

Active Board Succession

Hospital trustees need to be intentional about finding and preparing for new leadership

By James Gauss and Jena Abernathy

A decade ago, BoardSource, an organization supporting non-profit boards, developed a well-known list of aspirational principles of governance. For us they still ring true: “mission driven,” “ethos of transparency,” “compliance with integrity.”

One of the *Twelve Principles of Governance That Power Exceptional Boards* — “intentional board practices” — is particularly timely. Today, being *intentional* is what health care governance is all about. Every board must have a clear vision, rationale and plan for its activities so it can achieve proactive, strategic governance.

In our experience, one area in which most boards can certainly be more intentional is succession management for both board members and leaders.

Boards tend to take a passive stance on recruitment and succession for many reasons. Boards that do not have or do not enforce term limits, for example, are not bringing in new blood with enough regularity. According to data from the American Hospital Association’s 2014 National Health Care Governance Survey Report, the average term length

for health care board members has increased to 3.9 years, up from 3.5 in 2011 — not necessarily a positive trend. Some trustees may be reluctant to evolve and develop; and change also can be disruptive or difficult with legacy governance structures and practices in place.

Talent search

Here are practical rules of thumb to get your board in an intentional frame of mind for improved succes-

sion practices.

Focus on skills and competencies: A regular membership gap analysis sets the tone for long-term recruiting. Boards need to focus beyond who’s available and respected to ascertain areas of expertise needed to address the organization’s strategic priorities. This may mean taking a pass-

on a well-known community leader in favor of a health care information technology executive or a clinical leader from outside the community to diversify the board’s talents.

Focus on development: Are board members expected to take ownership of their own development? Individual development plans should include access to more seasoned directors, special training and coaching and a path that gradually allows board members to assume greater responsibility. In their book *Immunity to Change* (Harvard Business Review Press, 2009), adult-learning specialists Robert Kegan and Lisa Laskow Lahey recommend “thinking” questions for improved leadership development. Examples include:

- What is the individual working on that will require growth to accomplish?
- How is he or she working on it?
- Who else knows and cares about it?
- Why does it matter to others?

Think two years out: It’s easy to fall prey to the “tyranny of the now.” But keep in mind that recruiting, hiring and onboarding new members is a process that typically lasts six to 12 months. Sometimes, the very best people might not be available to join the board for a year or two. Recruit

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board members with an eye toward the board’s future needs.

Always be recruiting: Good board chairs and directors are those who enjoy networking and seeking potential members. Encourage trustees to be continuously on the lookout for future board members. Make no promises to potential recruits, but by all means plant some seeds.

Look to youth: A strong correlation tends to exist between younger trust-



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ees and in-demand competencies (e.g., technological savvy, sales and marketing expertise). Younger board members also can contribute different points of view.

Look to diversity: Ethnic and racial minorities, women and other groups often are underrepresented among board membership. Boards that are more broadly inclusive generate a better, richer candidate pool critical for strong succession.

Consider remuneration: Less than 20 percent of health care boards pay their members. Given the growing complexity of health care governance this percentage may increase (see “The Board Compensation Debate,”

Trustee, May 2014). In many cases, compensation may help secure board members who can best address the organization’s strategic needs.

Think about size: When focused on skills and competencies, succession management fosters continual awareness of board size, breadth and agility. Resist the temptation to automatically fill a position when a trustee leaves the board. On the other hand, don’t wait for a departure to gain needed talent. If the right candidate is available and willing, bring him or her into the fold.

Questions and answers

Another aspirational principle of

governance, fostering a “culture of inquiry,” suggests that trustees should always be questioning their practices and looking for better approaches. Succession management encourages inquiry into how health care’s increasingly complex questions can be effectively addressed by board members and leaders who are best suited to guide their organizations successfully into the future. **T**

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