Modernizing Governance Support at Your Organization

By Annie Krein, Strategic Advisor, The Governance Institute, and Brian Silverstein, M.D., Consulting Director, The Chartis Group

Governance Support: More Important Than Ever

Boards of directors overseeing today's health systems are being asked to do more than ever in a rapidly changing environment. To effectively fulfill their duties of care, loyalty, and obedience and achieve their overarching goal of bettering the health of their communities, boards depend on the governance support role for their success. In addition to external complexities, internal governance structures—for even modest-sized organizations—can be nuanced and difficult to navigate without intentionality. While organizations can achieve acceptable outcomes without robust governance support, it is impossible to sustain this work over time and through an ever-changing and demanding environment without dedicated governance leading the organization. Therefore, laying and maintaining a strong governance foundation is critical to achieving your organizational performance goals.

As healthcare organizations continue to pursue "systemness" through optimized governance structures, leading entities have found success through prioritization of support for the governance function. In fact, to achieve continuous governance

improvement,[1] it is critical to have dedicated support for your organizations governing body(ies). Large health systems with more complex governance structures will need even more robust support structures for their boards and committees to be successful. When governance support is prioritized within an organization, a systematized governance process can be achieved. Such a process can save an organization from inefficiencies that can hinder best practice governance work, such as an annual board assessment, and ensure retainment of institutional knowledge.

Reporting Structure Options and Models

The Governance Institute recently completed a study of governance support structures (see **Exhibit 1** and **2**). Organizations profiled varied in size and structuring of their governance support function. While no singular model emerged as the premier structure, form continues to follow function and should be kept in mind while determining the proper

1   Continuous governance improvement is one of The Governance Institute's seven pillars of Intentional Governance. See *Continuous Governance Improvement,* A Governance Institute Online Toolbook, January 2017.

structure for your organization. The most commonly occurring structures have governance support reporting to:

- **CEO:** While our data suggests it is most common for governance support to report directly to the CEO, as organizations grow, this trend falls off sharply (see **Exhibit 1** on the following page). In fact, none of the governance support professionals from organizations participating in our study with net patient revenue of 3 billion or more report directly to the CEO. As organizations expand and governance structures become more complex, delegating governance to other functional areas (e.g., legal, administration, or chief of staff) accelerates in practice. As large organizations develop robust governance support teams, it is also important to ensure they continue to have access to the executive team and are empowered to navigate stakeholders required for effectiveness in advancing governance. For organizations that determine governance should continue to be supported by the CEO and their support staff, consider dedicating at least one FTE to supporting governance.
- **Legal:** In the large health systems profiled, over half

house governance support within their legal department. Given the natural need to involve legal in various aspects of governance, it is not surprising that this is the most common place for governance support to reside within an organization. Typically, with this structure the organization employs a paralegal for the governance support role. Allowing an FTE to dedicate their time to the governance work of the organization and ensuring clear scope of role will be imperative to achieving success in this model.

- **Chief of staff or administration:** Many larger health systems are leveraging an executive role to oversee administrative duties that a CEO in a smaller organization would

directly oversee. Within health systems with net patient revenue of 3 billion or more, this is the second most common area (after legal) for governance support to reside.

- **Board/board chair:** Having governance support staff report directly to the board and/or board chair is not common. However, it is important for governance support staff to have a close working relationship with the board and committee chairs. Be sure to outline these expectations in your governance support staff and board member job descriptions and role expectation documents, so that everyone is aware of the support channels available and the proper mechanisms to leverage support staff.

- **Dyad:** Dyad reporting structures are also less common, but do exist in a variety of formats, ranging from board/management combinations to various combinations of management. While dyad reporting structures can add complexity, they may also allow your governance support model to leverage various needed areas of expertise.

- **Decentralized, functional leads' executive assistants:** Most organizations leverage functional leaders' assistants to support in committee meeting preparation, which is a natural and proper occurrence. However, to rely on this support structure for overall governance support lacks cohesion and will result in an uneven approach. To effectively implement tools that drive best practices such

Exhibit 1: Reporting Structure
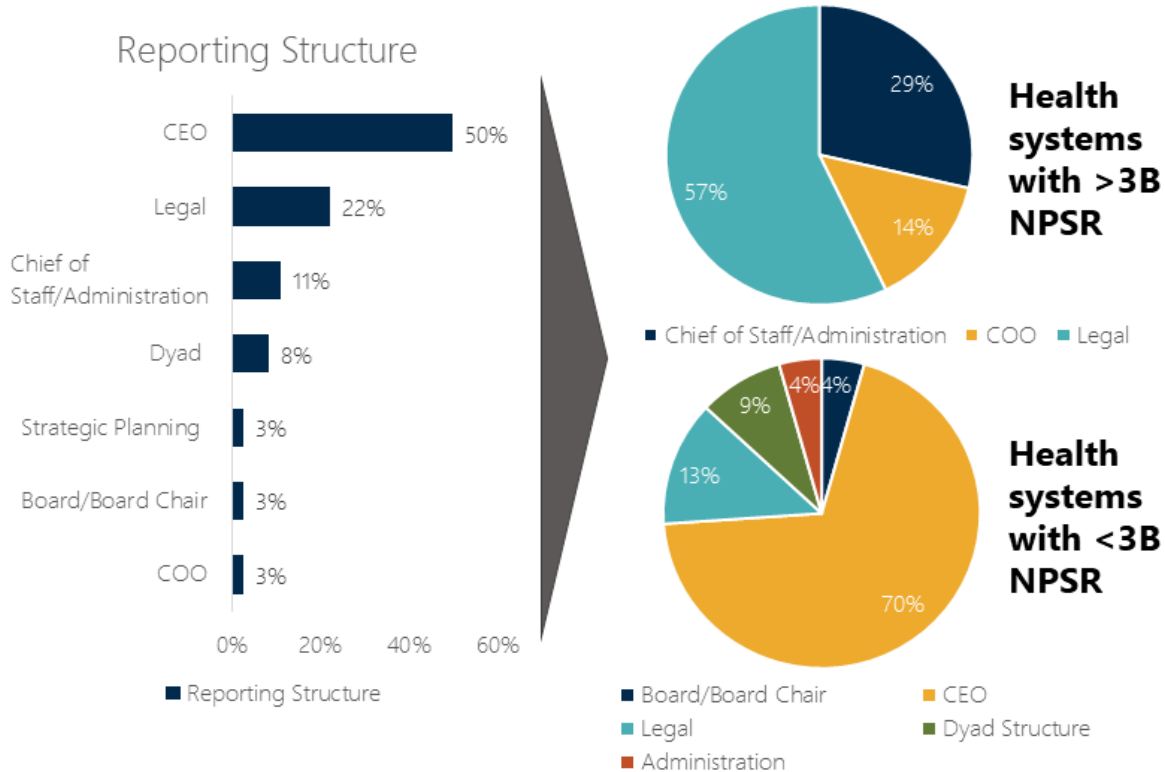
Source: The Governance Institute, Governance Support Research, March 2020.

as committee work plans and standardized meeting agendas and summaries, governance must be supported from a more holistic vantage point than any one functional area can or should be expected to provide.

Considerations; Selecting the Right Model

The right governance support structure will vary based on organizational size, complexity of governance structures, desire for systemness, and the level of executive authority given to those in governance support roles. Below we highlight considerations related to each of these areas.

Organizational size and governance scope: Larger health systems with more complex governance structures will require more robust support structures. If your organization has multiple tiers of governing
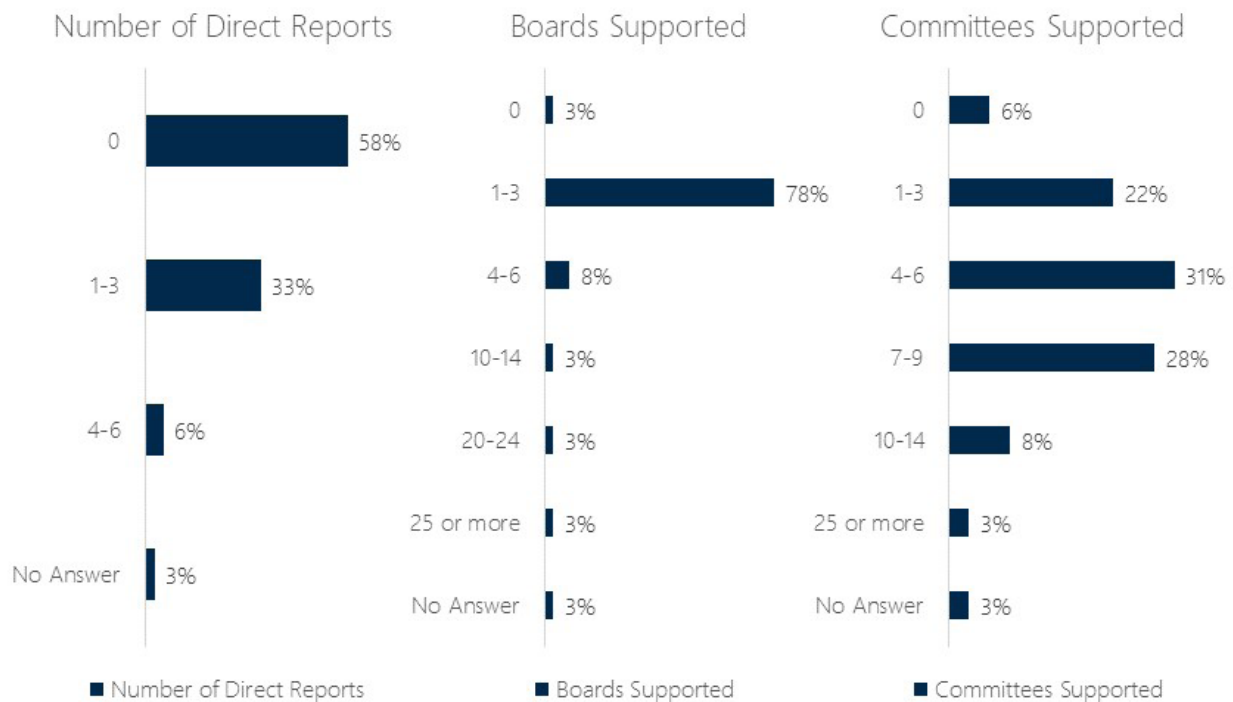
boards, it is also prudent to dedicate support that oversees the function of all boards and committees. While this may not be a direct support relationship, it is helpful to provide resources from the system office to all boards and committees within your structure. This commitment enables system-wide strategy, improves board-level conversations, and gives board members more access to intel from the parent board. System executives should also engage with your subsidiary boards and committees, but that cannot substitute as a support structure to ensure ongoing and consistent channels for communication and resource deployment.

Governance cannot function without support, and it cannot function well without an intentionally designed support structure.

Not-for-profit health system boards have begun to act more like corporate boards seen in the for-profit space. Elevating the support mechanism to enable a professional board may also require different capabilities from support staff than historically needed from these individuals.

In considering the scope of your governance and necessary support structure, the amount of employee time given to governance is important to understand. FTE support dedicated to governance may not be easy to assess given the spread of impact across executive support staff. If you do not have at least one FTE focused fully on governance support, it may be

Exhibit 2: Number of Direct Reports and Boards/Committees Supported

Number of Direct Reports
- 0: 58%
- 1-3: 33%
- 4-6: 6%
- No Answer: 3%

Boards Supported
- 0: 3%
- 1-3: 78%
- 4-6: 8%
- 10-14: 3%
- 20-24: 3%
- 25 or more: 3%
- No Answer: 3%

Committees Supported
- 0: 6%
- 1-3: 22%
- 4-6: 31%
- 7-9: 28%
- 10-14: 8%
- 25 or more: 3%
- No Answer: 3%

■ Number of Direct Reports   ■ Boards Supported   ■ Committees Supported

Source: The Governance Institute, Governance Support Research, March 2020.

prudent to consider redistributing your efforts so that one individual has more broad oversight of your governance operations and can begin to deploy streamlined resources to enable adoption of governance best practices.

Organizational desire/appetite for "systemness": More cohesion in healthcare settings has been a priority discussed at The Governance Institute for several years. Investing in a governance support structure that can enable the standardization of processes across the enterprise is an imperative to be successful in your systemness endeavor. Addressing breakdowns in your current structure that deter progress is important. Change is never easy, but without clear intention it will be almost impossible. As always, form follows function.

Level of executive authority given to governance support:

As governance support moves farther away from traditional CEO support and reporting structures, it can become more difficult to access executive authority and therefore make meaningful progress on initiatives. When it is appropriate, designating a higher level of authority to governance support professionals can better allow them to fulfill their job responsibilities. For example, large systems profiled within our study show a move to director-level positions. Some large systems have adopted executive roles to support governance such as Chief Governance Officer and Vice President of Governance, to further enable navigation at the appropriate level within the organization. Governance support also needs to understand its function in support of the board, and unlike management roles may have less direct authority to implement projects, but rather carries influence to move the organization forward, together.

Closing

Ensuring the board(s) is situated to effectively measure and monitor organization goals should be the number one aim of the governance support team. Governance cannot function without support, and it cannot function well without an intentionally designed support structure. Ensuring your governance support structure is designed and optimized with the end in mind needs to evolve with your governing structure. At minimum, having dedicated support is critical, the scope and function that takes on will vary from organization to organization. Ultimately, the degree to which your governance is elevated and supported will point towards your organizational results, so investment and purpose in the governance support structure of your organization is imperative.

Annie Krein is a Strategic Advisor for The Governance Institute and Brian Silverstein, M.D., is a Consulting Director at The Chartis Group and a Governance Institute Advisor. They can be reached at akrein@governanceinstitute.com and bsilverstein@chartis.com.