate in the environment we came from, but not for the health care environment we were facing,” says Ron Johnson, president and CEO of Shore Medical Center, Somers Point, N.J. “I believed that flexibility and
speed in our decision-making would be critical to our future. We provided the board expert resources and the board rose to the occasion, looked in the mirror and stepped boldly into a new world of structure that framed processes, which resulted in consistent generative discussions and collaboration.”

Gerald Corcoran, Shore Medical Center’s board chair, agrees. “Our board and CEO regularly collaborate about the tough issues — we meet these issues in an open and constructive manner,” he says. “Our meetings are more focused on discussion rather than on information-sharing and we have achieved a dynamic culture of respectful challenge and collaboration.”

**DISCIPLINE REQUIRED**

Understanding and managing board dynamics and group decision-making is a process that must be continuously improved, because the ability of people to work in teams and to make decisions is not a static skill. What people learn and apply constantly changes and affects the way they view each other and the issues and challenges they are addressing. Therefore, decisions is one of the most difficult things for a group to do, particularly in high-stress environments. In his 2013 book, *You Are Now Less Dumb*, author David McRaney discusses several misconceptions that create obstacles to overcome to achieve better group decision-making and performance:

- **The misconception: The larger the consensus, the more likely it is correct.**
  The truth: A belief is not more likely to be accurate just because many people share it. Many good boards are trapped by this common fallacy, which can contribute to their being marginally successful.

- **The misconception: You alter your opinions and incorporate new information into your thinking after your beliefs are challenged with facts.**
  The truth: When your deepest convictions are challenged by contradictory evidence, your belief gets stronger. How many times have you heard “we’ve always done it that way” at a board or committee meeting? It is very difficult for groups with long tenure and history to honestly deal with deeply held group convictions, yet these convictions can cause poor decision-making.

**The histories or unwritten protocols and practices that define a board’s culture can be deeply ingrained.**

improving the reasoning process that precedes good decision-making and rigorously practicing it is key to leadership effectiveness, especially in a dynamic, stressful environment.

Under stress, negative emotions hijack a person’s ability to reason well. There are several situations in which trustees can take positions that preclude listening to other points of view and decrease effective dialogue and decision-making: when they are angry with each other or their executive leaders; when they are upset about past perceived unfair or inappropriate reactions; when there are unresolved conflicts; or when they take sides.

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**DE-POWERING CYCLE**

Boards engaged in pursuing better performance periodically step back and reflect on their narratives, particularly the dysfunctional stories that have inhibited reasoning effectiveness. When they do so, many find that they have become caught in a de-powering cycle. De-powering results from situations that deflate and dissipate the power boards need to function effectively. Examples include:
Breakdowns in communication, unfilled expectations and broken agreements within the board, between the board and the CEO, and between the organization and stakeholders.

Disappointment, anger, fear, hurt and angst causing trustees to either assign blame, attack or avoid engagement, which results in a decision-making process that is devoid of communication, dialogue and engagement in problem-solving.

Boards that want to reverse this tailspin reflect on the de-powering cycle and identify the problems on which to focus. Take, for example, a board that has determined it engages in little or no dialogue and suffers incomplete or poor communication. These dialogue deficits result in incomplete reasoning, leading to poor problem-solving and decision-making. Boards facing this problem could ask themselves:

- **Why doesn’t our board engage in dialogue at meetings?** Discussion may reveal that this occurs because dialogue has already happened, either with a small group of board members outside the meeting or by an executive team that only brings fully formed solutions to the board. Signals of a serious problem can be seen when someone tries to speak or ask a question that interrupts the planned dialogue and is then viewed as being divisive, diversionary or duplicitous.

- **When real dialogue does occur, why does it lack clarity?** Some causes of this problem include issues not being framed properly or disparities in the amount of information that individual board members have been provided.

- **Why do we have lingering dissatisfaction about organizational performance?** One cause may be no real definition of what constitutes satisfaction, other than traditional financial and incentive measures. Lack of alignment in how the board and executive team define success is often at the core of such dissatisfaction and usually results from not having disciplined discussions about success.

- **Why is there ongoing tension during meetings, causing board members to pass the buck or to go on the attack?** The de-powered nature of dysfunctional relationships seeks resolution, but at the expense of others.

The good news is that boards and CEOs can reframe their narratives and opinions of each other to avoid the dialogue vacuum. This requires robust assessment and reflection about the narratives that support the vacuum. As the assessment identifies the obstacles to real dialogue, each issue can be discussed, individuals can “own” their stories about each other, and they can begin to generate more interest in others’ assessments and ideas.

Three practices that boards can employ to get at the issues that undermine attempts to improve board performance are:

1. **Put ideas on trial, not people**

   Debate can clarify thinking and lead to better decisions [see Debate Produces Better Decisions, above].

   What can be done when a board discovers it engages in little or no constructive dialogue or debate? Potential causes and tips for improvement:

   - **Issues and recommendations are not clearly and efficiently stated.** Boards must understand the information upon which their decisions will be based and should defer decision-making until clarity is achieved.

   - **Information shared within and outside the board process is inconsistent.** Boards should bring to light the inconsistencies and defer decision-making until clarity is achieved, in-
sisting that the full board, not just
selected members, be privy to all in-
formation needed for board decision-
making.
• Facts are complex, confusing or ir-
relevant. Boards should require the
facts to be stated simply and ferret out
confusion or irrelevancy before deci-
son-making begins.
• Tension and overt personalizing characterize any inquiry. Boards
should require civil discourse. While
they should not avoid creative tension,
boards should diffuse tension that is
divisive or focused on individuals.
• A protagonist states a position with-
out suggested actions or possible solu-
tions. Boards should ask protagonists
to contribute to solving problems, not
just stating them.
• Antagonists are locked into person-
alization as they critique and challenge,
causign disruptive tension and negative
emotions. Boards must make it clear
that ideas, not people, are on trial.
• Feedback from antagonists is not
constructive and is devoid of alterna-
tives or solutions. Boards should make
it clear that the antagonist’s role is to
add value constructively.
• Flaws in a protagonist’s logic are
not mentioned. Boards must employ
and demand logical reasoning and
different points of view. Failure to ex-
pose flaws in logic compromises effec-
tive decision-making.
• Just before decision-making oc-
curs, there are still things that remain
unsaid. Boards should routinely de-
mand clarity about issues that impact
a decision. Failure to have all relevant
items on the table at decision time is a
failure of the board’s duty.
• Decision-making does not consis-
tently reveal the effects that particular
actions have on stakeholders or fails to
identify the stakeholders. Boards make
poor decisions when they don’t un-
derstand this.

2. The Left-Hand Column
Try the following exercise to evaluate
board interactions.
• Start by selecting a recent, spe-
cific situation in which you interacted
with another member of the board
or management in a way that did not
produce either learning or results.
• Next, divide a sheet of paper into
two columns. Write a sample of the
exchange you had in the right-hand
column. Select the part of the conver-
sation that was the most troubling.
Then, in the left-hand column, write
what you were thinking or assuming
but not saying at each stage of the
exchange. Ask yourself these ques-
tions: I behaved as if my assumptions
were true; are they really? Did I avoid
dealing directly with my assumptions
about the other person and the situa-
tion? What did the avoidance cost me
(or what did not get valued or recog-
nized) regarding the relationship and
a clear course of action for the board?
Am I willing to go back and confirm
my assumptions with the person or
group? What will I do now?
Consistently doing this exercise will
hone your ability to notice your assump-
tions while you’re creating them
—you can then choose to pull them
into or out of an interaction. However,
when it comes to performing your
duty for the board, things left unsaid
and assumptions that aren’t clarified
can result in poor decisions that can
become problematic.

3. Should to Could
Use this exercise to identify break-
downs in interactions within the
board. Changing “should” to “could”
can improve performance.
• Make a list of the top interaction
breakdowns with which the board is
dealing, from trivial to catastrophic.
Typically, any trustee can immediately
come up with two or more. These can
involve upsets, complaints, brooding
concerns about unmet expectations,
broken agreements and disruptive
conflicts.
• Choose one breakdown to work
on, and list the actions observed.
Write out all the “shoulds” associ-
ated with the interaction and the cor-
responding breakdown — the things
that should have been expected of
those involved. You now have the
story of the breakdown. Note: The big-
ger you perceive the breakdown to be,
the greater number of “shoulds” you
should be able to identify.
• Replace “should” with “could.” For
example: “Harry should have attended
the finance committee meeting. He
didn’t — Harry could have attended
the finance committee meeting.” Re-
member that you are dealing with
your emotions about Harry’s behav-
or: Harry wasted time in the board
meeting because he was unprepared
about information he would have got-
ten at the committee meeting.
Now, for every should/could con-
version, make a note of the actions the
board might consider to help the other
party take the appropriate action.
In nurturing teamwork, instead of
proclaiming that a particular break-
down should not be happening, bet-
ter leaders ask what could be done to
help mend it. They create a pathway
for action by asking what could be
done to empower others. “Shoulds”
bring negative emotions; “coulds” are
associated with positive emotions.
Start small and build from your ex-
pperience in doing this exercise. And
remember, your colleague “could” do
something differently, if you “could”
do something to help. This is the al-
chemy for sustainable excellence.

Rethinking
Your Thinking
While there are many ways to re-em-
power your board to achieve better
performance, these three methods
illustrate that people’s performance
and the psychology of group deci-
sion-making are critical to higher
board function. Time is needed to ef-
fect change, explore, reframe, practice
new behaviors, iron out dysfunctional
ones and contribute energy to make
the board the best it can be.

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