

Board Member Time Demands: *Revisiting a Growing Concern*

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The following is an advertisement seen in a local newspaper:

Board Member Wanted

Extremely complex organization is looking for someone to take on tremendous responsibility and be held accountable for overseeing services of profound importance to the community. Candidates must be willing to devote an extraordinary amount of time participating in board and committee meetings and attending ongoing education sessions, including at least one weekend retreat. The organization is subject to intense scrutiny by government agencies, physicians, and the general public. No pay but some expectation that the candidate will contribute to the organization's fundraising efforts. Advancement opportunities include becoming a board leader and increasing the amount of time required.

Common Complaint

This may seem like a far-fetched board member job description, but it may not be too far off the mark. "How can we be on top of everything we're responsible for?" "Board service is consuming more time than I can give." "I had no idea that I would have to spend so much time serving as a board member." These are typical comments we hear from board members and the complaints have increased over the past several years.

In the April 2009 *BoardRoom Press*, we addressed this growing phenomenon lightly.¹ This column expands on the issue and includes comments shared by Peter S. Fine, FACHE, the president and CEO of Banner Health in Phoenix, Arizona. Banner Health is one of the largest, non-profit health systems in the country, operating in seven states with 23 hospitals and numerous other health facilities while employing over 36,000 people. Banner has been rated as one of the top 10 integrated health networks in the country and is renowned for its quality and innovation. Its governance structures and processes are also innovative, allowing a single board to be primarily responsible and accountable for oversight of this large, complex organization.

Making Board Service Manageable

In our experience, boards that perform at a very high level without burning out

their members tend to share the following characteristics.

The right people on board. It starts with making sure that the people who are recruited to serve on the board have the requisite skills and experiences that are needed by the board, and the candidates know up-front what is expected of them. This simple idea is often set aside by some boards that tend to use an unplanned approach to identifying and selecting board members. Those boards often just ask current board members if they know of anyone who might be good to serve on the board, and they have a decided bias toward picking friends or business associates. These individuals are flattered by the offer to serve on the board and say "yes" without knowing exactly what the job entails. "At Banner, our corporate board is composed of highly skilled professionals who were selected based on the competencies they possess and are needed to oversee our health system," Fine said. "Board member candidates are briefed thoroughly about the governance structure, meeting attendance, and other commitments they must make before the offer to serve is made. As a result, we think we have excellent board members that treat the job as a high priority in their lives and make the time to serve." Although difficult to do, it is equally important to remove non-performing or disruptive board members from the board. Their presence on the board is an obstacle to efficient and effective governance and frustrates board members who are trying to do their best.

Intense orientation. Orientation of new board members, regardless of how sophisticated the selection process, must consist of more than a half-day of meetings with the board chair and CEO and a tour of the facilities. New board members who participate in a highly structured orientation program, consisting of classroom time, informal meetings, readings, and mentoring, spread over the first six to nine months of their service, become productive board members faster and don't slow down board deliberations and decisions because they, literally, don't know what is going on. New board member orientation is often paid lip service because of the expectation that smart people will be able to learn on the job. Given the enormous responsibilities that health system board members are expected to perform, we are often amazed at how little "training" they receive. In some cases, a person waiting tables in a restaurant is provided more rigorous training than hospital board members who are legally responsible for overseeing hospitals or health systems.

Governance-management clarity. The confusion over board vs. management roles is a chronic condition among many boards

and may be one of the biggest reasons boards have to spend more time than necessary to perform their oversight responsibilities. "Our board does not attempt to manage the health system," Fine said. "Board members are very clear on the roles of the board vs. management. We spend time discussing this issue, especially during new board member orientation. We also select individuals who have had some experience serving on a board or who have managed an organization that is overseen by a board." Effective boards recognize that the majority of their time should be devoted to defining major strategies and goals for the organization, establishing board-level policies for management's execution, and monitoring the implementation of plans and programs sanctioned by the board. Since it is impossible to rigidly draw a bright line between board and management work, we find that board members and CEOs who continuously check themselves on this performance variable prevent the issue from becoming a major problem and eliminate a lot of time-wasting discussions during meetings.

Efficient structures and agenda. Many boards have allowed "committee creep" to occur in their governance structure (i.e., creating new committees to handle matters that don't easily fit with the charter of any of the standing committees and then maintaining those committees even though the need for them has been met). Another trap is for the board to establish standing committees that mirror management functions (e.g., human resources, facility management, or construction) instead of supporting the performance of board responsibilities (e.g., finance, audit/compliance, quality, compensation, strategic direction, and governance). High-performing boards do quite well with no more than five to six standing committees and, under special circumstances, the formation of short-lived task forces (e.g., merger/acquisition review). Equally important is the necessity for the board to trust the work of its committees and refrain from rehashing the work they have done. If the board can't do this, then it should question the need for and/or composition of the committees. Also, the board and committees must use well-planned agendas for their meetings to prevent drifting off into discussions that are interesting but irrelevant to the key issues the board or committee is addressing. Identifying the time to be devoted to each agenda topic and clarifying the purpose of each item (e.g., input, decision) helps set expectations. Liberal use of the "consent agenda" (as appropriate) is also a significant time-saver, as is prohibiting the

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¹ See, "Advisors' Corner: Growing Board Expectations and Time Demands—The Final Straw?" *BoardRoom Press*, Vol. 20, No. 2, The Governance Institute, April 2009.

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reading of PowerPoint reports that the board members have already received.

"Because our board members live in various parts of the country, the Banner Health board meets four times a year over a two- to three-day time period," Fine said. "Committee meetings are scheduled during those days so that travel to Phoenix is kept reasonable. We establish a calendar two years in advance with agenda items sequenced so that the board members know well in advance the principal focus of each board and committee meeting. This highly disciplined approach works well for us. We find that the board and committees get a tremendous amount of work done by concentrating the work in longer meetings than the usual two-hour board meeting. The concentration forces the board to be very well-prepared and engaged in the meetings."

Effective leadership and board culture. Without talented board officers and committee chairs who know how to facilitate meetings and resolve disagreements, a well-designed governance structure will not automatically result in an efficient governance process. When considering board members for leadership positions, it is important to go beyond their tenure on the board or their technical areas of expertise. Equally important are the "soft" skills that effective leaders possess (i.e., good interpersonal skills, sensitivity to group dynamics, facilitation of discussions, ability to counsel non-performing board members, and a reputation for integrity and being trustworthy). A healthy board

culture doesn't just happen. Boards that foster effective group dynamics, minimize dysfunctional behavior in the boardroom, and encourage board members to express their opinions have effective leaders who are sensitive to the impact of culture on the board's performance. Some boards go so far as to provide education and coaching for potential board leaders who recognize that they may be weak in these areas. Fine commented, "The Banner board deals with leadership succession by anticipating leadership vacancies, identifying potential candidates for those positions, and then providing opportunities for the candidates to expand their knowledge and skills in board service."

Focus on continuous improvement. High-performing, efficient boards are never satisfied with the status quo. These boards embrace the principle of continuous improvement and treat their board self-evaluation process as a serious effort to identify areas where they can do better. "Our board spends ample time figuring out how to enhance or streamline the way it conducts its oversight function," Fine said. "Nothing is swept under the rug. If something isn't working the way we think it should, the board changes it."

Investing in ongoing education for board and committee members is another indication that the board values continuous improvement. It is important that the educational events are not seen as an additional burden placed on the board members but are enjoyable, stimulating experiences. Board learning

should include opportunities to attend outside educational events, such as national conferences. Some boards have encouraged spouses or significant others to participate in these activities as a meaningful reward for the time and effort board members devote to board service. High-performing boards also look for ways to utilize technology to save time and enhance board performance. More boards are using board portals and other technologies to communicate with and among board members and to send out reading and educational materials so members can control when and how they respond to the information. "The Banner board has gone paperless recently. Every board member will now use an iPad for board business with communications occurring over a secure network," Fine said.

Acknowledging Board Service

Most board members of non-profit hospitals and health systems view their board service as a privilege and not just another job. It's the reason they keep doing it, in spite of the increased pressures and time demands. However, board members' generosity should not be taken for granted. We should acknowledge their service by doing everything possible to employ the most efficient and effective practices available to boards. We should take every opportunity to honor board members in publications, celebratory dinners, and other ways to draw attention to the work that they do. And, routinely, we should take the time to say, "thank you." ●