



As health care organizations become more complex and diverse, their governance requires individuals with a range of knowledge, skills and behaviors that can address the needs and challenges of these evolving enterprises. As their organizations mature, effective boards update how their members are selected, often moving away from informal, relationship-based board composition to a more intentional, competency-based process.

That process began six years ago for the board of Health First in Rockledge, FL. As the organization brought together its multiple entities into an integrated delivery network, it realized it was time for governance to evolve as well.

"We had committed people who had served on hospital boards governing our system," says then board chair Jim Shaw. "But we realized our board did not have all of the skills we would need for the future." Working with Steven Johnson, the system's new CEO, the board moved from membership based on criteria such as geographic representation to a board composed of individuals with specific skills and experience with complex organizations.

"As we created our network we had some challenges that were sometimes difficult to work through for me and my team," Johnson recalls. "Jim, who came from the aerospace industry, pointed out that we were viewing our organization as a health care company, and that in his industry we would be viewed as a systems integration company whose product is health care. This observation had a profound effect on me and ultimately influenced who we hired and who we brought onto our board."

Along with new board members came tools and expertise from other health systems that would help Health First attract needed competencies to its board. Cathy Eddy, who had served on the health plan board at Presbyterian Healthcare Services (PHS) in Albuquerque, NM, introduced the PHS individual board member "Competency Wheel" to the Health First board.

"I can't underscore how significant sharing the PHS wheel has been for our board," says past vice chair and current Nominating Committee chair Cathy Ford, who led development of the wheel for Health First governance. "The PHS competency definitions gave us a start, and along the way we further enhanced the wheel to reflect some specific skills our board needed."

The Health First Individual Competency Inventory (see page 2) profiles the skills residing among current board members. It also identifies members who have generalist experience and those who are specialists in each competency to help determine new or deeper skills the board needs. Each competency has been defined in detail to ensure the wheel can be used with

accuracy and confidence for a number of purposes. (To view the Health First template version that boards can adapt for their own use, [click here](#).)

The Competency Inventory creates transparency for the board in determining the skill sets it will need going forward. It also provides an opportunity to plan for new members in advance and either develop existing board members or reach out beyond the organization's service area to tap people with skills that may not be available locally. According to Shaw, the biggest advantage of using the inventory in board recruitment is to help the board consider what skills it needs to govern better.

The board recently added use of the Competency Inventory to board assessment and development processes. As part of board evaluation, trustees are asked what competencies they bring to the board and how they would like to further grow in their role. The development process that follows enables board members to add themselves to new competency segments on the inventory and increase the expertise, contributions and value they bring to Health First governance. Identifying development needs further assists the board in planning for board education and retreats.

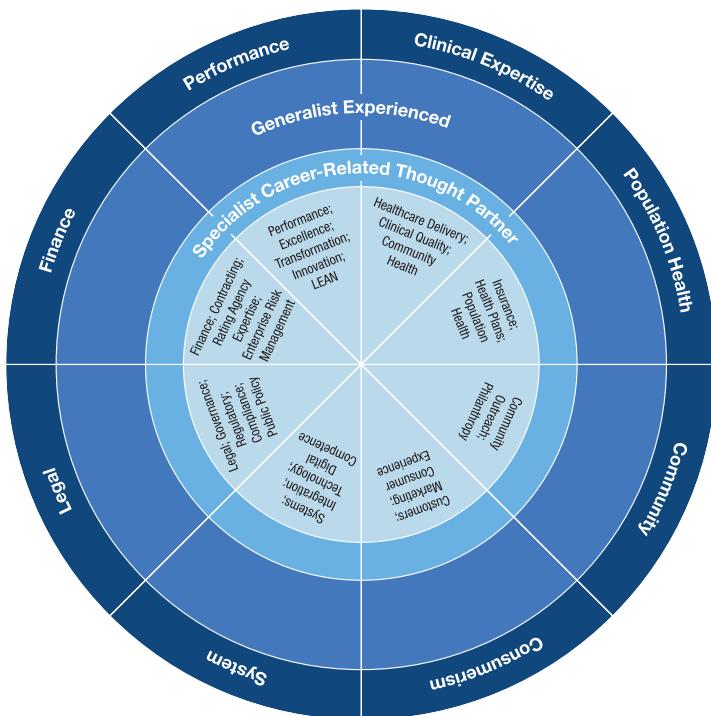
The Competency Inventory also is used when board leadership needs to have "tough conversations" with some board members whose skill sets no longer match the board's needs. According to Eddy, the inventory helps makes these conversations more objective.

For some, like Ford, working closely with the Competency Inventory and seeing it evolve has helped her decide not to seek additional terms on the board.

"I am a generalist in many ways," she observes. "I see the organization's strategic direction and know the specific board skills it needs. Using the inventory helped me see that I did not have some of these skills, so it made my decision clear."

The board and executive leadership team also jointly use the Competency Inventory to create mentoring opportunities among board members and senior executives. As CEO, Johnson sits on the board's Governance Committee, which is responsible for use of the inventory. He provides input into skills the board needs and helps identify trustees with specialist-level

Health First Individual Competency Inventory



competencies who can act as mentors and advisors.

"Jim made sure our board members understood the difference between governance and management," says board member Eddy, "and helped us pull back if we were getting into management territory."

This understanding of the governance/management distinction gives Johnson confidence about board member/executive mentoring relationships.

"This partnership definitely works," Johnson says. "I have a great executive team who really wants mentoring, but does not want to be managed in that relationship; and our board understands the difference. Board member mentors work directly with our executives, and I am comfortable with that because I know our board members won't try to manage them."

At Health First, the Competency Inventory is a dynamic tool that reflects the organization's evolving needs. Recently added competencies include community outreach/philanthropy, consumerism, enterprise risk management and systems integration. Shaw notes that the integration science skill set is not common in health care, so health systems may need to go outside the health care field to acquire these and other skills for management and the board.

"Enterprise risk was not something we had looked at before," he explains. "And adding it as a board competency has expanded our understanding of risk and what the board should be looking at. We have centralized our review of risk as part of Audit Committee oversight because we are looking at it now at a much broader level."

Health First board members see a focus on competencies as a way to strengthen the board and help it deal with complex issues. And sometimes, recruiting for specific skills enables a board to get a lot more than it was looking for. The Health First board recently looked for a new member with clinical skills, Eddy says, and was able to recruit an individual who also had legal and graduate education expertise. The Competency Inventory enables the board to profile the range of skills that members bring to board service so that the board gets a clear view of all the areas in which they can make a contribution.

Shaw says that competencies also help bridge the relationship between the board and management to help the organization accomplish its objectives.

"The inventory shows us the skills our organization needs to conduct business," he says, "and makes it easier to think about how to handle future challenges."

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