

Trustee Insights

BOARD INFRASTRUCTURE



Beyond Bylaws: Four Health Care Governance Lessons from COVID-19

Tenets for leading through crisis and calm

BY LAURA ORR

The health care system as we've always known it changed overnight in mid-March 2020, and it will continue to morph well into the future. While the primary focus during the height of the public health crisis has been on acute patient care, staff safety, supply chain and collective stamina, there are powerful lessons gleaned throughout our organizations, from the intensive care unit to the boardroom.

While core governance provides a foundation of legal structure and orderly processes no matter the operating environment, we learn in times of challenge that may not be enough.

Four Governance Tenets During Crisis and Calm

COVID-19 has shined a light on four key tenets for boards and senior management teams leading

not only through crisis but also in times of calm.

1. Board chair selection.

Long gone are the days of popularity or tenure-driven elections to boards. While it is essential to fill every position with the best candidate, the selection of your hospital or health system board chair is one of the most critical decisions a board and CEO will make.

Leadership in its fullest form, deep knowledge of the organization and the ability to make challenging

strategic decisions quickly in the face of crisis are now required competencies for any future board chair. Going forward, you must always assume there will be a crisis at some point during the board chair's term, and you must select that individual accordingly.

2. Board responsibility during a crisis.

Crises by nature are uncharted and so demand innovation and new ways of operating. For decades, we have worked to draw clean lines between the roles of management and the governing body. Those distinctions are incredibly important for high-functioning boards and leadership teams when the environment is stable. However, in times of crisis, it is necessary for those boundaries to blur.

The governing board has a fiduciary responsibility and a personal liability to protect the mission and the health of the organization. As complex decisions are made quickly, it is essential for the leadership team to communicate frequently with the board and include them in operational discussions and decisions impacting the health care organization. When board members are involved and knowledgeable about these decisions, they are able to meet their fiduciary obligations and also are more likely to serve as the organization's best allies in the days ahead.

3. Board engagement.

No longer just a buzzword, true engagement yields benefits far outside of the board room and is

an essential element for high-performing governing bodies. When board members are truly engaged, they have a deep commitment and are well informed. They hear the rally cry and leap to serve as community connectors, philanthropic conduits, and policy advocates.

During COVID-19, engaged board members have mobilized to source supplies, open philanthropic doors and lend their influence to policymakers. Your board becomes a powerful community voice in support of your health care organization, telling your story and advocating on behalf of your organization's unique needs.

Engaged members also provide extraordinary support to leadership and staff that cannot be underestimated. When teams are weary, the governing body's voice of gratitude can provide a jolt of needed energy.

Deep engagement cannot be built overnight. It requires careful member cultivation and intentional, ongoing action of the management team and the board chair. Through this public health crisis, we've now seen clearly the stark difference between a board member who checks the historical boxes and one who is truly committed and engaged.

4. Board and CEO relationship.

The relationship between the board and the senior management team is the true basis for high-performance governance. Building a trusting and transparent relationship requires time, intentionality and leadership vulnerability. The strength of this relationship will greatly impact post-crisis planning and direction.

Post-COVID-19 will require strategic and financial recalibration. This will be accomplished through imperfect analytics, difficult decisions and fatigued teams. Trust and vulnerability between the board and senior management teams will be the differentiator for health care organizations that thrive after crisis.

Reflecting and Building on the Experience

Use this moment and all that we have learned through COVID-19 to strengthen your board and governance function. The board chair and senior management team should take the time to reflect and understand where they felt prepared and where they wish they had been more prepared. Use feedback from across your board. Crisis management should now become a standard category for all of us as we build ongoing board development plans.

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