Elements of
GOVERNANCE®
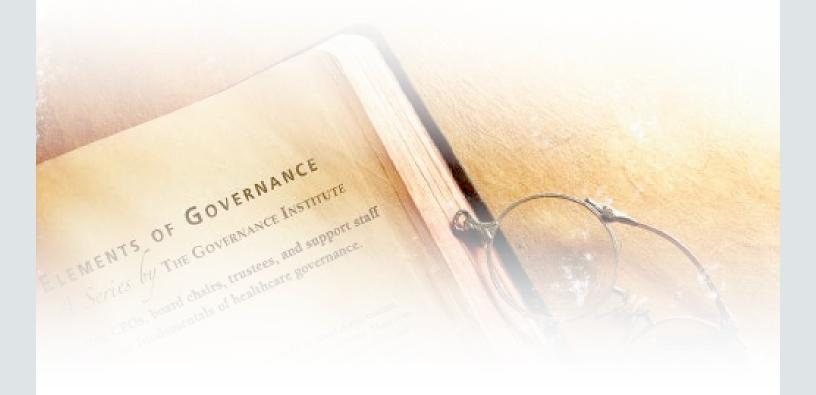
Providing CEOs, board chairs, trustees, and support staff with the fundamentals of healthcare governance

A SERIES BY THE GOVERNANCE INSTITUTE

Board Education, Goal Setting, and Work Plans

Elements of Governance®

A Goverernance Institute Series

Elements of Governance® is designed to provide CEOs, board chairs, trustees, and support staff with the fundamentals of not-for-profit governance. These comprehensive and concise governance guides offer quick answers, guidelines, and templates that can be adapted to meet your board's individual needs. Whether you are a new or experienced leader, the *Elements of Governance®* series will help supply you and your board with a solid foundation for quality board work.

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About Our Organization

The Governance Institute serves as the leading, independent source of governance information and education for healthcare organizations across the United States. Founded in 1986, The Governance Institute provides conferences, publications, videos, and educational materials for non-profit boards and trustees, executives, and physician leaders.

Recognized nationally as the preeminent source for unbiased governance information, The Governance Institute conducts research studies, tracks industry trends, and showcases governance practices of leading healthcare boards across the country. The Governance Institute is committed to its mission of improving the effectiveness of boards by providing the tools, skills, and learning experiences that enable trustees to maximize their contributions to the board.

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Introduction

Board education development, setting board goals, and establishing work plans to accomplish those goals are intimately related—the board's goals and the consequent work plan reflect that relationship. In addition, the board's goals should be determined by the organization's strategic plan.

By thoughtfully reviewing and developing education plans, goal setting, and an annual work plan, the board can set realistic targets, accomplish goals, and ultimately, perform more effectively to the benefit of the organization as a whole. This Elements of Governance® reviews each of these important board activities and lays out descriptions and key considerations to aid your board in developing it's own education program, goal setting, and work plan.

Board Education

Once a new board member has completed the board orientation program, it is key to provide further, ongoing education activities. The following are some ways the board can access ongoing education:

- Take advantage of programs geared specifically to hospital and health system boards.
- Read and review relevant industry publications, journals, magazines, and news articles, and discuss such materials during an education session in a board meeting.
- Bring in expert consultants and facilitators to conduct educational sessions during board meetings or retreats.
- Set aside time during a meeting to discuss a topic in which the board may be particularly interested, or one that presents an area of weakness for the board. Provide supporting and background materials as needed.
- Some organizations have developed e-learning courses for board members to review on an ongoing basis, either to test their knowledge or remind them of the keys to effective governance.

The key to ongoing board education is to expose board members to current trends in the industry on a regular basis.

The Role of the Governance or Board Development Committee

The governance committee or board development committee generally spearheads the board's education program (review your committee charters if necessary and be sure that this responsibility is outlined for the appropriate committee in your organization). Many organizations have internal speakers at board meetings, such as the compliance officer or director of the quality improvement program. They may also have department managers give an overview of their departments, services, and/or programs.

At the very least, education sessions should take place at most board meetings. Routine education sessions are most effective when they take place at or near the beginning of the meeting and take up roughly 15 percent of the meeting time (for example, a 15-minute session is appropriate for a 90-minute board meeting).

Boards that meet less frequently than once a month may choose to do a longer session on a quarterly basis, while others may choose to devote one full board meeting per year entirely to board education. Similarly, some boards choose to schedule board education programs at an annual retreat, often to go along with strategic planning.

A strong board education program paves the way to setting board goals (described in the next section), because board members are more aware of industry trends, new regulations, and the workings of their own organization, which provides a foundation of knowledge that can help shape the appropriate board goals for their organization.

Setting Board Goals

Goal setting involves establishing specific, measurable, and time-targeted objectives. To be most effective, goals should be tangible, specific, and realistic. The full board should participate in the goal-setting process; that is, each board member should have defined expectations and make a substantial contribution.

Goal setting also requires motivation. Simply setting a target may lead to progress in the desired direction, but understanding why the target is desired encourages personal investment into the achievement of the goal.

SMART Goals

Goal setting is of vital importance because it facilitates the board in focusing its efforts in a specified direction. The purpose for establishing clear goals is so each person on the board can give a similar answer to the question: What are we trying to achieve? Goals that produce a high level of performance are often difficult. Commonly referred to as SMART goals,[1] below is a description of the five goal characteristics:

- **Specific:** Goals should be straightforward and emphasize what you want to happen. Specifics help the board to focus its efforts and clearly define what is going to get done. "Specific" encompasses the what, why, and how—what are you going to do, why is this important to do at this time, and how are you going to do it?
- **Measurable:** Goals that cannot be measured are difficult to manage. In the broadest sense, the goal statement is a measure for the project; if the goal is accomplished, then it is a success. However, it is important to establish concrete criteria for measuring progress toward the attainment of each goal you set. Short-term or small measurements built into the overall goal along with measurable progress and target dates will allow the board to see the change occur or, conversely, not occur.
- **Aligned:** The board should be continually connecting its efforts directly and precisely with the goals of the organization. Goal alignment focuses everyone on maintaining the core mission of the organization and moving toward the same vision of success. Goals should be integrated with the organization's strategic plan.
- **Realistic:** It is important that the board remains realistic during the initial goal-setting process; in other words, realistic means "doable." It means the learning curve is not a vertical slope and adequate resources, knowledge, and time are available to do the work.
- **Time-bound:** Set a timeframe for the goal, while ensuring enough time for achievement of the goal but also ensuring that the goal is met in a timely manner considering other goals and events the board and organization may be dealing with. Goals must have starting points, ending points, and fixed durations. Goals without deadlines or schedules for completion tend to be overtaken by the day-to-day crises that invariably arise in an organization.

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1 The first use of the term SMART is unknown, but Peter Drucker, in his 1954 seminal work, *The Practice of Management* (Collins, 1993), outlined a system that was very similar to SMART objectives while discussing objective-based management.

SMART Goals

- **S**pecific: The goal is clear and precise targets and standards are identified.
- **M**easurable: The goal can be assessed and quantified. The extent to which the goal has been achieved is obvious. *What gets measured gets done*.
- **A**ligned: The goal is supportive of and consistent with the goals/strategic plan of the organization.
- **R**ealistic: While meeting the goal will be a challenge, the goal is not impetuous or a castle in the sky.
- **T**ime-bound: An end point is identified or a completion date established so that goal achievement is not "open-ended."

Example: Consider the difference between the statement, "We will be the providers of the highest quality of care," and a goal statement that is SMART: "We will decrease/increase X% of patient care goal/indicator by a certain date."

Board Goals versus Organizational Goals

The board develops its own goals that are separate from the organization's goals outlined on its strategic plan. However, the board's goals should help further the organization's goals—the primary difference being that the board must focus on its own responsibilities and oversight, not delve into operations and management issues; and the board's goals should be considered in light of its own effectiveness in leading the organization, including goals to improve areas of weakness in board function.

Organizational goals are:
- Tied to the vision and strategic direction/plan of the organization
- Few in number and succinctly stated
- A foundation for the CEO's and organizational performance
- Objectives
- Realistically achievable
- Quantifiable
- Time-specific and established annually
- Aligned with each other
- Benchmarked for monitoring CEO and organizational performance

Board goals are:
- Annual expectations established by the board for its own priorities and performance
- Specific actions the board can/must do to ensure its own effectiveness, and contribute to the achievement of organizational goals and strategic direction
- Focused on work, time, attention, and structure of the board
- A method of facilitating proactive rather than reactive board behavior
- The basis for an annual board work plan and agendas
- Benchmarks for annual evaluation of board performance

Developing the
Board's Work Plan

Once the board has established its goals, it should then create a work plan that captures the various duties and responsibilities of the board and illustrates how the board will meet its goals. The plan should allow the board to ensure that it is fulfilling its fiduciary responsibilities and meeting its obligations under the law and under its own policies. It should be an annual planning tool that assists the board and staff in identifying reporting deadlines, distribution of workload, and planned board meetings and committee work.

This work plan is intended to collect and simplify information from various sources (e.g., board committees and staff). A simple checklist can be created for board members to quickly see which tasks are being done. The governance or board development committee is usually responsible for monitoring the overall work plan and a copy of the updated work plan should be included in the board packets handed out at each meeting.

Like any planning tool, it is in constant evolution. Although the board approves the plan once per year, it should be modified throughout the year in order to incorporate new activities or incorporate decisions the board makes and policies it may adopt throughout the year.[2]

Key Considerations

Below is a list of considerations when generating a work plan for the board and/or committees:

- **Who?** Who are the key groups and/or individuals that need to be involved? What is the best way to involve them? Who are the groups and/or individuals that will benefit from the proposed activities? Who will be involved in the various stages of putting the plan into action? What is their specific role?
- **What?** What resources do you require to put your plan into action?
- **When?** When do you start? Are your timelines achievable? Have you considered other initiatives that are occurring simultaneously?
- **How?** How will you put your plan into action? List the major steps or milestones that need to take place. Identify obstacles you may encounter and how they will be managed.

Indicators

Indicators should be identified at this time. How will you know if your program is a success? What indicators will tell you whether or not you have met your goals and objectives?

The board should also review the previous year's work plan accomplishments. Smart probing and analysis of your organization's past goals and the work to achieve them—whether successful or not—can provide valuable insight that can shape future outcomes:[3]

- Validation of past successes and identification of issues that inhibit success
- Opportunities and challenges not considered during the goal-setting process
- Stakeholder goals not considered during the goal-setting process
- Communication—what worked, what didn't and where is improvement needed?
- Were there any breakdowns between expectations and performance? Or, if alignment was maintained, what did it take to achieve it?

Committee Work Plans[4]

One of the best ways to ensure effective board committees is through use of a *committee* work plan. Like the board's work plan, this plan specifies goals for the committee, strategies to meet those goals, and timelines for completion of the goals. The goals of the committee should be closely aligned with the strategic goals determined during strategic planning, and should support the board's goals and work plan.

Each board committee and relevant staff members reference their committee work plan to guide completion of their portion of the organization's strategic plan (e.g., the finance committee works from the finance work plan, the marketing committee from a marketing work plan, and so forth). The plan references the related goal(s) from the strategic plan. Work plans include objectives that, in total, implement the respective strategy.

2 "Board of Governors - Board Work Plan: Niagara College," Niagara College, Welland, Niagara Falls, Niagara-on-the-Lake, Ontario, Canada. Accessed June 26, 2009 at www.niagaracollege.ca/bog/bog_workplan.htm.

3 "Performance Edge: Top-Down Goal Alignment," IMN - HTML Email Marketing Newsletters, Services and Solutions. Accessed June 29, 2009 at www.imakenews.com/cepworldwide/e_article001026029.cfm?x=b11,0,w.

4 "Sample of a Board of Directors Committee Work Plan," Free Management Library. Accessed June 26, 2009 at managementhelp.org/boards/brdwkpln.htm.

Conclusion

The board's work plan, when developed thoughtfully and framed by realistic goals and targets, can be an extremely useful tool in assisting the board. The work plan should include board education and goals. Establishing specific, measurable, and time-targeted objectives are key for the work plan to be effective.

Incorporating the development of the work plan into the board's strategic planning session is a great way to ensure the plan's alignment with organizational goals and the strategic vision/mission of the organization. And like any planning tool, it must be revisited on a regular basis and assessed, updated, changed, and/or added to as needed.

> "Plans are only good intentions unless they immediately degenerate into hard work."
> —*Peter Drucker*