



The untold truth: Successful organizations have better boards and governance

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When an organization is in the business of providing health care services in a highly regulated and competitive environment, boards can be the difference between success and struggle. While it is usually politically incorrect to say so, many organizations suffer from some level of poor board member engagement, poor board habits and poor board governance. Management team members reporting to these boards would never dare say it, and fellow board members probably murmur it outside of the board room, if they say anything at all. For this reason, boards, especially those in the health care industry, should consider a 2019 New Year's resolution to devote time to good board governance health. Such a "health" check could address the following considerations:

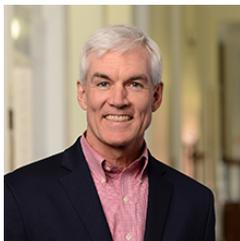
1. Choose your next member wisely, if not differently. Typical criteria for board membership focus on title, community impact or name recognition. However, talent and succession planning are important to the future success of the board. Consider adding standards for skills, knowledge, prior board experience and effective leadership.
2. Generally there is no authority above a board, so it is imperative that boards evaluate their performance annually. Board evaluations should include *annual* surveys of members, including 360 degree reviews of fellow board members that invite input about meeting effectiveness, agenda control, governance, and strategic role of the board and discussion candor.
3. Invest in governance-related board education, regularly educating and reminding members about ways to make the board's work most effective. This should be in addition to board member education about the organization's business and/or industry.

4. Role clarity should be outlined for the board, its chair and the members. The board's role should be to govern and provide strategic oversight, not make decisions about how to run the business. This is one of the hardest things for board members – especially engaged ones – to do.
5. Board members can enjoy a friendship with employees of the organization *so long as* that friendship does not cloud the board member's judgment and ability to provide leadership. Board members should also be careful not to undermine the management team and the "chain of command." This type of behavior by any board member should be addressed.
6. Best outcomes are achieved when board members are well prepared. Accountability for understanding the business of the organization and the board's role, as well as catching up on missed meetings and reading distributed materials prior to meetings, must be enforced. Similarly, new board members should receive thoughtful and thorough orientation and training. Rather than expect them to "drink from a firehose" for the first year, spend the time to educate new members, so they are comfortable and engaged early in their tenure. Board chairs have an important role in meeting effectiveness and good board governance. They should be prepared for their role with special orientation and training. Needed skills include shaping and managing the agenda, ensuring all viewpoints get a chance to emerge in the discussion, knowing when to call the question and keeping the agenda on track.
7. Be diligent and vigilant about conflicts of interest. This includes doing the bare essentials (e.g., conflicts of interest disclosures should be done *annually*) but also spotting when more subtle conflicts influence a board member's comments and contributions to the board's work. The board environment must be conducive to identifying and addressing situations. Reminders and examples can be powerful teaching tools.
8. Every board should have a committee devoted to governance and nominations empowered to have more than a perfunctory role. All of the good governance habits listed here should be part of the ongoing and engaged work of that committee.

Good governance is not hard in the abstract, but it can be incredibly hard to confront when personalities and relationships are involved. In some cases, bringing an outsider in to provide guidance may help or be necessary, but the guidance must be sustained by the board itself through the culture it maintains.

A New Year's toast to good health for your boards in 2020!

Authors



James F. Flynn

Managing Partner

Columbus

614.227.8855

jflynn@bricker.com

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