

Growing Board Expectations and Time Demands—The Final Straw?

BARRY S. BADER, EDWARD A. KAZEMEK, PAMELA R. KNECHT,
ERIC D. LISTER, M.D., DONALD W. SEYMOUR, & ROGER W. WITALIS, FACHE

“How are boards supposed to meet all of the expectations and demands heaped on them over the past five to seven years by everyone from the IRS, Congress, attorneys general, state and local governments, numerous regulators, and the public itself?” This is a question asked frequently at board orientation programs, retreats, and self-assessment sessions we have conducted. Many boards are feeling overwhelmed by the expanding scope of their responsibilities and the detailed oversight they are expected to perform.

Reality Check

Are we dealing with a growing number of “whining” board members who thought they would not have to spend much time serving on the board, or is there merit to the questions and concerns being raised about the board’s workload? Let’s look at some facts:

- Over six years ago, surveys showed that board members were spending an average of 120 to 200 hours a year preparing for and participating in board and committee meetings and conducting a meaningful self-assessment at least every other year—an equivalent to 15 to 25 work days a year. More recent data suggests that those numbers have gone up since then.
- Boards are being told it is no longer an acceptable practice to “delegate” their quality oversight responsibility to the medical staff and must become better educated on quality and safety improvement processes so they can provide leadership in this critical area.
- Sarbanes-Oxley practices, along with the Independent Sector’s governance guidelines, are now considered “best practices” that boards should follow, especially with regard to handling executive compensation matters and external and internal audits.
- Justifying or defending the organization’s tax-exempt status has become a significant board responsibility that was not on most boards’ agendas a few short years ago. Today, boards are expected to be fully engaged in setting community benefit goals, determining what will be measured, and monitoring performance of related plans.
- The Governance Institute reports that board members spend an average of 20 hours each year on education, with many spending far more than that. A number of states have enacted legislation or regulations requiring a minimum number of hours for a board member to be “certified.” Yet, the hours spent in the past were focused on basic health industry subjects (e.g., reimbursement matters, strategy) and did not address the new demands mentioned above. Suffice it to say that 20 hours a year

is no longer a sufficient amount of education for most board members to do an effective job.

- The board’s involvement in strategic matters, such as physician alignment efforts, mergers/acquisitions, and capital formation, are now absorbing a huge amount of the board’s time.
- Finally, the board’s advocacy responsibilities have been little understood and poorly performed by most boards. However, boards are now being pressed to take on a number of advocacy responsibilities ranging from fundraising to meeting with elected officials to advocate for favorable health policy and reimbursement changes.



Meeting the Demands

So, how can boards lighten their load without compromising the performance of their fiduciary duties and core responsibilities? One suggestion that continues to surface is to start compensating hospital and health system board members for their service. There has been little support for this suggestion over the years. The number of not-for-profit healthcare boards that are compensated has remained relatively constant at 10–12 percent. It is interesting to note, however, that anecdotal evidence indicates those boards that are compensated tend to experience fewer complaints from their members about the amount of time required to do their work.

Other tried and proven practices include the following:

1. Get the “right” people on the board in the first place—clarify expectations (especially time requirements) with new board recruits to ensure that people join the board with their eyes wide open.
2. Ensure that the board performs governance—not management—work. In other words, the board should concern itself with “big deal” strategic and policy decisions and refrain from second-guessing management’s implementation decisions. It is useful for the board to remember that it should focus on *what* it wants management to achieve (“ends”) and not *how* things will get done. Make it clear that board members are not there to probe on why a budget line item is over by \$1,000 or why the parking lot stripes have not been painted. This alone will save huge amounts of time.
3. Practice disciplined agenda management and facilitation. Get rid of items that invite micro-management, set time limits for discussion and decision making, and eliminate mind-numbing PowerPoint “readings” of reports that have already been sent to the board. “Train” board members to embrace effective group dynamics principles (e.g., stay on point, don’t repeat one another, listen carefully, paraphrase to ensure understanding, avoid side conversations, and start and stop meetings on time).

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4. Use the Internet or a board portal to facilitate timely dissemination and review of board materials. Most boards continue to underutilize technology as a means to save time and enhance performance.
5. Integrate education into most board and committee meetings by applying the “just in time” learning technique (i.e., the education focus is on imminent decisions/matters the board is or will be addressing).
6. Make every effort to get rid of “dead wood” on the board. Non-performing board members always end up being a drag on effective and efficient governance. While this difficult task requires both fortitude and sensitivity, high-performing boards recognize its importance and develop a process to address it.
7. Finally, consider a governance practice used by most colleges and universities—forming “Advisory Councils” composed of subject-matter experts, who are not on the board, to do the foundational work for board committees or the board itself. Such entities can save

board time on complex matters including major facility projects, fund development and branding initiatives, and advocacy efforts.

Other Ideas?

We assume that there are a number of effective, time-saving board practices in use not mentioned above. We would like to learn about them and share them with members of The Governance Institute. Please send your board practice suggestions to Kathryn Peisert, editor, at kpeisert@governanceinstitute.com.

