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# Trustee Leader

*Information, policy developments, and educational opportunities for health care trustees*

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## THE EFFECTIVE BOARD: Recruiting for Diversity and Competence

*By Sharon O'Malley*

Not just anybody will do when Good Shepherd, a system of rehabilitation and post-acute care hospitals in Pennsylvania, recruits board members.

In fact, its governance committee methodically tracks the job skills, experience, gender, ethnicity, and even physical abilities of each board member so it can recruit new trustees with qualities absent from the existing board.

"It almost becomes a joke when a term comes up and we're looking at the grid," says Good Shepherd Chief Executive Officer (CEO) Sally Gammon of the tracking matrix. "We say, 'We need a disabled woman from Bethlehem [PA] who's a doctor.' It's almost that specific."

All kidding aside, Good Shepherd's process of simultaneously broadening diversity and strengthening board skills is seriously changing the makeup of the once all-male, all-faith-based board. Good Shepherd's 18-member "home" board, which oversees the Lutheran system's multiple facilities, is peopled with three women besides Ms. Gammon, as well as a quadriplegic and several members with financial, health care, faith-based, and other backgrounds.

"The governance committee," notes Ms. Gammon, "is always thinking: What kinds of talent do we need to have the best input and guidance at the board level from a fiduciary standpoint?"

### Diversity: New for Health Care

Still, fewer than half of health care boards are tackling diversity as directly as Good Shepherd, estimates Linda Galindo, a Park City, Utah, diversity and accountability consultant. Why? Ms. Galindo says it is not racism or sexism; it is skepticism. Many health care trustees struggle with the notion that a diverse board makes better decisions for its constituents, she says. They honestly question whether diversity improves board performance, and they worry that competence will take a back seat to filling arbitrary quotas.

"They say it's a good idea, but then they say you have to pick a diverse person over a quality person," says Ms. Galindo. "So there are many beliefs and attitudes that need to be addressed about the necessity of diversifying the board."

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She adds: “Over and over, you see examples of a group of people making a decision for a population that is not represented around the table, so the value system is weighted one way. Diversifying means deliberately choosing members with a mixture of skills, education, careers, and experiences that make the board more well-rounded and able to base decisions on its members’ exposure to a wide range of populations and situations,” Ms. Galindo notes.

At Catholic Healthcare Partners (CHP) in Cincinnati, Ohio, for example, gender, race, and age fall third on the nominating committee’s list of priorities when searching for recruits. The 35,000-employee system filters its board recruits through three screens:

- compatibility with the values and mission of the Catholic system;
- possession of expertise in a core area like human resources, organization and culture, law, finance or quality; and
- demographic diversity, e.g., gender, age, ethnicity, and geography.

“In short,” notes Ms. Galindo, “a diverse board is a more competent board because it includes a broader range of expertise and perspectives.”

## Challenges of Change

Still, changing the makeup of the board to better reflect the demographics of the patient population can be a challenge for two reasons.

“First,” notes Michael Connelly, CEO of CHP, “the search for qualified, willing board members with specific skills as well as certain gender or ethnic characteristics can be a long one.”

“Sometimes the system’s three recruiting screens conflict,” says Mr. Connelly. “You might have someone with a professional expertise who doesn’t blend well with your gender or ethnicity goals,” he says. “Conversely, you might have someone who meets gender and ethnicity goals but doesn’t necessarily fit your skill-set goals.”

“Often, the best potential board members are people who have been tapped already by other organizations,” notes

Ms. Gammon. “In every community, everyone goes after the same people,” she says. “By contrast, Good Shepherd’s board tries to identify a community’s “up and comers.”

Catholic Healthcare Partners’ governance committee profiles the board’s cumulative expertise, gender mix, and ethnic diversity on a matrix so the nominating committee can fill gaps and promote diversity when recommending new trustees.

**“There are many beliefs and attitudes that need to be addressed about the necessity of diversifying the board.”**

— Consultant Linda Galindo

The result: Trustees on the system’s 15-member parent board are 47% female, 7% Asian, and 13% African American. Most are age 40 to 55, and skills range from medical to religious to financial to strategic to corporate.

“A second challenge in diversifying the board,” notes Ms. Gammon, “is letting go of long-time members who would prefer to stay on but might not possess the specific skills or demographic characteristics the board needs.”

“Disenfranchisement of anyone—that’s always a challenge,” she says. “But at Good Shepherd,” Gammon notes, “one-time board members are encouraged to serve on committees. Likewise, people who would like to become board members are invited to work on committees to prepare for eventual openings.”

## Three Steps Toward a More Diverse Board

Diversifying a homogeneous board takes a minimum of three years, estimates Ms. Galindo. She recommends three ways a board can get started:

**1. Discuss trustees’ concerns about diversifying.** “Ninety percent of overcoming [resistance] is talking about it,” says Ms. Galindo.

So what are trustees talking about? Hospital boards typically include more older, white males than any other group. Many are neighbors who share similar socio-economic status, so there’s a high comfort level; people naturally are at ease with people with similar life experiences and values.

It is widely believed that homogeneity expedites decision making, while a diverse board takes longer to do its work. But if efficiency means important perspectives are not at the table, then speedier work comes at a high price. Ms.

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Galindo argues that health care boards can have more informed discussions when they reflect the population of those they serve. Otherwise, “You can’t integrate into the community, you can’t understand what’s going on,” she says.

To illustrate, Ms. Galindo dusts off a well-worn tale about Chevrolet’s popular Nova. When the automaker unveiled the sporty vehicle in South America, it tanked. Why? “Nova, in Spanish, means doesn’t go. You can put a lot of time and money into an effort, but if you don’t have a perspective other than your own, you can completely miss the boat,” she says.

**2. Decide whether diversifying the board is merely important or imperative.** Do trustees regard diversity simply as the right thing to do or as something that’s crucial to the system’s effectiveness and competitiveness? Once the board identifies diversity as an imperative, it should take decisive action

to transform its board into one that includes members of both genders and various races, ages, careers, locations, and social groups.

**3. Create a board diversity council.** A special task force dedicated to overseeing the board’s effort to diversify can work with the governance and nominating committees to come up with a plan for changing the makeup of the board over a certain period. Ms. Galindo recommends some strategies:

- Rather than relying on trustees to nominate acquaintances, look for talent on the boards of community organizations and minority businesses.
- Ask the health care system’s minority employees to identify community leaders.
- Set term limits, which guarantee turnover and nudge out homogeneity through attrition.



Healthcare Trustees of New York State is pleased to announce an AudioConnect session where trustees and other health care leaders can learn more about the issues described in this *Trustee Leader*. Please join us for ***Board Diversity: Beyond Race, Gender, and Ethnicity*** on February 16 from 1 to 2 p.m. This session, featuring governance expert Linda Galindo, President, Galindo Consulting, Inc., will address how increasing board diversity can result in better decision making, program development, and service to constituents. To register, please use the register form in this newsletter, or go to [www.htnys.org](http://www.htnys.org).

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~ **AudioConnect Registration Form on back page.** ~

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AUDIOCONNECT SERIES PRESENTATION

*Board Diversity: Beyond Race, Gender, and Ethnicity*

February 16, 2006 / 1 – 2 p.m.



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*There is no fee for this program.*

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**BY FAX:** Attention: Jennifer Kerbein, fax: (518) 431-7812

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One Empire Drive, Rensselaer, NY 12144

**BY E-MAIL:** Send an e-mail to [jkerbein@hanys.org](mailto:jkerbein@hanys.org) with your name, facility, telephone number, and e-mail address. Please include the name of the program you wish to participate in: *Board Diversity: Beyond Race, Gender, and Ethnicity*

After you register,  
HTNYS will send you an e-mail confirmation with the conference call details.

FOR MORE INFORMATION, CONTACT

Jennifer Carter, Director of Education, at (518) 431-7713 or at [jcarter@hanys.org](mailto:jcarter@hanys.org).