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Governance Notes

An Intentional Approach to Board Recruitment

By Amelia Gulkis, Network Board Administrator, *The University of Vermont Health Network*

Think about the last time your hospital hired a new senior executive.

Most likely the HR team advertised the role heavily, ensured the candidate pool was large and diverse, and involved multiple stakeholders in following a consistent interview process. Do you follow a similar process when selecting your board members (the CEO's bosses)?

Too often, the board member recruitment process is well intentioned but too casual. Despite efforts to bring diverse perspectives to the board, the nominations process can reinforce the status quo when directors recommend people very similar to themselves for board seats.

To truly advance fresh perspectives, boards should take an intentional approach to recruiting and vetting potential nominees, including looking in some unconventional places to find directors. This article provides some considerations for governance support professionals looking to refresh and tighten up their recruitment process.

Step 1: Refresh Your Guiding Documents

Review your board member job description and the latest skills matrix.¹ Make sure these documents reflect the most recent priorities for the board, and the experiences that can be most helpful for the board's work. While there will always be a place for financial expertise on the board, consider outside-the-box experience that will help advance your strategy and mission. For example, have you considered adding experience with homelessness, mental health, or substance abuse to your list of director attributes? Someone with experience in these areas can bring a needed perspective to your board.

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1 For sample board member job descriptions and skills matrices, see [The Governance Institute's governance support templates collection](#).

Governance support professionals may also consider adding a vision statement summarizing the most important attributes and skills the board is seeking in its next incoming class of board members. This ensures everyone charged with finding nominees is operating with the same set of priorities.

If your board does not already have a written nomination process, draft a document that lays out the steps—everything from brainstorming names to making final selections. Be explicit about who will do certain tasks and the timeline for each step so your board is aware of its responsibilities.

Utilize standard forms for nominating individuals and summarizing interviews, so that you have a consistent basis for evaluation. Asking your nominators to put thoughts in writing helps focus their thinking on why someone is a good fit for the board.

Step 2: Cast a Wide Net

While your current board members doubtless know many good candidates, encourage them to go beyond first-degree connections to look at a broader swath of the community. Ask your local United Way and other community leaders about rising stars in some smaller organizations. It can also be helpful to look to professional organizations for demographics under-represented on your board. Searching deeper for directors will take some extra time, so have your board start early. Ideally, you will have a champion on the board who is committed to this type of detective work.

The objective in this first stage is to create a long list that you will whittle down for further vetting. Do not worry about who has the time for the board or who is ready. You will find that out later in the process, once you make contact with your selected group of candidates.

Step 3: Be Transparent with Potential Board Members

Now that your board has come up with a list of candidates, have someone reach out to each person to determine mutual interest. If the candidate is interested in exploring board service, set up an interview with a few current board members to probe further. If you are lucky, you will have more good candidates than can fit on the board at any given time. In this final stage, focus on the candidates who would make the biggest difference to your board *right now*. Others can be considered for future years.

Your potential board members are vetting your board as much as you are evaluating them. They want to work with an organization that respects their time and communicates clearly.

A good nominations process helps set up your new directors and the board as a whole for success.

Be honest about the total time commitment for board service. Think beyond your scheduled board and committee meetings and consider how often board members participate in *ad hoc* meetings or special task forces. How much time is spent reviewing documents and communicating between meetings? If you are getting surprise or pushback about any aspects of board service, this can be a signal to revisit some of your board's norms to be more accommodating. Share the board member job description and be sure to ask if they have concerns about their responsibilities.

Rely on your written nominations process to define who follows up with potential nominees and when. If you stick to your plan, nobody receives duplicative or conflicting information. Be clear about next steps and expectations for communication.

Your potential board members are vetting your board as much as you are evaluating them. They want to work with an organization that respects their time and communicates clearly. The nominations process is the first impression of your board, so make it a good one!

Step 4: Keep Your Pipeline Engaged

A successful nominations policy creates a pipeline of interested people who can be considered for future board seats, so you are not starting from scratch each time there are vacancies on the board. Think about ways to keep these prospective board members engaged, such as inviting them to education sessions or adding them to mailing lists. As your governance practices allow, you may also add them to a committee or board workgroup. This gives you a head start in onboarding for when your pipeline members are ready to join the board.

Step 5: Learn, Adapt, Repeat

After your board approves the first round of nominees using your new process, take a moment to congratulate yourselves but also make time to reflect. Ask what aspects worked best and what you can do better.

As governance support professionals, we play a critical role in helping our boards strengthen our nominations process. We can share best practices with our board leadership and draft the guiding documents for the nominations process. We can create forms and templates to streamline the process, and track timelines to keep ahead of deadlines.

Most importantly, challenge your board to broaden its approach to filling the pipeline of potential board members. A good nominations process helps set up your new directors and the board as a whole for success. The work you put in up front will pay dividends later on with an engaged board that is equipped to handle the complex challenges ahead, and that reflects the community's diversity and perspectives.

Key Takeaways

- Use a skills matrix and values statement to identify the characteristics most needed.
- Build a pipeline of interested board members rather than starting fresh each year. Think about ways to keep your pipeline engaged.
- Treat board recruitment seriously; these are the CEO's bosses! Apply tools from your HR processes to bolster recruitment.
- Codify the nominations policy and process in writing. Be explicit about who is doing follow up and set clear expectations with nominees.
- Have a written document outlining board member responsibilities.
- Cast a wide net looking for nominees going beyond people immediately known to the current directors. Look for second-degree connections such as asking for recommendations from local social service agencies.
- Interview nominees. Explain what board service entails and make sure they can meet the time commitments. Clear conflicts of interest up front.
- Acknowledge that there is always a subjective element to recruitment; be aware of biases that can slip into the evaluation process.
- Commit to continuous improvement.

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Does Your Board Have Strategic Discussions?

By Christine Bassarab, Ph.D., JoAnn McNutt, Ph.D., and Sara Finesilver, M.S., Organizational Psychologists and Board Consultants, *Board First Consulting, LLC*

Since the onset of the pandemic, many boards report they are spending more time on strategy and engaging in strategic discussions.

Contrastingly, however, boards are also still stating that strategic oversight is one of the top areas in need of improvement. In The Governance Institute's 2023 biennial survey of hospitals and healthcare systems, boards reported that only 30 percent of their time is allocated to active discussion on the strategic priorities of the organization.¹ While more time spent on strategy is both desired and necessary, there is no guarantee that lengthier discussions will yield robust debate and forward-looking insights that help move the organization toward its intended end state.

So why don't more boards have effective strategic discussions? There are several factors that may influence this, including the amount of time dedicated to a particular topic, leadership and board capability, board agenda structure, and board culture and dynamics. The absence or presence of these elements can promote or inhibit strategic discussions, therefore, it is important to determine which ones may be impacting the quality of your conversations. This article poses a few questions (and offers suggestions) to help determine where your board might need to change its current approach to yield more strategic discussions.

1. Does the board engage management appropriately in the development of a robust strategy that defines strategic priorities, clear milestones, and success metrics? One reason a board may not be discussing strategy or strategic priorities is that the board and management have not agreed on the strategic priorities, and/or the key milestones and metrics that signal progress against those strategies are unclear. Management may provide routine updates on financial performance or other areas of the organization that are monitored and measured with no clear guidance on how those measures are tied to the strategy or how those metrics impact the strategy.

Boards are stating that strategic oversight is one of the top areas in need of improvement.

1 Kathryn Peisert and Kayla Wagner, The Governance Institute's 2023 Biennial Survey of Hospitals and Healthcare Systems, 2023.

To prevent these situations from happening, effective boards engage with management early on when shaping the strategy, reaching agreement on priorities and success measures, and confirming upfront when and how the board will be involved in any strategy-setting exercises. In addition, boards should agree on the cadence of report-outs, and when and where the board needs to be apprised when significant milestones are missed to allow for adequate discussion of any changes or course corrections.

2. Does the board set aside at least 50 percent of each meeting for discussion of strategic priorities, and do board materials provide enough information to allow for robust debate?

In The Governance Institute’s 2023 biennial survey, boards report that on average more than 57 percent of meeting time is allocated to hearing reports from management and board committees.² While the use of a consent agenda is now common practice for most boards, board agendas continue to be filled with updates on a litany of topics that have no clear link to the strategy. To ensure the board is spending enough time on strategy:

- **The board chair and CEO should ensure complex topics receive adequate time on the agenda and are focused on issues that require the board’s decision in the near or immediate future.** Agendas with too many topics can curtail generative discussion, as often board members do not want to be seen as the individual that derails tight agenda timelines by asking questions or engaging in deeper discussion.
- **Utilize dashboards and summaries** to provide updates on routine matters that require board oversight but do not necessarily require board discussion. Ensure analyses provide appropriate context such as historical trends, external benchmarks, and other relevant data points. Analyses should emphasize long-term trends rather than near-term budgets or metrics and closely match how the organization measures performance. Ensure results include inputs and drivers to provide insights as to how outcomes have been achieved.
- **Propose limits on the size of presentations and request that all board materials include an executive summary** that describes why the topic is being presented, how it is linked to strategy, any underlying assumptions, if it requires a board decision, and the pros and cons to any decision being requested. While this can take more time for management to prepare, it will help to focus the board on the most important matters and increase the likelihood of insightful discussions that yield more value-driven guidance and decisions.
- **Ensure committee updates are not report-outs of discussions but rather focus on board actions and/or decisions.** The board can review committee meeting minutes in advance to stay apprised of routine matters, thereby freeing up time on the board meeting agenda.

Plan to set aside **at least 50%** of each meeting for discussion of strategic priorities.

² *Ibid.*

Key Takeaways

Holding strategic discussions requires discipline around agenda setting, material preparation, leadership and board capability, and strong board–management dynamics. If your board is not engaging in robust strategic discussions, it is likely due to multiple factors. We encourage the board to consider which of the following underlying issues may be contributing to a lack of focus on strategy:

Structure (Agenda and Board Materials):

- Allocate at least 50 percent of each agenda to strategic topics.
- Require executive summaries for all presentations.
- Use dashboards for routine updates and include historical context and drivers of changes in data.
- Limit presentation size.

Leadership:

- Include facilitation skills in board chair job responsibilities/training.
- Ensure there is a close and healthy working relationship between the board chair and CEO.

Capability:

- Evaluate needed board capability when the strategy is being redefined or refreshed.
- Onboard needed capabilities as board members retire or term out.
- Ensure the CEO (and/or the management team) can articulate a long-term strategy.

Board–Management Dynamic:

- Proactively develop an open and trusting relationship with management.
- Select new board members that fit and support a culture of psychological safety and trust.
- Proactively develop and nurture a board with high emotional intelligence that believes in and upholds mutual respect and trust as a core tenet.

3. Does the board and CEO have the necessary capabilities? Directors are increasingly vocal that their peers do not have the necessary skills to serve on boards. In PwC's 2022 Annual Corporate Directors Survey, 48 percent of directors said they would replace at least one member of their board.³ As new technologies and risks emerge, and

as strategies evolve to cover an ever-expanding array of complex pursuits, boards need directors with the knowledge and experience to delve into these matters and understand the opportunities or risks associated with managing related actions. Gaps in skill and experience may promote a more passive board that uniformly agrees with whatever management proposes.

In the same vein, if the CEO is unable to articulate a compelling and relevant vision for the future and develop a supporting strategy, it will impact the board's ability to have strategic discussions. Ensure the CEO has the necessary skills to frame and lead the organization and best prepare and position it for future opportunities.

4. Does the board chair effectively facilitate board discussions to promote robust discourse, allow for deeper understanding of issues, and reach agreement on strategies?

An effective board chair plays an important role in enabling strategic discussions by ensuring the agenda reflects critical priorities. Successful chairs also focus on strategic topics that require action in the present or near future and work closely with the CEO to identify matters needing board review and discussion.

In addition, a skilled chair ensures the full board is engaged in healthy debate where contrasting views receive adequate airtime. They allow the board to work through any conflict and help identify commonalities to help bring the board back together to reach a decision. Without the chair's intentional stewardship, boards can easily be dominated by one voice or the viewpoints of a small minority, and/or deviate into topics and points that are not salient to the conversation or do not build general agreement on key decisions.

5. Does the board have a collaborative and open relationship with the CEO and management?

It is vital that management feels safe sharing not only optimistic progress reports on strategies and/or promising views of future opportunities, but also failures and actions that may pose future risks. These discussions require relationships built on transparency, mutual trust, and respect so that when bad news is presented, the board avoids casting blame and instead seeks to understand issues and work collectively to solve the problem at hand and mitigate any associated risks.

6. Does the board have a culture that promotes psychological safety and mutual respect?

For boards to have difficult conversations on strategic topics that potentially represent high stakes, directors need to be able to contribute their differing views without risk of being shut down or embarrassed. Boards that focus on building strong relationships, allow individuals to feel a sense of belonging, give room to challenge the status quo, and are open to learning will benefit by having more open communication,

Boards that invest in developing a culture that promotes psychological safety and mutual respect are more likely to work together effectively when navigating conflict.

3 "PwC's 2022 Annual Corporate Directors Survey," PwC, October 2022.

knowledge sharing, creativity, and positive attitudes. Boards that invest in developing a culture that promotes these types of attributes are more likely to work together effectively when navigating conflict.

The Governance Institute thanks Christine Bassarab, Ph.D., JoAnn McNutt, Ph.D., and Sara Finesilver, M.S., Organizational Psychologists and Board Consultants at Board First Consulting, LLC, for contributing this article. They can be reached at christine@boardfirstconsulting.com, joann@boardfirstconsulting.com, and sara@boardfirstconsulting.com.

