

BoardBrief

Prepared for Colorado Hospital Association Trustees

Preventing and Curing Governance Diseases: **Practical Prescriptions for Improving Governance Health and Wellness**

Everyone who serves on a hospital board of trustees understands that multiple factors, either alone or in combination, have the capacity to dramatically influence and shape the quality of the board's focus, dialogue and leadership outcomes.

Every board of trustees seeks to be healthy, fit, vibrant, alert and ready for every challenge, 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 any number of governance diseases that can put them in the leadership intensive care unit.

Slipups That Can Put the Board in the Leadership ICU

Hospitals and health systems are highly complex organizations, and governing that complexity creates a myriad of chances for governance slipups.

Governing boards are responsible for consistently high performance in a broad range of areas, including quality and patient safety, understanding and meeting community needs, CEO evaluation and compensation, strategic planning, acquisition and use of information, partnerships and affiliations, short and long-term financial planning, ensuring meaningful and productive committee work, board composition, board agendas, trustee recruitment and succession planning, and identification and management of conflicts, among others.

Governance slipups are often caused by a variety of governance diseases, or critical leadership conditions that can put your hospital board in the leadership ICU.

These governance diseases are preventable when trustees have a clear understanding of what the diseases mean, including their symptoms and conditions. Trustees must then

work together to follow well-defined prescriptions for change that, when taken, will help to ensure governance vitality, health and wellness.

Six primary diseases can impact your board's governance health and leadership fitness: 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.

What's Your Diagnosis?

As you review each of the 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?
- Or, is your board in need of immediate intensive care, with major governance improvement required in order to

ensure that you provide the leadership necessary to achieve your mission, vision and strategic objectives?

Governance Disease #1: Agendasclerosis

This common governance disease is characterized by a clogging of valuable meeting time with unproductive discussion and inefficient dialogue. 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. This disease is most typically a result of benign neglect and governance inertia, and the results of the disease are compounded by causing fractured thinking and painful processes throughout the governance body.

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 limited and valuable time and an uneven focus on the most critical and pressing issues.

Another complication is a domination of meeting discussion by a single individual, sometimes referred to as “the Alpha Dog.” This individual will seize every opportunity to attempt to control meeting tempo and focus.

In addition, boards suffering from Agendasclerosis often rely too heavily on anecdotes instead of evidence and data. Personal stories and opinions take precedence over facts and statistics, and decisions are made without appropriate due diligence.

Agendasclerosis also contributes to a serious case of missing dialogue. Board meetings that are rote and routine, and that don’t inspire spirited discussion and creative energy dampen the dialogue that all boards need to ensure full and complete discussion of the issues that matter most. Ineffective agendas also invite board members to get sidetracked from the primary issues at hand.

A great board meeting will always have a meeting assessment as the last item on the agenda, and great boards use this assessment to continually improve their meeting effectiveness.

Finally, a major complication that contributes to Agendasclerosis is a lack of meaningful governance education at every meeting. And because the board chair is the one individual most responsible for meeting organization, trustee participation, and focus on achieving specific meeting objectives and outcomes, poor performance by the chair can be the main cause of Agendasclerosis.

Governance Disease #2: Dialogue Deficit Disorder

Dialogue Deficit Disorder is a governance disease that is characterized by long periods of silence when important questions are asked, or when debate is required on critical issues.

It’s also characterized by occasional uncomfortable coughing and an inability to speak clearly and articulately. Severe cases of Dialogue Deficit Disorder may cause cloudy vision, and may also result in two other common governance diseases – Strategicolitis, and Irritable Trustee Syndrome.

Symptoms and Complications. Dialogue Deficit Disorder exhibits a number of symptoms and complications, including unexpressed ideas and a concern among some trustees that their input will not be welcomed, or will be viewed as a distraction or a waste of board time.

When boards experience a dialogue deficit they miss unique opportunities to explore alternative ideas, choices and courses

Prescriptions for Change

Agendasclerosis Rx

- Consider a prescription that includes the use of the consent agenda to “bundle” routine reports that don’t require board approval
- Minimize the amount of time spent on minutia, and maximize governance time and attention on the areas that are most critical in ensuring achievement of the hospital’s mission and vision
- Find ways to make your board meeting agendas purposeful and energizing, and make your meetings “can’t miss” 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

Dialogue Deficit Disorder Rx

- Use an “around the board table” process to give every trustee an opportunity to state his or her viewpoints prior to a vote
- Never undertake an important decision without engaging in a “pros” and “cons” discussion
- Ensure that the board chair is well-attuned to the personalities and body language of board members throughout board meetings
- Provide meaningful information in advance of meetings: the better informed trustees are, the more likely they will be to engage in discussion

of action. In many cases Dialogue Deficit Disorder results in “proforma” decisions that are made with little insight or real understanding.

One of the primary complications of Dialogue Deficit Disorder is the missed opportunities for board learning that occurs when trustees engage in robust discussion, challenge one another’s assumptions and drive toward a consensus that is grounded in mutual knowledge, understanding and commitment.

Governance Disease #3: Knowledge Dystrophy

Knowledge dystrophy 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, and it worsens over time if it’s not corrected with a vigorous exercise of governance knowledge.

Symptoms and Complications. The symptoms and complications of Knowledge dystrophy can be very harmful to governing effectiveness. First on the list of symptoms is a painful defect in the board’s knowledge capital. All boards require vigorous knowledge exercise and intelligence muscle building in order to stay on top of the impacts and implications of rapid change in the health care environment.

Because many governance diseases are related to or are interconnected with one another, a deficiency in dialogue among board members is a major contributing factor to Knowledge dystrophy.

In addition, sufferers of Knowledge dystrophy often find themselves making decisions in a governance vacuum, without adequate research, discussion and debate, and with limited input from well-informed individuals outside of the governance structure. As a result of their lack of knowledge and insight, boards suffering from Knowledge dystrophy have an inability to make sense out of complexity, which results in uninformed and ill-timed decisions, or no decisions at all when they’re needed most.

Governance Disease #4: 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 a case of 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 of Successionitis is the lack of a coordinated, long-term governance succession plan. A succession plan is more than a trustee recruitment effort. It 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 will be needed by the board to successfully meet the governance challenges of the future.

Boards suffering from Successionitis typically do not have an up-to-date trustee job description, or a trustee “candidate profile” that articulates the qualities, skills and characteristics 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, and his or her readiness and capacity to

Prescriptions for Change

Knowledge Dystrophy Rx

- Ensure that all board members have access to the background information and resources they need
- Ensure the following question is asked at every board meeting: “What do we know today that we didn’t know at our last board meeting, and how does that change our thinking?”
- Set an expectation for board member participation in continuous education
- Custom-tailor governance education to the board’s unique needs
- Ensure the board’s commitment to education is a clear expectation during the new trustee recruitment process

Successionitis Rx

- Define the unique qualities, skills and characteristics of the highly successful trustee
- Recruit new trustees with an emphasis on acquiring the skills necessary to meet tomorrow’s challenges
- Develop a succession planning process that looks into the future at least five years
- Use the process to elevate understanding of the experience, skills and resources necessary to be a valuable board asset

bring new skills, experience, diversity and perspective not currently present on the board.

In addition, Successionitis-prone boards do not provide new trustees with a meaningful, in-depth orientation to health care, the hospital, and the scope of their governance functions and responsibilities. And it's important to note that orientation is not a one-time effort; instead, it's a planned and coordinated long-term process of continual education and knowledge building.

Finally, boards suffering from Successionitis fail to grasp the importance of trustee recruitment and succession planning as a process of governance asset development. They view it narrowly rather than broadly, and fail to recognize the long-term implications of their trustee selection decisions.

Governance Disease #5: Lackofinfluenza

Lackofinfluenza is an acute condition exemplified by a lack of governance influence with the community, physicians, employees, political leaders and other key stakeholders and constituents. Serious cases of Lackofinfluenza may result in a gradual competitive decline, and cause significant risk to long-term hospital survival.

Symptoms and Complications. Major symptoms and complications of Lackofinfluenza 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. Hospitals and boards that seek to avoid contracting Lackofinfluenza recognize the importance of communicating and connecting with their constituents to build a deep understanding of the hospital’s community benefit and value.

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. Conversely, hospitals and boards suffering from Lackofinfluenza are disconnected from the important individuals and organizations whose understanding, commitment and loyalty they rely on for their future success.

Governance Disease #6: Leadershippresbyopia

The last and perhaps most critical governance disease is Leadershippresbyopia. Leadershippresbyopia is a symptom or outgrowth of Missionmyopia, a related disease. It creates

Prescriptions for Change

Lackofinfluenza Rx

- Ensure that board members have a clear understanding of the most critical issues, and the ability to effectively communicate those issues to key stakeholders
- Build relationships and collaborative partnerships with individuals and organizations that share the hospital’s mission
- Provide board members with “talking points” to ensure the hospital communicates with a single, powerful voice
- Report the hospital’s community benefit and value in meaningful, “sticky” ways

Leadershippresbyopia Rx

- Have a clear sense of where the board seeks to guide the hospital in the coming years
- Practice “generative governance” - engage in meaningful goal and direction setting, question assumptions, identify obstacles and opportunities, and determine alternative ways of framing issues
- Engage in “real-time” planning, continually incorporating new information, ideas and perspectives
- Create a leadership atmosphere that stimulates decisive dialogue and demands personal trustee commitment

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. Left untreated, it kills slowly, efficiently and with devastating effect.

Symptoms and Complications. The symptoms and complications of Leadership presbyopia are many. They include a myopic, short-sighted mission, cloudy, 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.

Action Agenda: Next Steps

Avoiding or curing governance diseases doesn't happen overnight. It requires boards of trustees to assess their risk of contracting the diseases and define specific actions they will take to ensure their governance health and wellness.

One of the most meaningful actions a board can take to spot the early warning signs of governance diseases is to use a best practices board self-assessment process to analyze the board's strengths and weaknesses, and its readiness to meet the governance challenges of the future.

Governance sickness may 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.

Finally, the board should consider what it would take to adopt the leadership habits and ideas provided in the governance prescriptions for change.