Decision-making Processes and Tools for Boards

Decision-making is a fundamental responsibility of the board. Making governance decisions effectively requires a disciplined process where management, board committees and the full board all have specific roles and responsibilities. As the grid below suggests, good governance decision-making, when supported by a variety of board practices and tools, strengthens the board as a whole and its capacity to govern well.

Board Decision-making Components			
	Input: Preparing for Decision-making	**Throughput: Making Decisions**	**Output: Decision Aftermath**
Management Role	• Ensure ongoing board education/ leader training • Gather, format, provide decision-relevant and governance-level data to committee and board • Ensure data is clearly linked to strategy • Provide input into agenda planning	• Ensure optimal meeting room set-up, logistics • Anticipate questions and answers • Discuss decision risks and options for mitigation • Provide additional information and analysis as requested by the board or committee • Identify metrics that will gauge if success has been met	• Communicate decision internally and externally as appropriate • Execute decision and risk mitigation (if applicable) • Report decision impact to committees and board
Committee Role	• Review data, information • Analyze, probe, provide insight, make connections • Help management think through potential risks • Vet for full board review • Provide clear recommendation to the board	• Ensure board has all necessary input to allow for sound decision-making • Clarify decision data/input and recommendations, as needed • Highlight questions yet to be answered/ needing further discussion by the full board • Ensure metrics are the right ones to measure to indicate success	• Cultivate new board competencies to ensure ongoing decision-making and governance oversight effectiveness • Maintain ongoing compliance with laws, regulations, standards • Assess performance, including decision-making capability
Board Role	• Develop decision principles • Participate in agenda planning • Review management and committee input • Understand decision methods • Stay abreast of health care issues/ trends • Understand stakeholder wants/needs • Keep discussions at the strategic level • Ask management probing questions	• Manage conflicts of interest • Ask clarifying questions, including: "How does this decision fulfill (or not fulfill) our mission and strategy?" "Can we live with worst-case scenario?" • Consider alternatives • Discuss risks • Ensure productive engagement by all board members • Employ decision principles/methods • Make decision	• Be accountable, informed and prepared • Support board leadership • Evaluate key decisions annually as part of continuous learning process • Hold management accountable by assessing performance, including decision-making capability • Reward outcomes and results
Sample Tools	• Strategic framework/implementation overview • SWOT analysis • Standard committee report format • Consent agenda • Authority matrix • Mission, vision, values • Stakeholder analysis/needs assessment	• Clarifying questions • Code of conduct/rules of engagement • Board/management compact • Decision principles • Conflict-of-interest policy/process • Meeting facilitation checklist	• Board competencies profile • Term limits • Performance assessments (board, committee and director levels) • CEO assessment • Media/crisis management policies • Compensation and incentives policy