

# Human Understanding in Healthcare Organizations:

*A Board and Senior Leadership Framework*



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HEALTH

A Governance Institute Strategy Toolkit

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## The Governance Institute

**The Governance Institute provides trusted, independent information, tools, and resources to board members, healthcare executives, and physician leaders in support of their efforts to lead and govern their organizations.**

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# Introduction

**T**he need to humanize care has never been more apparent. COVID put patients in hospital beds, scared and separated from their loved ones. It redefined out-patient care with a shift from in-person to virtual visits. Healthcare workers continue to be under enormous stress facing the fourth year of the pandemic. Leaders are looking for practical, sustainable strategies for improving the experience and delivery of care—to humanize care by turning transactions into relationships.

The imperative to humanize care is not new. But healthcare leaders are now entrenched in the workforce and financial crises, scrambling to cover gaps before quality of care suffers. Care is being stripped down to the bare-bones basics as hospitals remain in survival mode. Many healthcare boards are going back to in-person meetings, but many are still meeting virtually and everyone is busier than ever with complex and difficult decisions on the table. In times like this we tend to take a “business only” approach, with perhaps too much emphasis on efficiency over everything else. We have lost sight of the need to have a deeper understanding of the people sitting around the boardroom table.

**The aim:** board-accelerated activities to gain Human Understanding of all directors, senior leaders, physicians, workforce, patients, their families, and therefore the communities served, by helping board members maintain a deeper connection with the impacts of governance-level decisions.

**Question to answer:** How can Human Understanding impact the decisions we make as a board?

## **Human Understanding is:**

Understanding what matters most to patients, families, care teams, community members, and colleagues, each as unique people.

**“**Leaders must be able to ensure that their own organization’s strategies, policies, and practices focus on allowing all individuals, families, and communities a fair and just opportunity to be as healthy as possible.... [Boards can] enhance the ability of organizational leaders to identify and seize opportunities for transformation.”

—RWJF Raising the Bar Initiative: Healthcare’s Transforming Role

## **It impacts:**

- Experience (consumers, patients, and workforce)
- Equity and inclusion
- Outcomes
- Loyalty
- Culture
- Organizational longevity/sustainability

Treating patients as individuals—rather than types or groups—is the key to transcending transactions, conveying respect, meeting needs, and developing relationships that promote better health and more equitable healthcare. We believe that Human Understanding—moving from transactions to relationships—must start at the board level and be applied to individual board members, senior leaders, physician leaders, and nurse leaders to enable organizations to realize Human Understanding for every patient.

## An Intentional Approach

Board culture is built through personal connections; organizational culture is shaped by the culture of the board and senior leadership. Our premise is that healthcare board members and senior leaders need to better understand each other first before being able to remove barriers to Human Understanding at every level of the organization and ultimately at the bedside. This toolkit provides a framework for boards and senior leaders to develop Human Understanding and identify tangible strategies to accelerate the journey across the organization.



For context, The Governance Institute’s [Intentional Governance framework](#) contains pillars that enable boards to realize their highest performance potential, in order to better and more effectively govern their organizations. We see very clearly the need for effective governance in today’s difficult healthcare environment, and it is important to note that strong governance and leadership doesn’t happen by accident—it requires intent. There are several Intentional Governance pillars that connect directly to Human Understanding:

- **Board recruitment:** Who should be on the board and why, to enable Human Understanding?
- **Board culture:** Robust engagement, mutual trust, willingness to take action, and a commitment to high standards are aspects of only the most effective boards. Enabling Human Understanding at the board level can facilitate and open doors, which begets relationship building with senior leadership and the workforce to impact culture at every level.
- **The distinction between managing and governing:** A Human Understanding approach enables board members to respect and trust the role of management, and vice versa, opening the door for courageous dialogue about each group’s needs from each other.
- **Education and development:** Educating board members on Human Understanding and how it facilitates improvements in experience, equity, outcomes, and organizational culture helps ensure that the board can be a champion for Human Understanding across the organization, allocate resources to the effort, and integrate appropriate goals and objectives into the strategic plan, mission, and future vision.

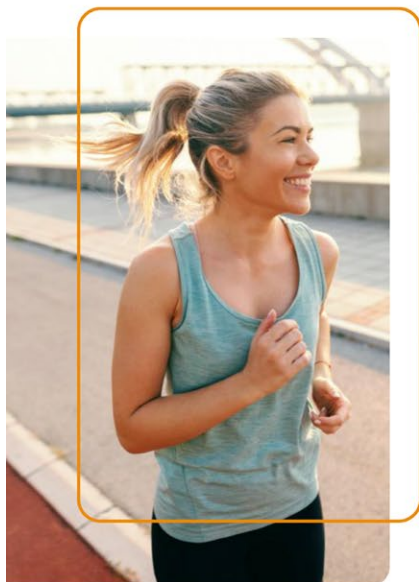
- **Evaluation and performance:** Applying Human Understanding principles to how the board conducts its own work as well as to its relationships with senior management, physician leaders, and the larger workforce, can lead to a better understanding of the impact of these relationships on board effectiveness and decision making.
- **Continuous governance improvement:** Building upon the Human Understanding exercise outlined later in this toolbox, boards can use this lens to evaluate the ongoing work of the board.
- **Leadership succession planning:** Incorporating the ability to treat people as individuals into the criteria for board leadership ensures that Human Understanding becomes core to the culture from the board on down.

# Human Understanding in Patient Care

**N**RC Health defines Human Understanding within the context of healthcare as providers' ability to understand the people they care for with greater *clarity, immediacy, and depth*; to appreciate what matters most to each patient to ease their journey:

1. *Clarity* involves the ability to illuminate the critical moments to improve the patient's treatment(s), outcome(s), and overall experience.
2. *Immediacy* is the ability to capture what people think and feel about their care in real time and over time, to enable providers to build on what is working and resolve problems with greater speed and personalization.
3. *Depth* explores a patient's experience through a multi-dimensional lens. A provider must understand the totality of the interaction with every patient—before, during, and after care—to comprehend the patient's personal journey toward well-being.

These capabilities can be achieved through sophisticated data collection and real-time reporting mechanisms, including transparent reporting of physician performance to the physicians themselves, collection of intelligence about the local market such as community perceptions and preferences, and competitive analysis. Also necessary are outreach, coaching, and comprehensive improvement plans for mid-level managers and frontline staff. However, the most important piece of the puzzle is building a consumer-centric culture, where everyone in a provider organization lives and breathes Human Understanding. Accomplishing this requires strong messaging



## Evolution to Human Understanding





and support of these efforts (through encouragement and guidance, resource investment, and staff development) by executive leaders and ultimately, the board.

With Human Understanding as the ultimate aim healthcare leaders can go beyond patient-centered care to strategically address the consumer revolution, which will improve our ability to help many more patients through our efforts to transform a confusing, fragmented, and illogical care delivery system to one that meets consumers where they are and is grounded in the *human* at its center.

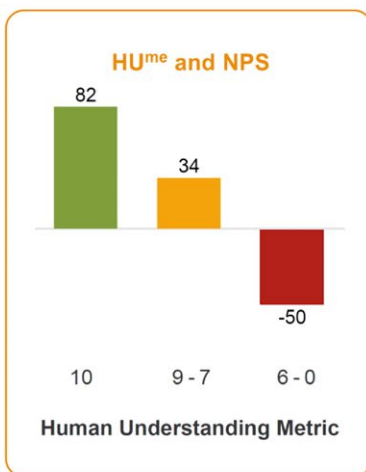
## The Business Case for Human Understanding

To measure Human Understanding, we ask patients, “Did everyone treat you as a unique person?” This becomes the Human Understanding Metric (HU<sup>me</sup>),<sup>1</sup> which focuses attention on what *should be* happening for each patient, 100 percent of the time. We can look at how this metric impacts other important indicators of patient and consumer experience.

NRC Health’s national Market Insights study reinforces the importance of Human Understanding:

- **Sixty-three (63) percent of patients and consumers** say that being treated as a unique person is important in healthcare, *double* that of other services or activities such as banking and hospitality.
- **38 percent of patients** say this is actually happening.

## Impact of Human Understanding



### Human Understanding + Net Promoter Score

#### Did everyone treat you as a unique person?

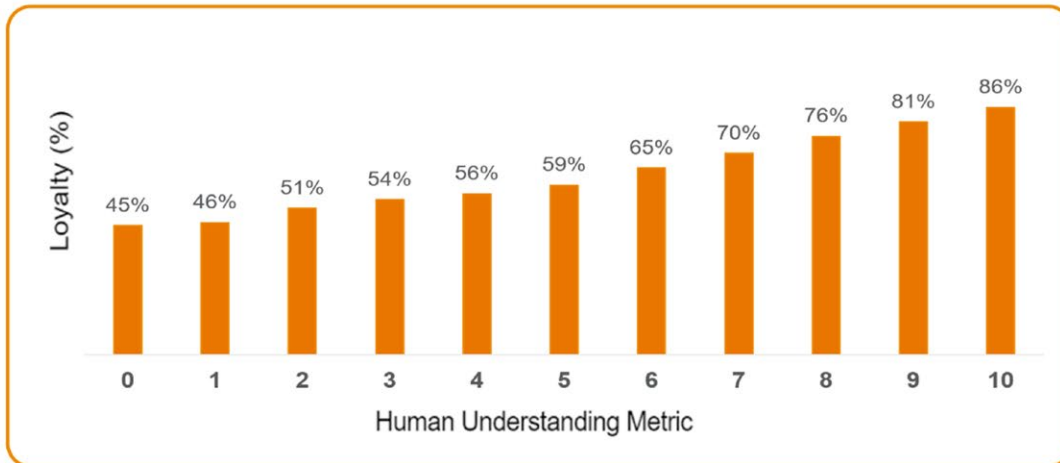
- Patients who answer ‘10’ (yes, everyone did) are 12 times more likely to be a Promoter.
- Patients who answer ‘0’ (no, no one did) are 13 times more likely to be a Detractor.

<sup>1</sup> This metric was developed through several national market studies with a total of more than 85,000 participants, a series of diverse focus groups, and field tests across a range of high-performing health systems. The decision to reference “everyone” in this metric is a result of views expressed within the focus groups and national surveys. The vast majority of people expect that everyone, not just the care team, should treat them as a unique person.

HU<sup>me</sup> has a direct, causal impact on a patient’s net promoter score (NPS). (The NPS is widely used across industries as a high-level indicator of the likelihood that a person would recommend a company, product, or service to friends and colleagues.) Data from our Experience Feedback surveys, most gathered within 48 hours of a clinical encounter, demonstrate that the extent to which people feel everyone treated them as unique is the *number one* driver of Likelihood-to-Recommend and, thus, NPS.<sup>2</sup>

When the two metrics are looked at together, patients who answer 10 (yes, everyone did) on the HU<sup>me</sup> scale are 12 times more likely to be a Promoter on the NPS scale (a score of 9 or 10 out of 10). Patients who answer 0 on the HU<sup>me</sup> are 13 times more likely to be a detractor (ratings of 6 or lower on the NPS scale). This translates to patients who are promoters being 295 percent more likely to rate the organization’s overall image/reputation as “excellent.”

Loyalty is another critical measure. Our national data shows an increase in loyalty along every point of the HU<sup>me</sup> scale, with 86 percent of respondents who say that they were treated as a unique person by their top-of-mind hospital professing loyalty to that organization.<sup>3</sup>



THE VALUE OF DOING IT RIGHT

**\$1.2 MILLION**

average remaining lifetime spend for a 26-year-old healthcare consumer

Estimate based on data from: Agency for Healthcare Research and Quality. Mean expenditure per person with expense by age groups, United States, 1996 to 2019. Medical Expenditure Panel Survey. Accessed July 27, 2022; assumes average life expectancy to age 80.

Market Insights (Jan - Dec 2022) N = 126,447 people who had an experience with their top-of-mind hospital ≤ 12 months prior to responding

Stratifying the Human Understanding data by demographic groups offers a valuable lens on disparities, as Human Understanding is integral to health equity. Not surprisingly, Black patients are less likely to report being treated as unique than White patients; patients identifying as Asian are the least likely to report being treated as unique.<sup>4</sup>

2 NRC Health, “[The Power of ‘Doing’ Human Understanding,](#)” nSight, November 2022.

3 NRC Health, “[Patient Perceptions of Human Understanding,](#)” nSight, August 2022.

4 *Ibid.*

Enhanced patient experience (achieved via Human Understanding) makes a direct impact on organizational performance, including financial:

Deloitte research finds that the tendency to perform financially goes deeper than the bump from reimbursement or increase in volume. When researchers looked at correlation between reimbursement and a variety of factors, they found the Medicare and VBP incentives accounted for only 7 percent of the association between patient experience and strong financial performance. Organizations can increase their margin if they are able to reduce costs. In a study that analyzed cost data for 3,000 US hospitals, researchers found that better patient experience in the hospital was associated with lower healthcare spending per episode of care and in fact there was a 5.6 percent difference in spending between the hospitals with the lowest and highest patient experience ratings.<sup>5</sup>

Human Understanding is gaining momentum through a more tangible focus on what matters to patients, families, and care teams. Patients are asking providers to *join them* in their health journey, rather than trying to “engage” patients in what providers are trying to do.

## Human Understanding builds relationships.



5 Deloitte, “The Value of Patient Experience: Hospitals with Better Patient-Reported Experience Perform Better Financially,” 2016.

## HU 201: Senior Leadership Needs

There has been an expanding and much-needed emphasis on workforce wellness since the pandemic exacerbated already widespread problems of provider burn-out. Senior leaders also need wellness support, and that needs to come from their boards. They also need opportunities to achieve work/life balance and to maintain their own sense of joy and purpose in what they do for your organization.

Vic Strecher, Ph.D., M.P.H., Professor at the University of Michigan, has researched the importance of purpose in one's life and found that those who have a strong sense of purpose are not only healthier overall but also are less likely to experience burn-out in their job.<sup>6</sup> A recent poll<sup>7</sup> found that when employers try to understand their employees' personal purpose for working, they are almost four times more engaged and twice as likely to stay with their current employer. Human Understanding can help get the entire workforce and especially senior leaders back to that sense of purpose that drew them to the profession in the first place.

Human Understanding aligns well with many aspects of IHI's Joy in Work Framework:<sup>8</sup>

- Creating the space to hear, listen, and involve before acting
- Connecting daily work to meaning and purpose
- Recognizing what team members are doing and celebrating outcomes
- Recognizing opportunities to improve and regular proactive learning
- Cultivating resilience and stress management
- Role modeling values and system-wide appreciation for whole person and family
- Building social cohesion through shared understanding and trusting relationships

Applying Human Understanding beyond patients but to everyone in the organization can make a meaningful impact on the leadership's ability to remain "work healthy" and sustain their effectiveness through trying periods.

Treating people as individuals, rather than types or groups, is the key to transcending transactions, conveying respect, meeting needs, and developing relationships that promote better health and more equitable healthcare. Are you able to build these kinds of relationships with your fellow board members and senior leaders? The next sections of this toolbook will dig deeper on how to apply these concepts to the board itself.

6 V.J. Strecher, *Life on Purpose: How Living for What Matters Most Changes Everything*, HarperOne, 2016.

7 Harris-Kumanu Poll, U.S. Full-Time Employees, January 2023 (n=831, p<.0001; adjusted for age, gender, race, income, education, organization role, organization environment).

8 See Institute for Healthcare Improvement, "Framework: Improving Joy in Work" (Web page), <https://bit.ly/42EB5X0>.

# What Is Your Story?

**W**e are in a time when many healthcare professionals are reconsidering their career paths and asking themselves if this is still the calling it was when they entered the profession. Perhaps your board members are feeling the pressure too as the job gets harder and legal ramifications more intensify. We, as a society, are taking stock right now, with the trials laid out plainly before us.

In our research to develop our Intentional Governance framework over 10 years ago, we asked board members about the importance of legacy: what do you want to leave behind when you leave volunteer board service?

Why board members choose to serve and remain during the most difficult times can have direct impacts on board engagement, recruitment, and board leadership succession planning. The more board leadership understands what directors want and expect out of their board participation, the more likely the relationship will be a successful one and that the director will stay committed. Likewise, the more directors know what is expected of them, the more effective their service will be. Boards that can monitor and assess the satisfaction of directors in “real time” have a better chance of keeping them interested and productive.

This also enables better ongoing education of board members, something that is critical now as healthcare organizations face new and unprecedented challenges. If board members understand their role, why it is important, and that understanding is linked to their own sense of purpose and values, they are much more likely to be willing to spend time educating themselves about critical governance-level issues.

We now consider it a strategic imperative for boards to know the answers to the following questions of all of their board members:

- What motivates you to serve on a hospital board given all of its demands?
- What are you hoping to get out of the experience of serving on a hospital board?
- What talents or resources do you believe you bring to the table?

It is also more important than ever for boards to have a collaborative and constructive relationship with their CEO and senior leaders. Do boards have any sense of who their senior leaders are and why they serve? What brought them to the profession in the first place and why do they push on when they could do something else?

The point is that behind every person is a story. We talk about this in the context of patient care and experience, but not when it comes to our nurses, physicians, leaders, and board members.



## The Exercise

At your next board meeting or a special retreat, invite members of senior leadership to join the board in the following Human Understanding exercise, which can be executed in three to four hours.<sup>9</sup> *(In advance of the retreat, discuss the importance of transparency and psychological safety for this exercise; remind participants that they are in control of what they share.)*

### Preparation: My Story Homework

Before the meeting, gather the following information from each person participating in the Human Understanding exercise and compile for participants to read ahead of time:

**Questions/themes to cover** (adjust for senior leadership):

- Professional experience/brief bio, including when board service began
- Legacy/personal mission: What is the main reason you aspired to serve on this board?
- What are you most proud of during your time on the board?
- By the end of your current term, what impact do you hope to make?
- Rate your level of interest in various areas of board service (e.g., committees, officer positions)

**Improving Board Experience** (these answers will be made anonymous)

- Please rate your board experience (NPS)
- Does everyone treat you as an individual? (HU<sup>me</sup>)
- Is there anything you would like to share to improve your board experience?
- Rate interest in continuing board service beyond current term

**My Story:**

**About Me:**

Here is what I would like my fellow board members and senior leadership to know about me:

**Joys**

Everyone has good things in life that affect health and well-being. Knowing what makes you happy is important. List the people, places, activities, and/or things that make you happy:

1. INSERT HERE
2. INSERT HERE
3. INSERT HERE

<sup>9</sup> This exercise can be altered or modified to fit the needs of those involved, depending on the size of the group and/or number of groups participating. If you would like assistance in customizing this exercise for your board and senior leadership team, please email [TGISupport@NRCHHealth.com](mailto:TGISupport@NRCHHealth.com).

## Goals

Your goals matter. It's also important to know if anything gets in the way of achieving them.

What are your priorities and goals when it comes to board service/fulfilling my job as CEO or senior leader?

1. INSERT HERE
2. INSERT HERE
3. INSERT HERE

What are the biggest barriers to reaching your board service/fulfilling your job priorities and goals?

1. INSERT HERE
2. INSERT HERE
3. INSERT HERE

## Half-Day Retreat

Identify a facilitator to engage everyone in a discussion about what they learned from the My Story homework. This kind of session requires a great degree of honesty, transparency, and vulnerability from participants, so establishing psychological safety can be a key first step in enabling everyone to feel safe and comfortable sharing this kind of subject matter. (For some organizations, an objective third-party facilitator might be necessary/helpful.)

### Step 1. Set boundaries and expectations for psychological safety (15 minutes)

What do we need from each other in this session to feel safe?

- Support each other
- No judgement
- Open minds
- Be genuine
- No defensive responses
- Show gratitude and appreciation
- It's ok to say "I don't know" or "I don't feel comfortable answering that question"
- Etc.

### Step 2. Full-group discussion of My Story homework (30–45 minutes)

1. What surprised you most?
2. What surprised you the least?
3. How did you feel after reading this information?
4. Do you feel more connected to your colleagues? Do you feel less connected to your colleagues? Why?
5. Why are connections important to the work that we do and our core purpose?

**Step 3. Discussion: How to reach Human Understanding as a board** (30–45 minutes)

- What barriers exist that we feel get in the way of Human Understanding, and what can we do to begin to remove those barriers?
- Is the board too focused on issues of urgency, so that the rest of its responsibilities fall by the wayside?
- Are we reviewing/discussing the right metrics and do those metrics really tell the story of how our organization is doing?
- Is the board sufficiently supportive of innovation and transformation, willing to accept the risks associated with bold action and to recognize the risks of status quo?

**Step 4. Small group deep dive on the following questions** (30–45 minutes in three groups, each with a designated facilitator or discussion leader. Each group should summarize a five-minute report back to the full group.)

Group 1:

1. How and how much do board-level decisions impact patients, families, and communities?
2. How and how much do board-level decisions impact workers, including nurses, physicians, and senior leaders?
3. What should be our plans for maintaining and furthering the Human Understanding gained from this exercise?

Group 2:

1. How does having personal information about each other help us:
  - » Develop better (or different?) meeting agendas
  - » Engage in more strategic and generative discussions
  - » Empathize with senior leaders
  - » Empathize with nurses, physicians, and frontline staff
  - » Empathize with patients and the community
  - » Think differently about the work we do
  - » Change the decisions we make going forward?
2. What should be our plans for maintaining and furthering the Human Understanding gained from this exercise?

Group 3:

1. How do we as a board need to be functioning differently now that we have this information?
2. What should be our plans for maintaining and furthering the Human Understanding gained from this exercise?

**Step 5. Improvement Plan** (60 minutes)

After the reports from the small groups, end the exercise by prioritizing what areas are most important to address and then identify:

1. Two or three concrete, high-level goals
2. Two or three objectives to help meet each goal
3. Who is responsible for completing each objective
4. A timeline for implementation, completion, and progress follow up/assessment



Make sure the focus remains on developing, maintaining, and furthering Human Understanding. Connect and align these goals and objectives with the strategic plan, mission, and future vision of the organization.

Then determine which other groups of people in the organization can benefit from going through a similar exercise (for example, would physicians and nurses benefit from doing this together?).

**Step 6. Socialize!**

Make sure there is time to share a drink or meal with each other and invite spouses/partners as appropriate.

# Conclusion

**J**ust as Human Understanding is an ongoing journey in every healthcare setting, it will be an ongoing journey for boards and senior leaders. Conducting this exercise once and then forgetting about it won't result in meaningful change. Board members and senior leaders who are able to translate aspirational goals into concrete actions will have more success and a better experience, which will result in more success in recruiting and retaining new board members and leaders.

**I**t is not enough to ask your organization to achieve this magnitude of change without considering the same magnitude of change in your board and senior leadership.

Healthcare organizations are being asked to do more and be more for their communities. They are being asked to take a hard look at their business model to innovate and transform in order to improve patient care. They are being asked to impact patient wellness far beyond the scope of medical care. They are being asked to make bolder decisions to accelerate progress. And they are being asked to do all of these things with less money. They cannot succeed if they continue to function as they are currently. Taking it to the 30,000-foot level, it is not enough to ask your organization to achieve this magnitude of change without considering the same magnitude of change in your board and senior leadership.

By better understanding how the culture and processes of the board influence the Human Understanding and performance of directors, continual improvement can be realized. By knowing the specific impediments to a good employment experience, improvements can be made. Just as Human Understanding is key to patient experience, we believe it is also key to the experience of senior leaders and the board, and with everything in healthcare, it starts at the top!