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## The Power of Perspective

*Building on competency-based governance.*

Over the last decade, much has been written about how to develop an excellent board of directors. One of the seminal documents was the American Hospital Association's 2009 monograph titled "Competency-Based Governance." That report brought to the healthcare field a concept that had been successfully used in the corporate world: determining the competencies needed for a specific job and then selecting and developing individuals based on those competencies. The AHA defined competencies as the "combination of knowledge, skills, personal characteristics, and individual and social behaviors needed to effectively perform a job."

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As a result of this report, and in response to rapidly changing reform-era challenges faced by many healthcare organizations, a sea change occurred in the way boards approached their own recruitment and development. Instead of asking board members to contact friends and associates, governance committees identified the knowledge and

skills that were needed by the board overall (e.g., financial, quality improvement) and determined if there were gaps in competency on their board. Then, they recruited individuals with the needed competencies to fill the gaps. Prospective trustees were also vetted for desired personal characteristics and behaviors. The best boards also used competency assessments to determine whether to reappoint trustees.

More recently, spotlights have been shone on the importance of diversity on boards. Data from multiple corporate and nonprofit governance sources provides evidence that adding individuals with different life experiences reflected in gender, culture, generation, ethnicity, geographic location and age broadens the board's view for problem-solving, planning, decision making and risk management.

### **The Power of Perspective**

Happily, boards have included more competency-based and diversity-framed elements in their nomination and development practices. However, in the authors' experience, that is not enough to move a board from good to great. The key differentiator of excellent boards is their ability to leverage perspective. The Merriam-Webster Dictionary

defines perspective as "a mental view; the capacity to view things in their true relations or relative importance; and the interrelation in which a subject or its parts are mentally viewed."

Individual board members bring different perspectives depending on their life experience and professional expertise. For instance, attorneys may question whether management is complying appropriately with standards of work, laws and regulations. Management and technical experts from the corporate sector may address how to improve business systems, operating processes, and system integration. Venture capitalists can contribute insights on portfolio strategy as well as product and service innovation and exploration.

Compliance, integration and exploration are general perspectives needed by boards and their executive teams to ensure the performance of key governance responsibilities; however, the most sophisticated boards are not only competency-based, diverse, compliant, integrative and exploratory. They have found the secret sauce to their effectiveness lies in their ability to develop an executive perspective.

**The Executive Perspective:  
Elevation, Breadth, Time**

When Anthony Fresina, PhD, led executive education at Motorola, he developed a conceptual model to help high-potential managers learn how to think like executives. Boards can use that same conceptual model to increase the value they bring to their executive teams.

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The three key components of Motorola's executive perspective model are elevation, breadth and time. Elevation refers to the ability to move vertically within four levels of thinking: looking at something in its simplest form; recognizing similarities; identifying a pattern of which the issue is part; and recognizing that some other pattern is representative of a greater vulnerability or opportunity.

For instance, boards that elevate their perspective can see patterns in discrete quality data. One system board helped the executive team recognize a problematic pattern across their hospitals regarding a specific clinical and operating performance indicator—pressure ulcers. As a result, management prioritized initiatives to improve that patient satisfaction and quality measure, which also increased reimbursement.

The perspective of the breadth component means looking at things horizontally to see what else the issue is connected to. Boards that are good at this perspective can provide valuable insights regarding how to improve their community's health (e.g., lack of accessible, low-cost transportation was affecting individuals' ability to use hospital services).

Using a time-component perspective involves exploring the short-, medium- and long-range time horizons. Boards and executive teams are tasked with taking care of business today: focusing on patient care, operational performance, talent management, safety assurance, resource allocation, services development, risk management, quality improvement, network development and strengthening relationships. They must also get ready for tomorrow: dealing with the technical, market, political, social and economic changes that shape what systems and hospitals can become. Making the right choices for the present and future is critical governance and executive work.

The highest performing individuals and boards can easily zoom in and out of all these perspectives: moving up and down in elevation; looking narrowly and broadly; considering the short-, medium- and long-range time horizons. These exceptional boards also can build on their combined experiences and lessons learned to examine key issues through different lenses.

**Effective Facilitation and Conversation**

The best boards look for individual trustees with varying perspectives,

and they nurture the group's ability to look at situations from different points of view. The perspectives described previously are only valuable if they are drawn out intentionally during board and committee meetings. It is the chair's role to facilitate conversations, calling on individuals with relevant experience and varying perspectives. The most astute chairs also encourage the group to move up and down and in and out of the elevation, breadth and time perspectives to identify potential risks and opportunities. These boards do not rely solely on their chairs; they expect each trustee to help the group explore and engage different viewpoints. The best scenario is when each trustee values different points of view and asks their colleagues (trustees and executives) directly for their opinions before voting on key decisions.

The power of perspective comes from the collective impact of serious thought; group awareness and open exchange; personal and professional influence, experience and different points of view; and serving with purpose. This kind of power and responsibility is a key attribute of effective hospital and system governance. Perspective is what shapes and nurtures the board's judgement, therefore increasing its value to the executive team. ▲

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