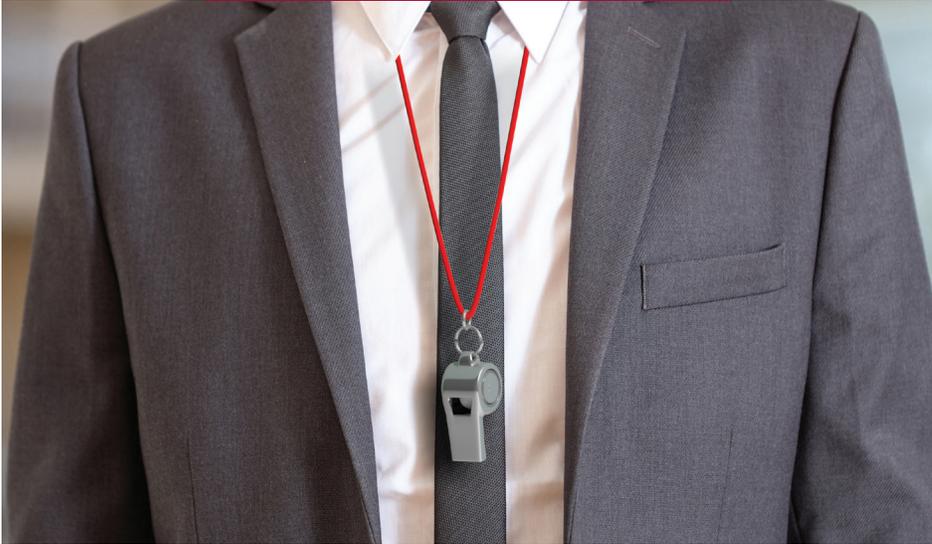


Trustee Insights

PRACTICAL GOVERNANCE



Coaching: A Critical Tool for Board Chair Development

A tailored process helps incoming leaders become more effective facilitators of boardroom discussion

BY PAMELA R. KNECHT, KIMBERLY MCNALLY AND MARY TOTTEN

Board development often results from a variety of situations. For example, the results of a board self-evaluation may uncover opportunities for development through education and training or creation of deeper infrastructure to improve board function. Individual board member assessment (e.g., 360 process or peer review) can reveal development needs that might be addressed through a personal development plan.

Board Development

Boards and their members will always benefit from ongoing development activities. However, in today's dynamic, high-stakes environment for health care governance, the potential for outsized impact from continuous learning has perhaps

never been greater, particularly for the leader at the top — the board chair.

Addressing Needs and Challenges

Many situations can trigger opportunities for board chair development. Several tools and approaches often

are used together to enhance board chair performance. These can include coaching, which might focus broadly on chair roles and responsibilities or more narrowly on specific situations and needs. Consider the following examples.

Scenario 1: A large health system underwent a governance restructuring, which resulted in a new health system board. Opportunities for board leader development also became apparent. The board chair and committee chairs needed to strengthen meeting facilitation techniques, group decision making and other aspects of meeting preparation and execution, and elevate their perspective to ensure effective system-level governance. The new system board chair had never chaired the board of a large organization and was overwhelmed in his new role. Board chair and board leader coaching was used (along with educating the full board and creating new governance processes and supporting resources) to create context and infrastructure for effective system governance and to support the new system board chair in becoming a great board leader.

Scenario 2: Another health system had recently appointed a new system board chair. The new chair had been an executive of a large consulting firm and previously chaired the board of another system entity. It quickly became clear that the new chair was implementing his role more like a CEO and consultant than a

board chair. He offered ideas for solutions to problems, rather than facilitating board input, and spent more time talking than engaging others in discussion. During meetings, board members became visibly frustrated when the new chair wouldn't let others speak or discouraged further discussion. Due to the board chair's lack of time management, a few issues might absorb most of the board's focus, leaving little time to address other agenda items. The system CEO, with agreement from the board chair, asked a consultant engaged to address governance best practices to provide additional help coaching the new board chair to better execute his role. New processes were developed for drafting board meeting agendas and materials and involving the board chair in their review. Coaching concluded with implementation of a custom self-evaluation focused on the board's role and performance in advancing system integration, including an action plan to sustain governance improvement.

Coaching the Incoming Chair

Some boards have realized that board chairs can no longer afford to grow into their role because of the continually shifting health care environment. Therefore, progressive boards are beginning to make coaching available to all incoming board chairs to build the chair's capacity to lead the board effectively in a topsy-turvy world.

Preparing a new chair to hit the ground running requires coaching in advance of assuming the role. A good coach can help equip a new chair with the following skills to lead from a position of strength: supporting the board to govern effectively through

COACH'S CORNER

Potential areas that could be addressed through a board chair coaching process include:

- The board chair/CEO relationship and what the chair and CEO want to accomplish together
- Understanding the organization's stakeholders
- Communicating with clarity and purpose
- Future board composition and diversity, including leadership succession
- Creative ways to foster board engagement (e.g., planning for and leading great meetings)
- Change management
- Managing conflict; managing through resistance; responding to breakdowns and learning from them
- Working within complexity and polarities (e.g., competing priorities; system versus local entities)
- How to be a whole person while serving in the chair role (e.g., finding work/life balance; handling stress; knowing what to do and what to stop doing)
- Assuming a greater public-facing role internally and externally (e.g., accompanying the CEO when having "difficult conversations" with key stakeholders; representing the hospital in the community through facilitating community forums/dialogue or becoming a member of a community partnership board)

ongoing stress; leading meetings in the moment, while thinking ahead; being a systems thinker; competently facilitating versus directing board discussion; encouraging constructive tension; being sensitive to the chair's effect on others; and knowing when to ask for help.

Effective coaching also depends on pairing the new chair with the right coach. Factors in selecting a coach include not only the coach's qualifications, but also the right chemistry — assessing whether the chair and coach are likely to develop a productive relationship. The board chair should interview more than one coach to determine each coach's philosophy and discuss previous work the coach has done. Coaching experience in a health care

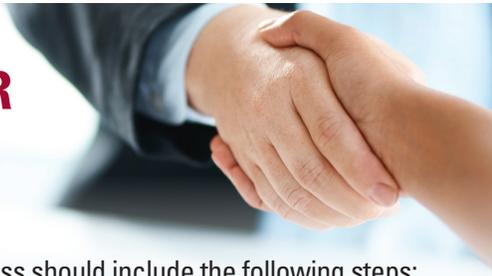
organization and service on a board, while not required, can be a plus.

Some boards ask a prior chair to mentor an incoming board chair. Mentoring and coaching differ. Mentoring pairs a new chair with a seasoned board chair or member who can answer questions, provide socialization and make introductions, and clarify the board's culture. A coach, in partnership with the board chair, provides a structured, outcomes-driven process for board leadership development.

A good coach focuses on what the board chair wants to accomplish and designs a coaching process based on:

- Understanding how the board chair experiences the role
- Assessing individual strengths

A PROCESS FOR COACHING THE BOARD CHAIR



A good board chair coaching process should include the following steps:

- **Execute a coaching contract upfront** that defines desired outcomes, establishes a timeframe for the process and includes measures of success (*see Appendix for an example*).
- **Hold an initial meeting among the board chair, CEO and coach** to discuss the coaching process and timeframe (typically six to 12 months), relative roles in the process, the importance of confidentiality and what it means in the coaching context, and when to set future check-in meetings to stay on course. It may be beneficial to include the senior human resources executive in this discussion to ensure the executive is aware of the coaching process and can act as a liaison, as needed, with the full board.
- **Conduct an initial assessment and design the coaching process.** This step involves conducting interviews and observing meetings to learn about the board's culture, gather feedback about how the board chair is perceived by stakeholders, and better understand how the board chair does the job. The coach then debriefs feedback results to help the chair determine what implications the results may have for leadership of the board. This step also may include having the board chair complete an emotional intelligence inventory, a leadership inventory and a personality inventory.
- **Devise a personal development plan that could focus on a variety of issues**, including board meeting agenda planning and preparation, getting into a "ready position" to lead an effective meeting, better ways to conduct and facilitate a meeting, or developing better relationships with key stakeholders. It might include activities such as: education and training on leadership skills as well as current and emerging issues facing the organization; or leadership of a specific board committee or task force that exposes an incoming chair to a broader range of stakeholders and their needs.
- **Conduct coaching conversations**, typically held one to two times each month and structured by the board chair to focus on key needs. The board chair may report on skills practiced, or may discuss relationship roadblocks or seek feedback on issues or situations where the chair feels uncertain or "stuck." The goal of these conversations is to ensure the board chair gains insight and identifies next steps needed to move forward. The coach records these results and uses them to begin the next conversation.
- **Set a concluding meeting with the board chair, CEO and coach** to review coaching outcomes and discuss next steps. Some chairs engage their coach to continue to provide guidance and support throughout their term as chair.

and weaknesses, and

- Identifying and addressing blind spots.

Each coaching process should be customized to address individual needs and goals. Fertile areas for coaching and steps that should be included in a board coaching process appear in the sidebars on pp. 2 and 3.

Coaching Experience Impact

The Commonwealth Care Alliance (CCA) is a Massachusetts-based health plan for individuals dually eligible for MassHealth (Medicaid) and Medicare. As the new CEO of CCA, Chris Palmieri worked with both his executive coach and a consultant hired to strengthen CCA governance and provide coaching to support the transition between the retiring and incoming board chairs.

"Having both coaches work together was very helpful in framing the board/CEO relationship," Palmieri said. "My executive coach focused on helping me advance in my role as CEO and strategize about where I needed to assist in evolving the board in order to meet the organization's objectives. Our governance coach worked with the executive coach to validate where the board needed to go and prepared the board chair and full board to move in that direction.

"The governance coach also provided feedback regarding how I was perceived by the board, so we could strengthen that relationship rapidly," Palmieri said. "Coaching can help a new CEO and new board chair work effectively together without a lot of trial and error."

AtlantiCare is an Egg Harbor

Township, N.J.-based health system that is now part of Geisinger, a health system serving Pennsylvania and New Jersey. Before becoming board chair of AtlantiCare, Michael Charlton opted to participate in board coaching. He looked to the coaching process to achieve two primary goals: (1) to establish a communication process with AtlantiCare CEO Lori Herndon that would further strengthen their already positive working relationship, and (2) to help take the organization to the next level by becoming an effective facilitator of both strategic and generative conversations among the board.

“Coaching helped me understand that legacy governance is over in health care — and that a board chair’s job is to harness the creativity of the entire board and engage the board and organizational leadership in decision making,” Charlton said. “This was a shift for me because I was used to being the CEO of my company, providing direction, making decisions and being able to turn on a dime when necessary.”

Now in his third of four years as board chair, Charlton elected to

continue his coaching relationship throughout his term as chair. He reflected on how the coaching process has changed over time.

“After the first year of coaching, which focused on working to achieve my goals, the purpose shifted to about a 30 percent focus on maintaining what I had learned and a 70 percent emphasis on learning about innovative ideas being applied by other boards around the country,” he said.

“My coach and I continue to talk about ways I can react differently in situations where my first instinct is to ‘lean in’ and problem solve,” Charlton said. “I am also thinking about succession for my role and what we can do to help all of our incoming board and committee chairs become better leaders.”

As a longtime participant in executive coaching, Herndon strongly recommends coaching as a tool for building a productive relationship between a CEO and new board chair. “Michael and I were both committed to the coaching process and found it tremendously valuable,” she said. “It provided us with third-party feedback and a safe, comfort-

able environment to talk about our leadership styles and how we could improve. We developed a closer relationship and understood what each of us expected from the other. This gave me confidence that, when we disagreed about something, we would be able to talk it through.

“If a new leader has never been coached, I would recommend that he or she consider it,” Herndon said. “Don’t wait until there’s a conflict. Coaching is a process that can elevate performance at any point in someone’s career or participation in a leadership role.”

Pamela R. Knecht (pknecht@accordlimited.com) is president and CEO of ACCORD LIMITED, a national strategy and governance consulting firm based in Chicago.

Kimberly McNally, M.N., R.N., BCC (kamcnally@me.com) leads McNally & Associates, a Seattle-based consulting firm specializing in health care leadership and governance development. **Mary Totten** (marykaytotten@gmail.com) is a senior governance consultant to the American Hospital Association.

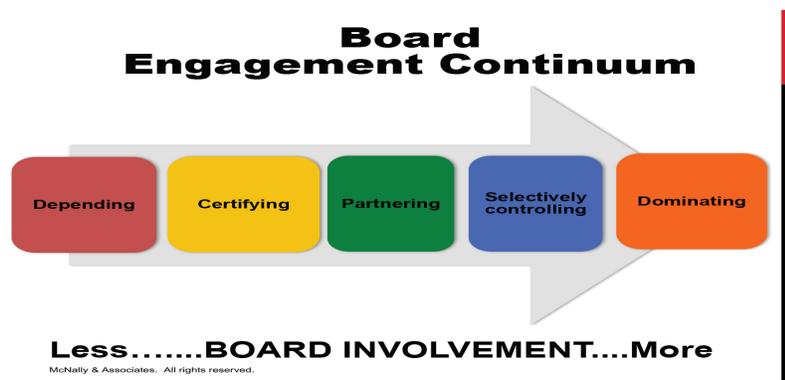
APPENDIX: Sample Coaching Contract

AtlantiCare Health System

AtlantiCare Health System
 Agreements between Board Chair, CEO, Chief of Staff

Background:

The visual below depicts the continuum of board engagement. “Partnering” is the optimal condition for high-performing boards.



An optimal board chair-CEO relationship at AtlantiCare is a strategic partnership informed by the principles of servant leadership. These two essential leadership positions - Board Chair and CEO – function as partners working towards a shared purpose.

Role clarity is a critical condition for a successful partnership. The CEO manages the organization and Board Chair manages the board. Inherent in the board chair role is responsibility for facilitation – of meetings, discussions, decision-making, and board process. The board chair must drive the board to be as effective as it can be, with an eye toward continuous improvement. It means engaging all members and fostering the collection and distribution of information and data to guide decision-making. It also means supporting effective board processes and continuity of executive leadership.

Principles & Agreements:

To work collaboratively and collectively, the following principles and agreements

McNally & Associates

www.mcnally-assoc.com

1

Source: ©2018 McNally & Associates

APPENDIX: Sample Coaching Contract

AtlantiCare Health System

were generated in a meeting facilitated by governance coach Kimberly McNally on _____ and attended by the Board Chair, CEO, Chief of Staff. Each individual affirmed their commitment to achieving ultimate effectiveness in board processes, mission impact, and overall sustainability of the organization.

1. Governance Effectiveness – this fundamental responsibility takes form in many ways, including ensuring that qualified people capable of navigating changing conditions are recruited to serve on the board to ensuring value-added meeting agendas to ensuring on-going board assessment and development. Board Chair, CEO and Chief of Staff share a common goal to work towards achieving the optimum board composition that reflects the strategic priorities of the health system and the diversity of stakeholders. There is recognition that a system board with a good mix of age, experience and backgrounds will foster better dialogue and decision-making.

2. Communications Between Board Chair and Management – to avoid surprises in the boardroom and other settings, the Board Chair and CEO must communicate frequently and abide by “rules of engagement” designed to support their partnership. These “rules” can also guard against the tendency toward micromanagement of the part of the Board. The Board Chair and CEO will meet regularly by phone and in-person for updates on major operating/strategic issues, agenda planning and coordination on action re: stakeholder communication.

- The Board will focus on championing the mission and advancing the vision of the organization.
- Meeting agendas will be co-created.
- If Management feels like board behaviors are trending toward micromanagement, the code words “in the weeds” will serve as a cue to consider a course correction.
- If a board member sends an email to staff, staff will forward the email to Chief of Staff, who will determine if distribution to Board Chair and CEO is indicated.
- To meet mutual expectations about when to consult and/or inform about organizational matters, the following guidelines were offered.
 - The Board chair expects to be consulted and/or informed about potential

McNally & Associates

www.mcnally-assoc.com

2

Source: ©2018 McNally & Associates

APPENDIX: Sample Coaching Contract

AtlantiCare Health System

changes in strategic direction and developing problems that could lead to a material impact on finances or quality and/or negative media.

-The CEO expects to be consulted and/or informed about any material issue pertaining to individual board members and perceptions and opinions garnered from interactions with the community at large.

- Partners will err on the side of sharing potential or actual problems with each other at the earliest convenience.

3. *Transparency* – to avoid surprises, not only between the board and management, but also between the organization and its stakeholders. Board chair and CEO are both committed to cultivating a board culture of openness and inclusion.

4. *Individual Preferences/Needs* – to ensure the most effective partnership, the following individual preferences/needs were expressed:

- Board Chair (specifics....)
- CEO
- Chief of Staff

These agreements, once finalized, will serve as guidelines for an effective partnership. They will be reviewed on an annual basis and refined as needed.

Board Chair

Date

CEO

Chief of Staff

McNally & Associates

www.mcnally-assoc.com

3

Source: ©2018 McNally & Associates