

# Q: How does the board ensure continuous growth in its critical leadership knowledge?

Health care is moving at the fastest pace in history. What trustees needed to know five years ago is no longer sufficient in today's world, where governance "knowledge capital" is one of a hospital's most valuable assets.

It's possible in hospital boardrooms today to just "get by" on what you know. However, trustees who are committed to contributing value to their organizations must prepare themselves by continuously improving their knowledge in order to deliver penetrating, insightful leadership that their communities want and deserve.

Governing boards need to be able to make sense out of very complex issues and possibilities. That "sense-making" requires a strong grounding, awareness and understanding.

## Education vs. Knowledge and Intelligence

Governance education is a continual process, not an end result. Education is the vehicle for improved governance knowledge. The end result and benefit of governance education is greater knowledge, understanding and heightened leadership intelligence that ensures trustees are fully-prepared to engage around critical issues, and make evidence-based vs. "gut"-based decisions. Well-planned and well-focused governance education builds the "knowledge capital" the board needs to ensure that the right decisions will be made, using meaningful information and data.

## Working with Individual Trustees to Assess and Meet Education Needs

Trustee knowledge-building must take place continuously, and through a variety of venues. Sources of information include state hospital association conferences; reading and absorbing information and ideas in trade journals including *Trustee* and *Hospitals & Health Networks*; through reports and studies available online, such as HealthLeaders, the Kaiser Daily Health Policy Report, *Health Affairs*, and online versions of national newspapers; and through targeted education at every board

meeting. The key to success is to develop trustee knowledge that enables governance leaders to put the bigger issues and challenges into a local market framework, identify local market implications, and lead with confidence.

A well-planned and financially well-supported effort will result in better decisions based on better knowledge and insights; an improved capacity to be a well-informed advocate for the hospital and its community; increased capacity to engage in challenging and productive governance dialogue; and an ability to think beyond "conventional wisdom."

In order to be successful in evaluating trustee education needs and ensure a successful education process, several factors are critical, including: board dedication to and investment in knowledge building; trustee participation; clearly stated education expectations; trustee involvement; and education that is individualized and customized to trustees' unique needs.

*The board must invest in knowledge building, both financially and intellectually.*

The governance education process should be undertaken with a firm and defined purpose. That is, the board should define for exploration several months in advance the issues and topics that are most critical for board members to understand in order to make critical decisions. These topics should be drawn from the forces and factors that are driving hospital success in achieving the mission, vision and strategic objectives. Knowledge-building venues and available resources for delivering the education (meetings, publications, trustees themselves, consultants, etc.) should then be determined. A basic strategy should be set, with objectives and outcomes; success should be evaluated periodically; and

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Building the Governance “Knowledge Bank” for Better Decision Making

new opportunities should be incorporated into the educational development effort as changes occur in the market. Education should not be a one-time event, but should instead be an institutionalized commitment to ensuring that the governing board has the knowledge resources necessary to make strategic decisions and be a highly-effective leadership body.

*Participation should be mandatory as a condition of trusteeship, not a “suggestion.”* Hospitals owe it to their patients, physicians and communities to ensure that governance decisions are made and directions are set as a

result of vigorous scrutiny and informed intelligence. This means that every board member, not just some, must have a common level of understanding of critical issues and developments, and their implications for the hospital.

*Requirements for governance participation should be expressly discussed in trustee recruitment.*

Governance education requirements should not be a surprise to new trustees after they begin serving on the board.

**Governance education should be viewed by trustees not as a requirement, but as an opportunity to best serve the hospital and the community.**

Instead, trustees should be fully informed in advance about education requirements, which should be presented as an avenue to best serve the hospital and the community. Prospective trustees should embrace the importance of health care education in their development as a valuable leadership asset.

*Education planning should be directed, where possible, by trustees themselves.* Trustees may be asked to research certain topics or issues, and present the findings, implications and possibilities to the entire board, in essence making trustees the knowledge-builders for the benefit of the entire board. This level of involvement not only brings credibility to the importance of education, but also results in deeper trustee understanding of the most critical topics.

*Education should be individualized and customized.* Every trustee is in a different “place” in terms of his or her level of awareness and knowledge of the issues discussed and the decisions made at board meetings. Nonetheless, every trustee has the same fiduciary obligation, and the same responsibility to be well-informed. Efforts should be made to understand the knowledge needs of each trustee, and plans should be developed for providing each individual with the information

he/she needs to be active, engaged, and productive participants in the governance process.

### Designing an Effective Governance Education Process

The critical question remains: How to go about doing it? That’s where commitment, collaboration and consensus come into play.

Below is an outline of how a board of trustees may design a process that will ensure optimum development of leadership knowledge and effectiveness:

*Step One.* Define the board issues about which every board member needs to have a common understanding in order to be a high-performance trustee. Subjects may include, but are not limited to:

- Health care payment issues;
- Health care regulation;
- Workforce issues and challenges;
- Quality and patient safety;
- Transparency in health care;
- Delivering and communicating community benefit;
- Factors impacting patient access to care;
- Hospital/physician alignment; and
- The board’s role in CEO compensation and evaluation.

The hospital’s current strategic plan should serve as a basis for determining the most critical board education topics and current health care trends impacting board, and ultimately, hospital success.

*Step Two.* Assess each individual trustee’s awareness and understanding of the issues and situations likely to come before the board in the coming months. This may be done through a board self-assessment, a simple survey, or in causal one-on-one conversations, typically between individual trustees and the board chair and/or CEO. The individualized knowledge assessment is not a “test,” and should not be intimidating. Instead, it is a conversation to help determine the areas where pinpointed education should be focused to most quickly get trustees “up to speed” on the issues and decisions for which they are fully responsible.

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**Step Three.** Assign an experienced board colleague to work closely as a “mentor” with newer trustees to help them understand issues, questions, nuances, etc.

**Step Four.** Develop a 12-month or longer “curriculum” of topics that are essential to effective governance, and determine the most appropriate resources to assess or deliver the information. Ensure that trustees are actively involved in the selection of topics, and that the methodology for presenting the information is conducive to trustee learning styles. Delivery methods may include in-person presentations, facilitated discussions, online presentations, reading materials, and more.

**Step Five.** Leverage the improved trustee knowledge not only for board discussion and decision-making, but also through

coordinated outreach, including legislative advocacy and connections with the local community through trustee involvement in community activities, and formal and informal community discussions and presentations about the organization and the challenges it faces.

**Step Six.** Continuously refine and improve the process. Conducting a regular board self-assessment process is one method to measure year-over-year improvements in board understanding and education effectiveness, and determine potential “knowledge gaps” that still exist.

Building expectations for growth and development of the board’s knowledge capital will result in better dialogue, better decisions, and knowledge-based leadership that will drive future governance performance and organizational success.