

# The New Healthcare Shortage: Recruiting Human Capital to Serve on the Board

BY SEAN PATRICK MURPHY, JFK HEALTH SYSTEM

**H**ealthcare leaders are now facing a new “healthcare shortage” to deal with: finding directors who are willing and able to serve on hospital and health system governing boards. Healthcare shortages are not uncommon, with physician and nursing shortages being most prevalent at this time. In fact, many hospitals deploy tools such as medical staff development plans to measure and monitor the need/demand for healthcare professionals and to guide their organizations on when and where to recruit in order to meet the needs of the communities they serve. Likewise, many organizations have developed sophisticated recruitment and retention policies and procedures that enable them to recruit new healthcare professionals into the service area without violating “fraud and abuse laws.” Now, governing boards must determine how to address the new healthcare shortage of governing board talent.

This special section examines this emerging crisis and addresses strategic issues related to board recruitment and retention, including the need to reexamine governance structure and how the board conducts its business, in order to ensure it can continue to attract and retain board talent.<sup>1</sup>

The first part of this special section focuses on “intentional governance,” a concept that involves deliberate and intentional processes that enable the board to function at its highest potential.<sup>2</sup> No matter how great the challenge of recruitment and retention, or how irrelevant this issue may be for governing boards that continue to have a steady (and even growing) pipeline of board talent—boards must first (and always) be mindful and intentional about the pillars of good governance and ensure that they are functioning as effectively as possible. It is a bottom-up strategy—get the

board business in order and then present the opportunity to potential new directors to be part of a high-performing board that is making a measurable difference for the organization it oversees.

Then we will examine the core issue: the healthcare governing board talent shortage and what has changed, including possible reasons why there appears to be a dramatic erosion of capable people willing to serve on hospital and health system boards, especially compared to years past. We then discuss how governing boards can assess their “organizational risk” for governing board talent, and provide a framework to address the board talent shortage through developing and implementing a board talent management plan.

## Board Recruitment: The First Pillar of Intentional Governance

There are many important elements, practices, and processes that can help hospitals and health systems build, maintain, and operate an effective governing board. “Intentional governance” involves putting in place a deliberate and intentional process for conducting governance oversight that will enable boards to build efficiency and effectiveness, transform themselves, and realize their highest potential.<sup>3</sup> The concept of intentional governance includes seven key and discreet—but interrelated and connected—elements, or “pillars” of

good governance: recruitment, structure, culture, education and development, evaluation and performance, continuous governance improvement, and leadership succession (see **Exhibit 1**).

Few would dispute the proposition that every team or organization is only as good as the individual components (or in this instance, board members) that compose, comprise, and collectively produce the sum of its parts: the governing board. In fact, one might even go so far as to intuitively govern (as opposed to intentionally govern) and stop there: to summarily conclude that a good board comes down to the quality, skills, and talent of the individual men and women who comprise the board.

However, as we learned from previous research on this topic in 2010, high-performing boards rarely are random events. In order to succeed in building an effective, sustainable governing board, it is important to recognize that board recruitment is the first pillar because it affects *all* other areas of board effectiveness.

With this context, we will now take a closer look at the core issue: the emerging challenge to find qualified directors.

## The Challenge to Find Directors

The shortage of people willing to serve on non-profit boards has been a problem in the making. A 2002 study revealed that there was an estimated shortage of

**Exhibit 1: Intentional Governance Spectrum**

Board Recruitment	Board Structure	Board Culture	Education & Development	Evaluation & Performance	Continuous Governance Improvement	Leadership Succession Planning
Organizational needs	Proper size	Clear behavior expectations	Formal orientation	Board assessment	Board mission statement	Written policy statement
Board needs	Committee structure	Encourage robust engagement	Formal board education plan	Committee assessment	Track board performance	Leadership position descriptions
Requirements: training/ education, experience	Board role: clear definition, responsibilities/ accountabilities	Mutual trust and willingness to take action	Education goals and process to meet goals	Director assessment/ peer review	Evaluate efficiency/ effectiveness beyond annual assessment	Selection criteria
Stakeholder analysis	Distinction between managing and governing	Commitment to high standards	Resource allocation	Commitment to making changes	Continuous process analysis	Identification and development
Community representation	Effective meetings		Certification (?)	Appointment/ reappointment qualifications	Challenge and change culture	Performance evaluation
						Connection to recruitment

1 This special section draws from information originally presented in: Sean Patrick Murphy, *Board Recruitment and Retention: Building Better Boards, Now...and for Our Future* (white paper), The Governance Institute, Spring 2013.  
 2 For more information on this concept, see Sean Patrick Murphy and Anne D. Mullaney, *Intentional Governance: Advancing Boards Beyond the Conventional* (signature publication), The Governance Institute, 2010.

3 Murphy and Mullaney, 2010, p. 1.

1.2 million directors—persons needed to serve on non-profit boards—and that an additional 1.8 million board seats become available each year.<sup>4</sup> However, unlike smaller non-profit, charitable organizations, hospitals have typically enjoyed certain advantages that differentiated them from other non-profits, including:

- A clear and important purpose: healthcare
- A strong connection to the community
- They are considered to be an indispensable asset
- They collaborate with other “top” community leaders
- The community recognizes them for their service

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As a result, hospitals have often been able to rely on community leaders and volunteers to serve on their local hospital boards, to act as stewards for the most important community asset: healthcare. However, this can no longer be assumed in today’s healthcare environment. Many hospitals and health systems are reporting that it is becoming increasingly difficult to identify, recruit, and retain qualified board members.

In a 2010 survey of Governance Institute member CEOs and directors, over 63 percent of respondents indicated that they were increasingly finding it difficult to recruit new hospital and health system directors.<sup>5</sup> A more recent survey of Governance Institute members in fall 2012 corroborates these findings. In this survey (employing a different survey



methodology),<sup>6</sup> almost 50 percent of board members and CEOs affirmed the challenge: that the difficulty to recruit new board members is increasing.

The board talent shortage goes beyond challenges associated with identifying and recruiting new directors, but also retaining them. In our 2012 survey, nearly 30 percent of director and CEO respondents indicated that “it seems to be getting harder to retain” directors than it was a few years ago. This means that the issue may be far more complex than simply finding and recruiting new directors to fill vacancies; rather, it suggests the specter of more serious problems—anything from challenges with the way hospital and health systems are organized, structured, and/or how they conduct board business, to perhaps changing attitudes and perceptions about healthcare, to changing values from a new and different generation of leaders who may want something that many hospitals and health systems boards simply do not offer.

#### What Has Changed?

It is difficult to attribute with certainty any one reason why hospital and health system boards are having more difficulty recruiting and retaining directors. However, a lot has happened over the last 30 years, and

the following are just some of the reasons why we are facing a diminishing governing board talent pool from which hospitals and health systems may draw.

Increasing demands, public scrutiny, regulatory changes, and heightened public awareness of and expectations for governing boards, have made the job more difficult and time consuming:

- **Working harder:** the 2010 research indicated that almost 85 percent of directors and CEOs agreed governing boards are “working harder” on board matters than they had to in years past.
- **Increasing regulatory pressures:** in the same survey, almost 96 percent of directors and CEOs indicated that they are experiencing increasing regulatory pressures that are impacting their organizations.
- **Increasing liability and time commitment:** for decades, obtaining a “sitting CEO” was the gold standard for a new board member; but CEOs, fearing the liability and time commitment required, are cutting back dramatically on the number of outside corporate boards they will take on. Plus, their own company boards are restricting them from outside board service.<sup>7</sup>

More importantly, the business of healthcare is becoming ever more complex.

4 *Board Recruitment in the Non-Profit Market* (research study), Booz-Allen-Hamilton, 2002. A summary of findings is available at [www.bit.ly/1fd833W](http://www.bit.ly/1fd833W).

5 This research was conducted in the form of surveys at Governance Institute Leadership Conferences during the year 2010, and originally published in *Intentional Governance* (Murphy and Mullaney, 2010).

6 In fall 2012, The Governance Institute conducted an online survey of its member CEOs and board members (from not-for-profit hospitals and health systems across the U.S. of varying sizes and in varying urban, suburban, or rural locations) and received 197 responses (an 18 percent response rate).

7 James Kristie, “The Future of Board Governance: The Board as a Mosaic of Talent,” *Prescriptions for Health*, Jefferson School of Population Health and Lilly USA, LLC, Winter 2013.

Revenue reductions, increasing costs, new payment models, concerns about quality and safety, the ongoing shift away from acute care, consolidation, conflicts of interest, and competition are just some of the factors that have begun to change not only how healthcare is delivered, but also the public perception about hospitals and health systems. Our 2012 research showed that many boards and CEOs value and believe in the good work that they do, but also perceive that, in many instances, their community does not, and that they have lost their “community connection,” the lifeblood of service and volunteerism.

The issue may be far more complex than simply finding and recruiting new directors to fill vacancies; rather, it suggests the specter of more serious problems—anything from challenges with the way hospital and health systems are organized, structured, and/or how they conduct board business, to perhaps changing attitudes and perceptions about healthcare, to changing values from a new and different generation of leaders who may want something that many hospitals and health systems boards simply do not offer.

### Recruiting Younger Talent

In addition to general concerns about the board talent shortage, respondents to our 2012 survey (63 percent) indicated that they feel it is important to recruit younger directors to the board. Further, almost one-third of the respondents indicated that, in order to do this, they need to change how the board currently does business. This is no small matter.

It is well known that people “learn” and assimilate knowledge differently. The three common broad categories of learning styles are visual, auditory, and experiential (i.e., those who learn best by doing/applying information). However, there is a growing amount of research that indicates that in addition to our “individual” aptitudes to process and learn, there are also “generational” differences in learning, meaning

that how we learn is, to a large extent, a function of our age.<sup>8</sup> The same is true with regard to other matters, including how we work, how we communicate, and our use of technology.

Most governing boards are comprised of a combination of both “mature” directors (born 1925–1945) and “baby boomers” (born 1946–1964)—though some researchers further divide the “baby boomers” into two segments: “early boomers” (born 1946–1955) and “late boomers” (1955–1964).<sup>9</sup>

For the most part, healthcare boards “grew up” with paper, books, typewriters, and telephones. Directors learned in classrooms and were taught by teachers and professors who presented and/or lectured. They used pens and pencils and notepads and notebooks. Then came the “technology revolution,” and while many of us have migrated (to some degree or another) into to the world of technology, there continues to be wide variations with respect to the manner and amount of technology we use in our daily lives. Research suggests that when learning, most people prefer material to be verbal and text-driven, formal, and deductive (in the context of the healthcare board, board books and presentations).<sup>10</sup>

### The Next Generation

Today, most hospital and health system CEOs are “baby boomers.” However, our workforce is clearly multi-generational, consisting of boomers and Gen Xers (born 1965–1979). Gen Xers adapt well to “formal” learning, but they like “action” learning, meaning that they want “real solutions to real problems.” Then come the Gen Yers and Millennials (born 1980–1995); they are technically savvy, value diversity, and have a global perspective: “It’s not about technology. It’s about the learning technology lets me do.”<sup>11</sup>

All of this means that “multi-generational” talent is gradually creeping into the boardroom, creating opportunity or angst—depending on the board. Our 2012 research indicates that a majority of respondents (76 percent) believe that they are effectively using technology to enhance

governance and conduct meetings; however, almost the same amount (74 percent) agreed that governing board technology will be an important tool to recruit and retain directors in the future.

Some governing boards today consider a board portal to be an effective use of technology: they are gradually replacing paper with iPads, and we expect board portal use to continue to increase. The next generation of governing board talent will want more: using technology to have “meetings without meeting.” CEOs, governing boards, and board leaders that identify and embrace generational diversity today will likely recruit and retain the very best directors tomorrow.

### The Governing Board: Strategic Human Capital

Effective governing boards are more than a collection of individuals; rather, each board member should have an indispensable purpose as it relates to both the board and the organization. This is especially true and important during this time of change when strategy is critical. In essence, the governing board is an avenue for hospitals and health systems to obtain necessary and important strategic human capital that can help both the board and the organization transform.

### Treat Governance as a Priority

Change requires leadership, and governance is an indispensable and fully integrated component of every healthcare organization’s leadership team. So this begs the question: are we fully engaging and developing our governing board talent to meet the challenge of change? Our data consistently indicates the need for, and benefits of, implementing systems of continuous governance improvement. Almost 50 percent of the CEOs and governing boards indicated in our 2012 survey that they believed that they would have “a stronger board” if they spent more time on continuous governance improvement.

Conversely, we also asked CEOs and board members to rank the “relative importance” of governance in relation to other organizational issues. Respondents were asked to rank the following issues in order of importance facing their organization: reducing costs, physician integration, hospital integration/merger discussions, developing a population health strategy, corporate compliance, recruiting and developing

8 Kent Greenes and Diane Piktialis, “Bridging the Gaps: How to Transfer Knowledge in Today’s Multigenerational Workplace,” The Conference Board of Canada, 2008. Available at [www.bit.ly/18doHNQ](http://www.bit.ly/18doHNQ).

9 Greenes and Piktialis, 2008.

10 Greenes and Piktialis, 2008.

11 Greenes and Piktialis, 2008.

a strong governing board, competition from other hospitals/health systems, and “other.” Recruiting and developing a strong governing board was listed as a first priority by only 1.5 percent of respondents; most were first concerned with reducing costs, physician integration, and developing a population health strategy. While these are important organizational and strategic priorities, the organization is less likely to be successful in reaching goals related to these priorities if the board itself is not effective.

**Treat Board Members as Human Capital**

Most business organizations extol their employees as their “most important” strategic asset—their human capital provides them with a strategic, competitive edge. The concept of the board as human capital is significant because it extends the solution of recruitment and retention beyond the mere pursuit of new directors to look at the totality of the board: its ability to

attract, grow, engage, and retain board talent. It encourages the governing board to look at the bigger picture—the entire integrated board and all of its operational components as part of the solution to the recruitment challenge.

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Taking the concept further, it defines the board not merely as directors with competencies, but rather in the broader context of “talent.” Competencies define the skill sets and attributes of the “players” regarding

the role and “position they play” on the governing team. Certainly, in competitive sports (and arguably in a competitive marketplace) there are many people who might be competent to do the job. But “winning teams” and businesses know they need the *best* talent. If this principle works for competitive sports and business organizations, why not governing boards—the entity charged with ultimate responsibility and oversight?

The application of human capital and talent also arguably extends to board retention. Once a board attracts and recruits talent, it needs to develop it and work to retain it. Hence, strategic human capital and talent management, by definition, should militate against the corresponding challenge of director retention.

Recasting the governing board as “strategic” human capital extends beyond the notion of merely acquiring directors with the skills that are necessary for the

**Exhibit 2. Board Talent Management Matrix**

<b>Board Talent Risk Assessment</b>	# Vacancies: _____ Skills lost: 1. _____ 2. _____ 3. _____ 4. _____	Satisfaction Survey: _____% directors satisfied _____% directors agree board is effective	Problems identified in one-on-one meetings with board chair: 1. _____ 2. _____ 3. _____ 4. _____	Employ search firm? Pros: _____ Cons: _____	Actions/deadlines: 1. _____ 2. _____ 3. _____ 4. _____
<b>Talent Needs Based on Strategic Plan</b>	Mission statement (updated?): _____ _____ _____ _____	Strategic goals (short term): 1. _____ 2. _____ 3. _____		Strategic goals (long term): 1. _____ 2. _____ 3. _____	
<b>Board Member Competencies &amp; Gaps</b>	Skills needed based on strategic plan: 1. _____ 2. _____ 3. _____ 4. _____	Other/new skills/attributes needed: 1. _____ 2. _____ 3. _____ 4. _____	# of current directors with strategic skills: 1. _____ 2. _____ 3. _____ 4. _____	# of current directors with other/new skills: 1. _____ 2. _____ 3. _____ 4. _____	Talent gaps: 1. _____ 2. _____ 3. _____ 4. _____
<b>Talent Pool</b>	# of directors needed for immediate gaps: 1. _____ 2. _____ 3. _____ 4. _____	Names/skills in current candidate pool (if applicable): 1. Name: _____ Skills: 1. _____ 2. _____ 3. _____ 2. Name: _____ Skills: 1. _____ 2. _____ 3. _____ 3. Name: _____ Skills: 1. _____ 2. _____ 3. _____		Decisions to make: How many people do we need to add to the candidate pool?  What skills are missing in the pool?  Where/how to find candidates?	<b>Plan Implementation:</b> Actions/deadlines: 1. _____ 2. _____ 3. _____ 4. _____ 5. _____ 6. _____



changing delivery system; rather it helps to redefine the role of the governing board in relation to the management team.

If hospitals and health systems view their governing boards in this new light, as strategic human capital, the logical extension is to address and manage issues of recruitment and retention (as well as other matters of board leadership and development) within the framework of talent management.

### Board Talent Management Plan

Governing boards can attract, recruit, and retain board talent by building and developing the governing board through a talent management plan. The steps involved in a board talent management plan, described in more detail below (also shown in **Exhibit 2**), are:

1. Conduct a board talent risk assessment.
2. Connect board talent needs with the organization's strategic plan.
3. Identify board member competencies.
4. Examine talent gaps.
5. Cultivate a talent/candidate pool and validate talent.
6. Implement the plan and update on a regular basis.

### Conduct a Board Talent Risk Assessment

Many progressive hospitals and health systems are taking on enterprise risk management (ERM) as part of ongoing strategic

planning. In this regard, ERM takes into account industry changes and challenges, and factors them into the practice and process of the organization's own enterprise risk assessment.

The board can employ a similar risk assessment to evaluate whether any signs or symptoms of a governing board talent shortage are currently manifest, or likely to present near-term challenges for the organization. The steps involved in this part of the talent management plan include:

1. Evaluate current board member terms.
2. Conduct a board effectiveness/satisfaction survey based on the Intentional Governance Spectrum.
3. Conduct one-on-one meetings between the board chair and individual directors.
4. Consider the use of an outside consultant or search firm to assess talent risk and assist in recruitment efforts.

The first step is to evaluate current board member terms to predict turnover. (For organizations without term limits, this step can involve an assessment of any board members that may choose to step down or retire soon, move out of the area, are approaching a major life change, or nearing the board member age limit.) While simple, this exercise is often very enlightening, not only when organizations calculate the number of directors anticipated to leave, but especially when looking at *who* will

be leaving; often these are directors with extensive experience and organizational/institutional memory. During this exercise the board should assess the skills and historical perspectives of the remaining board members as well.

The next step is to conduct a board effectiveness/satisfaction survey. Many governing boards would benefit by candid assessments that evaluate the board's performance and effectiveness, and whether the meetings are engaging, productive, and a good use of time. If board members are not satisfied with their ability to effect change within the current framework, they will not likely remain on the board for long. Good governance takes time and change typically does not "occur overnight." The first step to building a strong, high-performing governing board made up of satisfied board members is to conduct an assessment of the board's ability to carry out its responsibilities. One way to do this is to examine the board's effectiveness regarding the areas identified on the Intentional Governance Spectrum.

Third, the board chair needs to carve out time to schedule meetings with individual directors on an annual basis to discuss each director's performance, satisfaction, engagement, and future expectations, as well as any concerns the director may have about the board and/or organization. It is difficult to predict the future; however, our focus interviews with respondents to the 2012 survey indicated that boards that had regular meetings with individual directors



were far more prepared, that they were better able to anticipate board turnover.

Finally, many boards are now seeking the assistance of an independent third party (such as an executive search firm), both to assess their talent risk and also to assist in recruitment efforts. These boards are seeking an expert who would take the time to listen, evaluate the potential scope of the issue, and propose a menu of options and/or solutions.

### Connect Board Talent Needs with the Strategic Plan

Once the board has determined its level of talent risk, the next step is to understand, define, and articulate the board's talent needs against the organization's strategic plan/future vision. With the strategic plan in mind, the board can conduct a talent gap analysis to identify desired and necessary talent for the future—the competencies needed *at the board level* to achieve the organizational goals outlined in the strategic plan.

Many hospitals and health systems have recently updated their strategic plans, and some are having difficulty with strategy, especially due to the movement from an acute-care-centric model of care delivery to a population health/value-based approach. Hospitals and health systems need to do more than consider a potential construct for the future delivery system; they need to revisit the organization's mission, vision, and values and determine the role of the organization going forward in a value-based payment environment (i.e., will it be a population health manager or will it affiliate/coordinate with others doing population health?), including how the organization (and therefore, the board) will change throughout the transition.

CEOs and boards always need to consider both near-term and long-term strategy. During this time of change, health-care organizations need to be flexible and revisit it often, especially since the process of building systems of care involves, and will involve, uncharted waters. In turn, all of this should drive the demand for board talent that can align itself with this strategic shift.

### Identify Board Member Competencies

Once the organization has developed and defined (or updated) its strategic plan,

the governing board needs to examine its existing talent: the competencies and skills to effect alignment with the strategic plan. In essence, this is the opportunity to gain a strategic competitive advantage by having a strong governing board.

Our research indicates that governing boards are beginning to recognize the need to transform themselves and search for new and different talent in response to the changing healthcare delivery system. Examples of these “new” skills/knowledge sets include:

- Reliability science for quality and patient safety
- Innovation
- Diversity
- Change management
- Actuarial risk and scenario planning
- Flexibility
- Relationships
- Social media

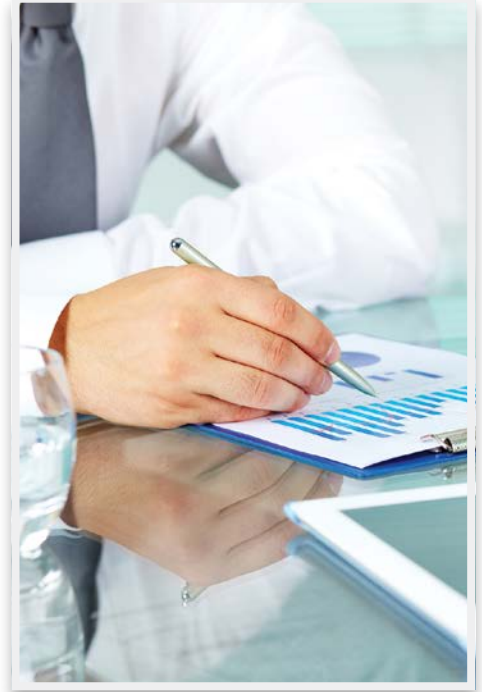
It seems counterintuitive, but the more an organization narrows the options and describes the specific person it is looking for, the easier it can be to identify the candidate. Creating a job description can also help the candidate understand the position and minimize the misunderstanding on both sides.

### Examine Talent Gaps

Once the organization has developed a list of competencies, it needs to make a fundamental decision on whether it can grow the talent internally with and through existing board members or whether it needs to recruit new talent.

Growing talent requires that the governing board take time to evaluate what kind of training and development board members need to do their jobs, to help transform the delivery system. This requires the board to talk to and communicate with its existing talent (the incumbent directors) and ask questions such as:

- What do you hope to gain/learn from serving on the board?
- What are your aspirations for serving?
- What level of involvement do you want? (This question needs to be asked on a regular basis, as some board members who are not initially interested in a leadership position such as board chair or committee chair may change their minds



overtime, and be more willing to commit. Of course, the inverse is also true.)

- Are you engaged and learning?
- Are there other areas of healthcare you would like to learn about?

Also, the likelihood of growing talent internally increases if/when the governing board and CEO engages directors and makes every effort to retain them as part of the governing board talent pool.

### Cultivate a Talent/Candidate Pool

Hospitals and health systems have historically used a variety of means to grow and build a talent/candidate pool. Notably, these include “intra-system recruitment” from other subsidiary or affiliate boards and recruiting community members and recruiting community members sitting on board committees. However, our research indicates that this may not be sufficient. Almost 75 percent of the respondents to our 2012 survey either agreed or strongly agreed that they would benefit from having a talent/candidate pool from which to identify prospective candidates. This clearly affirms and supports the notion of a board talent shortage and the need for governing boards to take affirmative, intentional steps to begin to identify prospective board talent. During the course of our research we identified several talent/candidate pool models

that various hospitals and health systems employed:

1. **Talent/candidate pool of existing directors:** one system developed an actual director talent pool consisting of talent that they identified as a current need and/or future need. The people in this pool are vetted through a board competencies process and they currently serve on the parent board, without vote. This gives the CEO and the governing board immediate access to new board talent that is skilled, qualified, trained, and knowledgeable about the organization, the governing board, and its culture. It allows for what amounts to a seamless transition of board talent, should the need arise.
2. **Virtual talent/candidate pool:** another organization confronted their board talent shortage by creating a “virtual” talent pool. After developing its organizational strategies, competencies, and conducting a talent-gap analysis, it became obvious that the health system had to expand the number of candidates from which to choose to obtain the right match. In order to do this, the governance committee engaged the entire board and compiled a list of 27 persons from which to choose. The very exercise of expanding the scope and number of potential board candidates ultimately produces not only a larger talent pool, but also one that is more skilled and diverse.
3. **Professional recruitment firms:** there is an emerging trend in which governing boards and CEOs are increasingly turning to the very same experts who help them find executive talent, to find board talent and create a talent pool for the organization. Healthcare is changing, corporate governance is changing—and so too the ways and means by which governing boards are seeking to obtain the very best talent.
4. **Social media:** the new generation of learners is not only using social media to build business contacts and relationships, but also for board recruiting (one example is LinkedIn Board Connect). This may provide significant opportunity to not only expand the scope and breadth of the board talent pool, but also help hospitals and health systems identify younger directors.
5. **Community advisory boards:** finally, many organizations continue to search

within the ranks of their local communities, but they don’t wait for a crisis. They develop “advisory boards” that may not meet often, but that have meaningful, defined connections to their hospitals and health systems. This enhances not only the pipeline of talent, but also community connectivity.

### Implement the Board Talent Management Plan

Once the board has gone through the steps described above, the exercise becomes more than just filling in the blanks. The final step of a board talent management plan is to implement it, and there is only one way to know if you are succeeding: ongoing and continuous development of board talent, and creating systems and processes to measure results.

The board talent management plan must integrate and focus not only on the talent the board needs to attract, recruit, and retain—it must also be integrated with the board’s existing talent. Taking this into the context of viewing directors as human capital, current board members should continue to have opportunities to grow and develop as leaders and directors, so that they can continue to feel they are spending their time in a meaningful way. Most importantly, the plan must be updated on a regular basis and kept current.

Finally, an important construct that must be recognized and revisited frequently is that this talent management plan is inextricably connected to the other key pillars of intentional governance: board education, evaluation, and assessment; ongoing board improvement processes; and board leadership succession planning; identifying and developing future chairs and vice chairs to lead the board.

Organizations that successfully treat the board as strategic human capital and emphasize the importance of board talent management must be willing to take a closer look at themselves—to know and be aware of not only their strengths, but also their limitations. Successful boards will need a firm and intentional willingness to



change, so that they can, in turn, help to lead our healthcare organizations as we prepare to change.

### Conclusion

This framework for implementing a talent management plan will ultimately become an ongoing, intentional aspect of the board’s continuous governance enhancement process. Boards and organizations that successfully implement this kind of board recruitment and development plan will treat governance as a top priority, with the importance of directors akin to that of executives, managers, physicians, nurses, and frontline staff. This strategic human capital needs to be engaged and nurtured, and allowed to thrive in an environment in which their unique talents can shine—where they can do their best work. From the need to recruit younger and more diverse directors to the increasing use of technology to facilitate board recruitment, board business, and even board meetings, the board of the future may indeed look very different than today’s board, bringing our healthcare organizations into a future of value-based, innovative healthcare delivery. ●

*The Governance Institute thanks Sean Patrick Murphy, senior vice president and corporate general counsel of JFK Health System, for contributing this article. He can be reached at [smurphy@JFKHealth.org](mailto:smurphy@JFKHealth.org).*