

Board Culture: Is Yours a Competitive Advantage?

By **Marian C. Jennings, M.B.A.**, President, *M. Jennings Consulting*

Scenario: at your next hospital board meeting, the chair asks each director to anonymously write down two to three words that best describe the board's culture. What would the overall result look like? Would positive words such as "engaged," "proactive," "dedicated," "forward-looking," "decisive," "inclusive," "collegial," "accountable," or "inquisitive" be common? Or would words like "passive," "a rubber stamp," "dysfunctional," "challenged," or "unclear" appear way too often? Worse yet, would someone just write down, "I don't know what our board culture is."

Board culture can be described in many different ways, but at its essence it denotes the values, behavioral expectations, and norms, both written and unwritten, that influence how directors communicate and work together and, therefore, how the board conducts itself and makes decisions.

Given the challenges of conducting regular in-person board meetings over the past three years, while also bringing new directors onto the board "virtually," it is time to focus on revitalizing your board's culture. This includes ensuring that the culture is aligned with that of overall system governance and that it facilitates your board's efforts to fulfill its designated roles.

This article provides five steps that can get you started on the right path to enhancing your board's culture.

Ensure Board Role Clarity

To support overall health system governance, subsidiary hospital boards typically play specific roles outlined either in their bylaws or in a charter. These often focus on areas such as quality and safety, advocacy, addressing community health needs, and philanthropy. It is critical that hospital directors not only understand but accept and embrace the governance roles that the health system wants and needs them to play.

Role confusion is the enemy of a healthy board culture. So don't overlook this important first step.

→ Key Subsidiary Board Takeaways: Tips for Enhancing Your Hospital Board's Culture

1. Make sure your board's roles and responsibilities are understood and accepted.
2. Build upon the health system's mission, vision, and values.
3. Know where you are starting, articulate your desired 2026 board culture, and implement an action plan to close the gaps.
4. Align with the health system: reach out to learn what tools and processes are already in place to support healthy subsidiary board cultures.
5. Hold each other mutually accountable for demonstrating the desired board culture.

Build upon the Health System's Mission, Vision, and Values

These foundational elements should be your "North Star." The hospital board should ask itself:

- What should our board be doing more of or differently to help the health system achieve its mission and vision?
- In fulfilling our board's responsibilities, do we manifest the system's values? For example, if a core system value is "respect," what does that mean for how our board holds discussions? Do we always listen to others generously? Do we feel comfortable sharing our views even if they seem to be out of the mainstream? Do we respect our fellow directors enough that we come to every meeting prepared for discussions?

Focus on Creating Your Desired 2026 Board Culture

Know where you are starting, articulate your desired 2026 board culture, and implement an action plan to close the gaps. This effort should be led by the hospital board chair and aligned with health system governance efforts and expectations. Avoid reinventing the wheel. If the health system already has outlined the desired culture of its subsidiary boards, adopt this; then conduct an honest assessment of today's board culture, identify your board's cultural gaps, and outline how you will close these gaps.¹

1 To view a sample board culture assessment, see [Board Culture: An Intentional Governance Guide](#), The Governance Institute, Summer 2016.

2026 may seem like a long way off. But sustainable cultural changes take time: to achieve the desired results within three years, you need to start now.

→ Recommended Resources

- [Board Culture](#) (Intentional Governance Guide)
- [E-Learning Courses](#):
 - » [Board Culture and Effectiveness](#) (1-hour course)
 - » [Board Culture: Encouraging Member Engagement](#) (15-minute course)
- [“Leading with Love: Five Strategies to Engage Your Hospital Board Members”](#) (Hospital Focus Article)
- [“Building Your System Identity as a Subsidiary Board”](#) (Subsidiary Focus Article)

Align With and Leverage Health System Approaches

Reach out to learn what tools and processes the health system already has in place to support healthy board cultures across the organization. Especially useful to your board would be:

- **Preferred tools and processes for conducting a board cultural assessment**— which could provide the added benefit of being able to compare yourself to your counterpart boards within the health system.
- **Sharing effective best practices for enhancing hospital board cultures** that have been developed by other subsidiaries within the health system.
- **Meeting discussions focused on “living the health system’s values.”** This includes using the close of each hospital board meeting to review the agenda items discussed and ask: In today’s discussions, how well did we live out our system values (which often include respect, accountability, innovation, excellence, stewardship, or integrity among others)? What could we do differently in future meetings to better live out the values?
- **A board member compact template.** Using a “compact” that clearly outlines expectations of your board members is an especially valuable tool.² Typically such a compact outlines the commitments that the organization expects from each director as well as how the organization will support the director in his/her

² For a sample board member job description or subsidiary board job description, view our collection of templates at www.governanceinstitute.com/templates.

role (see sidebar below for examples). It is in such a compact that cultural expectations of individual directors can and should be clearly delineated. If your overall health system does not have such a compact in place, inquire as to whether it would be acceptable for your hospital board to develop such an agreement with its members and make sure that the proposed content is acceptable to the system's governance and nominating committee. You could also inquire as to whether a common subsidiary board compact could be developed by the system collaboratively with hospital subsidiary boards and used consistently across the organization.

→ Examples of Board Member Expectations

Some commitments that might be listed in a board member compact are that each director is expected to:

- Be transparent in his/her views
- Live out the system's values
- Be inquisitive
- Come prepared to add value to meeting discussions
- Be supportive of a majority decision made by the board
- Stay in the oversight and policy-making lane, not getting involved in operations unless requested by management

This is a partial listing and also excludes such basics as maintaining confidentiality, avoiding and declaring conflicts of interest, and always acting in the best interests of the organization, not as a representative of any particular constituency.

Be Mutually Accountable for Fostering the Desired Board Culture

The hospital board chair can and must play a major role in endorsing, modeling, and fostering the desired board culture. He or she does that in myriad ways including how the meeting agenda is structured, especially the order of business; reducing the time spent on routine reporting; expecting and actively encouraging participation in robust discussions; and mentoring new directors.

Nevertheless, continuously improving your board's culture cannot be accomplished by one individual alone, regardless of how talented. Instead, it is essential that directors hold each other mutually accountable for demonstrating the desired board culture in every interaction.

Conclusion

Given the multitude of challenges facing hospitals today, it may be tempting to focus on solving today's workforce, quality, or competitive dilemmas rather than to focus on board culture, which can seem amorphous or not today's greatest challenge. But bear in mind the adage "culture trumps everything." As challenges increase, hospitals and health systems that devote the time and energy to create aligned and healthy board cultures from top to bottom will hold a distinct competitive advantage.

The Governance Institute thanks Marian C. Jennings, M.B.A., President, M. Jennings Consulting, and Governance Institute Advisor, for contributing this article. She can be reached at mjennings@mjenningsconsulting.com.

