

BOARDROOM BASICS

The Role of the Board Chair

Every board member is responsible for important leadership duties and responsibilities, but perhaps the most critical leadership role is that of the board chair. The chair is the role model for the board, responsible for molding the trustees into a cohesive and effective team. Governance success is dependent upon the chair's ability to develop trustful relationships with the CEO and fellow board members, create strategy-based agendas, and guide discussion to ensure meeting effectiveness.

The board chair is the leader of the board of trustees, and critical to the board's ability to engage in fruitful discussion and focus on the long-term strategic success of the organization. The position demands individuals with extraordinary leader qualities, a desire to be a catalyst for change, energy, focus and continual commitment.⁴

Expectations of the Board Chair

As the leader of the board, the chair has several primary responsibilities. He/she must: work closely with the CEO to ensure that the work of the board is aligned with the hospital's strategic direction; understand the strengths and weaknesses of the hospital; be keenly aware of board members' interests; and inspire trustees to work toward the goals of the board and the hospital.³ These broad, overarching responsibilities comprise the essential scope of a chair's duties; however, included in the spectrum is a myriad of critical roles and responsibilities. Specifically, the board chair should:⁸

- Serve as the primary contact point for every board member on governance issues;
- Ensure that board goals and objectives are established, and ensure that they are met;
- Ensure that board members are actively and productively involved in committee and other board-related activities;
- Ensure that committee charters are clear and focused; and
- Motivate board members to grow and excel in their governance responsibilities.

Board Chair Challenges. Being a board chair is not easy; while serving as the board's leader, chairs often face confusion or challenges that have the potential to become obstacles overlaid on top of already existing demands. Common difficulties facing the chair include:⁶

- Lack of a clear job description;
- Little or no formal training for the job;
- Conflicting expectations;
- The responsibility of leading individuals with varying experience, expertise, interests, motivations and objectives;
- Managing feedback;
- Placing themselves at the center of risk; and
- Lack of continuity in leadership succession.

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Another challenge board chairs often face is effectively utilizing the resources of board members by keeping a continual focus on "big picture" issues and strategies rather than operational, day-to-day details. Too often the chair and trustees become caught up in minutia that

does not affect the strategic needs or vision of the organization. These "side issues" distract decision makers and make it difficult to achieve long-range goals. It is the duty of the chair to reliably redirect and refocus trustees on the most important issues at hand, and deal with other problems at appropriate times.

Building Trust with the CEO and Board Members

Trust is a key component of any relationship, and it plays a key role in the ability of the CEO,

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THE WALKER CO

4848 Hastings Drive
Lake Oswego, OR 97035
Tel: 503-534-9461 Fax: 503-534-9462
Email: lw@walkercompany.com

www.walkercompany.com

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board chair and trustees to communicate openly and honestly. Without trust, individuals may be hesitant to participate in discussions, raise issues, or share their viewpoints.

Building Trust with the CEO. In order to build mutual trust, the board chair and the chief executive officer (CEO) must rely on one another for support, consultation and advice, complementing one another’s strengths and responsibilities. In a sense, the CEO is the “gatekeeper” for the hospital staff and the chair is the “gatekeeper” for the board of trustees. As such, the board chair/CEO relationship is critical to building trust and preventing miscommunication between the hospital leadership and the board.⁸

The chair must not only lead fellow board members, but also be the “official” liaison between executive administration and the board. It is his or her duty to communicate regularly with the CEO to ensure that the board is leading and supporting the organization’s strategic direction. Specific factors that help foster a close board chair/CEO relationship include:⁹

- The board chair energetically advocates for the hospital in the community and in the political arena;
- Frequent and meaningful communication with the CEO;

- A sense of confidence by the board chair that administration is effective at every level; and
- A well thought-out CEO succession plan that ensures continued strength in hospital leadership over time to meet future needs.

Building Trust with Board Members. In addition to a strong, trustful relationship with the CEO, the board chair must build positive rapport with all board members. Because the chair serves as both a “cheerleader” and a coach at the same time, he must understand clearly what motivates each trustee to be involved with the organization, and be knowledgeable about the interests and needs of each trustee. The board chair must also be aware of gaps in trustees’ understanding of current issues and trends, ensuring that regular board education addresses trustees’ needs, and encouraging trustees to learn and ask questions in an open, safe environment. The board chair’s attentiveness to individual trustees’ needs demonstrates interest and support, and helps build a positive, trustful environment for dialogue and decision-making.

Building Strategy-Based Board Agendas

Board meetings are often ineffective due to poorly planned agendas, time wasted on routine reports and too much emphasis on

operational issues and details. Board meetings often focus on mundane details that have little impact on the long-term strategic direction of the organization, when instead they should focus on the vision, values, governance policies and strategic leadership issues critical to future success. It is essential that all board members be fully-informed about important issues, and that agendas be geared toward the strategic future of the organization. It is the trustees’ role to make and support all board decisions, regardless of personal opinion.¹³

Developing the Agenda. The process of creating the meeting agenda is the responsibility of the chair. It is his or her duty to communicate with the CEO, ensuring that all items on the agenda are relevant to the long-term strategic plan of the hospital. Meeting agendas are essential to ensure that valuable board time is maximized to focus on important issues in a timely manner. A well planned agenda indicates an effective and focused board; a poorly planned agenda may represent a board in decision disarray.

In addition to communicating with the CEO, when developing the agenda the board chair must also ensure that the agenda focuses on critical and emerging issues. Effective agendas will:¹¹

- Help members prepare for important decisions;
- Include an approximate time to be spent on each topic;
- Provide a guide for the meeting and to help stay on time;
- Indicate the appropriate level of discussion on each issue; and
- Focus discussions on the right issues at the right time.

The 25/75 Rule. Effective boards spend most of their time on major strategic and policy issues, engaging in rich discussion and dialogue, assessing outcomes, and participating in ongoing education.¹⁵ Boards should focus on issues that are most critical to the organization and where they can have the greatest impact; however, without a detailed agenda and focused board chair, discussions may get

Twelve Key Board Chair Responsibilities

1	Oversee board and executive committee meetings
2	Serve as ex-officio member of all committees
3	Work in partnership with the CEO to ensure board resolutions are carried out
4	Call special meetings if necessary
5	Appoint all committee chairs and, with the CEO, recommend who will serve on each committee
6	Assist the CEO in preparing agendas for board meetings
7	Assist the CEO in conducting new board member orientations
8	Oversee searches for new CEOs
9	Coordinate the CEO’s annual performance and compensation evaluation
10	Work with the nominating committee to recruit new board members
11	Act as an alternate spokesperson for the organization
12	Periodically consult with board members on their roles and help them assess their performance

Source: What is the job description of a board chair? Board Source. May 28, 2005. www.boardsource.org.

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Successful Board Performance Indicators

According to James E. Small, senior vice-president of governance and sponsor relations for Daughters of Charity National Health System, St. Louis, there are three indicators of a board's performance:

Indicator 1: The Agenda	Is formal and active agenda planning taking place? Do policy and strategic issues make up the majority of the agenda? Is the agenda focused on outcomes? Does education play a significant role in the agenda?
Indicator 2: Time	How much time does the board spend on agenda items? Does the board tackle the truly critical items first, while trustees are fresh? Does the board spend most of its time on those items? Does an effective educational activity take place at every board meeting?
Indicator 3: Leadership	Is there sufficient leadership at meetings to guide discussions through the agenda? A productive meeting will occur when an appropriate agenda is set with appropriate time spent on key items.

Source: Small, J. What's on Your Agenda? *Trustee*. July/August 1999. p.20-21.

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sidetracked, resulting in meetings that address minor issues or delve into day-to-day operations. One way to ensure that meetings are focused on strategic planning issues is to design the agenda around the "25/75" rule. According to many governance experts, no more than twenty-five percent of meeting time agenda should be allotted to past issues and retrospective reporting and analysis, and at least seventy-five percent of board time should be dedicated to issues in which the board has the greatest impact: planning, setting policy, and making decisions.¹⁵

Pre-Meeting Materials. The board chair is responsible for ensuring that trustees receive vital materials to review prior to each meeting. Materials should be sent to trustees at least one week before the meeting, as reviewing and understanding the pre-meeting materials is critical to keeping trustees informed and preparing them for a rich discussion. Although the materials reviewed before each meeting will vary depending on the meeting agenda, many organizations now utilize a "board preparation package," including:¹¹

- The meeting agenda;
- High-level summaries of the topics to be discussed;
- Use of graphic, dashboard-type reports of key indicators;
- Executive-level reports from each committee; and
- A proposed consent-agenda.

The board chair should serve as facilitator of the meeting, directing the flow of conversation and ensuring that appropriate time is allotted to each discussion, that members do not get sidetracked by relatively unimportant issues, and that meetings start and end on time.

Ensuring Productive Meetings

Board members dedicate their valuable time to the community by serving on the hospital's board. It is the board chair's job to ensure that their time is not wasted by adhering to the agenda and eliminating side conversations and other distractions that may prevent the board from achieving its meeting goals.

Leading Productive and Effective Meetings.

Presiding over board meetings can be challenging. According to *BoardSource*, to ensure effective meetings board chairs must:

- Create a purposeful agenda and follow it;
- Know how to run a less formal meeting that is productive;
- Engage each board member in deliberations; and
- Control dominating or out-of-line behavior during meetings.

Measuring Meeting Effectiveness.

If trustees or hospital leadership are concerned that board meetings are not making the best use of trustees' time, they

may consider calculating the approximate cost of each meeting. This can be done by assigning an average hourly rate for each participant (trustees and executives), and calculating the total hourly cost of the meeting. In addition to this estimated hourly cost, an opportunity cost should be considered that takes into account the important issues that may not be addressed during the meeting. To use the concept as a discussion tool, the chair may provide a "meeting meter" to each trustee to complete at the end of the meeting, that evaluates the meeting's effectiveness. This tool should be used to spark discussion of the critical issues that should be addressed at meetings, as well as the issues that trustees believe are not worth their time to discuss. As a result of the analysis, future meeting agendas and discussions can be altered to ensure that trustees' and executives' time is effectively utilized.¹²

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