

Competency-Based Governance Tool Kit

P U B L I S H E D B Y

The American Hospital Association's



**CENTER FOR
HEALTHCARE
GOVERNANCE™**

Monograph Series

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Competency-Based Governance Tool Kit



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The Center also wishes to acknowledge the AHA's Blue Ribbon Panel on Trustee Core Competencies Work Group, who developed this *Competency-Based Tool Kit*. The Work Group designed the Tool Kit to help governing boards of hospitals and health systems apply the Panel's Trustee Core Competencies to board member recruitment and selection, board education and development, board member peer assessment and board leadership development and succession planning. Work group members include:

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Raising the Bar for Your Board: An Introduction to Competency-Based Governance

The role of a health care organization trustee gets more complicated and more sophisticated every day. Pressures are increasing simultaneously for higher quality, lower cost, more transparency and accountability, and use of evolving and ever-more expensive technology. At the same time, hospitals face increasing competition from unexpected sources both for patients and for professionals in critical disciplines.

Buffeted by change on nearly every front, and in the face of unprecedented ambiguity and financial instability, trustees are faced with the need to make complex decisions that have long-term consequences. The challenges are often beyond those for which any amount of health care governance experience could have prepared them.

In the face of such conditions, the competencies of individual trustees and the culture that they build within their institutions are emerging as critical variables that differentiate the highest-performing health care organizations from the also-rans. Leadership culture reflects the values and norms within which the board of trustees and the leadership team of the organization operate—their compass and guide for decision-making and day-to-day behavior. In its February 2009 report on competency-based governance, the Center for Healthcare Governance’s Blue Ribbon Panel on Trustee Core Competencies concluded that:

- Individual trustee competencies are necessary, but not sufficient, for driving effective

governance within health care delivery organizations.

- Boards that have a productive and “generative” governance culture are able to operate to leverage individuals’ competencies in ways that exceed the sum of the boards’ parts. These are boards that do more than go through the fiduciary and strategic requirements; they interact in a manner that:
 - Creates and pursues a shared strategic agenda.
 - Gets the right things done right.
 - Prompts high interaction within clear and shared rules of engagement that foster directness, candor, open communication, efforts to understand dissenting opinions, and mutual respect among trustees.
 - Stimulates individuals to operate in ways that enhance group effectiveness.
- The highest-functioning boards are self-monitoring and self-directed. They foster a peer environment in which board members:
 - Tolerate ambiguity and bring robust discourse to bear in rigorous debates.
 - Solicit and offer each other direct, timely, and candid feedback in ways that are appreciated, accepted, and acted upon.
 - Are willing to challenge traditional assumptions and ways of doing things in order to explore new ideas and approaches.

The underlying premise for these cultural factors is that every trustee has faith in the capability of both every other trustee and the collective board to work toward common goals in ways that fulfill the highest possible expectations. On high-functioning boards, feedback is offered not as personal critique, but as a trigger for dialogue about how we together can make things better.

These kinds of practices are central to the ability of any board to self-monitor and to continuously improve. They also are central to putting in place leaders and leadership processes that model for executive and medical leaders a culture that values:

- A shared governance agenda.
- Agility to adapt to new or changing circumstances.
- Rigorous exploration of problems and opportunities.
- Constructive dissent.
- Talent development.
- Ongoing learning.

Individual trustee competencies are at the core of any health care institution's culture. Without staffing, developing, and operating the board from a competency perspective, it is difficult if not impossible to build a culture that fuels innovation, adaptation, and learning through all levels of the institution. The topic of individual trustee competencies was explored in the Blue Ribbon Panel's report on competency-based governance. Fourteen personal behavioral competencies and three knowledge and skills competencies were identified and explained.

This Introduction shares the results of a work group convened to translate those competencies into

Figure 1: 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. Health Care Delivery and Performance
2. Business and Finance
3. Human Resources

specific tools that any health care institution's board can use to refine its board recruiting, board member performance evaluation, trustee and leadership development, and leadership succession planning processes. As a result of its efforts, the work group introduced a fifteenth personal competency to help boards identify and further develop capable board leaders. The 18 competencies included in this *Competency-Based Governance Tool Kit* are listed in Figure 1 and described and applied in more detail in the accompanying governance tools.

Using This Tool Kit

The intent of the work group was to use the trustee core competencies identified by the Blue Ribbon Panel as the basis for developing tools that promote **objective or data-based governance**. The concept of data-based governance means that boards adopt standard approaches and tools that provide objective information to help them make more effective assessments and decisions. Adopting a data-based approach to governance as addressed in this Tool Kit will require boards to re-examine the ways they have implemented governance practices in the past and to consider how incorporating competencies into these practices can help achieve more objective, effective governance.

The work group identified four key principles that drove development of the Tool Kit.

1. The Board as a Team

Development of the competency-based tools included here is based on the view that a board is a team, rather than simply a collection of individuals. As such, the work group initially focused on applying the competencies of individual trustees to board work, while recognizing that the pattern of individual board member competencies is critical to the competency of the entire governing team. This means two things:

- Not every individual will hone his or her competencies to an equal level across the core competencies. Rather, the work group envisioned that a “rising tide floats all boats.” In other words, boards that apply trustee competencies to their work are likely to be more capable and evidence-driven in their governance practices. Members of these

boards, will come to know each others’ strengths and weaknesses and be able to trust each others’ judgment in given areas where competencies are strong. Boards that govern from a foundation of individual member competence also will staff for complementarity, that is, they will bring in new board members who will reinforce areas where competence is less strong. By putting individual competence into practice and thereby modeling behavior that builds and reinforces competence in others, boards can strengthen the performance of both individual board members and the board as whole.

- Not every trustee will evolve into a committee chair or board officer. In other words, it’s possible to be an effective trustee without ever becoming a board leader.

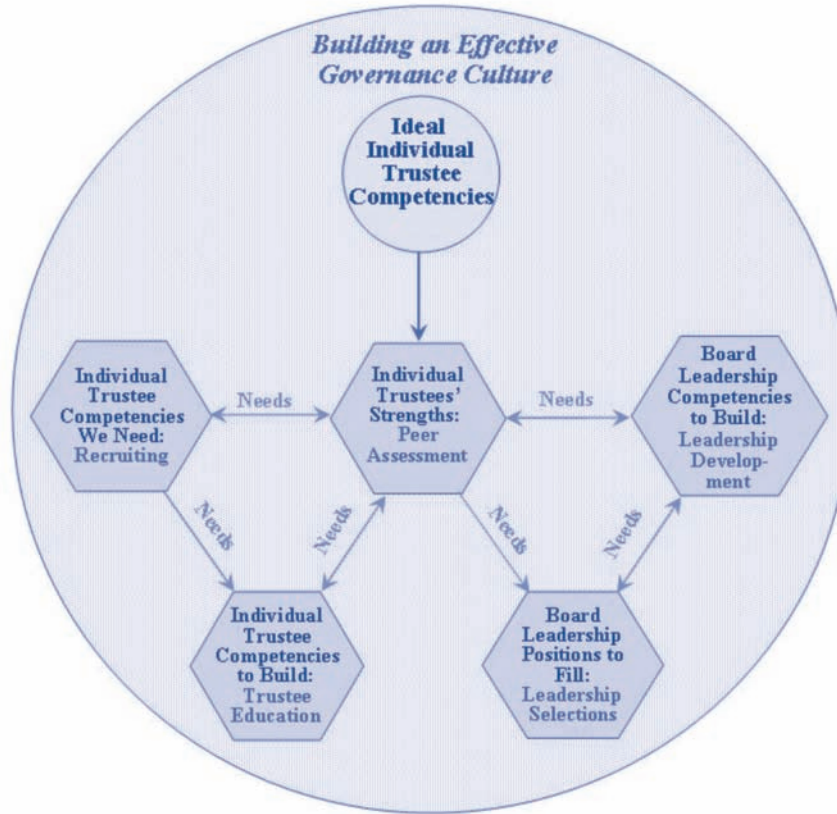
2. A Suite of Tools

In developing the Tool Kit, the work group aimed to create an **integrated suite of tools** that used outputs produced by individual tools to fuel implementation of other tools. For example, as explained above, the results of the competency peer assessment tools will provide baseline data for recruiting new board members, as well as educating and developing current directors. The work group’s objective was to create a set of tools that hospital and health system boards could easily use in both independent and interdependent ways to achieve a competency-based approach to governance that could help drive improved board member and overall board performance.

3. Simple and Pragmatic

The work group acknowledged that the tools included here represent an early stage of

Figure 2: Building an Effective Governance Culture



applying trustee core competencies to board work and can be improved through broad use and refinement over time. The work group views this Tool Kit as a mechanism to advance competency-based governance in a way that is **easy and straightforward for hospital and health system boards to implement.**

4. Formal Education and Peer-to-Peer Development

Emerging research about governance effectiveness identifies competency development as a central tool in strengthening the board as a governance team. Over time, boards will benefit by assessing

their collective effectiveness as well as the contribution that individual trustees are making to the whole. The work group envisioned that tools for advancing competency development should focus on both formal education or training and peer-to-peer development (mentoring as well as experiential activities that broaden exposure to trustees and other peers with high-levels of proficiency in specific competencies).

Figure 2 above provides a framework for understanding competency-based governance within the context of the principles outlined above and suggests how competencies can be

applied to development of both individual board members and board leaders. Phases for applying the tools are described below and suggest how boards can use the Tool Kit to incorporate competencies into the foundational governance practices identified in Figure 2. These phases are sequentially numbered below; however, after boards conduct a competency assessment of their current members using the peer assessment tools included here, each board will likely implement subsequent phases according to its individual needs and priorities.

PHASE 1: As Figure 2 suggests, the first step in developing competency-based governance practices is to assess the core competencies of current board members. This Tool Kit contains a set of **Peer Assessment** resources to help boards conduct this evaluation. Resources include two versions of a peer assessment survey—one for each board member to complete and another for peer evaluators. Guidelines for interpreting survey results and a Personal Development Plan for individual board members to use in further developing core competencies also are part of this tool set. Boards will complete a competency-based peer assessment survey for each board member and submit their completed surveys to the Center for Healthcare Governance. The Center will tabulate, display and return to each participant his or her survey results across the 18 competencies assessed. Using the guidelines for interpreting survey results and the Personal Development Plan included here, each board member can identify competencies he or she would like to further develop. The Center also will provide a report profiling competency strengths and opportunities for improvement across the entire board that can be used to plan for board development activities.

Personal Development Plans can also be shared with the board's Governance Committee or other committee responsible for board member recruiting and board education and development. This committee can then use plan results to identify competency strengths and weaknesses among the current board. This analysis can be used to recruit new board members who possess competencies needed by the board and to develop learning opportunities to further strengthen needed competencies among current board members, as shown in the boxes on the left side of Figure 2. Peer assessment also should be conducted at least once during each term of service for every board member to identify current strengths and weaknesses and help identify potential candidates for board leadership positions. Results of these assessments should be shared with the board's Nominating Committee or other committee responsible for board leader development and selection.

The Competency-Based Peer-to-Peer Assessment Process is conducted by the AHA's Center for Healthcare Governance. The steps outlined below describe the process. Boards interested in participating can contact the Center by calling 888/540-6111 or sending an email to info@americangovernance.com.

Step 1: Contact the Center to get started and obtain the initial survey materials. The Center will provide an assessment survey for each individual board member to complete and a peer assessment survey that should be completed by peer evaluators. Envelopes for survey participants to use to return their completed surveys to the Center also will be provided.

Step 2: Send the Center a list of all participants (Name, title, email and phone number) and the Center will randomly select three peer evaluators to complete the peer survey for each board member evaluated. Have all participants return their completed individual and peer surveys to the Center.

Step 3: The Center analyzes and returns a report of survey results to each participant. The individual rated will be able to compare his or her personal ratings with an aggregate rating of the three board members who also assessed the individual. Each individual rated also will receive a sample Personal Development Plan form and instructions about how to prepare the plan.

Step 4: Boards should assign a board leader or leaders to work with each individual rated to develop that individual's Personal Development Plan and monitor progress toward completing plan goals.

Step 5: The Center also prepares a summary of the average aggregate ratings for all board members across all 18 competencies. Individual board member identification is kept confidential. This summary report will be sent to the board's designee, which could be the board chair, chair of the board's Governance Committee or another designee. This report can be used to review the competency profile of the board as a whole and plan for board education or other board development activities.

PHASE 2: This Tool Kit contains several resources to help boards recruit new members with competencies needed to strengthen the board's current competency profile. The Interview Guide for **Competency-Based Board Member**

Selection provides a description of all 18 competencies, suggested interview questions to determine the extent to which each board candidate demonstrates use of competency behaviors and a rating scale that allows interviewers to provide an overall numeric rating for each competency. A Sample Board Competencies Summary also is provided to display ratings for each candidate across all competencies assessed to help boards compare relative competency strengths and weaknesses across candidates. The Interview Guide and Sample Summary can be modified to reflect the number of interviewers and range of competencies assessed by individual boards.

Results of the competency-based board member selection process can be used to select the candidate(s) that best meet the board's needs. They also can be shared with the board's Governance Committee or other committee responsible for board education, board member evaluation and leadership development and succession planning as baseline information that can be used in planning for future board and board member development. This Tool Kit also includes a Board Member Recruitment Guideline and a Board Member Position Specification that can be adapted by boards to further incorporate competencies into the board member recruitment and selection process.

The steps listed below describe how boards can implement the Competency-Based Board Member Selection Process.

Step 1: Review the Interview Guide to familiarize yourself with the competencies, associated behaviors, sample interview questions, and assessment criteria. Review the Sample Competencies Summary, as well.

Step 2: Determine whether your board desires to interview each candidate across all 18 competencies or to select a subset of the 15 Personal Capabilities that are most relevant to your board. It is recommended that all boards include questions to assess the three Knowledge and Skills competencies when interviewing board candidates.

Step 3: Identify the board members who will participate in the interview process. The number of interviewers selected will likely depend in part on the number of competencies your board decides to include in the interview process. Consider involving board leaders, such as board officers or members of the board's Nominating or Governance Committees, as interviewers.

Step 4: Select 3 to 4 questions from among the sample interview questions for each competency to use during the interview(s).

Step 5: Conduct the interview(s) for each candidate and provide an overall numeric rating for each competency.

Step 6: Transfer the numeric ratings onto the Board Competencies Summary to create a competencies profile for each candidate.

Step 7: Share the profiles with the board leaders/committees responsible for board education, board evaluation and board leadership development and succession planning so they can be used in carrying out these board development activities.

Note: Boards of public hospitals typically include trustees who are elected by the community or appointed by other public bodies or officials. Many hospitals are working

with their elected officials to suggest candidates for board service who possess the competencies and experience needed to serve on a hospital governing board. The Competency-Based Board Member Selection tools included here can be used to identify such candidates.

Step 8: Use the Board Member Position Specification, shown on pages 46–53, and the Board Member Recruitment Process Guideline, shown on pages 54–55, to further incorporate trustee competencies into the board member selection process.

PHASE 3: Two approaches to promote further competency development among board members are addressed in this tool set. The first is a model that suggests steps for incorporating development of knowledge and skills competencies into **Board Education**. The second is a **Mentoring Guideline** that discusses how boards can use the mentoring process as an educational tool to strengthen use of the 15 personal competencies through peer interaction. Steps for implementing a model for trustee orientation and development of a mentoring program to both orient new members and develop board leaders are described below:

Step 1: The trustee orientation model has four components:

- The **Hospital Goals** component describes several areas that drive outcomes for hospitals, such a community health status, community benefit and mission and margin impact. Resources to help boards develop programs and materials in these areas are referenced.
- The **Fiduciary Information** component explores the three Knowledge and Skills competencies developed by the Blue Ribbon

Panel on Trustee Core Competencies. Resources are referenced to help board members become more proficient in these competencies.

- The **Board's Role** component describes how boards and trustees should act to fulfill various board functions, such as performance oversight, decision-making and strategic inquiry. Resources are referenced to support board development in these areas.
- After completing the above components, a new trustee can identify specific **Learning Objectives** to continue the learning process.

Step 2: Mentoring as a process to develop board member knowledge and skill through peer guidance is explored. Goals for mentoring, prerequisites for an effective mentoring relationship, a suggested mentoring process and a mentoring activities checklist are included. While mentoring is most often employed as a tool for orienting new trustees, the mentoring guideline included in this tool set suggests how it can be used for ongoing trustee and board leader development as well.

Boards that address competency-building using these approaches can assess their impact by

periodically conducting the peer assessment process for each board member and comparing current and previous assessment results.

PHASE 4: This Tool Kit also includes a tool for applying competencies to board **Leadership Development and Succession Planning** processes. This tool outlines a structured process for developing board leaders that includes the following steps:

- Step 1: Understanding how leaders apply competencies
- Step 2: Identifying board leadership opportunities
- Step 3: Identifying your board's leadership competency needs
- Step 4: Defining the board leadership pool
- Step 5: Developing leaders and planning for succession

This tool also indicates how to use the results of competency-based peer assessment, board member recruitment and selection and board education and development activities to identify and select board leaders.

For more information about specific tools and how to use them, please review the competency-based tool sets included in this Tool Kit.

Competency-Based Peer Assessment Tools

Competency-Based Peer-to-Peer Assessment Process

The Competency-Based Peer-to-Peer Assessment Process is conducted by the AHA's Center for Healthcare Governance. The steps outlined below describe the process. Boards interested in participating can contact the Center by calling 888/540-6111 or sending an email to info@americangovernance.com.

STEP 1: Contact the Center to get started and obtain the initial survey materials. The Center will provide an assessment survey for each individual board member to complete, shown on pages 14–19, and a peer assessment survey that should be completed by peer evaluators, shown on pages 20–25. Envelopes for survey participants to use to return their completed surveys to the Center also will be provided.

STEP 2: Send the Center a list of all participants (Name, title, email and phone number) and the Center will randomly select three peer evaluators to complete the peer survey for each board member evaluated. Have all participants return their completed individual and peer surveys to the Center.

STEP 3: The Center analyzes and returns a report of survey results to each participant. The individual rated will be able to compare his or her personal ratings with an aggregate rating of the three board members who also assessed the individual. Each individual rated also will receive a sample Personal Development Plan form and instructions about how to prepare the plan shown on pages 26–28.

STEP 4: Boards should assign a board leader or leaders to work with each individual rated to develop that individual's Personal Development Plan and monitor progress toward completing plan goals.

STEP 5: The Center also prepares a summary of the average aggregate ratings for all board members across all 18 competencies. Individual board member identification is kept confidential. This summary report will be sent to the board's designee, which could be the board chair, chair of the board's Governance Committee or another designee. This report can be used to review the competency profile of the board as a whole and plan for board education or other board development activities.



Competency-Based
Individual Assessment

Specially prepared for:
Sample



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Dear Director:

This self-assessment tool will provide you an opportunity to evaluate your performance and contribution as a board member. The tool contains 42 items and will take about 10 minutes to complete - a small investment in your board's continuing development. Thank you in advance for your time.

- **Step 1: Skim through the entire inventory,** and familiarize yourself with it, before responding to any of the items.
- **Step 2: Clearly circle only one response for each item;** ranging from 5 (meaning you agree) through 3 (meaning you somewhat agree) to 1 (meaning you disagree).
- **Step 3: Focus** exclusively on assessing your own performance.
- **Step 4: Be discriminating.** All directors excel in some areas but not in others. Your responses should be distributed across the full five point scale reflecting the diversity of an individual's characteristics and performance.
- **Step 5: Be candid.** Undertake an honest assessment.

Foundational Information:

Your name: _____

Number of years you've served on this board: _____

The results of this sections are for the use of the Center for Healthcare Governance. They will not be shared with any other organization.

1. General Traits and Characteristics

	LOW (No/False)	2	MEDIUM 3	4	HIGH (Yes/True) 5
1. I support and promote the Hospital.	1	2	3	4	5
2. I consistently demonstrate integrity and high ethical standards.	1	2	3	4	5
3. I comply with the conflicts of interest policy.	1	2	3	4	5
4. I respect confidentiality as required.	1	2	3	4	5
5. I think independently and will express views contrary to the group.	1	2	3	4	5
6. I understand and respect the role of the chair.	1	2	3	4	5
7. I read board materials and come prepared for meetings.	1	2	3	4	5
8. I participate actively and constructively at meetings.	1	2	3	4	5
9. I support board decisions and act consistently with all board actions once a decision has been made.	1	2	3	4	5

2. Personal Capabilities

	LOW (No/False)	2	MEDIUM 3	4	HIGH (Yes/True) 5
10. I require a culture of strong accountability in which people understand and are expected to meet their commitments.	1	2	3	4	5
11. I appropriately and effectively hold myself and others accountable for demanding high performance.	1	2	3	4	5
12. I ensure high standards are set and communicated.	1	2	3	4	5
13. I encourage development and use of metrics to measure outcomes and track performance.	1	2	3	4	5
14. I maintain focus on strategic goals and values during the process of change.	1	2	3	4	5
15. I ensure others understand the goals of change initiatives and use them to build buy-in and overcome obstacles to change.	1	2	3	4	5

16.	I promote teamwork and cooperation within the board and organization.	1	2	3	4	5
17.	I facilitate beneficial resolution to conflict by helping define common ground and develop mutually satisfactory solutions.	1	2	3	4	5
18.	I advocate for community health needs at community, state and federal levels.	1	2	3	4	5
19.	I understand the needs of health stakeholders in my community and advance their agenda within and outside of the organization.	1	2	3	4	5
20.	I understand the needs and views of others and use them to persuade individuals or groups to pursue a course of action.	1	2	3	4	5
21.	I accurately assess the impact of decisions or actions on stakeholder needs, interests and expectations.	1	2	3	4	5
22.	I ask questions to get at the root of a problem or situation.	1	2	3	4	5
23.	I seek comprehensive information and expert knowledge and perspective to address issues.	1	2	3	4	5
24.	I foster new ideas to explain situations or resolve problems.	1	2	3	4	5
25.	I encourage breakthrough thinking and looking at things in new ways.	1	2	3	4	5
26.	I am able to balance tradeoffs, competing interests and contradictions.	1	2	3	4	5
27.	I am able to understand complex issues and concepts and their effect on the organization's vision, mission and strategy.	1	2	3	4	5
28.	I recognize organizational factors that block stakeholder satisfaction or organizational performance.	1	2	3	4	5

- | | | | | | | |
|-----|--|---|---|---|---|---|
| 29. | I ensure organizational leaders are building long-term support for creating a health care system focused on health and wellness. | 1 | 2 | 3 | 4 | 5 |
| 30. | I ensure the organization values and exhibits professional, patient- and community-oriented behaviors. | 1 | 2 | 3 | 4 | 5 |
| 31. | I ensure organizational stewardship and accountability for honesty and fair dealing with all constituents. | 1 | 2 | 3 | 4 | 5 |
| 32. | I build relationships with influential people in the health care field that can benefit the organization. | 1 | 2 | 3 | 4 | 5 |
| 33. | I sustain relationships with others through mutual assistance and support. | 1 | 2 | 3 | 4 | 5 |
| 34. | I help shape the organization's vision and future direction. | 1 | 2 | 3 | 4 | 5 |
| 35. | I align strategy and resource needs to position the organization for long-term success. | 1 | 2 | 3 | 4 | 5 |
| 36. | I hold management accountable for developing people in the organization. | 1 | 2 | 3 | 4 | 5 |
| 37. | I ensure succession plans for the CEO and senior leaders are robust and current. | 1 | 2 | 3 | 4 | 5 |
| 38. | I work with board members to gain their personal commitment and energy to support board goals. | 1 | 2 | 3 | 4 | 5 |
| 39. | I identify, remove and reduce obstacles to board effectiveness. | 1 | 2 | 3 | 4 | 5 |

6. Specific Knowledge and Skills

- | | | LOW
(No/False) | MEDIUM | HIGH
(Yes/True) | | |
|-----|--|-------------------|--------|--------------------|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 40. | I demonstrate literacy in quality and care delivery and health care organization performance, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 | 5 |
| 41. | I demonstrate business and financial literacy, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 | 5 |
| 42. | I demonstrate human resources management literacy, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 | 5 |



Competency-Based
Peer-to-Peer Assessment

Specially prepared for:
Sample



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Dear Director:

This peer-assessment tool will provide you an opportunity to evaluate a peer board member's performance and contribution based on a set of trustee core competencies for board members of hospitals and health systems. The tool contains 42 items and will take about 10 minutes to complete - a small investment in your board's continuing development. Thank you in advance for your time.

- **Step 1: Skim through the entire inventory,** and familiarize yourself with it, before responding to any of the items.

- **Step 2: Clearly circle only one response for each item;** ranging from 5 (meaning you agree) through 3 (meaning you somewhat agree) to 1 (meaning you disagree).

- **Step 3: Focus** exclusively on the individual you are assessing at the present time.

- **Step 4: Be discriminating.** All directors excel in some areas but not in others. Your responses should be distributed across the full five point scale reflecting the diversity of the individual's characteristics and performance.

- **Step 5: Be candid.** Undertake an honest assessment.

Foundational Information:

Your name: _____

Person you are assessing: _____

The results of this section are for the use of the Center for Healthcare Governance. They will not be shared with any other organization.

1. General Traits and Characteristics

	LOW (No/False)	2	MEDIUM 3	4	HIGH (Yes/True) 5
1. Supports and promotes the Hospital.	1	2	3	4	5
2. Consistently demonstrates integrity and high ethical standards.	1	2	3	4	5
3. Complies with the conflicts of interest policy.	1	2	3	4	5
4. Respects confidentiality as required.	1	2	3	4	5
5. Thinks independently – will express view contrary to the group.	1	2	3	4	5
6. Understands and respects the role of the chair.	1	2	3	4	5
7. Reads board materials and comes prepared for meetings.	1	2	3	4	5
8. Participates actively and constructively at meetings.	1	2	3	4	5
9. Supports board decisions - acts consistently with all board actions once a decision has been made.	1	2	3	4	5

2. Personal Capabilities

	LOW (No/False)	2	MEDIUM 3	4	HIGH (Yes/True) 5
10. Requires a culture of strong accountability in which people understand and are expected to meet their commitments.	1	2	3	4	5
11. Appropriately and effectively holds him/herself and others accountable for demanding high performance.	1	2	3	4	5
12. Ensures high standards are set and communicated.	1	2	3	4	5
13. Encourages development and use of metrics to measure outcomes and track performance.	1	2	3	4	5
14. Maintains focus on strategic goals and values during the process of change.	1	2	3	4	5
15. Ensures others understand the goals of change initiatives and uses them to build buy-in and overcome obstacles to change.	1	2	3	4	5

16.	Promotes teamwork and cooperation within the board and organization.	1	2	3	4	5
17.	Facilitates beneficial resolution to conflict by helping define common ground and develop mutually satisfactory solutions.	1	2	3	4	5
18.	Advocates for community health needs at community, state and federal levels.	1	2	3	4	5
19.	Understands the needs of health stakeholders in his/her community and advances their agenda within and outside of the organization.	1	2	3	4	5
20.	Understands the needs and views of others and uses them to persuade individuals or groups to pursue a course of action.	1	2	3	4	5
21.	Accurately assesses the impact of decisions or actions on stakeholder needs, interests and expectations.	1	2	3	4	5
22.	Asks questions to get at the root of a problem or situation.	1	2	3	4	5
23.	Seeks comprehensive information and expert knowledge and perspectives to address issues.	1	2	3	4	5
24.	Fosters new ideas to explain situations or resolve problems.	1	2	3	4	5
25.	Encourages breakthrough thinking and looking at things in new ways.	1	2	3	4	5
26.	Is able to balance tradeoffs, competing interests and contradictions.	1	2	3	4	5
27.	Is able to understand complex issues and concepts and their effect on the organization's vision, mission and strategy.	1	2	3	4	5
28.	Recognizes organizational factors that block stakeholder satisfaction or organizational performance.	1	2	3	4	5

- | | | | | | | |
|-----|---|---|---|---|---|---|
| 29. | Ensures organizational leaders are building long-term support for creating a health care system focused on health and wellness. | 1 | 2 | 3 | 4 | 5 |
| 30. | Ensures the organization values and exhibits professional, patient- and community-oriented behaviors. | 1 | 2 | 3 | 4 | 5 |
| 31. | Ensures organizational stewardship and accountability for honesty and fair dealing with all constituents. | 1 | 2 | 3 | 4 | 5 |
| 32. | Builds relationships with influential people in the health care field that can benefit the organization. | 1 | 2 | 3 | 4 | 5 |
| 33. | Sustains relationships with others through mutual assistance and support. | 1 | 2 | 3 | 4 | 5 |
| 34. | Helps shape the organization's vision and future direction. | 1 | 2 | 3 | 4 | 5 |
| 35. | Aligns strategy and resource needs to position the organization for long-term success. | 1 | 2 | 3 | 4 | 5 |
| 36. | Holds management accountable for developing people in the organization. | 1 | 2 | 3 | 4 | 5 |
| 37. | Ensures succession plans for the CEO and senior leaders are robust and current. | 1 | 2 | 3 | 4 | 5 |
| 38. | Works with board members to gain their personal commitment and energy to support board goals. | 1 | 2 | 3 | 4 | 5 |
| 39. | Identifies, removes and reduces obstacles to board effectiveness. | 1 | 2 | 3 | 4 | 5 |

6. Specific Knowledge and Skills

- | | | LOW
(No/False) | MEDIUM | | HIGH
(Yes/True) |
|-----|---|-------------------|--------|---|--------------------|
| | | 1 | 2 | 3 | 4 5 |
| 40. | Demonstrates literacy in quality and care delivery and health care organization performance, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 5 |
| 41. | Demonstrates business and financial literacy, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 5 |
| 42. | Demonstrates human resources management literacy, though not necessarily an expert in the field. | 1 | 2 | 3 | 4 5 |

How to Use Peer Assessment Results to form a Personal Development Plan

- Step 1: Highlight result questions where your self score or your peer average scores are below 3.67.
- Step 2: Highlight result questions where there is a difference of more than 1.0 between your self score and your peer average score.
- Step 3: Highlight result questions where there is a .5 or more difference between your self score and the individual average score for that question.
- Step 4: Work with your assigned board leader to complete the Personal Development Plan for those competencies with 2 or more result questions highlighted.
- Step 5: Share your Personal Development Plan with the board's Governance Committee to assist the committee in planning for future board education and development opportunities.

Personal Development Plan

Name: _____ Date: _____

Based on input from both you and your board member peers regarding your demonstration of required competencies please identify your strengths and opportunities for development as a board member in the following areas.

Domains	Strengths	Opportunities
<p>1. General Traits and Characteristics including personal integrity and objectivity, independence without conflicts of interest, confidentiality and active support of board decisions.</p>		
<p>2. Personal Capabilities including accountability, collaboration, community orientation, ability to manage complexity, strategic orientation and other competencies needed to govern effectively.</p>	<p>In what competency areas can I make the greatest contribution?</p>	<p>In what competency areas could I benefit from more education?</p>
<p>3. Specific Knowledge and Skills Uses specific knowledge and skills related to Healthcare Delivery and Performance, Business and Finance and Human Resources to inform and educate the board and demonstrates a willingness to increase literacy in other areas.</p>	<p>In what competency areas can I make the greatest contribution?</p>	<p>In what competency areas could I benefit from more education?</p>

Personal Development Plan

Focus for (next year)	During the next year, what opportunity(ies) will you, the board member, address?
Opportunities for the Entire Board	What suggestions do you have regarding opportunities for the board as a whole?
Other	What other feedback do you have?

X _____ (Board/Committee member)

X _____ (Chairman)

Competency-Based Board Member Selection Tools

Competency-Based Selection Process

The steps listed below describe how boards can implement the Competency-Based Board Member Selection Process.

Step 1: Review the Interview Guide beginning on page 30 to familiarize yourself with the competencies, associated behaviors, sample interview questions, and assessment criteria. Review the Sample Competencies Summary on page 45, as well.

Step 2: Determine whether your board desires to interview each candidate across all 18 competencies or to select a subset of the 15 Personal Capabilities that are most relevant to your board. It is recommended that all boards include questions to assess the Knowledge and Skills competencies when interviewing board candidates.

Step 3: Identify the board members who will participate in the interview process. The number of interviewers selected will likely depend in part on the number of competencies your board decides to include in the interview process. Consider involving board leaders, such as board officers or members of the board's Nominating or Governance Committees, as interviewers.

Step 4: Select 3 to 4 questions from among the sample interview questions for each competency to use during the interview(s).

Step 5: Conduct the interview(s) for each candidate and provide an overall numeric rating for each competency.

Step 6: Transfer the numeric ratings onto the Competencies Summary to create a competencies profile for each candidate. Then use the summaries to select the candidate(s) that best meet the board's needs.

Step 7: Share the profile(s) of incoming board members with the board leaders/committees responsible for board education, board evaluation and board leadership development and succession planning so they can be used in carrying out these board development activities.

Step 8: Use the Board Member Position Specification, shown on pages 46-53, and the Board Member Recruitment Process Guideline, shown on pages 54-55, to further incorporate trustee competencies into the board member selection process.

Interview Guide for Competency-Based Board Member Selection

Overview

Listed below are 18 competencies, identified by the AHA's Blue Ribbon Panel and Work Group on Trustee Core Competencies, that can be used as a basis for interviewing and evaluating candidates for board service. The first 15 are personal capabilities the panel and work group recommended that boards should seek in every board member.

A board can choose to look for all 15 capabilities in every candidate or select from among them the capabilities it believes are most critical to its own success and use the portions of this Guide that relate to the capabilities selected. The last three are Knowledge and Skills competencies that only some board members are likely to possess.

This interview guide includes a definition for each competency as well as behaviors associated with demonstrating the competency. Sample interview questions and assessment criteria follow to help evaluate whether/to what extent candidates can demonstrate behaviors associated with each competency.

Involving multiple interviewers can help assure that a variety of perspectives are included in the assessment of each candidate. Ratings for each competency should then be displayed (see Sample Competencies Summary by Candidate on page 45) to provide an overall competency profile for each candidate.

Personal Capabilities

1. Accountability

The ability to hold people accountable to standards of performance or ensure compliance using the power of one's position or force of personality appropriately and effectively, with the long-term good of the organization in mind.

Accountability Behaviors: guides creation of a culture of strong accountability throughout the organization; appropriately and effectively holds others accountable for demanding high performance and enforcing consequences of non-performance; accepts responsibility for results of own work and that delegated to others.

Sample Interview Questions to Identify Competency Behaviors

Reflect on a situation in your professional life or as a board member where you were responsible for holding someone accountable for high performance and demanding high performance in others.

- How would you define a “culture of accountability”? Describe any experiences you have had in guiding creation of such a culture.
- Overall, how would you describe the type of performance you expect of others who are accountable to you?
- What types of performance requirements and expectations have you held others accountable to and how did you communicate those requirements and expectations?

- When individual performance problems developed, how did you handle them or work with others to resolve them?
- Describe a situation where you held yourself accountable to high standards of performance. Did you achieve the standards you set for yourself and what was the outcome of your performance?
- How does a board establish a culture of accountability and what are the implications for what's expected of individual trustees?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

2. Achievement Orientation

A concern for surpassing a standard of excellence. The standard may be one's own past performance (striving for improvement); an objective measure (results orientation); outperforming others (competitiveness); challenging goals or something that has not been done previously (innovation).

Achievement Orientation Behaviors: ensures high standards are set and communicated; makes

decisions, sets priorities or chooses goals based on quantitative inputs and outputs, such as consideration of potential profit, risks or return on investment; commits significant resources and/or time in the face of uncertain results when significantly increased or dramatic benefits could be the outcome.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation in your professional life or on a board on which you have served where you were involved in setting goals, either working or overseeing work to achieve them and then assessing performance against the goals.

- What type of performance goals did you establish and how did you set and communicate them?
- What steps did you and others take to achieve the goals?
- How did you overcome or help others to remove obstacles, balance competing priorities or allocate resources in pursuing achievement of the goals? Did you ever have to take these steps when the outcome of the work was uncertain and if so, what motivated you to do so?
- How did you measure goal achievement?
- Did you meet or exceed the goals?
- In your view how does a board set performance expectations for organizational leaders and motivate and enable them to achieve these expectations?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

3. Change Leadership

The ability to energize stakeholders and sustain their commitment to changes in approaches, processes and strategies.

Change Leadership Behaviors: maintains an eye on strategic goals and values during the chaos of change; exhibits constancy of purpose, providing focused, unswerving leadership to advance change initiatives; demonstrates quiet confidence in the progress and benefits of change; provides direction for overcoming adversity and resistance to change; defines the vision for the next wave of change.

Sample Interview Questions to Identify Competency Behaviors

Think about a situation where you were involved in leading a group or governing an organization going through significant change.

- Briefly describe the change and how you provided leadership in moving change initiatives forward?
- How did you maintain a focus on strategies and values during the change?
- How did you guide the group or organization to stay the course throughout the change process?
- How did you help overcome obstacles or resistance to change?
- Once the change process was completed, how did you help the group or organization envision the next wave of change?

- Given that trustees do not directly implement change, what is it that boards can do to further the change leadership process and support executives and medical leadership teams through change processes?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

4. Collaboration

The ability to work cooperatively with others, to be part of a team, to work together, as opposed to working separately or competitively. Collaboration applies when a person is a member of a group of people functioning as a team, but not the leader.

Collaboration Behaviors: promotes good working relationships regardless of personal likes or dislikes; breaks down barriers; builds good morale or cooperation within the board and organization, including creating symbols of group identify or other actions to build cohesiveness; encourages or facilitates a beneficial resolution to conflict; creates conditions for high-performance teams.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were working as a member, but not the leader, of a team and where there may have been multiple teams working together. Feel free to reflect on experiences you have had professionally or as a member of a board or other team.

- How did you promote good working relationships with all team members—even those you may have disliked or found difficult to work with?
- How did you work to break down barriers within your team and across teams?
- How did you help foster cooperation or build morale within the team?
- Did conflict arise during the team’s work and if so, how did you help overcome it?
- How did you help create conditions or an environment that supported the team in achieving high-performance?

Assessment Ratings

1=Demonstrates little or no behaviors associated with this competency.

2=Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

5. Community Orientation

The ability to align one’s own and the organization’s priorities with the needs and values of the community, including its cultural and ethnocentric values, and to move health forward in line with population-based wellness needs and the national health agenda.

Community Orientation Behaviors: advocates for community health needs at community, state and federal levels; engages in meaningful actions at the national level to move recognized priorities forward; partners across health constituencies to create a coordinated and dynamic health system that meets long-term health and wellness needs; understands needs of health stakeholders and pushes their agenda forward.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were working, either professionally or on a board, to align a group’s or organization’s priorities with the needs and values of that group’s or organization’s stakeholders.

- How did you come to understand stakeholder needs and values?
- How were you involved in advocating for stakeholder needs and concerns?
- How did you partner with various stakeholders and stakeholder groups to help the organization meet their needs over time?
- How did you address competing stakeholder needs and priorities?
- Have you been involved in work focused on meeting the needs of stakeholders at community, state or national levels and if so, describe how you worked to help meet stakeholder needs and advance their interests?

- Because the community is a key hospital stakeholder, describe how a board can make sure community needs and concerns are taken into account in board work and decision making.

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

6. Impact and Influence

The ability to persuade, convince influence or impress others (individuals or groups) to support a point of view, position, or recommendation. The “key” is understanding others, since impact and influence is based on the desire to have a specific impact or effect on others where the person has a specific type of impression to make, or a course of action that he or she wants others to adopt.

Impact and Influence Behaviors: takes multiple actions to persuade and uses multiple points of view and delivery alternatives; calculates impact of actions or words by analyzing the needs interests and expectations of key stakeholders, anticipating the effect of an action on people’s image of the speaker and preparing for others’ reactions,

tailoring messages to interests and needs of audience, aligning persuasion actions for targeted effects; uses indirect influence, such as enlisting endorsements; uses complex influence strategies, such as assembling coalitions, building “behind the scenes” support for ideas, and using an in-depth understanding of the interactions within a group to move toward a specific position.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were working to persuade, convince or influence others to support a point of view, position, or recommendation.

- What actions did you take to persuade or influence others?
- What were some of the needs and interests of the person or group you were trying to persuade or influence?
- How did the actions you took reflect those needs and interests?
- Did you involve others in building support for your position, and if so, how?
- What was the outcome of your effort?
- In your view, how can a board member or board leader effectively and appropriately use persuasion and influence skills to further hospital or stakeholder needs and goals?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

7. Information Seeking

An underlying curiosity and desire to know more about things, people or issues, including the desire for knowledge and staying current with health, organizational, industry and professional trends and developments. It includes pressing for exact information; resolving discrepancies by asking a series of question; and scanning for potential opportunities or information that may be of future use as well as staying current and seeking best practices for adoption.

Information Seeking Behaviors: Asks questions designed to get at the root of a situation, a problem or a potential opportunity below the surface issues presented; seeks comprehensive information; seeks expert perspective and knowledge; establishes ongoing systems or habits to get information; enlists individuals to do regular ongoing information gathering; adopts the best practices from other industries.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation you encountered in your work life or serving on a board where you were involved in seeking out information or learning about new issues or trends in order to resolve a problem or keep current. Feel free to reflect on experiences you have had professionally or as a member of a board or other group.

- What steps did you take to gain a greater understanding of the problem or issue?
- How did you go about gathering the information you needed to address the issue or problem?
- What kinds of questions did you ask to gain greater clarity about how to address or resolve the issues or problems?
- How did you know you had enough information to take action?
- What systems and processes did you help put in place to get relevant information on an ongoing basis?
- Were you able to identify and apply best practices to addressing the issue or problem and if so how did you accomplish this?
- In your view, what steps can a board take to ensure that it is getting the information it needs to make sound decisions and effectively govern?

Assessment Ratings

1=Demonstrates little or no behaviors associated with this competency.

2=Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

8. Innovative Thinking

The ability to apply complex concepts, develop creative solutions or adapt previous solutions in new ways for breakthrough thinking in the field.

Innovative Thinking Behaviors: makes complex ideas or situations clear, simple or understandable, as in reframing a problem or using an analogy; fosters creation of new concepts that may not be obvious to others to explain situations or resolve problems; looks at things in new ways that yield new or innovative approaches—breakthrough thinking; shifts the paradigm; starts a new line of thinking; encourages these behaviors in others.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation or situations where you were involved in reinventing or establishing a new program, product or service in your professional life or as a governing board member.

- How did you identify and help others understand all of the factors contributing to the need to reinvent the existing resource or to create something completely new?
- How did you help make complex ideas or situations more clear or understandable?
- How did you help explain problems or obstacles in ways that may not have been obvious to others?
- How did you help others involved in the creative process look at things in new ways?
- Have you participated in a process of breakthrough thinking and what role did you play in the process?
- How can boards help foster innovation in the organizations they govern?

Assessment Ratings

- 1= Demonstrates little or no behaviors associated with this competency.
- 2= Demonstrates some behaviors associated with this competency.
- 3= Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4= Demonstrates proficient use of this competency.
- 5= Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

9. Managing Complexity

Ability to balance tradeoffs and competing interests and contradictions and drive for the bigger, broader picture.

Managing Complexity Behaviors: balances tradeoffs, competing interests and contradictions and drives for the bigger, broader picture both to reach resolutions and expand one's knowledge; exhibits highly developed conceptual capacity to deal with complexities such as expanding markets; understands the vision, mission and strategy and their implications for the organization's structure, culture and stakeholders.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you had to understand and address several complex issues in order to help an organization reach a bigger goal or outcome, for example expanding into new markets with an existing product, service or business.

- Describe the types of issues and the relationships among them that you had to understand and deal with?
- Did you have to expand your own knowledge or broaden your perspectives in order to handle these issues and relationships and if so how did you do this?
- What were some of the tradeoffs or challenges involved and how did you address them?
- How did you deal with these complex issues and challenges in relation to the organization's mission, vision and strategies?
- What implications did dealing with these issues and challenges have for the organization's structure, culture and stakeholders?
- Given that health care organizations are widely recognized as very complex, in your view to what extent should boards seek members with experience in managing or overseeing complex organizations and how might boards further develop this capability among their membership?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

10. Organizational Awareness

Ability to understand and learn the formal and informal decision-making structures and power relationships in an organization or industry (such as stakeholders, suppliers). This includes the ability to identify who the real decision makers are and the individuals who can influence them and to predict how new events will affect individuals and groups within the organization.

Organizational Awareness Behaviors: becomes familiar with the expectations, priorities and values of health care's many stakeholders; recognizes internal factors that drive or block stakeholder satisfaction and organizational performance; addresses the deeper reasons for organization, industry and stakeholder actions, such as the underlying cultural, ethnic, economic and demographic history and traditions; uses these insights to ensure organizational leaders are building long-term support for creating local, regional and national integrated health systems that achieve a national agenda for health and wellness.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where in order to accomplish a task or goal you needed to understand how decisions were made and influenced and the power relationships that existed in an organization or industry. Feel free to reflect on experiences you have had professionally or as a member of a board or other group.

- Describe how you came to understand these decision-making and power structures and relationships.
- What were some of the expectations, priorities and values of those who participated in or were affected by the situation you were involved in?

- What insights were you able to develop regarding the deeper motivations of the stakeholders involved?
- How were you able to use these insights to influence or gain stakeholder support for accomplishing the task or goal?
- In your view how can an awareness of organizational dynamics influence board effectiveness?

Assessment Ratings

- 1= Demonstrates little or no behaviors associated with this competency.
- 2= Demonstrates some behaviors associated with this competency.
- 3= Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4= Demonstrates proficient use of this competency.
- 5= Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

11. Professionalism

The demonstration of ethics, sound professional practices, social accountability and community stewardship. The desire to act in a way that is consistent with one's values and what one says is important.

Professionalism Behaviors: develops governance roles/values compatible with improving population and individual health; ensures that the organization values and exhibits professional, patient- and community-oriented behaviors; commits to addressing the health and wellness needs of the

total population, including adopting new approaches that address diverse cultural attitudes about health; ensures organizational stewardship and accountability for honesty and fair dealing with all constituents.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you demonstrated ethical behavior or professional practices or acted in a way that showed you were socially accountable or a good community steward. Feel free to reflect on experiences you have had professionally or as a member of a board or other group.

- Briefly describe the situation and the roles you played and how they were compatible with work or outcomes that benefited the community or broader society.
- In doing this work did you ever encounter issues that required you to address ethical issues or ensure ethical behaviors and act in ways that supported them and if so what were the issues and how did you address them?
- Did this work ever require adapting approaches that took into account diverse cultural attitudes or practices and if so describe how you addressed these issues?
- Describe how you helped ensure honesty and fair-dealing with all constituents?
- Describe some ways boards can model ethical behavior and practices.

Assessment Ratings

- 1= Demonstrates little or no behaviors associated with this competency.
- 2= Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

12. Relationship Building

Ability to establish, build and sustain professional contacts for the purpose of building networks of people with similar goals and that support similar interests.

Relationship Building Behaviors: builds and maintains relationships with influential people in the health care field, the community and other constituencies that involve mutual assistance and support.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you established, built and sustained a network of professional contacts with similar goals and interests.

- Have you established relationships with individuals who have proven to be important current and future contacts for you? Describe how you went about establishing your contact network.
- How do these contacts help support your work, interests and goals and how do you support theirs?
- What steps have you taken to build and sustain these key relationships?
- Describe a situation where you called upon a contact to help support a goal or initiative that was important to you. What was the outcome of your efforts?

- Why is building relationships an important activity for boards and what key relationships should a board focus on?

Assessment Ratings

1=Demonstrates little or no behaviors associated with this competency.

2=Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

13. Strategic Orientation

Ability to consider the business, demographic, ethno-cultural, political and regulatory implications of decisions and develop strategies that continually improve the long-term success and viability of the organization.

Strategic Orientation Behaviors: understands the forces that are shaping health over the next 5 to 10 years; helps shape the organization's vision and future direction; aligns strategy and resource needs with the long-term environment and guides positioning the organization for long-term success; develops a perspective on long-term health and wellness trends and developments that is respected by colleagues and leading policymakers; helps shape competitive positioning for the organization and the industry through policymaking forums and industry-specific groups.

Sample Interview Questions to Identify Competency Behaviors

Think about a situation you encountered in your work or as a board member where you had to think strategically and consider the business, demographic, political, cultural and other implications of decisions to ensure long-term success for an organization or undertaking.

- Describe how you came to understand the forces that would have a strategic impact on the organization.
- How did you help the organization set vision and strategy to address these forces and their impacts?
- In what ways did you help the organization align its work and resources with the strategy?
- Have you been involved with developing long-term strategies for addressing issues and trends and positioning organizations across markets or throughout an industry? If so, describe how you were involved.
- Describe how you think a board can best support the organization's leaders to think and act strategically?

Assessment Ratings

1=Demonstrates little or no behaviors associated with this competency.

2=Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

14. Talent Development

The drive to build the breadth and depth of the organization's human capability and professionalism, including supporting top-performing people and taking a personal interest in coaching and mentoring high-potential leaders.

Talent Development Behaviors: holds management accountable for developing people in the organization; ensures that succession plans for the CEO and senior leaders are robust and current; serves as a coach and mentor within the board and organization as needed and industry-wide to develop health care talent.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were involved in building and developing an organization's human capital. Feel free to reflect on experiences you have had professionally or as a member of a board or other group.

- Describe your views on the value of human assets in helping an organization achieve its goals. How important is it for organizations to train and develop their human resources?
- Describe any experiences you have had for holding others accountable for developing human resources.
- Have you had any experience in serving as a coach or mentor in developing people to assume more challenging roles and responsibilities? Describe the role you played as a mentor or coach.
- Describe any experience you have had in developing or overseeing development of leadership succession plans.

- Have you had experience in establishing future leadership requirements across multiple organizations or across an industry and if so, describe how you participated in establishing and implementing those requirements?
- What human resources issues or practices do you think health care organization governing boards should focus on to ensure their organizations have employees with the competencies needed to perform successfully under health care reform?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

15. Team Leadership

Sees oneself as a leader of others, from forming a team that possesses balanced capabilities, to setting its mission, values and norms, to holding team members accountable individually and as a group for results.

Team Leadership Behaviors: establishes and models norms for board behavior; takes appropriate action when board members violate the norms; works

with board members to gain their personal commitment and energy to support board goals; removes or reduces obstacles to board effectiveness; coaches and develops board members to top performance; encourages these team leadership behaviors organizationwide; is recognized throughout the health industry as an outstanding leader.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you built and led a team to achieve results.

- Describe your experience with building and leading teams.
- What aspects of team leadership do you think are most important? What aspects of leading teams have you found most challenging?
- Describe a situation where you had to take action when a member of your team behaved in ways that undermined team effectiveness.
- Describe a situation where you had to gain commitment and energy from team members in order to achieve team goals. How did you go about enlisting their support?
- Describe an instance where you provided mentoring and coaching to team members to help them achieve top performance.
- Have you played a role in advising others on leadership or taken an industry-level role in establishing or spreading leadership best practices? If so, describe your experience.
- Since a board is usually composed of community leaders, what aspects of team leadership might a board leader need to keep in mind in taking on the task of leading other leaders?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

Knowledge and Skills

1. Health Care Delivery and Performance

Has sufficient understanding of the delivery of health care and the performance of health care organizations to engage in the following behaviors at the board level.

Competency behaviors: Has the knowledge and skill to: track measures of quality, safety and customer satisfaction, financial and employee performance; ensure patient and customer satisfaction scores and other demographic and epidemiological data are used to set organizational priorities, plans and investments; monitor and evaluate organizational success by tracking performance against benchmarks; anticipate community needs; ensure close adherence to the Institute of Medicine Six Aims to provide care that is safe, timely, effective, equitable, efficient and patient-centered; advocate for care decisions that are evidence-based.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were involved in monitoring a health care organization's performance and using performance measures and data to provide direction and set priorities to meet stakeholder needs.

- Describe your experience. (If the individual has no experience move to the next competency.)
- What type of performance measures, data or benchmarks did you use and how did you participate in evaluating performance outcomes?
- How did you use performance data to provide direction and set priorities?
- How did you reflect the needs of patients and other stakeholders in the performance monitoring and evaluation process?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

2. Business and Finance

Has sufficient understanding of health care business and finance to engage in the following behaviors at the board level.

Competency Behaviors. Has the knowledge and skill 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.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were involved in overseeing a health care organization's business and financial activities.

- Describe your experience. (If the individual has no experience move to the next competency.)
- How did you participate in guiding development of long-term financial plans and revenue sources?
- How did you consider the impact of reimbursement and payment systems when assessing alternative courses of action?
- Have you participated in overseeing capital projects or spending? If so, please describe your experience.

Assessment Ratings

1=Demonstrates little or no behaviors associated with this competency.

2=Demonstrates some behaviors associated with this competency.

3=Demonstrates several behaviors associated with this competency but could still benefit from further development.

4=Demonstrates proficient use of this competency.

5=Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: _____

3. Human Resources

Has sufficient understanding of human resources issues and activities to engage in the following behaviors at the board level.

Competency Behaviors. Has the knowledge and skill 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.

Sample Interview Questions to Identify Competency Behaviors

Think of a situation where you were involved in managing or overseeing an organization's human resources activities.

- Describe your experience. (If the individual has no experience conclude the interview.)
- How did you ensure that human resource functions were aligned to achieve organizational strategic outcomes?
- How did you ensure that activities such as recruitment and selection, job design and work systems, learning and development, reward and recognition and succession planning were aligned to encourage behaviors and performance that the organization needed both today and into the future?

Assessment Ratings

- 1=Demonstrates little or no behaviors associated with this competency.
- 2=Demonstrates some behaviors associated with this competency.
- 3=Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=Demonstrates proficient use of this competency.
- 5=Demonstrates highly skilled use of multiple behaviors associated with this competency.
Considered an ideal role model.

Overall rating: _____

Source: Adapted from *Competency-Based Governance: A Foundation for Board and Organizational Effectiveness*. Center for Healthcare Governance. Chicago. 2009. pages 47-56.

Sample Competencies Summary— Candidate A

Interviews	Acct	AchOrie	ChgLead	Collab	ComOrie	Imp/Inf	InfoSeek	InvThkg	MngCo	OrgAwar	Profess	RelBldg	StratOrie	TalntDev	TeamLea	HCDelP	Bus/Fin	HumRes
A	3	4	1															
B				2	5	3												
C							3	4	2									
D										2	4	5						
E													3	2	1			
F																4	2	3

Instructions: Using the results from the Interview Guide for Competency-Based Board Member Selection, transfer the numeric ratings for the competencies assessed by each interviewer (A, B, C and so on) to the chart above to obtain an overall profile for each candidate. The ratings and their definitions appear below.

Assessment Ratings

- 1= Demonstrates little or no behaviors associated with this competency.
- 2= Demonstrates some behaviors associated with this competency.
- 3= Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4= Demonstrates proficient use of this competency.
- 5= Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

BOARD MEMBER POSITION SPECIFICATION

POSITION Member, Board of Directors
ORGANIZATION Name of Hospital/Health System
LOCATION City, State
WEBSITE www.nameofhospitalwebsite.org

ORGANIZATION OVERVIEW

(Include a short description of the hospital/health system, including an overview of size/scope (revenues, number of employees, etc.).

INTRODUCTION

(Hospital/Health System name) is committed to ensuring that it achieves the highest standards of excellence in the quality of its governance, and has developed this job specification to identify the key qualifications, responsibilities and expectations of its Board of Directors.

Specifically, in keeping with guidance from the American Hospital Association's Blue Ribbon Panel on Trustee Core Competencies, (hospital/system name) has adopted a competency-based approach to governance. As such, it is the expectation that each Director possess competencies drawn from the panel's February 2009 report, *Competency Based Governance: A Foundation for Board and Organizational Effectiveness* and the Blue Ribbon Panel Work Group. These competencies, as applied to the needs of our board, as well as other duties and responsibilities expected of all directors, are identified below. This document is intended to be a guideline and may be amended by board leadership whenever deemed appropriate.

DUTIES, RESPONSIBILITIES & EXPECTATIONS

Each director brings a unique set of knowledge, skills, and experience to bear for the benefit of the organization. The collective experiences of the Board of Directors are highly valued and have a significant and direct impact. However, while a director's background is unique, there exists a common set of duties, responsibilities and expectations for each individual board member that includes, but is not limited to, the following areas:

PLEASE AMEND/EDIT THESE INDIVIDUAL SECTIONS AS NEEDED TO FIT YOUR OWN ORGANIZATION'S POLICIES, PROCEDURES, AND CULTURE.

Contribution to Governance

Directors are expected to make a contribution to the governance role of the board by (but not limited to) the following actions:

- Reading materials in advance of meetings and coming prepared to contribute to discussions.
- Discussing any additional items to be added to the proposed board meeting agenda with the board chair. If the chair and board member do not agree, notify the board chair and address the issue as “other business” during the meeting.
- Offering constructive contributions to board and committee discussions.
- Contributing his or her special expertise and skill.
- Respecting the views of other members of the board.
- Voicing conflicting opinions during board and committee meetings but respecting the decision of the majority even when the director does not agree with it.
- Respecting the role of the chair.
- Respecting the role and responsibilities of board committees.
- Participating in board evaluations and annual performance reviews.
- Participating in the recruitment efforts for new board members as needed.

Time and Commitment

Each director is expected to commit the dedicated time required to perform board and committee duties.

The board meets X times a year and a director is expected to adhere to the board’s attendance

policy. Board and board committee members are expected to attend all board meetings and all meetings of the committees to which they are assigned. Directors and committee members may be unable to attend some meetings due to conflicts or other unforeseen circumstances. An attendance rate of at least 75 percent is acceptable.

Where a director or committee member fails to attend 75 percent of the meetings of the board or of a committee in a 12-month period, or is absent for three consecutive meetings, the chair will discuss the reasons for the absences with the member and determine the proper course of action. In some cases, the director may be asked to resign.

Each director is expected to serve on at least one standing committee. Committees generally meet monthly or quarterly.

Teamwork

Each director shall develop and maintain sound relations and work cooperatively and respectfully with the board chair, members of the board and senior management.

Education

Each director shall be knowledgeable about:

- The operations of the hospital;
- The health care needs of the community served;
- The health care environment generally;
- The duties and expectations of a director;
- The board’s governance role and responsibilities;
- The board’s governance structure and processes;
- The board-adopted governance policies; and,
- The hospital policies applicable to board members.

In addition, each director will participate in a board orientation session, orientation to committees, board retreats and board education sessions. A director should attend additional appropriate educational conferences in accordance with board-approved policies.

Board and Hospital Policies

Each director shall be knowledgeable of and comply with all board and hospital policies, including but not limited to:

- The Board's Conflicts of Interest Policy;
- The Board's Minutes Policy;
- The Board's Confidentiality Policy;
- The Hospital's Code of Conduct;
- The Hospital's Whistleblower Policy;
- The Hospital's Document Destruction and Retention Policy;
- The Hospital's Executive Compensation Policy;
- The Hospital's Joint Venture and Investments Policy; and
- The Hospital's Compliance Policy.

Community Representation and Support

Each director shall represent the board and the hospital in the community when asked to do so by the board chair. Board members shall support the hospital and the foundation through attendance at hospital- and foundation-sponsored events as appropriate.

Continuous Improvement

Each director shall commit to be responsible for continuous self-improvement, including participation in board education sessions and retreats. A director shall receive and act upon the results of board evaluations in a positive and constructive manner.

Fiduciary Duties

Each director is responsible for fulfilling the *Duty of Care*, the *Duty of Loyalty* and the *Duty of Obedience*. The *Duty of Care* requires board members to act in good faith; to use the same degree of diligence, care and skill that a prudent person would use in similar situations or circumstances; and to act in a manner that they reasonably believe is in the best interest of the organization. The *Duty of Care* requires board members to make informed decisions; ask questions if issues are raised about the validity or completeness of the information presented to them; participate in deliberations and decisions; and to make informed decisions in good faith, without self-interest, and in the best interest of the corporation (thereby invoking the protection of the business judgment rule). The *Duty of Loyalty* requires board members to act solely in the best interest of the organization and to refrain from deriving personal gain to the organization's detriment. This duty includes a board's obligation to avoid impermissible conflicts of interest, prevents board members from usurping a corporate opportunity for their own personal gain and requires board members to preserve the confidentiality of the corporation's affairs. The *Duty of Obedience* requires the board and its members to comply with applicable federal, state, and local laws, rules and regulations; honor the terms and conditions of the organization's mission, bylaws, policies and procedures, and act at all times within the scope of their authority under the corporation's articles, bylaws and applicable laws.

Each director shall apply the level of skill and judgment that may reasonably be expected of a person with his or her knowledge and experience.

Directors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the board.

Accountability

Each director's fiduciary duties are owed to the corporation. The director is not solely accountable to any special group or interest and shall act and make decisions that are in the best interest of the hospital, as a whole. A director shall be knowledgeable of the stakeholders to whom the hospital is accountable and shall appropriately take into account the interests of such stakeholders when making decisions as a director, but shall not prefer the interests of any one group if to do so would not be in the best interests of the hospital.

Term and Renewal

Directors are elected for a term of X years and may serve for a maximum of X years. A director's renewal is not automatic and shall depend on the director's performance.

Compensation and Reimbursement

Directors are compensated as follows:

OR

Directors are not directly compensated for their time as a board member; however, they are reimbursed for all approved board-related expenses.

Fundraising

Directors are expected to assist the hospital in fundraising and philanthropic efforts. In addition, it is the expectation that each director personally contribute to the hospital at the minimum level of \$X,XXX annually.

Core Competencies

In accordance with recommendations from the American Hospital Association's Blue Ribbon Panel on Trustee Core Competencies, each director is expected to demonstrate a variety of leadership competencies to include, but not limited to, the following:

Personal Competencies

1. Accountability

The ability to hold people accountable to standards of performance or ensure compliance using the power of one's position or force of personality appropriately and effectively, with the long-term good of the organization in mind.

Accountability Behaviors: guides creation of a culture of strong accountability throughout the organization; appropriately and effectively holds others accountable for demanding high performance and enforcing consequences of non-performance; accepts responsibility for results of own work and that delegated to others.

2. Achievement Orientation

A concern for surpassing a standard of excellence. The standard may be one's own past performance (striving for improvement); an objective measure (results orientation); outperforming others (competitiveness); challenging goals or something that has not been done previously (innovation).

Achievement Orientation Behaviors: ensures high standards are set and communicated; makes decisions, sets priorities or chooses goals based on quantitative inputs and outputs, such as consideration of potential profit, risks or return on investment; commits significant resources and/or time in the

face of uncertain results when significantly increased or dramatic benefits could be the outcome.

3. Change Leadership

The ability to energize stakeholders and sustain their commitment to changes in approaches, processes and strategies.

Change Leadership Behaviors: maintains an eye on strategic goals and values during the chaos of change; exhibits constancy of purpose, providing focused, unswerving leadership to advance change initiatives; demonstrates quiet confidence in the progress and benefits of change; provides direction for overcoming adversity and resistance to change; defines the vision for the next wave of change.

4. Collaboration

The ability to work cooperatively with others, to be part of a team, to work together, as opposed to working separately or competitively. Collaboration applies when a person is a member of a group of people functioning as a team, but not the leader.

Collaboration Behaviors: promotes good working relationships regardless of personal likes or dislikes; breaks down barriers; builds good morale or cooperation within the board and organization, including creating symbols of group identity or other actions to build cohesiveness; encourages or facilitates a beneficial resolution to conflict; creates conditions for high-performance teams.

5. Community Orientation

The ability to align one's own and the organization's priorities with the needs and values of the community, including its cultural and ethnocentric values, and to move health forward in line with population-based wellness needs and the national health agenda.

Community Orientation Behaviors: advocates for

community health needs at community, state and federal levels; engages in meaningful actions at the national level to move recognized priorities forward; partners across health constituencies to create a coordinated and dynamic health system that meets long-term health and wellness needs; understands needs of health stakeholders and pushes their agenda forward.

6. Impact and Influence

The ability to persuade, convince influence or impress others (individuals or groups) to support a point of view, position, or recommendation. The "key" is understanding others, since impact and influence is based on the desire to have a specific impact or effect on others where the person has a specific type of impression to make, or a course of action that he or she wants others to adopt.

Impact and Influence Behaviors: takes multiple actions to persuade and uses multiple points of view and delivery alternatives; calculates impact of actions or words by analyzing the needs interests and expectations of key stakeholders, anticipating the effect of an action on people's image of the speaker and preparing for others' reactions, tailoring messages to interests and needs of audience, aligning persuasion actions for targeted effects; uses indirect influence, such as enlisting endorsements; uses complex influence strategies, such as assembling coalitions, building "behind the scenes" support for ideas, and using an in-depth understanding of the interactions within a group to move toward a specific position.

7. Information Seeking

An underlying curiosity and desire to know more about things, people or issues, including the desire

for knowledge and staying current with health, organizational, industry and professional trends and developments. It includes pressing for exact information; resolving discrepancies by asking a series of questions; and scanning for potential opportunities or information that may be of future use as well as staying current and seeking best practices for adoption.

Information Seeking Behaviors: Asks questions designed to get at the root of a situation, a problem or a potential opportunity below the surface issues presented; seeks comprehensive information; seeks expert perspective and knowledge; establishes ongoing systems or habits to get information; enlists individuals to do regular ongoing information gathering; adopts the best practices from other industries.

8. Innovative Thinking

The ability to apply complex concepts, develop creative solutions or adapt previous solutions in new ways for breakthrough thinking in the field.

Innovative Thinking Behaviors: makes complex ideas or situations clear, simple or understandable, as in reframing a problem or using an analogy; fosters creation of new concepts that may not be obvious to others to explain situations or resolve problems; looks at things in new ways that yield new or innovative approaches—breakthrough thinking; shifts the paradigm; starts a new line of thinking; encourages these behaviors in others.

9. Managing Complexity

Ability to balance tradeoffs and competing interests and contradictions and drive for the bigger, broader picture.

Managing Complexity Behaviors: balances tradeoffs, competing interests and contradictions and drives for the bigger, broader picture both to reach resolutions and expand one's knowledge; exhibits highly developed conceptual capacity to deal with complexities such as expanding markets; understands the vision, mission and strategy and their implications for the organization's structure, culture and stakeholders.

10. Organizational Awareness

Ability to understand and learn the formal and informal decision-making structures and power relationships in an organization or industry (such as stakeholders, suppliers). This includes the ability to identify who the real decision makers are and the individuals who can influence them and to predict how new events will affect individuals and groups within the organization.

Organizational Awareness Behaviors: becomes familiar with the expectations, priorities and values of health care's many stakeholders; recognizes internal factors that drive or block stakeholder satisfaction and organizational performance; addresses the deeper reasons for organization, industry and stakeholder actions, such as the underlying cultural, ethnic, economic and demographic history and traditions; uses these insights to ensure organizational leaders are building long-term support for creating local, regional and national integrated health systems that achieve a national agenda for health and wellness.

11. Professionalism

The demonstration of ethics, sound professional practices, social accountability and community stewardship. The desire to act in a way that is

consistent with one's values and what one says is important.

Professionalism Behaviors: develops governance roles/values compatible with improving population and individual health; ensures that the organization values and exhibits professional, patient- and community-oriented behaviors; commits to addressing the health and wellness needs of the total population, including adopting new approaches that address diverse cultural attitudes about health; ensures organizational stewardship and accountability for honesty and fair dealing with all constituents.

12. Relationship Building

Ability to establish, build and sustain professional contacts for the purpose of building networks of people with similar goals and that support similar interests.

Relationship Building Behaviors: builds and maintains relationships with influential people in the health care field, the community and other constituencies that involve mutual assistance and support.

13. Strategic Orientation

Ability to consider the business, demographic, ethno-cultural, political and regulatory implications of decisions and develop strategies that continually improve the long-term success and viability of the organization.

Strategic Orientation Behaviors: understands the forces that are shaping health over the next 5 to 10 years; helps shape the organization's vision and future direction; aligns strategy and resource needs with the long-term environment and guides positioning the organization for long-term success;

develops a perspective on long-term health and wellness trends and developments that is respected by colleagues and leading policymakers; helps shape competitive positioning for the organization and the industry through policymaking forums and industry-specific groups.

14. Talent Development

The drive to build the breadth and depth of the organization's human capability and professionalism, including supporting top-performing people and taking a personal interest in coaching and mentoring high-potential leaders.

Talent Development Behaviors: holds management accountable for developing people in the organization; ensures that succession plans for the CEO and senior leaders are robust and current; serves as a coach and mentor within the board and organization as needed and industry-wide to develop health care talent.

15. Team Leadership

Sees oneself as a leader of others, from forming a team that possesses balanced capabilities, to setting its mission, values and norms, to holding team members accountable individually and as a group for results.

Team Leadership Behaviors: establishes and models norms for board behavior; takes appropriate action when board members violate the norms; works with board members to gain their personal commitment and energy to support board goals; removes or reduces obstacles to board effectiveness; coaches and develops board members to top performance; encourages these team leadership behaviors organization-wide; is recognized throughout the health industry as an outstanding leader.

Knowledge and Skills Competencies

1. Health Care Delivery and Performance

Has sufficient understanding of the delivery of health care and the performance of health care organizations to engage in the following behaviors at the board level.

Competency behaviors: Has the knowledge and skill to: track measures of quality, safety and customer satisfaction, financial and employee performance; ensure patient and customer satisfaction scores and other demographic and epidemiological data are used to set organizational priorities, plans and investments; monitor and evaluate organizational success by tracking performance against benchmarks; anticipate community needs; ensure close adherence to the Institute of Medicine Six Aims to provide care that is safe, timely, effective, equitable, efficient and patient-centered; advocate for care decisions that are evidence-based.

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Has sufficient understanding of health care business and finance to engage in the following behaviors at the board level.

Competency Behaviors. Has the knowledge and skill 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.

3. Human Resources

Has sufficient understanding of human resources issues and activities to engage in the following behaviors at the board level.

Competency Behaviors. Has the knowledge and skill 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.

Summary

A strong, high-performing, competency-driven board will help ensure a high-performing health system. Directors are committed to the success of the hospital/health system and serve as very important visible representatives of the organization.

BOARD MEMBER RECRUITMENT PROCESS GUIDELINE

I. Needs Identification

Annually, the Board of Directors should assess the participation/eligibility status of its current members and determine if any new or replacement board members are required in the coming fiscal or calendar year.

In addition, as health systems begin to adopt a competency-based governance approach, as recommended by the American Hospital Association's Blue Ribbon Panel on Trustee Core Competencies, an assessment of all current board members is an appropriate first step. This assessment will provide excellent insight into the current level/depth of competencies present on the board, and identify gaps to address in future recruitment efforts. It may also help identify training and development opportunities for current members in order to improve the overall effectiveness of the board going forward. This competency assessment can be conducted through a self-assessment by each board member on his/her own proficiency with the various core competencies, or involve others in the assessment process as well. The most robust approach would be a 360-degree type of process where board members rate each other. (See the GAP Competency-Based Peer Assessment tool included in this Tool Kit.)

Once the competency assessment of current board members is complete, a preferred profile for new/replacement board members can be developed. A competency-based approach provides a foundation for better communication and collaboration among current board members to determine the background and experience the board should seek in new board members.

II. Recruitment Process

Once the need to recruit a new board member is established, the organization must first decide what method it will use to identify potential candidates:

- Historically, hospitals/health systems have used traditional networking and referral methods to identify potential board members--the "Who do you know?" approach. While traditionally not a highly structured and often not particularly thorough approach, this

method can yield strong potential candidates, especially if the organization is looking primarily for local individuals only and uses a competency-based approach to identify candidates. It is also the most economical approach. If this method is used, communication regarding the need for a new board member should go beyond the board itself. For example, the medical staff and physician leadership should be included in the request for nominations, as well as senior management/administration.

- To augment the communication efforts noted above, an organization may also choose to advertise openings on its board. In addition to traditional sources (newspapers, radio, journals/publications related to health care and governance/boards, etc.), it is recommended that an organization also take advantage of today's technology advances and consider using electronic media (your own web site, electronic job boards, internet banner ads, etc.) and social networking sites (LinkedIn, Twitter, Facebook, etc.)
- A much more structured and formal approach to board member recruitment is to retain an outside search firm. Most of the large retained search firms have dedicated board practices focused on finding directors for a variety of organizations, from large for-profit Fortune 100 companies, to non-profits, to small start-up companies. This approach can be particularly effective if your organization is looking to recruit board members from outside of your community, from different industries, and/or if you are interested in increasing the ethnic/gender diversity of your board. For a list of executive search firms and for more information, visit the Association of Executive Search Consultants (www.aesc.org)

III. Interview/Selection Process

Depending upon the recruitment process selected, the actual interview and selection process will vary. For example, if you retain an executive search firm, the firm's consultants will help facilitate all of the steps of the process. They will deliver a slate of candidates for you to consider, and will assist you with interviewing, assessing, scheduling, negotiating of any compensation or perks (if applicable), referencing, communication, etc.

continued on next page

If you choose to conduct board member recruitment on your own, a significant amount of time will need to be dedicated to ensure a smooth and thorough process. Some key steps include: collection and review of all nominations, dissemination of candidate information to the board, development of an interview plan, collection of interview feedback, conducting reference checks, etc. This process is typically handled by the Nominations Committee of the board.

It is not the intention of this guide to walk through each tactical step of the recruitment process; however, there are some key points to consider, especially if your organization is embarking on a competency-based governance approach for the first time:

- A sample competency-based job specification has been developed (see Board Member Position Specification included in this Tool Kit). This document (edited as needed to fit your organization) should be shared with all candidates at the beginning of the recruitment process. This ensures that the individual is pursuing the board position “with eyes wide open” and understands the significant responsibilities and expectations of the position up-front.
- To fully assess an individual on all 18 of the core competencies identified in the guideline, multiple interviewers should be involved. An interview plan should be developed regarding who will assess which competency. For example, you may assign six board members to each assess three competencies for a given candidate. It would be burdensome for one person to try to assess all 18 competencies for one candidate, so a team approach is highly recommended. Boards also can choose to interview candidates using a subgroup of competencies most relevant to their needs, as discussed in the Interview Guide for Competency-Based Board Member Selection provided in this Tool Kit. You may wish to have all interviews done in one day, or the candidate could have one-on-one or small group interviews over the course of several weeks. Your approach will depend on several factors, particularly, the location of the candidate (local or remote) and the availability of your board members.
- The board will ultimately need to decide “What is acceptable?” with respect to a person’s overall

proficiency with the 18 core competencies identified in this Tool Kit. It is unlikely that someone will be rated highly across all of them; therefore, some minimum allowable standards should be set by each board. For example, an individual rated “Low” in multiple competencies; may be rated “High” in one or more of the competencies that have been identified as most needed by the board today to fill critical gaps. It is recommended that before they are selected for board service, candidates who rate low on a significant number of competencies be further assessed on both their interest and perceived capability to develop these competencies over time.

- The results of competency assessments should be retained for all incoming board members. This information will be highly valuable in putting together training and development plans to help them be more effective board members over time and also may assist in identifying certain individuals for future board leadership positions.
- As is the case with recruitment of a senior executive, it is ideal to have multiple candidates to consider for an opening on the board. While some organizations may not always have this luxury, the goal should be to have at least two qualified candidates for each opening. Clearly, the more qualified candidates under consideration, the more time and resources will be needed to ensure a thorough, value-added process.

IV. Approval Process

Once the interviews are complete, all data and feedback must be compiled and shared. Candidates should be assessed against the approved competencies as well as against the required duties and responsibilities outlined in the job specification. In addition, thorough reference checks should be conducted. Ideally, references should include individuals provided by the candidate as well as others who may have valuable perspectives. A full reference report should be included in the person’s nomination package.

Candidates that are first approved by the Nominations Committee will then be presented to the full board for final approval. Once final approval is gained, a communication plan should be developed to announce the addition of the new board member.

Competency-Based Education and Mentoring Tools

Competency-Based Education and Mentoring Processes

Steps for implementing a model for trustee orientation and development of a mentoring program to both orient new members and develop board leaders are described below:

Step 1: The trustee orientation model has four components:

- The **Hospital Goals** component describes several areas that drive outcomes for hospitals, such a community health status, community benefit and mission and margin impact. Resources to help boards develop programs and materials in these areas are referenced.
- The **Fiduciary Information** component explores the three Knowledge and Skills competencies developed by the Blue Ribbon Panel on Trustee Core Competencies. Resources are referenced to help board members become more proficient in these competencies.
- The **Board's Role** component describes how boards and trustees should act to fulfill various board functions, such as performance oversight,

decision-making and strategic inquiry.

Resources are referenced to support board development in these areas.

- After completing the above components, a new trustee can identify specific **Learning Objectives** to continue the learning process.

Step 2: Mentoring as a process to develop board member knowledge and skill through peer guidance is explored. Goals for mentoring, prerequisites for an effective mentoring relationship, a suggested mentoring process and a mentoring activities checklist are included. While mentoring is most often employed as a tool for orienting new trustees, the mentoring guideline included in this tool set suggests how it can be used for ongoing trustee and board leader development as well.

Boards that address competency-building using these approaches can assess their impact by periodically conducting the peer assessment process for each board member and comparing current and previous assessment results.

Competency-Based Education

Overview

Even when individual trustees “own” the need to develop their competencies in order to increase their effectiveness in performing board duties, they will need different experiences for developing knowledge and skills from those that are appropriate for developing new behavior patterns. This section of the *Competency-Based Governance Tool Kit* addresses both planning for education (for conveying knowledge, building skills, and broadening experience) and building a mentoring program (for coaching individual trustees in individual boardroom and board leadership behaviors).

Trustee Education

The Blue Ribbon Panel on Trustee Competencies identified three critical Knowledge and Skills competencies that differentiate high performing trustees from less effective ones. These are described below¹.

1. Health Care Delivery and Performance.

Has the knowledge and skills to:

- Track measures of quality, safety, customer satisfaction, financial and employee performance.
- Ensure patient and customer satisfaction scores, 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 Six Aims: to provide care that is safe, timely, effective, equitable, efficient, and patient-centered.
- Advocate for care decisions that are evidence-based.

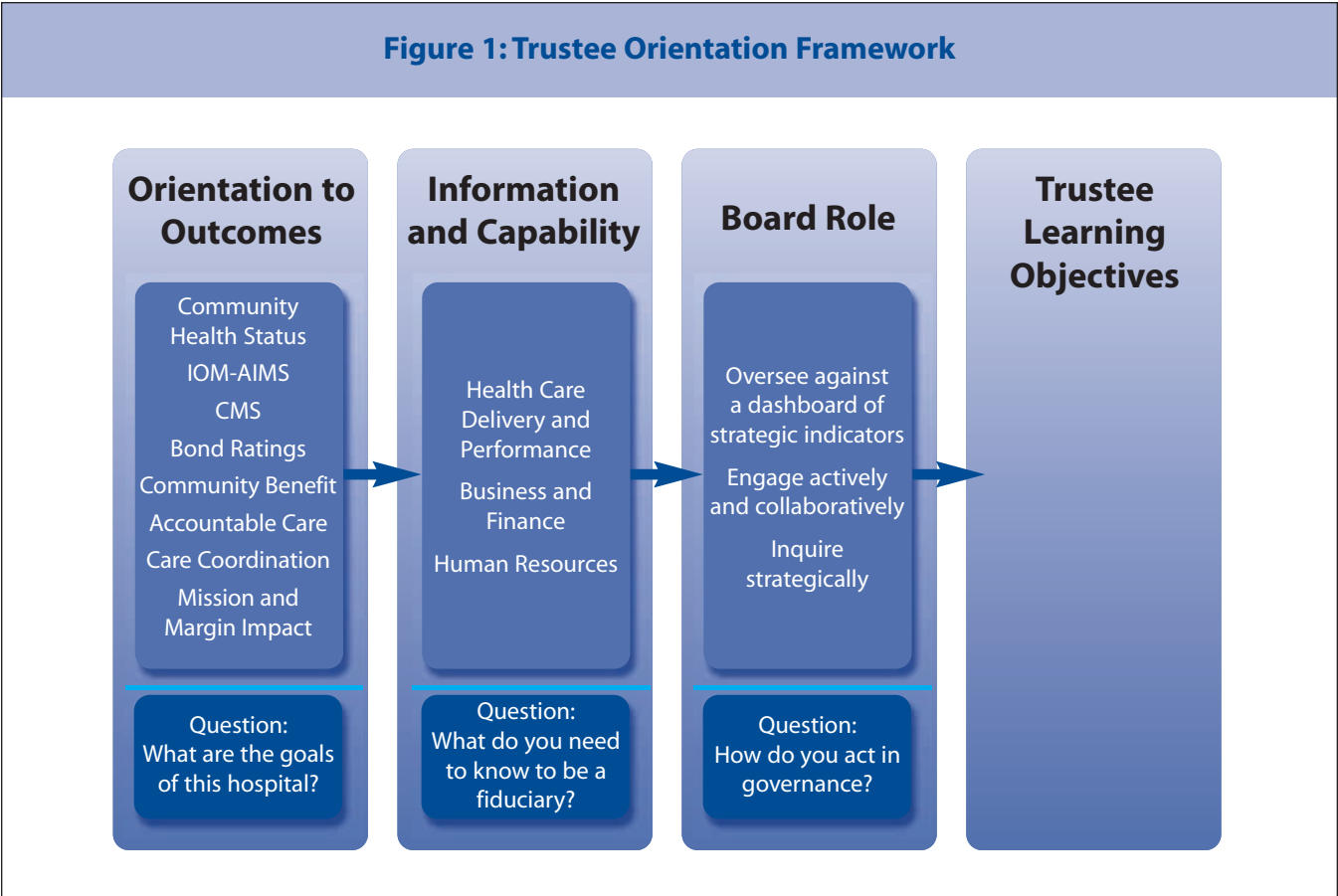
2. Business and Finance. *Has the knowledge and skills to:*

- 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.

3. Human Resources (employees, physicians, volunteers, etc.). *Has the knowledge and skills to:*

- Ensure human resource functions are aligned to achieve organizational and strategic outcomes.
- Ensure that recruitment and selection, job design and work systems, learning and

¹ Source: Adapted from NCHL Healthcare Leadership Competency Model, 2005.



development, reward and recognition, and succession planning are aligned to encourage behaviors and performance needed today and into the future.

While competencies in these three areas would reside in some but not all board members, all three represent important orientation areas, especially for trustees who have not served on a health care institution’s board in the past. These competencies are incorporated into a broader Trustee Orientation Framework shown in Figure 1.

Educational Planning Step One: Outcomes

In orienting new trustees to health care in general and your institution in particular, it’s important to

focus first on the outcomes that the organization is committed to achieve. Trustees need to understand the outcomes by which success will be measured and the background for each outcome—what it is, how it is measured, why it is important, and what it tells you about hospital performance.

Each hospital or health care organization sets quantitative objectives for the outcomes it seeks to achieve. While each organization sets different objectives, for different reasons, trustees need to understand the kinds of measures that may be used. For example:

- **Community Health Status Indicators (CHSI):** CHSI reports provide an overview of key health indicators for local communities, as

devised by the U.S. Department of Health & Human Services. The report presents over 200 individual measurements for each of 3,141 counties across the United States. The data, which can be provided in the form of maps or brochures, allow hospitals to assess community needs, identify vulnerable populations, and to measure the prevalence of preventable diseases, disabilities, and deaths in their service areas. Community profiles provide demographic characteristics as well as key health indicators and offer the opportunities to compare a community's health status with other "peer" communities. (www.communityhealth.hhs.gov/homoeepage.aspx?j=1)

- **IOM AIMS (Institute of Medicine Aims):**

The Institute of Medicine (IOM) in Washington, D.C., describes itself as "an independent, nonprofit organization that works outside of government to provide unbiased and authoritative advice to decision makers and the public.

In 2001, the IOM released a report called *Crossing the Quality Chasm: a New Health System for the 21st Century*. That report identified six aims for improvement for health care. The aims sought to achieve health care that is safe, effective, patient-centered, timely, efficient, and equitable. The definitions summarized in the report might be used by a hospital to set goals. For instance, safety might be measured by tracking frequency of patient falls, or reducing incidence of ventilator-associated pneumonia by X% within Y time period. Similarly, goals for timeliness might include reducing waiting time to see a physician to less than A minutes within B months or transferring every patient from the

Intensive Care Unit (ICU) to an inpatient bed within C hours from the time the patient is deemed ready to move from the ICU. Details may be found at http://books.nap.edu/openbook.php?record_id=10027.

- **Bond Ratings:** A bond credit rating assesses the credit worthiness of a corporation's debt issues. It is analogous to credit ratings for individuals and countries. The credit rating is a financial indicator to potential investors of debt securities such as bonds. These are assigned by credit rating agencies such as Moody's, Standard & Poor's, and Fitch to have letter designations (such as AAA, B, CC) which represent the quality of a bond. Bond ratings below BBB/Baa are called junk bonds. (http://en.wikipedia.org/wiki/Bond_credit_rating) A hospital may want to improve its financial performance if it is anticipating significant capital investment that may require outside lending or issuing of bonds to raise capital.
- **Community Benefit:** Nonprofit hospitals receive tax exemptions from federal, state, and local taxes in return for "benefits" to the community. Different institutions fulfill Internal Revenue Service requirements in a variety of ways, including uncompensated care, services to Medicaid patients, and provision of specialized services that are needed in the community but are generally unprofitable (such as intensive care for burn victims, emergency room care for anyone regardless of their ability to pay, high-level trauma care, and labor and delivery services). Tax-exempt hospitals report their community benefits on Form 990 each year; recent changes in this form were intended to shed more light on community benefit activities and their value.

A useful article explaining more about community benefit can be found at http://www.greatboards.org/newsletter/reprints/community_benefit_fall2006.pdf.

- **Accountable Care:** The accountable care organization (ACO) represents a new health care delivery model that is focused on evidence-based medicine and prevention to lower costs and raise quality. To qualify, organizations agree to be accountable for the overall care of their Medicare beneficiaries, have participation of an adequate number of primary care physicians to deliver that care, define processes to promote evidence-based medicine, report on quality and costs, and coordinate care. Because financial incentives are based on cost and quality measures, a successful ACO requires close collaboration between hospitals and physicians and an agreement to share both financial risks and profits. This is a type of organization that is developing on a pilot basis under health care reform.

For more information about accountable care organizations, see <http://rwjfblogs.typepad.com/healthreform/2010/03/health-reformers-lexicon-accountable-care-organization.html>.

- **Care Coordination:** Care coordination is an important concept to understand because it is a tactic for influencing a number of outcome measures. The medical system is so fragmented that many patients and caregivers find navigating within it to be challenging. In fact, *The New*

*England Journal of Medicine*² reported that the average Medicare patient sees seven different physicians, and that patients with multiple chronic conditions may see up to 16 physicians within any one-year period. Lack of coordination among these providers may raise costs of care while introducing medical errors and unnecessary patient discomfort. Coordination of care—among providers and between patient and providers—is becoming more and more important as the prevalence of chronic conditions becomes more common and the consequences of lack of care coordination become more dangerous.

The National Priorities Partnership reports that an estimated 157 million Americans will face at least one chronic condition by 2020 and that one in five patients discharged from hospitals today experience an adverse event within three weeks of discharge. (<http://www.nationalprioritiespartnership.org/PriorityDetails.aspx?id=606>).

Another resource, the 2007 Medicare Payment Advisory Commission (MedPAC) report, said that Medicare wastes more than \$15 million each year treating patients who are discharged and suffer an adverse event that requires readmission within 30 days of discharge.³ This is one reason why many hospitals are tracking readmissions as one of their priority quality and safety measures (described below).

² New England Journal of Medicine, Volume 360:1418-1428, Number 14, April 2, 2009, "Rehospitalizations among Patients in the Medicare Fee-for-Service program," Stephen F. Jencks, M.D., M.P.H., Mark V. Williams, M.D., and Eric A. Coleman, M.D., M.P.H.

³ Source: MedPAC Report to Congress, Washington, DC: Medicare Payment Advisory Commission; 2007.

- **Mission and Margin Impacts:** Many hospitals and health care systems define as goals elements of mission accomplishment that they seek to achieve within a future period. Generally they also set margin parameters so that they can ensure that the mission is achieved within acceptable financial boundaries.

- **Safety and Quality Measures:** Most hospitals set goals for safety and quality performance. According to the National Priorities Partnership, “medical errors kill 98,000 Americans each year. That’s the equivalent of a 270-passenger jumbo jet crashing every day—more deaths than breast cancer, AIDS, or car accidents cause. There’s also an alarming economic toll from unnecessary and unsafe care. Preventable medical errors cost anywhere from \$17-\$29 billion annually. These consequences disproportionately impact minorities and low-income patients.” (<http://www.nationalprioritiespartnership.org/PriorityDetails.aspx?id=612>)

Safety measures generally deal with avoidable incidents that may take place once a patient enters hospital premises or is admitted. These may involve tracking such factors as patient falls, medication errors, surgical errors, and so on. Each institution chooses the variable to address based on examination of trends that reveal opportunities for improvement.

Quality measures reflect measures of clinical outcomes and clinical processes. The Center for Medicare and Medicaid Services (CMS) website and its Hospital Compare system report on measures of hospital quality of care in the areas of heart attack, heart failure, pneumonia, prevention

of surgical infections, mortality and the patient’s experience of care. New measures, such as those related to readmission of patients and nursing care, are now being added. Hospital Compare can be accessed at www.HospitalCompare.hhs.gov or at www.medicare.gov. Many hospitals select from these measures to set goals for their own operational improvements.

Each trustee needs to understand the hospital’s targeted outcomes and the rationale for why certain indicators and specific levels of performance on each indicator were chosen. In addition, each reflects current issues in the health care environment which all trustees need to understand to effectively discharge their fiduciary responsibilities to the institution and its community.

Educational Planning Step Two: Information

The second step in planning for the orientation and education of trustees is to answer the question, “What do you need to know to be a fiduciary?” The three knowledge and skill competencies cannot be performed well without understanding key variables in three key areas:

1. Health Care Delivery and Performance

Health care delivery is being shaped by evidence about which clinical practices are most clinically and financially effective for the patient and the hospital. The impact of these practices is reflected in measures of quality, safety, customer satisfaction, financial, and employee performance. In addition, patient and customer satisfaction scores and demographic and epidemiological statistics are used to help set organizational priorities, approve plans, and select investment priorities. A good trustee understands all of these variables.

Understanding community needs and anticipating how they are changing is useful in board planning activities. Understanding of IOM Aims and the full range of dashboard measures that the hospital has chosen as its targeted outcomes is critical to digesting materials distributed in advance of each board meeting to enable thoughtful discussion at both board and committee meetings. It's important for each trustee to understand the basic elements of how a hospital is structured, how its economic model works, and how different performance variables are affected by managerial, operational, and clinical decisions. Potential resources for background reading might include:

- **The Health Care Industry: A Primer for Board Members** by Dennis Pointer and Stephen Williams (San Francisco, CA: Jossey-Bass Publishers, 2004); 135 pages. This book provides an overview of the organization, financing, and delivery of health care services. It is an especially useful primer for those who are new to the health care environment.
- **Reducing Harm to Patients—Using Safety Dashboards at the Board Level** (Cambridge, MA: Institute for Healthcare Improvement, 2007). (<http://www.ihl.org/IHI/>)
- Three relevant publications from the AHA Center for Healthcare Governance (To order copies, call 888-540-6111 or e-mail bladewski@americangovernance.com)
 - “Hospital Patient Safety and Quality Monitoring: A Resource for Governing Boards and Trustees”
 - “Patient Safety and Quality Reporting for Governance: Data Reporting Guide for Hospital Staff”
 - “Does Excellent Health Care Governance Lead to Excellent Performance? (Or, can a Great Board make a Difference?)”

2. Business and Finance

Beyond understanding the basic economic model of their particular institution, trustees need to understand and be able to interpret the financial statements that reflect hospital activities. Generally this includes:

- *How to read the hospital's balance sheet, income statement, and funds flow statement.* Trustees want to ensure that long-term fixed liabilities are managed carefully and that cash flow is managed in a prudent manner that doesn't jeopardize ongoing operations.
- *How the hospital's bond ratings influence borrowing power and costs.* A declining bond rating can be a sign of both diminished financial strength and the need for better communication with bond-rating agencies.
- *The relative importance of different sources of funding (insurance reimbursements, Medicare/Medicaid reimbursements, philanthropic giving, and so on) and alternative strategies for increasing available financial resources.* Good trustees are both effective fiduciary agents for donors and good ambassadors and fund-raisers on behalf of the hospital.
- *How the reimbursement and payment systems affect the hospital's cash flow and financial health.* This understanding contributes to sound decisions and action plans.

Specific trustee responsibilities in this area generally relate to both long-term and short-term plans for increasing funding, making capital investments in facilities and equipment, strengthening the clinical staff, and either focusing or expanding product and service lines. Some useful resources—beyond a coaching session with the hospital's chief financial officer—include:

- **Essentials of Health Care Organization Finance: A Primer for Board Members** by Dennis Pointer and Dennis Stillman (San Francisco, CA: Jossey-Bass Publishers, 2004); 179 pages. This publication is a resource for those who need a better grounding in finance and accounting basics and who aren't financial professionals.
- This item focuses on how the concept of the Balanced Scorecard (Kaplan and Norton) can be applied to health care governance:
 - “*The Balanced Scorecard: A Tool for Maximizing Board Performance*,” Trustee Workbook, *Trustee*. April 2005. <http://www.americangovernance.com/americangovernance/gtoolboxtopics/Gscorecard.html>

3. Human Resources

The broad term “human resources” refers to the ways in which various populations—physicians, nurses, technicians, aides, managers, executives, volunteers, board members, and so on—and their interrelationships affect the institution’s vitality, effectiveness, and impact on the community.

Trustees need to be aware of the kinds of issues that may arise with each of these populations, including:

- The difference between employed and affiliated physicians and whether any issues exist past, present, or future that will require board attention.
- How executive leaders’ actions impact on the culture of the hospital and cascade through the workforce, and how the board has visibility over those impacts.
- What “patient-centered care” means, and what it looks like as carried out by various elements of the workforce. What (if any) issues related to patient-centered care are likely to come to board attention.

- Issues related to nurse/physician relationships that the CEO is facing, and how they are likely to impact on what trustees will be hearing about or addressing.
- Those issues associated with each of these populations that constitute board business and those issues that should be handled by executive leadership, without board involvement.
- How the board’s actions and those of individual trustees impact on the culture and values of the workforce.
- How trustees can help or hinder the implementation of fair and consistent human resources policies. The board is generally responsible to oversee broad human resources policies related to recruiting, hiring, retaining, and developing employees, with a particular focus on executive leadership and CEO succession. The board’s role in relation to the CEO and executive leadership is more hands-on than its oversight related to the broader employed population.

In addition to discussing these questions with the CEO and the senior human resources officer, trustees should access some of the following background resources:

- **The Well-Managed Health Care Organization**, sixth edition by John Griffith and Kenneth White (Chicago, IL: Health Administration Press, 2006).
This book was written as a textbook for graduate students in health administration, but it provides an overview of a hospital’s operation and might represent a target for “cherry-picking” topics that are useful or of interest to individual trustees.
- **Best Practices for Developing Effective and Enduring Board/CEO Relationships**, Kenneth R. Cohen, Ph.D.

(<http://www.americangovernance.com/american-governance/publications/bestpractices08.html>)

- **Pay-for-Performance: A Guide for Hospital Trustees**, Sanjaya Kumar, MD, M.Sc., MPH. (<http://www.americangovernance.com/american-governance/publications/payforperformance.html>).
- **Leadership Continuity: Avoiding the Ultimate ‘Gotcha’**, Deborah J. Cornwall and Wilmot J. Gravenslund. (<http://www.americangovernance.com/american-governance/publications/gotcha.html>)
- “Creating a sustainable physician strategy: hospital-physician relations are changing. Will your hospital keep pace? Get prepared with these six must-do actions,” *Healthcare Financial Management*, Jan, 2008 by Jay Warden and Kevin Woodward (http://findarticles.com/p/articles/mi_m3257/is_1_62/ai_n24923167/)

- **Healthy Board/Medical Staff Relationships: Current Trends & Practices**, Jay Justice; A. Kurt Kastel, and Kevin Van Dyke, MPP. (<http://www.americangovernance.com/american-governance/publications/healthyboard.html>)
- *New Models for Hospital-Physician Relationships*, Trustee Workbook, *Trustee*. January 2008.

Educational Planning Step Three: Board Role

The board as a whole plays two significant roles. First, it is a resource for the CEO to tap in helping to support the hospital’s quest to achieve its goals. Second, it serves as a judge of performance achieved and the effectiveness with which the leadership team in general and the CEO in particular achieves those goals. As a result, it’s necessary for trustees to understand how effective trustees behave in order to balance these two roles and carry out each effectively as shown below.

Governance Activities	How Boards Operate in Performing These Activities	How Individual Trustees Behave
1. Oversee results against a dashboard of performance indicators that reveal both strategic and operational health	<ul style="list-style-type: none"> • Review and discuss the performance dashboard (priority financial, clinical, human resources, and other outcome-related performance indicators) at every meeting. Generally this discussion will represent “exception reporting,” by which the only indicators selected for discussion will be those with negative or actionable trends or significant explanation to be shared. 	<ul style="list-style-type: none"> – Do pre-meeting review and analysis (homework) on quantitative materials distributed as pre-work. – Ask probing questions about why trends and variances exist. Use the answers as resources both to intensify your own understanding of the issues and to ensure that executive leaders understand and are taking appropriate action on performance indicators. <p style="text-align: right;"><i>continued on next page</i></p>

Governance Activities	How Boards Operate in Performing These Activities	How Individual Trustees Behave
	<ul style="list-style-type: none"> • Receive explanations of trends and reasons for variances for each indicator where trends or variances reveal new, unusual, or disappointing performance. • Review planned corrective actions. 	<ul style="list-style-type: none"> – Ask probing questions about the probable impact of planned corrective actions on projected future results to ensure that leaders are thinking ahead. – Follow up at next meeting to ensure projections offered earlier are being met and to learn if not, why not. – Ask questions to ensure that assumptions behind projections are made explicit and are tested and that contingency plans are being made where negative results are anticipated or upside surprises could strain delivery capabilities. – Ensure that the discussion focuses not just on financial indicators, but rather on indicators reflecting clinical quality and safety, patient satisfaction, associate turnover trends, and other non-financial indicators.
<p>2. Engage actively and collaboratively in board deliberations.</p>	<p>Most boards attempt to balance the amount of time conveying information with the amount of time spent discussing information, sharing reactions, and making business or policy decisions. During the discussion segments of each agenda, the only way work gets done effectively is through the active participation of trustees. The most effective boards are those that try to draw out the contributions of every member in every discussion.</p>	<p>Before each board meeting, the trustee is expected to do his or her homework, digest the information provided, and identify questions that need answers or discussion. The actual discussion opportunity takes place at committee or full board meetings. In this setting, the individual trustee should be seen demonstrating initiative, effective listening, and persuasive communications to complement the contributions of other trustees and to advance discussions toward thorough understanding, initiating new thinking, and achieving closure.</p> <p style="text-align: right;"><i>continued on next page</i></p>

Governance Activities	How Boards Operate in Performing These Activities	How Individual Trustees Behave
3. Inquire strategically with colleagues and staff.	Often a lot of new information will be conveyed in writing, in advance of a committee or full board meeting. Meeting time can then be spent in clarifications, additional interpretation, and applying “so what” thinking to the information as related to the issues at hand.	No matter how new you are to a board, your task is to learn enough about the institution and the issues at hand to ask probing questions, challenge traditional wisdom, and ensure that sufficient information and analysis has been done. Your intent is to: <ul style="list-style-type: none"> – Ensure the soundness of board and leadership decisions. – Balance short-term and long-term thinking in decision-making. – Ensure the appropriate use of institutional financial, capital, and human resources. – Sustain healthy performance on clinical and community relations / patient satisfaction performance indicators.

Trustees can build an understanding of the role of the board and their individual contributions to board effectiveness by familiarizing themselves with any of several documents available through the AHA’s Center for Healthcare Governance:

- “Microgovernance: The Changing Roles of the Board and Management”, *Trustee Workbook*, *Trustee*, July 2008.
- 2007 Blue Ribbon Panel Report: **Building an Exceptional Board: Effective Practices for Health Care Governance** (<http://www.americangovernance.com/amicangovernance/BRP/BRPtools.html>)
- **The Guide to Good Governance for Hospital Boards**, Center for Healthcare Governance, 2009. http://www.americangovernance.com/amicangovernance/publications/good_governance.html

- **The Board’s Fiduciary Role: Legal Responsibilities of Health Care Governing Boards.** Entin, F et al. (<http://www.americangovernance.com/amicangovernance/publications/monographs.html>)

The material above describes how effective boards educate their members and especially their new recruits with the knowledge and skills to build their competencies in health care delivery and performance, business and finance, and human resources. Effective boards also work to build the behavioral competencies of their members. One approach to accomplish this is through a mentoring process. Tools for building competency through mentoring are also included in this Tool Kit.

Health Care Trustee Mentoring

Why and How to Do It

Highly successful people rarely make it on their own. They succeed because they enlist the help of a variety of experienced people who can guide them. A leader takes them under his or her wing, or the individual seeks out someone from whom to learn. In the challenging area of health care governance, even the most savvy community board members who join a health care board for the first time can benefit from the wise counsel of seasoned board members. Successful trustees occasionally also need a network of trusted and discrete individuals to whom they can turn for counsel on difficult issues and for strategies that minimize risk and maximize success. Because health care governance is a field where there is relatively little formalized training, mentoring may prove to be an invaluable tool to accelerate the development and seasoning of any institution's trustees.

Goals for Mentorship

A mentoring initiative is more effective if its goals and process are clear to all trustees at the outset. The most appropriate goals for a mentoring program are:

- To help members with no health care background learn about the industry's critical success factors and the variables that trustees are charged to oversee.
- To foster learning by providing a supportive environment outside the board room for the

newer board member to gather background information, ask questions, and test ideas.

- To build knowledge about the industry, the institution and its consumers.
- To foster learning while building interpersonal connections for the newer board member.
- To groom future board leaders.

Prerequisites to Help Mentorship Succeed

Mentoring represents a partnership between two individuals, one more seasoned or experienced than the other. It is a form of coaching relationship in which knowledge is shared, experience is explored, and new ideas can be tested with minimum risk. It is also a situation in which the less experienced individual may have the opportunity to observe the mentor's actual behavior—what he or she says and does in a variety of situations—and then to ask questions about the “whys” and the “hows.” As a result, mentoring is not something that can be imposed on a trustee or a board. To the degree that it can be introduced as an optional process that is shaped and controlled by each pair of participants, it will be more effective.

There are four prerequisites to a mentoring program's success:

- Buy-in by both members of the pair and by staff who may be called upon to generate background information

- Appropriate match of “mentee” and mentor, as explained below
- Full appreciation by experienced board members of the importance of their role in mentoring new trustees
- Incorporation of the trustee mentor program into the institution’s governance culture

Not everyone is effective as a mentor. In fact, the most appropriate mentors share the following six characteristics:

- Respect for other trustees regardless of their backgrounds or level of experience in health care.
- Teaching orientation—that is, an orientation to balancing answer-giving with asking questions and provoking others to think.
- A flexible schedule and willingness to commit the time to meet another newer trustee’s needs.
- An established high-performance profile on the board.
- The willingness and ability to put themselves into someone else’s shoes and even into their heads—to understand how they think and are “wired”—in order to best convey feedback and offer suggestions.
- Knowledge of board processes, health care and institutional issues.

In matching such individuals with new trustees, it is important to:

- Match two individuals with similar or at least compatible educational, professional, or community-service backgrounds.
- Avoid matching people who are already friends. This kind of match would not only represent a lost opportunity to build other networking

connections within the board, but it might actually intensify an existing relationship, making it more difficult for the new trustee to blend into the rest of the board. Also, it’s important to avoid matching new trustees with the person(s) who nominated them.

- Match based on time and interests. For example, a new trustee who is interested in community focus would do well to be matched with another board member who has a long history in the community and understands how it has changed over time. Similarly, a trustee interested in advocacy would do well if matched with an attorney or government official who has useful connections and understands the process of influence that shapes public policy and funding.

Once matching has been completed, there are several steps that can help increase the odds of mentoring success.

Suggested Mentoring Process

It’s usually helpful for the pair of trustees to agree on key elements of the mentoring process, such as:

- Having an explicit conversation to agree on the focus and purpose for the relationship.
- Sharing respective learning styles, goals, bios and resumes as tools to help shape the working process of the pair.
- Determining how often they will meet and how they will communicate, although it is generally good practice to meet or talk at least once a month.
- Attending introductory training (generally conducted by staff as a broad orientation to the institution) together.
- Making contact at hospital or system events so the mentor can help make introductions and

explain interrelationships and issues that are being discussed.

- Committing to a one-year process, knowing there will be less contact after the first six months.
- Channeling questions or comments to the CEO, Governance Committee Chair or Board Chair. If the assigned relationship doesn't appear to be working productively at an early stage, either party should be encouraged to voice their concern and to seek reassignment.

These generic steps can be useful in getting the relationship moving productively. Then, as the peer assessment process identifies potential developmental priorities or as committee assignments or leadership opportunities evolve, the relationship may shift over time toward development of specific capabilities. Sometimes the individual being mentored will identify a specific individual whose abilities in a particular competency mirror the individual's needs in order to take on a leadership role, and in such cases an additional or follow-up mentoring relationship may evolve. For example, a trustee interested in developing a stronger strategic orientation might be paired with the chair of the board's Strategic Planning Steering Committee or with a trustee who has demonstrated a high level of proficiency in this competency. The following checklist suggests a number of activities that mentors and mentees can participate in. Activities are grouped into two categories: mentoring focused on new trustee orientation and mentoring used as part of the board leader development and succession planning process.

Mentoring Activity Checklist

Mentoring activities can be useful in both the development of new board members and future board leaders. Sample activities for each type of experience are listed below and incorporated into a checklist format.

Orientation

The checklist on page 70 contains suggested sample activities that mentors and mentees can participate in together as part of a structured, new board member mentoring experience.

- A mentor is assigned to every new board member. The mentor and mentee are then introduced at a joint initial meeting with the Board Chair and CEO.
- The mentorship should be overseen by the Governance Committee; a quarterly report on the mentee's progress should be made by the mentor.
- Mentor and mentee share information on their mutual professional backgrounds, expertise, and experiences with health care.
- Mentor schedules an introductory call or meeting with assigned mentee to discuss each others' professional backgrounds and experience on boards, their respective experience in health care, and the mentoring process, and to review and select checklist activities that would be most helpful to the mentee.
- Mentor and mentee meet, discuss and agree on how they will work together during the first year of service (how frequently to meet or talk, what kinds of discussions will be most useful to the new board member, whether to meet before or after each meeting, and so on).

Mentoring Checklist: Orientation

MENTORING TASK	DATE ACCOMPLISHED																				
A mentor is assigned to every new board member. The mentor and mentee are then introduced at a joint initial meeting with the Board Chair and CEO.																					
Mentor and mentee share information on their backgrounds, expertise, and experience with health care.																					
Mentor schedules an introductory call or meeting with assigned mentee.																					
Mentor and mentee meet, discuss and agree on how they will work together.																					
Mentor and mentee jointly attend the board's new member orientation session.																					
Mentor highlights for the mentee the orientation materials that most relate to the issues facing the institution and the board today.																					
Mentor debriefs the mentee's tour of the hospital and its facilities.																					
Mentor works with committee chairs to ensure that the mentee has the opportunity to sit in on each board committee meeting at least once.																					
Mentor works with mentee to identify one professional meeting or development program to attend within the first year.																					
Mentor insures the mentee has completed any required new trustee training programs.																					
Mentor works with mentee to identify additional learning needs.																					
Mentor and mentee debrief each board meeting in person or by phone.	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Mentor and mentee read educational articles on governance or health care and discuss how they apply to the board's work.	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td> </tr> </table>																				
Quarterly Report Made by Mentor to Governance Committee	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td> </tr> </table>																				
After first year, mentor and mentee determine whether continued interaction would be beneficial.																					
After first year, a board officer interviews the mentor and mentee about the value of the mentoring process.																					

- Mentor and mentee jointly attend the board's new member orientation session, including any facility tours.
- Mentor highlights for the mentee the orientation materials that most relate to the issues facing the institution and the board today.
- Mentor debriefs the mentee's tour of the hospital and its facilities and any discussions of hospital operations and pending projects the mentee has had with hospital leaders/executives.
- Mentor works with committee chairs to ensure that the mentee has the opportunity to sit in on each board committee meeting at least once.
- Mentor works with mentee to identify one professional meeting or development program to attend within the first year. Mentor also insures the mentee has completed any required new trustee orientation and training programs.
- Mentor works with mentee to identify additional learning needs and board resources to support mentee in the learning process.
- Mentor and mentee debrief each board meeting in person or by phone.
- Mentor and mentee read educational articles on governance or health care and discuss how they apply to the board's work.
- After the first year, mentor and mentee determine whether continued interaction would be beneficial and if so, how interaction should be structured.
- After the first year, a board officer interviews the mentor and mentee to determine which aspects of the mentoring process were most beneficial and how the board could further improve the process.

Leadership Development

After at least two years of service board members can be considered as candidates for board leadership. Each candidate works with a board officer (board chair, vice chair, chair of the Governance/Nominating Committee, etc.) to create a 1- to 2-year personal development plan focused on assisting the candidate to assume a specific board leadership position (board officer or committee chair). The following are sample mentoring activities that can be included as part of a candidate's development plan. These activities are also incorporated into the checklist on page 72.

- Mentee is assigned a mentor that currently holds or has recently held the board leadership position the mentee aspires to assume.
- Mentor includes mentee in developing board or committee meeting agendas.
- Mentor debriefs board or committee meetings with mentee.
- Mentee shadows mentor for key learning experiences such as representing the board at meetings with external stakeholders; selecting outside consultants (such as auditors or executive compensation firms that work directly with the board); or working with key organizational staff who support the board leader.
- Mentor includes mentee in reviewing board meeting or committee meeting evaluations and planning for improvements.
- Mentor and mentee together attend outside educational program(s) that support leadership competency development, with particular focus on the role to be assumed.
- Mentor reports quarterly to governance committee.

Mentoring Checklist: Leadership Development

MENTORING TASK	DATE ACCOMPLISHED
Mentee is assigned a mentor that currently holds or has recently held the board leadership position the mentee aspires to assume.	
Mentor includes mentee in developing board or committee meeting agendas.	
Mentor debriefs board or committee meetings with mentee.	
Mentee shadows mentor for key learning experiences such as representing the board at meetings with external stakeholders; selecting outside consultants (such as auditors or executive compensation firms that work directly with the board); or working with key organizational staff who support the board leader.	
Mentor includes mentee in reviewing board meeting or committee meeting evaluations and planning for improvements.	
Mentor and mentee together attend outside educational program(s) that support leadership competency development, with particular focus on the role to be assumed.	
Mentor reports quarterly to governance committee.	

Leadership Development and Succession Planning Tools

Leadership development and succession planning within a board of trustees are often conducted in a just-in-time manner. Yet these processes work best if given advance thought and planning. The tools that follow lay out a framework to assist you in that thinking and planning process with a focus on the competencies of individual trustees.

The sections below are offered to support your thinking about the kinds of competencies your board will need in various leadership positions and how to assemble or build them so you have more than one viable candidate for each position when it comes open.

1. How the Competencies of Effective Board Leaders “Look”

Every board has a variety of leadership positions to be filled. As a result, it’s important for the Chair, Nominating Committee, or others who are engaged in filling those positions to understand what it “looks like” when a board leader is demonstrating the target leadership competencies. Recognition of the presence or absence of those behaviors and why those behaviors are so important to board and committee effectiveness helps ensure that the most appropriate and capable trustees are nominated to committee chair and board chair positions.

Exhibit 1, on the following page, lists the 15 core Personal Capability competencies that were

identified by the Center for Health Care Governance’s Blue Ribbon Panel on Trustee Core Competencies and Work Group. For each, in alphabetical order, the exhibit offers an explanation of how each contributes to a board leader’s effectiveness. The nominating body for each board will find that the particular competencies that matter most in a given leadership role will vary, depending on the issues facing the board at any given point in time and looking into the future. As a result, it will be important to review these competencies carefully with an eye to each individual leadership role to be filled before embarking on the nomination process.

2. This Board’s Leadership Opportunities

This section outlines a series of discussion topics and related questions that will lead the board’s officers or Governance Committee to identify how the strategic challenges facing the board and the way the board has operated in the past can help define which of these competencies is most important at a given time for a given leadership role.

This board’s strategic situation

- How would we characterize this institution’s competitive situation?
- Does that situation require that the institution make any major changes in order to sustain or improve its market and financial condition?

Exhibit 1: How Trustee Competencies Are Applied By Effective Board Leaders

Individual Competency	Important for Leaders Because:
Accountability	The leader of a board, a committee, or a working group is responsible to ensure that required work products are created. Leaders must set clear expectations about the nature of the output required, formulate a defined agenda for pursuing that work, and ensure that each member of the group (whether a trustee, staff member, or other volunteer) provides the needed participation, contribution, and reliability to ensure that deliverables are generated on schedule and at needed levels of quality.
Achievement Orientation	The standards that guide a team's work are a reflection of the organization's needs and the individual leader's professional standards. To the degree that the leader articulates and sustains high standards despite challenges and uncertainties, the team will strive toward a more excellent and productive outcome.
Change Leadership	Often boards, committees, or work groups are generating an output that will either drive or contribute to a new or existing change initiative. In such situations, the leader combines constancy of vision with methods of building buy-in on the part of those who must implement. In some situations this may mean including those parties in the design of solutions.
Collaboration	By building positive working relationships and requiring team members to interact constructively, the leader ensures that outcomes incorporate the best of each member's thinking.
Community Orientation	The leader ensures that the deliverables of the group meet stakeholders' needs. He or she may do so in the way the agenda for the group's work is shaped, who is selected to participate, and how the outcomes are reality-checked for potential validity and impact.
Complexity Management	The leader sorts out complexity by articulating the critical issues in a simple and compelling way. These behaviors help the group to put aside extraneous information and focus on the factors that offer the most leverage toward agreeing on an effective solution or course of action.
Impact and Influence	Leaders use influence to move the group along on its agenda without dominating or being overbearing, and they build consensus through coalition-building, information sharing, focused thinking, clear communication and persuasion. The effective leader understands when to take charge and when to back off, when to introduce more structure to deliberations and when to let the discussion take its own course toward consensus.

continued on next page

Exhibit 1: How Trustee Competencies Are Applied By Effective Board Leaders *continued*

Individual Competency	Important for Leaders Because:
Information Seeking	By seeking comprehensive but focused information, the leader helps shed light on the roots and full dimensions of relevant issues and uses the information to reveal alternative courses of action. The leader doesn't presume to know it all or to bring everything possible to the table, but he or she reaches out to those who have actionable insights to offer.
Innovative Thinking	Effective leaders look at things in new ways that stimulate new ideas and breakthrough thinking in others. Leaders who do this "what-if" thinking find parallels in other industries or organizations and ask "how can we" rather than stating why we can't. Such behaviors generate energy and engagement from others within the strategic context and enhance a group's productivity toward achieving its goals.
Organizational Awareness	By interpreting the interpersonal dynamics at work within the board, the leadership team, the broader hospital or system work force, and the community, leaders help ask the right questions and offer insights that will incorporate support-building mechanisms and implementation feasibility into the group's deliverables.
Professionalism	The leader's honesty, openness, fair-dealing, and responsible stewardship ensure that the group will consider the impact of its possible solutions on all constituents and stakeholders without bias. When uneven impacts occur, he or she exposes them proactively and explains the rationale fully to build support for the outcome.
Relationship Building	By networking within the institution, the community, and the broader health care field, the leader is able to help develop useful alliances for the organization, introduce external ideas and meld diverse perspectives into workable solutions.
Strategic Orientation	The leader guides the work of the committee or board to ensure it reflects the institution's longer and broader needs and integrates appropriately with the work of other board, executive management, and clinical management committees and initiatives.
Talent Development	Leaders recognize the capabilities of individuals and coach/mentor them to maximize their contributions to the group's work.
Team Leadership	Each leader gains the commitment and engagement of team members and helps determine ways of getting the greatest contribution from each. By drawing others into discussion and problem solving, the leader stimulates collective energy and action.

- How does our belief that we do or do not need major change influence the nature of the board’s leadership priorities looking forward?
- What leadership competencies will be most critical for our board leaders to be able to demonstrate in order to help us carry out those priorities? How do these vary by position that we need to fill in the short term?

How the board has tended to operate

- What are this board’s written and unwritten “Rules of the Road” (as reflected in the categories below)?
 - What kinds of work occurs in committee (vs. in full board sessions)? Gathering and analysis of information? Development of proposals? Making decisions?
 - Does this work imply the need for the committee chair to have a distinctive competency related to the content of the work? If so, what?
 - What proportion of the committee’s or board’s work is chair- or board-driven and how much is staff-driven? What does this imply for the required competencies for the leadership position(s) under consideration now?
- How have board leaders been chosen in the past? Based on what criteria, historical precedents, or competencies?
- In choosing leaders for committees or for the board as a whole, how have we considered the ambiguities and uncertainties that may face us in the future? What are the implications (if any) for the competencies or strengths we need now in future leaders?

- What kinds of preparation have we provided to past and potential future leaders both to orient them to their new roles and to develop their competencies to succeed in those roles?
 - Years of tenure on the board?
 - Committee experience?
 - Demonstrated collaboration with executive staff on shared initiatives?
 - Board or trustee education?
 - Specific competencies already demonstrated in the boardroom?
 - Other?

3. Identifying the Trustee Leadership Competencies We Need

Future Board Leadership Competency Requirements

- How will future strategic challenges likely to face this board and the ways in which we have tended to operate (see 2 above) pose challenges or opportunities for our future board leaders?
- As a result, which of the 15 trustee competencies described for leadership in Exhibit 1 will be most important for our future board and board committee leaders? Recognizing that not everyone will demonstrate all competencies equally well, which ones are most critical for the various leadership roles of the board?

Position 1: _____

Position 2: _____

Position 3: _____

4. Who's in the Potential Leader Pool?

Identifying Candidates

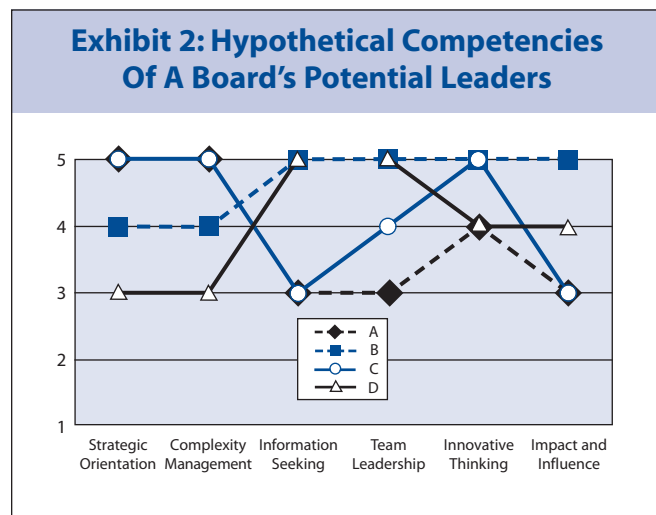
The most effective and experienced board leaders may demonstrate all of the competencies at consistently high levels. Yet most boards consist of trustees of varying experience levels and varying competency levels. The individual who demonstrates proficiency in most competencies at a high level will often be most appropriate as a board chair. Other trustees whose profiles aren't as strong may be more appropriate as committee chair candidates or in roles in which they may benefit from mentoring or other forms of support as they build their experience and effectiveness as leaders.

The exercise that follows draws upon the information (results of recruitment and selection interviews, peer assessment, and educational development) that the board already has available for identifying those individual trustees who appear to have the most "ready-now" competencies in place and warrant consideration for upcoming leadership positions.

- **Construct a Competency Array**

Exhibit 2 is a graph that can **array the relative competency levels of potential board leaders**. First, on a blank form (like the ones shown in Exhibit 3 on the next page or in the Appendix to this document), write in each space at the bottom of the chart the name of the competency being examined. Then **map on the blank chart each potential leader's competency level**, based on the combination of their incoming selection assessments, trustee peer assessments, and both educational and boardroom achievements. As an illustration, the hypothetical chart below shows six different

competencies that one board might have chosen as its most important. The letters A, B, C, D represent specific individuals under consideration for leadership positions. A scale of 1 to 5 is used, with 1 being low and 5 being high, to plot their competency levels:

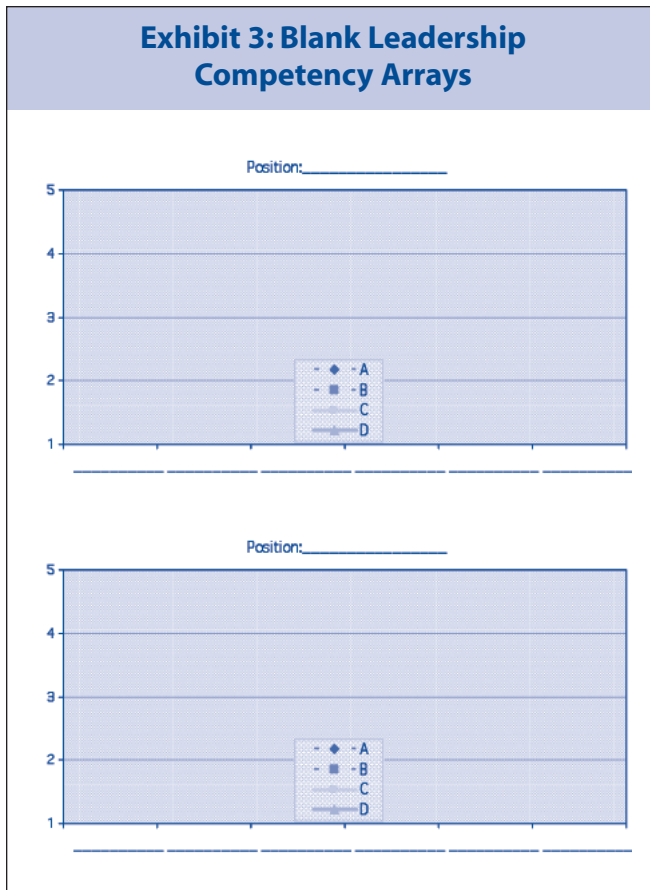


Use the blank forms to fill in the competencies that are most important for each body (committee or full board) that needs a new leader. Then graph each candidate's competency levels against the five-point scale, as explained above. The electronic version of this form allows users to click into the chart to use the Excel spreadsheet that is built into the form.

- **Identify Potential Trade-Offs Associated with Each Candidate**

Once the candidates' competency levels have been arrayed, it is likely that more than one will be worthy of consideration, so the selection of the leaders to be nominated will require making trade-offs. Certainly it would be ideal if every candidate for a board leadership position scored very high on all six leadership competencies. Yet the reality is that each of us has strengths

Exhibit 3: Blank Leadership Competency Arrays



and weaknesses. If your trustees are being honest with each other, these will emerge in the peer evaluations.

Data-based selection helps to frame these trade-offs based on information about how each trustee's competencies were perceived by those who interviewed him or her during the initial board member selection process and by his/her peers during the trustee effectiveness assessment process. This means that the key question facing those who select board leaders is to identify where the strengths can be leveraged and where the weaknesses can be bolstered through complementary staffing, described below, and/or mentoring. The challenge will be to sort out the implications of the trade-offs that exist between

each individual's development and potential effectiveness in a leadership position.

Trade-offs. For example, if faced with the hypothetical trustee profile in Exhibit 2 left, you might argue that trustee B is particularly strong in several of the leadership competencies that will be critical to leading the Governance Committee if teamed with the board chair to ensure that he's working in the right strategic context.

Complementary staffing. Complementary staffing means that if you see an individual as having leadership potential but he or she has not yet demonstrated a key leadership competency, you should ensure that the individual gets exposure to activities that will build that competency and consider staffing the rest of the committee to include one or two trustees who have particular strengths in that competency. This is also a situation in which feedback and guidance to the individual is likely to help generate the motivation to develop that new competency through education or observation of other governance activities.

Mentoring. Trustee D in Exhibit 2 might be new to the board and not have had the opportunity to develop or demonstrate his or her strategic orientation and skills in complexity management. In the event that circumstances require naming someone like trustee D to a leadership position, the board may want to ensure that the board chair works closely with that individual in framing the committee's agenda of work. If time allows, the board might also want to develop these abilities by putting

the individual in situations where he or she could learn more about the institution and its strategic challenges before being appointed as a committee chair.

Alternatively, trustee C (Exhibit 2) has some compelling strengths but tends not to seek out additional information, which probably tends to reduce this person's influence with peers. He or she might benefit from mentoring regarding what kinds of information need to be assembled, by whom, and how to present the resulting recommendations or committee views in a convincing manner to the full board. Most important is giving this trustee feedback so that he or she will know to look to others for consultation in the area where competence is less strong.

- ***Conduct a Structured Conversation with Each Leadership Candidate***

Once the chair, the Executive Committee, or the Governance Committee has considered the competencies required, it makes sense to conduct a conversation with the individual candidates to address the following topics:

- Do you aspire to a leadership role on this board? If so, what role do you think best leverages your strengths? Why?
- What distinctive capability would you bring to that role?
- What would you want to accomplish if you were named to that role? What might be your leadership agenda?

- What kinds of activities would you like to undertake in advance of taking on such a role that would increase your likelihood of success?
- What other individuals on this board do you see as bringing abilities that you'd like to see brought to a leadership position? Why?

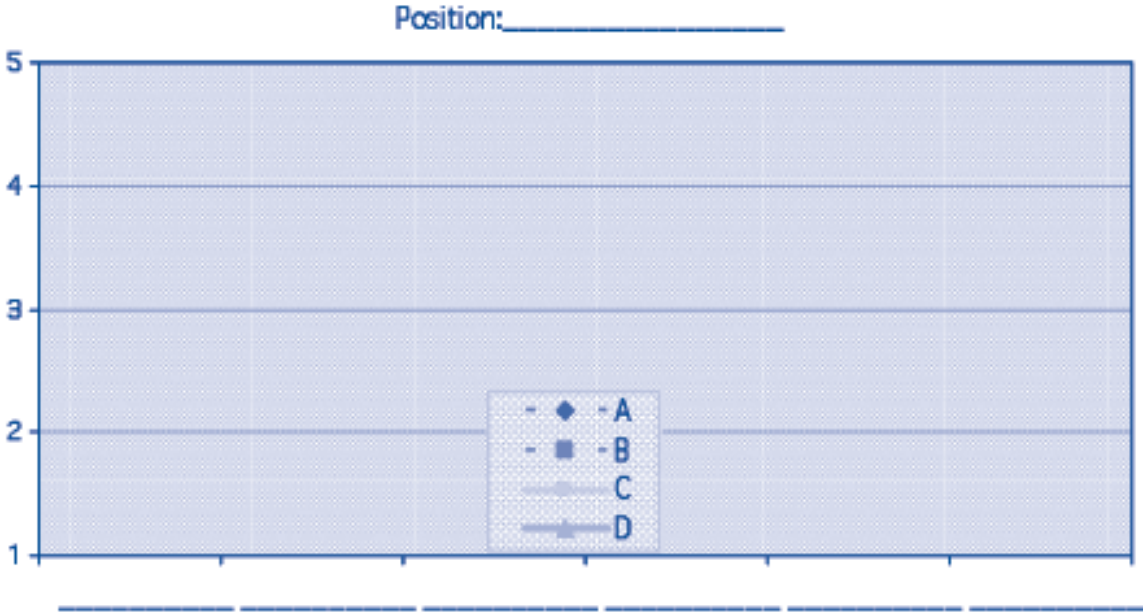
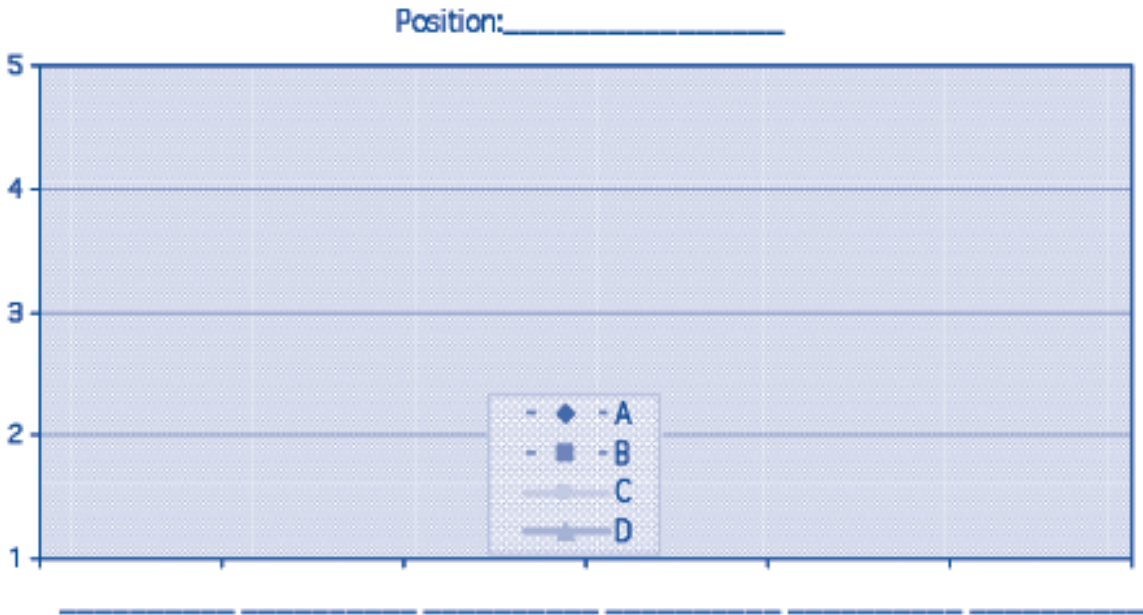
5. Developing Leaders and Planning for Succession

Once candidates have provided answers to the above questions, their answers can be used, along with the results of the competency array, to place the appropriate candidates into the board's leadership development and succession system and to develop the final slate of nominees for full board approval.

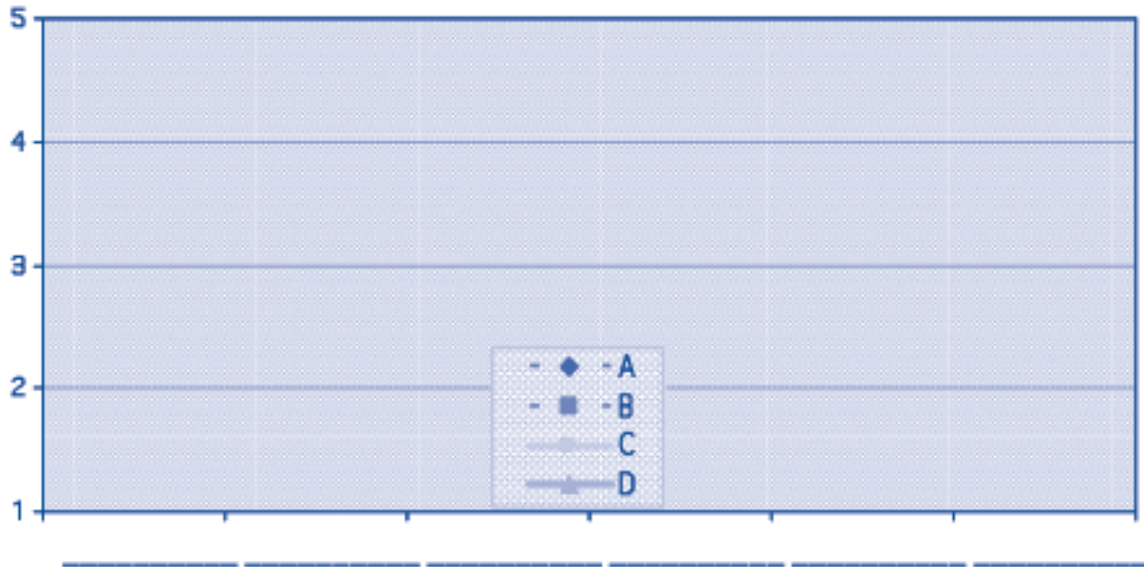
Examples of leadership development activities can include attendance at formal education programs, chairing a board committee or serving on a board task force, taking on a broader role with the hospital's external constituents, or participating in a mentoring relationship with a current or past board leader.

Effective board leader succession planning takes more than a few months to implement. Planning to fill board leadership positions two years in advance provides time for candidates to develop their skills and, in the case of board officers, to hold a chair-elect position, which allows an incoming chair to work closely with the current chair for a year before he or she assumes the chair role.

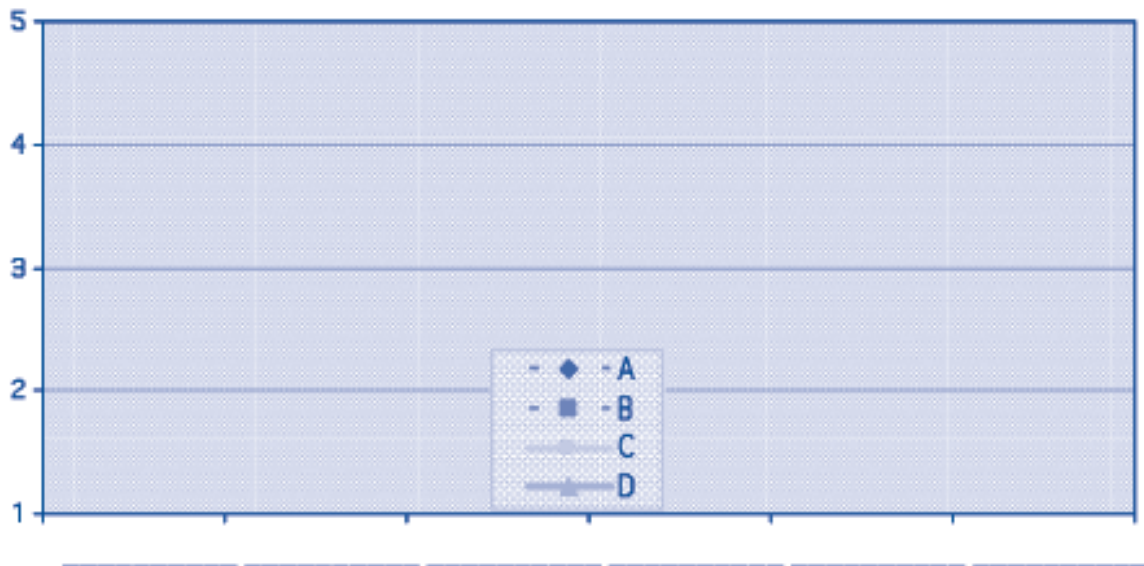
Appendix: Additional Blank Leadership Competency Arrays



Position: _____



Position: _____



Competency-Based Governance Tool Kit

Feedback Form

Thank you for using the *Competency-Based Governance Tool Kit*. Your answers to the following questions will help the Center for Healthcare Governance further refine and improve the tools and resources included in the Tool Kit. Please complete a separate form for each set of tools that you used/reviewed.

1. Please circle the set of tools listed below about which you are providing feedback on this form:

- **Board Member Peer Assessment tools:** (Competency-Based Peer Assessment Process, GAP Peer Assessment Surveys, How to Use Peer Assessment Results, Personal Development Plan)
- **Board Member Recruitment and Selection tools:** (Interview Guide, Candidate Competencies Summary, Board Member Position Specification and Board Member Recruitment Process Guideline)
- **Board Education resources:** (Board Orientation/Education Model, Mentoring Guideline)
- **Board Leadership Development and Succession Planning Tool**

2. How easy to use/adapt were the tools you used with your board?

Not Useful	Somewhat Useful	Very Useful
1	2	3
		4
		5

What would have made the tools easier to use?

3. Did the instructions included in the Using This Tool Kit section of the Introduction clearly explain how the tools could be implemented as an integrated set? Yes _____ No _____
If no, what improvements could be made?

4. How did you use or do you plan to use the results you gained from implementing the tools?

5. How could the tools be improved for more impact?

Thank you for providing your feedback on the *Competency-Based Governance Tool Kit*. Please return your completed feedback form to the Center for Healthcare Governance to the attention of Mary Totten by fax at 312/422-4650 or by email to info@americangovernance.com.

Optional: If you are willing to have us call or email you to follow up on your comments, please indicate your name, affiliation, and contact information below:

Name: _____

Position: _____

Organization: _____

Contact me at: _____

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