

Looking Out for Tomorrow's Board Leaders

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No doubt your organization has devoted time at the board level to discussing the workforce crisis, its underlying demographic changes, and the impact on the healthcare workforce. Many hospitals and health systems are thinking creatively to build a pipeline for the next generation of healthcare workers, building interest in nursing and other careers as early as the elementary school years.

But how carefully are you looking at building the next generation of board members and board leaders? With increasing emphasis on diversity, don't overlook the importance of generational diversity in the boardroom. According to the American Hospital Association's 2019 National Health Care Governance Report, only 2 percent of voting board members were 35 years old or younger, while 66 percent were between the ages of 51 and 70. The Governance Institute's 2021 Biennial Survey of Hospitals and Healthcare Systems also showed that the average board member age is 58 and board members are typically between 40 and 75 years old.¹ A recent *Harvard Business Review* article cited that only 8 percent of organizations include age as part of their diversity, equity, and inclusion (DEI) strategy.² Clearly, boards can do more to incorporate millennials (born 1981–1996) and Generation Z (born 1997 and later) into the boardroom, and to be more mindful of generational diversity.

Why Generational Diversity Matters

Hospitals and health systems must be equitable and inclusive of the communities they serve, and having diverse perspectives and experience on the board is one way to support this objective. Younger people bring different personal interactions with the healthcare system and with the community as a whole. While older directors

- 1 Kathryn Peisert and Kayla Wagner, *Advancing Governance for a New Future of Healthcare*, The Governance Institute's 2021 Biennial Survey of Hospitals and Healthcare Systems.
- 2 Megan W. Gerhardt, Josephine Nachemson-Ekwall, and Brandon Fogel, "Harnessing the Power of Age Diversity," *Harvard Business Review*, March 8, 2022.

represent a demographic that is a bigger user of healthcare, younger directors represent a generation that will be utilizing—and paying for—the strategy the board is approving today.

Governance support professionals and directors should look around the boardroom and see how the generations are represented. If retirees are the only ones with bandwidth to enter leadership roles or take on new initiatives, you are missing an opportunity to bring new voices to the board. You also may not have the structure in place to attract younger board leaders—and other diverse talent—who are critical to your organization’s future.

Fortunately, many of the actions to make the board more welcoming to younger board members can also increase the inclusiveness for other forms of diversity as well. And many of the things that make your board more attractive could already be on your list of goals.

What Are Younger Volunteers Seeking?

Much has been written about millennials’ and Generation Z’s desire for meaning and purpose in their work. Healthcare board service is therefore a natural fit for

→ Key Takeaways

- Assess what generations are currently represented on the board.
- Consider what the younger generation can bring to the boardroom (e.g., a fresh perspective, needed expertise, interests that align with strategic goals, desire to utilize technology to improve board workflows and communication, etc.).
- Think through ways to make your boardroom more accommodating to younger potential board members.
- When building a pipeline of prospective board members, consider younger emerging leaders in the community that may have the expertise or experience your board needs.
- Introduce up-and-coming leaders to the organization through volunteer opportunities such as task forces and committees to see if they may be a good fit for future board service.

the interests of many younger people, especially as boards are increasingly taking responsibility for big societal issues such as health disparities and systemic racism.

The majority of millennials are in the thick of building their careers while also balancing family responsibilities. This means they may have less time to commit to board activities—at least as they are traditionally assigned. If you have had the same board meeting structure for years, it could be turning off younger directors who must balance board service with full-time work.

Below are five ways to make your boardroom more accommodating to younger potential board members.

1. Recruit with a focus on generational diversity. Hopefully you are already looking not just at the board seats to be filled next year but several years into the future. When building a pipeline of potential board members it's wise to look at emerging leaders in the community. In the corporate world, efforts to diversify boards have focused on people with non-traditional backgrounds or experiences. According to the Nasdaq Center for Board Excellence, more specialized or newer expertise such as cybersecurity or sustainability can often be found in people a few levels below the C-suite. This cohort includes younger people who are rising leaders in their fields. Non-profit healthcare boards can also look to this group when recruiting new directors.

Not every promising candidate is ready to commit to the board right away. Similarly, the existing board will likely want to evaluate someone's commitment and style before nominating them. You have an opportunity to introduce these up-and-coming leaders to your institution through other volunteer opportunities such as task forces and committees. Look at who is volunteering elsewhere in the hospital, such as through your patient and family advisor program or other non-governance roles. Encourage the board to make introductions to local professional organizations and learn more about the community's young leaders who could be suited for future board service.

2. Incorporate lessons learned from the pandemic. The pandemic forced quick and dramatic changes in work habits and use of technology. The much-maligned video meetings certainly have some drawbacks. But they have opened up board participation to those who would have found it challenging otherwise—such as the person who can't take extra time out of the workday commuting to the boardroom or who must be home in the evenings with children too young to be left alone. For

people in these scenarios, remote meetings have provided an opportunity to be more engaged in board service despite scheduling constraints. As you begin to cautiously open up the physical boardroom, consider keeping some of your meetings remote or hybrid to be more accommodating to those who need additional flexibility. If the board has turned over a few times since the last time you adjusted your meeting schedules, ask current members if the timing is optimal for them.

Younger board members who have grown up using technology can be “super-users” of your board portal and may be able to support your efforts to keep the board using the portal effectively. The board portal can save everyone a lot of time by streamlining communications and keeping the board connected between meetings. If you are not already maximizing your software tools for board communications, now is a great time to start.

3. Double down on best practices for meaningful board meetings and communication. Boards have a perennial desire to spend more time on strategic discussions and less time listening to reports. The preferences of younger directors can reinforce the need for meetings to be streamlined and meaningful. Studies of millennials in the workplace have shown their desire to understand how their work fits into the big picture. This can be carried through to the board level as well, and can be a catalyst for reshaping your agendas for the better. When creating meeting agendas, make sure you are focusing on the “why” of each agenda topic and how each item supports the institution’s strategic goals. The boardroom shouldn’t be the first place board members are learning of major issues. If they are, look at options for ongoing communication so directors stay up to date on what management is doing.

4. Lean in to your onboarding process. A robust onboarding and mentorship program orients board members to the institution and gets them comfortable in their leadership role. Help level the playing field between new and experienced directors by fine-tuning your orientation program. Provide a mix of background materials to read and structured education from senior leadership with plenty of time for questions. Having a mentor on the board—perhaps someone with similar personality traits or background—can be a great way for new board members to ask questions and learn about expectations informally.

5. Evaluate what’s working. If you are already conducting a board survey, use that data to identify common themes of how to improve board operations. Use the mentor relationship to solicit honest feedback about what’s working for your board members and how to make the role more meaningful. Pay particular attention to generational

differences in directors' level of satisfaction with the board, and see how you might be able to tweak your operations in response.

Conclusion

Adding more generational diversity helps open the board to some new perspectives and builds a pipeline for future leaders. Looking at long-established practices with an eye towards making them friendlier to directors in different life stages will also benefit others. After all, every board member would appreciate fine-tuning meetings and communication to be more efficient.

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