

## You Want to Do What? Understanding Board Member Conflict in a Rural Community

By David L. Schreiner, FACHE, President and CEO, Katherine Shaw Bethea Hospital

**R**ick had a dilemma. He and his wife, Barb, wanted to invite family and friends to a holiday party. The challenge rested with the guest list. Included in the invitation group was the hospital CEO as well as Rick's sister-in-law, who earlier resigned from her role as the hospital's chief financial officer.

Welcome to life as a rural board member.

A seat on a rural hospital board often represents the pinnacle of volunteerism in small communities. Hospitals serve as economic drivers of their community, and are commonly either the first- or second-largest employer in the region. With this honor comes responsibility, and often personal and professional conflict.

I recently interviewed two of Katherine Shaw Bethea (KSB) Hospital's senior board members about their experience dealing with conflict in our rural community. "Hard decisions have to be made, and the board has to support them," said Rick Curia, a member of the hospital's board of directors since 2005. "I look for the overall impact of good for the community. The right decision for the hospital is good for our area."

Hard decisions seem to be hitting rural hospitals at an accelerated

### Key Board Takeaways

Serving on a rural hospital board can often be the pinnacle of volunteer service for people; however, that service comes with significant challenges as board members navigate the relationship between what is best for the hospital and how those decisions impact their personal and professional lives. Some actions boards can take to better manage challenging situations that may arise include:

- Ensure difficult board decisions are always made in the context of what is best for the community. These decisions also need to be clearly explained since they are not always well-received by all employees and community members.
- Utilize and act on community feedback. Community members should have a voice and their input needs to be taken seriously.
- Develop a strong board-CEO relationship; this partnership is key to organizational success. A relationship built on transparency and trust will help the board and CEO work together to make informed, well-thought-out decisions. The board also needs to have a clear understanding of its role vs. that of management.
- Always be mindful of how board time is spent. Distribute meeting materials in advance and ensure that meetings are focused on strategic discussions.

pace, and board members are personally, professionally, and emotionally invested in the success of the hospital.

"Board members serve as a sounding board for the community," said Colleen Henkel, who has served on KSB Hospital's board since 2008. "We are the voice and link between the community and the hospital." Mrs. Henkel recognizes that community feedback is often the first step in service recovery.

Healthcare organizations are profoundly impacted by CEO

leadership.<sup>1</sup> Rural hospitals are also driven by professional governance, and the interaction between the CEO and board drives organizational success.

### How CEOs and Board Members Can Help Each Other

Below are five ways rural boards and CEOs can work together to better

<sup>1</sup> Jeffrey Alexander and Shoou-Yih Lee, "The Effects of CEO Succession and Tenure on Failure of Rural Community Hospitals," *Journal of Applied Behavioral Science*, 1996, pp. 70-88.

manage some of the challenges they face:

- 1. Thoroughly explain the reasoning for decisions made in the boardroom.** CEOs must understand that difficult decisions made at the board level will not be appreciated by some employees and members of the community. Be diligent about not only explaining *what* is being recommended but also *why*. For example, if layoffs are being discussed, demonstrate the potential outcome if these difficult recommendations are not operationalized. When talking about the closure of a service line, provide extensive information on everything that has been tried to salvage the service.
- 2. Effectively communicate with community members.** When a board member shares a conversation with a community member, act quickly to reach out to that community member, with the permission of the board member. Immediate contact strengthens the reputation of the board member by showing the community member has a voice, and the board member took those opinions seriously. Both Mr. Curia and Mrs. Henkel suggested that they receive one hospital-related issue per month from community members. The CEO must look at these situations as opportunities to enhance the reputation of the board member and the hospital.
- 3. Be intentional in making sure that board time is well spent.** Hospital board members dedicate a significant amount

of time in their service to the organization. Mrs. Henkel recalls several instances when she spent time in hospital committee meetings only to go back to the office or dial-in to her work computer in the evening to catch up. Distribute agendas at least 48 hours in advance of all meetings and assume the content has been read. Board portals can help make the sharing of information more efficient.

- 4. Frequently discuss the difference between governance and operations.** Board members must have an appropriate relationship with employees. The most effective board members listen to employee concerns, if contacted, and quickly forward that information for leadership to address. Governance is listening, while intervening is operations. Practice governance and leave operations to the CEO.
- 5. Help the CEO to see blind spots.** What is it about this decision that the CEO may be missing? What demographic has not been considered in the situation? Are there stakeholders, (patients, physicians, employees, vendors, elected officials, or local businesses) that may view the board's decision differently? Help the CEO to see around the corner and address hot spots before they become fires.

### For Every Negative, There Are Countless Positives

Service to the community as a board member has unique challenges and

risks. A business owner may find a customer who takes her business elsewhere because of a negative hospital experience. "I've lost customers because I didn't go along with what they believed," said Mr. Curia, who is also the owner of a local auto dealership. "But in return, I have met friends through my service on the hospital board that are now customers." Mrs. Henkel states, "Hospital staff comes to the bank because of relationships created through my board service."

Membership on the board also provides members with valuable knowledge and experience they may not acquire elsewhere. "I take concepts that the hospital is doing and apply those to my own business," Mr. Curia said. "I learn things during board meetings that are applicable across other industries." Mrs. Henkel also shared that learnings from other board members often apply to her professional and personal life. "I receive more than I give. The partnership between KSB Hospital and the bank is strong," she said.

Mr. Curia ended my interview by emphasizing the impact hospital board membership has had on his life. "Every time I drive by the hospital, I have some of the same feelings I have when I drive by my dealership. It's a sense of pride for something that I have had some part in changing and building into an important community asset. Hospital board membership has been a rewarding part of my career. There is a reward that you just can't explain."

The Governance Institute thanks David L. Schreiner, FACHE, President and CEO of Katherine Shaw Bethea Hospital, for contributing this article. He can be reached at [dschreiner@ksbhospital.com](mailto:dschreiner@ksbhospital.com).

