



# AHA Trustee Services

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## 7 Rules of Board Engagement

by Dottie Schindlinger

For a hospital board to be effective, it must first be engaged. Specifically, board members must actively and productively participate in the work of governing. This is absolutely vital in today's health care environment, which is full of volatility, uncertainty, complexity and ambiguity. Within this setting, boards have a harder job than ever before. When trustee performance expectations are higher and the most desirable board candidates have the least time, engagement is crucial.

But what does true board engagement look like, and how do boards know when

they achieve it? Board engagement is part art and part science. Board engagement never ends. Rather, it is a fluid process, but with discrete components and steps. This article offers frameworks and guidance ("7 Rules") to aid board administrators, executives and directors in their efforts toward the elusive goal of engaging and elevating the effectiveness of hospital boards.

### 1. Identifying the Cycle

The work of boards is complex, demanding and high-stakes. It is also cyclical in nature. Boards convene on a regular meeting cycle, deliver on a recurring set

of annual responsibilities, and continuously work in a development cycle to refresh and strengthen themselves as strategic assets to the organizations they serve. This board development cycle includes three distinct areas of focus, including: (a) planning and recruitment, (b) orientation and onboarding, and (c) evaluation and retention. There is a great deal of emphasis placed on the recruitment and election of new members, but less so on the other areas. Also, contrary to popular opinion, these are not episodic initiatives. Rather, board development never ends, with trustee engagement naturally and intrinsically woven

into every part of that cycle. Today, the responsibility for setting and keeping that cycle in motion rests with the board's governance committee.

## 2. Rethinking the Nominating Committee

Once a staple among a majority of boards, the “nominating committee” is increasingly becoming passé. In its place, fully-fledged “governance” or “board development” committees have emerged. The governance committee is an updated, expanded, and empowered next-generation of the nominating committee. The governance committee is charged with overseeing the ongoing development and engagement of board members, ensuring that governance is happening effectively, and taking steps to remediate gaps. Irrespective of its name, every health care organization needs a committee that concentrates exclusively on that overarching purpose, asking such questions as:

- Given our strategic plan, do the by-laws still make sense? Will they support or hinder achieving our goals?
- What does the board see as its primary purpose, and is that purpose explicitly being adhered to by trustees?
- What are the board's opportunities and constraints? What education or information should be provided to help the board take advantage of the opportunities and minimize the constraints?
- Who are the right players to make the right things happen and provide the right guidance to the CEO? How can we ensure the right mixture of talents, experience, demographics and personalities on our board?

## 3. Recruiting for Engagement

The governance committee is charged with determining what types of board members need to be at the table over the next three to five years, and with deciding which candidates can best address the most important issues the organization will face. To optimize downstream member engagement, boards need to be specific about the talents they seek. They should first ask “What is our primary purpose, and what do we need to ac-

complish?” and then communicate those needs, as would be the case for any other job. For example, trustees who have expertise in community health could be invaluable in helping the board oversee how the hospital meets its community benefit obligations.

The governance committee should create specific profiles for the trustees it seeks (as well as for current trustees) to make it easy for the right candidates to emerge. Understanding the mixture of skill sets, experiences and mindsets of current and potential trustees is critical to creating the right board “team.” And, as new trustees' skills are matched with the organization's most pressing needs, deeper engagement among all board members will likely follow.

## 4. Orient for the Journey

New trustees should be provided with a thorough orientation program – one that allows board members to engage in as much self-directed discovery as possible, and steadily come up-to-speed with the board's work and the specific ways they can add value. Additionally, assign each newcomer a “board buddy” or mentor with whom questions and advice about how to fit into the board can be discussed. That mentor does not necessarily need to be a current board member. Having a trustee who may have just rotated off the board serve as a mentor, with support from the organization's staff, not only helps a new trustee gain comfort in the role, but retains the past trustee's engagement as well.

As new trustees complete their orientation and take on more responsibilities, effective engagement also depends on not overwhelming them with too much information at once. If the hospital has an online board portal, proposed meeting topics can be posted there before each meeting, along with a survey asking trustees which topics they consider the highest priority for discussion and which ones could be covered by a written report. Asking board members what they want to talk about engages the entire board in thinking about the content for the meeting, and helps reduce the potential for board members to mentally “check out” during meetings. Engaging the board in planning the content for the meeting also increases the likelihood that

## Board Member Job “Ads”

To find the best slate of candidates for your next board cycle, follow a similar approach to sourcing the best talent to join your staff – create a clear job description and advertise the position broadly.

What to include in your ad:

1. Background – your health care organization's name, description, mission, a little about your history and current operations.
2. Board Member Job Description – size of the board, listing of officer positions, frequency of meetings, length of terms, term limit information, and your expectations of board members (such as participation on committees, attending events, making donations, etc.).
3. Qualifications – what specific talents, skills, expertise, and/or experiences do you seek from qualified candidates? What is your policy on board diversity?
4. Application Procedures – how do interested candidates become nominated and/or elected?
5. Contact Information – organization's website and contact information for interested candidates.

trustees will review the full agenda and all reports in advance, and will be better prepared to have meaningful discussions.

## 5. Partnering for Success

A strong partnership between the CEO and the board chair is vital to the entire board's engagement. Regular conversations and candid communication establish mutual trust, helping both leaders support and get to know each other as individuals. Their relationship sets the stage for a shared governance model, the most effective way to achieve full board engagement.

It's also important for board members to personally connect—in effect, build a relationship—with the organization in the context of their work. Setting aside a few minutes at each board meeting for

## Simplifying Board Self-Assessment

Samples of board self-assessment surveys abound, with many being so lengthy and complex that they nearly ensure a low level of participation from busy trustees. This does not need to be the case. Provided you have set clear expectations for trustee performance, and have a written set of the board's priorities for the year, your assessment can be reduced to five simple questions:

1. Rate (from 1-to-10, with 10 being highest) how well you feel the board as a whole met the priorities we set at last year's retreat.
2. Rate (from 1-to-10, with 10 being highest) how well you feel you as an individual met the expectations set in last year's board member agreement.
3. What do you think the board should do differently for next year?
4. What do you want to do differently for next year?
5. How likely (from 1-to-10, with 10 being highest) are you to recommend serving on this board to a friend or colleague?

Question 5 is the "net promoter score" – allowing you to determine the overall health of the board by determining whether you have more "promoters" (those that rate the board as a 9 or a 10), "neutrals" (those that rate the board as a 7 or an 8), or "detractors" (those that rate the board 1 through 6). Subtracting the number of detractors from the number of promoters equals your "net promoter score" – which, hopefully, will increase each year as you focus on building board engagement.

trustee-led "mission moments" – where a board member shares a story or example of one way the hospital or health care system is meeting its mission – is one way to build these connections. For example, the board might invite trustees to look into a topic or attend an event outside their area of expertise. A banker trustee might go on hospital rounds, while a physician trustee might attend a community event. Each would then relate what they have learned about the hospital's mission and relevance through the experience, tapping into a shared passion and enthusiasm for the hospital's work that become contagious. Such activities engage all board members in both building relationships and thinking about what the organization's mission really means – to them individually, to the board collectively, and to the broader community.

### 6. Sharing for Balance

Sharing perspectives that come from varied backgrounds and experiences also speaks to the importance of board diversity, another factor that fosters greater trustee engagement. In a more diverse group, people behave differently. They tend to dive deeper into topics, which

often leads to better conversations and decision-making on behalf of the organization's varied stakeholders.

It is also important for boards to have a balance of personality types among their members. They cannot all be visionaries. Boards need some who say, "Let's get it done" and others who say, "Let's deliberate;" those who want to start something new, and those who want to vote and move on. Boards need all types, but at the end of the day, they need people who are working really hard to make good decisions, for whom "easy" is not good enough.

### 7. Codifying for Accountability

To ensure everyone is clear on where and how to focus their efforts, boards might consider having each member sign an annual agreement with a written set of expectations and goals—a "contract" that speaks to the individual trustee's expertise and passions, as well as the organization's needs. An annual contract provides clarity and guidance for trustees and the organization alike, allowing everyone to openly ask, "Are we getting what we want from each other and our work?" The clearer board members are

about what they want from the board and what the board needs from them, the more fully engaged members can be.

To ensure a high level of engagement an annual board assessment is required. The governance committee should own the task of helping the board evaluate its purpose and priorities annually, along with facilitating each trustee's self-evaluation of individual performance. The results – analyzed in summary and compared to the standards set by the strategic plan, board development plan, and trustee annual "contracts" – can help identify the board's development opportunities for the following year. An annual board retreat is the ideal time for board members to discuss the results of both evaluations, determining what has been completed, what goals and activities are still important, areas for performance improvement, and what new initiatives the board wants to tackle.

For boards whose members are truly engaged, evaluation and retention should be their easiest job. If retention is a problem, it is often a symptom of another issue or concern. The board then must determine what is broken and how to fix it, so that governance remains work to which all members can give their fully engaged commitment.

### Conclusion

Boards must rise to the challenge and develop creative, innovative approaches to helping their members become engaged, even before their first meeting, and stay engaged throughout their board service. Boards can no longer afford to have members follow a traditional board development timeline: a term to learn, a term to do, a term to lead. Trustees need to make a contribution on Day 1, but to do that they need to understand what is expected of them and be given lots of opportunities for engagement in board work. These 7 Rules will help you navigate the fluid, yet rigorously demanding, landscape of engaging your board toward effective leadership.