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.
The combination of knowledge, skills, personal characteristics and individual and social behaviors needed to effectively perform a job.
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
<table>
<thead>
<tr>
<th>Knowledge and Skills</th>
<th>Personal Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Health Care Delivery and Performance</td>
<td>• Accountability</td>
</tr>
<tr>
<td>• Business and Finance</td>
<td>• Achievement Orientation</td>
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<tr>
<td>• Human Resources</td>
<td>• Change Leadership</td>
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<td></td>
<td>• Talent Development</td>
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<td></td>
<td>• Team Leadership</td>
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</tbody>
</table>

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
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

Diagram:

- Ideal Individual Trustee Competencies
  - Individual Trustee Competencies We Need: Recruiting
  - Individual Trustee Competencies to Build: Trustee Education
  - Individual Trustees’ Strengths: Peer Assessment
  - Board Leadership Competencies to Build: Leadership Development
  - Board Leadership Positions to Fill: Leadership Selections

Needs connections between the elements.
• Accountability
  – I require a culture of strong accountability in which people understand and are expected to meet their commitments.
  – I appropriately and effectively hold myself and others accountable for demanding high performance.
2. Personal Capabilities

2.1 Accountability

10. Requires a culture of strong accountability in which people understand and are expected to meet their commitments.  

11. Appropriately and effectively holds him/herself and others accountable for demanding high performance.

Accountability Score: #DIV/0!

Aggregate Peer Scores

<table>
<thead>
<tr>
<th>Low (No/False)</th>
<th>Medium</th>
<th>High (Yes/True)</th>
<th>Individual Score</th>
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</table>

2.2 Achievement Orientation

12. Ensures high standards are set and communicated.

13. Encourages development and use of metrics to measure outcomes and track performance.

Achievement Orientation Score: #DIV/0!

Aggregate Peer Scores

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• **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

Orientation to Outcomes
- Community Health Status
- IOM-AIMS
- CMS
- Bond Ratings
- Community Benefit
- Accountable Care
- Care Coordination
- Mission and Margin Impact
  Question: What are the goals of this hospital?

Information
- Health Care and Delivery Performance
- Business and Finance
- Human Resources
  Question: What do you need to know to be a fiduciary?

Board Role
- Oversee against a dashboard of strategic indicators
- Engage actively and collaboratively in Board
- Inquire strategically
  Question: How do you act in governance?

Trustee Learning Objectives
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.
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
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
“...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.
Questions