Trustee Bulletin

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Board Member Job Description: The Foundation for Board Effectiveness

By Pamela R. Knecht

A Missing Governance Effectiveness Tool

At a recent Texas Healthcare Trustees conference, a speaker conducted an informal poll regarding governance best practices. She said, "Raise your hand if your board has a written board member job description." Only three or four of the nearly 50 people in the room raised their hands. This response surprised some in the room, but it is not an uncommon situation.

Unfortunately, too many boards have neglected this basic tool for ensuring governance effectiveness. That may, in part, explain why so many boards continue to be challenged by members who do not seem to understand the governance-management distinction; who do not sufficiently disclose potential conflicts of interest; or who do not prioritize attendance at meetings or educational events. These governance issues and others could have been prevented by providing clearer expectations regarding performance at the beginning of each member's board service. A well-written board member job description provides that initial guidance.

Benefits of a Written Board Job Description

Phyllis Cowling, president and CEO of United Regional Health Care System in Wichita Falls, underscores the important role that a written



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board job description can play in helping board members better understand how to perform their role.

"Written job descriptions for our board," Cowling said, "have helped communicate expectations when recruiting for board positions, clarify roles and responsibilities, and ensure consistency from year to year."

High-performing boards like United Regional's have realized that one key element to the board's overall effectiveness (and efficiency) is providing up-front clarity about the individual board member's "job." As Cowling noted, sharing the job description with potential board members helps all involved to determine whether there is a good match between the individual and the board. For instance, a candidate may see that the job description requires that they attend a certain percentage of meetings and educational sessions each year and realize that their personal or professional commitments will make that difficult. It is better to come to that realization before someone is invited to serve on the board than to be faced with an awkward discussion a few months down the road, when the board member is missing many meetings.

Another advantage of a written job description is that it provides a mechanism for helping to clarify the role and

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Texas Healthcare Trustees is a statewide association whose members are Texas hospitals and health systems and the 3,000 board members who govern those organizations. THT prepares trustees to lead, govern and take action to improve the quality of health care in their communities. responsibility of board members. That is especially important for individuals who previously have not served on the board of such a large and complex organization. They may not fully comprehend their fiduciary duties (e.g., confidentiality) or understand the distinction between governance and management. Taking the time to fully discuss those components of the board member job description can set the foundation for a healthy, productive relationship between the board and management and among the board members themselves.

The third benefit Cowling mentioned is that board member job descriptions ensure that the expectations set by the board are communicated on a consistent basis as both leaders and members change. Since most boards and their officers leave their roles (due to terms and term limits), it is important that they have documented the decisions they have made about how to ensure their board's ongoing effectiveness and efficiency. Board member job descriptions, like other important governance documents, provide needed continuity regarding the "lessons learned" about how to ensure the board performs well and to assure that the individual members feel they are making a valuable contribution.

Performance Management Tool

A fourth benefit of a board member job description is that it provides a tool for assessing each board member's performance, when needed. Ideally, the job description would be the basis for an annual discussion with each board member regarding areas of strength and potential areas for improvement. That candid, respectful discussion could lead to the identification of action items for both the individual and the board (e.g., the need for more education on a specific topic). At the very least, the job description should be the baseline by which an individual's performance would be assessed when it is time to discuss whether he or she should be reappointed at the end of their term. Reappointment should be based, in large measure, on how the individual's performance tracks vis-à-vis the expectations set in the job description. Some would argue that volunteer board members should not be subject to the same rigorous evaluation process as paid employees, but the highest-performing boards do use this practice to continually improve their performance.

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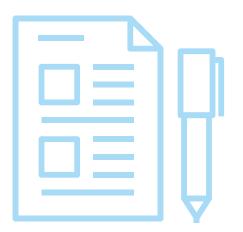
Key Considerations for Developing a Board Member Job Description

When developing your board member job description, keep in mind several key considerations:

- Charge the governance committee with customizing the sample so it includes all needed topics and is consistent with the board's bylaws, practices and desired culture.
- Include explicit behavioral expectations such as "respecting the chain of command" to build a healthy culture.
- Embed metrics into the document, so the expectations are clear and performance evaluation is easier (for example, 75 percent attendance at board meetings annually).
- Engage the full board in robust discussions about the draft, since it will be the foundation for many other governance processes (such as recruitment, education, evaluation and reappointment).
- Refresh the document regularly. "Like all governance documents," Cowling advises, "job descriptions should be dynamic and reviewed regularly for needed up-dates."

Helping to Achieve the Mission

When each board member is more aware of and held accountable to clear expectations about their performance, "all boats rise." In other words, the whole board will be better able to perform its role in overseeing achievement of the organization's mission.



Sample Board Member Job Description Template

Basic Fiduciary Duty of Oversight

• Set mission and strategy; set policies; set goals; hire CEO; monitor performance of the CEO and the organization; hold all accountable.

Additional Legal Fiduciary Duties

- Duty of care.
- Duty of obedience.
- Duty of loyalty.

Core Responsibilities

- Strategic oversight.
- Financial, audit, risk and compliance oversight.
- Management oversight.
- Quality, safety and service/satisfaction oversight.
- Community benefit and advocacy oversight.
- Governance effectiveness.

Qualifications and Terms

- Commitment to the mission.
- Time to serve.
- Relevant skills, competencies, perspectives and diversity.
- Terms and term limits.
- Etc.

Performance Expectations

- Orientation and continuing education attendance.
- Meeting preparation, attendance and participation.
- Respecting the chain of command and governance/management distinction.
- Advocating for the community's needs and for the hospital/system/clinic.
- Medical staff relations and public relations.
- Confidentiality and conflict of interest disclosure.
- Philanthropy (if appropriate).
- Evaluation annually and for reappointment.
- Etc. **♦**

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