



American Hospital
Association™

Advancing Health in America

Role of Board Leaders in Engagement & Development



AHA Trustee Services

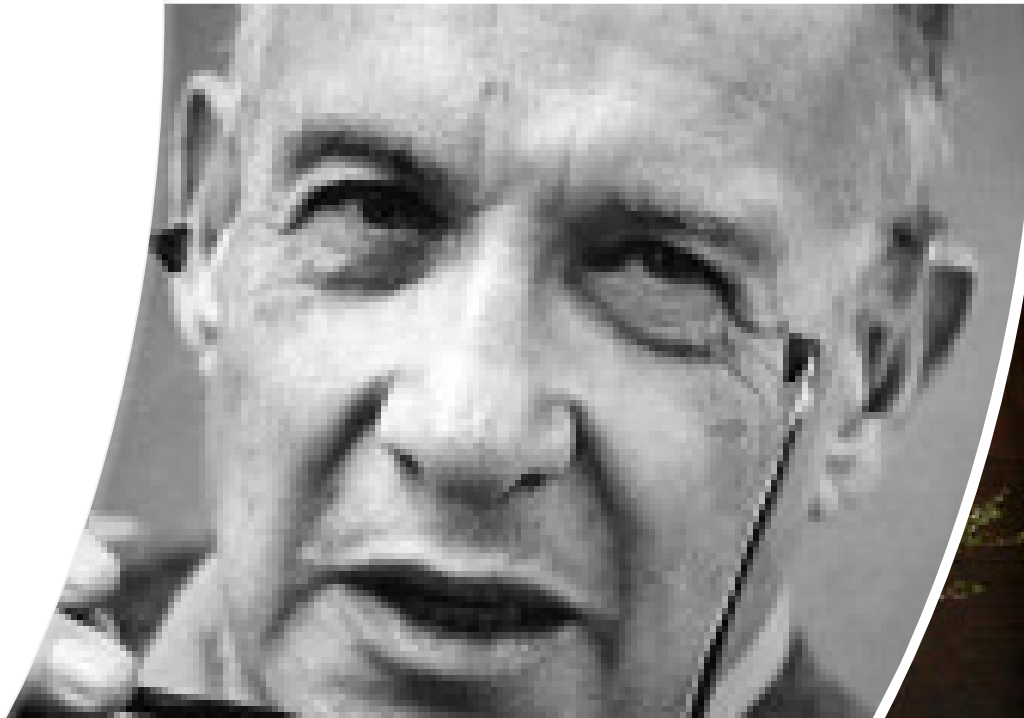


LINDEN CONSULTING
Your Healthcare Advisors

governWell
Better governance. Better healthcare.

“The hospital is altogether the most complex human organization ever devised.”

—Peter Drucker





**Balancing
Community
Needs and
Financial
Viability**

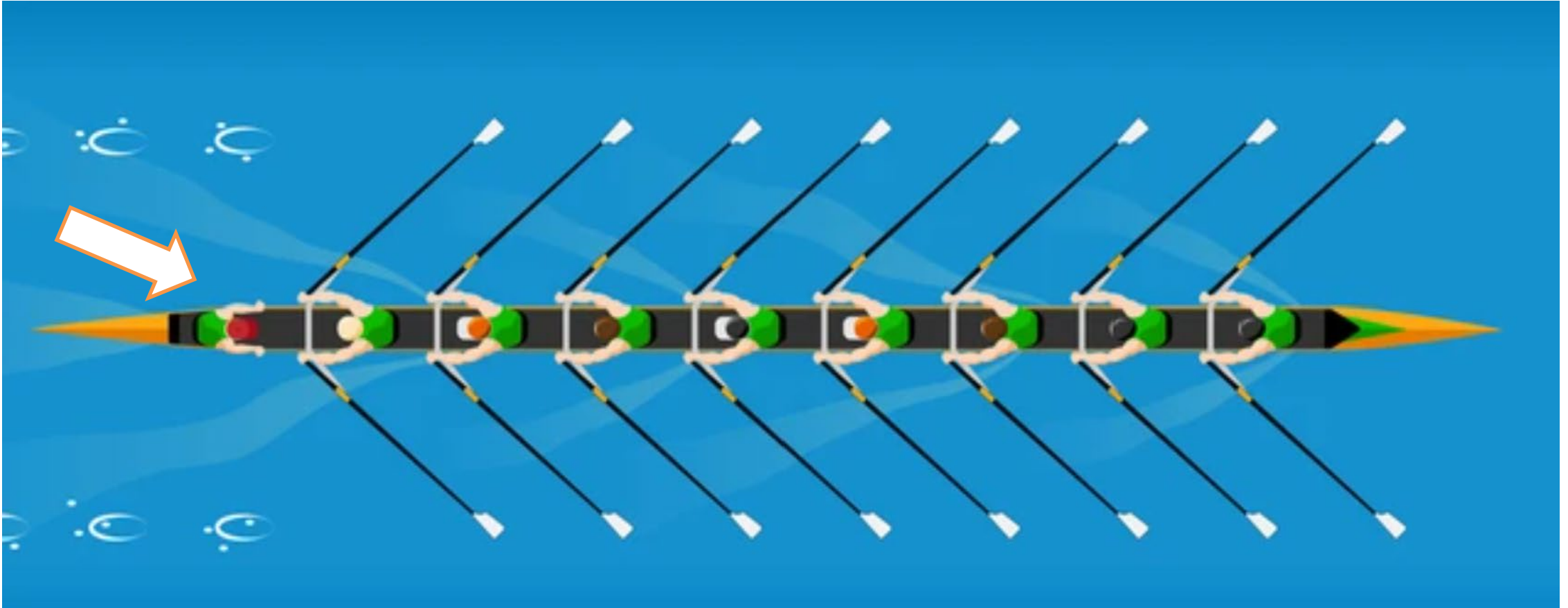
**High Quality
and
Affordable
Care**

**Strategic
Direction**

**Ensuring CEO
Success**

**Establishing
and Nurturing
the Corporate
Culture**

“Complex leadership structure, collaboration and intense energy needed for success.”



Source: Billings Clinic | Logan Health 2024 Regional Leadership and Trustee Conference

Many Board Leadership Positions



Understanding roles and collaborating effectively are hallmarks of high performing boards.

Board Chair Officers

- Chair
- Vice Chair
- Secretary
- Treasurer

Board Committees

- Executive Committee
- Finance Committee
- Governance Committee
- Quality and Patient Safety

Do You Know What Your Board Chair's Role Is?



46%

of hospital board chairs in the U.S. do not have a job description that defines their role, qualifications and responsibilities

18%

of hospitals in the U.S. use knowledge, skills and behavioral competencies when selecting board chairs

Source: 2022 American Hospital Association National Healthcare Governance Survey Report

Leading Without Shared Understanding

Position Descriptions

- Nearly one-third (32%) of 2022 survey respondents overall reported they did not have position descriptions for board members, the board chair or committee chairs (Figure 6.1).

Figure 6.1 Use of Position Descriptions				
For which of the following positions does your board have job descriptions?				
	All	System Board	Subsidiary Board	Freestanding Board
Board member	62%	76%	56%	53%
Board chair	54%	59%	48%	49%
Committee chair	23%	28%	20%	20%
None of the above	32%	19%	38%	40%

Source: 2022 American Hospital Association National Healthcare Governance Survey Report

Fitness to Serve

What Qualifications Does a Trustee Need for Board Leadership?

- **Calm under pressure**
- **Respected for high integrity and ethical values**
- **Well-organized strategic thinker and leader**
- **Ability to frame and lead compelling, action-driven agendas**
- **Ability to inspire participation and a desire to serve and lead**

Fitness to Serve cont.

What Qualifications Does a Trustee Need for Board Leadership?

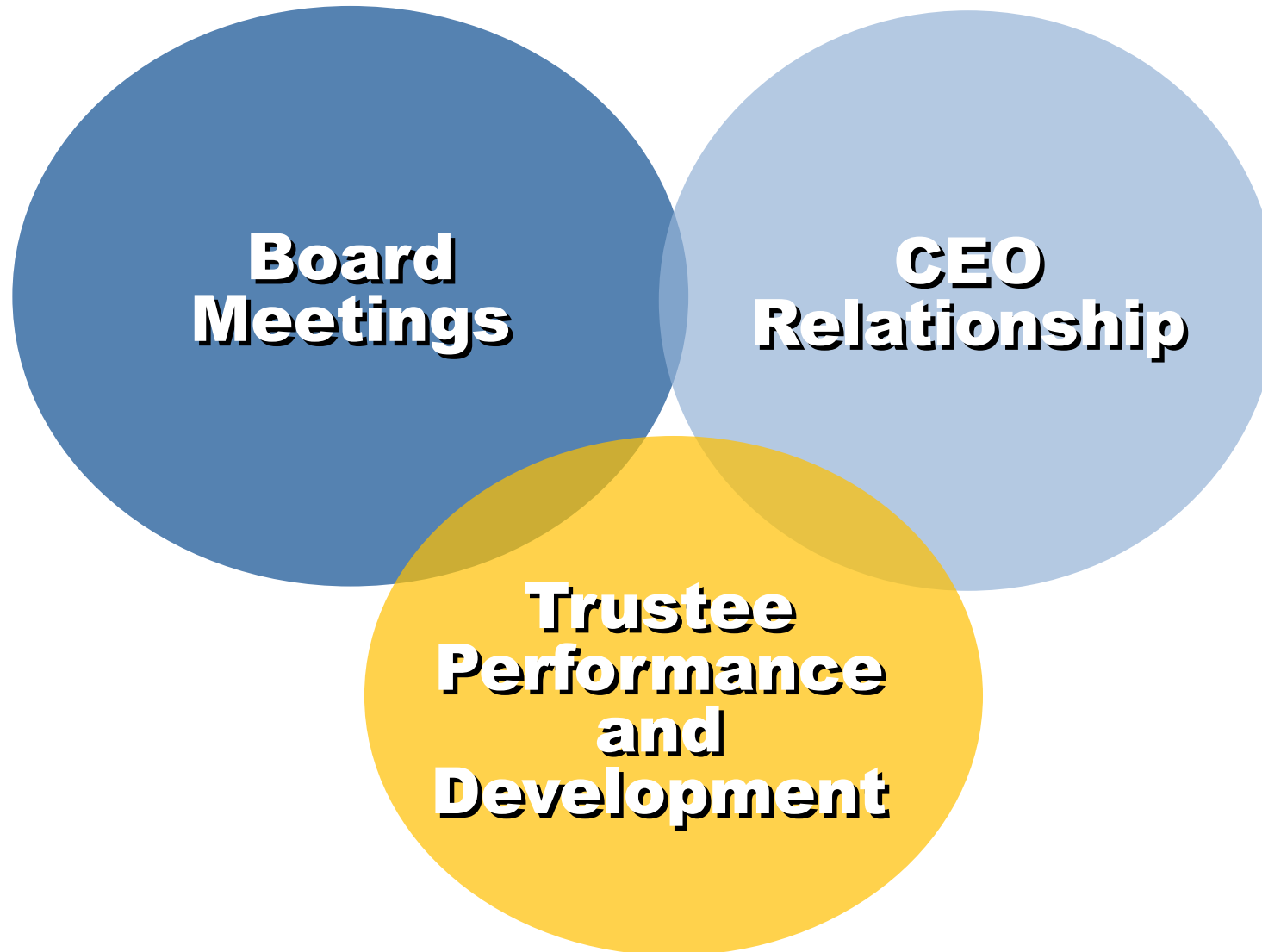
- **Open minded and objective**
- **Able to coalesce trustees to engage in robust, productive deliberations**
- **Ability to mediate conflicting points of view**
- **Ability to instill in trustees a commitment to continuous knowledge building**
- **Ability to challenge the bounds of leadership excellence**

The Role of the Board Chair



The Board Chair is fully responsible for ensuring that directors **function as a collaborative, cohesive team** that leads efficiently and effectively to achieve the hospital's mission, vision, values and strategies. The Board Chair is also the primary interface between the CEO and the Board.

3 Interlocking Board Chair Leadership Roles

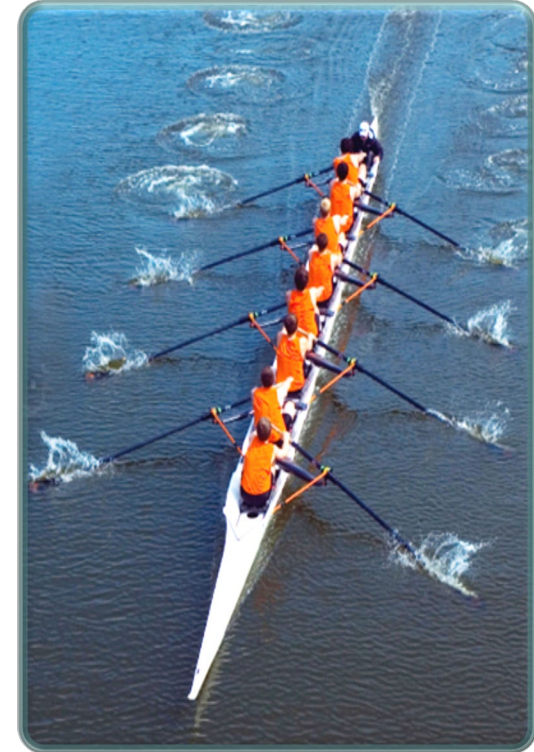


Board Chair Leadership Role:

Effective Board Meetings

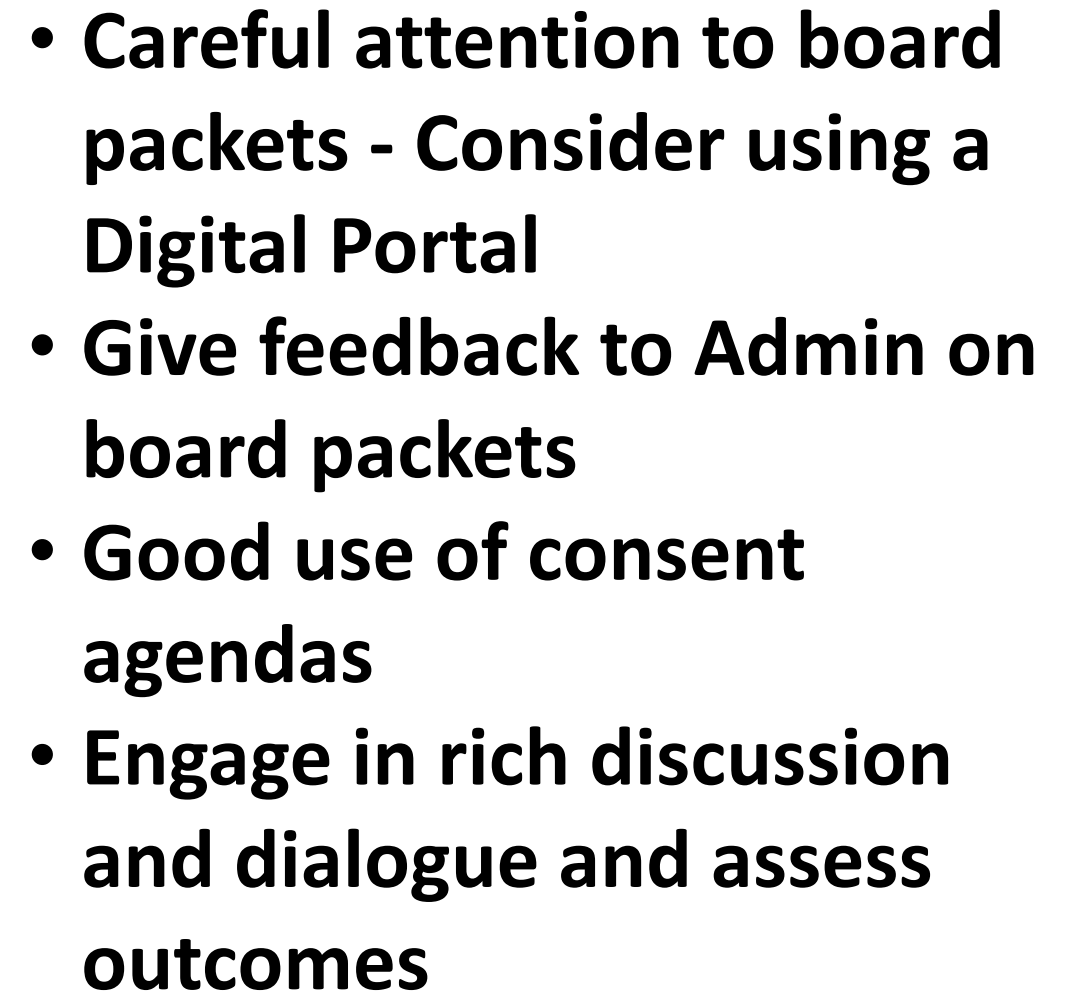
The Board Meeting: The Center of Governance Success or Failure

- **Ineffective board meetings:**
 - Poorly planned agendas
 - Wasted time on routine reports
 - Emphasis on operational details
- **Build the agenda together:**
 - CEO draft
 - Fine-tuned by board chair
 - Pre-meeting plan
- **Focus on vision, values, policies, and strategic leadership**



Leadership in Ensuring Productive, Collaborative, Purposeful Board Meetings

- **Ensures that trustees have the information they need for productive decision-making**
- **Ensures that meeting agendas focus on the most critical issues affecting the hospital and those it serves**
- **Provides effective facilitation of meetings to ensure the board addresses the right issues, in the right way, at the right time**
- **Ensures active, energetic trustee engagement in governance dialogue and decision-making**



Board Meeting Evaluation

	Rating				Comments
	Excellent	Fair	Poor	Not Sure	
1. The agenda and all supporting materials were distributed well in advance of the meeting	☐	☐	☐	☐	
2. The agenda was clear, well-organized, prioritized critical issues and made effective use of our time	☐	☐	☐	☐	
3. All members arrived well-prepared to discuss advance materials	☐	☐	☐	☐	
4. The chair conducted the meeting effectively, allocating adequate time for discussion, soliciting input from all members, maintaining focus and keeping the agenda moving forward	☐	☐	☐	☐	
5. Committee and staff reports were clear and focused on necessary information	☐	☐	☐	☐	
6. Approximately 75% of the agenda was future-focused, and only 25% focused on past events	☐	☐	☐	☐	
7. Discussion focused on high-level strategic issues	☐	☐	☐	☐	
8. More than 30% of the agenda discussion incorporated quality and patient safety	☐	☐	☐	☐	
9. Governance was proactive and strategic	☐	☐	☐	☐	
10. Members had sufficient information and understanding to exercise sound judgment and make evidence-based decisions	☐	☐	☐	☐	
11. Board members engaged collaboratively in discussion, asked insightful questions, offered diverse perspectives, and acted decisively	☐	☐	☐	☐	
12. Appropriate action items, accountabilities and time frames were clearly established	☐	☐	☐	☐	
13. The board upheld its fiduciary responsibilities	☐	☐	☐	☐	
14. The meeting achieved its objectives and was a productive use of members' time	☐	☐	☐	☐	
15. As a result of today's meeting, what important topics should be explored at our next meeting?	☐	☐	☐	☐	

Governance Best Practice: Board Meeting Evaluation

Evaluate Each Board Meeting:

- What did we do well?
- What could we have done better?
- Did we stay in our lane?
- Are there any topics for future agendas?

Use the 25/75 Rule



- No more than 25% of the time on past issues
- At least 75% dedicated to the future
- CEO Role:—Materials provided in advance/time to digest—Partnership with the board chair

Board Decision Making



Decision Sequencing



Non-Binding Straw Polls



Fist-to-Five Voting



Super-Majority Voting



Secret Ballots

NOTE: For public hospitals, not all decision methods are allowable

Source: Jamie Orlikoff, AHA Rural Health Care Leadership Conference

Successful Strategies for Meetings



- 1. Keep the mission statement at the top of every agenda.**
- 2. Consider a “Meeting Code of Conduct”.**
- 3. Provide agenda materials well in advance of meetings: the better-informed trustees are, the more likely they will be to engage in discussion.**
- 4. Promote a board culture of deliberative dialogue by encouraging a “listen first and then talk” atmosphere.**
- 5. Use techniques like an “around the board table” process and “pros” and “cons” discussions to give every trustee an opportunity to state his or her viewpoints prior to a vote.**

Trustee Pledge Meeting Code of Conduct

Governance excellence is the life blood of a high-quality board of directors. It is vital that each board member take their responsibilities seriously and pledge their best efforts to follow this code of conduct.

In pursuit of governance excellence, I pledge to:

- A. Refrain from micromanagement and focus on strategic leadership and policy, not on administrative and operational detail. I will respect distinctions between board and staff roles and will manage any overlap between the respective roles in a spirit of collegiality and partnership that supports the authority of staff and maintains the proper lines of accountability. I will not discuss significant operational concerns or issues with employees or members of the medical staff without the knowledge of the CEO.
- B. Recognize all power of the board is a joint and collective power which only exists when the board is acting together as one body and that I have no power or authority acting individually outside my vote.
- C. Attend board and committee meetings regularly and come prepared to fully discuss and deliberate all matters important to the business of the board.
- D. Listen carefully to my fellow board members and be willing to consider all points of view during board discussions.
- E. Share my point of view, do not dominate discussions, be respectful and courteous in debate, but do not shy away from difficult or contentious issues.
- F. Fully support the decisions of the majority once a decision has been reached, even if I am in the minority.
- G. Be inquisitive and ask any questions important to the discussions at hand. Strive to push the organization to continuous growth and excellence. Challenge the status quo.
- H. Keep board discussions and decisions confidential, unless directed to solicit stakeholder feedback on specific topics of interest to the board.
- I. Take all opportunities to be a good ambassador for the hospital and advocate on behalf of the hospital in matters of important public policy issues and encourage philanthropic support that would advance the mission of the hospital.
- J. Be a continuous learner and look for opportunities to stay abreast of current topics and trends in healthcare delivery and policy.
- K. Follow the conflict of interest policies and practices of the hospital.
- L. Conduct myself in an ethical, moral and legal manner at all times.
- M. Celebrate the success of hospital and the role I play in its mission!

SIGNED _____

DATE _____

Trustee Pledge

Meeting Code of Conduct

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“Fine Line” Challenges

- **Board members** must understand that they are expected to be leaders and overseers, not managers and implementers. Effective board members are concerned with the “what,” not the “how.”
- **Micromanagement** is a term generally applied to boards that pay too much attention to details and not enough attention to the “big picture” strategic issues.



“Fine Line” Challenge

- **Rubber-stamping** boards fail to ask pertinent questions or engage in deliberative dialogue on solutions to challenges, and do not work successfully together to arrive at independent-minded decisions.



Board Chair Leadership: Direction Setting and Consensus Building



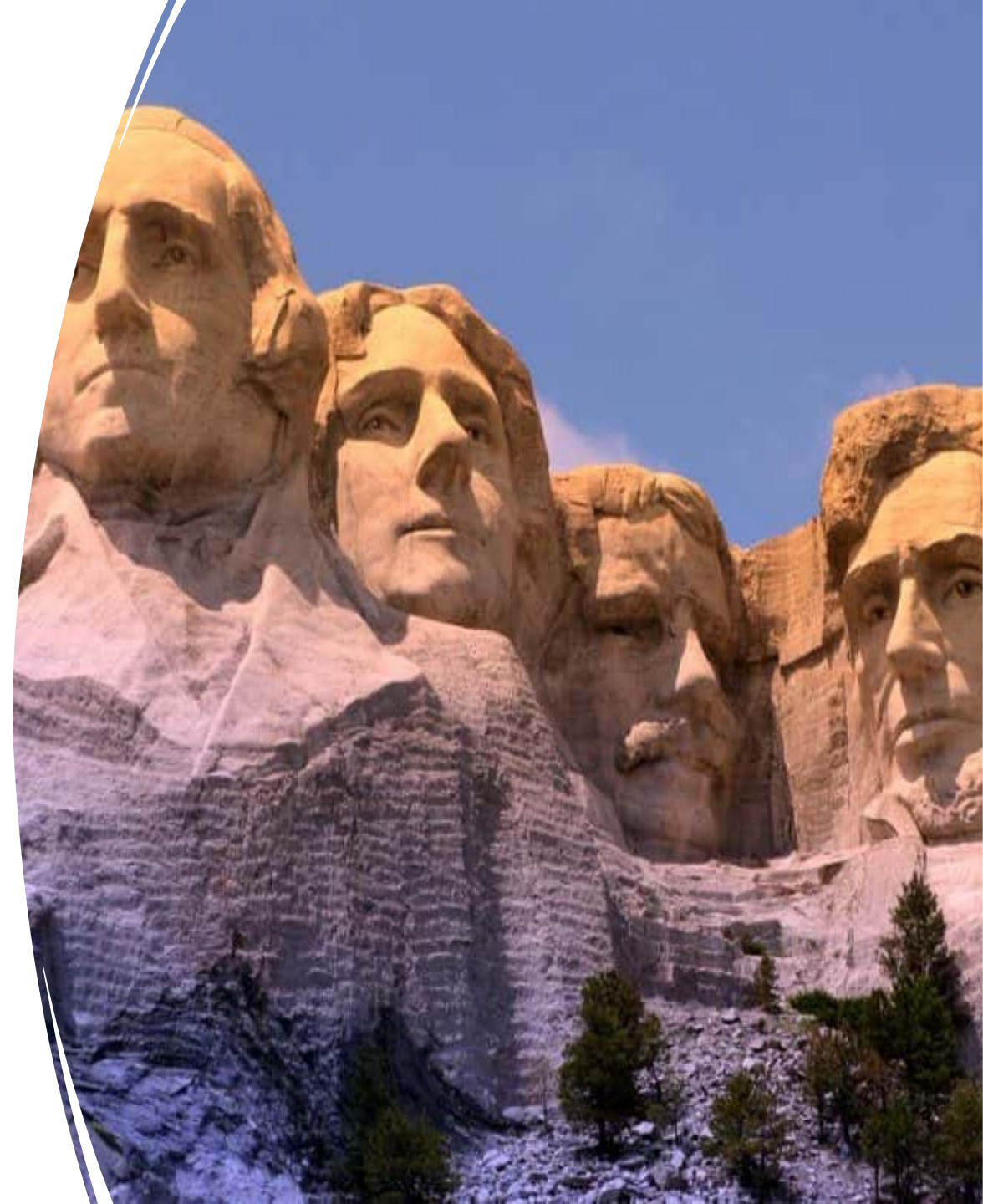
- Keeps the board focused on mission, vision and strategy
 - Ensures all trustee viewpoints are considered before final board actions
 - Drives board consensus
 - Is objective, without indicating bias that may sway fellow trustees
-
- Nurtures and facilitates board member cooperation and a sense of unity and purpose
 - Anticipates and successfully manages conflict

Strategic Governance

- **Successful governing boards know** that the mission, vision and value statements, when properly developed and used, are the primary driver for every governance discussion and decision.
- **The board ensures** that the entire healthcare family, from top to bottom, sees their role and value in achieving the organization's mission and vision.
- **The board**, more than any other group of leaders, **is responsible** as the “keepers” of these critical guideposts.

Governance Culture

Governance culture is a set of attitudes, practices and norms that shapes how governance operates, dictates decision-making, accountability, and power dynamics. It manifests formally in board meetings and structures, and informally through organizational behavior and leadership styles.



Why is Governance Culture Important?



- Organizational tone
- Board conduct
- Leadership
- Performance
- Innovation
- Diverse and Differing Viewpoints
- Recruitment and retention

In times of turbulence and crisis, culture becomes a touchstone for sustaining and navigating to the future.

What Are Your Board's Biggest Leadership Challenges?



The Board Chair Leadership Role:

The Board Chair/CEO Relationship



**The Board Chair / CEO
Relationship: It's a Partnership**



Select the CEO



Guide the CEO



Support the CEO



Evaluate the CEO



Succession Plan for a New CEO

So, what's the board chair's role regarding the all-important relationship with the CEO?

Agenda Setting

Communication
Between Board
Meetings

Lead the:
Guide, Support,
and Evaluate

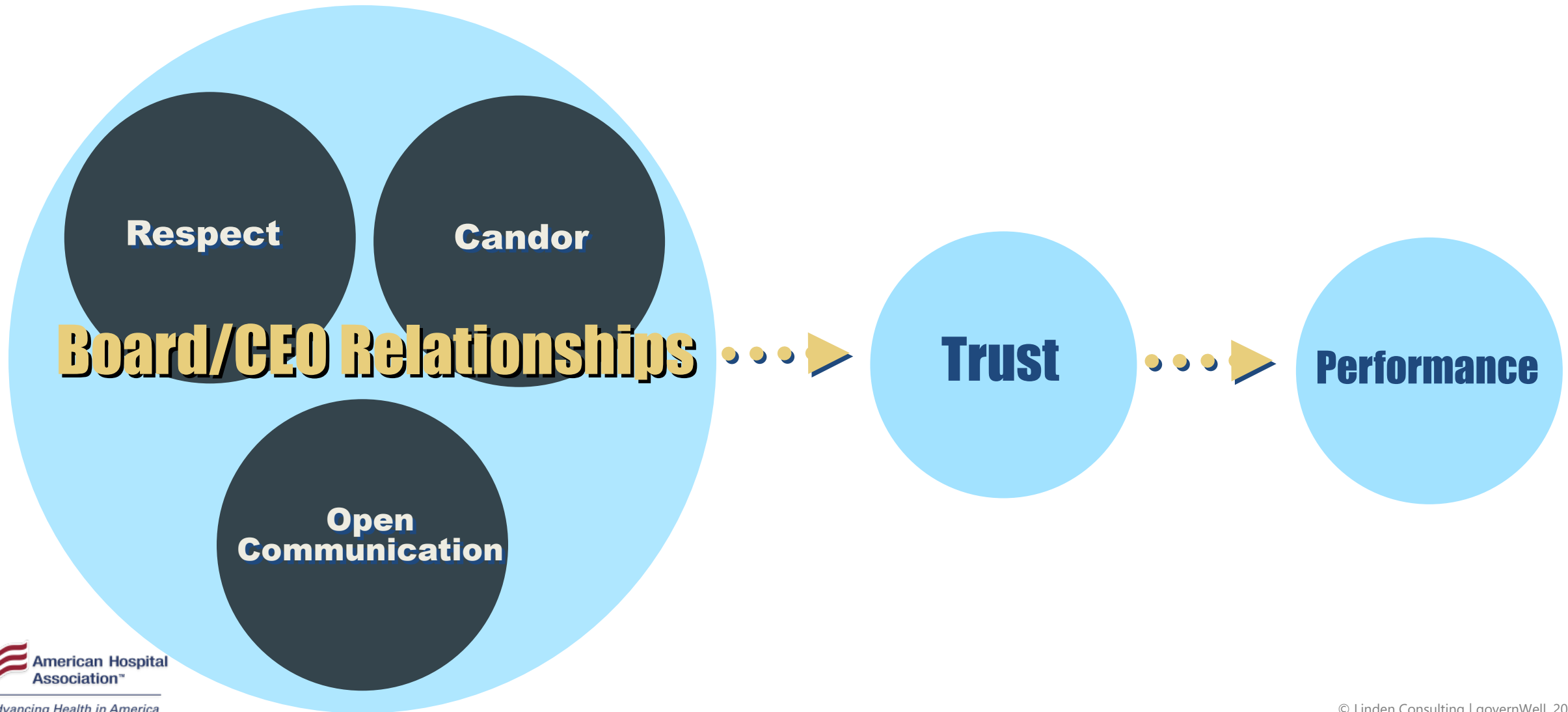
Communicate CEO Interactions with the Board

Leadership in Ensuring a Trustful Partnership With the CEO

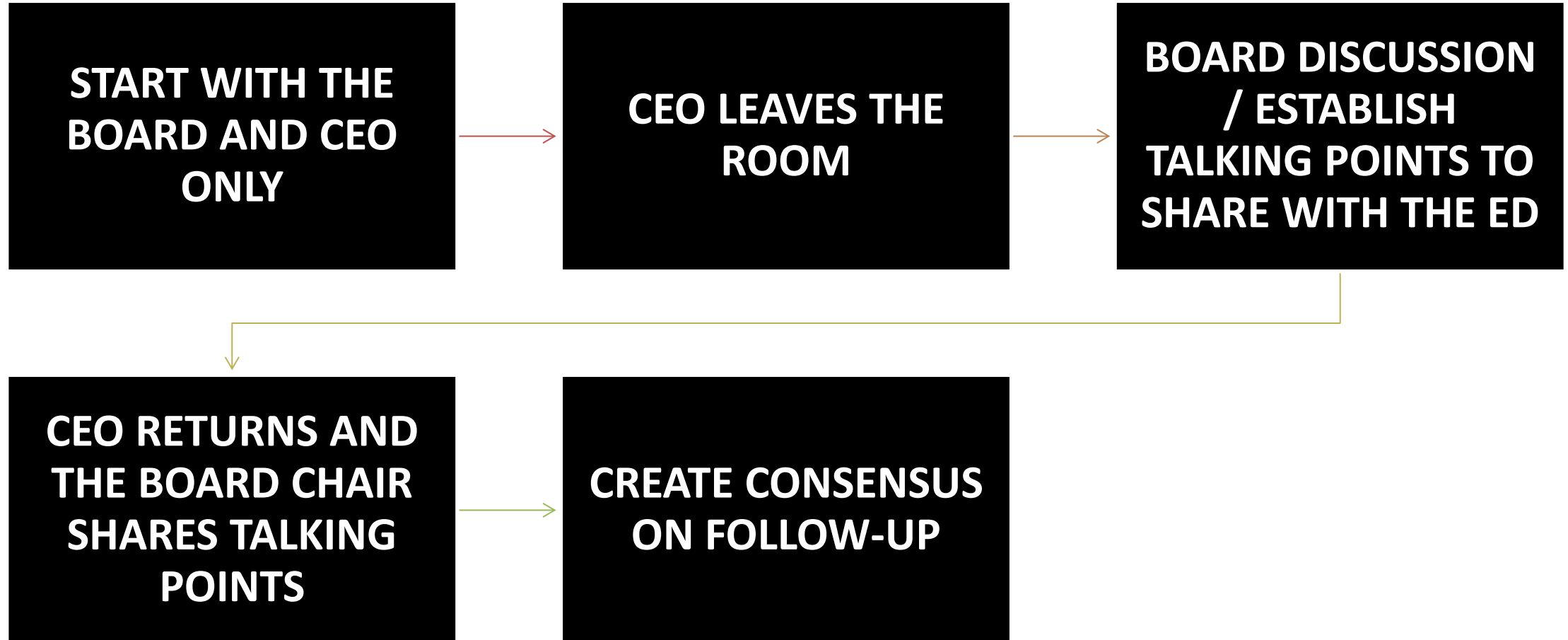
- Ensures communication with the CEO based on mutual trust and confidence
- Works collaboratively with the CEO to ensure that Board decisions are effectively carried out
- Coordinates the CEO's annual evaluation and compensation review
- Serves as a bridge between the CEO and the board



Trust: The Most Vital Ingredient



Executive Session



Note: Public / Governmental boards must follow state open meetings regulations when using this practice.



Questions to Explore and Find Consensus to Share with CEO

- What are we really pleased about?
- What topics or issues do we need more information about?
- Do we have any concerns?
- How are we doing in supporting our CEO?

Other Considerations

- **This is feedback for future follow-up and not new agenda items for the current meeting!**
- **Public hospital ‘closed session’ rules**
- **Who’s in the room?**
 - Medical staff members
 - CEO’s executive assistant
- **Disgruntled employees or physicians**



Best Practices for Executive Sessions Without CEOs

Supporting healthy board–CEO relationships

BY TODD C. LINDEN

When I was a young and inexperienced CEO, I did not like it when my board went into executive sessions without me. In fact, I hated it.

Spouses and significant others in delivery rooms are routine these days. For me, waiting for the board to finish an executive session was akin to the days of yore when expectant fathers paced in the waiting room, biting their fingernails and worrying about their partner and baby.

“What are they talking about?”
“Will they tell me if I’m doing something wrong or if they need something more from me?” “Why

is it taking so long?” These were some of the questions that would tick through my head as I impatiently waited for their meeting to end.

Over time I came to realize it was healthy for the board to have the opportunity to have candid conversations without me in the room. In fact, I came to see it as a gift. These meeting-within-a-meeting meetings gave board members the chance to talk privately to address sensitive and confidential issues, promote robust discussion and build trust — among themselves and with me.

That being said, the process and approach a board takes with execu-

tive sessions can go a long way to ensuring a productive conversation occurs. It’s important these sessions don’t end up like a meeting with the staff of “The Office” at the Dunder Mifflin Paper Company, Scranton branch.

This article focuses specifically on best practices for executive sessions without the CEO present. It is important to note that for public boards, these recommendations may not apply due to open meetings laws, which vary among states. Legal counsel should be engaged to advise public boards about appropriate use of executive sessions, also known as “closed sessions.”

Tips for Effective Executive Sessions

These tips will ensure that effective executive sessions advance ideas and create robust relationships.

Develop a good process and follow it. The purpose of an executive session should have focus — whether it’s to handle personnel matters such as CEO performance or to consider delicate matters like salaries, organizational culture or legal issues.

EXAMPLE 1: Many new board members are sensitive to asking questions in front of the CEO until they have more experience. They may be interested in understanding the evaluation process or details about the CEO contract.

Best Practices for Executive Sessions Without CEOs



TRUST

The image shows the word "TRUST" spelled out using five rectangular cards of different colors, each hanging from a horizontal string by a small wooden clothespin. The cards are arranged in a slightly staggered, horizontal line. From left to right, the cards are: red with a dark blue 'T', lime green with a dark blue 'R', light green with a dark blue 'U', light blue with a dark blue 'S', and red with a dark blue 'T'. The background is a dark brown wooden surface with horizontal planks.

Board Leadership Role:

Trustee Performance and Development

Leadership in Ensuring Advancement of Trustee Governing Performance

- Well-attuned to trustees' knowledge and leadership needs
- Inspires trustees to elevate their leadership expertise
- Ensures the board is knowledgeable of and consistently adheres to its bylaws, policies and procedures, and trustees' roles and responsibilities
- Ensures the integrity and ethics of governance processes



Equip your board to be a knowledge asset.



The “Aha!” Moment to Unlocking Governance Excellence

Boards serve as a strategic asset for high-performing organizations

BY TODD LINDEN
WITH MARK KAUFMAN

In health care governance, there exists a pivotal moment — an “Aha!” revelation when a governing board recognizes that its efficacy profoundly impacts the success of the hospital or health system it oversees.

I love this moment. For the past six years, I have dedicated my

work to helping boards seize this moment. While this insight may seem glaringly obvious, it holds the key to the transformative potential of a board committed to excellence in all facets of governance. At the end of the day, there is a high likelihood that a board that excels with board structure, diversity, selection, orientation, education, self-evaluation and culture also governs top-decile hospitals and health systems.

Governing boards don’t often think of themselves as a strategic asset. Instead, members consider themselves a group of people who

meet once a month to oversee an organization. When boards set a high bar for their performance in all aspects of governance, it naturally elevates the hospital’s performance. This article delves into the indispensable role of the governance committee and how it can supercharge a board’s overall performance, with a spotlight on the journey of one hospital striving for excellence.

Elevating Board Performance Starts with Self-Assessment

According to the 2022 American Hospital Association National Health Care Governance Survey Report, a mere 60% of health care boards use a governance/nominating committee. Shockingly, less than half of freestanding hospital boards have a governance committee. Yet, a high-performing governance committee can serve as the linchpin for nurturing and optimizing board effectiveness.

A fundamental part of a governance committee’s toolkit is the board self-assessment. As Peter Drucker famously said, “You can’t manage what you can’t measure.” Taking time to look in the mirror allows a governance committee to identify what’s going well and, more importantly, find opportunities for improvement. Most self-assessment tools consider all aspects of good governance, including board/CEO relationships, board meetings

Unlocking “Aha” Moments

Assessment resources:

[AHA Trustee Insights - 0524_governance_excellence.pdf](https://trustees.aha.org/avoiding-groupthink-boardroom)

<https://trustees.aha.org/avoiding-groupthink-boardroom>

<https://trustees.aha.org/assessment-boards-readiness-future>

<https://trustees.aha.org/board-self-assessment-strengthening-governance-effectiveness-during-crisis-and-challenging-times>

<https://trustees.aha.org/assessing-engagement-and-effectiveness-boards>

The Burning Platform

Where does
quality stack up
on board
agendas?

50% of boards rated
quality of care as one of
their two top priorities*

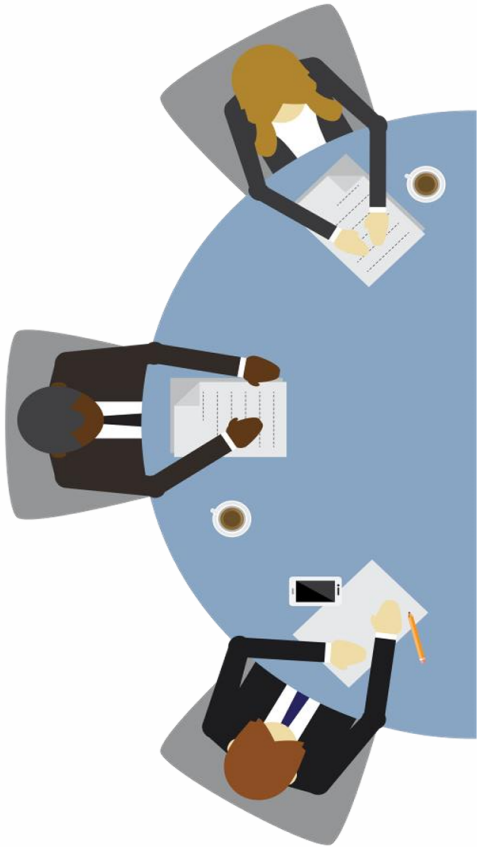
However, **37%** do
not have quality
performance on
every agenda*

58% spend less than
twenty percent of time
of agenda time on
quality*



The Burning Platform

Board member readiness to drive meaningful quality discussions



88%

List quality and safety expertise as a top competency for new board members, but only 29% receive continuous education on this topic.*

72%

Have some members who are not confident in their skill to guide safety and quality oversight**

50%

Have some members who do not feel they have adequate education for their role in safety and quality**

41%

Do not feel knowledge of safety and quality is adequate for their fiduciary duty**

41%

Are not confident in their understanding of safety and quality measurement**

* (AHA, 2019).

** (Goeschel, et al, 2011)



Boardroom 101

Key Strategies and Practical Tools
for Orienting New Board Members

April 2022



The Importance of Board Orientation

4 Leadership Questions for Board Chairs



Does my leadership clearly align our work with the hospital's mission, vision, and most critical strategic priorities?



Do I foster trustee commitment to governance excellence and shared accountability for the board's responsibilities and priorities?



Do I lead our trustees to understand the forces shaping healthcare and how we must position our organization for long-term success?



Do our governance structures, processes, and collective skills enable the board to make well-informed decisions and lead effectively in a changing environment?





A Simple Truth

“The highest performing hospitals and health systems are governed by the highest performing boards. If a board sets a high bar for its own performance, that naturally transfers to the organization it governs. The board chair sets the performance bar for the board.”

-- Todd Linden



governWell's™ talented advisors are dedicated to strengthening organizational capabilities. Specializing in board education, custom governance assessments, retreat facilitation, strategy development and leadership coaching, each advisor has over 30 years of experience. Specific areas of expertise include setting strategic direction, governance best practices, optimizing management and board relationships, community and population health, and the board's leadership role in ensuring excellent quality, safety, and high reliability in patient care.

Todd Linden, MA, FACHE
Partner, Linden Consulting Inc.
Specializing in board education, strategy development, retreat facilitation, & board chair & senior leadership coaching.

Barbara Lorsbach, MBA, LFACHE
President, governWell™
Specializing in board education, governance best practices, custom board self-assessments, community health improvement, & board orientation programs.





Advancing Health in America

