

Illustrative
DIRECTOR POSITION CHARTER



Serving as a ___[organization name]___ board member is an important responsibility that must be undertaken/discharged with a high level of commitment, seriousness, competence and energy. Our board's performance and contributions depend upon the quality of its members' knowledge, skills, experience, perspectives/values and behaviors. Key expectations associated with the director role are specified below.

Foundational

you are expected to:

- ✓ Have (and continually demonstrate) a high level of interest in, and commitment to:
 - ___[organization name]___ stakeholders;
 - ___[organization name]___ vision/mission and goals; and
 - the critical role ___[organization name]___ plays in enhancing the health status and well being of our community.
- ✓ Possess the motivation and ability to meet the significant time requirements associated with being a director, including:
 - preparing for board and committee meetings (estimated ___ hours per month);
 - participating in board and committee meetings (estimated ___ hours per month);
 - participating in director continuing education and board development activities (estimated ___ days per year); and
 - attending organization/community events when requested to do so by the board chair.
- ✓ Fulfill the legal fiduciary duties of loyalty, care and obedience associated

with being a director.

- ✓ Understand ___[organization name]___ key stakeholder groups in addition to their needs, interests and expectations; serve as a stakeholder agent; consider, deliberate, decide and act on stakeholders' behalf.
- ✓ Not serve as the advocate of a particular stakeholder, narrow interests or interest groups.
- ✓ Possess a high level of personal and professional integrity; not behave in ways that could reflect unfavorably on ___[organization name]___ or our board. Understand our board's code of conduct; annually, attest willingness to abide by it.
- ✓ Have no general material conflicts-of-interest that would affect the ability to decide/act in the best interests of ___[organization name]___ and its stakeholders; understand our board's conflict-of-interest policy and annually attest willingness to abide by it.
- ✓ Keep sensitive organizational/board matters confidential; understand our board's confidentiality policy and annually attest willingness to abide by it.

General Competencies and Capacities

You are expected to:

- ✓ Develop, over time, an increasingly sophisticated understanding of:
 - governing obligations, responsibilities and roles;
 - structure and functioning of the U.S. healthcare industry;
 - opportunities and threats posed by markets in which ___[organization name]___ operates;
 - characteristics and strengths/weaknesses of ___[organization name]___;

- its strategies, structure, management, operations, finances and clinical programs;
- the nature of medical practice, challenges facing physicians and factors that affect the quality of patient care;
 - laws, regulations and accreditation standards applicable to ___[organization name]___;
 - the health status and needs of communities served by ___[organization name]___; and
 - the strengths/weaknesses and opportunities/threats posed by competitors.
- ✓ Possess, at the time of appointment (or acquire within the first six months of service), and continue to develop over time, the ability to understand and interpret ___[organization name]___ key quality reports and metrics.
- ✓ Possess, at the time of appointment (or acquire within the first six months of service), and continue to develop over time, the ability to read, analyze and interpret ___[organization name]___ basic financial and operating statements.
- ✓ Be familiar with provisions of our board's bylaws, governing protocols and policies.
- ✓ Understand, and be willing to advance, ___[organization name]___ vision/mission.
- ✓ Work collaboratively with other directors, management and medical staff leadership.
- ✓ Follow through on commitments to ___[organization name]___, the board and other directors.

- ✓ Be aware of potential legal liabilities associated with serving as a director; understand provisions of our board's directors/officers liability insurance coverage and indemnification policy.
- ✓ Continually develop capacities and competencies associated with the director role.

Specific Behaviors

With respect to participation in board and committee meetings, directors are expected to:

- ✓ Attend ___ percent of regularly scheduled meetings (either "in-person" or *via* video/telephone-connection).
- ✓ Carefully/thoroughly review the "agenda book" and background materials; come to board meetings prepared to discuss, deliberate and act on issues.
- ✓ Arrive at meetings on time and not leave early.
- ✓ Actively participate in board discussions/deliberations, sharing perspectives, experience, expertise, ideas, opinions, questions and concerns.
- ✓ Request additional information and seek clarification when an issue is not fully understood.
- ✓ Listen carefully to, and respect, the views/opinions of other directors.
- ✓ Maintain focus; not distract other directors or become distracted.
- ✓ Be willing to alter one's opinion when presented with contrary facts/opinions.

- ✓ Ask tough questions when the need arises; serve as a “check and balance” to management and the medical staff on behalf of stakeholders.
- ✓ Question and challenge when proposals are inadequately formulated.
- ✓ Acknowledge potential conflicts-of-interest when they arise:
 - seek an opinion from the board chair regarding its materiality; and
 - if deemed material, totally extricate oneself by: leaving the meeting when the matter is being considered; not discussing the matter with fellow directors or management; and refraining from voting on it.
- ✓ When the situation warrants, express a dissenting opinion and vote “no.”
- ✓ Support board policies and decisions once they are formulated/made, even after voting against them.

Board Citizenship

You are expected to:

- ✓ Serve as a member of at least one board standing committee.
- ✓ Attend, and actively participate in, our board’s annual retreat.
- ✓ Attend, and actively participate in, board education/development programs.
- ✓ Participate in community events as a board representative when requested by the chair.
- ✓ Serve as a representative and advocate of ___[organization name]___ in all personal and professional dealings.
- ✓ Be willing/able to serve in a governance leadership role (as the board or

a committee chair).

- ✓ Support the chair and President/CEO; when requested, provide advice/counsel to them regarding the execution of their roles.
- ✓ Participate in our board's periodic assessment process.
- ✓ Prior to the conclusion of each term served, complete the individual director self-assessment survey.
- ✓ Immediately tender your resignation when unable and/or unwilling to fulfill these expectations.

NOTES:

This is an illustration based on current best practices, but is not meant to be comprehensive or inclusive. It is provided as a template, and point of departure, for your board's discussion and formulation of its own director position charter.

This charter is aligned with other *Center Tools*, particularly: board charter; governing principles; and committee charters.

This director position charter is grounded on a model of healthcare organization governance forwarded in *Board Work* by Dennis Pointer and James Orlikoff (Jossey-Bass, 1999). For information regarding, or to order, this publication visit www.americangovernance.com.

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