Healthcare organization governing boards have long recognized that the best reason for evaluating their performance is to identify and implement actions to improve it. In the current environment of healthcare reform, board performance will come under greater scrutiny as boards are called upon to guide their organizations to perform differently and better with fewer resources. To help their organizations rise to the challenge, boards will need to embrace new competencies for their members.

In this context, it is not surprising that more healthcare organization boards are expanding their board performance evaluation approach to include board member performance assessment. Focusing on individual performance reflects the growing recognition that high-performing boards require effective board members. Especially in today’s environment, individual effectiveness demands more than just familiarity with basic board roles and responsibilities. It requires board members who can apply knowledge and skills that can have a positive influence on not only their performance but the performance of their organizations.

Board member performance assessment typically begins with board members rating their own effectiveness. In the past, this is often where the process ended as well. When healthcare board evaluation began in earnest almost 25 years ago, board members were asked to confidentially complete a self-assessment survey and compare their results with the results of the full board’s evaluation to identify areas they might want to focus on for further development. Pursuing improved performance was largely left up to the individual.

Because the strength of a board is determined by its weakest link, today’s boards can no longer afford to leave trustee performance improvement to chance; therefore, both the scope and number of participants involved in board member assessment are expanding to provide a stronger foundation for improving individual effectiveness.

Many board member assessment processes now involve participation from both the individual trustee and a board officer such as the board chair or the chair of the governance committee. The board officer reviews the individual’s evaluation, provides additional performance feedback and helps the board member devise and execute a personal development plan. The Center for Healthcare Governance adds a new dimension to the process by offering a competency-based peer assessment option as part of its Governance Assessment Process.

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The Center’s peer assessment approach incorporates governance best practices, three knowledge and skills competencies and 15 personal competencies identified by the American Hospital Association’s Blue Ribbon Panel on Trustee Core Competencies (see the listing on the next page). These competencies focus on behaviors associated with improved leadership performance in healthcare and other sectors.

Individuals rate their own performance using a 42-item survey, and a group of peer trustees rates the individual using the same survey. All surveys are returned to the Center for tabulation, from which a report is compiled that allows each trustee to compare his or her assessment to an average of the performance ratings provided by the peer trustees.
Trustee Core Competencies

Personal Capabilities
1. Accountability
2. Achievement Orientation
3. Change Leadership
4. Collaboration
5. Community Orientation
6. Impact and Influence
7. Information Seeking
8. Innovative Thinking
9. Managing Complexity
10. Organizational Awareness
11. Professionalism
12. Relationship Building
13. Strategic Orientation
14. Talent Development
15. Team Leadership

Knowledge and Skills
1. Healthcare Delivery and Performance
2. Business and Finance
3. Human Resources

Each individual also receives a sample personal development plan that helps identify areas of strength, which the board can then further leverage through mentoring and other development activities. Board members also can use the plan to identify and address performance areas where their own ratings differ significantly from those of their peers. A board leader is assigned to work with each trustee to finalize that individual’s personal development plan and together monitor progress.

The Center provides an additional report displaying the average aggregate ratings for all board members across all 18 competencies to help boards review and discuss the competency profile of the board as a whole. The results of this review can help the board plan for education or other board or board leadership development activities or can assist in bringing new members with needed competencies onto the board. The Center also is developing a database that will allow trustees to monitor their own performance over time and compare their performance to that of other board members.

Competency-based peer assessment can be especially useful for board members who have rated themselves high on their understanding of board roles, responsibilities and structure but rate their performance low on board culture or board member engagement. By using the results of peer evaluation as part of the trustee reappointment process, board members can also affirm their commitment to continuous governance improvement and gauge both their continued interest in board service and willingness to improve over time.

Boards and the organizations they govern will need to adopt new competencies for their members to meet the challenges of healthcare reform. Chief executives and boards that practice competency-based governance can increase individual trustee effectiveness and build a foundation for improved board and organizational success.

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