


HTNYS


Governance Insight

Intelligence for New York hospital governing board leadership effectiveness

New Trustee Orientation: Preparation for Leadership

The hospital governing board and management are responsible for orienting new board members, a process that is essential for board success. There is much to learn and the information can be overwhelming for a new trustee. There is no grace period available to trustees to enable them to get “up to speed.” In fact, trustees are legally responsible from the moment they begin their board terms.

Due to this overwhelming responsibility, effectively and successfully orienting new board members is extremely important. In a recent *Trustee Magazine* article “Orientation: Basic building blocks of an effective board,” James Orlikoff and Mary Totten note that a board orientation process should:

- provide an overview of health care, giving new board members an understanding of how the organization fits within the overall health care system;
- emphasize the culture, values, and norms of the organization;
- provide a sense of the organization’s direction and goals;
- ground new trustees in the organization’s strategy and specific market characteristics that led to the current strategic plan;
- prepare new trustees for future board decisions and issues by reviewing local market trends;
- provide a solid picture of the organization’s finances;
- review recent significant board decisions and their impact;
- review the board structures, function, bylaws, policies and procedures, and roles and responsibilities of each member;
- provide an understanding of board values and culture and how they affect the governance process; and
- review the relationship of the organization to physicians in the community as well as other key constituency groups.

All facets of a successful orientation can be addressed through a combination of board orientation basics, a board manual, and ongoing board leadership.

This *Governance Insight* is the final of four HTNYS’ publications highlighting critical issues and essential information for health care governing boards in New York State. This publication includes an overview of the issue, what hospital governing boards in New York are doing, and a Leadership Quotient Checklist to guide hospital boards in actionable next steps.

The information about New York hospital governing board activities is the result of HTNYS’ 2005 Governance Education Needs Assessment. Sixty-three hospitals responded to the Web-based survey, providing information about their boards’ performance, functions, and operations.

For more information,
please contact:

Joanne Cunningham
Executive Director

(518) 431-7726 / jcunning@hanys.org

Jennifer Carter
Director

(518) 431-7713 / jcarter@hanys.org

www.htnys.org

Methods for Orienting New Board Members

Formal board orientation is a critical first step in developing engaged, knowledgeable trustees prepared to actively participate in governance. Orientation may include a variety of approaches, including formal educational sessions, social gatherings to meet existing trustees and senior leaders, pairing new trustees with experienced board members who serve as mentors, and observation of board and/or committee meetings.

Conducting a formal orientation session is vital to trustee success. It should be provided in advance of the new trustee's first board meeting. All new board members should attend the formal orientation session. To ensure full attendance, the orientation should be scheduled well in advance and coordinated with new trustees' existing schedules. To avoid information overload, it may be necessary to schedule more than one orientation session.

To speed the process of familiarizing new members with their roles and responsibilities, a good supplement to orientation is a "mentor program." New trustees may be paired with an experienced trustee who acts as his or her "governance mentor." The mentor should be someone whom the new trustee can turn to with questions or concerns.

While a comprehensive initial orientation session and a well-organized mentor program are critical to preparing trustees for their role, orientation should not stop with these initial activities. Most trustees are not health care professionals, and it takes time and ongoing education to learn about the many health professions, local health care needs, and local, regional and national current health care trends and their impact on the organization. Dennis Pointer, a Seattle-based governance expert, stated in *Trustee Magazine* that, at its best, orientation should be a series of well-designed activities that last the better part of the first year of a board member's tenure.

Specifically, What Should be Covered in the Orientation?

When determining what should be addressed in the orientation, remember that each trustee has a different knowledge base. Some of the key issues that should be addressed include:

Organizational Information

- History of the organization
- Mission, vision, and values
- Organizational chart

- Policies and procedures
- Bylaws, duties, and job descriptions
- Current strategic plan
- Financial statements, ratios, and goals

Board-Specific Information

- Trustee expectations, such as attendance and education
- Roles and responsibilities
- Fiduciary and legal duties
- Conduct of meetings
- Conflict of interest issues

Health Care Information

- Background on the current national health care environment
- Definitions of key health care terms
- Components of the health care payer mix
- Future trends
- How to serve today's more demanding health care consumer
- Brief overview of critical issues
- Significant issues and decisions made in the past 12 months

Who Should Present the Information?

The chief executive officer (CEO) and board chair are responsible for designing the board orientation process and the CEO and other senior leaders should present most of the information about hospital operations, the market, etc. Trustee responsibilities may be better explained by the board chair. Likewise, the chief financial officer should present financial information and key benchmarks, and the chief medical officer should address quality of care.

The board may also have a governance committee that oversees trustee orientation. If so, the chair will provide strong influence and participation in the process. It is also important to get feedback from new trustees about the quality and helpfulness of the orientation, as well as questions still remaining.

What Information Should Be Included in the Board of Trustees Manual?

A board manual serves two functions: it orients new trustees and provides useful information about the organization, board structures, and other board members and staff; and it serves as a reference for trustees throughout their tenure as board members.

FOR MORE INFORMATION ABOUT THIS TOPIC, CONTACT

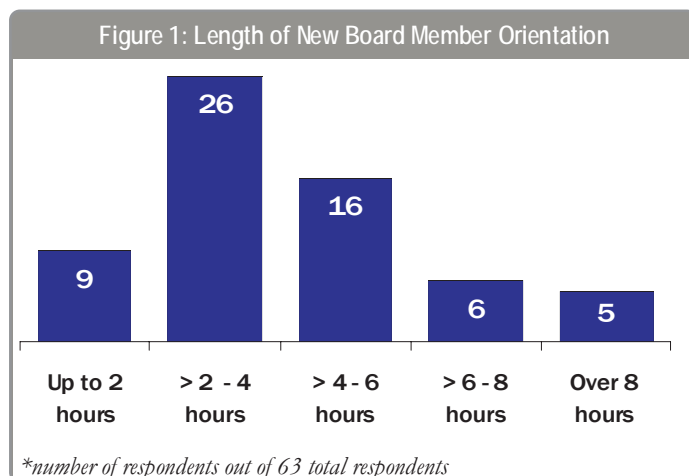
Joanne Cunningham, Executive Director, Healthcare Trustees of New York State, at jcunning@hanys.org or (800) 360-7211.

When developing an effective manual, hospitals must consider the following:

- don't overwhelm new board members with large amounts of information they will likely put on a bookshelf and not refer to again;
- keep each item brief;
- use the handbook throughout the initial orientation process;
- encourage board members to read and ask questions about the material;
- ask board members to evaluate the usefulness of the manual each year; and
- constantly update and revise the manual.

On the Front Line: Orientation and Preparation for Leadership

A comprehensive and effective new trustee orientation program is critical to individual trustee success and to the entire board's ability to lead the organization. Healthcare Trustees of New York State (HTNYS) members responding to the 2005 Governance Education Needs Assessment provided insight about their board orientation programs, including the length, typical activities, and their opinion about the effectiveness of the program in preparing trustees for their governance responsibilities.



The majority of responding organizations' new board members spend four hours or less in governance orientation (see Figure 1). One-quarter of the respondents spend four to six hours in orientation, and the remainder spend more than six hours in new board member orientation.

All respondents' new board member orientations include an organizational tour and a significant number include



presentations by the organization's leaders and articles and books on health care and governance (see Figure 2). Less than 20% of new board member orientations include a mentor program. Overall, seven in ten respondents believe their hospitals' new trustee orientation is only somewhat effective in preparing trustees for their governance responsibilities. Another one-quarter believes their orientation is highly effective, while the remaining respondents view their orientation as not effective in preparing trustees for their governance responsibilities.

Powering Governance Through Effective Committees

Board committees are an essential component of effective hospital governance and leadership. But for many health care organizations, traditional committee structures and functions fail to meet the strategic issues and needs of today's fast-paced, rapidly changing environment. To think and act strategically, a board must have a vibrant, well-organized, and finely tuned committee structure that facilitates recommendations on the challenges and issues most critical to the hospital's success.

High-performance committee structures:

- streamline decision making;
- educate the board and enable better understanding of critical issues;
- enhance overall board and individual trustee effectiveness;
- groom new leadership for the challenges of the future; and
- leverage board time for the most important and pressing strategic and policy discussions and decisions.

continued...

FOR MORE INFORMATION ABOUT THIS TOPIC, CONTACT

Joanne Cunningham, Executive Director, Healthcare Trustees of New York State, at jcunning@hanys.org or (800) 360-7211.

