



**American Hospital  
Association**

# **Practicing Competency-Based Governance**

**John R Combes MD**



# Blue Ribbon Panel on Trustee Core Competencies

Center for Healthcare Governance and HRET convened board members, CEOs, and governance researchers to better understand *competencies and how they might be used to select, evaluate and develop trustees as partners in organizational leadership.*

# Blue Ribbon Panel Definition

The combination of knowledge, skills, personal characteristics and individual and social behaviors needed to effectively perform a job.

# Developing and Using Competencies

Not every board member needs to exhibit all necessary competencies upon joining the board. Rather, the goal is to ensure that the board, as a whole, encompasses all needed competencies and further develops them among all board members.

# Core Competencies for Individual Board Members

# BRP Trustee Core Competencies

## ***Knowledge and Skills***

- Health Care Delivery and Performance
- Business and Finance
- Human Resources

## ***Personal Capabilities***

- Accountability
- Achievement Orientation
- Change Leadership
- Collaboration
- Community Orientation
- Information Seeking
- Innovative Thinking
- Complexity Management
- Organizational Awareness
- Professionalism
- Relationship Building
- Strategic Orientation
- Talent Development
- Team Leadership

***Source: Adapted from NCHL Healthcare Leadership Competency Model, (2005) and Lee, S., Phan, P. "Competencies of Directors of Global Firms" in Corporate Governance: An International Review. 8:3, 204-214 (2000)***

# Using Individual Board Member Competencies in Health Care Governance

# Guiding Principles

## **Four principles guided tool development:**

- The board as a team
- A suite of tools
- Simple and pragmatic
- Formal and peer approaches

## **In four areas of board practice**

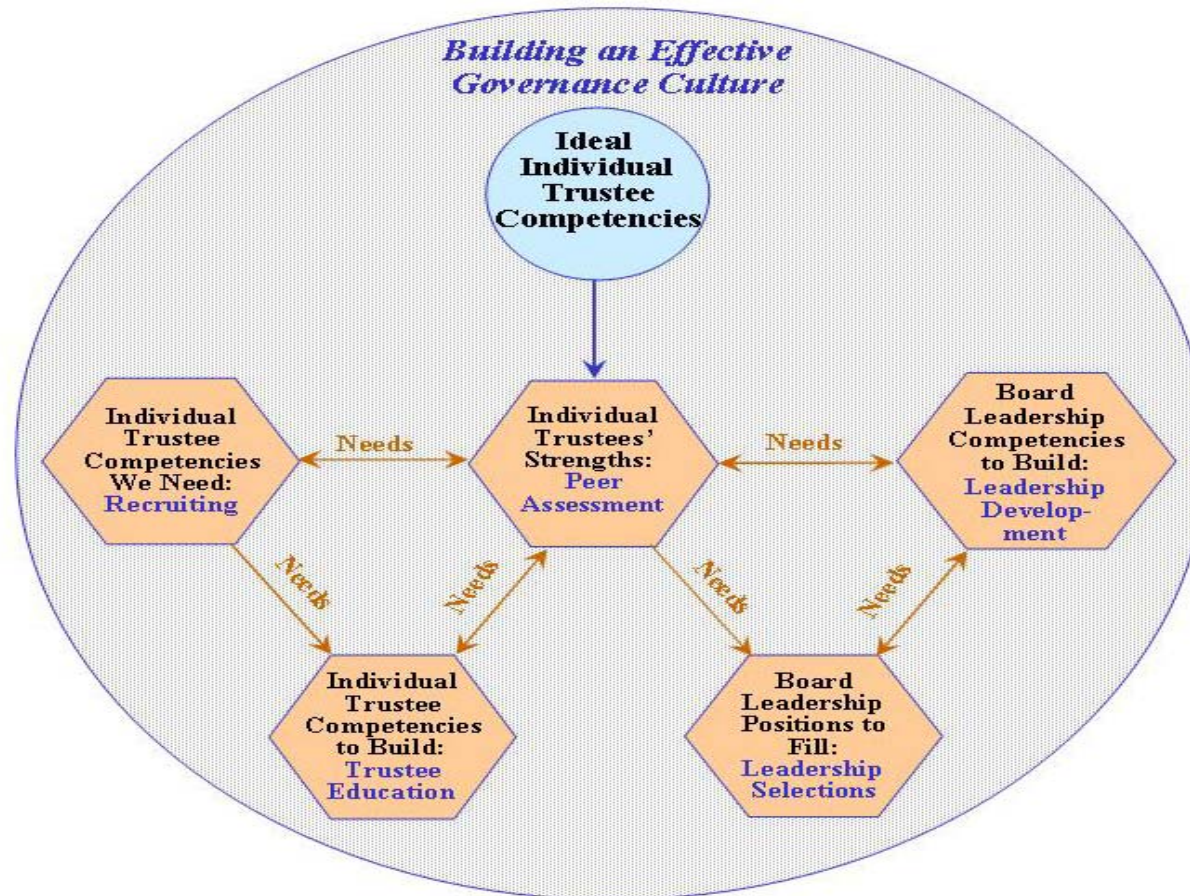
- Selection
- Assessment
- Education/Development
- Leadership/ Succession Planning



# Using Competencies

- **Interview and assessment tools** to select new board members
- **Evaluation tools** that assess board member performance against core competencies
- **Educational opportunities** to strengthen or develop new competencies in individual board members and to address strengths and weaknesses across the full range of competencies required
- Integration into **board leadership development and succession planning** including committee appointments

# Building An Effective Governance Culture



# Personal Competency-Based Assessment Tool

- **Accountability**      **Low**      **High**
  - I require a culture of strong accountability in which people understand and are expected to meet their commitments.      1   2   3   4   5
  - I appropriately and effectively hold myself and others accountable for demanding high performance.      1   2   3   4   5

# Assessment Results

## 2. Personal Capabilities

### 2.1 Accountability

#### Aggregate Peer Scores

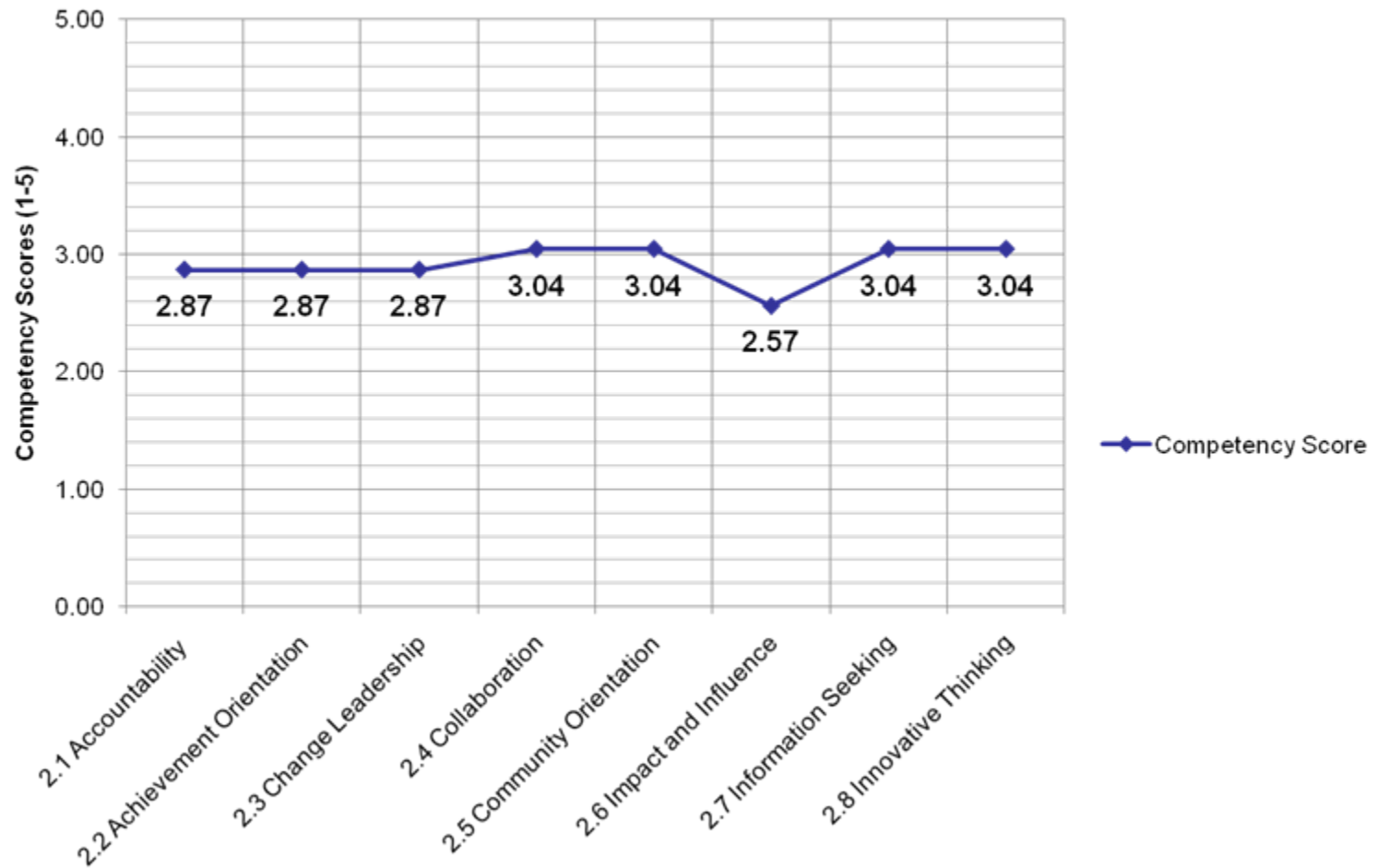
	LOW (No/False)	MEDIUM	HIGH (Yes/True)	Individual Score
10. Requires a culture of strong accountability in which people understand and are expected to meet their commitments.				0.00
11. Appropriately and effectively holds him/herself and others accountable for demanding high performance.				0.00
<b>Accountability Score</b>				#DIV/0!

### 2.2 Achievement Orientation

#### Aggregate Peer Scores

	LOW (No/False)	MEDIUM	HIGH (Yes/True)	Individual Score
12. Ensures high standards are set and communicated.				0.00
13. Encourages development and use of metrics to measure outcomes and track performance.				0.00
<b>Achievement Orientation Score</b>				#DIV/0!

## Competency Score



# A Tool for Personal Competency-Based Board Member Selection

- ***Accountability Behaviors***

- How would you define a “culture of accountability”? Describe any experiences you have had in guiding creation of such a culture.
- Overall, how would you describe the type of performance you expect of others who are accountable to you?
- What types of performance requirements and expectations have you held others accountable to and how did you communicate those requirements and expectations?
- When individual performance problems developed, how did you handle them?
- Describe a situation where you held yourself accountable to high standards of performance.
- Did you achieve the standards you set for yourself and what was the outcome of your performance?

# Interview Results

## Assessment Ratings

- 1=**Demonstrates little or no behaviors associated with this competency.
- 2=**Demonstrates some behaviors associated with this competency.
- 3=**Demonstrates several behaviors associated with this competency but could still benefit from further development.
- 4=**Demonstrates proficient use of this competency.
- 5=**Demonstrates highly skilled use of multiple behaviors associated with this competency. Considered an ideal role model.

Overall rating: \_\_\_\_\_

# Additional Selection Tools

- Candidate Competency Profile
- Competency-Based Position Description
- Recruitment Process Guideline



# Personal Development Plan

**Personal Capabilities** including accountability, collaboration, community orientation, ability to manage complexity, strategic orientation and other competencies needed to govern effectively

**In what competency areas can I make the greatest contribution?**

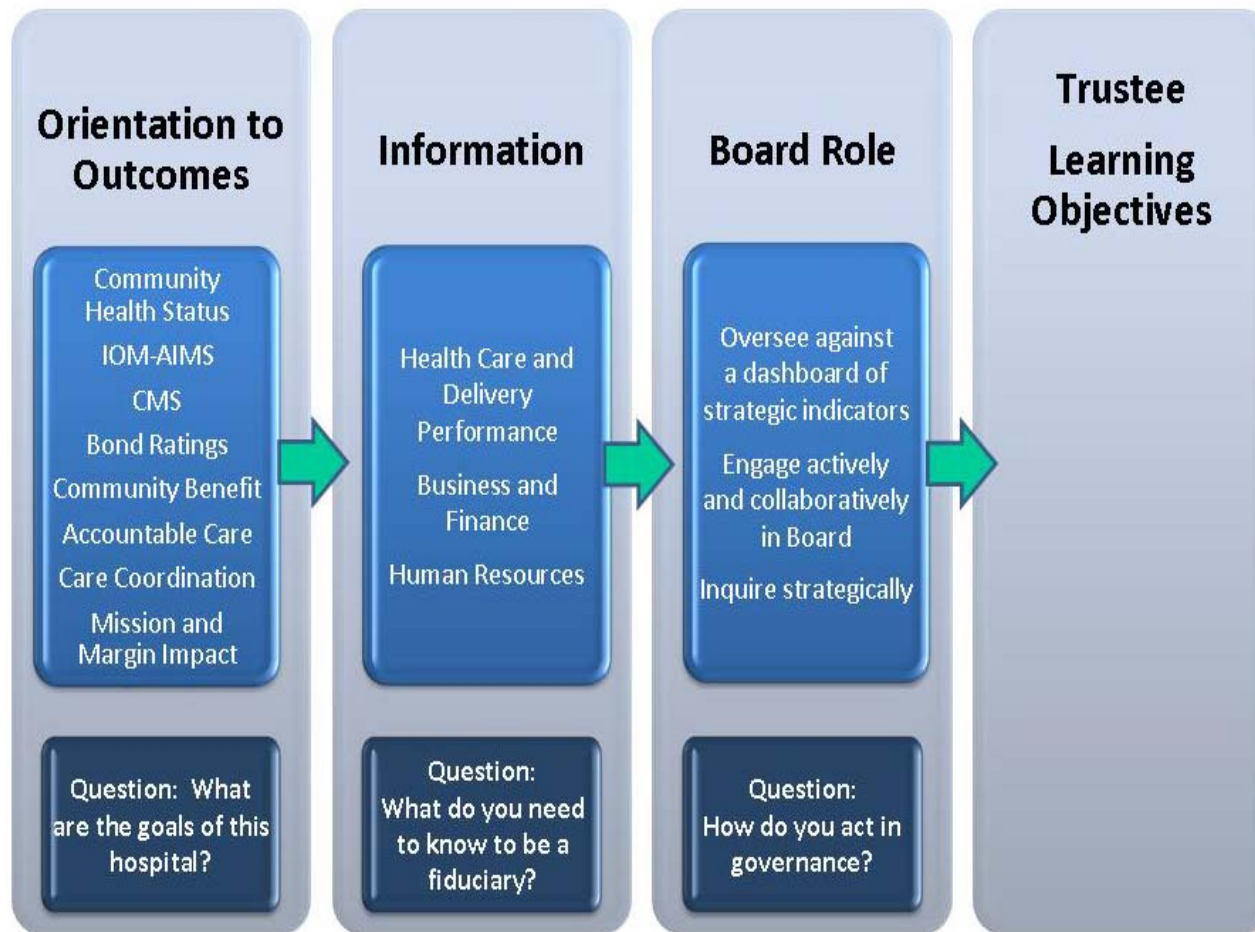
**In what competency areas could I benefit from more education?**

**Specific Knowledge and Skills** related to Healthcare Delivery and Performance, Business and Finance and Human Resources

**In what competency areas can I make the greatest contribution?**

**In what competency areas could I benefit from more education?**

# Competency-Based Education



# Mentoring

## Goals for a mentoring program are:

- To help members with no health care background learn about the industry's critical success factors and the variables trustees must oversee.
- To provide a safe environment for gathering background information, asking questions, testing ideas.
- To build knowledge about the industry, the institution, its competitors, and its consumers.
- To foster learning while building interpersonal connections among board members.
- To groom future board leaders.

# Mentor Profile

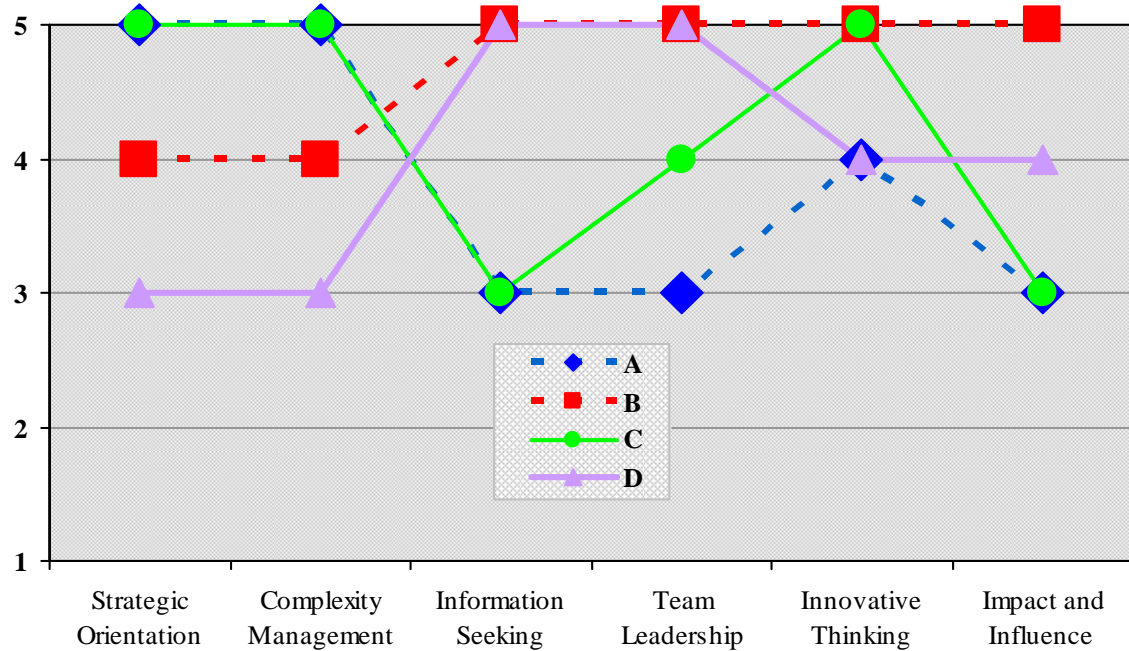
## Appropriate mentors share the following five characteristics:

- **Respect for other trustees** regardless of their backgrounds or level of experience in health care.
- **Teaching orientation** — balancing answering with asking questions and provoking others to think.
- A flexible schedule and **willingness to commit the time** to meet another newer trustee's needs.
- An established high-performance profile on the board.
- Willingness and **ability to put themselves into someone else's shoes** and even into their heads — to understand how they think and are “wired” — in order to best convey feedback and offer suggestions.

# Leadership Development and Succession Planning Process

- Understand why specific competencies are important for board leaders
- Identify board leadership opportunities
- Identify needed leadership competencies
- Use board member data to select and evaluate potential candidates: tradeoffs
- Select potential candidates and determine their interest
- Create and execute development plan for each candidate

# Board Leader Candidate Profile



# Competencies and Reform

## **Expanded Coverage**

- Innovative Thinking
- Complexity Management
- Organizational Awareness

## **Payment Reform**

- Accountability
- Collaboration
- Change Leadership

## **Delivery System Reform**

- Professionalism
- Relationship Building
- Strategic Orientation
- Team Leadership

## **Quality and Patient Safety**

- Achievement Orientation
- Community Orientation
- Information Seeking
- Talent Development

# Beyond Competence

“...a competent board alone cannot propel itself or the organization it governs to improving performance or outcomes....however...boards that practice competency-based governance will become part of a community dedicated to high standards of leadership and committed to continuous improvement and excellence.”

Source: *Competency-Based Governance: A Foundation for Board and Organizational Effectiveness*. Center for Healthcare Governance.2009.



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# Questions

# **Center for Healthcare Governance**

**155 North Wacker Drive**

**Suite 400**

**Chicago, Illinois 60606**

**Phone: 888-540-6111**

**Web Site:**

**[www.americangovernance.com](http://www.americangovernance.com)**

**Email: [info@americangovernance.com](mailto:info@americangovernance.com)**