



2023 WSHA & AWPHD Rural Hospital Leadership Conference

How Top-Performing Boards Lead: Essential Governance Practices

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Session Objectives

- Explore the current leadership imperative to refocus on the human connection.
- Examine key practices for creating high performing boards.
- Discuss the board's role in building strong relationships.



A Focus on the Human Connection

- Cultivate a state of “relaxed awareness”
- Listen to the other person – and yourself
- Practice empathy
- Keep expressing interest

*Getting Back to the Basics of Human Connection by
Edward S. Brodtkin and Ashley A. Pallathra, Harvard
Business Review, 2021*

Dealing with Uncertainty through Self Management

- Stay in a positive frame of mind
- Know what you know—and what you don't
- Focus on what matters
- Don't seek perfection or dwell on problems
- Know when to trust your gut
- Have contingency plans
- When all else fails, *breathe*

Adapted from work of Travis Bradberry, author of Emotional Intelligence 2.0



Integrity as a Strategy

“Integrity is choosing courage over comfort; choosing what is right over what is fun, fast, or easy; and choosing to practice our values rather than simply professing them.”

- Brene Brown, *Rising Strong*

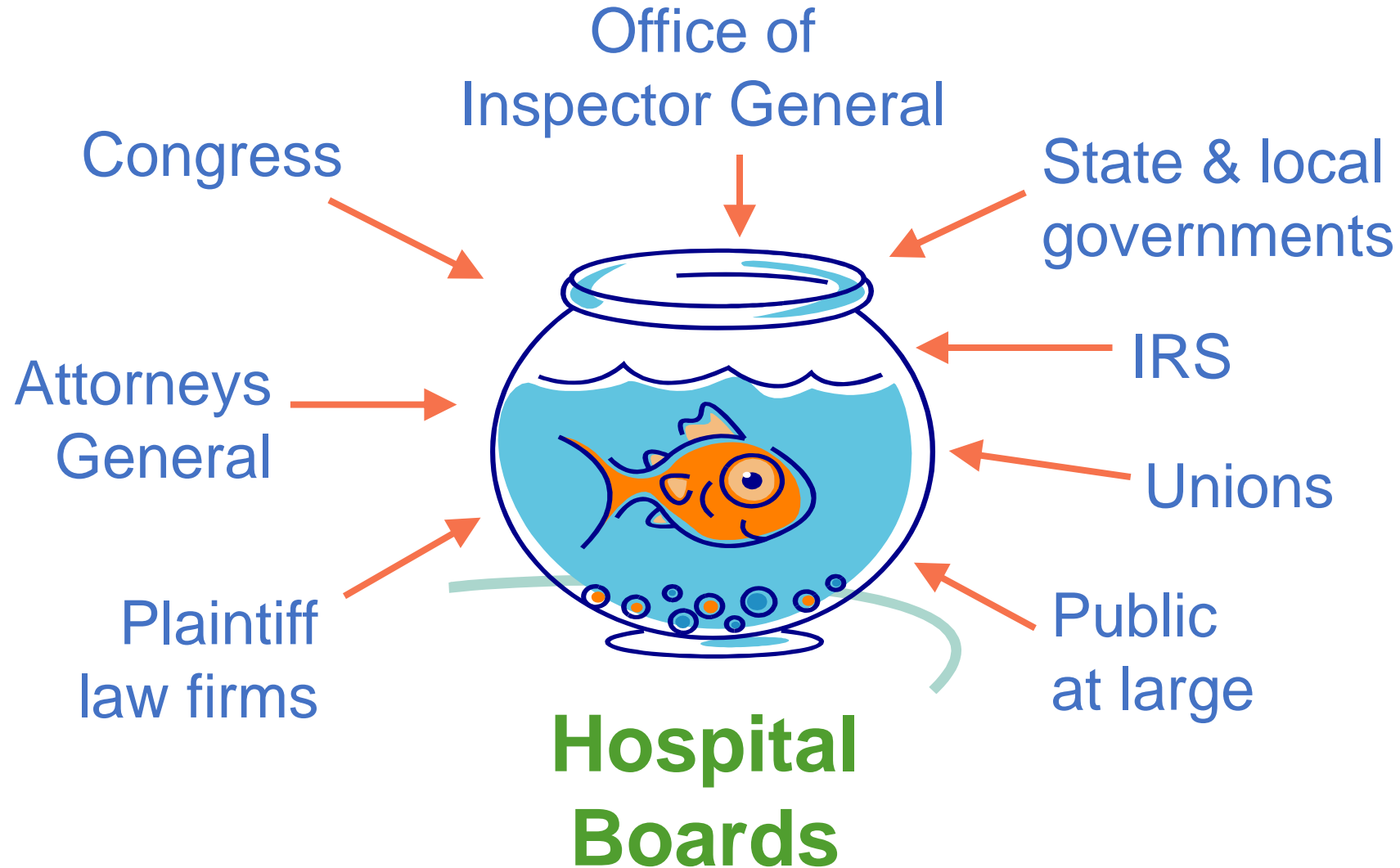


Three Important Truths

1. Good decisions can be made with imperfect information
2. What you know today is very different from you are likely to know tomorrow
3. You will never know all that you'd like to know to be confident in all decisions



Boards Today: Life in a Fishbowl



Every Board Member's Fiduciary Duties



CARE

Duty of Care requires directors apprise themselves of all reasonably available information before taking action and act with attentiveness and care appropriate under the circumstances

OBEDIENCE

Duty of Obedience requires directors be faithful to the charitable purposes and goals of the nonprofit corporation as set forth in the governing documents. It presumes that the mission of the corporation and the means to achieve it are inseparable

LOYALTY

Duty of Loyalty requires directors to discharge their duties unselfishly, in a manner designed to benefit only the corporate enterprise and not the directors personally. It incorporates a duty to disclose potential conflicts and a duty to avoid competition with the corporation

Source: Michael Peregrine, McDermott Will Emery

Some Practices To Look For

Duty of Care



- Participates in orientation, ongoing education
- Regularly attends meetings
- Arrives well prepared
- Reviews information before voting
- Participates in performance reviews

Duty of Obedience



- Adheres to governing legislation and board policies
- Ensures the mission articulates organizational purpose
- Complies with all regulatory and reporting requirements
- Ensures all decisions promote the mission, comply with governing documents

Duty of Loyalty



- Fully discloses potential conflicts of interest (COI)
- Completes annual COI disclosure statement
- Maintains confidentiality
- Avoids use of corporate opportunities for personal gain

Common Board Challenges

- Disengaged board
- Sense of rubber-stamping
- Need for more constructive communication
- Lack of role clarity



Effective Board Meetings as Currency

- Targeted, governance-level meeting materials distributed a week in advance
- Action-oriented, time-bound agendas
- Verbal reports of packet material minimized
- Engaging discussions with meeting time focused on what really matter
- Effective use of consent agenda
- Key performance indicator (KPI) dashboards employed
- Well-summarized minutes
- Healthy board culture



A Focus on Governing

- Respect for the distinction between governance and management
- Understand board is not a legislative body
- Bring discussion and issues back to the mission and vision
- Executives supporting the board understand and reinforce its role during interactions





Benefits of Board Self-Assessments

- Identifies collective strengths of the Board and areas for enhancement and/or improvement
- Clarifies and refreshes the board's understanding of its roles and responsibilities
- Assesses overall board performance across key areas of governance
- Allows for discussion of challenging issues in an objective, safe manner
- Identifies gaps in knowledge or understanding

**Leadership has a harder
job to do than just
choose sides.**

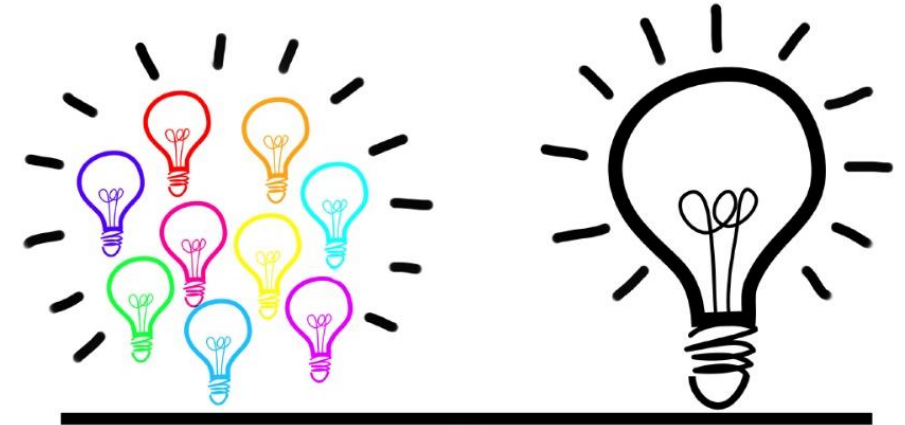
**It must bring sides
together.**

Jesse Jackson



Strong Board-CEO Relationship

- Agree on the Board's role and responsibilities in general
- Agree on a governance 'philosophy' - the desired interaction between the Board and the CEO
- Write down the agreements in formal Board policies and procedures
- Develop written job descriptions for Board members and CEO
- Evaluate the CEO's performance at least annually and set goals for individual and organizational performance



Governance and Management

How to tell them apart...

Governance

- Accountability
- Goal and policy setting
- Strategy decisions
- Overseeing implementation

Management

- Delivering results by implementing policy and strategy
- Managing operations and reporting on performance



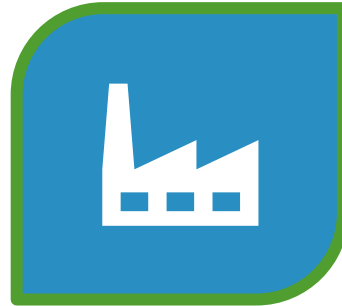
Role of the Board



Role of the CEO



Manage day-to-day operations



Develop & implement strategic direction



Organize research & care to provide safe, quality patient care



Develop & implement financial plans/budget



Achieve results



Build human organization



Ensure availability of necessary resources & deploy them



Serve as organization's representative and liaison to community, clinicians, staff, and board

Questions to Help Clarify Roles

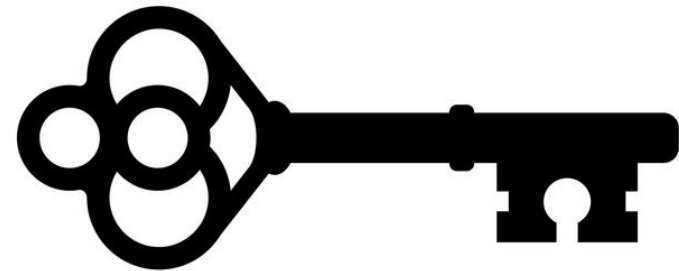
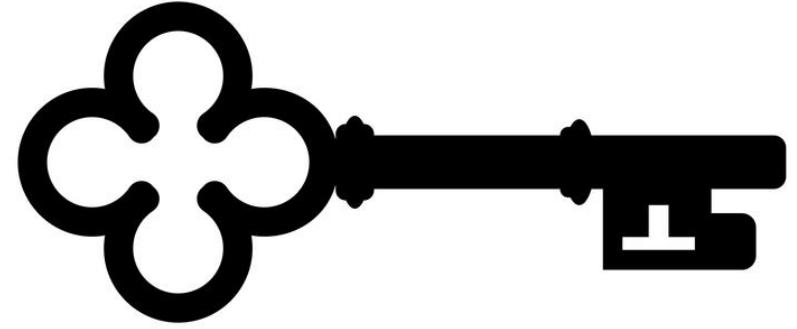
- Is it big?
- Is it about the future?
- Is it core to the mission?
- High-level policy decision needed?
- Is a red flag waving?
- Is a watchdog watching?
- CEO wants/needs board's support?

Note: If the CEO asks the Board for advice on a management issue, the CEO should declare that intent, and be responsible for bringing the Board back 'up' to governance



Three Key Points

- Boards only have authority when meeting as a board (not as individuals or sub-sets)
- Boards must speak with one voice
- The board's primary contact – and only employee – is the Administrator/CEO



Two Types of Advocacy

❖ Policy-making

- Informing elected officials/policymakers
- Providing perspectives and facts, story telling
- Taking a position on specific issues

❖ Community-building

- Cultivating vibrant relationships
- Building understanding and support
- Promoting strong public perceptions
- Raising the district's profile

Amplify Your Voice

When engaging with elected officials and community members:

- Communicate impact of potential decisions
- Make it personal
- Tell stories
- Be engaged
- Identify opportunities for collaboration

Profile of a High-Performing Board

Members are focused on the organization's purpose and mission

Roles and expectations are clearly defined and followed or met

There is a strong focus on performance and results

Individual board members are engaged and knowledgeable

Members represent and actively advocate within and for the community



Thank you for your service and leadership in your community.

Please keep in touch!

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