

Healthcare board reboot: On the path toward board transformation

KF Health Board Services



Healthcare organizations need board members ready and able to face a world of new challenges.

Healthcare board members play a vital role in fulfilling the strategic imperatives of healthcare organizations:

- **Pandemic lessons:** How can healthcare re-imagine care delivery for the next normal?
- **Behavioral health:** How should the industry respond to the crisis in mental health and substance abuse?
- **Staffing:** How can organizations build a skilled, engaged, and satisfied workforce?
- **Access:** How should the industry enhance care access, quality, and cost management?
- **Diversity:** How can organizations tackle diversity, equity, and inclusion in care delivery and business?
- **Performance:** How should organizations address the troika of clinical, operational, and financial performance?

Fulfilling strategic imperatives is neither fast nor simple. As a result, board members face multiple tasks: re-adjust focus, tweak policy, re-engineer process, and rethink image and identity. In the process, C-suite executives must ask the toughest of questions:

- **Strategy:** How will board members fulfill the organization's mission, vision, values, and

growth strategy? How can they help remove roadblocks to strategy fulfillment?

- **Finances:** How will board members review the organization's financial status and projections? To what extent do financial plans mesh with strategic plans?
- **Workforce and culture:** How will board members assess and sustain the organization's culture? How will they evaluate executive, management, and worker engagement, empowerment, and performance? And how can they facilitate talent recruitment, retention, and development?
- **Risk management:** How will board members evaluate and manage risk? What are the organization's most significant and likely risks—from drivers and imminent threats to financial and clinical impact?

Years ago, board members secured their positions via business clout, community prominence, or stakeholder influence. They were typically local leaders or wealthy patrons who donated significant sums to healthcare organizations. In addition, they often functioned as rubber stamps for C-suite decisions, investing time in fund development and community engagement.

But times have changed. Healthcare organizations seek board members with the knowledge, skill, experience, and interpersonal savvy to address challenges ranging from cybersecurity, virtual care, and patient experience to payment, price

transparency, and data analytics.

Healthcare organizations face a dual challenge:

- Pinpoint, recruit, on-board, develop, and sustain new board talent.
- Ease out board members who no longer complement the organization's strategic imperatives.

C-suite executives must pose multiple questions to gain insight into board roles, responsibilities, and functions:

- **Value:** How will board members add value to the organization? How can they support the fulfillment of clinical, operational, and financial goals and objectives?
- **Markets:** How can board members identify new and emerging markets and populations? How can they analyze and act upon new opportunities via new or reconfigured products and services?
- **Forecasting:** How should board members address emerging healthcare issues, policies, problems, and trends?
- **Partnerships:** How can board members help facilitate business and clinical collaborations, partnerships, and alliances?

Answering these questions isn't easy. Organizations must re-engineer care and business models and think, speak, and act like start-ups. Up-and-comers like Elektra Health, Ava, HealX, and Happy Seniors have multiple strengths in common: laser-like focus, customer commitment, growth mindset, agility, persistence, market leadership, and rapid execution.

What makes a high-performing board special? Consider these differentiators:

High-performing boards leverage experience to develop alternative sources of revenue and growth.

Board members can support the selection of new revenue streams to accelerate revenue growth by asking multiple questions:

Need: Does the revenue stream meet a related need of customers and stakeholders—from providers, payers, and suppliers to patients, consumers, and government? How could the

organization leverage its brand reputation and experience to build and strengthen new revenue streams?

Value: Is the new revenue stream consistent with the organization's mission, vision, values, strategic imperatives, and value proposition? How would a new revenue stream shift stakeholders' value expectations?

Integration: How does the new revenue stream mesh with your organization's business, clinical models, and resource availability?

Board members can assist in evaluating new revenue streams by engaging in conversations with community leaders, business owners, employees, and other stakeholders.



The possibilities are endless. Many providers will expand patient services via hospital-at-home programs driven by breakthrough monitors and sensors and clinicians who make house calls. Others like Bayonne, N.J.-based CarePoint Health will build innovation centers or spin out new companies as Mount Sinai Health System did with Stamford, CT-based Sema4. And still others will invest in tech-focused start-ups, following the lead of Ascension, Providence, and Baptist Health South Florida.

Acting on new revenue streams requires board members to revisit board performance—from finding board members who complement mission, vision, values, and strategy to turbocharging teams via fresh takes on roles, responsibilities, assignments, and best practices.

High-performing board members score high in thinking, emotional intelligence, and character.



High-performing boards use healthcare insights to drive decisions on focus, purpose, vision, and strategy.

But, first, board members must handle the size and complexity—from healthcare services and facilities, medical devices and equipment, and hospital supplies to insurance, managed care, and pharmaceuticals.

They also must grasp the influence and impact of trends ranging from population health, predictive analytics, specialized outpatient care, and hospital-at-home to virtual care, AI, and patient experience.

Board members must grasp the organization's unique mission, vision, values, culture, and challenges. For example, board members affiliated with a faith-based system must discover how mission, vision, and values will shape decisions related to innovation, care management, investment, technology, social determinants, or the balance between quality, access, cost, and equity.

Board performance on mission, vision, and values is anchored in knowledge, skill, and experience, values mesh, and communication skills—from active listening and the ability to ask questions and deliver feedback to mastery of communication's seven Cs: clear, concise, concrete, candid, complete, coherent, and courteous.

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However, selecting the right best board member requires CEOs to reach beyond skills, knowledge, and experience. Among the issues to consider:

Cognition: How does the board member or potential board member reveal an ability to think,

know, remember, evaluate, make decisions, and solve problems?

Emotional intelligence: How well does the board member tap into emotional intelligence: the ability to perceive, control, and evaluate emotions and understand, interpret, and respond to the feelings of other board members?

Character: How does the board member reveal character? Specifically, does the board member display values like justice, fairness, trustworthiness, strength, responsibility, and respect?

Mission, vision, and values mesh: How does the board member's personal and career mission align with the organization's mission? Do the board member's life and career trajectory complement the organization's vision? And is the board member in sync with organizational values—from diversity, inclusion, innovation, and integrity to sustainability, teamwork, transparency, and trust?

High-performing boards operate with accountabilities, policies, and processes supported by education and training.

For example, a board's "rules of engagement" cover everything from the board-executive dynamics to running a meeting, evaluating board performance, onboarding and training new directors, and executing a succession plan.

Board members should take part in periodic deep dives on board issues like organizational resilience, workplace transformation, risk management, diversity, equity, and inclusion, stakeholder activism, and environmental, social, and corporate governance (ESG).

Just as important, they should receive updates on healthcare challenges—from health equity and

Members must be able to shape mission-driven strategy and navigate the challenges healthcare organizations face today.



virtual care to revenue diversification and artificial intelligence and automation.

Industries and professions evolve, leaving CEOs with the task of news analysis, evaluation, and synthesis. C-suite executives can easily package news and feature stories, reports, or studies via subheads like trend, implication, strategy, and lessons learned or why it matters and the more significant trend.

High-performing boards have high-performing leaders.

At the helm of every high-performing board is a high-performing board chairperson. These leaders understand the business of healthcare and how boards create a strategic platform for C-suite decision making and problem solving. The best board leaders facilitate collaborative decision making, deliver friendly reminders on strategic imperatives, clarify expectations, and run efficient, productive meetings. They also support the CEO and C-suite team, refresh the board and C-suite succession plans, raise the bar on recruitment, hiring, development and retention, and request feedback. In some cases, they also transition or ease out disengaged or hostile board members.

High-performing boards support the organization, CEO, and C-suite team.

Boards support strategic imperatives, act as stewards of mission, and inform CEO and C-suite decisions. Whether board members home in on information and service integration, payment, supply chain, or cybersecurity, they need access to timely, evidence-based information and insights.

Board members align their focus with organizational mission, vision, values, size, and complexity—whether the organization is a single community, faith-based health system, or a large,

multi-state academic entity. Boards must commit to their focus—both as individuals and team members.

High-performing boards are willing to change the board member mix.

Many boards have re-engineered their member profile to incorporate individuals with healthcare or business knowledge, skill, and expertise in high-demand areas like finance, strategy, retail, advertising, product development, marketing, or technology. Fit is everything. Organizations looking to expand via a merger, acquisition, or alliance seek out members with comparable knowledge, skill, or experience. For example, a small, faith-based system in rural Nebraska might look for members with expertise in small business, banking, marketing, or transportation.

That being said, all boards confront the same set of challenges: reinvigorate the organization's culture, hold the CEO accountable, and address strategic trends, issues, and challenges.

High-performing boards learn how to go along and get along in their board journey.

Boards sometimes push back against members who interrupt conversations, fail to listen, and dismiss colleagues' opinions. Other board members are labeled as combative, unproductive, or disengaged. Some take detours, wander into the weeds of politics, or cling to controversial theories. Solutions include the highly unlikely scenario of board member impeachment or the imposition of term limits. The best solution: match tasks and assignments with board personalities to give every board member the opportunity for a successful experience.

Moving forward, boards should select members who can connect, communicate, and collaborate with others. These board members typically have

a strong sense of self, know their audience, listen actively, and deliver crisp, concise messages in understandable language. They're also masters of timing a message to fit the moment.

Consider if board members show self-awareness, self-control, agility, flexibility, and influence, along with an ability to analyze, evaluate, and synthesize information and insights. Board members who can integrate and embed these traits into board deliberations will be at the top of their game during board conversations, discussions, debates, and presentations.

The board's number one priority must be to ensure they have members able to shape mission-driven strategy and navigate the challenges healthcare organizations face today.



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