

## 3 REASONS YOU CAN'T AFFORD TO SETTLE FOR A "GOOD" BOARD

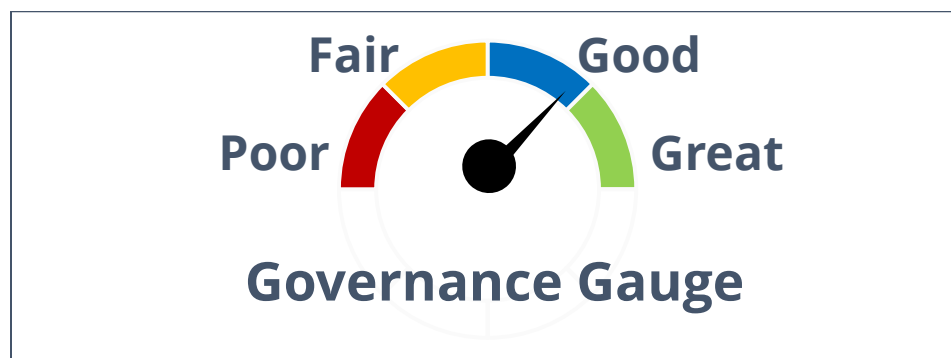
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### SUMMARY

My hypothesis is that many organizations have reached a state where they are satisfied that their board is "good enough"... and in so doing, fail to reap the many tangible benefits that a high-impact board can bring to the organization that it serves.

**W**hen was the last time you got excited about the outstanding value that your board brings to your organization? Was it after an energizing board meeting where everyone contributed to a healthy debate and brought out new insights that identified a new opportunity to better meet your mission? Was it realizing that the board's role in creating a strong ethical culture was a key factor in improving recruitment and retention, and thereby saving you tens to hundreds of thousands of dollars in replacement hiring and onboarding costs? Or was it hearing from strategic partners that the reputation and interaction with your board was an important factor in building trust and tighter alignment with your company? If these examples are ones that you'd like to see play out in your life...read on.

If I asked you to rate your board right now, what rating would you give it...Poor, Fair, Good or Great?



When asked to rate their boards, chief executives most often give their boards a B. But this means the chief executive is rating themselves at that level as well because the governance function is composed of both the chief executive and the board.

And as you look at rating the governance in your organization...what criteria do you use? Do you even know what constitutes great governance?

My hypothesis is that many organizations have reached a state where they are satisfied that their board is “good enough”... and then decide to leave well enough alone. Some of you may be thinking to yourselves, “Well, good is just a smidge lower than great, so why can’t we be satisfied with that?” Let me tell you why...

### Good Isn’t “Almost Great”

Jim Collins says that “good” is actually the enemy of “great.”

*Good is the enemy of great...  
Jim Collins,  
author of Good to Great*

Why do you think that is?

It’s because those of us who settle for “good enough” lose our aspiration to ever reach “great.”

So, I want to explore with you some ideas about the importance of high-performing boards, allow you to assess your own governance, and encourage you to explore ways to move to a higher level of governance impact.

When I asked you to rate your board, what did you use as criteria for what great looks like?

Was it that the board members are pleasant to each other, or that they are energized and engaged at meetings, or that they have a demonstrable impact on the organization that they serve?

Well, there are lots of ways to look at what makes a great board. One of them is to compare your board to a set of aspirational goals.

### Aspirational Goals

*The Source: 12 Principles that Empower Exceptional Boards* (available at Boardsource.org) is just one of many ways you can use to think about what might be possible.



The book is based upon the premise that there is difference between a **responsible board** and an **exceptional board** in 12 areas.

*At this point, I'd like you to pause your reading and do a quick self-assessment of your board with respect to these 12 principles.... Please click the button below to see where you are on the road to a great board. When you're done return to this article. (use your browser back arrow to return)*

**[Complete assessment, then  
return here](#)**

Did you have any reactions as you were doing the assessment? Did you find yourself wishing that your board was a little more exceptional? Did you identify an area, or two, or three where your board could take steps to improve their performance, and in turn their contribution to your organization? Most people do.

Now, I have a confession to make....in a way, me asking you if your board is great is a trick question...because a board doesn't reach great and just stay there. Like any other part of your organization, continuous improvement is always possible. So, becoming great is an ongoing goal.

### **Great is a Moving Target**

I'd argue that INTENT TO IMPROVE is the key factor that distinguishes a board on the road to high performance. And that requires two things to start:

- Commitment
- A road map or plan

And before either of those items can be in place, you need to overcome the tendency to think that good is good enough.

So, now let me get back to the title of this article: three reasons why I think you can't settle for a "good" board...

### **Reasons You Can't Afford to Settle for "Good Enough"**

The title of this article promises you three reasons you can't afford to settle for "good enough," but I lied, and I'm going to give you six reasons: three based in fear, and another three based in potential.

We could create a long list in the fear-based category, but here my top three:

1. Increasing competition, both direct and indirect.
2. Greater regulatory burden and scrutiny.
3. The pure rate of change: in reimbursement, consolidation, technology, and speed at which information spreads - both positive and negative.

As I said, the list could go on and on.

All of these things are among the concerns that keep homecare leaders up at night. They point to the need for a high-performing board; however, I prefer to focus on the positive side of what a great board can mean for an organization...

1. Chief executives in today's challenging environment deserve a supportive partnership, not a board that is one more "chore," or even one more fearful

element on the list above, as opposed to an energizing partner.

2. Great boards play a key role in creating a culture of integrity, fairness and respect....and we know from studies that there are really important and quantifiable financial benefits of such cultures: better compliance (eight times fewer fines and penalties), better recruitment and retention (at anywhere from \$30,000 to \$100,000 in savings for each prevented turnover), and better financial bottom lines on the order of 2.5%, which, with today's margins, can be the difference between breaking even and running a loss from operations.

Then there are a host of qualitative benefits of a high-performing board, such as:

- Board members who feel that they add value and are personally satisfied and actively engaged.
  - Chief executives and board members who look forward to board meetings.
  - Staff that see the board as a strategic advantage for their organization.
3. And, as if that's not enough, great boards play a critical role in linking the organization to the community and to strategic partners that will be becoming even more important in the coming years. Whether it's an ACO, health system, foundation or government entity, the ability of a strong board to make connections can be a gold mine.

So, let me ask you, do any of these benefits make it seem worthwhile to pursue continuous improvement with your board? If so, you may be wondering how to move your board toward becoming great....

### **The Six Pillars of a Healthy and Engaged Board**

There are six pillars that support a healthy and engaged board....one that's firing on all cylinders. Here's the list:

1. Vibrant Vision, Mission, and Values
2. Board's Work Connects to Vision, Mission, and Values
3. Effective Board Meetings
4. Committed Board Members
5. Clear Understanding of Board Roles and Responsibilities
6. Healthy Team Dynamics

If you'd like to learn more about the six pillars of a healthy and engaged board, there are video modules available on the Hospice Governance Academy, and they are the focus of a new resource guide, which will be available shortly. If you'd like a complimentary copy, [\*contact us\*](#).

I hope this article has whetted your appetite for thinking differently about how critical a high-performing board can be to home health and hospice organizations.

I want to encourage you to never settle for good, but rather to aspire to be great.

NEVER SETTLE  
FOR GOOD...  
ASPIRE TO BE  
**GREAT**

To explore this topic further, use these links:

*[Integrati3D Resources](#)*

*[Hospice Governance Academy](#)*

### **Related Resources:**

*Ethics Pays*, Ethical Systems (a collaboration of top researchers, most of whom are faculty at leading business schools), <https://www.ethicalsystems.org/content/ethics-pays>

*Culture Matters*, Ethisphere, <https://insights.ethisphere.com/culture-matters/>