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Trustee Leader

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PREVENTING AND CURING GOVERNANCE DISEASES: PRACTICAL PRESCRIPTIONS FOR IMPROVING GOVERNANCE HEALTH AND WELLNESS

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Everyone who serves on a hospital board of trustees understands that multiple factors can dramatically influence and shape the board's focus, dialogue, and leadership outcomes. Every board of trustees seeks to be able to react swiftly and intelligently in the ongoing quest to achieve the hospital's mission, vision, and strategic objectives. The unfortunate reality is that all too often, boards may suffer from "governance diseases" that can put the board figuratively in the leadership intensive care unit (ICU).

Slip-ups That Can Put the Board in the Leadership ICU

Governing boards are responsible for consistently high performance in a broad range of areas. These areas include ensuring meaningful and productive committee work, board composition, strategic planning, acquisition, and use of information. In addition, boards are responsible for partnerships and affiliations, short- and long-term financial planning, chief executive officer (CEO) evaluation and compensation assessment, board agendas, trustee recruitment and succession planning, identification and management of conflicts, and contracting and medical staff credentialing.

Governance slip-ups are often caused by a variety of governance diseases—critical leadership conditions that can put your hospital board in the leadership ICU. Six primary diseases that can affect your board's governance health and leadership fitness are:

- Agendasclerosis;
- Dialogue Deficit Disorder;
- Knowledge dystrophy;
- Successionitis;
- Lack of influenza; and
- Leadership presbyopia.

Each of these governance diseases is characterized by a variety of symptoms and complications, and each can be cured by close and careful adherence to a well-defined prescription for change.

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What Is Your Diagnosis?

As you review each of six governance diseases, ask yourself, “how healthy is our board?”

Is your governance robust, healthy, and fit? Do you perform at a high level and is your governance as good as it can possibly be? Are you generally healthy, but do you suffer from some minor and intermittent governance problems? Do you feel occasional governance pain and frustration from time to time? Do you experience leadership effectiveness highs and lows? Do you feel poorly most of the time? Do your trustees have a sense that without major governance change the board may face some future serious problems?

Alternatively, is your board in need of immediate intensive care, with major governance improvement required to ensure that you provide the leadership necessary to achieve your mission, vision, and strategic objectives?

AGENDASCLEROSIS

This common governance disease is characterized by a clogging valuable meeting time with unproductive discussion. Hospital boards suffering from Agendasclerosis find that they spend an inordinate amount of meeting time and energy focusing on what happened in the past rather than what the future may hold, and what to do about it.

Symptoms and Complications

The most notable symptom of Agendasclerosis is an ineffective structuring of the meeting agenda, which in turn results in an inefficient use of time and an uneven focus on the most critical issues. Another complication is a domination of meeting discussion by a single individual who will seize every opportunity to control meeting tempo and focus. Agendasclerosis also contributes to a serious case of missing dialogue. Boards that do not inspire spirited discussion and creative energy dampen the interaction that all boards need to ensure full and complete discussion of the issues that matter most. A major complication that contributes to Agendasclerosis is a lack of meaningful governance education.

Questions to Address

How much of the board’s time is focused on talk versus action? Board meetings can easily fill up with conversation that does not add value to the tasks at hand, leaving less time for meaningful deliberation on critical action items. Do your board meeting agendas reflect the most important strategic issues facing the hospital, and do they empower a pinpoint focus on your most urgent and critical priorities? Do your agendas inspire thoughtfulness and creativity, thereby promoting active and involved participation by all trustees? Moreover, do your agendas work to drive meeting outcomes that truly matter to the success of the organization?

Prescription

“Consent” agendas—in which routine items are acted on with minimal discussion—are an excellent way to eliminate unnecessary and unproductive reviews and reports, and are useful in creating additional time for a focus on the board’s most urgent matters, without increasing the length

of the board meeting. It is important to maximize governance time on the areas that are most critical in ensuring achievement of the hospital’s mission. Find ways to make your board meeting agendas purposeful and energizing, and make your meetings “can’t miss” opportunities for rich dialogue and discourse on strategic issues, trends, scenarios, and future opportunities. Make an effort to build the knowledge capital of the board through targeted governance education at every meeting. Make your board meetings action oriented instead of report oriented. In addition, make sure that you spend a few minutes at the end of every meeting to evaluate how well you performed as a governance leadership team in advancing the hospital’s opportunities for success.

DIALOGUE DEFICIT DISORDER

This governance disease is characterized by long periods of silence after important questions are asked, or when debate is required on critical issues. Severe cases of Dialogue Deficit Disorder may cause cloudy vision, inability to speak clearly and articulately, and may result in two other common governance diseases: Strategicolitis and Irritable Trustee Syndrome.

Symptoms and Complications

This disorder exhibits a number of symptoms and complications, including unexpressed ideas and a concern among some trustees that their input will not be welcomed. In many cases, Dialogue Deficit Disorder results in pro forma decisions that are made with little insight or real understanding.

Questions to Address

When you consider the degree to which your board may be suffering from Dialogue Deficit Disorder, ask yourself whether your agendas facilitate or inhibit governance dialogue. Consider whether the board meeting materials you receive stimulate questions and innovative thinking, and whether they prepare the board for meaningful dialogue in advance of the board meeting. Finally, think about the role of the board chair in encouraging broad-based trustee dialogue.

Prescription

If your board suffers from Dialogue Deficit Disorder, consider a prescription that includes reliance on a compelling board agenda that makes the meeting lively, engaging, and outcomes-oriented. Consider using an “around the board table” process of giving every trustee an opportunity to state his or her thoughts on critical issues prior to a vote. Never undertake an important decision without engaging the board in a discussion of the pros and cons. Make sure that part of the expectation of the board chair is to be attuned to the personalities and body language of board members throughout the meeting. Finally, the better informed board members are in advance of meetings, the more likely they will be to feel comfortable and eager to engage in board discussion. Providing board members with the right information in the right way at the right time is pivotal in preparing them for meaningful governance engagement.

KNOWLEDGDYSTROPHY

This disease is a weakness in the body of knowledge that is required for meaningful and effective decision-making. If left unattended, it contributes to a shriveling of strategic thought and ideas.

Symptoms and Complications

All boards require vigorous “knowledge exercise” and “intelligence muscle-building” to stay on top of the change in the health care environment. Because many governance diseases are interrelated, a deficiency in dialogue among board members is a major contributing factor to Knowledge dystrophy. In addition, sufferers of Knowledge dystrophy often find themselves without adequate research, discussion, and debate, and with limited input from well-informed individuals outside of the governance structure. This can result in uninformed and ill-timed decisions or no decisions at all when they are needed most.

Questions to Address

As you reflect on the severity of your board’s susceptibility to Knowledge dystrophy, consider how thoroughly your board has defined the areas in which your trustees collectively and individually need new knowledge. Assess how knowledgeable your board is about the issues and trends that will define your future, and how ready you are to address those trends and issues. Determine how committed your board is to building trustee knowledge as one of your governing leadership core competencies.

Prescription

Ensure that all board members have ready access to the background information and intelligence resources they need, when they need them, to inform their governance knowledge framework. Make sure that at every board meeting one very important question is asked: “What do we know today that we did not know at our last board meeting, and how does this new knowledge in any way change our assumptions or reshape our strategic thinking?”

Boards that are committed to continuous knowledge-building demand a continual flow of new information that generates new questions, ideas, and potential solutions and directions. Knowledge dystrophy can be overcome when there is an expectation that every board member participate in building his or her governance knowledge with continuous education on current and emerging health care issues. An effective governance education program is custom-tailored to the board’s unique needs.

SUCCESSIONITIS

Successionitis is a governance disease that results in ill-defined trustee recruitment efforts and an inability to renew and reinvigorate the governance body. Boards with Successionitis exhibit high anxiety and an inability to lead effectively. Severe cases of Successionitis may result in governance heart palpitations and damage the soul of the organization.

Symptoms and Complications

The leading symptom is a lack of a coordinated, long-term governance succession plan. A governance succession plan involves a careful examination of which trustees are rotating off the board and when, the skills and experience that will be lost to the board when these trustees’ terms expire, and the new leadership experience and skills that the board will need to successfully meet future governance challenges.

Boards suffering from Successionitis typically do not have an up-to-date trustee job description and “candidate profile” that articulates the qual-

ities and skills the board seeks in a new trustee. Too often, these boards fill trustee vacancies through an informal process of candidate suggestions from other trustees, with little due diligence about the candidate’s fit with the current board team. In addition, some boards do not provide new trustees with a meaningful, in-depth orientation to health care, the hospital, or the scope of their governance functions and responsibilities.

Questions to Address

How well does your board understand the hospital’s future leadership challenges and needs, and how well connected is your governance succession planning process with those challenges and needs? Do you periodically assess board strengths and weaknesses? How do you incorporate those into your succession planning process? Have you defined the critical skills, experience, and perspectives required for individual trustee success, and do you use those to narrow the field of prospective trustee candidates when planning for the future board? Do you put your strategic plan to work to assist in defining future leadership requirements, identifying future leadership needs that may be different from your needs today? Do you know what your “governance gaps” are today, and what that will likely be in the future?

Prescription

First, define the unique qualities and skills of the highly successful trustee. How will a changing health care environment and marketplace influence your future leadership needs? How can you “grow” potential future leaders well in advance of their board service? Second, work to strengthen your “governance brainpower” through highly focused governance knowledge building educational curriculum, as discussed earlier. Third, focus on the future. Recruit new trustees and develop a succession planning process that looks out into the future at least five years. Finally, use your succession planning process as a way of elevating board understanding of the experience, skills, and resources necessary to be a valuable board asset.

LACK OF INFLUENZA

Lack of influenza is an acute condition exemplified by a lack of governance influence with the community, physicians, employees, political leaders, and other key stakeholders and constituents.

Symptoms and Complications

Major symptoms and complications of Lack of influenza include a deficiency of relationships with lawmakers, community leaders, and others whose trust and confidence in the hospital are critical. Building trust and confidence requires board members to understand and be able to convey important messages and “talking points” about the hospital, ensuring that those messages are delivered with consistency and effectiveness. Questions of trust and confidence arise when there is an absence of meaningful information about the hospital delivered consistently over time. When boards have influence with their key stakeholders and constituents, they are able to shape public attitudes, build confidence and loyalty, and strengthen themselves to overcome competitive vulnerability.

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Questions to Address

How closely connected are you with your most important stakeholders, constituencies, and influencers? How well do they understand your challenges and needs? Can you rely on them in your time of need? Do you really understand how the broad public perceives the hospital? Do you know whether public trust is improving or declining? What is the role of trustees in advancing the hospital's image and reputation? How involved are the hospital's trustees in public advocacy and building strong community connections? Does the board understand the implications of positive and negative public perceptions? Finally, does the board have an advocacy plan for expanding understanding and influence at the community, state, and federal levels?

Prescription

Lack of influenza can be cured by ensuring that board members have a clear understanding of the most important issues facing the hospital and an ability to communicate those issues to key stakeholders effectively. Overcoming this deadly disease can be accomplished by building broad-based relationships and collaborative partnerships with individuals and organizations who share the hospital's mission, vision, and values. It is critical that individual trustees' voices be united into a single, powerful voice that speaks as one for the hospital.

LEADERSHIP PRESBYOPIA

Leadership presbyopia is a symptom or outgrowth of mission myopia, a related disease. It creates severely clouded vision, causes major organizational disorientation, weakness, pain, and discomfort, and will spread quietly like a virus throughout the organization if not aggressively treated in its early stages.

Symptoms and Complications

The symptoms include a myopic, short-sighted mission, out-of-focus vision, unproductive and unfocused meetings, a disorder of direction, and a disengagement from reality. In addition, sufferers of leadership presbyopia experience a deficiency in their knowledge and boredom with their governance routine.

Questions to Address:

Does the board have a clear, compelling, and focused vision of its future? Has the board defined the leadership required of the board as a whole, and of individual trustees, in advancing the hospital's mission and vision? Does the board have an expectation of engaging in strate-

gic thinking at every board and committee meeting? Is the board committed to building its leadership effectiveness through a consistent and understandable analysis of its strategic performance using board-approved measurements, milestones, and benchmarks?

Prescription

Overcoming leadership presbyopia requires having a clear sense of where the board seeks to guide the hospital over the next several years, and what will occur as a result of the attainment of the vision. Innovative governing leaders practice "generative governance," a concept articulated in the BoardSource book, *Governance Leadership, Reframing the Work of Nonprofit Boards*. The authors state that generative governance is the place where meaningful goal-setting and direction-setting originate, and it requires leaders who contribute to generative insights. Generative boards question assumptions, probe feasibility, identify obstacles and opportunities, and determine alternative ways of framing issues. Practicing generative governance requires boards to engage in "real-time" planning where new information, new ideas, and new perspectives are continually incorporated into the strategic planning framework.

Action Agenda: Making it Happen

Avoiding or curing governance diseases requires boards of trustees to assess their risk of contracting the diseases and defining specific actions that will ensure their governance health and wellness. One of the most meaningful actions a board can take to spot the early warning signs is to use a best practices board self-assessment process to analyze the board's strengths and weaknesses. Governance sickness can also be avoided by developing forward-looking trustee succession plans, evaluating meeting habits and leadership styles, developing an advocacy action plan designed to improve awareness of and trust in the hospital, and continually seeking ways to raise the bar of governing effectiveness. The board should consider what it would take to adopt the leadership habits and ideas included in the governance prescriptions for change.

Conclusion

Preventing and curing governance diseases can be achieved by any board willing to undertake the hard and sometimes uncomfortable work of diagnosing the symptoms and applying practical prescriptions to treat those symptoms. A healthy board is every trustee's responsibility.

**To access Larry Walker's Webcast on this topic, go to
www.htnys.org/audio_connect_archives.cfm.**