

A GUIDE FOR STRONGER HEALTH SYSTEMS
AND GREATER HEALTH IMPACT



LEADERS *who* GOVERN

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A GUIDE FOR
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AND GREATER HEALTH IMPACT

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Governance is a structured process used by a group of people—usually referred to as a governing body—to make decisions about policy, plans, and rules of collective action. The members of governing bodies wield power and resources to define, promote, protect, and achieve the health mission of an organization, program, institution, or country.

For health organizations, the focus of this collective action is to strengthen health systems in order to expand access to quality health services. This leads to better, more sustainable health outcomes.

Smart leaders invest time to develop smart governing bodies. The work of good governing bodies yields stronger health systems and greater health impact.

What problems arise from poor governance in our health organizations? A survey of health sector managers across 20 countries identified the following five major risks due to poor health systems governance:

1. The organization's plans do not reflect the needs of the populations it exists to serve.
2. The organization is not as successful in mobilizing resources to implement its plans as it could be.
3. The services provided are not of high enough quality or convenience to satisfy the beneficiaries.
4. The scarce resources of the organization are not as well used as possible.
5. The organization is less likely to attract and retain the health workers needed to serve the population.

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PREFACE

Do you want stronger health systems and better health outcomes? Then invest in smarter governance of the programs and organizations in your health system. Whether in nongovernmental organizations (NGOs), civil society organizations (CSOs), or decentralized ministries of health, people who lead, manage, or deliver health services benefit when governing bodies and governance decision-making processes are wise and ethical. This is particularly true for low-resourced health systems, which are the focus of this guide.

WHAT IS GOVERNANCE FOR HEALTH?

Good governance for health is a **mission-driven and people-centered decision-making process**. It is carried out by a group of community leaders who are organized and entrusted to act on behalf of the health needs of certain populations by a government, NGO, CSO, or distinct population of stakeholders. Their job is to protect, promote, and restore the health of the people served by the entity. These people may handle one or more high-priority health concern(s), such as control of a communicable disease, case management for a noncommunicable disease, or emergency obstetric and newborn care. They may also serve people in rural or urban areas in the form of governmental, nongovernmental, or private sector organizations.

Leaders who govern may work in or on behalf of an organization, program, facility, agency, department, council, or ministry. In all cases, we believe that good governance advances the mission of an organization or agency to deliver high-impact health services to individuals and communities, especially the most vulnerable populations.

Governance is:

- setting strategic direction and objectives for an organization;
- making policies, laws, rules, regulations, or decisions;
- raising and deploying resources to accomplish the organization's mission, strategic goals, and objectives;
- overseeing the work of the organization to achieve its mission.

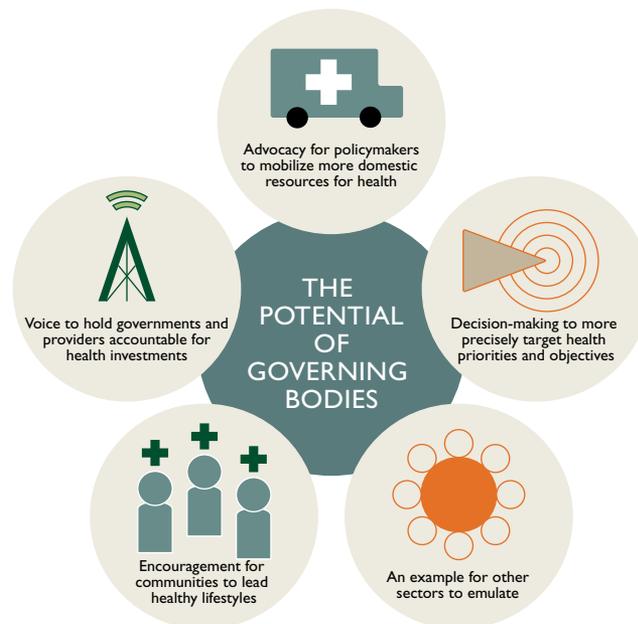
The governing body then seeks the best ways to achieve the strategic goals and objectives and enhance the long-term vitality of the organization so it can pursue its mission.

To foster good governance for health, people who govern, governing bodies, health sector leaders, and managers at all levels in low- and middle-income countries must become more knowledgeable about governance. This includes new organizational forms and practices of governing for health.

YOUR ROLE MATTERS TO GOOD GOVERNANCE

If you are a good manager or health care provider, you should care about how you can best define and support the infrastructure for good health sector governance. What actions should you take to encourage, enable, and empower the work of your governing bodies? What factors are known to facilitate or frustrate good governance by these bodies? What are the benefits of good governance to society (see Figure 1), as well as to organizations, and how can various stakeholders help to maximize these benefits?

FIGURE 0.1 The benefits of good governance in the health sector are far-reaching. Good work by thousands of governing bodies contributes to political stability via satisfied health workers and millions of beneficiaries, and to economic growth via thousands of workers spending their incomes within local economies. This spending in turn fuels growth in other sectors. Furthermore, good health governance fortifies the health and productivity of the national workforce.



These are some of the questions that this good governance guide for health systems leaders and policymakers answers, although the answers will vary depending on your organization, your country, and your community context. Your unique approach to good governance will also be shaped by your personal wisdom and influence. In addition, your approach will be shaped by your commitment to ensure that the conditions needed to continuously improve services are in place to protect, promote, and restore health for those most likely to face illness, injury, and disability in your region.

THIS GUIDE IS A LEARNING SYSTEM

This guide is more than a traditional book. The authors see it as a “learning system.” We say “learning system” because we provide a collection of interconnected printed and Internet-based resources that will help you to learn about and successfully use good governance practices and processes to enhance the performance of health sectors in low-resourced countries. We hope that this guide helps you to learn and apply practical ideas, insights, and initiatives that promote good governance in your own health organization.

We also are making this collection of resources available in multiple languages and in a variety of easily-accessible forms. We are using many vehicles to share these messages and tools not only to help you to master and use the knowledge, but also to make it easier for you to share and use it with the stakeholders and participants you encounter on your journey to smarter governance for stronger health systems and better health outcomes.

Great leaders—both men and women—come in many shapes, sizes, and ages. They come to work representing a variety of backgrounds, experiences, nationalities, languages, cultures, and attitudes, and with a range of knowledge, skills, and competencies. To draw upon these distinctive characteristics and perspectives, you will find it valuable to work with, for, and inside many types and forms of governing bodies.

This guide is designed to help you explore, master, design, develop, and support “smart governance” within the governing bodies of health sectors in low-resourced countries. The principles and practices you will find in this book also apply to most types of organizations in wealthier countries and to sectors beyond health. They can also be used in organizations that purchase, finance, or regulate health services and essential medicines supply. [Section 29](#) illustrates good governance for the supply of essential medicines. Our focus in this guide—along with the examples, tools, and techniques we provide—is to support better health care and make a greater health impact on health organizations in low-resourced communities around the world.

DEFINING THE CONTENT OF THIS GUIDE

In this guide, we see that good governance for health is about the art and science of good decision-making relative to the policies, plans, and performance of the governing bodies that are charged to oversee the work and results of health organizations. High-performing

governing bodies have systems and people that develop and manage sound decision-making processes. These processes have many elements that need to work in a well-organized and coordinated manner in very challenging environments in low-resourced health systems and country contexts.

These **places** are organized to address and improve performance regarding:

- ministries of health, for policy development and implementation
- the national supply chain for pharmaceuticals, food, and water
- the national safety system for vehicular traffic
- training institutions for health professionals
- maternal, newborn, and child health programs
- occupational health programs
- family planning and reproductive health programs
- communicable disease programs, including HIV & AIDS, malaria, tuberculosis
- noncommunicable and chronic disease programs
- hospitals of all types and locations
- community health centers
- provincial and district health councils

The decision-making **processes** for all of these places and governing bodies should answer 10 questions:

1. Who makes the decisions?
2. How are parties informed and educated to participate in the decision-making?
3. Who advises the decision-makers in their process for decision-making?
4. What criteria are used in the decisions?
5. How organized, ethical, effective, efficient, and transparent is the process of making decisions?
6. How are the decisions reported to stakeholders and beneficiaries in understandable and accessible ways?
7. How can beneficiaries and stakeholders best monitor the implementation of the decisions?
8. Who reports the progress and results of the decisions, and how?
9. How are the decision-making processes continuously improved?
10. How do stakeholders and beneficiaries best ensure improved accountability of the plans and investments based on these decisions and their decision-making processes?

In this guide, practical insights into each of these 10 essential decision-making activities are organized to address 29 key challenges facing those who govern organizations for health systems strengthening. It should be easy for you to identify challenging issues and proceed directly to information that helps you resolve or better manage those issues.

The guide has 29 sections focused on common challenges facing health sector governing bodies. These sections are grouped into five clusters:

Part I. The People of Governance: What types of people are engaged in governance decision-making for health? What are their roles, responsibilities, and relationships? What competencies do they need so that their time and talents are well used to accomplish good governance for stronger health systems and better health outcomes?

[Section 1: Role Confusion](#)

[Section 2: Composition and Competencies](#)

[Section 3: Use of Subgroups](#)

[Section 4: Culture to Empower Health Workers](#)

Part II. The Places of Governance: What are the various types of settings and organizations in which governance decision-making is to occur? What characteristics of these governing bodies are best suited for the unique country context and organizational setting in which these bodies find themselves? What characteristics will help them to succeed?

[Section 5: Contextual Opportunities and Constraints](#)

[Section 6: Organizational Types and Levels](#)

[Section 7: The Need for a Governing Body](#)

[Section 8: The Development of Terms of Reference](#)

[Section 9: Motivation and Measurement of Performance](#)

Part III. The Practices of Governance: What are the essential practices that the people engaged in governing bodies should master if they are to accomplish high-performance governance for health?

[Section 10: Clear Processes and Practices](#)

[Section 11: Culture of Accountability](#)

[Section 12: Stakeholder Engagement](#)

[Section 13: Strategy Development](#)

[Section 14: Stewardship of Resources](#)

[Section 15: Continuous Improvement](#)

Part IV. The Processes of Governance: What are the major systems and infrastructure elements needed for people to participate effectively in the governance decision-making processes and practices necessary to function well and to maximize the vitality of the various organizations and governing bodies?

[Section 16: Management Oversight](#)

[Section 17: Member Recruitment](#)

[Section 18: Member Orientation and Education](#)

[Section 19: Strategic Thinking and Planning](#)

[Section 20: Resource Mobilization](#)

[Section 21: Quality Assurance](#)

[Section 22: Human Resources Development](#)

[Section 23: Governance Self-Assessments](#)

[Section 24: Media Relations Planning](#)

Part V. The Performance of Governance: What mechanisms can governing bodies use to perform efficiently and effectively? What types of information do they need, and how can they best share it? How does a “culture of celebration” support the performance of governance? How can these processes help ensure the supply of essential medicines?

[Section 25: Effective Meetings](#)

[Section 26: Themed Meeting Calendars](#)

[Section 27: Use of Information](#)

[Section 28: Culture of Celebration](#)

[Section 29: Governance in Pharmaceutical Systems](#)

The ideas and insights of these sections are accessible on the internet via this website: www.leaderswhogovern.org. Explore this website to find case studies, new resources and references, and photo profiles of effective governance leaders.



INTRODUCTION

This introduction focuses on the actions of good governance and its various types of benefits, as well as the assumptions that underlie these assertions.

LEADERS MUST TAKE ACTION FOR GOOD GOVERNANCE

There are **five key actions** leaders can take to build good governance:

- Action 1:** Establish and champion a clear strategic purpose or mission for your organization and its governing body.
- Action 2:** Engage and empower the right kind of people to work successfully in the organization's governing processes and decision-making structures.
- Action 3:** Provide a consistent moral and ethical compass and conscience for the enterprise as it strives to achieve its mission.
- Action 4:** Work with the chairperson of the governing body to define and continuously improve four key practices for smart governance:
 1. cultivating accountability
 2. engaging stakeholders
 3. setting a shared strategic direction
 4. stewarding resources responsibly
- Action 5:** Support the availability of good information and infrastructure for decision-making processes that are SMART:
 - S** takeholder-friendly
 - M** ission-driven
 - A** ccountable to beneficiaries and resource providers
 - R** espectful of the time, talents, and financial resources of those who govern
 - T** ransparent

GOOD GOVERNANCE HAS BENEFITS FOR HEALTH SECTOR LEADERS

We believe that if you invest your time, talents, and funds in the five key actions for better governance of health organizations that are listed above, you will reap the following **five important benefits**:

Benefit 1: You will be more effective and efficient in building and operating health systems that save more lives and reduce more sickness.

Benefit 2: You will waste less of your and your colleagues' time when planning, developing, and operating programs and institutions designed to promote, protect, and restore health for all people—especially the most vulnerable and disadvantaged.

Benefit 3: Your career will likely be more satisfying, stable, secure, and economically attractive.

Benefit 4: You, your family, and your community will be prouder of your work and the results you achieve.

Benefit 5: The results you achieve will be more significant and more sustainable.

GOOD GOVERNANCE HAS BENEFITS FOR HEALTH SYSTEMS

Good governance not only helps health sector leaders like you better accomplish your work, but it also has benefits for the health systems and populations you serve. Good governance creates the conditions in which health workers and program managers are more likely to secure the medicines, staff, equipment, supplies, and facilities they need to save lives and improve health.

The promise of good governance can, however, be a shallow, false promise, one that is often broken, unless it is understood and demanded by those who lead, manage, and deliver health services. Good governance does not happen just because you hope it will. Hope is not a strategy. Good governance can more likely be realized if you make a personal commitment to explore the many facets of good and poor governance, and then take action to embrace good governance and combat poor governance. You need to be a champion for “intentional governance” as outlined in the following sections of this guide.

WISE AND ETHICAL GOVERNING BODIES BENEFIT THE PERFORMANCE OF HEALTH SYSTEMS

Good governing bodies offer 10 major benefits to health systems and their leaders:

1. They improve rapport and engagement with and support from the community, and enhance our understanding of the health needs of people and communities for service and financial program planning.
2. They expand our political influence with local and regional politicians to strengthen our access to needed resources (human, financial, technical).
3. They leverage their members' experience and ideas to help develop better plans to expand equitable access to health services.
4. They encourage leaders to improve their accountability to implement plans and improve their performance for the sake of many constituencies and stakeholders.
5. They help to support oversight, accountability, and professional growth for the chief executive officer (CEO), senior management team, and senior clinical leaders in numerous areas. These areas include public health, epidemiology, medicine and nursing, health promotion, business or clinical expertise, finance, legal matters, marketing; process improvement, and total quality improvement. They also encompass process improvement thinking and tools; supply chain management; and change management in turbulent times and with scarce resources.
6. They shield the CEO from pressures from politicians, health workers, staff, vendors, and unions to make inappropriate changes.
7. They foster an objective view of strategic plans and tactical initiatives by posing challenging questions about their meaning and importance.
8. They bring new and objective perspectives to problem definitions and problem resolutions.
9. They support the pursuit of philanthropy, grants, and government funding needed to achieve our mission.
10. They serve as a sounding board to clarify and make plans, strategies, and resource investments more effective.

Good governance creates the conditions that improve the ability of those who deliver and manage health services to be successful in strengthening health systems and achieving better health outcomes. This theory rests on **five assumptions**.

Assumption 1: Governance interventions—such as consulting, training, supportive resources, and materials—contribute to group decision-making that has the following characteristics:

- mission-driven
- practice-based
- people-centered
- open and transparent
- ethical and honest
- evidence-informed
- results-oriented

Assumption 2: This style of decision-making enables decisions in six spheres that are essential to protect and strengthen the pursuit of the organization's mission:

- strategic planning focused on the needs of populations and communities
- financial planning and budgeting
- resource mobilization
- design and delivery of services, and design and implementation of programs
- quality assurance and service excellence for beneficiaries
- development and management of human resources

Assumption 3: Decisions in these spheres are more likely to ensure the availability of services that cost-effectively protect, promote, and restore health in all segments of the population because they are delivered:

- with the right quality;
- in the right place and time;
- with cultural sensitivity and appropriateness;
- affordably, as measured in terms of a beneficiary's money, comfort, and convenience;
- with the right numbers and types of health workers who have the right knowledge, skills, attitudes, and competencies; compensation; support; and incentives for service excellence.

Assumption 4: The availability of these types of services expands the potential that beneficiaries will use the services and that the services will be sustainable.

Assumption 5: The people using the services are therefore more likely to achieve gains in health outcomes that are significant and sustainable.

WHY WE BELIEVE THESE BOLD ASSERTIONS

We believe in the benefits of good governance by smart governing bodies because we have seen them in countries throughout Asia, Africa, Latin America, Europe, and North America. We also believe in them because we have forged a clear **theory of change** about smart governance for health and about the actions a leader can take to enable and support a journey to better health systems and organizational governance.

The work of effective leaders was described in an earlier publication from Management Sciences for Health, *Managers Who Lead*. Leaders here are generally defined to be the men and women who develop, lead, or manage not only health sector-related organizations, but also boards, councils, or commissions dedicated to sustainable health systems strengthening.

Good governance enables those who lead, manage, and deliver health services to be more effective and efficient by:

- establishing policies, plans, and procedures that remove obstacles for leaders to do their work;
- encouraging leaders to be more successful in supporting the governing body to accomplish the essential governing practices of:
 - cultivating accountability
 - engaging stakeholders
 - setting a shared strategic direction
 - stewarding resources responsibly
 - continuously improving the four practices above;
- making available the resources—political, human, medicines, technological, and financial—that leaders and health care professionals need to do their work;
- expecting, encouraging, and empowering leaders to strive for service delivery that meets or exceeds national and international standards of excellence;
- celebrating the organization’s journey toward stronger health systems and better health outcomes.

MASTERING GOOD GOVERNANCE PRACTICES

This guide helps you to understand and master the essential five practices for good governance. These practices have been distilled from the experiences of frontline health sector leaders and managers and are also based on several decades of study of governance across a spectrum of organizational types in health and other social sectors, including business, government, education, and the arts. Furthermore, the practices are shaped by work to define and live within essential principles for good governance advocated by these international organizations: the World Health Organization, World Bank, Organisation for Economic Co-operation and Development, Governance Institute, and European Union. For a comparison of these principles, see tables next page.

TABLE A.1 Dimensions of governance

| Institution | Dimension | |
|---|--|-------------------------------------|
| World Bank Institute (Worldwide Governance Indicators) | Voice and accountability | Regulatory quality |
| | Political stability and absence of violence | Rule of law |
| | Government effectiveness | Control of corruption |
| United Nations | Participation | Equity |
| | Rule of law | Effectiveness and efficiency |
| | Transparency | Accountability |
| | Responsiveness | Strategic vision |
| | Consensus orientation | |
| Overseas Development Institute / World Governance Assessment | Participation | Accountability |
| | Fairness | Transparency |
| | Decency | Efficiency |
| Mo Ibrahim Foundation / Ibrahim Index of African Governance | Safety and rule of law | Sustainable economic opportunity |
| | Participation and human rights | Human development |

Source: C. Baez-Camargo and E. Jacobs, *A Framework to Assess Governance of Health Systems in Low Income Countries* (Basel: Basel Institute on Governance, 2011).

TABLE A.2 Key governance practices

| Effective governing practice | Enabler |
|------------------------------|---|
| Cultivate accountability | Openness and transparency |
| | Inclusion and participation |
| Engage stakeholders | Gender-responsiveness |
| | Intersectoral collaboration |
| Set shared direction | Effective leadership and management |
| | Ethical and moral integrity |
| Steward resources | Pursuit of efficiency and sustainability |
| | Measurement of performance |
| | Use of information, evidence, and technology in governance |

The fifth essential practice is to continuously improve the work of the four practices above. This can be achieved through annual self-assessments and open conversations among governing body leaders, health care workers, and the management team of your organization about ways to continuously improve governance decision-making.

GOOD GOVERNANCE MATTERS

By designing and institutionalizing smart governance practices, your organization can perform better and is more likely to deliver better health outcomes that can be sustained. For evidence that good governance matters, see the sources in [Appendix A.1](#).

But the degree to which successful outcomes result from good governance is a function of how well you accomplish five imperatives.

Imperative 1: Process

Your governance processes must be inclusive, transparent, and accountable to all key stakeholders.¹

Imperative 2: People

The governing body should include a reasonable number of competent people who reflect the demographic characteristics of the beneficiaries of the health systems and have influence among those who control power and access to needed resources in the local context.²

Imperative 3: Practices

The governing body's leaders must continuously discuss and implement actions that foster the use of the five essential practices.³

Imperative 4: Infrastructure

Smart governance decision-making requires a good infrastructure of support staff and information that is accurate and timely.⁴

Imperative 5: Performance

Health systems strengthening must be dedicated to achieving meaningful results, as measured in service utilization and sustained gains in health status. This requires the commitment to continuously design interventions in a way that enables measurement and study of the factors that maximize the impact of good governance.⁵

1. See Elizabeth Bradley et al., "Linking governance mechanisms to health outcomes: a review of the literature in low and middle-income countries," *Social Science and Medicine*, 2014; 117:86-95.
2. See Ilona Kickbusch and David Gleicher, *Governance for Health in the 21st Century* (Geneva, Switzerland: WHO Europe, 2012). Available at: http://www.euro.who.int/__data/assets/pdf_file/0019/171334/RC62BD01-Governance-for-Health-Web.pdf
3. Management Sciences for Health, "How to govern the health sector and its institutions effectively," *The eManager*, March 2013. Available at: http://www.lmgforhealth.org/sites/default/files/eManager_How%20to%20Govern%20the%20Health%20Sector_4.11.13_FINAL.pdf
4. NHS National Leadership Council, *The Healthy NHS Board: Principles for Good Governance*, n.d. Available at: <http://www.leadershipacademy.nhs.uk/wp-content/uploads/2012/11/NHSLeadership-TheHealthyNHSBoard.pdf>
5. See USAID, "Accelerating Evidence Generation for Governance Contributions to Health Outcomes" (Washington, DC: USAID, 2014). Available at: <https://www.hfgproject.org/governance-workshop/> On July 23, 2014, the USAID Health Finance and Governance (HFG) project hosted a one-day workshop at the National Press Club in Washington, DC, on generating evidence of governance contributions to health outcomes. The event brought together almost 60 health and governance professionals from USAID, prominent external organizations such as the World Health Organization and the World Bank, and implementing partners to discuss the key evidence gaps and develop an action plan to address them.

APPENDIX A.1

Good Governance Matters

There is an emerging body of evidence demonstrating that effective governance improves health outcomes. For example, a study conducted by Björkman and Svensson⁶ in 50 rural communities in Uganda showed that community monitoring of health care providers improved health outcomes; communities with governance intervention saw a significant increase in the weight of infants and as much as a 33% reduction in mortality rates of children under five years of age relative to the communities without such intervention. Community members were engaged in oversight of public dispensaries and demanded accountability of health care providers in their provision of health services.

In their study of 46 African countries, Olafsdottir et al.⁷ found good governance was inversely associated with the under-five mortality rate after controlling for health care, finance, education, and water and sanitation. On the other hand, multiple studies have found that poor governance overall, and especially in the health sector, has contributed to poor health outcomes.⁸ Poor governance allows corruption to flourish; Hanf et al.⁹ conclude that the deaths of more than 140,000 children annually could be indirectly attributed to corruption.

Management Sciences for Health is continuously exploring evidence on the benefits of good governance for stronger health systems performance. New insights are accessible at www.leaderswhogovern.org. This web portal also provides access to materials that can be used for the orientation and education of governing body members.

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6. Martina Björkman and Jakob Svensson, "Power to the people: evidence from a randomized field experiment of a community-based monitoring project in Uganda," *Quarterly Journal of Economics* 2009; 124(2): 735-69.
 7. A. E. Olafsdottir, D. D. Reidpath, S. Pokhrel, and P. Allotey, "Health systems performance in sub-Saharan Africa: governance, outcome and equity," *BMC Public Health* 2011; 11(1):237-44.
 8. Omar Azfar, Satu Kahkonen, and Patrick Meagher, Conditions for effective decentralized governance: A synthesis of research findings (College Park, MD: IRIS Center, University of Maryland, 2001), pp. 67-73; Clara Delavallade, "Corruption and distribution of public spending in developing countries," *Journal of Economics and Finance* 2006; 30(2):222-39; Sanjeev Gupta, Hamid Davoodi, and Erwin Tiongson, "Corruption and the provision of healthcare and education services," in Arvind Jain, ed., *The Political Economy of Corruption, 1st ed.* (London and New York: Routledge, 2009), pp. 111-41; Magnus Lindelow, Pieter Serneels, and Teigist Lemma, "The performance of health workers in Ethiopia: results from qualitative research," *Social Science and Medicine* 2006; 62(9): 2225-35.
 9. Matthieu Hanf, Astrid Van-Melle, Florence Fraisse, et al., "Corruption kills: estimating the global impact of corruption on children deaths," *PLoS One* 2011; 6(11): e26990.

SECTION 1

ROLE CONFUSION

TOPICS

The General Role of
Governing Bodies

The Role of Governing
Body Members

Differences between
Those Who Govern
and Those Who Lead
and Manage

The Role of
Chairperson

Who should govern health services organizations and programs? This section explores the need for and nature of clear roles in governing diverse types of health services organizations and programs in low-resourced countries, from health centers to provincial health councils to national referral hospitals.

Another question to ask is, How should this work be accomplished? Governing bodies need to know when to take charge, when to partner, and when to stay out of the way.¹

THE CHALLENGE

Health systems perform better when there is balance and synergy among those who manage, lead, and govern the health programs and organizations. The chairperson of a Provincial Health Council in Cameroon is frustrated when reviewing a work plan and budget that calls for education spending to develop three new leaders, five managers, and four new members of the Provincial Health Council. She does not know why three different types of leaders are needed or how their work will be different. Most of all, she doesn't know why they need orientation to their work if they are supposed to be already educated and experienced in health services delivery. How can you help her better understand the differences among and value of each type of leader?

1. See Ram Charan, Dennis Carey, and Michael Useem, *Boards That Lead: When to Take Charge, When to Partner, and When to Stay Out of the Way* (Cambridge, MA: Harvard Business School Publishing, 2014).

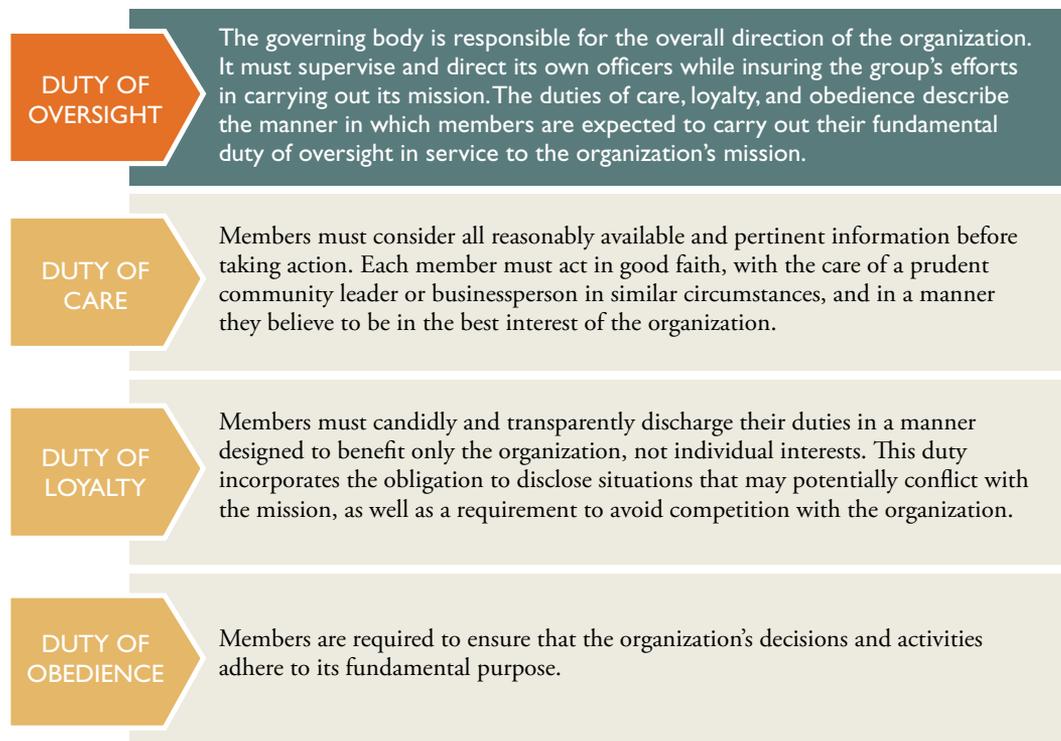
We have identified throughout this book good practices for those who manage, those who lead, and those who govern by serving on governing bodies at all levels of the health services sector of your country. We can also define many areas where it is desirable to have a balanced role for managers and leaders. Good governance enables and facilitates optimal contributions from those who manage and lead. See [Appendixes 1.1](#) and [1.2](#).

THE GENERAL ROLE OF GOVERNING BODIES

While the formal role of governing bodies for health may vary from country to country due to their unique legal and cultural heritages, the basic role of most governing bodies is to serve as **champions for and protectors of the mission of the organization or program**. This role is enacted through the policy, rules, and decision-making processes adopted and continuously refined by the governing body or entity that formed it. In most countries, this role should be organized around work that concerns three important duties: duty of care, duty of loyalty, and duty of obedience.²

Figure 1.1 explains these duties.

FIGURE 1.1 The duties of the governing body, The body's fundamental duty is oversight, which it carries out by exercising the duties of care, loyalty, and obedience.



2. Governance Institute, *Elements of Governance: Building a Comprehensive Board Orientation Program*, 2009.

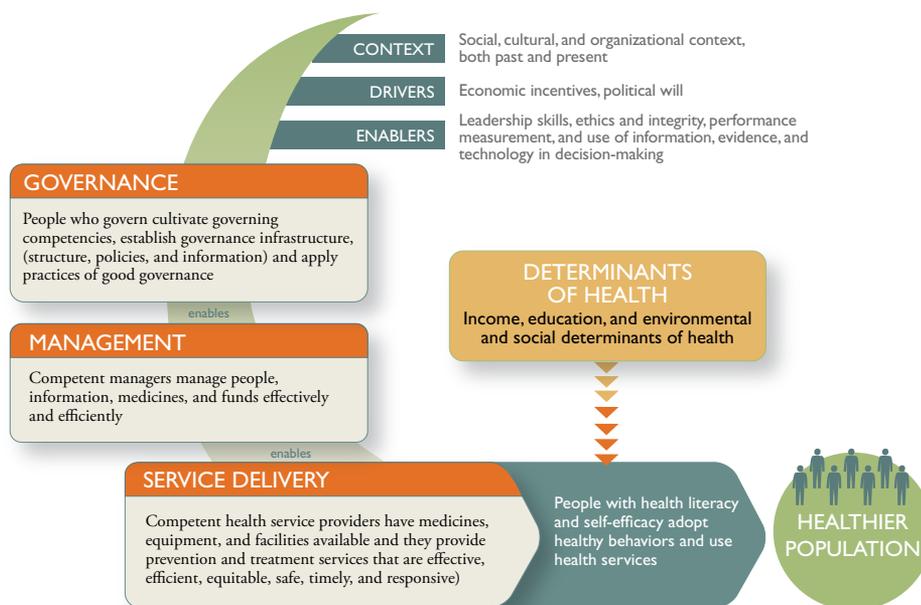
The purpose of most health sector governing bodies is to govern effectively and, in the process, build public and stakeholder confidence that their health and health care are in safe hands. This fundamental accountability to the public and stakeholders is delivered by building trust that:

- health services are safe and of high quality;
- resources are invested in a way that delivers optimal health outcomes;
- health services are accessible and responsive;
- the public can appropriately shape health services to meet its needs;
- public money is spent in a way that is efficient and effective.³

There is a range of models of governance in use in both the public and private sectors. This guide aims to provide governing body members with an overarching and sustainable framework that will allow you to make sense—and effective use—of the growing body of available advice and guidance from international resources, including the [MSH web portal on good governance](#).⁴ It draws on established good practices in governance and a wide-ranging review of more recent literature from all sectors.

Figure 1.2 presents an example of a conceptual model of governance for health.

FIGURE 1.2 Conceptual model of governance of health. When competent people perform a well-defined governing role in a health system, consistently apply practices of good governance, and establish essential governance infrastructure, we will have effective and efficient management of people, money, medicines, and information. Sound management of the health system enables delivery of safe, timely, effective, and efficient health services.



3. National Health Service of England, “Your Duties: A Brief Guide for NHS Foundation Trust Governors” (London: Monitor, 2014). Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301286/BriefGuideForGovernors.pdf

4. MSH, “Governance.” Available at: <http://www.lmgforhealth.org/expertise/governing>.

We hope to answer for health sectors in low-resourced countries the three questions raised by Nadler et al. in *Building Better Boards*:⁵

1. How do you create a governing body that is truly effective—one that not only meets its minimum legal obligations but also becomes a source of added value to its organization?
2. How do you design the work of the governing body so that it achieves an appropriate level of engagement without overstepping its proper role, which is to ensure that the organization is managed effectively rather than to actually manage the organization?
3. How do you build an effective relationship between the governing body and the chief executive officer (CEO), one that empowers the governing body without hampering the CEO's ability to lead?

Box 1.1 shows what the Ministry of Health in Kenya has adopted as the key roles for hospital governing committees.

BOX 1.1 Example of hospital governance roles from Kenya

The Hospital Management (Governing) Committees (HMCs) shall have the following 12 core responsibilities.

1. **Overseeing Hospital Performance Improvement:** The HMCs should oversee the review and evaluation of the performance of the hospital and its programs, the quality of its services, and the types and scope of services being offered; they should also ensure that areas needing improvement are appropriately addressed.
2. **Participating in Planning for the Hospital:** The HMCs have the responsibility and authority to make plans that comply with the Ministry of Medical Services guidelines.
3. **Mobilizing Resources:** The HMCs shall ensure that adequate capital is available for the hospital's development and operations.
4. **Overseeing the Financial Operation of the Hospital:** The HMCs shall ensure a sound financial management system encompassing financial plans, performance evaluation, and regular financial reporting to the National Hospital Committee through the Performance Development and Management System (PDMS). It shall also routinely monitor operational fund balances.
5. **Ensuring Development of Hospital Human Resources:** It is the responsibility of HMCs to organize, protect, and enhance the hospital's human resources and ensure a conducive work environment.
6. **Ensuring Communities' Rights Are Fulfilled and Their Needs Are Adequately Met:** The HMC shall evaluate the services of the hospital to ensure that they fulfill the rights of the communities and comprehensively address their needs.
7. **Maintaining a Positive Public Image:** The HMCs shall regularly evaluate the hospital's public relations activities to ensure that it maintains a positive image of the hospital by ensuring that charters of patients' rights are developed and then displayed in the correct locations.

5. David A. Nadler, Beverly A. Behan, and Mark B. Nadler, *Building Better Boards: A Blueprint for Effective Governance* (San Francisco, CA: Jossey-Bass 2006), p. 10.

BOX. 1.1 Example of hospital governance roles from Kenya, *continued*

8. **Ensuring Compliance with Environmental Regulations and Standards:** The HMC shall ensure that the hospital operations comply with environmental laws and regulations on medical waste disposal and encourage environmental conservation within the hospital and its environs.
9. **Enhancing External Relationships and Partnerships:** The HMC shall seek to improve relationships with all stakeholders and enhance strategic partnerships.
10. **Mitigating Potential Conflicts of Interests:** Members of the HMCs and hospital staff are expected to act ethically at all times and to acknowledge their adherence to the Public Officers Ethics Act 2003 and the MOMS Code of Conduct.
11. **Risk Management:** The HMCs shall be concerned with the overall risk to the hospital and the impact a particular event could have on the hospital and the community it serves. The HMCs shall ensure the hospital has strategies and systems to identify and mitigate risk. The HMCs shall be concerned with the following common risks:
 - a. Natural disaster
 - b. Customer or employee accidents
 - c. Service and product liability
 - d. Embezzlement
 - e. Supplier bankruptcy
 - f. Loss of reputation
 - g. Unexpected new products, policies, and competitors in the sector
12. **Regulatory Compliance:** The health care service delivery is governed by a number of laws and regulations. The responsibility of HMCs in this respect is to ensure the hospital complies with the laws and regulations. To fulfill this responsibility, each HMC member must have a clear understanding of the legal and regulatory framework under which the hospital operates.

Source: Kenya Ministry of Medical Services, "Hospital Management Services Funds, Governance Guidelines for Hospital Management Committees," March 2011.

Table 1.1 on the next page summarizes some techniques and practices that support or hinder the effectiveness of governing bodies. Good governing bodies seek to maximize the activities that support good decision-making, and minimize those that obstruct good decision-making.

TABLE 1.1 Board and executive management relationships: constructive and obstructive

| Ways of working that support good social processes | Ways of working that obstruct good social processes |
|---|---|
| Building a crystal clear understanding of the roles of the board and individual board members | Board members behaving in a way that suggests a “master-servant” relationship between non-executive and executive |
| Actively working to develop and protect a climate of trust and candor | Executive Directors only contributing in their functional leadership area rather than actively participating across the breadth of the board agenda |
| Building cohesion by taking steps to know and understand each other’s backgrounds, skills, and perspectives | Demonstrating an unwillingness to consider points of view that are different from individual director’s starting positions |
| Encouraging all board members to offer constructive challenges | Challenge primarily coming from non-executive directors, rather than all directors feeling empowered to challenge one another in board meetings |
| Sharing corporate responsibility and collective decision-making | Challenging in a way that is unnecessarily antagonistic and not appropriately balanced with appreciation, encouragement, and support |
| Ensuring that neither chair nor chief executive power and dominance act to stifle appropriate participation in board debate | Working in ways that don’t demonstrate overall confidence in the executive and that feed individual anxiety and insecurity about capability |

Source: The Health NHS Board: Principles for Good Governance, NHS England (<http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>)

In the National Health Service in England, the chief executive of a trust governing body observes: “In our organization there are two key tests that we apply to all the decisions that we make: Would you spend your own money this way and would you wish to use this service? In this way, we ensure that we have the taxpayer on one shoulder and the patient on the other.”

In 2009, the Audit Commission document “Taking It on Trust: How Boards of NHS Trusts and Foundation Trusts Get Their Assurance,” described the concept of “assurance” in health services: “Governance arrangements that are persuasive on paper must work in practice. The aim of board assurance is to give confidence that the trust is providing high quality care in a safe environment for patients by staff who have received the appropriate training; that it is complying with legal and regulatory requirements; and that it is meeting its strategic objectives.”⁶

6. Audit Commission, *Taking It on Trust: National Health Report April 2009*, p. 4. Available at: <http://archive.audit-commission.gov.uk/auditcommission/subwebs/publications/studies/studyPDF/3523.pdf>

THE ROLE OF GOVERNING BODY MEMBERS

The main job of health services governing bodies is to protect and accomplish the mission of the organization or program. However, each member of the body has specific responsibilities and duties within the health program or institution. To support the organization's mission statement, the focus of most of these governing body members is to create and enforce specific policies in the six key areas of: (1) quality performance; (2) financial performance; (3) planning performance, (4) management performance; (5) governance effectiveness; and (6) community relations and advocacy. The members implement these policies as a group. They work with senior management and health workers to adopt service utilization and financial vitality outcome targets that guide and measure the organization's overall performance and progress according to plan. As a part of this process, governing body members should:

- Establish policy guidelines and criteria for implementation of the organization's mission and also review the mission statements of any subsidiary program units to ensure that they are consistent with the overall organization's mission.
- Evaluate proposals brought to the board to ensure that they are consistent with the mission statement.
- Monitor programs and activities of the health system and subsidiaries to ensure that they are consistent with the mission.
- Periodically review, discuss, and if necessary, amend the mission statement to ensure its relevance.

In this way, good governance leads to sound management and reliable service delivery. See Figure 1.3, right.

The fundamental duty of oversight—with specific attention to the duties of care, loyalty, and obedience—should be incorporated in all governing body and individual member job descriptions. In addition, job descriptions should include specific reference to the following core board oversight responsibilities: financial oversight; quality oversight; setting strategic direction/mission oversight; board self-evaluation; management oversight; and advocacy and community relations.

For sample terms of reference for a district health council, see [Appendix 1.1](#). The state government of Lagos, Nigeria, provides a sample job description for a primary care governing board.⁷

7. Lagos State Government, "Responsibilities." Available at: <http://www.lagoss-tate.gov.ng/pagemenus.php?p=305&k=197>

FIGURE 1.3 Governance is an enabler. Leaders who govern enable managers, and managers enable service providers.



DIFFERENCES BETWEEN THOSE WHO GOVERN AND THOSE WHO LEAD AND MANAGE

Although there may be overlap in the work of the governing body and management, with careful discussion and planning, conflicts, confusion, and disruptions can be avoided. Table 1.2 shows this balancing of roles between a board and its management at a high level.

TABLE 1.2 The board-management relationship

| Board's roles | Management's roles |
|--|---|
| Select, evaluate, and support the CEO | <ul style="list-style-type: none"> ■ Run the organization in line with board direction ■ Keep the board educated and informed ■ Seek the board's counsel |
| Approve high-level organizational goals and policies | <ul style="list-style-type: none"> ■ Recommend goals and policies, supported by background information |
| Make major decisions | <ul style="list-style-type: none"> ■ Frame decisions in the context of the mission and strategic vision, and bring the board well-documented recommendations |
| Oversee management and organizational performance | <ul style="list-style-type: none"> ■ Bring the board timely information in concise, contextual, or comparative formats ■ Communicate with candor and transparency ■ Be responsive to requests for additional information |
| Act as external advocates and diplomats in public policy, fundraising, and stakeholder/community relations | <ul style="list-style-type: none"> ■ Keep the board informed, bring recommendations, and mobilize directors to leverage their external connections to support the organization |

Source: Barry S. Bader, "Distinguishing Governance from Management," *Great Boards*, vol. 8, no. 3 (Potomac, MD: American Hospital Association, Fall 2008). Available at: <http://www.greatboards.org/newsletter/reprints/Great-Boards-fall-2008-reprint-distinguishing-governance-and-management.pdf>

There is also often confusion about the relative roles and contributions of managers and leaders of health services organizations. They are different, but both are important, as is apparent in Table 1.3.

TABLE 1.3 Managerial leadership: differences between what leaders and managers do

| Managers | Leaders |
|---|--|
| Deal with status quo | Deal with change |
| Work in the system | Work on the system |
| React | Create opportunities |
| Control risks | Seek opportunities |
| Enforce organizational rules | Change organizational rules |
| Seek and then follow direction | Provide a vision to believe in and strategic alignment |
| Control people by pushing them in the right direction | Motivate people by satisfying basic human needs |
| Coordinate effort | Inspire achievement, energize people |
| Provide instructions | Coach followers, create self-leaders, and empower them |

Good Governance Enables and Balances Manager-as-Leader Roles

Both managers and leaders are essential in modern health sectors to achieve high performance results. They can achieve more together than separately, in the following ways.

1. Leaders optimize the upside; managers minimize the downside.
Both together net more.
2. Leaders envision possibilities; managers calculate probabilities.
Both together win more.
3. Leaders focus on the ends; managers focus on the means.
Both together reach more.
4. Leaders focus on the what; managers focus on the how.
Both together do more.
5. Leaders prepare beyond the limits; managers focus on execution within limits. Both together perform better.
6. Leaders generate energy; managers preserve energy.
Both together energize more.
7. Leaders seize opportunities; managers avert threats.
Both together progress more.
8. Leaders are the first ones onto the battlefield; managers are the last ones off.
Both together triumph more.

9. Leaders amplify strengths; managers reduce weaknesses.
Both together develop more.
10. Leaders provide vision; managers provide execution.
Both together achieve more.
11. Leaders do the right things; managers do things right.
Doing both together is the right thing.
12. Leaders drive change; managers maintain consistency.
Both together continuously improve.
13. Leader/manager distinction: “Leaders plant; managers weed.”
Both together yield the greatest harvest.

Good governance creates the conditions in which the contributions of these roles are more likely to be optimized in a health services organization.

Figure 1.4, the MSH Results Framework, shows the logical impact of integrating the practices of good leaders and managers with smart governing to achieve stronger health systems and greater health impact.

FIGURE 1.4 Leading, managing, and governing for results. When people who govern lead and govern well, and people who manage lead and manage well, health system performance improves. Improved health services contribute to better health of populations.

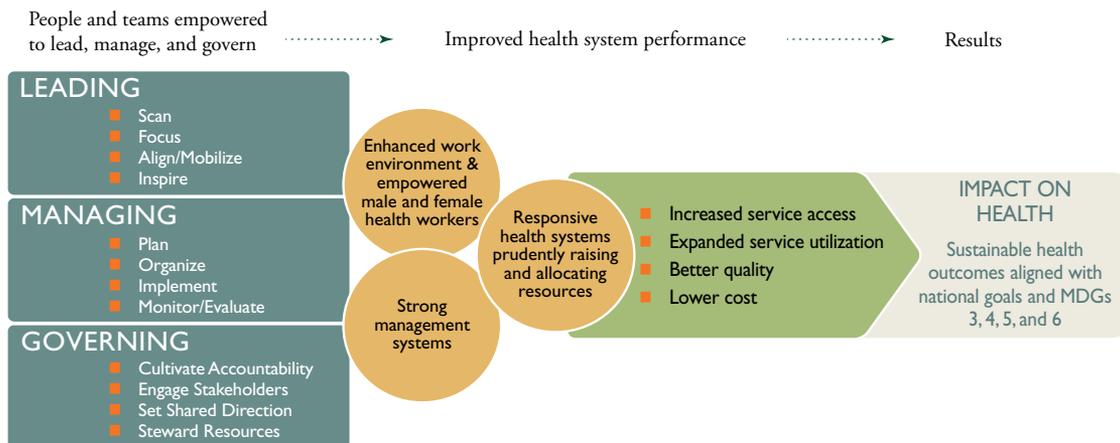


Figure 1.5 further illustrates the interaction and synergy among the practices for good leading, managing, and governing practices. You can discuss these with your management team and governing body members to clarify how they relate to your realities.

FIGURE 1.5 Integrated practices for high-performing health systems. These practical approaches will help people who govern, manage, and provide services to improve their organizations' performance.



THE ROLE OF CHAIRPERSON

Two of the most important factors contributing to the success of a governing body are the skill and style of its chairperson. This is particularly the case when it comes to building a positive partnership with the organization's managing director or CEO. Among other things, board leaders should be unbiased and have good facilitation skills. They must understand the subtleties of group dynamics and know how to create effective norms.

The chairperson plays an important role in shaping the board's norms and culture. A good chairperson should govern instead of rule. A good chair must demand clear and regular communications from the CEO and others on the top management team to ensure that the board is well informed. The chair plays a major role in essential tasks such as setting the agenda; determining the extent to which the board members are informed and contributing to the agenda; making sure organizational policies are open and fair; encouraging equity and collaboration; and allowing and encouraging every member to exercise their initiative, to express their ideas, and to fulfill their responsibilities. Board members who perform well can and should be praised openly and personally.

Table 1.4 illustrates the relative contributions that different leaders within the governance processes of a health service organization can make.

TABLE 1.4 Managerial leadership: differences between what leaders and managers do

| Task | Chair | Chief executive | Non-executive director | Executive director |
|--------------------|---|------------------------------------|--|--|
| Formulate strategy | Ensures board develops vision, strategies, and clear objectives to deliver organizational purpose | Leads strategy development process | Brings independence, external skills and perspectives, and challenge to strategy development | Takes lead role in developing strategic proposals, drawing on professional and clinical expertise (where relevant) |

| Task | Chair | Chief executive | Non-executive director | Executive director |
|-----------------------|---|--|--|---|
| Ensure accountability | <p>Hold chief executive to account for delivery of strategy</p> <p>Ensures board committees that support accountability are properly constituted</p> | <p>Leads the organization in the delivery of strategy</p> <p>Establishes effective performance management arrangements and controls</p> <p>Acts as accountable officer</p> | <p>Holds the executive to account for the delivery of strategy</p> <p>Offers purposeful, constructive scrutiny and challenge</p> <p>Chairs or participates as member of key committees that support accountability</p> | <p>Leads implementation of strategy within functional areas</p> |
| Shape culture | <p>Provides visible leadership in developing a positive culture for the organization, and ensures that this is reflected and modeled in their own and in the board's behavior and decision making</p> <p>Board culture: Leads and supports a constructive dynamic within the board, enabling contributions from all directors</p> | <p>Provides visible leadership in developing a positive culture for the organization, and ensures that this is reflected in their own and the executive's behavior and decision making</p> | <p>Actively supports and promotes a positive culture for the organization and reflects this in their own behavior</p> <p>Provides a safe point of access to the board for whistle-blowers</p> | <p>Actively supports and promotes a positive culture for the organization and reflects this in their own behavior</p> |
| Context | Ensures all board members are well briefed on external context | Ensures all board members are well briefed on external context | | |
| Intelligence | Ensures requirements for accurate, timely, and clear information to board/directors/governors are clear to executive | Ensures provision of accurate, timely, and clear information to board/directors/governors | Satisfies themselves of the integrity of financial and quality intelligence | Takes principal responsibility for providing accurate, timely, and clear information to the board |

| Task | Chair | Chief executive | Non-executive director | Executive director |
|------------|---|--|--|---|
| Engagement | Plays key role as an ambassador, and in building strong partnerships with: <ul style="list-style-type: none"> ■ Patients and public ■ Members and governors ■ Clinicians and staff ■ Key institutional stakeholders ■ Regulators | Plays key leadership role in effective communication and building strong partnerships with: <ul style="list-style-type: none"> ■ Patients and public ■ Members and governors ■ Clinicians and staff ■ Key institutional stakeholders ■ Regulators | Ensures board acts in best interests of the public Senior independent director is available to members and governors if there are unresolved concerns | Leads on engagement with specific internal or external stakeholder groups |

Source: National Health Service of England, NHS Leadership Academy, *The Healthy NHS Board 2013: Principles for Good Governance*. Available at: <http://d4f75a9c2be4fb76f693-b943cd9523d92ba087ae15d4d3eb47ce.r46.cf3.rackcdn.com/NHSLeadership-HealthyNHSBoard-2013.pdf>

[Appendix 1.1](#) provides an example of a well-defined governing board in the UK.

[Appendix 1.2](#) provides a sample position description for a chairperson.

[Appendix 1.3](#) provides an illustration of an authority matrix for a US hospital. This level of explicit role clarity and balance can be adapted for any type of health services organization. The key is the conversations among the leaders who govern about who needs to do what and when to protect and promote the mission of the organization.

APPENDIX 1.1

Example of a well-defined governing board: Staffordshire, UK

(See also [Appendix 16.1](#))

Staffordshire Health and Wellbeing Board Terms of Reference

INTRODUCTION

The Staffordshire Health and Wellbeing Board (The Board) is established under the provisions set out in the Health and Social Care Act which received Royal Assent on the 27 March 2012. The Board is a key strategic leadership partnership forum that will drive ongoing improvements in health and wellbeing across Staffordshire. The Board will assume its statutory responsibilities from April 2013.

Our Vision for Staffordshire

“Staffordshire will be a place where improved health and wellbeing is experienced by all — it will be a good place which will be healthy and prosperous in which to grow up, achieve, raise a family and grow old, in strong, safe and supportive communities.”

We will achieve this vision through

“Strategic leadership, influence, pooling of our collective resources and joint working where it matters most, we will lead together to make a real difference in outcomes for the people of Staffordshire.”

The Board will focus its efforts where combined partnership effort will lead to significant impact upon the health and wellbeing of the local people and communities of Staffordshire over and above what could be achieved by any one organisation on its own. In short, the Board will focus its efforts where it can make the biggest difference.

The Board will have oversight, where appropriate, of the use of resources across a wide spectrum of services and interventions, to achieve its strategy and priority outcomes and to drive a genuinely collaborative approach to commissioning, including the coordination of agreed joint strategies. The Board will provide leadership and have oversight of the totality of commissioning expenditure in Staffordshire which is relevant to achieving the Board's strategic priorities, working to minimise duplication, avoid cost shunting and maximise the cost effectiveness of resources and services.

The Board has a set of core duties as laid out in the 2012 Health and Social Care Act, these are:

1. To jointly prepare and publish a Staffordshire Joint Strategic Needs Assessment, ensuring that it engages with and captures the voice of the community, and is used to inform collective and individual strategic decisions of the Board and the individual bodies that make up the Board.

2. To jointly agree and publish a Staffordshire Joint Health and Wellbeing Strategy (JHWS), setting out ambitious outcomes for improved health and wellbeing across Staffordshire.
3. To encourage health and care commissioners to work together and to coordinate commissioning decisions to advance the health and wellbeing of the people of Staffordshire.
4. To consider the partnership arrangements under the Section 75 of the 2006 NHS Act (such as joint commissioning and pooled budgets where appropriate).
5. To involve third parties including HealthWatch and people living and working in the area in the preparation of the JSNA and JHWS (also District and Borough Councils in the preparation of the JSNA)
6. To encourage integrated working.
7. To ensure patient and public voice is heard as part of the Health and Wellbeing Boards decision making, receiving and considering patient and public feedback through the statutory board membership and regular reports of Staffordshire Healthwatch.
8. To review the plans of the Clinical Commissioning Groups, NHS Commissioning Board LAT and Local Authority, reviewing whether these contribute to the delivery of the JHWS.
9. A duty to work in partnership.
10. Duty to review how far a CCG has contributed to the delivery of the JHWS and the performance assess how well their duty has been discharged in terms of having regard to JSNA and JHWS.
11. Increase local democratic legitimacy in the commissioning of health and care services.

In addition to the duties of the Board as set out in the Health and Social Care Act, the Staffordshire Health and Wellbeing Board has also agreed additional functions relevant to achieving outcomes for Staffordshire and the wider Staffordshire partnership environment:

12. To oversee the effective delivery of the Staffordshire strategic priority outcomes
13. To ensure continuous improvements in quality; encompassing patient experience, safety and effectiveness.
14. To work with the Local Safeguarding Children and Adult Boards to ensure all partners promote the safety and welfare of children and young people and vulnerable adults.
15. To establish the basis of collaboration with Stoke City Health and Wellbeing Board
16. To represent the needs and issues for Staffordshire at local, regional, national and international level.

17. To monitor, review and evaluate progress and impact against the outcomes and actions agreed in the Staffordshire JHWS and ensure action is taken where appropriate to improve outcomes.
18. Evaluate performance against locally agreed priorities.
19. Evaluate performance against nationally set outcomes frameworks for the NHS, public health and social care.

The Board doesn't exist to become embroiled in the "operational detail" of any one issue or organisation around the table.

HOW WE WILL WORK TO ACHIEVE THESE AMBITIONS

Accountability

The key principles upon which the Board will function are as follows:

- The Board will link closely with the Staffordshire Strategic Partnership (SSP) to ensure coordination around common priorities to the benefit of local communities (see Appendix 1).
- There will be sovereignty around decision making processes. Core members will be accountable through their own organisation's decision making processes for the decisions they take. It is expected that Members of the Board will have delegated authority from their organisations to take decisions within the terms of reference.
- Decisions within the terms of reference will be taken at meetings and will not normally be subject to ratification or a formal decision process by partner organisations (provided that at least 10 days notice of forthcoming decisions had been given). However, where decisions are not within the delegated authority of the Board members, these will be subject to ratification by constituent bodies.
- It is expected that decisions will be reached by consensus.
- From April 2013 the decisions and agendas for the Board will be publicly available, except where exemption criteria apply, via the website. The Board will actively provide information to the public through publications, local media, wider public activities and an annual report.
- Core members have a responsibility to feed back to their respective organisations the deliberations and decisions of the Board as appropriate.
- The terms of reference will be reviewed annually in light of learning from the experience of Board members.

The Board may establish themed sub-groups from time to time to advise the Board. These groups will be accountable to the Board for the delivery of their stated aims and outcomes within agreed timescales. The Board may arrange for the discharge of its functions by a sub group of the Board or an officer of the authority. The Health and Wellbeing Board is an executive function of Staffordshire County Council. The Staffordshire Health Select Com-

mittee will be the key means of scrutiny of the Board's activity. This will generally involve an invitation to the Chair or Co-Chair to attend relevant meetings of the Select Committee, linked to an agreed work programme. The relationship between the Health and Wellbeing Board, Healthwatch and Overview and Scrutiny is set out in Appendix 2.

Membership

The core membership of the Board is as follows:

- Cabinet Member for Adults' Wellbeing, Staffordshire County Council
- Cabinet Member for Children's Wellbeing, Staffordshire County Council
- Cabinet Member for Public Health and Community Safety, Staffordshire County Council
- An Elected District & Borough Council Representative
- An Elected District & Borough Council Representative
- Representative of North Staffordshire Clinical Commissioning Group
- Representative of South East Staffordshire and Seisdon Peninsula Clinical

Commissioning Group

- Representative of East Staffordshire Clinical Commissioning Group
- Representative of Stafford and Surrounds Clinical Commissioning Group
- Representative of Cannock Chase Clinical Commissioning Group
- Chief Executive Staffordshire NHS Cluster – will be NHS Commissioning Board Local
- Area Team when established from April 2013)
- Chief Constable of Staffordshire Police
- Deputy Chief Executive and Director of People, Staffordshire County Council
- Director of Public Health Staffordshire
- A designated representative from HealthWatch

There isn't a requirement for the Board to be politically proportional.

Additional membership will be considered by the Health and Wellbeing Board as appropriate. The overall size of the Board will, however, be kept at a level which is manageable and able to support efficient and effective decision-making.

The Board intends to ensure effective engagement and dialogue with wider stakeholders through the development of a Health and Wellbeing Provider Forum. The views of the Provider Forum will be fed back into the Board to inform its decisionmaking.

Board Leadership

In terms of providing leadership and driving forward with pace the agenda for health and wellbeing in Staffordshire Board Members will need to be committed to:

- Placing the patient and public at the heart of decision making
- Provide strategic leadership based on evidence with a focus on areas where the Board can make the biggest difference
- Act with courage and conviction when making decisions that will have long term benefits to local communities
- Working in partnership to deliver impact
- Communicate effectively and consistently across Board Members and across stakeholders.

Chairing of Meetings

The Health and Wellbeing Board has established the following arrangement for the Chairmanship of meetings:

- The Chairman of the Health and Wellbeing Board will be the County Council's Cabinet Member for Adults Wellbeing.
- The Co-Chair will be selected from the Clinical Commissioning Group representatives on the Board.

These positions do not attract an additional special responsibility allowance.

Meeting Arrangements

The Board will meet publicly 6 times a year on an 8 week cycle. Additional meetings of the Board may be convened with agreement of the Chairman/ Co-Chair. Board Members will also be asked to attend development sessions as appropriate which will be specifically structured to provide time for reflection, development and training to ensure continued focus upon effective leadership and outcomes.

The Board will establish its own Forward Programme of activity which will be reviewed regularly to ensure it remains both strategic and timely. The Forward Plan will be considered at every meeting to facilitate discussion as to priority areas, new items and agenda timetabling. Any reports for a meeting of the Board should be submitted to the County Council's Member and Democratic Services team no later than eleven days in advance of the meeting to ensure the ten day timescale for notification of forthcoming decisions is adhered to. No business will be conducted that is not on the agenda.

Agendas and papers for Board meetings will be made publicly available via the website unless covered by exempt information procedures. Agendas and reports will be circulated and published ten days prior to the meeting.

Quorum

The quorum for a meeting shall be a quarter of the membership including at least one elected member from the County Council and one representative of the GP commissioning consortia.

Substitution Arrangements

Each Core Member has the power to nominate a single named substitute. Should a substitute member be required, advance notice of not less than 2 working days should be given to the Council, via the Member and Democratic Services Team. The substitute member shall have the same powers and responsibilities as the Core Members including the ability to vote of matters before the Board.

Voting

All Core Members, and their named substitute, will have the right to vote on matters before the Board. A decision will be passed on the basis of a simple majority vote. In the event of a majority vote not being possible the Chairman shall have the casting vote.

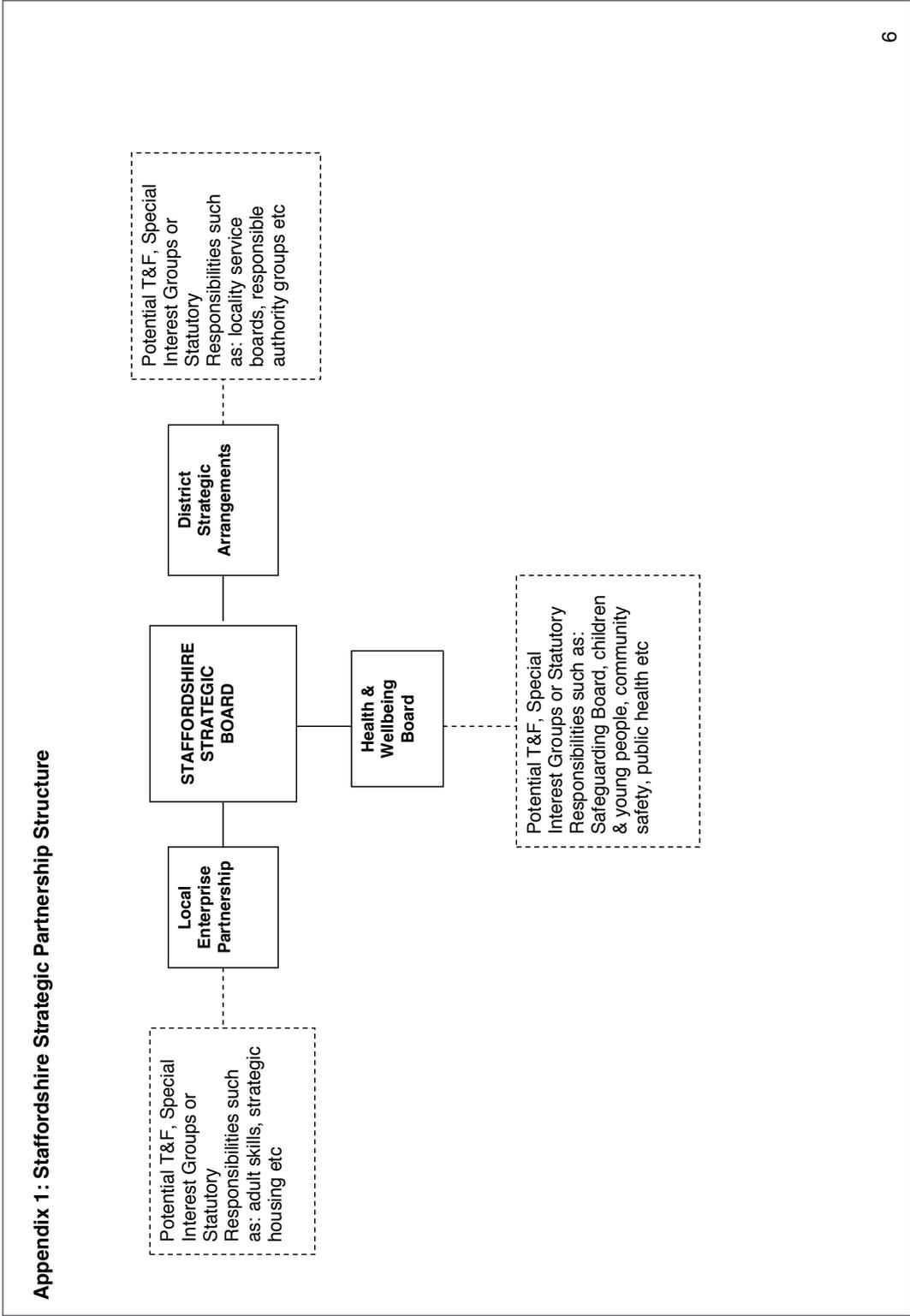
Expenses

The partnership organisations are responsible for meeting the expenses of their own representatives.

Conflicts of Interests

The Localism Act 2011 (section 27 (4)) sets out matters relating to the Code of Conduct and the Registration of Interests (and subsequent regulations). These will apply to Health and Wellbeing Board members.

These require Board Members to abide by Code of Conduct based on the 7 Nolan principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Under this code, Health and Wellbeing Board Members, and their substitutes are required to register defined 'Disclosable Pecuniary Interests' (DPIs) that they are aware of relating to both themselves and their partner. The Council is also required to publish the Register of Interests on its website as well as having it available for public inspection.



Appendix 2: Relationship between the Health and Wellbeing Board, Overview and Scrutiny and Healthwatch

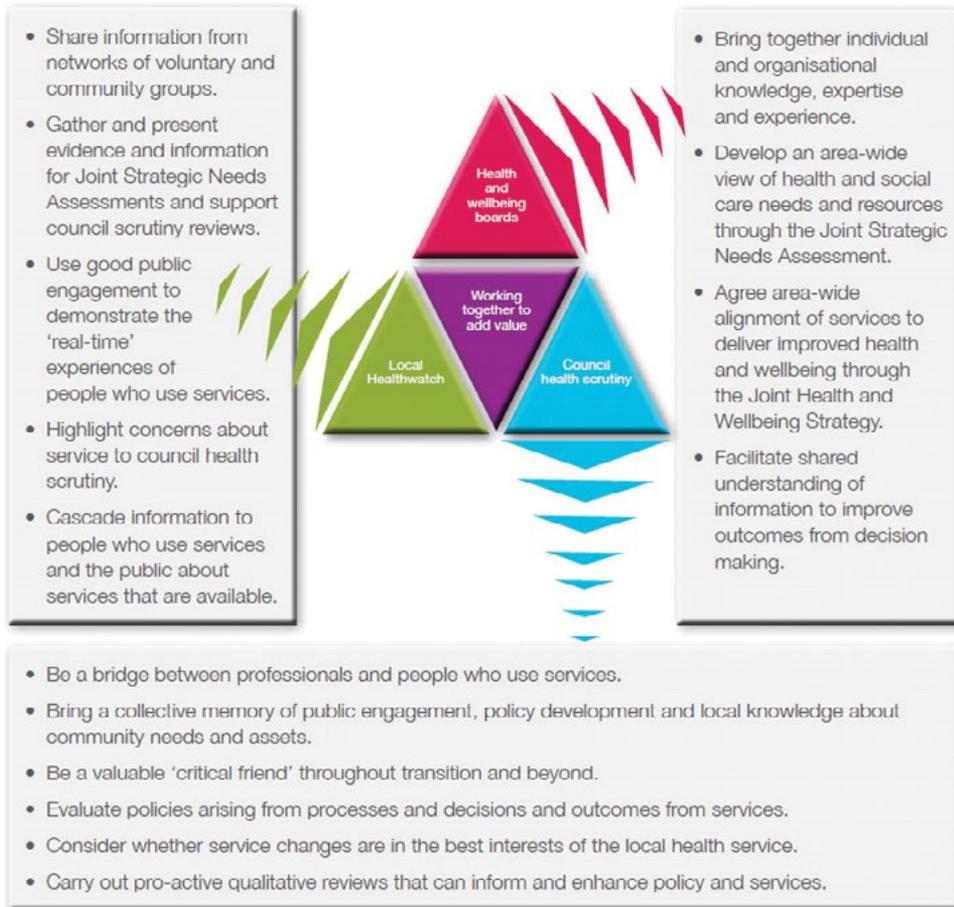


Diagram courtesy of Centre for Public Scrutiny/ Local Government Association

This appendix taken verbatim from Staffordshire Partnership. The document can be found [here](#).¹

1. <http://www.staffordshirepartnership.org.uk/Health-and-Wellbeing-Board/media/HWBTermsReference.pdf>

APPENDIX I.2

Position Description, Governing Body Chairperson

Responsibilities and Expectations

Leadership: Guides and directs the governance process, centering the work of the board on the organization's mission, vision and strategic direction.

Agendas: Establishes agendas for governing body and Executive Committee meetings, in collaboration with the CEO.

Meeting management: Presides over governing body and Executive Committee meetings in a manner that encourages participation and information sharing while moving the board toward timely closure and prudent decision-making.

Committee direction: Appoints committee chairs and members, subject to board approval. Works with committee chairpersons to align the work of committees with the vision and goals.

CEO relationship: Serves as the board's central point of official communication with the CEO. Develops a positive, collaborative relationship with the CEO, including acting as a sounding board for the CEO on emerging issues and alternative courses of action. Stays up-to-date about the organization and determines when an issue needs to be brought to the attention of the full board or a committee.

CEO performance appraisal: Leads the processes of CEO goal-setting, performance evaluation and compensation review, consistent with governing body policy.

Committee attendance: Serves as an ex-officio member of all committees.

Governing body conduct: Sets a high standard for board conduct by modeling, articulating and upholding rules of conduct set out in board bylaws and policies. Intervenes when necessary in instances involving conflict-of-interest, confidentiality and other board policies.

Governing body learning and development: Leads the development of the board's knowledge and capabilities by playing a central role in orientation of new board members, mentoring a chair-elect and providing continuing education for the entire board.

Succession planning: Participates in the recruitment of new board members and in the process of identifying candidates to serve as chairperson-elect.

Self-evaluation: Provides for an effective, objective board self-evaluation process and supports implementation of recommendations for improvement. Seeks feedback on his or her performance as chairperson.

Competencies and Expectations for a governing body Chairperson

1. service in a leadership position of the board (e.g., committee chairman or Executive Committee member)
2. demonstrated leadership and involvement in the community
3. respected by board members, the CEO and key stakeholders
4. ability to effectively lead the board in dealing with difficult issues
5. willing and able to commit time to leadership of the organization
6. ability to communicate, listen and seek others' input

See also [Appendix 16.2](#) for a sample CEO Terms of Reference.

APPENDIX I.3

Draft Governance Authority Matrix

GB=Governing Body CEO=Chief Executive Officer Com=Committee

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|---|---|----|-----|-----|
| 1.0 | Strategic Planning & Mission | <p>Governing bodies establish the strategic purpose and direction for the organization and its subsidiary units. This core responsibility encompasses:</p> <ul style="list-style-type: none"> ■ establishing or updating the mission—fundamental reason for existence; ■ the vision—definition of desired future state of the organization, how it should look and behave in a distant future; ■ the values—style or manner in which the people of the organization work together to accomplish the overall mission and related plans; ■ strategic plans that direct and guide the use of scarce resources to accomplish the mission. | | | |
| | 1.1 Mission & Visioning <i>(Text to reflect your health services organization and programs)</i> | <p>Our reason for being is defined in terms of:</p> <ul style="list-style-type: none"> ■ who we exist to serve; ■ the macro outcomes we hope for these persons served; ■ the essential services we intend to provide. <p>Mission: To improve human life through excellence in the science and art of health care and healing.</p> <p>Vision: To put patients first by providing each beneficiary/patient the quality of care and comfort we want for our families and for ourselves.</p> | | | |
| | 1.2 Values | The Health services organization/program values guide how we do all of our work to achieve our mission and vision. While these values can be periodically reviewed, they are meant to have a permanence that adds stability and clarity to our culture. | | | |
| | 1.3 Ethics Decision-Making | Our leaders must intentionally manage all of our decision-making processes and operational activities in such a way as to assure we meet or exceed the highest ethical standards of local, district, provincial, and national units of government, and our own unique precepts and values. | | | |
| | 1.4 Environmental Assessment | A process of identifying and evaluating forces and trends, and their likely implications to our many services, programs and health facilities, within our various markets and operating environments. | | | |
| | 1.5 Market Needs Assessment | Our local and system leaders must continuously review and understand the strategic and tactical plans and performance of other healthcare providers who might constrain or disrupt our capacity to accomplish our mission and related plans. Our leaders must also assess the implications of these organization's moves and identify potential strategies to meet and improve upon them. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|---------------------------------|--|----|-----|-----|
| 1.6 | Organization Situation Analysis | A process of evaluating each of our units' strengths, weaknesses, opportunities, and threats as related to our mission and the unique realities of our operating environments. | | | |
| 1.7 | Strategic Goals | A process of analysis and reflection that defines the results we need to achieve—over the next 3 to 5 years—from our human and financial resources. Health services organization/program should define overall goals to be accomplished by the Health services organization/program health workers and care providers. | | | |
| 1.8 | Facility Master Planning | Much of our resources are committed within the physical settings (facilities and technologies) in which our caregivers interact with beneficiaries, patients and residents to optimally restore and maximize health. Our leaders must continuously, with the occasional use of outside experts, assess the degree to which these settings are functioning optimally, and how best to maintain and enhance their effectiveness—over a 5 to 10 year period. | | | |
| 1.9 | Strategic Plan | Our leaders must define (within the context of our overall mission and strategic goals) specific objectives, measures, and milestones of accomplishment to be achieved in our next fiscal year. These performance targets should stretch our people to new levels of effectiveness and efficiency, and should represent a hierarchy of synergistic activities among and across the many organizational units of the Health services organization/program. | | | |
| 1.10 | Performance Monitoring of Plans | Health services organization/program leaders must continuously assess the degree to which our performance is meeting or varying from planned performance targets, and be prepared to measure and explain variation and practical strategies to improve performance. | | | |
| 1.11 | Contingency Planning | Health services organization/program leaders need to anticipate that opportunities, threats, and performance variations can occur, and have predefined strategies and resources available to deploy as needed for midcourse corrections in plans and progress. | | | |
| 1.12 | Plan & Progress Reporting | There are many Health services organization/program internal and external stakeholders—employees, physicians, vendors, payers, bond holders, local employers, patients, and the general public—who have a right and need to know who we are, where we're going, and the degree to which we are accomplishing our missions and plans. Our leaders must continuously develop and deploy useful reporting mechanisms to share our plans and progress with stakeholders. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|--------------------------|---|----|-----|-----|
| 2.0 | Financial Vitality | Governing bodies establish policies and plans that protect and enhance the economic/financial assets of the organization. Their assets are held and managed as resources to accomplish our healing ministry in the most optimal way, over the longest period of time possible. We understand the dynamics around “no margin no mission—no mission no margin.” | | | |
| | 2.1 | Fiscal Performance Targets | | | |
| | 2.2 | Fiscal Vitality Assessment | | | |
| | 2.3 | Operational Budgeting | | | |
| | 2.4 | Capital Budgeting | | | |
| | 2.5 | Define Process for Approval of Signatories | | | |
| | 2.6 | Approval to Obligate on Non-Budgeted Projects with Capital Expenditures of: | | | |
| | | i. <\$250,000 | | | |
| | | ii. \$250–\$750,000 | | | |
| | | i. >\$250,000 | | | |
| | 2.7 | Creation of New Clinical Services, Budgeted Programs, and Lines of Business Based on Projected Annual Net Revenues of: | | | |
| | 2.8 | Capital Allocation | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|---|---|----|-----|-----|
| 2.9 | Transfer of Equity or Financing Arrangements Between Corporations | | | | |
| 2.10 | Fiscal Performance Monitoring | Leaders must continuously assess the degree to which our financial budgets and targets are being achieved. Performance variations need to be understood and explained, and practical ways to regain maximum performance should be championed. | | | |
| 2.11 | Investment Management | In unforgiving markets and challenging financial times we need all the cash we can earn. Cash balances must be carefully managed and interest income from our cash must be maximized across our system of providers. Our leaders must establish GAAP and Medicare compliant processes and use expert advisors to achieve optimal investment earnings from our combined funds. | | | |
| 2.12 | Approval of Major Banking Relationships and Criteria for Other Financial Institutions | | | | |
| 2.13 | Bond Holder Relations | To optimize the terms and minimize the costs of our bond and debt financings, we must carefully manage relationships with those who hold, sell, and manage our sources of bond/ debt funds. Periodic communications about our plans and performance are needed. | | | |
| 2.14 | Rating Agency Relations | Our bond/debt terms and costs are heavily influenced by the opinions held of our financial vitality by external bond rating agencies. We must maximize their ongoing confidence in our stewardship of capital resources entrusted to us. Periodic communications about our plans and performance are needed. | | | |
| 2.15 | Internal Compliance & Auditing | Governing our large system of care providers requires constant vigilance over thousands of transactions and contractual relationships. Our decision processes and systems must be carefully designed and administered to assure the highest level of compliance with ethical standards, industry and governmental rules and regulations. Formal review and reporting mechanisms must be continuously assessed, managed, and refined by our leaders. | | | |
| 2.16 | Select & Monitor External Auditor | Our internal vigilance for compliance with sound business, accounting, and governmental standards and practices must be carefully reviewed annually by an objective CPA firm. Selection, monitoring of, and reliance on this auditor is an essential responsibility of our leaders. | | | |
| 2.17 | Fiscal Reporting for Advocacy | As we hold and manage our assets in trust for the long-term vitality of our pursuit of mission, we must openly, actively, and honestly report on our stewardship performance to our multiple stakeholders in and outside our system. Communities, politicians, media, payers, and regulators must be particularly well informed about our fiscal health and performance trends. Community benefit reporting is an important facet of this responsibility. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|--|--|----|-----|-----|
| 3.0 | Quality & Patient/ Resident Safety | An essential responsibility of a care-giving system is to assure the basic safety and quality outcomes of the service experience. Both clinical and customer service outcomes are a driving force of the Health services organization/program performance commitments. | | | |
| 3.1 | Setting Quality & Safety Standards | All components of the service system should help define and own measurable and industry leading performance standards regarding the quality and safety of our patients and residents. | | | |
| 3.2 | Strategy to Achieve Standards | Leaders need to develop creative and practical ways to establish and enhance a culture that celebrates world-class performance to achieve agreed upon quality standards. | | | |
| 3.3 | Medical Staff Structure & Support | Physicians are essential partners in our pursuit of quality and patient safety. Leaders need to continuously assess and enhance the infrastructure, system, and support for our medical staff organizations throughout the system. | | | |
| 3.4 | Physician Credentialing | Reviewing and assuring that our physician colleagues are able to perform the procedures and services to which they are best trained and prepared is a central responsibility of our governing bodies. Processes for these review and approvals must be carefully established and managed within state and federal, legal and ethical guidelines. | | | |
| 3.5 | Credentialing/ Review of Non- Credentialed Patient-Care Staff | | | | |
| 3.6 | Physician Quality Contributions | Physician expertise, creativity, and leadership is central to our achievement of excellent patient and resident clinical quality and satisfaction. Our leaders must establish and support processes that encourage and facilitate maximum physician contributions in all facets of our quality and safety initiatives. | | | |
| 3.7 | Quality Performance Monitoring | Our leaders must continuously assess the degree of success achieved by our strategies and investments to achieve high quality and patient safety. These assessments should be accomplished as close as possible to the individual caregiver interactions with patients and residents. | | | |
| 3.8 | Quality Results Reporting | Our progress toward quality/safety best practices need to be effectively communicated to our stakeholders to both earn internal pride and external market position gains. Reporting should be frequent, comprehensive, and honest. | | | |
| 3.9 | Patient/Resident Satisfaction Monitoring | An important proxy indicator of good care quality is the degree of patient satisfaction with our service performance. Periodic assessment and reporting of patient and resident satisfaction should be championed by our leaders. | | | |
| 4.0 | Physician Economic Relations | Physicians are our most important partners in and customers for our health services mission. These relationships require activities to attract, retain, and enthuse the most appropriate number of specialists needed to care for the people we serve in our many communities. | | | |
| 4.1 | Physician Planning Engagement | One of the most powerful ways to assure physician enthusiasm for our plans and programs is to provide frequent and meaningful participation in the strategic planning and budgeting processes of our system of care providers. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|---|--|----|-----|-----|
| 4.2 | Specialty Mix Definition | Our leaders need to continuously define the number and type of physician specialists required to serve the people of our communities. Clear strategies and budgets are needed to achieve these recruitment targets. | | | |
| 4.3 | Physician Recruitment Support | Our leaders need to continuously define the number and type of physician specialists required to serve the people of our communities. Clear strategies and budgets are needed to achieve these recruitment targets. | | | |
| 4.4 | Physician Contracting to Include: <ul style="list-style-type: none"> • Medical Director Contracts • Non-Employment Services Contracts • Practice Acquisitions • Joint Ventures • Physician Employment Agreements | | | | |
| | i. <\$1.5 M | | | | |
| | ii. \$1.5–\$4M | | | | |
| | iii. >\$4M | | | | |
| 4.5 | Consulting and Other Professional Service Contracts | | | | |
| | i. <\$1.5 M | | | | |
| | ii. \$1.5–\$4M | | | | |
| | iii. >\$4M | | | | |
| 4.6 | Legal Settlements | | | | |
| | Medical Malpractice | | | | |
| | i. <\$1.5 M | | | | |
| | ii. \$1.5–\$4M | | | | |
| | iii. >\$4M | | | | |
| | Other Legal Settlements | | | | |
| | i. <\$1.5 M | | | | |
| | ii. \$1.5–\$4M | | | | |
| | iii. >\$4M | | | | |
| 4.7 | Physician Co-Venture Planning | Our long-term financial vitality to achieve our mission is dependent upon finding ways to align our economic incentives with those of our physician colleagues. Strategies and investment into physician co-ventures must enable us to meet our mission, values, plans, and all ethical and legal standards. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|--|--|----|-----|-----|
| 4.8 | Physician Satisfaction Monitoring | Processes to continuously measure and evaluate the degree to which we are earning physicians' enthusiasm and involvement in our plans and performance are critical to mission achievement. We need systems to assess and report on strategies expected to maximize physician collaborations. | | | |
| 4.9 | Physician Trust & Loyalty Building | All of our programs and institutions need to allocate scarce human, technological, and financial resources to earn maximum levels of trust and loyalty from physicians who chose to affiliate their offices and practices with our system of care providers. | | | |
| 5.0 | Community Relations & Advocacy | Governing bodies of Health services organization/program assign a high priority to activities that maximize positive relationships with our many communities and their political and economic leaders. | | | |
| 5.1 | Assess Community Understanding of Plans & Progress | Our local and system plans must stand on clear assessments of the degree to which local community leaders understand and support our plans and performance. Annual analysis of trends and progress for optimal community rapport is a key process for enhancing our influence with local community leaders. | | | |
| 5.2 | "Ambassador" Reporting of Plans & Progress | Our leaders need to act as ambassadors that develop and support two-way communications about our plans and progress among local, civic, social, and business organizations and decision-makers. Active participation and memberships in these organizations should help influence them to support the accomplishment of our mission and plans. | | | |
| 5.3 | Continuous Scanning for Future Governing Body Members | Health services organization/program leaders need to continuously interact with influential local and regional community leaders in order to identify and cultivate the best and brightest for potential future governance roles within our system of healthcare providers. | | | |
| 5.4 | Support Advocacy at Local, State, & National Levels | Our leaders need to champion Health services organization/program's mission and plans with all appropriate community and political decision-makers who can help assure the availability of political and economic resources to achieve our plans in the most cost-effective manner possible. | | | |
| 5.5 | Media Relations Enhancement | Positive public opinion is important to our capacity to engage and enhance community understanding of and support for our mission and plans. Positive media relations can help influence positive public opinion among all our internal, as well as external, stakeholders. | | | |
| 5.6 | Assess and Influence Community Health Organization Relationships | Health services organization/program's capacity to meaningfully enhance "health gains," as well as "healthcare" requires coordination and collaborations with many local and regional organizations dedicated to the protection and promotion of healthy communities. Continuous monitoring and managing of these relationships is important for the achievement of our mission and plans. | | | |

| # | Key Governance Functions | | Description of Functions | GB | CEO | Com |
|-----|--------------------------|--|--|----|-----|-----|
| | 5.7 | Community Economic Development | Our institutions are among the largest employers and sources of economic vitality in the many communities we exist to serve. Our leaders must assure that we continuously monitor the need for and nature of our contributions of optimal economic growth and development of our communities served. | | | |
| 6.0 | Philanthropic Support | | Challenges to our financial vitality from erosions in revenues and explosions of expenses place renewed importance for funds to be donated to our local programs and institutions. Earning this philanthropic support will be an ongoing priority for our governing bodies. | | | |
| | 6.1 | Understand Capital Needs of Local Units | Our foundation governing bodies and staff must be supported in their understanding of the short and long-range capital and operational funding requirements of our local health programs and institutions. These needs become the ongoing fundraising targets for our philanthropic initiatives. | | | |
| | 6.2 | Assess Market Receptivity for Philanthropy | Leaders must continuously gauge the degree of understanding of and support for our healthcare service initiatives. This role includes the identification of potential donors and the degree of receptivity they might have for our requests for funding support. | | | |
| | 6.3 | Foundation Strategic Planning | All foundations are to develop and execute against formal, annual strategic business and marketing plans to guide our pursuit of maximum philanthropic support of our local service roles and programs. | | | |
| | 6.4 | Staff Selection & Performance Monitoring | Philanthropy expert staff must be recruited, hired, and supported. Their results-oriented performance should be carefully considered in their selection and ongoing performance enhancement. Merit compensation principles and practices are desired. | | | |
| | 6.5 | Appointment of Governing Body Committees | | | | |
| | 6.6 | Fund Raising Systems & Support | Raising funds and friends does not just happen. With growing competition for philanthropic funding, our governing bodies must actively champion sensible investments into the systems and staff needed for our success. | | | |
| | 6.7 | Assessing Charitable Regulatory Compliance | Our leaders must continuously understand and assure compliance with all regulatory requirements applicable to our philanthropic plan, performance, and public accountability. | | | |
| | 6.8 | Investment Management of Donated Funds | We should seek maximum financial returns on our available balances. This maximization philosophy will require coordination with outside experts on legal, accounting, and investment banking requirements. | | | |
| | 6.9 | Stakeholder Reporting & Celebrations | Ongoing and frequent reports to our internal and external stakeholders will help assure our long-term access to philanthropic sources. Contributors should receive suitable recognition for their efforts to generate friends and funds. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|--------------------------|--|----|-----|-----|
| 7.0 | Management Oversight | One of the most important roles of a governing body is the selection and support of a competent chief executive officer (CEO). Support includes sharing insights and expertise about the strategic priorities for the organization, but also about the quality and appropriateness of the CEO's accomplishment of strategies and plans delegated for CEO performance by the governing body. Support also means investing in the development, recognition, and performance rewards along with succession planning and occasionally replacement. | | | |
| | 7.1 | System CEO Selection & Appointment | | | |
| | 7.2 | System CEO Performance Monitoring & Incentives | | | |
| | 7.3 | System CEO Performance Support | | | |
| | 7.4 | System CEO Succession Planning | | | |
| | 7.5 | System CEO Termination | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|--|---|----|-----|-----|
| 7.6 | Unit CEO Selection & Appointment | Unit CEO selection and appointment is to be performed as a partnership between the unit's governing body and the Health services organization/program CEO. The System CEO has final approval for this appointment to ensure the most cost effective development of a system-wide management team. The unit CEO is to demonstrate a mix of talents and personality optimally suited for the unique needs of the local operating unit. | | | |
| 7.7 | Unit CEO Performance Monitoring & Incentives | Unit governing bodies are to collaborate with the system CEO to conduct at least annual performance reviews of their unit CEO. These define opportunities for continuous performance enhancement, as well as provide recognition, reinforcement, and reward for exemplary system-wide teamwork, local organizational performance, and professional/personal growth. Incentive compensation is to be provided in a manner consistent with the Health services organization/program-wide systems for human resource development and administration. | | | |
| 7.8 | Unit CEO Performance Support | The local governing body and system CEO collaborate to define and provide support for the unit CEO's optimal performance of his or her responsibilities within the local unit, as a system team player, and for the professional and personal development of the unit CEO. | | | |
| 7.9 | Unit CEO Succession Planning | To assure continuity and stability of local unit management, the Health services organization/program CEO is to collaborate with the local unit governing body to develop and maintain a plan for the orderly transition of executive leadership in any unfortunate circumstances where the unit CEO is unable to adequately discharge his or her responsibilities. | | | |
| 7.10 | Unit CEO Termination | The System CEO may terminate the unit CEO for cause as defined within the local unit CEO's employment agreement after careful consultation with the local unit governing body and appropriate physician leaders. Suitable interim management coverage and recruitment processes for a replacement should also be accomplished by the system CEO and local governing body in conjunction with such a termination. | | | |
| 7.11 | Employee Satisfaction Monitoring | The Health services organization/program governing body is responsible to work with the system CEO to establish a system-wide culture that encourages and rewards excellent performance by our employees within our values, and toward accomplishment of our mission. Periodic assessments should be conducted to the degree that our employees are satisfied with our system's plans, performance, ethical behavior, and their pride in contributing in meaningful ways to our healing ministry. Transparent reporting of these assessments should be accomplished to ensure our collective pursuit of a system-wide culture of caring and industry leading performance. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|---|---|----|-----|-----|
| 7.12 | Compensation Philosophy & Guidelines | The governing body, after careful consultation with the CEO and his or her senior human resources executive, should periodically define and update a statement of principles intended to guide the CEO in creating and continuously enhancing a workplace culture that recognizes, develops, and rewards our workforce to live our values in our collective pursuit of our mission. These principles should also assist us in attracting and retaining the highest quality employees in the market. | | | |
| 7.13 | Culture Enhancement | Governing bodies are to collaborate with the CEOs to provide insight and resources that help accomplish the employment and workplace principles needed to optimize our system-wide values. Governing body experiences in other organizations, industries, and communities should be adapted to help catalyze and nurture innovations for excellence within the Health services organization/program family of healthcare providers. | | | |
| 7.14 | Comparative Compensation Market Reviews | To continuously attract and retain the best and brightest managers and employees, the governing bodies should support CEOs to periodically conduct and report the comparative and competitive posture of our compensation programs with local, regional, and national realities. | | | |
| 7.15 | Staff Planning & Recruitment Strategies | The organization should develop and achieve governing body plans for the continuous recruitment of needed health professionals. Governing body input should be sought to ensure that these plans reflect the unique needs, styles, and realities of local markets. Suitable budgets should be promulgated to help ensure the achievement to these staff recruitment and development plans. | | | |
| 8.0 | Governing Body Performance Enhancement | All governing bodies must be attentive to their own development and performance. As governing bodies encourage and expect continuous clinical quality process improvement from the medical staff, and continuous administrative process improvements from the management staff, governing bodies must expect, encourage, and enable “continuous governance enhancement” in all their governance roles and responsibilities. | | | |
| 8.1 | Organization Articles & Bylaws | Each entity of the Health services organization/program is to be formally established and operated within the statutes and regulatory framework of the state and appropriate federal governmental health programs. The governing body will adopt, maintain, and refine as necessary such articles of incorporation, bylaws, and related policies needed to function cost effectively and in compliance with all necessary legal obligations. | | | |
| 8.2 | Governing Body Policies Manual | The processes and performance of each governing body’s roles and responsibilities are to be guided by a collection of formal policies focused on the principal work of the governing body and its committees. This collection of policies is maintained, and updated as needed within a manual easily accessible to all governing body members and the senior management of the organization. External legal counsel will periodically be retained to assist the governing body in ensuring the appropriateness of these policies as vehicles to achieve the mission and plans of the Health services organization/program of care providers. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|---|---|----|-----|-----|
| 8.3 | Governing Body Member Job Descriptions | Each governing body member must clearly understand and enthusiastically seek to accomplish his or her “job description.” This job description defines the principal roles, responsibilities, and behaviors needed to maximize the individual contribution of each governing body member for the proper governance of the Health services organization/program. The job description and related conflict-of-interest statement should be read, discussed, and signed annually by each governing body member. | | | |
| 8.4 | Governing Body Committee Structure & Roles | <p>Much of the governing body’s work is accomplished by delegated tasks to a series of ad hoc or standing committees of the governing body. These committees enable not only a division of labor needed for the cost-effective work of the governing body, but also enable the development and application of certain specialty expertise to the affairs and plans of the governing body.</p> <p>Governing body committees can also allow non-governing body members to join in and contribute to the work of the governing body, thereby enabling additional expertise to be brought into the deliberations of the governing body, and also for the governing body to assess the appropriateness of such persons as a future governing body candidate. All committees are to have their work guided by a formal annual work plan and supported by experienced staff assigned by the CEO.</p> | | | |
| 8.5 | Annual Governance Performance Assessment | <p>Each governing body should strive for continuous governance enhancement by conducting and acting upon an annual assessment of the performance of each governing body member, committee, and the governing body as a whole. These annual assessments can periodically involve external resource advisors, but should be principally conducted as self-assessment against explicit governing body accountabilities.</p> <p>Written action plans should be developed annually to define practical strategies to continuously improve the work and results of the governance processes in a manner in synch with our mission and values.</p> | | | |
| 8.6 | Governing Body Skills & Competency Planning | Governing bodies should have a sufficient number and composition of governing body members to cost effectively accomplish its overall governance responsibilities. Periodic assessments and plans should be adopted and followed to ensure the best mix of competencies, knowledge, skills, and attitudes for each governing body within Health services organization/program. These desired competencies should be well understood by all Health services organization/program internal and external stakeholders. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|---|---|----|-----|-----|
| 8.7 | Governing Body Member Nominations | The governing body members and staff of Health services organization/program should continuously be sensitive and receptive to candidates for future governing body roles that meet the published competencies and job descriptions. Formal processes for identifying and recommending persons judged suitable for future governing body positions should be developed and periodically refined by the governing body with support from the CEO or his or her designee. Reference checks on the appropriateness and diligence of each potential governing body nominee should be properly reviewed by a subgroup of the governing body and with CEO involvement. | | | |
| 8.8 | Governing Body Member Recruitment & Placement | New governing body candidates should be invited to stand for election/placement on a specific governing body within the Health services organization/program. Final acceptance and placement will be made by the proper governing body level within the system. | | | |
| 8.9 | Appointment of System Governing Body Chairpersons | | | | |
| 8.10 | Appointment of Unit Governing Body Chairpersons | | | | |
| 8.11 | Governing Body Orientation & Education | The complexity and dynamism of our health and health services organization/program sector requires continuous enhancement of the knowledge, skills, and attitudes of each governing body member and the governing body as a whole. A prompt and comprehensive orientation regarding Health services organization/program history, mission, vision, values, plans, performance, and organization is an essential foundation for maximum contribution by and enthusiasm of each new governing body member. Ongoing governing body and governing body member development should occur through participation in carefully planned education and learning experiences inside and outside the Health services organization/program and regions. Formal budgets are expected to support these investments into continuous governance enhancement. | | | |
| 8.12 | Inter-Governing Body Relations & Communications | Maximum mission accomplishment within the Health services organization/program family of care providers requires open, frequent, candid, honest, and friendly two-way communications among all governance bodies and levels. These communications are to reflect our values and our drive toward mission and the long-term vitality of Health services organization/program. High tech and high touch opportunities are needed to nurture enhanced inter-governing body relationships for our collaborative strategic planning, pursuit of growth, quality, and stewardship. | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|------|---|--|----|-----|-----|
| 8.13 | Refine Model Governing Body Meeting Agendas | Governing body meetings should be focused on future strategic issues, challenges, opportunities, and plans. This future focus must be grounded on diligent review and understanding of our performance and compliance with all legal and ethical obligations of our governing bodies. Agendas should encourage and enable the free flow of discussion, inquiry, and decision-making for the vitality of our systems. A calendar of routine and special governing body and committee meetings should be published and readily accessible to the leadership of Health services organization/program governing body members and senior staff. | | | |
| 8.14 | Refine Model Governing Body Information System (BIS) | Governing body work requires easy and fast access to high-quality information regarding our plans, performance, and future challenges. This information will generally be provided by management within criteria and guidelines adopted by the governing body. The information must be easy to comprehend and of a scope and nature that facilitates, not frustrates, the cost-effective discharge of the governing body's fiduciary roles and responsibilities. | | | |
| 8.15 | Continuous Governance Enhancement | Each governing body is expected to periodically review and update their performance improvement plans adopted after each annual governing body performance assessment. Each governing body and each governing body member is expected to use his or her best efforts to contribute to excellent governance by helping draft and execute the strategies and actions of these plans for continuous governance enhancement. | | | |
| 8.16 | Governing Body Member Performance Celebrations | Governing body work has become challenging and time consuming. Individual governing bodies and governing body member performance excellence should be frequently acknowledged and celebrated in front of all key internal and external stakeholders. Suitable statements and acts of recognition and appreciation should be accomplished throughout the year. | | | |
| 9.0 | Corporate Reorganization | | | | |
| 9.1 | Mergers, Consolidations, Reorganizations, or Dissolutions Impacting or Involving Changes in Legal Documents or Powers of any Entity (legal or operating unit) | | | | |

| # | Key Governance Functions | Description of Functions | GB | CEO | Com |
|-----|--|--------------------------|----|-----|-----|
| 9.2 | Creation of any Subsidiaries of Health Services Organization/ Program or a Health Services Organization/ Program Subsidiary | | | | |
| 9.3 | Joint Ventures that Requires: <ul style="list-style-type: none"> • Transfers of Assets • An Ownership Position • Impacts Up to 5% of Revenue Stream of the Health Services Organization/ Program Unit or Subsidiary | | | | |

Source: Adapted from several hospital systems in the United States of America.

SECTION 2

COMPOSITION AND COMPETENCIES

TOPICS

The Size of Governing Bodies

Types of People in a Governing Body

Competencies of Governing Body Leaders and Board Members

The Responsibilities of Governing Body Members

Governing Style Pathologies

This section describes the characteristics of good governing bodies, especially with regard to their size, composition, membership profile, and the competencies they need for success.

THE CHALLENGE

You are the new chairperson of a seven-person advisory council for a health district in Afghanistan. Your top priority is to improve the health of women and children. What qualities would you want in the six community leaders you choose to serve with you on the governing council? What knowledge, skills, and attitudes should they bring? How can you secure the additional competencies needed for the work of the governing body with only seven people engaged in the governing processes?

THE SIZE OF GOVERNING BODIES

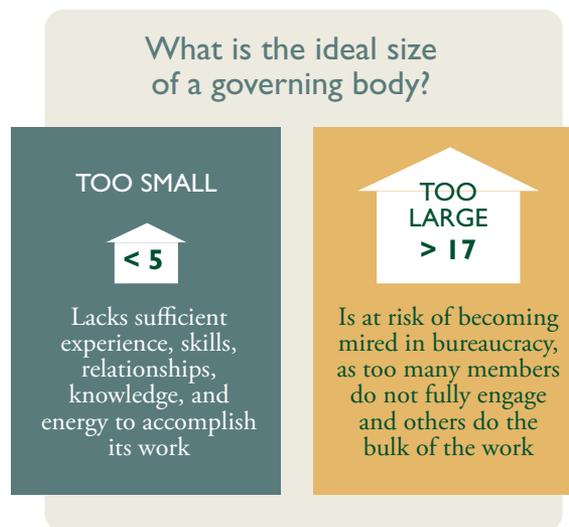
Is there an ideal size for governing bodies in health? Possibly, but the ideal size is likely to be different for each governing body. One size does not fit all. Each governing body needs to define its optimal capacity at any given time.

How Can You Determine the Best Size for Your Governing Body?

Start by asking what your governing body needs to accomplish. Optimal governing body size may vary depending on the governing body's mission, fundraising needs, where it is in its life cycle, and whether it is a national, provincial, or local governing body.

In most countries, the laws or ministry of health regulations may dictate the minimum size for your governing body. It may range from 5 to 25, with a useful size of usually 9 to 11 (see Figure 2.1). Some governing bodies function under a representational mandate of a certain number of people from certain health disciplines, employer groups, geographical areas, political groups, or ethnic groups. This requirement for the governing body members to represent a diverse set of constituencies creates pressure to increase their size. The ideal composition, however, should include people who can effectively advocate for the needs of the beneficiaries served by your health services organization, program, or institution. Because productive communication is affected by the size of a gathering, group dynamics should also be a criterion for limiting your governing body to a manageable size.

FIGURE 2.1 Determine the size of a governing body. We recommend 9–13 for optimal performance.



COMMON CHARACTERISTICS OF LARGE AND SMALL GOVERNING BODIES

Large governing bodies

Pros:

- With more people, it is easier to manage the workload of the governing body.
- Fundraising is less burdensome when divided among many members.
- More people represent more perspectives.

Cons:

- It may be difficult to engage every governing body member in a meaningful activity, which can result in loss of interest.

- Meetings are more difficult to schedule.
- There is a tendency to form cliques and core groups, damaging overall cohesion.
- A loss of individual accountability can occur.
- It may be difficult to create opportunities for interactive discussions.

Small governing bodies:

Pros:

- Communication and interaction are easier when members get to know one other as individuals.
- Potential satisfaction from service can be greater due to constant and meaningful involvement.
- Every person's participation counts.

Cons:

- Heavy workload may create burnout.

TYPES OF PEOPLE IN A GOVERNING BODY

To make good governance decisions that serve the mission of your organization, high-performing governing bodies need a variety of viewpoints. Whatever its mission, health services governing bodies usually seek people with backgrounds in medicine, nursing, public health, finance, community organizations, or general business management. These could be local or regional elders in the community, schoolteachers, business managers, health workers, farmers, religious leaders, physicians, or nurse-midwives.

Governing Body Diversity

Governing body diversity means having diversity in perceptions, attitudes, and philosophies. These extremely important personal qualities may be overlooked in some individuals because they are not necessarily related to traits that are easier to observe, such as gender, race, and social and educational background.

Such diversity in worldview and philosophy provides a broader set of perspectives, which, in turn, reduces the potential for blind conformity during your meetings. Diversity in expertise is also important, as it allows your governing body to reduce the chance of emotional positions that may be difficult to change once expressed. It is better to base decisions on facts and experience. Group diversity also reduces the social cohesion in a governing body, making a culture of open dissent easier to create. Boards that are not diverse in these many ways should encourage some turnover among governing body members.¹

1. Kenneth A. Merchant and Katharina Pick, *Blind Spots, Biases, and Other Pathologies in the Boardroom* (Business Expert Press, 2010), p. 125.

COMPETENCIES OF GOVERNING BODY LEADERS AND BOARD MEMBERS

High-performing governing bodies work to achieve “competency-based governance.” They govern by engaging participants who bring an optimal mix of the knowledge, skills, attitudes, experiences, and perspectives needed to succeed.

The competencies you need in your governing body members should be shaped by the nature of your mission and the challenges facing the organization over the next 3 to 5 years. It is often difficult to secure all of the experiences, backgrounds, and competencies you might want in your governing body due to the unavailability or unwillingness of people in your community or region to serve in these largely volunteer positions. As defined in [Section 17](#), Member Recruitment, you can follow a three-step process to secure a good mix of skills and knowledge among your governing body colleagues:

Step 1: Develop a clear vision and strategic plan for your program or institution. This will guide a conversation among your leadership about the ideal set of knowledge, skills, attitudes, and competencies needed to help improve the chances for accomplishing these strategic directions. A sample of such competencies is outlined in Box 2.1.

Step 2: In a matrix with desired competencies across the top and current members along the left side, plot how each of your current governing body members contributes to the list of needed competencies. Each person usually contributes at least three to five competencies. You will find gaps that can be filled in one of two ways: (1) by recruitment of members to the overall body or to committees and sub-groups of the governing body; or (2) by an annual educational program (See [Section 18](#)). This is called “competency mapping.”

Step 3: Recruit members who are able to bring a good mix of these competencies into the work of your governing body for the coming year.

See [Appendix 2.1](#), which defines in detail the traits needed by governing body members.

THE RESPONSIBILITIES OF GOVERNING BODY MEMBERS

Because governing bodies have basic collective responsibilities, individual governing body members are also entrusted with individual responsibilities as a part of their governing body membership. The obligations of governing body service are considerable; they extend well beyond the basic expectations of attending meetings, sharing experience and ideas, and perhaps participating in fundraising initiatives. Individual governing body members are expected to meet higher standards of personal conduct on behalf of their organization than those usually expected of other types of volunteers.

Yet, despite all these “special” responsibilities, the health services organization and its related or subsidiary organizations’ governing participants, as individuals, have no special privileges, prerogatives, or authority; they must meet in formal sessions to negotiate and make corporate/system decisions. The undertaking of serving as a governing body member is a complex one indeed.

Considering the complexities of governing body membership, there should be a clear statement of governing body members' responsibilities that is adapted to the strategic performance needs and circumstances of the health services organization. This statement can serve at least two purposes: (1) it can help with the process of recruiting new governing body members by clarifying expectations before candidates accept nomination; and (2) it can provide criteria by which the committee responsible for identifying and recruiting prospective nominees can review the performance of incumbents who are eligible for reelection or reappointment.

Prospective and incumbent governing body members of health services organization should commit themselves to the responsibilities shown in Boxes 2.1–2.6.

BOX 2.1 General expectations of governing body members

- Knowing the health services organization's mission, strategic purposes for community service, goals, policies, programs, services, strengths, and needs
- Performing the duties of governing body membership responsibly and conforming to the level of competence expected from governing body members, as outlined in the duties of care, loyalty, and obedience (see [Section 1](#)) as they apply to nonprofit governing body members
- Suggesting possible nominees to the governing body or advisory councils who are clearly women and men of achievement and distinction and who can make significant contributions to the work of the governing body and the organization's progress
- Serving in leadership positions and undertaking special assignments willingly and enthusiastically
- Avoiding prejudiced judgments on the basis of information received from individuals, and urging those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the governing body's leadership, as appropriate.)
- Helping establish and nurture exemplary relationships with various community organizations and associations not only to inform the plans of this health services organization, but also to help assure the cost-effective implementation of those plans via influence with these other organizations
- Following and staying informed about trends in the local and national health care industry—especially trends in quality and patient safety; health care economics; medical technologies; and regulatory frameworks for health centers, hospitals, or community economic development
- Bringing good will and a sense of humor to the governing body's deliberations

BOX 2.2 Expectations of governing body members for meetings

- Preparing for and participating in governing body and committee meetings, including appropriate organizational activities; attending at least three-quarters of all governing body meetings either in person or via teleconference
- Asking timely and substantive questions at governing body and committee meetings consistent with the governing body member's conscience and convictions, while at the same time supporting the majority decision on issues decided by the governing body
- Maintaining the confidentiality of the governing body's executive sessions, and speaking for the governing body or organization only when authorized to do so
- Suggesting agenda items periodically for governing body and committee meetings to ensure that significant, policy-related matters are addressed

BOX 2.3 Relationship between governing body members and staff

- Counseling the chief executive as appropriate and supporting them through difficult relationships with organizations or individuals.
- Avoiding asking for special favors of the staff, including special requests for extensive information, without prior consultation with the chief executive, governing body, or appropriate committee chairperson.

BOX 2.4 Governing body members' responsibilities for avoiding conflicts

- Serving the organization as a whole rather than any special interest organization or constituency. Regardless of whether or not the governing body member was invited to fill a vacancy reserved for a certain constituency or organization, their first obligation is to avoid any preconception that they “represent” anything but the organization’s best interests.
- Avoiding even the appearance of a conflict of interest that might embarrass the governing body or the organization; disclosing any possible conflicts to the governing body in a timely fashion.
- Maintaining independence and objectivity and doing what a sense of fairness, ethics, and personal integrity dictate, although not necessarily obliged to do so by law, regulation, or custom.
- Never accepting (or offering) favors or gifts from (or to) anyone who does business with the organization.

BOX 2.5 Fiduciary responsibilities of governing body members

- Exercising prudence with the governing body in the control and transfer of funds and in serving as a well-informed champion for patient safety and excellent clinical care outcomes.
- Faithfully reading and understanding the organization’s financial statements and otherwise helping the governing body fulfill its fiduciary responsibility as a respected, not-for-profit, health services organization.

BOX 2.6 Fundraising responsibilities of governing body members

- Assisting the health services organization’s philanthropic trust council or foundation and related development committees and staff by implementing fundraising strategies through personal influence with others (corporations, individuals, and foundations).

GOVERNING STYLE PATHOLOGIES

How do governing bodies make decisions? There is a misconception that good members must always get along and find it easy to agree on what needs to be done, how, and by whom. Our experience is that while you want to avoid heated arguments and conflict among governing body members, a bit of dissent can be healthy.

First, however, let's review how some leaders use power to reach agreement in the governing process. Governing body leaders should be aware of these strategies and competencies for influencing the work of others for the benefit of achieving the organization's health services mission.

Individuals with both the will and the skill to influence the behavior of others can use any of many influence tactics. One article identified nine common influence tactics:²

1. **Rational** persuasion uses logical arguments and factual evidence.
2. **Consultation** requires involving the people who are being influenced in the decision-making process. It carries with it a willingness to modify the outcome to deal with concerns and suggestions raised.
3. **Inspirational** appeals arouse enthusiasm by appealing to a person's values, ideals, aspirations, feelings about success, or all four.
4. **Personal** appeals tap into a person's feelings of loyalty or friendship.
5. **Ingratiating** appeals seek to have the person think favorably of the requester—or at least to put them in a good mood before the request is made.
6. **Exchange** appeals offer an exchange of favors, a promise to reciprocate a favor at a later time, or a promise to share the benefits.
7. **Pressure** uses demands, threats, or persistent reminders to influence the person to do what is wanted.
8. **Legitimation** seeks to establish the legitimacy of a request through a claim of the right to make it or a reminder that it is consistent with organizational policies, practices, or traditions.
9. **Coalition** tactics involve seeking the aid of others to persuade the target person to do something, or using the support of others as a reason for the target person to agree to the request.

Practical actions to apply these strategies are:

1. Be clear about the behaviors and actions you need from the governing body. Ideally these should correspond directly to the mission of the organization and its plans and budgets for success.

2. G. Yukl, P. J. Guinan, and D. Sottolano, "Influence tactics used for different objectives with subordinates, peers, and superiors," *Group & Organization Management*, 1995; 20 (3), pp. 272–96.

2. Have a discussion with other governing body members about the top two to three factors that could get in the way of accomplishing the desired behaviors/actions.
3. Have an open and candid discussion about one or two actions that you can take to remove an obstacle or reduce its negative impact on organizational success.
4. Assign personal accountability to one or more people to use their best-faith efforts to remove the obstacle and to put in place conditions that will nurture the successful work of the governing body to accomplish the organization's mission and plans.
5. Monitor and celebrate progress to implement the conditions that enable the group's decisions and behaviors to be as positive as possible.

Good governing bodies encourage diversity among their members in order to make better decisions and avoid common pathologies that are counterproductive to good governance. Our work with public hospitals in Nigeria identified several required competencies, of which the top five were:

1. A need for experience in how to form partnerships between public and private sector health providers;
2. Understanding of best practices for the work of governing bodies;
3. How to innovate in service delivery design, patient safety, and quality of service;
4. How to engage with beneficiaries/patients in the community to increase the utilization of services;
5. How to earn trust among health workers and physicians.³

These competencies are less a function of a person's background or demographic profile and more a function of experience in health systems strengthening.⁴

Governing Body Dysfunctions

Governing body dysfunctions are also a function of “groupthink,” where discussion and thinking are not stimulated by healthy disagreements. In governing-body settings, the absence of conflict does not necessarily indicate agreement. It could indicate confusion, timidity, acquiescence, or apathy. Dissent helps reduce destructive conformity, shared information bias, and pluralistic ignorance.⁵

3. Workshop by Commissioner of Health and Anadach Group, Lagos State, Nigeria, January 11, 2011.

4. World Health Organization, *Measuring Health Systems Strengthening and Trends: A Toolkit for Countries* (Geneva: WHO, June 2008). Available at: http://who.int/healthinfo/statistics/toolkit_hss/EN_PDF_Toolkit_HSS_Introduction.pdf

5. Merchant and Pick (2010), pp. 123-24.

Dysfunctional social networks. When governing body members form groups, cliques, or coalitions, some individuals may exercise power based on their desire to be accepted into various social networks rather than on their best judgments. Sources of such social ties may include paternalism, friendships, and common tribal, ethnic, educational, religious, or work backgrounds. These social ties, which contribute to high social cohesion in a governing body, offer some advantages; governing body members are typically more comfortable, and meetings are likely to proceed smoothly, with relatively few distractions and relatively little confrontation. However, social cohesion—even among just a few governing body members—can negatively impact the overall governing body power dynamic and affect their decision-making and judgments.⁶

Social loafing. You may find that some of your governance colleagues are not as engaged or as helpful as you need them to be. Most governing bodies probably are getting less effort out of their individual members than they would if those directors were contracted individually as consultants whose job it was to provide governance oversight. This seems to be true because of what psychologists call “social loafing.” It is the tendency for individuals to reduce the effort they put into a task when they are working as part of a group as opposed to working alone.⁷ To minimize this pathology, you can consider the following actions:

- **Clearly post** each person’s agreed-upon tasks in the minutes of the meetings, in a chart on the wall where the governing body meets, or in periodic memos, notes or emails to all of the governing body members;
- **Clearly report** on the progress of each participant to accomplish their tasks;
- **Clearly praise the progress of each participant** to improve the chances that they will not only want to continue to work to accomplish their tasks, but also be willing to take on additional responsibilities in future planning cycles.

Discuss these actions with governing body leaders to adapt them to your setting.

Additional ideas are shared in [Section 17](#) on member recruitment.

6. Merchant and Pick (2010), p. 95.

7. S. J. Karau and K. D. Williams, “Social loafing: A meta-analytic review and theoretical integration,” *Journal of Personality and Social Psychology*, 1993; 65 (4), pp. 681–706.

APPENDIX 2.1

Practical Traits Needed for Key Governance Players

Research by the Governance Institute and Integrated Healthcare Strategies suggests that governing bodies and governing body leaders of health services organizations need certain attributes to thrive. The findings of this work are summarized here to facilitate discussion among local governing bodies and management of the actions needed for more success in “continuous governance improvement” by health services organizations.

BOARD AND COMMITTEE CHAIR TRAITS FOR BETTER GOVERNANCE

Knowledge Needed

1. How to champion the needs of the community and not just the organization
2. The organization’s strategic challenges and needs
3. When to take risks intended to be for the strategic good of the overall organization
4. What external economic and regulatory trends in the industry could arise and threaten in the future
5. How to help all governing body members understand time commitments needed for excellent governance
6. The history and heritage of the organization as a local community resource
7. The diversity of backgrounds and needs of all segments of our community
8. The importance of having everything we do be value-based and mission-driven
9. The value of governing body self-assessments to keep us sharp
10. How to be a positive change agent with other governing body members

Skills Needed

1. How to perform consensus decision-making among diverse governing body and committee members
2. How to practice better strategic planning and budgeting
3. How to use scenario-building exercises
4. How to run meetings and small organizations
5. How, when, and where to use written and verbal communication skills—especially verbal skills as a spokesperson for the organization with key stakeholder organizations
6. How to set accountabilities and celebrate successes in committees
7. Diplomacy skills for working with all types of people
8. How to draw out ideas and gain buy-in from all governing body members
9. Some specialty skills from finance, legal, real estate development, or insurance

Attitudes Needed

1. Honesty and integrity
2. Openness to new ideas and approaches
3. Openness to the role that spirituality can play in the healing process of the whole person and in their families and the community
4. Willing to listen and to be approachable
5. A can-do attitude
6. Willingness to build energy and ideas from all players
7. Upbeat and enthusiastic
8. Trust carrier not stress carrier
9. CEO ally
10. Praise-giver and success-sharer
11. Continuous quality improvement—the key to add value to our patients

BOARD MEMBER TRAITS FOR BETTER GOVERNANCE

Knowledge Needed

1. Knowing when to speak up and when to appreciate when silence is golden
2. Service on many other governing bodies for experience in governance
3. Understanding industry trends, issues, challenges, and opportunities facing our local organizations
4. Our current financial position, trended for the last 3 years, and benchmarked against peer health systems
5. Community demographics and needs, both in the aggregate and for each segment of our market
6. How to build partnerships with other community organizations to pool our resources and expertise for the greatest good for the greatest number
7. General experiences in life and with the lives of our neighbors
8. Our missions and values as a respected local resource, and the plans and budgets needed to achieve them
9. Basic financial planning and management, and health economics
10. How employees think we could be doing things better for the community we serve
11. An appreciation for the complexity of the tasks we face
12. Medical and information technology trends and their consequences for our plans and performance
13. Our competitive posture vis-a-vis technology and costs per unit of care
14. Our sources of funding
15. The difference between governance and management

16. The ins and outs of care management
17. Social responsibility as the core value in a democracy
18. Real estate and land development

Skills Needed

1. How to relate to and be supportive of people of all demographic backgrounds
2. Long-range strategic and financial planning
3. An ability to think creatively
4. An ability to build consensus around our plans and apply tactics to get them implemented
5. Leading organizations of diverse people toward shared goals, missions, and values
6. Analysis of our competitive position for quality, supporting health workers, and costs
7. How to read and understand basic financial ratios that tell us about the financial health of the organization
8. Listening abilities
9. Building and nurturing community relations in times of stress and change
10. How to separate the important from the trivial

Attitudes Needed

1. Change is our constant companion
2. Dare to be great and innovate
3. Entrepreneurial mindset to be decisive in all the right moments
4. Optimistic but realistic
5. Collaboration is essential for success
6. Openness and honesty in all our dealings with health workers and management
7. Value continuing education to maximize our talents and contributions
8. Willing to be a positive and constructive “question raiser”
9. Servant leader for what is best for the people and communities we exist to serve
10. Focus on our targeted consumers—“*The Patient Comes First*”

USE OF SUBGROUPS

TOPICS

Types of Subgroups

Why Have Subgroups

Non-Board Members

Annual Charges and Work Plans

Continuous Renewal Matters

Subgroups working with and on behalf of the full governing body contribute valuable work. This section explores the work of governance subgroups and how they can best be appointed and managed by your governing body.

THE CHALLENGE

You want to improve the success of your national malaria prevention and treatment program. The governing body wants to develop strategies to design, develop, finance, and implement program activities that eliminate malaria in all parts of the country. What types of groups should you form to help accomplish this goal? What are the competencies you need in these groups? How would you recruit, orient, and support these members to best achieve the goals of the staff and governing body?

TYPES OF SUBGROUPS

You know well that health services organizations in low- and middle-income countries face many challenges to accomplish the work of your governing body. The complexity and scale of your work make it very difficult for any small group of people to have all of the time, talents, resources, attitudes, and competencies needed for success. To overcome these barriers to your success, governing

bodies often form subgroups to perform certain work in a defined period for a specific result. These groups are most commonly known by names such as:

- Committees
- Task forces
- Councils
- Commissions
- Technical working groups
- Focus groups
- Advisory teams

WHY HAVE SUBGROUPS

Having too many groups can waste time, energy, political capital, and scarce resources. However, using two to three carefully organized subgroups can provide the following benefits:

- They can bring new information and experiences you need—but often cannot afford—to both define a problem and to develop practical and cost-effective solutions. (They can be “wisdom generators.”)
- They can volunteer time and labor to get the work done on time and on budget. (They can be “execution enablers.”)
- They can provide added resources to help implement a strategy or action plan. (They can be “resource mobilizers.”)
- They help generate public, provider, media, beneficiary, religious group, or other stakeholders’ interest in and support for your programming and plans—all of which can lead to higher levels of success. (They can be “boundary spanners” to key constituencies you need.)
- They can help remove political, financial, or psychological barriers to the successful implementation of your plans and budgets. (They can be “obstacle removers.”)

To gain these benefits, however, you need to carefully prepare to form and manage these groups using the actions listed below:

- Define a very clear role for the group. Specify exactly what you need them to accomplish or contribute, and clarify their terms of reference.
- Depending upon their individual role and responsibilities, explain the specific competencies, knowledge, skills, attitudes, and relationships they need to bring to their work in the subgroup.

- Provide a deadline by which advice or work is due, and have them submit a work plan to meet these expectations. (See the section below on charges and work plans.)
- Do not delegate in a way that weakens your own responsibilities for governance. You still have the ultimate obligation to do what is right to achieve your mission and plans.
- Do not launch a subgroup without providing staff support both to improve its chances of success and enable you to monitor the progress and the quality of their work.

NON-BOARD MEMBERS

Membership in these subgroups can—and often should—be people not currently serving in the governing body or organization. Make sure your governing body has policies and regulatory guidelines that make it possible to form subgroups and to recruit its members from outside the organization.

By inviting diverse people into these groups, you not only can achieve the benefits cited above but also observe whether these people may be suitable for future service in your governing body. Their engagement will also help them better know and appreciate the work of your organization. This, in turn, may lead to an expanded and ongoing investment of their knowledge, association, and resources in your programs and services.

To find these people and harness their talents for your mission, consider these sources to recruit people:

- local social groups affiliated with schools, businesses, government agencies
- local religious organizations
- public and nongovernmental food and water security organizations
- regional economic development organizations
- donor organizational staff

In your environment, what other groups could you approach for talented participants in your governing body's subgroups?

ANNUAL CHARGES AND WORK PLANS

Volunteers need and expect that their work is for a worthy cause and that it will be well focused, organized, managed, and supported by your organization. Do not allow a subgroup to disrupt its work. Poorly developed and managed subgroups can burn out members, alienate them from future work, waste your time, and confuse your beneficiaries. They need a clear sense of purpose and a well-designed work process with clear outputs and outcomes.

Boxes 3.1–3.3 illustrate a work plan for different types of subgroups: one is a task force to define ways to reduce preventable maternal and neonatal deaths in your district; and the other is to mobilize resources to build a new primary care center in your community.

BOX 3.1 Sample Committee Charter: Quality Committee— Freestanding Hospital Board

Purpose

The quality committee is responsible for assessing the delivery of quality patient care throughout the hospital. The committee shall assist in determining the need for policies and procedures that result in the achievement, through continuous quality improvement, of the maximum benefit to patients in the hospital in a customer-oriented and cost-effective manner.

Responsibilities

In fulfilling its charge, the quality committee is responsible for the following activities and functions:

- Recommend policies and procedures that enable the medical staff to process medical staff applications and reappointments and that expedite the board's decisions with respect to granting clinical privileges.
- Monitor the performance of the medical staff in carrying out its responsibilities for evaluating and improving patient care.
- Review sentinel events and root-cause analyses
- Review hospital performance on quality and patient safety standards
- Monitor the performance of all hospital programs in developing and implementing quality improvement responsibilities and review to assure that the organization remains nationally accredited and locally respected for its quality of care.
- Review periodic trend reports that reflect the overall performance of the hospital in providing quality care in a customer-focused, cost-effective manner.
- Ensure that the quality services and their quantification are a hospital-wide expectation of all operating units.
- Ensure that all operating programs develop a specific plan for implementing the concept of continuous quality improvement through individual and team initiative, including implementation, evaluation, and oversight processes within the appropriate medical/administrative/governance structures.

Composition

The committee shall consist of three directors from the hospital board and at least three physicians, including the president of the medical staff.

Meeting Schedule

The committee shall meet at least six to ten times per year.

BOX 3.2 Sample Committee Charter: Strategic Planning Committee— Freestanding Hospital Board

Purpose

The principal purpose of this committee is to make recommendations to the hospital board of trustees relating to overall business policy, long-range strategic plans, and urgent strategic issues. Two corollary purposes are to recommend specific policies relating to expansion as a regional system and to exercise oversight regarding information systems planning and technology to support an integrated system.

Responsibilities

In fulfilling its charge, the strategic planning committee is responsible for the following activities and functions:

- Provide advice to the hospital board of trustees and counsel the president of the hospital regarding corporate policy, strategic issues management, long-range plans and, in general, the overall strategic direction of the organization and its subsidiaries/affiliates.
- Review proposals for and make recommendations regarding new business ventures, including affiliation/collaboration proposals, new technology for the organization, and proposals for discontinuing services.
- Review and make recommendations relating to the hospital's annual update of the strategic plan.
- Keep abreast of major state and national issues relating to healthcare and make recommendations to the board, as appropriate, regarding advocacy efforts.
- Address other matters that relate to corporate strategy as may be referred to the committee by the board of trustees.
- Review present information systems in view of current technology and make recommendations regarding systems to more fully integrate clinical, financial, and managerial functions in support of the organization's further development of an integrated regional healthcare delivery system.
- Review and periodically revise the information systems plan to ensure that present and planned systems fully support the strategic business objectives and operational needs of the organization.
- Review significant information systems capital expenditure proposals in view of the information systems plan and make recommendations. Address and make recommendations regarding such information systems issues as may be brought before the committee by the board of trustees or executive management.
- Monitor implementation of the strategic plan and major strategic initiatives.
- Ensure that the strategic plan reflects and furthers the organization's mission, vision, and values.
- Ensure that physicians and other key stakeholders are included in the strategic planning process.

Composition

Committee members are appointed in accordance with hospital bylaws by the chairperson of the hospital board. The board chairperson also appoints the committee chair. The committee will consist of not fewer than three or more than seven members.

Meeting Schedule

Quarterly or as needed

BOX 3.3 Sample Committee Charter: Governance Effectiveness Committee

Purpose

The governance effectiveness committee (also called board development committee or governance and nominating committee) will be responsible for developing and monitoring the effectiveness of existing members of the board. The committee will establish and maintain an orientation and continuing education program for the board of directors.

Responsibilities

In fulfilling its charge, the governance effectiveness committee is responsible for the following activities and functions:

- Develop and review with the full board an individual board member job description detailing responsibilities and expectations.
- Plan board members' development, including recruitment, orientation, education, and evaluation of their effectiveness.
- Review and update board policies and procedures.
- Review the performance of board members prior to reappointment.
- Identify and select candidates for committees of the board using criteria for board service as a guide.
- Lead the succession planning process for the board chair and other board leaders.
- Maintain an awareness of the needs of the board and/or its affiliate organizations for executive and board talents.
- Plan for orientation and education of board members and non-board members of board committees.
- Conduct an annual board self-evaluation.
- Confirm compliance with the system's/hospital's conflict-of-interest policy.
- Set goals and objectives of the board of directors annually.
- Provide an orientation program conducted by management for new board members.
- Periodically conduct an assessment to determine educational needs. The president of the system/hospital will be responsible for researching and updating the committee on educational opportunities.
- Obtain education through a variety of formats, including meetings, conferences, workshop participation, review of printed material, and video and oral presentations.
- Provide educational opportunities outside the hospital.
- Provide funding, as part of the operating budget of the institution, to support educational programs for the board of directors.

Composition

The committee shall be appointed by the board chairperson and ratified by the system/hospital board of directors. The committee shall consist of at least five persons, including the board chairperson, the president/CEO of the organization, and at least two other board members. One of the board members may also be a member of the medical staff. The chairperson of the committee shall be a member of the board of directors.

Meeting Schedule

Quarterly or as needed

How would you refine these work plans?

How would you recruit experienced people to volunteer to serve in each subgroup?

How would you define indicators of the success of each subgroup?

How would you recognize the progress of each group to optimize their willingness to keep working in the group, and to be willing to serve in future groups?

CONTINUOUS RENEWAL MATTERS

Just as the overall governing body needs to continuously review and improve its decision-making processes and results, so should your subgroups embrace an attitude of continuous renewal and improvement.

Ask the leaders and members of each of your subgroups to answer these four questions at the midpoint and at the end of their work experiences:

1. How can we make the results we are trying to achieve in this subgroup more specific?
2. What do we expect will be the obstacles for our success?
3. How can we best remove, reduce, or work around these obstacles?
4. What changes can we make to improve the effectiveness of our work and people in the future?

After each subgroup completes its work and delivers its reports and results, you should join with them to define future strategies, styles of work, and process management, so similar work will be as effective and satisfying for the volunteers as possible. Achieving your organization's mission is an ongoing journey. You will want many people to support your journey with their ideas, time, and labor. This requires your constant attention and search for innovative people, processes, and initiatives.

SECTION 4

CULTURE TO EMPOWER WORKERS

TOPICS

What is Organizational Culture?

The Central Role of Health Workers in Achieving the Mission

Assessing and Motivating Workforce Engagement and Morale

Meaningful Contributions by the Governing Body

Avoiding Micromanagement

Health workers—from physicians to community health workers and administrative staff—are essential to achieve gains in health status for people in countries with low-resourced health systems. This section explores how governing bodies can best engage with and inspire health workers to work toward the mission of their organizations and health systems.

THE CHALLENGE

With careful planning, you and the governing body of a large, faith-based maternity hospital in Bangladesh have arranged for members of the governing body to meet with staff and tour the hospital inpatient wards and a network of small community prenatal care centers. What are the advantages and disadvantages of such board member engagement? What strategies should you implement to minimize the negatives and maximize the positives of such involvement?

WHAT IS ORGANIZATIONAL CULTURE?

Every health sector governing body has an unwritten set of rules that defines how people in the organization behave. These shared rules—combined with the shared values, assumptions, and beliefs of organizational members—make up the **organizational culture** of

an organization. The following **seven characteristics** determine each organization's unique culture.¹

1. **Innovation** (risk orientation): This characteristic reflects the degree to which the culture encourages innovation and risk-taking.
2. **Attention to detail** (precision orientation): Accuracy in the workplace is important to companies with a culture that places a high value on this characteristic.
3. **Emphasis on outcome** (achievement orientation): This characteristic is stressed in cultures that focus on results, but not on how the results are achieved.
4. **Emphasis on people** (fairness orientation): This characteristic reflects the degree to which the culture values fair treatment of the people in the organization.
5. **Teamwork** (collaboration orientation): This characteristic relates to the importance that the culture places on work being done in teams.
6. **Aggressiveness** (competitive orientation): Aggressiveness is measured by the importance a culture places on outperforming the competition.
7. **Stability** (rule orientation): A company that encourages a steady and predictable course of action when making decisions places a high value on the stability characteristic.

How members of an organization perceive the value placed on each of these characteristics determines the unique culture of an organization. This culture acts as a set of unwritten rules that provide guidelines for how people in the organization are expected to make decisions and perform their tasks.

In health system governing bodies, a chairperson can help set the tone and culture for decision-making approaches. This can be done by describing during member orientation, and in subtle ways, in each meeting, how to address these questions.

- In our work to help accomplish the mission of this organization, we are serious about letting our actions demonstrate the value we place on our goals, which are (for example, the Nairobi Hospital states):

Mission

To offer patients the best care, using advanced technology in an atmosphere of trust, safety, and comfort.

Vision

To be the leading healthcare institution in the region providing world-class treatment and services.

1. John McLaughlin, "What Is Organizational Culture?: Definition and Characteristics," in Business 107: Organizational Behavior [online course]. Available at: <http://study.com/academy/lesson/what-is-organizational-culture-definition-characteristics.html>.

Values

Dedication: We are dedicated to offering patients and their families efficient service and great value for their money.

Empathy: We are devoted to providing a warm, friendly, and caring environment in which patients can recover.

Inspiration: We are an organization that inspires our staff to achieve the extraordinary and develop the best careers.

Quality: We pursue superior performance and quality in all we do, to build and preserve the Hospital's clinical, organizational, and financial strength.

Partnership: We recognize the value of strong internal and external partnerships to accomplish our goals.

- In our meetings, we value the ideas and experiences of each member of the governing body and work hard to provide all an opportunity to share their ideas in all of our decision-making processes.
- We try to maintain a “blame free zone” in our board work; we praise in public and counsel or criticize in private.
- We strive to base all of our decisions on the best interests of the people we exist to serve.
- We see ourselves as trustees of assets and resources owned by others, so we seek to be good stewards of these other people's resources.
- We operate and make decisions in the most ethical, honest, and transparent manner possible in all of our dealings with managers, health workers, vendors, media, government officials, and beneficiaries.

THE CENTRAL ROLE OF HEALTH WORKERS IN ACHIEVING THE MISSION

We understand that our governing work is to enable the good work of those who deliver services in our organization and community. There is no health care without health workers.²

Because health workers are central to accomplishing our mission, we have an obligation to make decisions that encourage and support our paid and volunteer health workers and facilitate the performance of their roles and responsibilities. Good governing bodies forge and nurture a culture within the organization that creates the conditions in which health workers can excel in their service to our beneficiaries. Actions by governing bodies to create positive and productive workplaces include meeting the principles for safety advocated by the World Health Organization (WHO).³

2. Global Health Workforce Alliance and World Health Organization, *A Universal Truth: No Health without a Workforce: Third Global Forum on Human Resources for Health Report* (Geneva: WHO, Nov. 2013). Available at: <http://www.who.int/workforcealliance/knowledge/resources/hrhreport2013/en/>
3. *Health Workers: Health Worker Occupational Health: Introduction* (Geneva: WHO, 2015). Available at: http://www.who.int/occupational_health/topics/hcworkers/en/

There is a wide range of reasons why health workers leave their jobs; financial reasons are often not the only (or the main) reasons. Factors are also likely to be interrelated, and their influence on health providers depends on the political, socioeconomic, and cultural environment.

The WHO sees these as factors to be discussed and addressed by effective governing bodies:

- personal and lifestyle-related factors, including living circumstances;
- work-related factors, related to preparation for work during pre-service education;
- health system-related factors, such as human resources policy and planning;
- job satisfaction, influenced by health facility factors, such as financial considerations, working conditions, management capacity and styles, opportunity for professional advancement, and safety at work.

Good governing bodies do not do the work of managers regarding employment practices, compensation, job assignments, and working conditions. However, at least once per year, the governing body should ask for and receive an in-depth presentation by managers about factors such as:

- satisfaction and morale of the workforce;
- comparative compensation of similar workers in similar communities;
- opinions of health workers about the quality of care and services to beneficiaries;
- opinions of workers about the ethical behavior and standards of their fellow workers, managers, and the governing body;
- progress on prior action plans to continuously improve working conditions for health workers.

Health workers, however, have an obligation to perform to the best of their abilities to promote the health and well-being of the people they exist to serve. Health workers are usually well motivated to work hard to continuously improve the quality of their services to beneficiaries. Actions to support this passion can be found in a [WHO discussion paper by Woodward](#).⁴ Health workers can also be expected to deliver good value for money, as outlined by the [WHO studies of good worker performance and productivity](#).⁵

4. Christel A. Woodward, "Strategies for Assisting Health Workers to Modify and Improve Skills: Developing Quality Health Care: A Process of Change: Improving Provider Skills" (Geneva: WHO, 2000). Issues in Health Services Delivery Discussion Paper No. 1. Available at: http://www.who.int/hrh/documents/en/improve_skills.pdf

5. Marjolein Dieleman and Jan Willem Harnmeijer, *Improving Health Worker Performance: In Search of Promising Practices* (Geneva: WHO, 2006). Available at: http://www.who.int/hrh/resources/improving_hw_performance.pdf

GENDER

Because so many of our beneficiaries and health workers are women, our governing work must also be very open to and supportive of modern gender equity policies and procedures.⁶

Wise governing bodies need several women members, and they work hard to create meaningful opportunities for women health workers and managers to excel in their work. High priority should be placed on these three actions:

1. Ask that all who provide information on the organization's plans, budgets, and services report results by gender. This transparency helps avoid inappropriate differences, biases, or discriminatory practices, which should be discussed, resolved, and avoided.
2. Make sure that presentations to the governing body and its sub-groups have a balance between men and women leaders reporting on the status of your organization's service quality, costs, utilization, and user satisfaction.
3. Support equitable sharing of recognition and rewards for good performance by workers among men and women.

WORK CLIMATE

Have a conversation at least twice a year with your managers and a small group of workers to gauge how the workplace situation is changing and improving; and suggest ways you can be more supportive, such as:

- advocating for more pay for the organization from governmental and non-governmental sources;
- advocating for more investment in continuing education for workers;
- offering ideas to management about how workers in other service industries (e.g., schools, hotels, banks, restaurants, and rural cooperatives) are encouraged and supported to excel in their work.

What are two to three other ways that you believe the governing body can help management create positive conditions for excellent health worker performance and satisfaction?

6. For example, see Women and Gender Equity Knowledge Network, *Unequal, Unfair, Ineffective and Inefficient: Gender Inequity in Health: Why It Exists and How We Can Change It* (Geneva: WHO, 2007). Available at: http://www.who.int/social_determinants/resources/csdh_media/wgekn_final_report_07.pdf

ASSESSING AND MOTIVATING WORKFORCE ENGAGEMENT AND MORALE

The governing body needs to ask managers to report at least annually about how health workers view their working condition, compensation, safety, and access to medicines, and the tools and supplies they need to do their work.

Rely on periodic surveys, focus groups, or structured interviews by objective and fair consultants or volunteers to reach out to workers to engage them in planning, program evaluation, and assessments of the conditions in which they are expected to work. You should also understand their views about their degree of satisfaction with varied issues such as:

- the clarity of their job descriptions and the performance expectations of their managers and supervisors;
- their safety from sexual harassment, violence, and injuries while at, going to, or leaving work;
- opportunities for advancement;
- opportunities to earn a living wage;
- opportunities for performance-based recognition and awards.

While competitive incentive compensation or merit pay is very difficult to secure in public-sector employment in most low-income countries, a study of over 30 public sector managers from 20 countries at a health-sector leadership program in Cambridge, England, suggested the following ideas to recognize and reward good work by health staff (see [Section 28](#) for the complete list of ideas):⁷

- Have a senior manager or supervisor deliver a personal “thank you for a job well done” to staff in front of their peers.
- Have managers and the governing body host a dinner or party hosted for teams or departments that have excelled in meeting their service targets in the past quarter.
- Provide access to special continuing education in the capital city for high-performing teams or service leaders.
- Send a thank-you note signed by the manager and a governing body member to the family of the worker.
- Recognize exemplary workers or teams by displaying a picture and note on bulletin boards in the facility and a billboard in the community.

What other actions could your governing body take to show your sincere and continuing support for employees' work?

7. James Rice, Ph.D., International Health Leadership Program, Judge School of Business, University of Cambridge, England. 2006.

MEANINGFUL CONTRIBUTIONS BY THE GOVERNING BODY

There are many ways that governing bodies can help support positive conditions for good performance by health workers. Some can be enacted by the group, and some by individuals in the governance body who have unique skills or access to unique resources. However, the group should make a point of discussing opportunities to support good health worker performance at least once per year.

High-performing governing bodies can consider these five actions to improve their contributions to excellent health worker performance:

1. Ask that managers and health workers develop for your review and adoption an updated set of principles that support health worker success and pride. Oakwood Healthcare has developed an effective example of a code of conduct that you can adapt to your own environment.⁸
2. Establish discussions and a policy that encourage the organization to develop and nurture a “culture of accountability.”⁹
3. Management can invite members of the governing body with unique experiences and knowledge to volunteer to plan and conduct training programs on various topics for workers. (They should never pay fees to members of the governing body.) Topics can include patient safety, clinical process improvement, customer service excellence and satisfaction, budgeting; marketing and communications, media relations, and team and trust building.
4. Support the design and development of a “culture of celebration,” as defined in [Section 28](#).
5. Work with management to organize periodic focus group discussions with frontline workers and managers about how the organization is performing and how all could pull together (*harambee* in Swahili).

AVOIDING MICROMANAGEMENT

In your enthusiasm to help create good working conditions for health workers, be careful not to stumble into the challenging arena of micromanagement. One of the most common characteristics of low-performing governing bodies is trying to second-guess or run over or around managers either because you think you can do their jobs better or you believe they are not doing their work well enough.

8. Oakwood Healthcare, “Code of Conduct” (Dearborn, MI: Oakwood Healthcare, 2013). Available at: <https://www.oakwood.org/upload/docs/Code-of-Conduct.pdf>

9. See, for example, Joshua O’Hagan and David Persaud, “Creating a culture of accountability in health care,” *The Health Care Manager*, 2009; 28: pp. 124-33. Available at: <http://www.nursingcenter.com/lnc/static?pageid=935642#sthash.V6nPRru8.dpuf>

“That’s micromanagement!” When trustee A says that to trustee B, trustee A is reminding B to stick to the governing body’s policy role and stay out of administration. But B says, “No, it’s not.” Now what?

How do you determine the appropriate role for trustees of health sector governing bodies? The line between policy and micromanagement is not always clear. It can depend on board and institutional culture and protocols, communication style, intent, and how the intent is expressed.

What is clear is that micromanagement is not a good thing. Governing bodies of health services organizations hire a managing director or chief executive officer to lead the organization. Micromanagement impedes the ability of CEOs to do their work most effectively. As one trustee said, “We are paying a CEO to do the work, so why should we do it instead?”

Micromanagement sends a message of distrust, undermines the authority of the CEO, and ignores the organizational structure, decision-making systems, and procedures. Micromanagement also violates the governing body’s fiduciary responsibility to ensure that the time and resources of the organization are well spent. When a trustee directs staff to do something or requests information that requires a significant amount of time, the individual trustee has determined how time and resources are used, which may not be in the best interests of the entire institution. Given that health service organizations have limited funds and personnel, priorities for time and resources must be set by the governing body and leadership working together.

Most members of a health system governing body prefer to be engaged in complex problems of substantial importance, not the day-to-day trivia of service delivery. However, three factors can lead to micromanagement and should be avoided.

1. Boards are structured to micromanage when they consist of committees that mirror the administrative organizational chart.
2. Trustees are encouraged to micromanage when they are asked to review details of plans, policies, and projects.
3. Trustees are relegated to micromanagement when the organization’s managers do not share the responsibility for the organization’s mission, values, culture, and performance planning agenda.

Preventing micromanagement means engaging the governing body in discussions that identify the questions to be asked about the institution’s future and capitalize on the wisdom and values of trustees. CEOs can foster “macro-governance” by involving governing bodies sooner and more deeply in defining the questions on issues essential to the vitality of the organization.

Wise governing bodies can consider these three actions to minimize the threats of micromanagement. (For more ideas, refer to [Appendix 4.1.](#))

1. The chairperson and CEO need a partnership of mutual trust and respect. This enables candid discussions about the lines between good governing body work and the work of management. These two partners should meet at least once per month to explore areas of confusion about the needs of the governing body for information for good decision-making and to clarify what is the governing body's role in policy-making and strategic direction setting, and what is management's set of responsibilities.
2. In the initial orientation program, and in subsequent self-assessment programs, members of management and the governing body should encourage discussions about their comfort levels with the balance of their roles in decision-making for the benefit of the organization's mission, plans, and performance.
3. All parties should work in a climate of "no surprises." Use common sense to keep each other informed about questions, concerns, and ideas for service and organizational performance improvements. It can also be helpful to review the ideas in [Appendix 4.2](#) on trust building.

APPENDIX 4.I

Scenarios: Is the Trustee Micro-Managing?

LIGHTS OUT

While walking to an evening board meeting, Trustee A notices that some outside lights have burned out. She picks up her cell phone and calls the evening manager to let him know.

If this is a one-time occurrence, many would say it's not micromanagement and that the trustee is simply being helpful. The trustee likely does not intend to direct staff work. However, it fits the definition of micromanagement in that an individual trustee has called a staff member other than the CEO and essentially told him or her what to do. A better alternative is for the trustee to talk with the CEO (or established designee) when she gets to the board meeting.

CONSENT AGENDA

The board meeting always includes a consent agenda that covers personnel hiring and routine contract and purchase approvals. Trustee B regularly removes the items on contracts and purchasing from the agenda, so that he can review the process for each item to ensure the staff did enough to get the best price.

Individual trustees have the right to remove items from the consent agenda and should do so if they need to discuss the item. However, the consent agenda is designed to quickly deal with routine and required approvals so that time can be spent on discussion of strategic health care issues. Trustee B's actions take up a great deal of time and reflect a lack of trust in administrative decisions, and therefore are micromanagement. The board should address the reasons behind his actions. Is it a lack of clear policies and procedures on contracts and spending, or a lack of support for the policies? Do the procedures adequately ensure that purchasing processes are legal, fair, and that there are adequate checkpoints? Are the dollar amounts that determine whether a purchase or contract requires board approval set at the right levels? Does Trustee B have a reason to distrust administration? Is he attempting to show that he is performing his fiduciary role?

Possible solutions include revisiting the policies and auditing the procedures to assure Trustee B that the purchasing and contracting are fair, prudent, legal, and contain adequate checks, and that the administration can be trusted. Other trustees may talk with Trustee B about how his activities are interfering with board time for other discussions. They may help find other ways to exhibit their responsibility for fiduciary oversight.

PLANNING COMMITTEE MEMBER

Trustee C is a member of the health organization's planning committee. The chair of the committee, out of respect for the board member, always makes sure to seek her opinion on the proposed revisions to the center's goals. The board member reports to the board each month on committee activities.

Including trustees on health sector organization planning committees provides a trustee perspective and link to the board. The intentions are good, but the practice may be a step on the slippery slope.

Trustees, by virtue of their positions, may have much authority and power. In this situation, the individual trustee's opinions may have too much influence and are thereby "micromanaging" the planning process. She should refrain from such active participation on the committee and have more trust for the committee chairperson.

MONITORING PATIENT QUALITY SUCCESS

Trustee E wants to know what the error rate in medications is and what kind of support is provided to ensure that patients receive the right medicine. He doesn't want to bother the CEO, so he calls a senior nurse to find out that information. The nurse calls the manager of health statistics, who then begins preparing the report.

While it is laudable that Trustee E is interested in medicine errors and services, his request to the nurse has the effect of directing staff time and is therefore micromanagement. Trustee E should contact the CEO, who can provide both background information and knows the implications of the request for staff time. If the CEO judges that the request would take substantial time, he or she can refer the request to the board as a whole for approval. The CEO also can ensure all trustees receive the same information.

RESPONDING TO COMMUNITY COMPLAINTS

A young person's parent, who happens to be on the health center's advisory board, calls Trustee F to complain about her daughter not getting into the nursing program. The trustee calls the CEO to find out why and asks the CEO to call the parent.

It is not micromanaging to ask the CEO to respond to questions from community members.

At the next board meeting, Trustee F asks for a report on how students are admitted into the nursing program. After the meeting she tells a newspaper reporter that she is conducting an investigation into the admission process.

It is not micromanaging to ask for reports on a health program's processes at board meetings; however, as stated earlier, expecting reports without considering the ramifications involved can lead to problems. Trustee F crossed the line into micromanagement when she announced an investigation to a reporter. She is now operating independently and is not participating effectively as part of the governing body as a whole.

CUTTING PROGRAMS

After hearing a staff report at a board meeting about proposed program cuts at community outreach centers in the district due to budget constraints, the board expresses concern that the patients and enrollment in the outreach areas will be disproportionately affected. The board asks the CEO to find a way to keep the health centers operating fully.

The board has acted as a whole to direct the CEO to revisit budget cutbacks. Whether or not the health system provides service throughout the district and who the organization serves are policy issues and appropriately the role of the board.

APPENDIX 4.2

Establishing & Sustaining a Culture of Trust & Transparency

Participants in Leadership Conferences by The Governance Institute identified a series of practical insights that USA governing body boards, physicians, and managers can collaborate on to establish and nurture a culture of trust.¹

Trust must be earned, and is very much related to the recognition that trust comes from open communications, respect for balanced roles and responsibilities that are clearly understood, and transparency among stakeholders so that the leadership knows where they are and where they are going to serve the community, beneficiaries, and patients. This culture is expected to provide a foundation upon which and within which health services programs and organizations are more likely to build enhanced performance.

How are you striving in your organization to adapt and apply these type of trust-building and transparency strategies for enhanced community service and financial vitality?

The ideas are shared here, in random order, for you to use in your local planning and self-assessment activities for “Continuous Governance Effectiveness” (CGE).

1. Never lie and always follow through on your commitments and promises.
2. Let common courtesy and common sense prevail more often in our relationships.
3. Forge, celebrate, and remind members about a shared vision for the project or organization.
4. Take a risk and compromise on one aspect of a challenge or one issue. Trust evolves from earned risk taking that proves to be a success.
5. Be well informed by the CEO about plans and progress, but don't try to do the CEO's job.
6. Take a health worker to lunch and really listen to their dreams and pains and frustrations, and see how we might cooperative to fix some of the issues or jointly pursue some opportunities.
7. Personalize our capabilities, and what we hope to contribute to the betterment of the organization or community.
8. Thank the health workers (and board members) more often and more publicly. Praise in public, punish or mentor in private.
9. If something is not working, don't hide from it, talk about it, assess it and refine it before it festers into weak and bad relationships, hence poor trust levels.
10. Establish and continuously refine opportunities for social interactions designed to learn more about each person as an individual, a real person with life and interests outside the hospital or health system.

1. James Rice, Ph.D. President, The Governance Institute, San Diego, USA. 2001.

11. Seek to have us like each other, but at least respect our intent and motivations. Give all the benefit of the doubt.
12. Be willing to admit mistakes and move on. Try to avoid reliving ancient errors and misjudgments. Get on with it and get over it.
13. Treat each other as if we were our most loved/respected granddaughter or grandmother.
14. Meet to explore how to wrestle with common threats and opportunities. Set goals together that we can own and struggle to achieve together, then celebrate our wins widely and enthusiastically.
15. Have quarterly meetings about substantive issues among the “Troika” of physicians, administrative and board leaders.
16. Conduct carefully-planned strategic visioning and business planning sessions in relaxed retreat settings. Provide ground rules of how we will meet, talk, exchange insights and explore new collaborations.
17. Develop a formal plan on board and leadership education each Spring and Fall that helps us study best practices of trust building in other organizations. Use real live case studies in our education efforts.
18. Find opportunities to allow all players to “walk a day in my shoes” in meetings, in role playing, in study tours to other benchmarking facilities, or to educational conferences. Have board members visit clinics and physicians meet board members in their reality.
19. All three groups need to listen to folks from the community about community needs and how they need and expect them/us to be collaborative.
20. Encourage all players to participate and be serious about “modern listening” skills and attitudes. We all need to be more effective at listening sincerely to what others say, and to be sensitive about what they need from their relationship with the hospital or health program.
21. Build time in several meetings per year for each group to talk about their needs, plans, and performance.
22. Have as many face-to-face discussions and communications as possible throughout the year.
23. People earn trust by doing what they say, and saying what they mean and are willing to follow through or follow up on for the benefit of the organization and or the community.
24. Meet often in small groups of 2-3 to really talk openly and honestly about issues and options. Big groups are more challenging settings to establish behaviors that nurture trust and good communications.
25. The probability of great trust increases if there is great communication—open, honest, and friendly communication about families, about the community, and about the organization’s plans and performance.

26. Make sure our work together is based on “No surprises” and “No blind-siding” and “No second guessing” after we meet and agree on a path forward.
27. All parties should be clear about their expectations from relationships and projects.
28. Share information and data openly—the good and bad and uncomfortable—as long as it matters to better patient care and community service.
29. We all need to ground our pursuit of trust on an attitude of openness and the “Golden Rule.”
30. Try to first create and nurture a culture of “No Blame” as we struggle to try new ideas and initiatives. We need to feel we can go to or come to others with questions or challenges.
31. Board needs to show they care about patients and the community, not just the economics and finance.
32. The more we can jointly pursue patient-centered quality and safety, the more we can increase the chances for finding common ground for building trust.
33. Invite physicians into board decision-making processes so we can work together on real issues of importance to the hospital and to our community.
34. None of us wants to waste time. We all desire to apply our talents in ways that help our neighbors. We need to talk more about these shared dreams and desires and that in more times than we realize we have similar goals, just differing ways to get there.
35. Rekindle the “Joint Conference Committee” between board and medical staff for joint planning and performance assessments.
36. Invite doctors to be guests of and presenters at board meetings and committee events.
37. Rotate board members not just through regular medical staff meetings, but through real life surgeries.
38. Train and mentor board and committee chairpersons to be more effective at inviting other views into the conversation/process, and as effective facilitators of open and honest dialogue.
39. Be kinder and more thoughtful to each other.
40. Other ideas you have that can work better than these.

How would your governing body prioritize the ten most important actions from this list?

CONTEXT CONSTRAINTS

TOPICS

Scanning the Environment Helps You to Govern

Epidemiology Matters

Corruption Steals Resources, Undermines Morale, and Threatens Lives

The setting in which your governing body works influences not only the needs and challenges that it faces, but also the scope and nature of its effectiveness. This section describes how governing bodies can best assess the context in which they work and embrace actions that can help improve the effectiveness of their work in various contexts.

THE CHALLENGE

Tensions between competing political parties in Tanzania make it difficult to establish a wise set of health sector plans and programs. Because politicians frequently force a change in health ministers, investments in the health sector for needed health professionals and basic health centers are inadequate and inconsistent. What can those who lead and govern health systems do to improve the political and economic stability and vitality of their health sectors? What is the social, economic, and political case for stronger health systems, and how might effective governing bodies best make this case to the country's political leaders?

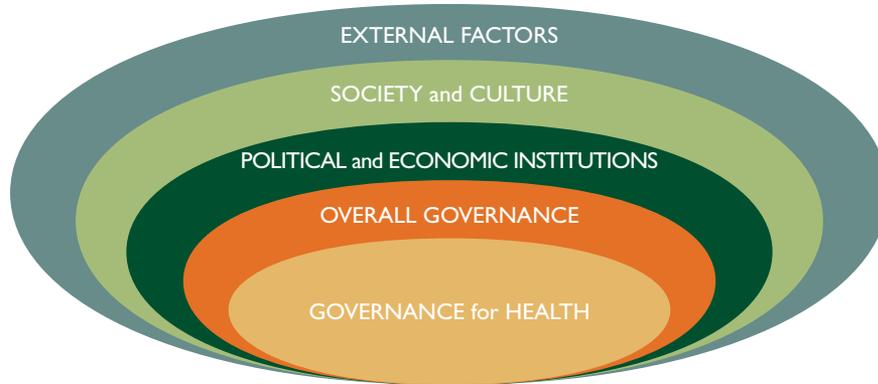
SCANNING THE ENVIRONMENT HELPS YOU TO GOVERN

Governing health sector organizations in low- and middle-income countries (LMICs) is not easy, for three interrelated reasons:

1. **Pervasive poverty:** Improving the health status of people and communities that face persistent and pervasive high levels of poverty and low levels of education is very difficult.¹ It demands the management of many societal factors not directly within the control of ministries of health.²
2. **Need for health systems strengthening:** To secure strong health outcomes, the health sector must have organizations that are built for strong performance and strong sustainability. Unfortunately, in most LMICs, policy-makers and managers have weak mastery of the principles and practices for health systems strengthening.³ They also face challenging shortages of needed health workers⁴ and unstable sources of funding that depend on out-of-pocket spending from poor families and weak health insurance arrangements.⁵
3. **Political instability:** Governing health systems, ministries of health, and public and private health services organizations need clear and stable strategic plans. In many LMICs, this stability is threatened due to frequent changes in health sector leadership, fragile political institutions, and disruptive tensions among terrorist groups and religious extremists.⁶ Figure 5.1 depicts the context of governance for health.

-
1. World Health Organization (WHO), *Improving Health Outcomes of the Poor: The Report of Working Group 5 of the Commission on Macroeconomics and Health* (Geneva: WHO, 2002). Available at: <http://whqlibdoc.who.int/publications/9241590130.pdf>
 2. WHO, *Social Determinants of Health: Report by the Secretariat* (Geneva: WHO, 2012). Available at: http://www.who.int/social_determinants/B_132_14-en.pdf
 3. For a review of factors essential for stronger health systems and greater health impact, please see these resources: WHO, *Health Financing for Universal Coverage* (Geneva: WHO, 2015). Available at: http://www.who.int/health_financing/en/ and the classic review of the essential building blocks for strong systems: http://www.wpro.who.int/health_services/health_systems_framework/en/
 4. For the challenges of shortages of health workers, see WHO, “Strengthening Health Workforce to Strengthen Health Systems” (Geneva: WHO, 2015). Available at: http://www.who.int/hrh/resources/strengthening_hw/en/. For regional action plans, see: WHO, “Health Workforce: Governance and Planning” (Geneva: WHO, 2015). Available at: <http://www.who.int/hrh/governance/en/>
 5. WHO, *Community-Based Health Financing* (Addis Ababa, Ethiopia, 2006). Available at: <http://www.afro.who.int/en/clusters-a-programmes/hss/health-policy-a-service-delivery/features/2233-community-based-health-financing.html>
 6. See USAID assessments and strategies here: USAID, “Fragile States Strategy” (January 2005). Available at: http://pdf.usaid.gov/pdf_docs/PDACA999.pdf. For insights from the UK Department for International Development (DFID), see Claire McLoughlin, “Topic Guide on Fragile States” (Birmingham, UK: University of Birmingham, Governance and Social Development Resource Centre, 2012), chapter 7. Available at: <http://www.gsdr.org/go/fragile-states/chapter-7--dfid-guidance-on-working-effectively-in-fragile-states>. See also USAID work on Political and Economic Assessments at: http://pdf.usaid.gov/pdf_docs/pbaaa891.pdf

FIGURE 5.1 Context matters. Society, culture, and political and economic institutions determine the overall governance of a nation, of which governance for health is a part.



In your local district, county, or province you will understand these issues in a much more personal manner. Your ability to confront and minimize these frustrations, however, will be a function of how your leadership group evaluates, defines, and frames the scope and nature of the problems. A poorly-defined problem is unlikely to be solved. Your governing body would be wise, therefore, to conduct a careful assessment of its operating environment by using one or more of these assessment tools:

- the [Management and Organizational Sustainability Tool \(MOST\)](#) from Management Sciences for Health (MSH)⁷
- the [World Health Organization's District Assessment Tool](#)⁸
- the USAID-supported [Health Systems Assessments](#)⁹
- the USAID [Political and Economic Assessment](#) resources¹⁰

You can also conduct a series of focus group meetings within your region with community health leaders, politicians, health workers, media, employers, and religious and economic leaders to answer these five questions:

1. How should we define the characteristics of a well-run health system, hospital, maternal-child health center, or HIV & AIDS program?
2. What do we see as the greatest obstacles to achieving these desired characteristics?

7. MSH, *Management and Organizational Sustainability Tool*, 3rd ed. (Medford, MA: MSH, 2010). Available at: <http://www.msh.org/resources/management-and-organizational-sustainability-tool-most>

8. Luis G. Sambo, Rufaro R. Chatora, and Simone Goosen, *Tools for Assessing the Operationality of District Health Systems* (Geneva: World Health Organization Regional Office for Africa, Brazzaville, 2003). Available at: http://www.who.int/management/district/assessment/assessment_tool.pdf

9. Health Systems 20/20, *The Health System Assessment Approach: A How-To Manual Version 2.0* (Bethesda, MD: HSAA Project, Abt Associates, 2012). Available at: <http://www.healthsystemassessment.com/health-system-assessment-approach-a-how-to-manual>

10. Molly Anders and Jeff Tyson, "USAID to launch new political economy analysis tool" (Washington, DC: DevEx, October 2014). Available at: <https://www.devex.com/news/usa-id-to-launch-new-political-economy-analysis-tool-84666>

3. What types of services, health workers, medicines, and facilities will we need to achieve our desired health system within the next three to five years?
4. How can we build in incentives for our health workers and health programs and organizations to strive for optimal levels of performance in the coming two to three years?
5. How can we best measure, monitor, and report our health organizations' progress against plans?

EPIDEMIOLOGY MATTERS

Experienced governing bodies and their leaders ensure that the mission they are promoting and protecting is directly focused on the critical health issues of the community, country, district, province, or nation as a whole. How can your governing body make judgments about what are the most important health issues to address? Most rely on studies of the epidemiological dimensions of health problems in the area.¹¹ These usually include:

- the demographic structure (e.g., age, sex) of the population;
- threats to sexual and reproductive health from weak human rights;
- climate and weather risks;
- water and food security problems;
- sanitation risks;
- threats from war and conflict;
- workplace safety risks;
- poorly enforced or corrupt enforcement of health protection regulations and policies.

Governing body members also need information about the burden of specific diseases that cause people to seek health services and about the trends in these data. Is the country progressing in fighting the major causes of mortality? Which areas are most affected by particular diseases and conditions?¹²

For example, Table 5.1 shows the leading causes of premature death in Nigeria. Analysis of these factors, all of which affect infants and children, reflect Nigeria's major health issues. These are not just major diseases such as malaria and HIV & AIDS but also maternal, newborn, and child health—and the related area of family planning and reproductive health. See Table 5.2.

11. For key issues and indicators, see, for example, the Demographic and Health Survey for your nation, at: <http://www.dhsprogram.com/>; and the annual WHO World Health Statistics reports. Available at: http://www.who.int/gho/publications/world_health_statistics/en/

12. For behavioral risks and burdens of noncommunicable diseases, see WHO, *Noncommunicable Diseases Country Profiles 2014* (Geneva: WHO, 2014). Available at: http://apps.who.int/iris/bitstream/10665/128038/1/9789241507509_eng.pdf?ua=1. For environmental risks and disease burdens, see A. Prüss-Üstün and C. Corvalán, *Preventing Disease through Healthy Environments: Towards an Estimate of the Environmental Burden of Disease* (Geneva: WHO, 2006). Available at: http://www.who.int/quantifying_ehimpacts/publications/preventingdisease.pdf.

TABLE 5.1 Major causes of premature death, Nigeria, 2010

| Indicator | Deaths | Percentage |
|---------------------------------|--------|------------|
| 1. Malaria | 24,149 | 23.2 |
| 2. HIV & AIDS | 8,598 | 8.3 |
| 3. Lower respiratory infections | 8,034 | 7.8 |
| 4. Neonatal sepsis | 6,596 | 6.4 |
| 5. Diarrheal disease | 5,854 | 5.7 |
| 6. Road injury | 4,488 | 4.3 |
| 7. Preterm birth complications | 4,396 | 4.3 |
| 8. Protein-energy malnutrition | 4,353 | 4.2 |
| 9. Meningitis | 3,674 | 3.6 |
| 10. Neonatal encephalopathy | 3,164 | 3.1 |

Source: Institute for Health Metrics and Evaluation (IHME), "GBD Profile: Nigeria," in Global Burden of Diseases, Injuries, and Risk Factors Study 2010 (Seattle, WA: IHME, 2010).

TABLE 5.2 A snapshot of maternal, newborn, and child health in Nigeria, 2013

| Indicator | Statistic |
|--|-----------------------------|
| Total fertility rate | 5.5 children per woman |
| Use of modern contraception by married women (15-49) | 15% |
| Skilled birth attendance | 38% |
| Maternal mortality ratio | 545 per 100,000 live births |
| Under-5 mortality rate | 128 per 1,000 live births |
| Infant mortality rate | 69 per 1,000 live births |

Source: *Nigeria Demographic and Health Survey 2013*

What can governing bodies do about these complicated health risks and challenges?
Good leaders who govern can consider taking these three key actions:

1. Ask local health officials, NGOs, or international donor-supported assistance groups for a careful study and documentation of the major causes of death in your area, and post these numbers as easy-to-understand charts in and around your community and your health services organization.
2. Convene groups of your most at-risk populations to meet with your health workers to define the causes of these deaths and illnesses, and develop specific short-term actions to change individual and institutional behaviors and environmental risks. Further, create plans, including who will implement these activities, how, by when, and with what resources. Many of the challenges will require action from many organizations and types of people in order to realize health gains that are both significant and sustainable. (This is often called “collective action”¹³ or “collaborative governance.”¹⁴)
3. Post these in and around your community and organization for all to see and help monitor progress of plans. CARE International uses “Community Score Cards” for this purpose.¹⁵ Convene community groups and media representatives to publicize how the progress of your collective action is strengthening the health of your population and the vitality of your organization’s finances and performance.¹⁶

13. See International Centre for Collective Action, “Our Collective Action Services” (Basel, Switzerland: Basel Institute on Governance). Available at: <http://www.collective-action.com/>

14. See examples of collaborative governance here: John Donahue, “On Collaborative Governance,” Corporate Social Responsibility Working Paper No. 2 (Cambridge, MA: John F. Kennedy School of Government, Harvard University, March 2004). Available at: http://www.hks.harvard.edu/m-rcbg/CSRI/publications/workingpaper_2_donahue.pdf.

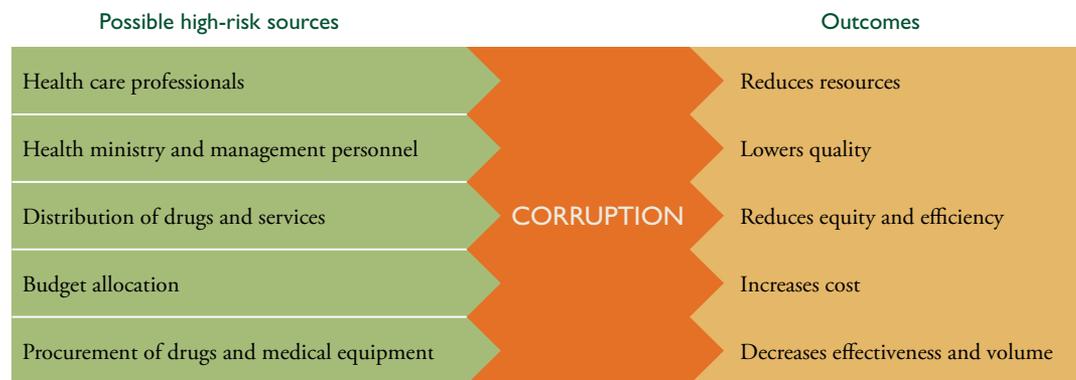
15. CARE Malawi, “The Community Score Card (CSC): A Generic Guide for Implementing CARE’s CSC Process to Improve Quality of Services” (Atlanta, GA: Cooperative for Assistance and Relief Everywhere, Inc., 2013). Available at: http://www.care.org/sites/default/files/documents/FP-2013-CARE_CommunityScoreCardToolkit.pdf

16. For examples of how to promote community health, see the resources here: Centers for Disease Control and Prevention (CDC), “CDC’s Healthy Communities Program: Tools for Community Action” (Atlanta, GA: CDC, 2014). Available at: <http://www.cdc.gov/nccdphp/dch/programs/healthycommunitiesprogram/tools/>.

CORRUPTION STEALS RESOURCES, UNDERMINES MORALE, AND THREATENS LIVES

Studies by the Department for International Development (DFID) remind us that tackling corruption in the health sector is essential for achieving better health outcomes (see Figure 5.2). The section that follows comes from Karen Hussmann, “How-to Note: Addressing Corruption in the Health Sector.”¹⁷

FIGURE 5.2 Corruption in the health sector: risk areas and consequences. The health sector is vulnerable to corruption and has several high-risk areas; the consequences can be grim.



Source: Taryn Vian and Carin Nordberg, “Corruption in the Health Sector” (Bergen, Norway: Chr. Michelsen Institute, 2008), U4 Anti-Corruption Resource Center, Issue 10. Available at: <http://www.u4.no/publications/corruption-in-the-health-sector-2/>

Corruption in the health sector can be a matter of life and death, especially for poor people in developing countries. In China, an estimated 192,000 people died from using counterfeit drugs in 2001 alone. An International Monetary Fund (IMF) study across 71 countries showed that countries with high incidences of corruption have higher infant mortality rates, even after adjusting for income, female education, health spending, and urbanization.¹⁸

Corruption in the health sector can have severe consequences on access to and the quality, equity, and effectiveness of health care services. For example, unofficial user fees discourage the poor from using services or lead them to sell assets, driving them further into poverty.¹⁹ Bribes to avoid government regulation of drugs have contributed to the rising problem of counterfeit drugs, which can lead to increased disease resistance and death.

17. Karen Hussmann, “How-to Note: Addressing Corruption in the Health Sector” (London, UK: Department for International Development, Nov. 2010), pp. 2-3. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67659/How-to-Note-corruption-health.pdf. This section contains public-sector information licensed under the UK Open Government Licence v3.0. Please see <https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>.

18. Sanjeev Gupta et al., “Corruption and the Provision of Health Care and Education Services,” Working Paper No. 00/116 (Washington, DC: International Monetary Fund, 2000).

19. Taryn Vian and Carin Nordberg, “Corruption in the Health Sector” (Bergen, Norway: Chr. Michelsen Institute, 2008), U4 Anti-Corruption Resource Center, Issue 10. Available at: <http://www.u4.no/publications/corruption-in-the-health-sector-2/>

Globally, 10% of all drugs are believed to be fake, while in some African countries, the figure can amount to 50%. An estimated 10% to 25% of public procurement costs for drugs are lost to corruption.²⁰

In addition, corruption in financial management has a direct negative effect on access to and quality of care. A study of 64 countries found that corruption lowered public spending on education, health, and social protection. In Chad, the regions received only one-third of the centrally allocated resources; in Cambodia, 5% to 10% of the health budget was lost at the central level alone; in Tanzania, local or district councils diverted up to 41% of centrally disbursed funds; in Uganda, up to two-thirds of official user-fees were pocketed by health staff.²¹ Finally, corruption in the health sector erodes the legitimacy of and public trust in government institutions. Corruption can lead to the freezing of donor funding to the sector and the interruption of lifesaving services.

Ultimately, corruption in the health sector has a corrosive impact on the population's level of health. Evidence shows that reducing corruption can improve health outcomes by increasing the effectiveness of public expenditure (Dellavalade 2006). Tackling corruption in the health sector is essential for achieving better health outcomes.

Governing body leaders would be wise to follow initiatives defined by DFID as important for governing bodies to address in their governance work. Addressing corruption may seem daunting, but experiences from around the world have shown that local governing bodies can leverage their work to combat corruption by defining and working within clear ethical standards and a code of conduct. (See [Section 11](#) on how to create a culture of accountability and transparency.) The international donor response can also reinforce the effectiveness of these local initiatives by considering these factors (DFID 2010):

- What is deemed to be corruption and what constitutes an appropriate response will vary from country to country.
- Systematic analysis of vulnerabilities to corruption or abuse is necessary to identify problems, select priorities, and sequence interventions in a sector-wide approach.
- A political economy analysis of the sector can help you be selective, opportunistic, and realistic when trying to influence the overall situation.
- Mitigating strategies should focus on preventing corruption by strengthening transparency, enforceable accountability, and stakeholder participation in the health sector. These must be linked to measures to detect abuse and apply sanctions.

20. Kari K. Heggstad and Mona Frøystad, "The Basics of Integrity in Procurement" (Bergen, Norway: Chr. Michelsen Institute, 2011), U4 Anti-Corruption Resource Center, Issue 10. Available at: <http://www.u4.no/publications/the-basics-of-integrity-in-procurement>

21. C. Delavallade, "Corruption and Distribution of Public Spending in Developing Countries," *Journal of Economics and Finance*, 2006; 30(2). Available at: <http://link.springer.com/article/10.1007%2F02761488#page-1>

- Tackling corruption in health must be linked to broader governance reforms, including public finance, public administration, and external oversight reforms. Both supply- and demand-side reform measures need to be supported, taking into account government's commitment and implementation capacity, as well as the capacity and environment for civil society engagement.
- Strategies to address corruption can be systematically integrated into health sector plans using the WHO health systems strengthening model.
- Implementation of mitigating interventions can be monitored through sector reviews and external evaluations.
- In the absence of an integrated, sector-wide anti-corruption approach, health advisors should actively look for opportunities to address corruption and unethical behavior in specific subsectors (e.g., medicines) or systems (hospital management, payroll management, etc.).

ORGANIZATION TYPES AND LEVELS

TOPICS

Types of Organizations
and Their Governance
Needs and
Responsibilities

The Basic Role of a
Governing Body

Governing
Responsibilities

Governance in the
Public Sector

Governance in
Multisectoral Bodies

Governance in Civil
Society Organizations

Willingness to Adapt
Structures

This section explores the many types and legal formats of organizations—including the private sector—that are engaged in health service delivery in low-resourced countries and how they may require variations in governance structures and styles for optimal success.

THE CHALLENGE

The Director General in the Ministry of Public Health in Kenya is invited to do a radio interview to explain why the country has more than 3,000 governing bodies for health centers, hospitals, and health professional schools. These bodies range from community-level advisory councils to district, county, and national governing bodies. Why are there so many governing bodies, and how does their governance work vary? What are the barriers to improving collaboration among these many governing bodies?

TYPES OF ORGANIZATIONS AND THEIR GOVERNANCE NEEDS AND RESPONSIBILITIES

Why are there so many governing bodies? Public-sector (government), for-profit, and nonprofit or nongovernmental or civil society organizations (CSOs) all need to be well-governed in order to realize their mission. This is the case as well for organizations in many

different sectors, such as health, education, economy, and finance. Organizations exist at several levels—community, local, state, national, and global—in all these sectors (Figure 6.1). In the health sector, many public, civil-society, and for-profit organizations deliver services. This creates both complexity and diversity in the way in which governing is done and how governing bodies are organized.

FIGURE 6.1 Types of organizations in the health sector. At any given level in the health sector, there are public, private for-profit, and private nonprofit organizations.

| Health Sector | Public sector or government organizations | For-profit organizations | Not-for-profit organizations |
|-------------------------------|---|--------------------------|------------------------------|
| GLOBAL LEVEL | ✓ | ✓ | ✓ |
| NATIONAL LEVEL | ✓ | ✓ | ✓ |
| PROVINCIAL AND DISTRICT LEVEL | ✓ | ✓ | ✓ |
| COMMUNITY LEVEL | ✓ | ✓ | ✓ |

All of these entities and enterprises can have a governing body to oversee the plans and performance of the organization. There are five main reasons why governing bodies are established for these many types of organizations:

1. knowledge about the health needs of the beneficiaries;
2. technical expertise to guide the plans and performance of the organization;
3. network of relationships that can mobilize political support;
4. reputation that enhances respect for the organization from all internal and external stakeholders;
5. assistance to secure funding for the long-term vitality of the organization's mission.

HOW GOVERNING BODIES ARE ESTABLISHED

Governing bodies are established in many different ways. Governing bodies in the public sector are often established by a legislative act or executive order. Health facility management committees in Kenya and hospital governing boards in Ethiopia are two examples. A group of health leaders may establish a CSO to provide specific health services. To better

access knowledge, political influence, and funding to support the organization's mission, these leaders often establish a governing body to govern its affairs. The Minister of Health may appoint provincial or district health councils. International health financing organizations like the Global Fund to Fight AIDS, Tuberculosis and Malaria require establishment of a Country Coordinating Mechanism (CCM), which governs the use of grants made by the Global Fund to the country. A family planning organization may choose to go through a formal accreditation process with the International Planned Parenthood Federation (IPPF). This accreditation requires the candidate organizations to establish governing bodies and abide by [IPPF's code of good governance](http://www.ippf.org/resources/IPPF-Code-Good-Governance.pdf).¹

THE BASIC ROLE OF A GOVERNING BODY

The governing body is the group responsible for making policies and strategies and mobilizing resources for accomplishing the mission of the organization. The fundamental role that the governing body plays is to be the champion for and conscience of the organization's mission and to make sure this mission contributes optimally to meeting the needs of the population it exists to serve. Another major role of the governing body is to advise, support, or sometimes replace the organization's management.

GOVERNING RESPONSIBILITIES

While the enabling legislation or regulations may guide the formation of a governing body, its responsibilities are often very general and rarely provide guidance on how to conduct its work. This section discusses how to establish a clear set of responsibilities for the governing body and how it can implement these responsibilities by relying on various types of subgroups or committees within the governance structure.

Most health service governing bodies play some of the 10 roles and have many of the responsibilities shown in Box 6.1. These responsibilities for health services organizations in most countries are often a set of basic duties designed to serve the mission of the organization. The work of the governing body of a health services organization revolves around decision-making and protecting and accomplishing the mission of the organization.

1. See <http://www.ippf.org/resources/IPPF-Code-Good-Governance.pdf>

BOX 6.1 Basic responsibilities of governing bodies

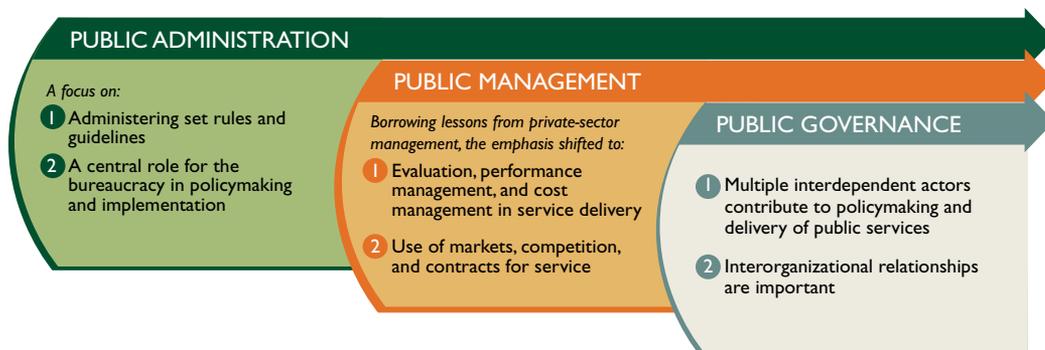
1. Determine mission and purpose.
2. Select the executive director.
3. Support and evaluate the executive director.
4. Ensure effective planning.
5. Monitor and strengthen program services.
6. Ensure adequate financial resources.
7. Protect assets and provide financial oversight.
8. Build a competent governing body.
9. Ensure legal and ethical integrity.
10. Enhance the organization's public standing.

Source: Adapted from Richard T. Ingram, *Ten Basic Responsibilities of Nonprofit Boards* (Washington, DC: BoardSource, 2009).

GOVERNANCE IN THE PUBLIC SECTOR

Historically, public sector governance has evolved from public management and public administration, as shown in Figure 6.2.

FIGURE 6.2 Evolution of public sector governance. Public governance evolved from public administration and management, which emphasize efficiency.



Source: Adapted from Stephen P. Osborne, *The New Public Governance: Emerging Perspectives on the Theory and Practice of Public Governance* (London: Routledge, 2010), pp. 1-16.

The public sector exists primarily to ensure that the public interest is served. Such public interest may lie in equity, transparency, or whatever else the legislators and leaders who govern the society define as the public interest. Public policies made to achieve equity or broader public interest may not necessarily serve efficiency well. Public policies may also present a disincentive to innovation or lead to an excessive emphasis on process rather than results. Disorder and delay are enemies of efficiency. For example, citizen participa-

tion in decision-making, while valuable, should be organized so that the process is effective and efficient. It can be a disorderly process and takes time. Profit-making entities may be freer to choose efficiency over equity.

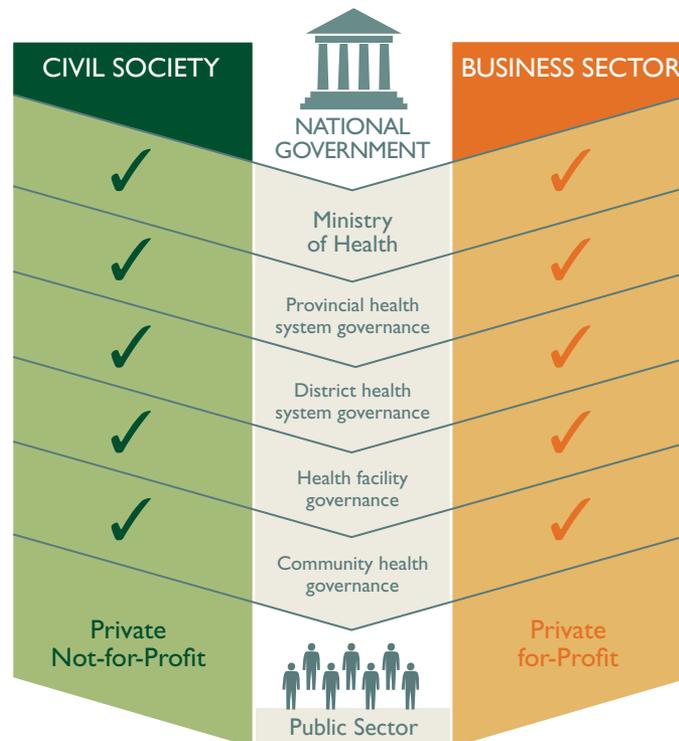
Governance in the public sector is different from governance in the private sector, which includes both for-profit firms and nonprofit organizations. In the private sector, the board and senior management have authority over two critical resources—people and money—whereas in the public sector, the civil service system and a system of checks and balances can constrain the process of decision-making by the governing body. As a result of tenure protection, staff removal involves a complicated process. The need to follow due process can also make governance in the public sector more challenging. This may hamper the governing body's ability to swiftly and efficiently address sensitive issues about strategic service investments, procurements, recruitment of health providers, and executive performance reviews. Division of power, term limits for elected officials, and competitive elections—where they exist—help to restrict the accumulation and abuse of power in the public sector.

In the health sector, failures in public sector governance can lead to corruption, inefficiency, inequity, and unresponsiveness in service provision; it may even result in total unavailability of health services. Enacting and enforcing laws and regulations that protect health and ensure safety remain the responsibility of governments alone, and their citizens expect this essential public health function to be done well.

Governance Structures in the Public Sector

The Ministry of Health is at the top of the hierarchy of governance structures in the health sector, as shown in Figure 6.3. To increase the responsiveness of health services, ministries of health in many countries are establishing governance structures in the provinces, districts, and communities. Many countries are decentralizing their political, administrative, fiscal, and service-delivery authority in order to bring services and decision-making power closer to the citizens. Although the degree and extent of decentralization varies across countries, good governance in the Ministry of Health, other ministries, and at all levels is critical to the success of decentralized entities in providing better health services to their citizens.

FIGURE 6.3 Health sector governance. The national government and the Ministry of Health oversee the public health sector, which is composed of a group of decentralized governance structures. The Ministry also regulates the private health sector.



The organization, authority, accountabilities, responsibilities, and access to resources of each level vary across countries. For example, as described below and shown in Table 6.1, Afghanistan has organized its governance structures from the village all the way to the central Ministry of Public Health (MOPH) in Kabul.

Provincial, district, facility, and community health systems exist in Afghanistan. In Afghanistan, the Provincial Public Health Coordination Committee (PPHCC) is a formal multi-stakeholder committee with a set of distinct responsibilities established by the MOPH. The PPHCCs provide a forum for coordination and information sharing among various stakeholders in the provincial health system. They discuss community health concerns and coordinate and participate in all stages of the response to epidemics and other health emergencies. They also monitor and supervise health posts and health facilities. They are expected to meet monthly and coordinate delivery of the Basic Package of Health Services and the Essential Package of Hospital Services.

The MOPH has also formally established consultative community health shuras (committees); and there are health facility shuras at the provincial, district, health facility, and community levels as forums for information sharing, coordination, and monitoring of health services. More than 100,000 members of these committees are performing a governing role. By consistent application of good governing practices, they have the potential to influence the performance of provincial and district health systems and of hospitals and health centers.

Hospital community boards were established at the provincial hospital level. In the last four to five years, the MOPH has been establishing district health coordination committees (DHCCs) in the districts to perform a role similar to that of the PPHCCs in the provinces.

The PPHCC is a multisectoral governing body chaired by the Provincial Public Health Director. It has 21 members. They include 9 appointed provincial public health officers; 1 provincial hospital director; the director of the Institute of Health Sciences; 2 representatives of nongovernmental organizations (NGOs) providing health services at health post and health facility levels; and 2 district health officers. In addition, it includes a representative from each of the following: the Ministry of Women’s Affairs; the private health sector; the elected provincial council; UNICEF; and the World Health Organization (WHO). Among the 13 members who have voting powers are 6 officials from the Provincial Public Health Office; the provincial hospital director; and members of the private health sector, provincial council, UNICEF, WHO, and NGOs. Decisions in the PPHCC are usually based on consensus. If there is no consensus, the decision is put to a vote. A decision requires a quorum and that a majority of voting members vote in favor. The members receive no compensation for serving on the PPHCC.

Similarly, the DHCC is chaired by the District Public Health Officer. DHCC members include a district governor’s representative; a private health sector representative; a religious leader from the district; the director of the district hospital; an implementing NGO representative; the head of the district education department; and the head of the district council, which is an informal assembly of elders in the district. Decision-making in DHCCs is similar to that in PPHCCs; that is, decisions are generally made by consensus, and if it fails, by a majority vote. The PPHCCs, DHCCs, and community and facility health shuras perform a governing role. PPHCC and DHCC governance has the potential to make a difference in the care delivered to patients at health facilities.

TABLE 6.1 Health governance structures in Afghanistan

| Level | Governing body | Service area |
|------------------------|---|---|
| Province | Provincial Public Health Coordination Committee | Many districts |
| District | District Health Coordination Committee | District (tens or hundreds of villages) |
| Health facility | Health facility shura or consultative assembly | Several communities served by a health facility |
| Communities | Health post shura or consultative assembly | A village community |

Case study: A people-centered approach to health systems governance in Afghanistan.

The USAID-funded LMG Project piloted an approach that placed health systems governance in the hands of multi-stakeholder committees that govern provincial and district health systems in three provinces and eleven districts in Afghanistan over a six-month period.² This exploratory intervention used analysis of governance self-assessment scores,

2. Zelaikha Anwari et al., “Implementing People-Centred Health Systems Governance in 3 Provinces and 11 Districts of

data on health system performance, and focus group discussions. The outcomes of interest are governance scores and health system performance indicators. The intervention was based on application of the practices of good governance: cultivating accountability, engaging with stakeholders, setting a shared strategic direction, and stewarding resources.

Researchers found that health systems governance can be improved in fragile and conflict-affected environments and that consistent application of the practices of good governance is key to improving governance. The intervention was associated with a 20% increase in the rate of prenatal care visits in pilot provinces. Focus group discussions also revealed improvements, including establishment of new subcommittees that oversee financial transparency and governance; collaboration with diverse stakeholders; sharper focus on community health needs; more frequent presentation of service delivery data; and increased use of data for decision-making.

Hospital and health facility governance. Health committees are one of the most widely implemented participation and accountability mechanisms in Africa and Asia. They represent multiple constituencies at the community, facility, district, and provincial levels. They bring together diverse stakeholders, including community members, health workers, and health managers so that they can better understand and respond to health needs.

In Kenya, health committees, including community representatives, were established at all government health facilities in the 1980s. Recently, their role has been expanded to include management of the Health Sector Services Fund. Clearly-defined roles and responsibilities provide an improved opportunity for health facility management committees to function.

Similarly, in Ethiopia, health centers and hospitals are now governed by boards with community representation.³ There, 98% of hospitals and 92% of health centers have governing boards, and 69% of hospital and 61% of health center boards review financial and technical performance. The health facility governing boards have helped to clarify community expectations and identify gaps that were not previously recognized.

In India, there are more than 500,000 village health, sanitation, and nutrition committees. They include frontline health workers, local political leaders, and community members that carry out varied tasks ranging from village health planning and monitoring of health facilities to facilitating health promotion and access to health, nutrition, and social services.

Findings across these varied settings suggest that the health committees are expected to perform a governance role and have an opportunity to influence how the health facility or system that they govern performs. Experience also reflects that they often lack the capacity to fulfill their governance responsibilities. To realize their full potential, investments must be made in building their capacity to not only govern, but also govern well.

Afghanistan: A Case Study,” *Conflict and Health* 2015; 9(1): 2. Available at: <http://www.conflictandhealth.com/content/9/1/2/abstract>

3. Adapted from Tiliku Yeshanew (Senior Health Care Financing Advisor, Health Finance and Governance Project, Ethiopia), Panel Presentation, Third Global Symposium on Health Systems Research, Cape Town, South Africa, 2014.

Community health governance. Community health governance is a broadly participatory and collaborative process in which:

- a community is defined geographically;
- health is defined as a broad, positive concept consistent with the WHO definition;⁴
- governance is defined as a process through which communities make decisions about the use of scarce resources to enhance the health of the community members. Participatory and collaborative processes are expected to lead to better community problem-solving, which in turn is expected to improve community health.

Community health governance happens through participatory processes led by community stakeholders to improve the health of those residing in the community. Village health councils and local health committees are examples of community health governance structures. Community groups governing village-level health services in Bangladesh and community health shuras in Afghanistan are examples of community health governance bodies.

The success of community health governance depends on many factors, including who is involved and how they are involved, and on the presence of leaders who believe in the capacity of diverse people to work together to identify, understand, and solve community health problems. Successful community leaders promote broad and active participation by community members.

GOVERNANCE IN MULTISECTORAL BODIES

Multisectoral bodies differ from traditional governance models in which national health policy decisions are made by a single entity, such as a Ministry of Health. Multisectoral bodies share decision-making responsibilities among multiple members representing different sectors and diverse constituency groups. Such multisectoral partnerships dedicated to public health have proliferated in recent years. CCMs of the Global Fund and AIDS commissions at the national and provincial levels are two prime examples of such bodies.

AIDS commissions govern the multisectoral response to HIV, and CCMs oversee the performance of the Global Fund grants for AIDS, tuberculosis, and malaria. Multisectoral bodies comprise members from different sectors and vary in size. The complexity of managing governing bodies is proportionate to the number of members; larger governing bodies tend to be cumbersome. Multisectoral bodies also vary in composition. Members can be individuals or organizations that are nominated or elected from within each constituency to represent the constituency.

4. "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." Preamble to the Constitution of the World Health Organization (WHO) as adopted by the International Health Conference, New York, June 19-22, 1946; signed on July 22, 1946, by the representatives of 61 States (*Official Records of the WHO*, no. 2, p. 100).

GOVERNANCE IN CIVIL SOCIETY ORGANIZATIONS

We now turn from governance in the public sector and multisectoral bodies to CSOs focused on protecting, promoting, or restoring health. CSOs are mission-driven organizations, with a commitment to the communities and individuals they serve. They operate under many different types of legal structures, which vary by country; they include companies, membership associations, societies, foundations, charities, trusts, and cooperatives. Regardless of their legal structure, all CSOs differ from for-profit entities in that they cannot distribute profits or net earnings to individuals.

A CSO requires a formal structure that is based on the established values of the organization and is designed to achieve the CSO's mission with proper use of scarce resources. Once a CSO has grown beyond the one- or two-person phase, this structure almost always consists of a board of directors and a management team. Good governance in CSOs is not the responsibility only of those at the top of the organizational structure; this responsibility is shared at all organizational levels. Nevertheless, the higher their level in the organization, the more responsibility people have for establishing good governance.

In CSOs, a volunteer board of directors is responsible for seeing that the organization acts in the public interest. The board has the authority to guide the organization's strategic plans, make decisions, and set policies to guarantee the following: the proper use of funds; effective management of human resources; and provision of quality services according to the organization's mission. The actual work of operationalizing the pursuit of their mission is usually entrusted to hired managers and executives.

In most countries, the board has the ultimate authority and responsibility to guide the organization to achieve its mission and secure its viability over time. Because they are not part of management and receive no financial benefit, board members are expected to exercise independent judgment when overseeing the functioning of the organization.

The board members hire and delegate authority to a chief executive officer (CEO)—sometimes called an executive director—who is responsible for putting the board's policy decisions into action. The CEO heads the management team, which is responsible for planning, organizing, implementing, monitoring, and evaluating activities to achieve the organization's goals.

The most effective CSOs clearly separate governance and management. In general, the board of directors governs—that is, it establishes strategic direction and policies for achieving the organization's mission—and the management team manages day-to-day operations to implement these policies. The roles and responsibilities of the board and management team should be made very clear, with checks and balances that enable the board to provide an independent and disinterested counterweight to management control. Nevertheless, a respectful partnership is needed between managers and governing body members; managers help with strategic planning and budgeting, and governing body members can bring valuable expertise to help managers in certain aspects of policy imple-

mentation. Enlightened management that is supported by sound policies and an informed board form the foundation of good governance. (See [Appendix 1.3](#))

Common Board Challenges and How to Address Them

Health sector boards can face a host of challenges; they range from being weak, unproductive, and largely ceremonial, to being too deeply involved and taking over the CEO's responsibilities and interfering with the administration of the organization. Table 6.2 contains six of the most common challenges faced by boards and suggested strategies for dealing with them.

TABLE 6.2 Six common challenges that the boards of civil society organizations face

| Challenge | Description of the challenge | Solution |
|------------------------------------|--|--|
| Lack of experience | Board members have a poor understanding of the organization, lack experience in reviewing financial and programmatic reports, and/or do not fully understand their roles. The board intervenes as little as possible in defining the direction of the organization or makes inappropriate decisions. | Conduct an orientation for every new member when he or she starts. On an ongoing basis, educate both new and old board members about their roles and responsibilities. Provide information about the organization's programs and guidelines for reviewing financial reports. |
| Interference with management tasks | Committed, well-meaning board members misinterpret their roles and try to interfere with the decisions made by the CEO and other senior managers. They question how business is conducted and constantly suggest changes. | During orientation, clearly define board members' roles and their relationship with professional staff, especially with the CEO and management team. Distribute written guidelines for this relationship. Careful oversight on the part of the board chair should help address this challenge. |
| Lack of commitment | Board members were selected without consideration of their availability and do not clearly understand the time commitment involved. | Carefully select board members, providing potential candidates with detailed information about their duties and required time commitment. Develop and implement a meeting attendance policy. |
| Power struggles | Board members have hidden agendas or previous relationships with other members that reduce their objectivity or promote unproductive conflict among members. | Establish a diversified board that makes decisions objectively, based on evidence, and is not unduly influenced by external pressures. The board chair should be alert to inappropriate alliances or conflicts and address them as soon as they appear. |

| Challenge | Description of the challenge | Solution |
|---------------------------|---|---|
| Conflicts of interest | Members seek some type of benefit or financial gain from their service on the board by providing paid services, selling services through friends or acquaintances, or expecting and demanding other perquisites (e.g., use of the organization's vehicles, paid trips, lavish meals). Board members serve on the staff of a competing organization and thus have divided loyalties. | Develop, implement, and strictly enforce an explicit and comprehensive conflict of interest policy and a related code of ethical conduct. |
| Too long a term of office | Boards may become lethargic, disconnected, and uninspired. Although they are ineffective, board members are reluctant to leave the board because they are founders, think they are indispensable, or want to retain the prestige of serving on the board. | Develop, implement, and enforce an office term limit and requirements for continuing service on the board. For continuity, however, do not replace the majority of the board members at one time. |

Source: Adapted from MSH, *Health Systems in Action: An eHandbook for Leaders and Managers* (Medford, MA: 2010), p. 3:45. Available at: http://www.msh.org/sites/msh.org/files/ehandbook_2014_final_29aug14.pdf

WILLINGNESS TO ADAPT STRUCTURES

Your organization's future success and vitality depend not on one right plan or one good partnership. Success in a changing environment requires a flexibility and willingness to try new approaches and new structures for your programming. Whether your organization is focused on ending preventable maternal and neonatal deaths, increasing the immunization rates of children, serving the most at-risk populations with HIV and AIDS services, preventing malaria, providing safe water and food, delivering surgical care, or operating retail pharmacies, your governing body's people, processes, and practices must be ready to change and continuously improve.

Smart governing bodies embrace the reality of continuous change and the expected evolution of their strategies and decision-making structures. These change management strategies might help your governing body enhance its future for success and vitality.

- Understand that change is natural and need not be your enemy.
- Engage diverse participants to help your governing body define
 - the desirability and need for change both in your strategies and also how you structure the governing mechanism and structures for your health programming;
 - the obstacles to organizational design change, and how to remove or minimize them for success;
 - actions to improve the chances that new governing body structural change will be understood and acted on by key players and leaders in your region;
 - actions that improve the speed and quality and impact of desired changes for your health services mission.
- Produce a clear action plan for change that is posted for all to see and to track your progress to achieving the goals of the change activities.

SECTION 7

DECIDING ON THE NEED TO ESTABLISH A GOVERNING BODY

TOPICS

The Pros and Cons of Governing Bodies

How Governing Bodies Are Formed in the Governmental and Nongovernmental Sectors

Managing the Process of Developing a Governing Body

This section helps you evaluate the need for a new governing body if none exists. It also explores the advantages and disadvantages of governing bodies for the successful pursuit of your organization's mission, vision, and plans. It further examines alternative ways to establish a governing body.

THE CHALLENGE

You have been asked to report next Thursday to a special committee called the Health Committee of the Parliament. The purpose of the meeting will be to explore the advantages and disadvantages of forming district health councils composed of five to seven community leaders. What could be the advantages of these district health councils? How might they go about successfully lobbying for the policies these bodies are usually formed to create?

THE PROS AND CONS OF GOVERNING BODIES

What if we fired your governing body? What would you miss?

Governing bodies are not always good partners for health leaders. Poorly performing governing bodies can frustrate the leaders and managers of organizations for reasons such as the following:

- They do not understand their roles and stumble through meetings, wasting their time and yours on nonessential issues or strategies.
- The board is either too large or too small to support you in planning and investing for the journey to accomplish your mission.
- They do not really know the needs of the target populations served by your organization. Therefore, they send you in directions that waste scarce time, talent, and resources on programming that is not strategic.
- They think they can do the management's job better and tend to micromanage.
- They do not have enough women or people from your most vulnerable populations engaged in decision-making, so your ability to earn the trust and involvement of people who should guide and benefit from your programming is weakened.
- The chairperson has trouble guiding the meetings and the flow of information needed for wise governance decision-making, causing good members to quit.
- The members lack the relationships needed to mobilize financial, technological, or political resources needed for organizational vitality.

Given these difficulties, do the benefits of having a governing body outweigh the disadvantages? The five major themes listed below emerged when we asked governance groups in North America, Africa, Asia, and Europe this question: What would you lose if you did not have your board? The summary of their responses indicates:

- an objective view of our strategic needs and plans;
- diversity of thinking and life experience;
- different perspectives and lines of questioning (e.g., presenting an opposing viewpoint for purposes of debate);
- help for funding and philanthropy;
- influence with local and regional politicians.

In your unique situation, what benefits can a governing body offer to help to achieve your mission? If you do not have a board now, should you develop one and how?

HOW GOVERNING BODIES ARE FORMED IN THE GOVERNMENTAL AND NONGOVERNMENTAL SECTORS

The process of forming a governing body can vary by country and type of organization, that is, whether you are in a governmental, nongovernmental, or civil society organization in your country's health sector. In some fragile states, the legal environment does not support the formation or functioning of civil society organizations (CSOs). Fearful that CSOs may undermine their political stability or influence—especially by communicating through the media—some governments either do not provide enabling legislation to

form CSOs or actively block them with regulations or criminal prosecutions. In the public sector and governmental arena—where they decentralize decision-making authority to provinces, districts, or counties—ministries of health and finance are unsure of how best to form governing bodies that further the health goals of the government.¹

The generic process to form governing bodies, however, usually involves three steps:

1. **Enabling legislation at the national or provincial level:** Laws establish the need for and nature of organizations dedicated to the protection, promotion, and/or restoration of health of either the general public or special at-risk populations. Interested populations or community organizations may choose to lobby politicians to encourage and shape such legislation. This legislation can be for hospitals, pharmacies, or medical insurance organizations, such as in South Africa.²
2. **Regulations to operationalize the law:** In many countries, enabling legislation must be put into practice through a set of regulations defined by members of the government. These regulations may have the force of law and define in more detail how the organizations will be governed and managed to protect the public interest and to serve the needs of the populations targeted to benefit from their work. It is usually in the regulations that we see a definition of the terms of reference or duties of the governing body. In Kenya, the duties of the District Health Management Teams' governing bodies were defined in general terms to:³
 - “Represent the community interest in the health planning process;
 - Review, approve and forward cost-sharing AIE [authority to incur expenditure] requests and estimates of recurrent and development budgets;
 - Work with DHMTs [district health management teams], HMTs [health management teams], and HCMTs [health center management teams] to coordinate and monitor the implementation of GoK [Government of Kenya] and non-GoK health programs;
 - Identify implementation problems and seek corrective action;
 - Advocate for cost sharing and promote health awareness among the general public;
 - Make policy recommendations to the Minister for Health on health matters through the PMO [Provincial Medical Office].”

This set of regulatory guidelines also defined the basic responsibilities of primary health care (PHC) committees as listed on the next page.

1. Management Sciences for Health, *Five Smart Strategies to Govern Decentralized Health Systems*, Leadership, Management and Governance Project (Medford, MA: MSH, June 2013). Available at: http://www.lmgforhealth.org/sites/default/files/files/MSH_Five_Smart_Strategies_To_Govern_Decentralized_Health_Systems_FINAL_7_30_13.pdf

2. Republic of South Africa, Medical Schemes Act No. 131 of 1998, Statutes of the Republic of South Africa—Medicine, Dentistry and Pharmacy. Available at: <http://www.gov.za/sites/www.gov.za/files/a131-98.pdf>

3. Ministry of Health, Government of Kenya, “Guidelines for District Health Management Boards, Hospital Management Boards, and Health Centre Management Committees” (Nairobi: GOK, December 2002), p. 3. Available at: <http://www.policyproject.com/pubs/policyplan/KENGuidelines.pdf>

- “Participate with the PHC Core Team in developing annual PHC plans. This involves a review of services, assessment of needs, and setting of priorities for P/PHC activities in the district/hospital.
- Ensure that the DHMT is submitting plans for the expenditure of 25% of cost-sharing revenue and is spending the funds as planned.
- Receive reports on preventive, promotive, community-based, and PHC activities in the district (GoK and NGO) or hospital.
- Obtain annual reports of health statistics and use epidemiological data and preventive measures to address the major problems.
- Promote inter-sectoral collaboration on issues of sanitation, water, nutrition, and health education.
- If applicable, review reports on Bamako Initiative activities.
- Receive periodic reports from the PHC coordinator on activities being carried out in each of the eight components of PHC; insist on setting targets for expanding coverage of these services and, thereafter, monitor the achievement of these targets.
- Look into urban sanitation problems (e.g., inadequate refuse collection, unsafe water points, etc.) and promote cleanup and safe water supply operations where needed; also receive complaints and recommend solutions.
- Work with the DHMT/HMT to establish contingency plans for epidemics and provide the necessary support during such epidemics.”⁴

3. **Development of policy guidelines:** Policy guidelines define the ideal structure of a governing body, the number of members, the composition by type of person, procedures for appointing members, and guidance on how they are to perform their work. A sample manual of such guidance is available from the International Planned Parenthood Federation.⁵

In some countries, this guidance is captured in articles of incorporation and/or bylaws.⁶ Increasingly, the national health strategy for health managed by the Ministry of Health contains guidance on the roles and work of public and nongovernmental organizations for health, in such diverse countries as Ethiopia,⁷ Australia,⁸ Chile,⁹ and Afghanistan.¹⁰

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4. GoK, *Guidelines for District Health Management Boards, Hospital Management Boards, and Health Centre Management Committees*, pp. 8-9.
 5. International Planned Parenthood Federation (IPPF), *Code of Good Governance* (London: IPPF, 2007). Available at: <http://www.ippf.org/resource/IPPF-Code-Good-Governance>
 6. See description of the role for County Health Departments in the US here: Centers for Disease Control and Prevention (CDC), “National Public Health Performance Standards (NPHPS)” (Atlanta, GA: CDC, May 2014). Available at: <http://www.cdc.gov/nphps/essentialServices.html>
 7. Federal Democratic Republic of Ethiopia, Ministry of Health (MOH), *Health Sector Development Program IV 2010/11-2014/15* (Addis Ababa: MOH, Oct. 2010). Available at: <http://phe-ethiopia.org/admin/uploads/attachment-721-HS-DP%20IV%20Final%20Draft%2011Octoberr%202010.pdf>
 8. Victorian Public Sector Commission (VPSC), “Governance” (Victoria, Australia: VPSC, 2015). Available at: <http://www.ssa.vic.gov.au/governance.html>
 9. Government of Chile, Ministry of Health, “Recomendaciones e información por emergencia en el norte de Chile” (Santiago: MOH, no date). Available at: http://web.minsal.cl/alerta_sanitaria_atacama
 10. Government of the Islamic Republic of Afghanistan, *Strategic Plan for the Ministry of Public Health (2011-2015)* (Kabul: Ministry of Public Health, 2011). Available at: <http://www.gfmer.ch/SRH-Course-2012/country-coordinators/pdf/Ministry-Public-Health-Strategic-Plan-2011-2015-Afghanistan.pdf>

MANAGING THE PROCESS OF DEVELOPING A GOVERNING BODY

Once legally enabled, a good governing body needs a roadmap to guide its formation and the management of its work. The essential step to form, and then operationalize, a health services governing body is developing agreement among the founders of the organization—which could be an arm of the Ministry of Health or a local or international NGO—about how will you define policy and procedures in the following areas:

Policies about Board Responsibilities and Conduct

- position description for a board member, including the performance expectations for a board member (attendance, participation, etc.)
- position description for the board chairperson
- conflict of interest policy
- confidentiality policy or a board conduct policy
- chain of command—how board members should respond when approached about problems or issues by employees, physicians, or community members

Policies about Board Governance Processes

- Board self-evaluation
- Board education
- CEO goal-setting and evaluation
- Executive compensation
- Strategic planning
- Operating and capital budgets
- Internal and external audit review
- Medical staff credentialing policy—for hospital boards—plus policies on related issues, such as credentialing for cross-specialty procedures.

Other Common Policies

- Position description for the chief executive officer
- Delegation of spending and decision-making authority
- Investment policy

Board Composition and Diversity

Many international agencies and national governments that encourage governing bodies to be well developed and managed share resources for that purpose. The World Health Organization (WHO) provides a series of guides.¹¹

Samples of such manuals for primary health care centers in the United States¹² and health-related governing bodies in the UK are also available.¹³ The Leadership Academy of the UK National Health Service (NHS) also publishes a guide to good governance.¹⁴

Discuss specific relevant actions and ideas from these guides with your governing body leaders to adapt policies and procedures for governance to your unique realities.

11. World Health Organization (WHO), “Management for Health Services Delivery: Kenya” (Geneva: WHO, 2015). Available at <http://www.who.int/management/country/ken/en/>

12. Judy A. Cramer and Cathie O’Donnell, US Department of Health and Human Services (DHHS), Health Resources and Services Administration, Bureau of Primary Health Care, Governing Board Handbook (Bethesda, MD: DHHS, 2000). Available at: http://www.fachc.org/pdf/cd_Governing%20board%20handbook.pdf

13. National Council for Voluntary Organisations (NCVO), “Governance” (London: NCVO, 2015). Available at: <https://www.ncvo.org.uk/practical-support/governance>

14. NHS Leadership Academy, *The Healthy NHS Board 2013: Principles of Good Governance*. Available at: <http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>

SECTION 8

VALUE AND CREATION OF TERMS OF REFERENCE FOR GOVERNING BODIES

TOPICS

The Value of Terms of Reference for Governing Bodies

The Process of Developing Terms of Reference

The Link between Terms of Reference and Recruitment

The Uses of Terms of Reference for Stakeholder Relations

This section builds on the insights into roles in [Section 1](#) to help you develop position descriptions or terms of reference (TORs) for the governing body leaders and subgroups needed for good governance of your health services organization.

THE CHALLENGE

You are asked to chair a committee to recruit high-quality people to volunteer their time and bring their experience and good reputations to a hospital governing board. Unfortunately you don't have a job description that defines the time they need to invest in several decision-making activities. What questions should you ask of the board chairperson and the chief executive officer (CEO)/managing director about the types of people to be recruited to serve? How can you best orient them to the unique challenges of the governing practices?

THE VALUE OF TERMS OF REFERENCE FOR GOVERNING BODIES

Terms of reference (TORs) define the roles and responsibilities of governance participants in a health sector organization. The five key values of having these responsibilities well defined are:

1. They help to clarify the work of the governing body relative to the work of the management and health workers.
2. They help to attract busy and influential leaders, who want to be sure they are joining an organization that knows what it is and where it is going and has a clear and sensible guide for the use of its time and talents.
3. They help members to better manage their time and focus their talents to best support the mission and vitality of the organization.
4. Health workers and suppliers are less likely to bypass managers to lobby board members for favors.
5. Political leaders and media are more confident and comfortable that the health resources entrusted to the organization are wisely governed.

In your situation, are there other benefits from having written definitions of the roles and responsibilities of the governing body's members?

THE PROCESS OF DEVELOPING TERMS OF REFERENCE

Your organizational leaders should develop and periodically refine the TORs for each of these roles

- the governing body as a whole and any subgroups (see [Sections 1 and 2](#))
- officers of the organization, including chairpersons, vice-chairs, secretary, and treasurer
- community health advisory committees in various parts of the province or country
- special task forces
- joint planning committees with other health organizations or ministries

You can follow the three-step process below to develop your TORs:

1. Define the essential position and subgroups needed for the work of your governing body.
2. Draft TORs after reviewing the samples referenced in this chapter. Then discuss and refine the drafts with the full governing body, so everyone is familiar with them. That way, they can help to shape and then own the guidelines in the TORs.
3. Print a set of the TORs for each member of the governing body and post them in an easily accessible place for future reference (e.g., an Intranet portal such as the one developed by [BoardEffect](#)¹ or similar organizations). Keep them in the office of the managing director or CEO. Evaluate the

1. BoardEffect website. Available at: <http://boardeffect.com/>

TORs annually when you conduct your annual board self-assessment to see if any refinements or updates are needed.

The Minnesota Council of Nonprofits provides sample position descriptions for NGO governing boards.² For a wide array of policies and procedures, you can also turn to these organizations for good reference materials: [BoardSource](#),³ the [Governance Institute](#),⁴ and [GreatBoards](#) with the American Hospital Association.⁵ Governance guides are available from the [British and Irish Ombudsman Association](#)⁶ and the [UK National Health Service](#).⁷

THE LINK BETWEEN TERMS OF REFERENCE AND RECRUITMENT

Great governing bodies are always looking for talented members to participate in the governance work of their organizations. Use your TORs as a tool to convince candidates that your governance work is well-organized and that their time will be well-focused and used effectively. Describe how meeting agendas are developed and scheduled to make the most of the experiences and relationships of each governing body member. If they are unable to join you in this cycle of recruitment, ask them to identify people in the district, community, or region who they believe could add value in implementing the TORs.

[Section 17](#) provides additional insights into the process of recruitment.

THE USES OF TERMS OF REFERENCE FOR STAKEHOLDER RELATIONS

The success of your health services organization is directly related to the quality and quantity of relationships you have with such diverse stakeholders as

- beneficiaries and patients
- civic and business leaders
- civil society organizations that advocate for vulnerable populations or health disease causes
- religious leaders
- health workers

2. Minnesota Council of Nonprofits, “Leadership and Governance Resources Overview” (St. Paul, MN: Minnesota Council of Nonprofits, 2015). Available at: <http://www.minnesotanonprofits.org/nonprofit-resources/leadership-governance>

3. BoardSource website. Available at: <https://www.boardsource.org/eweb/>

4. The Governance Institute website. Available at: <http://www.governanceinstitute.com/>

5. American Hospital Association, “GreatBoards” [newsletter]. Available at: <http://www.greatboards.org/>

6. British and Irish Ombudsman Association (BIOA), Guide to Principles of Good Governance (Tickenham, Middlesex, UK: BIOA, Oct. 2009). Available at: <http://www.ombudsmanassociation.org/docs/BIOAGovernanceGuideOct09.pdf>

7. NSH Leadership Academy, The Healthy NHS Board 2013: Principles for Good Governance. Available at: <http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>

- politicians and the media
- vendors and suppliers
- local and regional employers and purchasers of health services

All of these stakeholders would like to know how the work of your governing body and its subgroups might impact them. Further, they may want to join you in your pursuit of your mission for stronger health systems and greater health impact. Orienting them to your TORs can help to motivate them to invest their time, talents, and resources in the activities of your governing body.

As your governing body looks into your plans for the coming year, discuss how your TORs can best be refined and used as a means to engage with and mobilize others to join you to accomplish your mission.

SECTION 9

MOTIVATION AND MEASUREMENT OF PERFORMANCE

TOPICS

Measuring Organizational Performance

The Power of a Positive Enabling Environment

Assessing the Political and Economic Context for Success

Strategies to Enhance Demand for High Performance

Fostering a Passion for Continuous Performance Improvement

This section probes how to define and remove challenges to governing body success when the local context and situation do not support high levels of health systems performance. It examines factors that can frustrate or facilitate political, social, and economic conditions in which your health program or organization is most likely to achieve its mission. An essential factor in this success is developing measures of performance.

THE CHALLENGE

A community group in a small village has become frustrated with poor service from community health workers who do not come to work for their health clinics and often do not have needed medicines. What might be causing these issues? And what can members of the local health governing body do to improve the situation?

MEASURING ORGANIZATIONAL PERFORMANCE

The purpose of your work in the governing body is to protect and promote efforts to achieve the mission of your organization. In order to yield significant and sustained results in pursuit of this mission, however, you must lead the work of the governing body to strategies and investments that maximize organizational per-

formance and vitality. The drive for ever-higher levels of organizational performance is motivated by external events and stakeholders, as well as by internal stakeholders, plans, and motivations.

But what if the context in which you work is so weak or disorganized that there is little external pressure to measure and report on your performance? Politicians, the media, purchasers, and your beneficiaries may be too distracted to motivate you toward peak performance.

In such a situation, you and your governing body need to generate a passion to excel from within. You need to draw upon the following: the heritage and history of your organizational founders; the pride of your leaders, members, and health workers; and the recognition that your reason for existence is the enhanced health and wellbeing of the people, families, and communities of your area. To guide this passion and encourage continuous progress, it is important to develop clear measures of your performance that align with your mission, vision, and values.

How can your governing body best define bold and clear performance targets? And how can you establish plans and budgets that guide and motivate your health workers to accomplish these performance measures?

You can draft some key indicators to measure the organization's performance against its plans, but you should not finalize these measures until you engage with your many stakeholders. Their engagement will yield better measures, and they are more likely to understand and help accomplish these measures if they are engaged in the planning processes.

The measures you choose will, of course, vary by the type of your health sector organization and the health needs and resources in your region. You should also make sure the governing body measures are at a high level and focus on strategically important challenges and opportunities. See the sample indicators in Figure 9.1.

FIGURE 9.1 Indicators of health system performance. The governing body of a health system should regularly monitor indicators such as these so that the organization is encouraged to consistently perform well.

| DOMAINS | EXAMPLES |
|-------------------------------|--|
| Technical quality of services | Low maternal death rate, low infant death rates, low post-surgical infection rates, high levels of immunizations, low levels of medication errors, high levels of at-risk people in treatment for HIV & AIDS |
| Patient/client satisfaction | Convenience, quality, ethics, ethnic or cultural norms, attitudes of workers |
| Health worker satisfaction | Safe and comfortable working conditions, access to medicines and supplies, fair compensation, competent supervisors |
| Service utilization | High use of services that protect, promote, and restore health, and reasonable use of expensive chronic disease services and technologies |
| Financial vitality | Reasonable unit costs; efficient use of medicines, supplies, and health workers; new sources of revenue; continuous process improvements that avoid corrupt procurements |

What Is Performance Management?

The website on performance management of the US Department of Health and Human Services is a starting point for exploring how your governing body can discuss how to strengthen the vitality and quality of your health services work with managers and health workers.¹ [The Centers for Disease Control and Prevention](#)² and the [National Health Service of England](#)³ provide additional resources for performance planning.

Many governing bodies define their performance measures in a “balanced scorecard.” The original authors, Kaplan and Norton, define the balanced scorecard as follows:⁴

“The balanced scorecard translates an organization’s mission and strategy into a comprehensive set of performance measures that provide the framework for a strategic measurement and management system. The balanced scorecard retains an emphasis on achieving financial objectives, but also includes the performance drivers of those financial objectives. The scorecard measures organizational performance across four balanced perspectives: financial, customers, internal business processes, and learning and growth.”

1. US Department of Health and Human Services (DHHS), Health Resources and Services Administration (HRSA), Quality Improvement Methodology: Performance Management & Measurement (Washington, DC: DHHS/HRSA, 2012). Available at: <http://www.hrsa.gov/quality/toolbox/508pdfs/performanceandmeasurement.pdf>
2. Centers for Disease Control and Prevention (CDC), National Public Health Performance Standards, Version 3 (Atlanta, GA: CDC, 2013). Available at: <http://www.cdc.gov/nphsp/materials.html>
3. National Health Service England (NHS), Quality and Service Improvement Tools: Performance Measures Sheet (Leeds, UK: NHS Institute for Innovation and Improvement, 2008). Available at: http://www.institute.nhs.uk/quality_and_service_improvement_tools/quality_and_service_improvement_tools/performance_management.html
4. Robert S. Kaplan and David P. Norton, “The Balanced Scorecard: Measures That Drive Performance,” *Harvard Business Review* 1992; 71-79.

You should aim to develop specific performance measures relating to these four areas according to your needs and circumstances, by considering the following questions.

- **Financial:** How should we appear to our stakeholders in order to succeed financially? (In the public sector, the financial perspective tends to emphasize cost efficiency.)
- **Beneficiary:** How should we appear to the customers/patients and departments with which we work in order to achieve our vision?
- **Internal business processes:** Which internal processes must we excel at in order to satisfy our stakeholders and customers/patients and departments?
- **Learning and growth:** How will we sustain our ability to change and improve in order to achieve our vision?

The [US Department of Health and Human Services⁵](#) and [National Health Service of England⁶](#) provide more resources related to the balanced scorecard. Examples of categories of performance measure are provided in [Sections 14](#) and [27](#).

THE POWER OF A POSITIVE ENABLING ENVIRONMENT

The setting in which your health services organization seeks to accomplish its mission may have many obstacles to success and sustainability. These might include: shortage of money and health workers; confusing procurement regulations; corruption; weak information systems; and a lack of experience in performance service excellence.

In contrast, an environment or organizational culture that enables positive performance should do the following 10 things.

1. **Clearly define what winning looks like:** Look across the entire organization and define what it looks like from a variety of perspectives, such as quality of services and outcomes; beneficiary and health worker satisfaction; procurement; and finance.
2. **Spell out your “preferred culture:”** In the same way that leaders shape and communicate a vision, they also spell out a picture of the culture they are striving for. This can often be just a set of guiding principles or values, but the best seem to go further by establishing preferred behaviors that support these values with answers to these questions: (1) Which aspects of our current culture are we happy/unhappy with? (2) What behaviors are needed to create the culture we want? (3) What behaviors are actually rewarded? (4) Which unacceptable behaviors are tolerated? (5) How do we measure up against each of our preferred behaviors?

5. US Department of Health and Human Services, Health Resources and Services Administration (HRSA), *Balanced Scorecards for Small Rural Hospitals: Concept Overview & Implementation Guidance* (Sterling, VA: HRSA, no date). Available at: <https://www.ruralcenter.org/sites/default/files/Final%20BSC%20Manual%2010.18E.pdf>

6. National Health Service (NHS) England, Quality and Service Improvement Tools: Balanced Scorecard (Leeds, UK: NHS Institute for Innovation and Improvement, 2008). Available at: http://www.institute.nhs.uk/quality_and_service_improvement_tools/quality_and_service_improvement_tools/balanced_scorecard.html#B

3. **Set stretch targets:** Employees tend to rise to the standard set for them. The more you expect, the more they will achieve. But there is a fine line between good stretch targets, which can energize an organization, and bad ones, which can dampen morale.
4. **Connect to the big picture:** The majority of employees want to be a part of a compelling future. They want to know what is most important at work and what excellence looks like. For targets to be meaningful and effective in motivating employees, they must be tied to larger organizational ambitions. Employees who don't understand the roles they play in company success are more likely to become disengaged. Employees at every level should be able to articulate exactly how their efforts feed into the broader company strategy.
5. **Develop an ownership mentality:** When individuals understand the boundaries within which they can operate and where the company wants to go, they feel empowered to make decisions. They most often make the right choices as they begin to think and act like “owners.”
6. **Improving performance through transparency:** By sharing financial information with employees, you can increase employees' sense of ownership. However, being open is not enough. Employees should be trained to understand financial statements. But they should also have an understanding of how their own jobs affect the numbers. Focus on additional metrics besides the financial ones. Employees who are not in the financial world will be able to relate better to the results and will feel more included in the process.
7. **Increase performance through employee engagement:** Employees who are engaged are motivated to give more than is required of their jobs. Engaged employees are committed and loyal to the organization.
8. **Use storytelling:** Storytelling can be a powerful tool when you want to drive organizational change and performance improvement. Leaders must be able use stories to motivate their employees to achieve more than they thought possible.
9. **Communicate with employees:** Internal communication to promote understanding needs to be at the top of the agenda. Have employees heard the message leaders are trying to convey? Do they believe it? Do they know what it means? Have they interpreted it for themselves, and have they internalized it?
10. **Take the time to celebrate:** Celebrate milestones once they have been reached. (see [Section 28](#)). Taking the time to celebrate is important because it acknowledges people's hard work, boosts morale, and keeps up the momentum.

High-performance health organizations do not take their culture for granted. They plan, monitor, and manage it so that it remains aligned with what they want to achieve. Remember the words attributed to Peter Drucker: “Culture eats strategy for breakfast.”

In Wales, the national improvement program for health services offers examples of how health systems encourage high performance.⁷ USAID maintains a [website for high-impact practices](#)⁸ for family planning services, and EngenderHealth has found that high-impact family planning organizations benefit from a positive enabling environment with these nine features:⁹

1. The family planning (FP) program has effective leadership and management.
2. Supportive laws, policies, and guidelines for FP are operational at all levels.
3. Human and financial resources are available for FP and are allocated effectively.
4. Programmatic decision-making is evidence-based.
5. Contraceptive security measures are in place.
6. Advocacy efforts support the FP program.
7. Champions at all levels advocate for FP.
8. Communities are engaged in addressing barriers to FP use.
9. The FP program works to foster positive social norms and transform gender roles.

ASSESSING THE POLITICAL AND ECONOMIC CONTEXT FOR SUCCESS

Recent work by the Overseas Development Institute, the UK's leading independent think tank on international development and humanitarian issues, reinforces the recognition that political and economic policies can make or break the performance of health organizations.¹⁰ With that in mind, governing bodies need to take action to make themselves aware of political and economic factors that could frustrate or facilitate success.

Management Sciences for Health encourages health service organizations to consider such actions that are part of the MOST ([Management and Organizational Sustainability Tool](#)) process.¹¹ MOST is a structured, participatory process that allows organizations to assess their own management performance, then develop and carry out a concrete action plan for improvement. The cornerstone of the MOST process is a three-day workshop. During the workshop, organizational leaders and selected staff come together to build consensus about the stages of development of their organization's management, the improvements

7. National Health Service (NHS) Wales, "1000 Lives Plus of Fywydau" (NHS Wales: Cardiff, no date). Available at: <http://www.1000livesplus.wales.nhs.uk/home>
8. USAID, HIP: Family Planning High Impact Practices (Baltimore, MD: JHPIEGO, 2015). Available at: <https://www.fphighimpactpractices.org/>
9. EngenderHealth, *SEED™ Assessment Guide for Family Planning Programming* (New York: EngenderHealth, 2011). Available at: <http://www.engenderhealth.org/files/pubs/family-planning/seed-model/seed-assessment-guide-for-family-planning-programming-english.pdf>
10. Robert Nash, Alan Hudson and Cecilia Luttrell, *Mapping Political Context: A Toolkit for Civil Society Organizations* (London: Overseas Development Institute, 2006). Available at: <http://www.odi.org/publications/152-mapping-political-context-toolkit-civil-society-organisations>
11. Management Sciences for Health (MSH), *Management and Organizational Sustainability Tool: A Guide for Users and Facilitators*, 3rd ed. (Medford, MA, MSH, 2010). Available at: <http://www.msh.org/resources/management-and-organizational-sustainability-tool-most>

needed, and a plan for making those improvements. This process is aided by detailed instructions for using MOST, including the MOST assessment instrument, a facilitators' guide, and four modules that comprise the workshop agenda.

Governing bodies must also be prepared for the difficult task of finding and removing instances of health systems corruption. [A handbook from USAID](#) offers strategies for such actions.¹²

Given your unique situation, what actions should your governing body take to conduct an assessment of the context in which you will seek to achieve higher organizational performance?

STRATEGIES TO ENHANCE DEMAND FOR HIGH PERFORMANCE

To create an engine for high performance, your governing body will want to take actions to generate internal and external drivers of high performance. Convene a planning session with your leaders to consider the advantages and disadvantages of the possible actions shown in Box 9.1.

BOX 9.1 Actions to increase demand for high performance

Based on conversations with your governing body members, try to develop some ideas for actions to increase demand from within your organization and from outside your organization. Some prompts to stimulate your conversations in each area are below.

- From within your organization. Think about a governing body policy calling for clear job descriptions and a performance management process with merit pay or recognition programming. Also consider a policy that asks for and publishes the results from an annual employee satisfaction survey. What does your organization believe would be good ways to increase demand for more disciplined performance among your staff and colleagues?
- From outside your organization. Is there a Ministry of Health Annual Awards Program for innovations in service excellence among health workers in each province? Can your organization move to establish competency-based certification for governing body member service? Also consider any published guidance from the Ministry of Health for characteristics of a model performance management program.

12. Bertram I. Spector, Michael Johnston, and Svetlana Winbourne, *Anticorruption Assessment Handbook: Final Report*. Prepared by Management Systems International (MSI) for the US Agency for International Development (Washington, DC: MSI, 2009). Available at: http://pdf.usaid.gov/pdf_docs/PNADP270.pdf

FOSTERING A PASSION FOR CONTINUOUS PERFORMANCE IMPROVEMENT

Low-resourced organizations in the health sectors of low- and middle-income countries need to work creatively to stimulate and nurture a passion for continuous improvement that extends from the governing body to the frontline health workers. Here are few ideas to discuss with your governing body:

- Clarify the organizational calls for better performance and stakeholder expectations for more responsive services to meet their needs.
- Learn about high performance and benchmarking with high-performance health organizations.
- Assess current organizational strengths and weaknesses. Focus on developing and celebrating the strengths and reducing the weaknesses.
- Create an organizational operating philosophy that celebrates high performance for the people you exist to serve.
- Identify key differences in the technical service delivery system and the human resource development systems for health workers.
- Design the work system, including jobs, roles, and responsibilities.
- Design a performance measurement and management plan that recognizes and rewards continuously improving results.
- Create a capacity-building plan, including training and staff development.
- Develop a transition plan to manage change.
- Provide for continual renewal to ensure adapting to the changing environment.

Governing bodies can borrow ideas about recognizing and rewarding high performance in civil service settings from a study of health leaders attending the Judge School of Business International Health Leaders Program at Cambridge University. See [Section 28](#).

Discuss these actions with governing body leaders to adapt them to your unique realities.

CLEAR PROCESSES AND PRACTICES

TOPICS

The Problems of Weak Governance Infrastructure

The Power of Integrated Governance Practices, Principles, and Processes

Practical Ways to Improve Governance Integration

This section sets the stage for the following sections on best practices and processes for good governance in the health sectors of low-resourced countries.

THE CHALLENGE

You direct a large national program designed to provide integrated family planning and maternal and child health services for women. You want to invite 17 men and women from around the country to develop and publish a small guide for governing bodies of local health centers about how to do their work. What practices and decision-making processes do you want these local community governing bodies to use?

THE PROBLEMS OF WEAK GOVERNANCE INFRASTRUCTURE

The importance of strong governing bodies has never been more clear. Countries are now rushing to establish local and provincial health councils, and they are dealing with a growing number of civil society organizations. Maximizing the value of such governing bodies, however, requires clear decision-making processes and practices.

Unfortunately, many health sector governing bodies do not have well-defined processes, and their practices are underdeveloped. This weakness is exacerbated by a lack of the basic infrastructure building blocks for good decision-making described below:

- Formal terms of reference for the overall work of the governing body, plus a related understanding of the essential practices of a high-performing governing body;
- Clear job descriptions for governing body leaders and committees, as well as a clear distinction between the work of management and the work of the governing body;
- A model agenda and guidance for good meetings;
- A calendar of meetings throughout the year with themes that blend decision-making and education;
- An informative and motivating induction/orientation program as members join the governing body;
- An annual member-education program;
- An annual governing body self-assessment process;
- Clear procedures for decision-making processes about:
 - community needs assessments
 - strategic business planning and budgeting
 - service quality
 - staff development
 - resource mobilization
 - community and stakeholder relations.

How well do you believe your governing body is prepared to address this need for building blocks that are well defined and understood? A district health council board in Africa found it useful to make this assessment using the principles in Box 10.1.

BOX 10.1 Understanding the essential principles and practices of governance

1. creating a culture of accountability that integrates the principles of transparency, ethics, and oversight
2. engaging with diverse stakeholders within and outside the organization in a way that integrates the principles of participation, gender, diversity, and inclusion
3. setting strategic direction by integrating the principles of alignment, leadership, and advocacy
4. stewarding scarce resources with an integrated approach for capacity development, financial prudence, and efficiency
5. working to continuously improve all of these key practices along with the processes and infrastructure that support and enable them to be effective

Source: Adapted from Richard T. Ingram, *Ten Basic Responsibilities of Nonprofit Boards* (Washington, DC: BoardSource, 2009).

THE POWER OF INTEGRATED GOVERNANCE PRACTICES, PRINCIPLES, AND PROCESSES

Wise governing body leaders in the health systems of low-resourced countries have discussions about three different dimensions of “integrated governance:”

1. They are integrated in that there must be a coordinated balancing of policy, plans, and investments, which in turn integrate the issues of health with education, environment, housing, food and water security, political stability and economic development, and poverty reduction.¹
2. They are integrated in that there is a careful balancing of the work of the governing body, its committees, executive leadership, and what the National Health Service of England calls “clinical governance.”²
3. They are integrated in that the decision-making processes—as cited above—exist within the governing body for it to wisely use the time and talents of members, managers, and health workers.

Work to develop, evaluate, and enhance health-sector governing bodies in Asia, Latin America, Africa, and Europe calls for understanding and mastering the essential principles and practices shown in Box 10.1.3 [Appendix 10.1](#) provides a table of the principles associated with each of the practices.

The following sections explore in more depth all of these interrelated practices, processes, and principles.

1. See USAID, “Importance of Democracy, Human Rights, & Governance to Development” (Washington, DC: USAID, July 26, 2012). Available at: <http://www.usaid.gov/what-we-do/democracy-human-rights-and-governance/importance-democracy-human-rights-governance>

2. For the policy framework on clinical governance in Scotland, see NHS 24, “Clinical Governance” (Glasgow: NHS 24, no date). Available at: <http://www.nhs24.com/aboutus/ourpolicy/clinicalgovernance/>

3. For an overview on key concepts and practices, see Management Sciences for Health, “How to govern the health sector and its institutions effectively,” *The eManager* (Medford, MA: MSH, March 2013). Available at: <http://www.lmgforhealth.org/emanager>

FIGURE 10.1 Practices of good governance. Cultivating accountability, engaging stakeholders, setting a shared strategic direction, and stewarding resources are essential practices of good governance. Continuous governance enhancement—periodically assessing and continuously trying to improve governance—entails consistent application of the four essential practices.



PRACTICAL WAYS TO IMPROVE GOVERNANCE INTEGRATION

To make the work of your governing body more effective using integrated-governance decision-making, consider these five actions:

1. Download and review documents describing the need for, nature of, and elements of good governing body decision-making at all levels of the health systems in low- and middle-income countries in Asia, Africa, and Latin America.
2. Ask two to three members of your governing body to organize a discussion of the practices described in this book. They can then conduct an assessment in which all members are invited to assess the degree to which your group is accomplishing each of the practices. A sample survey tool is available in [Section 23](#) on self-assessment.
3. Have a discussion at your next board meeting of the assessment results. At that time, define two to three actions your governing body and managers can take in the coming months to improve your approach to accomplishing each of the practices and the processes and procedures you need for success.
4. Review your progress in implementing the governance plan after six months and celebrate your accomplishments.
5. Repeat your assessment in an annual review, as described in [Section 15](#).

Discuss with your governing body leaders how to adapt actions to your unique realities.

APPENDIX 10.1

Principle governing practices

GOVERNING PRACTICE 1: CULTIVATE ACCOUNTABILITY

Foster a facilitative decision-making environment based on systems and structures that support transparency and accountability

Principles Underlying the Practice

Accountability
Transparency
Legal, ethical, and moral behavior
Accessibility
Social justice
Moral capital
Oversight
Legitimacy

Governing Actions You Can Take

Establish, champion, practice, and enforce codes of conduct that uphold the key governance principles and demonstrate the authority of the governance decision-making processes.

Embed accountability in the governing institutions by creating ways to share information and rewarding behaviors that reinforce the key governance principles.

Make all reports on finances, activities, and plans available to the public, and share them formally with stakeholders, staff, public monitoring bodies, and the media.

Set expectations that other stakeholders share.

Establish oversight and review processes to regularly assess the impact and appropriateness of decisions made.

Establish a formal consultation process through which stakeholders may voice concerns or provide other feedback.

Sustain a culture of integrity and openness that serves the public interest.

GOVERNING PRACTICE 2: ENGAGE STAKEHOLDERS

Identify, engage, and collaborate with diverse stakeholders representing the full spectrum of interested parties

Principles Underlying the Practice

Participation
Representation
Inclusion
Diversity
Gender equity
Conflict resolution

Governing Actions You Can Take

Empower marginalized voices, including women and youth, by giving them a meaningful place and a meaningful role in formal decision-making structures.

Ensure appropriate participation of key stakeholders through fair voting and decision-making procedures.

Extensively hold and enable open meetings, surveys, public comment, public workshops, national forums, and citizen advisory committees.

Create and maintain a safe space for sharing ideas, so that genuine participation across diverse stakeholder groups is feasible.

Provide an independent conflict resolution mechanism accessible by all stakeholders, as diverse stakeholders may have competing interests, giving rise to conflict.

Elicit, and respond to, all forms of feedback in a timely manner.

Build coalitions and networks, where feasible and necessary, and strive for consensus on achieving the shared direction across all levels of governance.

Establish alliances for joint action at whole-of-government and whole-of-society levels.

GOVERNING PRACTICE 3: SET SHARED DIRECTION

Develop a collective vision of the “ideal state” and a process for designing an action plan, with measurable goals, for reaching it

Principles
Underlying the
Practice

Stakeholder alignment

Leadership

Management

Advocacy

Governing Actions You Can Take

Oversee the process for developing and implementing a shared action plan to achieve the mission and vision of the *governed* (organization, community, or country). Engage citizens and other stakeholders.

Advocate on behalf of stakeholders’ needs and concerns, as identified through the formal mechanisms above, making sure to include these in defining the shared direction.

Document and disseminate the shared vision of the ideal state.

Oversee the process of setting goals to reach the ideal state.

Make sound policies, laws, regulations, rules of procedure, programs, and protocols to achieve the ideal state.

Establish accountability mechanisms for achieving goals that have been set, using defined indicators to gauge progress toward achieving these goals.

Advocate for the ideal state in higher levels of governance, other sectors outside of health, and other convening venues with a role to play in its realization.

Oversee the process of realization of the shared goals and the desired outcomes.

GOVERNING PRACTICE 4: STEWARD RESOURCES

Steward resources responsibly, building capacity

Principles
Underlying the
Practice

Financial
accountability

Development

Social responsibility

Capacity Building

Country ownership

Ethics

Resourcefulness

Efficiency

Effectiveness

Governing Actions You Can Take

Champion the acquisition and use of resources to accomplish the organization’s mission and plans.

Protect and wisely invest the resources entrusted to the governing body to serve stakeholders and beneficiaries.

Collect, analyze, and use information and evidence for making decisions on the use of resources, including human, financial, and technical resources.

Develop and implement a strategy for building the health sector’s capacity to absorb resources and deliver services that are high quality, appropriate to the needs of the population, accessible, affordable, and cost-effective.

Advocate for using resources in a way that maximizes the health and well-being of the public and the organization, and invest in communication that puts health on the policy-making agenda.

Inform the public and create opportunities for them to be included in monitoring and evaluating the way that resources are raised, allocated, and used.

CULTURE OF ACCOUNTABILITY

TOPICS

| |
|--|
| Cultivate Your Personal Accountability |
| Nurture the Accountability of Your Organization to its Stakeholders |
| Foster Internal Accountability in Your Organization |
| Support the Accountability of Health Care Providers and Health Workers |
| Measure Performance |
| Share Information |
| Develop Social Accountability |
| Use Technology to Support Accountability |
| Provide Effective Oversight |

This section explores the need for and nature of the practice of creating a culture of accountability, along with principles and activities that will strengthen your organization's capacity for enhanced accountability.

THE CHALLENGE

As the CEO of a provincial hospital in Honduras, you and your governing body's chairperson have decided to challenge the hospital's employees to improve the quality of all the emergency and ambulatory care clinics. What are the characteristics, systems, rewards, and consequences you need to build for a culture in which all staff behave accountably to maximize gains in service excellence? How should the governing body best model its own behavior for ethical and transparent decision-making?

Accountability means that institutions—ministries, organizations, and health facilities—are responsible for meeting the needs of the people they were created to serve and protect. Cultivating accountability is creating an environment in which governing actions are trustworthy, fair, inclusive, and effective. By these actions, the governing body establishes itself as legitimate. Openness, transparency, and responsiveness are its key enabling factors. Cultivating accountability may be difficult to achieve, yet it has clear benefits.

Accountability exists when there is a relationship between two parties, and the performance of tasks or functions by one party is subject to the other's oversight, direction, or requests for information. Accountability means ensuring that officials in public, private, and voluntary sector organizations are answerable for their actions and that there are consequences when duties and commitments are not fulfilled.

When accountability is strengthened, the opportunity for corruption is diminished, and health system outcomes—such as responsiveness, equity, and efficiency—are positively affected.

Integrity, transparency, accountability, trust, and participation are all linked and deeply intertwined; they are constituent and overlapping elements of the accountability chain. Integrity and transparency promote accountability. All three establish trust and legitimacy, which promote participation in decision-making, as shown in Figure 11.1.

FIGURE 11.1 Accountability leads to better organizational performance. All of the elements of accountability, beginning with integrity and transparency and embracing inclusion and trust, contribute to produce shared strategic direction and effective and efficient use of resources. Shared direction and responsible use of resources, in turn, improve organizational performance.



In the following sections, we will see the actions the governing body leaders can adapt to their unique realities and take to create a culture of accountability in their organizations.

CULTIVATE YOUR PERSONAL ACCOUNTABILITY

Good governance in the health sector is a group process. For group decision-making to be effective, however, individuals must be personally responsible for their own work, behavior, and results. When you are personally responsible, you take ownership of situations, challenges, and strategies and see them through to completion. To help achieve personal accountability, several actions may be considered, such as those listed below.

- Accept responsibility for your actions.
- Accept responsibility for the future direction of your organization.
- Answer questions from stakeholders, community members, and health workers.
- Seek feedback on your actions and decisions.
- Openly admit your mistakes to stakeholders.

Among these actions, which two or three are the most important in your situation and why? What should you do to improve your capacity to take these priority actions?

NURTURE THE ACCOUNTABILITY OF YOUR ORGANIZATION TO ITS STAKEHOLDERS

Governance leaders are responsible for their own personal behavior and commitments, and they must also ensure that their organization is accountable to stakeholders, such as patients, communities, elected politicians, and public and private purchasers and providers of health services. To help ensure this organizational accountability to stakeholders, consider the actions listed below.

- Make all reports on finances, plans, budgets, and performance available to the public, and share them formally with stakeholders and staff.
- Establish a formal consultation mechanism.
- Establish mechanisms to investigate whether you and your staff have met the expected standards, goals, and targets.
- Establish a process that requires you and your staff to defend your actions, face questions, and explain yourselves to the public and stakeholders.
- Establish a process that holds accountable those who are responsible for falling below the standards expected and rewards those responsible for achieving or exceeding those standards.

To know what other actions you can take to enhance your organization's accountability to its external stakeholders, refer to the [LMG Project's guide for cultivating accountability](#).¹

Of these actions, which two or three are the most important in your situation and why? What should you do to improve the capacity of your organization to conduct these priority actions?

FOSTER INTERNAL ACCOUNTABILITY IN YOUR ORGANIZATION

The health workforce is large, comprising clinicians and nonclinical workers, as well as support staff. In many countries, volunteer community health workers are also a vital part of this workforce. Leaders who govern must create workplace conditions in which internal stakeholders are proud of their work and are motivated to continuously improve access to high-quality services. The actions below can help you enhance and expand the accountability of staff in your health system or organization. Remember, practicing accountable behaviors is everyone's responsibility—the governing body, management, and staff. In addition, because the governing body's role is oversight, it should take responsibility for internal accountability in the organization by ensuring that:

- there is a free flow of information internally in the organization;
- goals or tasks are clear to all employees;
- managers and staff have sufficient resources to be able to succeed;
- performance and targets achieved are monitored in a transparent manner;
- there are consequences for nonperformance or underperformance, as well as rewards for excellent performance.

Of these actions, which two or three are the most important in your situation? For these two or three actions, what factors are most likely to frustrate their successful accomplishment? What should you do to improve your support of employees in your organization, without duplicating management's role or micromanaging?

SUPPORT THE ACCOUNTABILITY OF HEALTH CARE PROVIDERS AND HEALTH WORKERS

Clinicians (physicians, nurses, nurse-midwives, pharmacists, laboratory technicians), and public health workers form a unique subset of employees or internal stakeholders. Effective governing bodies are skilled at listening to these health care providers and workers to assess how well the system is working and to define innovative and cost-effective strategies

1. Management Sciences for Health, *Cultivating Accountability for Health Systems Strengthening: Series of Guides for Enhanced Governance of the Health Sector and Health Institutions in Low- and Middle-Income Countries* (Medford, MA: MSH, 2014). Available at: <http://www.lmgforhealth.org/Govern4HealthApp/cultivating-accountability>

for performance improvement and health systems strengthening. To be more accountable to health care providers and workers and to make them accountable, ensure that:

- managers provide timely, clear, and specific performance expectations and feedback to health workers and heads of health facilities;
- the performance of health workers is regularly reviewed;
- any underperformance is discussed with the concerned health worker;
- a process is established for community members and stakeholders to ask questions of health workers, the head of the health facility, and members of the hospital board or health center management committee;
- a system of rewards and recognition is established for health workers who meet established standards.

See [Section 22](#) for actions that can be considered for human resource development.

What two or three actions can you take working with your management team to enhance the accountability of health workers and health managers in your organization?

MEASURE PERFORMANCE

Those who govern should avoid the temptation to micromanage. However, management should develop and use “balanced scorecards” or “performance dashboards” that document how well the organization is doing to achieve a handful of key indicators of success or essential measures of progress within plans. A balanced scorecard is a management system that enables an organization to set, track, and achieve its key business strategies and objectives by looking at four major areas: customers, finances, internal business processes, and knowledge, education, and growth. In contrast, dashboards evolved as the information systems equivalent of the automotive dashboard that displays real-time changes in information. Dashboards are tactical tools and often use charts that look like gauges. Dashboards have shorter monitoring timeframes than scorecards, which monitor strategic priorities. Scorecards monitor longer-term outcomes, whereas dashboards often measure processes.

Some suggested approaches include:²

- Develop an explicit measurement strategy to measure your progress.
- Ensure measures for all strategic and operational objectives are identified.
- Make sure that the perspective of the customer or health service user is taken into account throughout the measurement process.

2. Adapted from R. Behn, “Why measure performance? different purposes require different measures,” *Public Administration Review* 2003; 63(5):586-606.

- Ensure performance is measured and reported disaggregated by sex.
- Make certain that the performance information is used to refine programs and policies.

What two or three actions can you take working with your management team to enhance the accountability of health workers and health managers in your organization?

SHARE INFORMATION

Effective governance decision makers need information that is accurate and timely. This information should cover the right issues and be presented in formats that are easy to understand and use. Effective governing bodies establish a positive partnership with health managers and clinicians to define the minimum dataset that will inform all concerned about how well the organization is performing on the following core dimensions:

- people using services
- costs of services used
- vacancies among health workers
- citizen satisfaction
- health worker satisfaction
- medicine and supply stock-outs
- death rates

The activities specified below may be undertaken by the management and staff with the support of the governing body to make wise use of information and cultivate a culture of accountability.

- Publish relevant, timely, and accurate information in accessible formats.
- Use modern information and communication technologies for wider and more effective dissemination of information.
- Grant access to information to those who are affected by decisions, transactions, or the work of your organization.
- Transparency within your organization is as important as transparency with external stakeholders.
- Share information about plan, budget, spending, and outcomes.

What two or three actions can you take with management to help share information with the public and other stakeholders to more effectively engage with stakeholder and best use your organization's services?

DEVELOP SOCIAL ACCOUNTABILITY

The governance of health systems owes a duty to engage with, to inform, and to be accountable to a broad array of external stakeholders in local, provincial, or national society. Effective governing bodies do not hide from public scrutiny; rather, they proactively design sensible engagement strategies and performance reporting with these groups.

Social accountability refers to a broad range of actions and mechanisms that citizens, communities, independent media, and civil society organizations may use to hold public officials and public servants accountable. These mechanisms contribute to improved governance and increased health system effectiveness through better health service delivery and empowerment.

Social accountability in the delivery of health services may be strengthened by using several of the mechanisms listed below. Cultivating Accountability for Health Systems Strengthening (MSH, 2014) provides descriptions of these mechanisms:

- community scorecards and citizen report cards
- public hearings
- participatory budgeting and public expenditure tracking
- citizen charters
- community radio

Which two or three of these mechanisms are appropriate in your situation? Which mechanisms can your organization use to make health service providers more accountable to the communities they serve?

GENDER AND SOCIAL ACCOUNTABILITY

Gender accountability is related to gender relations and power differences at all levels, and there is often a lack of knowledge and sensitivity among politicians and providers regarding people's specific needs based on gender. Women and broadly, individuals with gender identities other than men often encounter problems accessing health services and holding service providers accountable. No structure may be available for them to articulate their expectations and needs. To overcome these constraints, social accountability processes have been widely promoted as a mechanism to make service delivery responsive to gender concerns.

USE TECHNOLOGY TO SUPPORT ACCOUNTABILITY

New communication technologies are increasingly available to support: (1) the engagement of internal and external stakeholders; (2) a two-way flow of timely and accurate ideas, insights, and information among stakeholders for planning and performance monitoring; and (3) promptly recognizing progress in plans in order to show appreciation for the work and results achieved.

Governing body members should familiarize themselves with various eHealth and mHealth technologies available in the market. eHealth is the use of information and communication technologies for protecting, promoting, or restoring health—e.g., for treating patients, conducting research, educating the health workforce, tracking diseases, or monitoring public health. mHealth is the use of mobile and wireless devices to improve health outcomes, health care services, and health research. Leaders who govern health systems can use technology in several different ways, for example:

- promoting transparency, cultivating accountability, and engaging with stakeholders;
- monitoring service delivery, and rapidly collecting data and evidence for evaluation purposes;
- exchanging knowledge and information and developing capacity;
- involving citizens in the monitoring of health services, such as using mobile phones to report on medicine and vaccine stock-outs, waiting time at clinics, functionality of equipment;
- publishing procurement opportunities for goods and services.

See [Section 27](#) for more on use of information and technology in governing.

Of the activities listed above, which two or three are the most important in your situation?

In which two or three practical ways can your organization use technology to make health services more transparent and accountable to health service users?

PROVIDE EFFECTIVE OVERSIGHT

Good governance is shaped by, and also shapes, good leadership and management of health systems, organizations, and programs. While micromanagement by governance leaders or governing body members erodes the morale and effectiveness of managers, effective governance does need to protect and enhance the mission and the assets entrusted to the governing body. Leaders who govern have a duty to monitor the organization's plans and performance. This oversight role—which includes activities such as those listed below—is critical and essential.

- Monitor the financial health of your organization.
- Examine its financial sustainability.
- Build your organization's long-term ability to mobilize and allocate sufficient and appropriate resources.
- Use actual financial and cost data for planning, oversight, and evaluation.
- Set up and monitor key financial and outcome indicators.

See [Section 16](#) for more on how a governing body should perform management oversight.

Of the activities listed above, which two or three are the most important in your situation? How can you best accomplish them? What are the obstacles leaders who govern are likely to experience in the oversight process? How might those obstacles best be removed or reduced by the governing body?

What are two or three practical ways to help ensure the successful accomplishment of effective governance oversight?

STAKEHOLDER ENGAGEMENT

TOPICS

Extend Sincere
Stakeholder Invitations

Achieve Sincere
Stakeholder Engagement

Build Trust

Engage with Health
Service Users

Engage with Doctors and
Other Health Workers

Collaborate with Other
Sectors

Practice Gender
Responsive Governance

This section explores the need for and nature of stakeholder engagement, and principles and activities that will strengthen your organization's capacity to involve diverse stakeholders and beneficiaries in your governance work.

THE CHALLENGE

The governing council of your HIV & AIDS program wants to engage more of the high-risk population—injecting drug users, female sex workers, and men who have sex with men—in the governance decision-making processes. Who are other key stakeholders to involve? Why should you involve these key stakeholders? How should you best engage these stakeholders? Also to consider are what needs to be done now not only to involve them but also to make sure they are ready, willing, and able to sustain their engagement over the next three to five years.

Inclusion and collaboration are two important principles that enable effective governance. Being inclusive involves engaging all relevant stakeholders—across gender, age, race and ethnic groups, socioeconomic status, health and disability status, and location—in the decision-making process. For example, an organization might be working for AIDS and TB patients. Key populations and prisoners are important groups, especially when it comes to HIV and TB services; they should have a voice in the decisions that affect them.

Collaboration involves building partnerships across ministries, sectors, and levels of authority. In addition to a ministry of health, many other actors in the public sector play a role in improving health in a country. For example, the ministries dealing with water and sanitation, education, finance, economic development, roads, transportation, and women's affairs are all involved in activities that impact health. Collaboration also involves working with private for-profit and nonprofit groups and civil society organizations and NGOs. Finally, collaboration means working across all levels—local, state, national, and international. Collaboration, participation, and inclusion are all elements of engaging stakeholders.

Inclusion and participation are vital to the achievement of health equity, where all men and women—young and old—have opportunities to improve or maintain their health and well-being. For example, the lack of representation of women and youth in decision-making deeply affects their access to health care because the barriers they face are not addressed. Similarly, the perspectives of people with disabilities, the elderly, and the very poor are not adequately represented in the governance decision-making process. Enabling the public expression of the concerns, needs, and values of diverse groups can influence decision-making.

Rationale for Engaging Stakeholders

There are many reasons to engage with diverse stakeholders.

1. They can offer more and better insights to define current challenges more accurately.
2. Participation in problem definition improves the quality of solutions and the willingness of stakeholders to help define practical ways to implement the solutions.
3. Stakeholder participation to define solutions improves the willingness and ability of stakeholders to implement the solutions.
4. Engagement helps advance the awareness and ability of stakeholders to hold decision-makers accountable for their decisions.
5. Engagement fosters ownership of the decision and willingness to measure and improve its results.

In the following section, we will see the actions that the governing body leaders can adapt to their unique realities and take to engage stakeholders of their organization.

EXTEND SINCERE STAKEHOLDER INVITATIONS

Those who govern need the ideas, insights, experiences, money, and political influence of many stakeholders. To secure these valuable resources from stakeholders, they must believe you have a real need for their participation, and they must believe your invitation to participate is significant and sincere. Engagement requires an invitation that is not only sincere, but that is extended with enough time for that engagement to be fully realized.

ACHIEVE SINCERE STAKEHOLDER ENGAGEMENT

The governing body working with management has a responsibility to engage stakeholders. It is also the governing body's role to support management in engaging stakeholders. There are five ways of working with stakeholders.

1. **Inform:** Keep stakeholders, community members, and health workers informed, and educate them on your organization's governance policies.
2. **Consult:** Listen to the concerns of the people and health workers and provide feedback.
3. **Involve:** Coordinate with stakeholders, community members, and health workers to make sure that their concerns are directly reflected in governance decisions.
4. **Collaborate:** Work with the people and the health workers to formulate solutions.
5. **Empower:** Put decision-making into the hands of the people.

To effectively fulfill its responsibilities, the governing body should, in a significant and meaningful way, engage with a wide range of individuals during the decision-making process. These individuals would include community representatives, health providers, and health workers, as well as all relevant stakeholders—across gender, age, race and ethnic groups, socioeconomic status, health and disability status, and location. Important stakeholder constituencies to consider for engaging include:

- health service users
- youth and youth organizations
- women and women's organizations
- health workers, including physicians, nurses, and other health providers in the public sector
- those in the private health sector (hospitals, doctors, nurses, midwives, pharmacists, etc.), their professional associations and unions, and accreditation boards and councils
- public health experts from academic organizations

- community leaders (with different perspectives and of different ethnicities)
- government leaders and elected representatives
- municipal leaders or officials
- Ministry of Health and different ministries that impact health
- private businesses
- media and national and international NGOs and civil society organizations that represent vulnerable populations such as the poor, elderly, disabled, or other marginalized people

These are some of the actions you can take to engage with diverse stakeholders:

- Empower marginalized voices by giving them a meaningful role in formal decision-making structures.
- Create a safe space for sharing ideas so that genuine participation across diverse stakeholder groups is feasible.
- Extensively conduct open meetings, surveys, public comment, public workshops, and public forums; and establish citizen advisory committees.
- Devote adequate time and resources to the stakeholder-engagement process.
- Build partnerships and alliances across ministries, sectors, and levels of authority.

What are the obstacles leaders who govern or governing bodies are likely to experience in this practice or activity?

How might those obstacles best be removed or reduced by the governing body?

What are practical ways to help ensure the successful accomplishment of this activity?

BUILD TRUST

Trust among stakeholders in governance decision-making processes is an essential but fragile commodity. Trust must be earned, is easily lost, and is difficult to regain. Those who govern must first be trustworthy, and then be prepared to risk extending trust to others. Facilitate the establishment of trust in three relationships (Figure 12.1):

1. trust between health care providers and health workers, management, and the governing body;
2. trust between your organization and the communities or people that it serves;
3. trust between the community and health care providers and health workers.

FIGURE 12.1 Three relationships of trust in a health system. Establishing trust between communities, health workers and governance and management leaders is the key to a high-performing health system.



These are some of the actions you can take to establish a relationship of trust with diverse stakeholders.¹

- Begin with yourself and keep the promises you make.
- Hold yourself accountable before holding others accountable.
- Create a culture in which tolerance and cooperation are valued.
- Have diverse stakeholders participate in making decisions.
- Deal with difficult issues with courage before they turn into major problems.

Among the ways to establish and nurture trust listed above, which are the two or three activities that are most important in your situation?

For each of the two or three most important activities you selected, answer the following three questions: (1) What obstacles are leaders who govern or the governing bodies likely to experience in implementing this activity? (2) How might those obstacles best be removed or reduced by the governing body? (3) What are two or three practical ways to help ensure the successful accomplishment of this activity?

1. Adapted from Stephen M. R. Covey, *The Speed of Trust: The One Thing That Changes Everything* (New York: Simon and Schuster, 2006).

ENGAGE WITH HEALTH SERVICE USERS

The end goal of good governance is a health system that serves the health needs of health service users and their families and communities. Leaders who govern wisely and well understand the health needs of the people they exist to serve. Health service user engagement and satisfaction reinforce each other. Studies in a range of different health care settings have identified several factors that are critical to assuring quality of care and client satisfaction with care.² They include

- a strong, committed senior leadership
- communication of strategic vision
- a sustained focus on employee satisfaction
- accountability and incentives
- a culture strongly supportive of change and learning
- regular measurement and feedback reporting
- adequate resources and design to support care delivery
- building staff capacity to support client-centered care
- engagement with clients and families

Which two or three of the above factors for enhancing care quality and client satisfaction are most important to you as a governing body or a leader who governs?

What practical steps will your governing body take on these two or three most important determinants of health care quality and client satisfaction?

ENGAGE WITH DOCTORS AND OTHER HEALTH WORKERS

Good governance acknowledges the value and power of engaging and focusing the talent, ideas, experiences, and energy of health care providers and health workers on the planning and implementation of an organization's health services. This essential participation, however, needs to be sincerely requested, listened to, and acted upon. Motivation is key to the success of both health workers and the health institutions. Health workers can give their best if they are motivated by their passion for the organization's mission.

2. For examples, see Coulter A (2012). *Leadership for Patient Engagement* [online]. Available at: www.kingsfund.org.uk/leadershipreview; Lemer C, Allwood D, Foley T (2012). *Improving NHS Productivity: The secondary care doctor's perspective* [online]. Available at: www.kingsfund.org.uk/leadershipreview; and Luxford K, Safran DG, Delbanco T (2011). "Promoting patient-centred care: a qualitative study of facilitators and barriers in healthcare organizations with a reputation for improving the patient experience." *International Journal for Quality in Healthcare*, vol 23, no 5, pp 510–5.

Consider taking the following actions to engage with health care professionals, including clinicians such as physicians and nurses:

- Ask clinicians to lead service improvements.
- Ask clinicians what they want to work on.
- Make it easy for clinicians to lead and participate without wasting their time.
- Recognize clinicians who lead, including the opportunity to present to the governing body.
- Provide learning and professional-development opportunities.

Of these actions to enhance clinician engagement, which are the two or three most important to you as a governing body or a leader who governs? See Box 12.1. What practical steps will your governing body take on these two or three most important strategies for clinician engagement?

BOX 12.1 The importance of engagement with staff and health workers

Why engage with staff and health workers?

The business case for staff engagement is compelling. The following benefits are associated with engaged staff: better client experiences; fewer errors; lower infection and mortality rates; stronger financial management; higher staff morale and motivation; and less absenteeism and stress. Client engagement results in more appropriate care and improved outcomes.

What are the values on which engagement rests?

Both staff and client engagement are grounded in values of openness, collaboration, seeing the world through the eyes of others, and listening to and supporting each individual employee or each individual client. Engagement needs to be seen through the lens of the person who is being engaged. It is important to understand their feelings and experiences.

How do you encourage staff to engage?

Engagement is fostered when the jobs of staff members offer clear and meaningful tasks, some autonomy to manage their work, involvement in decision-making, and supportive line managers. You can encourage staff engagement in many different ways. For example:

- Give staff autonomy to accomplish the tasks after they are defined (do not micromanage).
- Enable them to use a wide range of skills.
- Ensure that jobs are satisfying.
- Give staff support, recognition, and encouragement.
- Nurture optimism and self-confidence.

When do you say staff is engaged?

Engagement exists when your organization values the employee and the employee values the organization. The employees feel respected, listened to, empowered, and that they are able to influence and improve care. They have information, skills, confidence, and control over how they do their work. They are part of a well-structured team in an organization that is focused on quality and celebrates success. In short, engaged staff members feel valued, respected, and supported. Engagement is often described in psychological terms—for example, staff feeling energetic, determined, enthusiastic, and even inspired. They are engrossed in their work and take pride in what they do.

Source: Adapted from King's Fund, *Leadership and Engagement for Improvement in the NHS: Report from The King's Fund Leadership Review 2012* (London: The King's Fund, 2012).

COLLABORATE WITH OTHER SECTORS

Health gains and improvements in health service delivery result from the influence of many factors outside the control of the health sector. Health has many determinants, such as food, water, education, housing, poverty, crime, and pollution. Effective governance seeks to engage with policymakers and leaders from other sectors to make and implement good policies and programs for better health and health services.

Leaders who perform well in engaging across sectors tend to:

- go out of their way to make new connections;
- have an open, inquiring mind, unconstrained by current possibilities;
- embrace uncertainty and be positive about change;
- draw on as many perspectives as possible;
- ensure that leadership and decision-making are distributed throughout the system;
- promote the importance of values;
- invest energy and time in building relationships.

Consider taking the following actions to enhance intersectoral collaboration:

- Establish intersectoral governance structures, for example, committees and secretariats that convene across sectors or ministries.
- Establish intersectoral committees in legislative bodies, for example, in parliaments, state legislatures, and local councils.
- Establish funding arrangements to support actions taken across many different sectors to attain health objectives.
- Develop multisectoral agreements on desired health goals and outcomes.
- Implement multisectoral policies on the social and other determinants of health beyond the health sector; and monitor, measure, and evaluate progress on social determinants of health.

In your situation, which two or three of the actions listed above are the most valuable for strengthening the intersectoral collaboration of your organization or your health system?

For these two or three most important activities, answer the following questions: What are the obstacles leaders who govern are likely to experience implementing this activity? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?

PRACTICE GENDER-RESPONSIVE GOVERNANCE

Gender issues are often ignored or inadequately considered by those who govern. Women and other marginalized populations are often the most in need of services that protect, promote, and nurture their health. Women are also main decision makers about the health of families and communities. Women perform the majority of front-line health service delivery activities. Governance as well as leadership and management must be gender-sensitive, informed, and inclusive. Effective governance will have a significant proportion of female participants on governing bodies, council, committees, and task forces.

Gender responsiveness in governance has the potential to enhance positive health outcomes, not only for women, but also for the entire community. Women play three important roles in a health system: They are decision-makers, health care providers, and users of services. Nevertheless, governance structures in health systems and health institutions are often dominated by men. As a result, issues that women face in leadership, governance, and senior management roles in the health workforce and as users of services are often not addressed. It is the responsibility of everyone working in the health system—especially the leaders who govern—to make their institutions gender-responsive.

You can demonstrate gender-responsiveness in many different ways, including by

- increasing the number of women in leadership, governance, and senior management roles;
- reinforcing a safe, harassment-free work environment by upholding strict codes of conduct and zero tolerance for discrimination;
- collecting sex-disaggregated data and defining sex-disaggregated outcomes;
- giving voice to women and youth by making and implementing policies that affect them;
- seeking advice from women's organizations, women leaders, and gender experts.

There are many ways to enhance gender dimensions and actions in your governance processes. Of those listed above, which two or three are the most important in your situation?

For the two or three most important activities, answer the following questions: What are the obstacles leaders who govern are likely to experience in implementing this activity? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?

STRATEGY DEVELOPMENT

TOPICS

Define the Population Health Goals

Establish a Shared Strategic Vision among Key Stakeholders

Enable Leadership in the Organization

Create a Successful Strategic Plan

Implement the Strategic Plan

Report Progress to the Key Stakeholders

This section explores the need for and nature of the practice of creating an effective strategy to accomplish your mission. It also defines principles and activities that will strengthen your organization's capacity for setting strategic direction wisely.

THE CHALLENGE

You know that diverse stakeholders help your governing body develop plans that are not only more likely to yield better strategies, but also strategies that are more successfully implemented. What actions should the governing body take to ensure the strategies for improving health services are better developed and more wisely implemented?

The governing body determines the organization's strategic direction and policies. It sets out the organization's strategic direction to deliver its mission, goals, and objectives. With the chief executive, it makes certain that the organization's programs, activities, and services reflect its strategic priorities. It concentrates on strategic thinking and does not involve itself with day-to-day operational and management matters. It creates policies and monitors the organization's activities in all areas.

Shared direction comes from agreeing on which "ideal state" everyone is trying to get to. If there is no agreement on what or where you are moving to, agreeing on approaches for how to get there will be that much more difficult. If you know that you are all moving in

the same direction, you will find it easier to gather support for the planning process and to define a strategy to achieve this vision. You can then design a shared action plan with measurable goals for reaching it and set up accountabilities to accomplish the plan. If the stakeholders share and own the strategic direction, it is more likely that your organization will realize and achieve it.

Effective governance in the health sector should lead to improved client experiences and health outcomes, as well as innovation. Those who govern are responsible for setting a shared strategic direction—creating a collective vision, articulating this vision, and inspiring everyone in the system to achieve it. They oversee the process of planning, strategizing, and monitoring progress toward the vision, all while advocating for the needs of those affected by governance activities.

Leadership is essential to setting and achieving the strategic direction. Good leadership is a prerequisite for both good governance and sound management. Leaders are critical to the governance and management processes. The full potential of governance and management cannot be realized without strong and effective leadership.

Health leaders who govern define the vision for health as well as the strategy to achieve this vision. They exert influence across all sectors for better health and govern the health system in ethical ways, ensuring that the system design is aligned with health system goals and making policies that enhance health outcomes for the populations they serve. They raise and allocate the resources for the organization to meet its vision and mission. Effective leaders engage with stakeholders and foster inclusion and participation. They are responsible stewards of the health system they serve in their governing capacity.

One of the most important practices to protect and enhance the vitality of a health service organization or agency is to establish a “strategic roadmap” to guide the enterprise forward. Often this strategic roadmap or plan charts a path into a future that is uncertain. There may be rapidly-growing demands for services from communities, patients, and citizens in vulnerable and marginalized populations, and a shortage of resources (human, financial, and technological). The decision-making process of designing and ensuring the implementation of this roadmap is referred to here as “Setting Strategic Direction.” The governing body sets the strategic direction in collaboration with organizational leadership and key stakeholders, and once the direction is set, it is primarily the responsibility of the management and health workers to realize it.

Thus, there are three core dimensions of setting the strategic direction of a health system: (1) working with communities and stakeholders—which makes the strategic direction a shared destination and the journey toward realizing it a shared journey; (2) solving health problems of the communities served by the health system—which, after all, it is the fundamental purpose of a health system; and (3) measuring results, because it is the key to achieving results and hence the strategic direction.

In the following section, we will see the actions the governing body leaders can adapt to their unique realities, as well as the actions they can take to set a shared strategic direction for their organization, then realize it.

DEFINE THE POPULATION HEALTH GOALS

Good leaders who govern in health systems or in health sector organizations strive to understand and enhance the health status of the people served by the system or organization. Foundational tasks for those who govern include knowing the existing scope and nature of the health service needs of the populations they serve; trends in disease and illness; and patterns of utilization of available health services. Effective governing bodies and their senior staff clearly define measureable health status improvement indicators and how these goals are to be:

- achieved with evidence-based health and medical care that protects, promotes, and restores people to their optimal levels of health and well-being;
- measured in the most cost-effective way;
- monitored to determine progress and how progress is reported in an understandable manner.

ESTABLISH A SHARED STRATEGIC VISION AMONG KEY STAKEHOLDERS

Health workers and communities want to know where their service organization is going to understand a vision of how the service or organization will look and behave in the future. Stated in a few uplifting words, the vision statement is motivational, inspirational, and sufficiently realistic to be possible and credible. Leaders who govern or governing bodies find that when they engage stakeholders to define and discuss the meaning of the vision, the vision is more likely understood and owned by the stakeholders. This sense of ownership is essential to optimize the willingness of stakeholders to work together to implement and then continually improve the strategic roadmap. These are several activities to consider when preparing a shared strategic vision with key stakeholders.

Consider taking the following actions to set a shared strategic direction:

- Develop a collective vision of the “ideal state” of working with your colleagues, health workers, community members, and many other diverse stakeholders. Then articulate this vision and inspire everyone in the system to achieve it.
- Document and disseminate the shared vision of the ideal state.
- Oversee the process of setting goals to reach the ideal state, and plan, strategize, and monitor progress toward that vision.
- Oversee the process for developing and implementing a shared action plan to achieve the mission and vision of the organization.
- Make policies and decisions, and raise and allocate resources to achieve the collective vision.

Once the shared vision is created, it should be translated into measurable results. You can use the Challenge Model (described in *Managers Who Lead*¹ and also the *LMG Guide for Setting Shared Strategic Direction*,² which has proven very effective for this purpose.

ENABLE LEADERSHIP IN THE ORGANIZATION

Leadership, management, and governance are interdependent, overlapping, and mutually-reinforcing constructs. All three are needed to achieve a desired result. Effective leadership is a prerequisite for good governance as well as for sound management; in other words, those who govern and those who manage must be good leaders in order to produce results. Effective management is a critical support for good governance. Good governance in turn provides purpose, resources, and accountability in support of management.

In a health system, we need leadership at all levels: leaders who govern or governance leaders; leaders who manage or senior managers; clinician leaders; leaders of health worker teams; and so on. Without good leadership, we cannot have good management or good governance. Developing this leadership at all levels should be one of the priorities of the governing body.

Those who govern need a strong partnership with those who manage. Managers must be encouraged and supported to perform their key leading practices (scanning, focusing, aligning and mobilizing, and inspiring) and managing practices (planning, organizing, implementing, monitoring and evaluating) wisely and well. It is through the work of managers that good governance can flourish. Good governance requires decision-making by senior management leaders that is effective, efficient, and ethical. To support decision-making by senior managers, governing bodies should invest in providing continuing education for the management leadership team of their organization through

- participation in formal leadership development programs;
- mentoring from selected governing body members;
- executive exchange programs with similar organizations in other districts or countries;
- access to best practices by reading, study tours, and interactions with diverse health workers.

Both governance leaders (members of governing bodies) and management leaders (CEOs, COOs, CFOs, senior managers, etc.) should practice essential leadership behaviors.³ These will be immensely helpful in setting and realizing the organization's strategic direction. For each of the practices and behaviors, which are presented below, identify how the governing body member's role might vary from the work of the health manager.

1. Joan Bragar Galer et al., *Managers Who Lead: A Handbook for Improving Health Services* (Cambridge, MA: Management Science for Health [MSH], 2005).
2. Morsi Mansour et al., "Scaling up proven public health interventions through a locally owned and sustained leadership development programme in rural Upper Egypt," *Human Resources for Health*, 2010; 8(1).
3. Management Sciences for Health, *Health Systems in Action: An eHandbook for Leaders and Managers* (Medford, MA: MSH, 2010.)

1. **Scan** challenges and opportunities in the internal and external environment. Consider how a doctor reviews a patient's vital signs to get a basic picture of his or her health at the moment. Leaders recognize opportunities, challenges, and trends to gain a picture of the whole situation. They talk to as many stakeholders as possible, establish formal and informal networks, take advantage of lessons learned from past experiences, and review the current literature.
 - They should identify client and stakeholder needs and priorities.
 - They should recognize trends, opportunities, and risks that affect the organization.
 - They should look for best practices.
 - They should identify staff capacities and constraints.
 - They should know themselves, the staff, and the organization, its values, strengths, and weaknesses.

2. **Focus** attention on critical challenges. Leaders communicate these challenges to colleagues and work through them with participatory processes that encourage group members to think as individuals, act according to their beliefs, and take responsibility.
 - They should articulate the organization's mission and strategy.
 - They should identify critical challenges.
 - They should link goals with the overall organizational strategy.
 - They should determine key priorities for action.
 - They should create a common picture of desired results.

3. **Align and mobilize** the group to advance in the right direction. Leaders motivate their colleagues to address the challenges and find adequate resources to do so. By enabling others to contribute to overcoming the challenges, they often allow other leaders to emerge.
 - They should ensure congruence of values, mission, strategy, structure, systems, and daily actions.
 - They should facilitate teamwork.
 - They should unite key stakeholders around an inspiring vision.
 - They should link goals with rewards and recognition.
 - They should enlist stakeholders to commit resources.

4. **Inspire** the people around you to learn, act, commit, and create effective solutions by serving as a role model. Leaders set an example through their own attitudes, actions, commitment, and behavior.
 - They should match deeds to words.
 - They should demonstrate honesty in interactions.
 - They should show trust and confidence in staff; and acknowledge the contributions of others.
 - They should provide staff with challenges, feedback, and support.
 - They should be a model of creativity, innovation, and learning.

What are the obstacles leaders who govern are likely to experience in practicing, enabling, or developing leadership? How might those obstacles best be removed or reduced by the governing body? What are two to three practical ways to help ensure the successful accomplishment of this activity?

CREATE A SUCCESSFUL STRATEGIC PLAN

Working with senior management, the governing body should accomplish each of the important tasks presented below in order to create a successful strategic plan for their organization.

- Conduct an organizational assessment—Where are we now?
- Review or create, discuss, and state the organizational mission and vision, and ensure that everyone is comfortable with them—Where do we want to be?
- Develop goals, strategies, objectives, and action plan—How will we get there?
- Implement the strategic plan.
- Monitor implementation—How can we measure our progress?

If your organization already has a strategic plan, you can use the processes shown in Table 13.1 to update and implement the plan you already have.

TABLE 13.1 Process of creating a successful strategic plan

| Ask | Analyze |
|----------------------------------|--|
| Where are we now? | Internal and external assessment |
| Where do we want to be? | Vision, mission, goals, and objectives |
| How will we get there? | Strategy and action plan |
| How can we measure our progress? | Performance measures: monitoring, tracking, and evaluation |

IMPLEMENT THE STRATEGIC PLAN

Statements and plans that set strategic direction are only words unless they are implemented. The strategic direction needs to be operationalized and acted on by senior and middle managers. Governing bodies and their members need to make policies and exemplify behaviors that create working conditions in which managers and health workers are more likely to want to and be able to implement plans that drive the organization toward the achievement of its mission and vision.

What are the obstacles the management is likely to experience in implementing the strategic plan? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?

REPORT PROGRESS TO THE KEY STAKEHOLDERS

Setting strategic direction is a hollow promise unless the means of monitoring and reporting results are embedded in the strategic plan. An organization's progress against the plan should be measured, monitored, and reported to all key stakeholders. Leaders who govern must report objectively and transparently the progress of the organization to citizens, patients, media, and policy makers.

The governing body's oversight role includes overseeing whether the organization is making progress toward the strategic direction set by the body working with internal and external stakeholders. It has a responsibility to report this progress to the key stakeholders of the organization.

What are the obstacles leaders who govern are likely to experience in this practice or activity? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?

STEWARDSHIP OF RESOURCES

TOPICS

| |
|---|
| Steward, Raise, and Use Resources Responsibly |
| Practice Ethical and Moral Integrity |
| Build Management Capacity |
| Measure Performance |
| Use Information, Evidence, and Technology in Governance |
| Eradicate Corruption |

This section explores the need for and nature of the practice of stewarding scarce resources (human, financial, political, and technological), and principles and activities that will strengthen your organization's capacity for such stewardship.

THE CHALLENGE

As a physician, you are the recently appointed Director of a Provincial Health Department in Zimbabwe. You want to be a good steward of limited resources for health improvement. How can the governing body for your provincial health department develop smarter and more compelling business and financial plans to earn more money from the national government, foreign donors, and nongovernmental sources? What are the relative roles and contributions of the staff compared to the governing body members?

Stewardship is the ethical and efficient use of common resources in pursuit of financial outcomes. Policy-making that is both ethical and efficient is the defining feature of stewardship. Compiling, disseminating, and applying data on how resources are being used are essential stewardship functions.

The lack of ethical and moral integrity can occur in any area of the health sector. Issues could occur in the construction and renovation of facilities; purchase of equipment, supplies, and medicines; education of health professionals; or provision of

services by medical personnel and other health workers. A lack of integrity can manifest itself through bribes, kickbacks, poor performance, refusal to uphold institutional policies, absenteeism, informal payments, or theft.

Corruption in a health system results in higher costs and lower quality of care, affecting the poor the hardest if services become biased toward a society's elite. Poor women, for example, may be unable to receive critical health care services simply because they are unable to pay informal fees. Patients may not receive high-quality care. Risk of harm may exist due to substandard or counterfeit medicines, poor-quality equipment, inappropriate treatment, and inadequate training of personnel. Patients and citizens lose faith and trust in the health system and in the government if health service delivery is riddled with corruption. Moreover, the government loses its legitimacy.

STEWARD, RAISE, AND USE RESOURCES RESPONSIBLY

Health sector leaders who govern effectively: (1) define the scope and nature of resources required to implement their organizations' strategic plans; (2) raise the needed resources from diverse sources; and (3) ensure that the resources are carefully used by managers, clinicians, and health workers.

In the following section, we will see the actions that governing body leaders can adapt to their unique realities and take to engage stakeholders of their organization. To learn more, refer to the LMG Project's guide entitled *Stewarding Resources for Health System Strengthening*,¹ which presents a number of activities that may be implemented to achieve responsible stewardship. The guide also provides tools and resources to support these activities.

Every community's or country's health sector requires access to financial resources to support the provision of medicines and services. Most countries believe that they consistently lack enough resources to do all they would like to do to address both communicable and noncommunicable diseases. Sources of funding can be diverse. Examples include

- budget allocation from the Ministry of Health
- revenue from public health insurance agencies paid per person or per unit of service delivered
- donor contracts or grants
- philanthropy
- user fees charged at the point of service delivery

Effective governing body members learn about their organization's historical patterns and trends regarding funding sources, and then determine whether the funds are at sufficient levels and stability to ensure the economic health of the health system or organization.

1. Management Sciences for Health, *Stewarding Resources for Health System Strengthening: Series of Guides for Enhanced Governance of the Health Sector and Health Institutions in Low- and Middle-Income Countries* (Medford, MA: MSH, 2014). Available at: http://www.lmgforhealth.org/sites/default/files/LMG%20Stewarding%20Resources_online.pdf

Several activities can help to ensure stable sources and responsible use of resources for your organization. Of the activities listed below, which are the two or three most important for you to accomplish over the next year?

- Mobilize resources to accomplish your organization’s mission and plans and the vision and mission of the health ministry.
- Protect and wisely use the resources entrusted to you to serve the people.
- Collect, analyze, and use information and evidence for making decisions on the use of human, financial, and technical resources. Use technology to facilitate this decision-making.
- Use and advocate for using resources in a way that maximizes the health and well-being of the public.
- Update your strategic plan regularly so that it is always a realistic road map for the next three to five years and so that you can forecast the need for resources and also measure your organization’s performance.

PRACTICE ETHICAL AND MORAL INTEGRITY

Governing bodies need to ask their leaders and managers if the system or organization is receiving good “value for money.” Are the contracts to hire people, purchase pharmaceuticals and supplies, and invest in facilities and equipment being established in fair, competitive, and ethical terms?

Performance-based purchasing requires those who govern to work with the organization’s leaders to establish a culture that views the resources of the organization as owned by the people served by the organization. Since these resources are held in trust on behalf of the people and families of the community, district, province, or country, those who govern must have strong ethical and moral integrity.

The following activities are important for your governing body to aspire to, embrace, and accomplish. For each category of activities, identify one or two that are the most important in your situation. How can you implement them?

Act with Ethical and Moral Integrity

- Involve stakeholders and the public in the oversight of activities of your department or organization.
- Make policies, practices, expenditures, and performance information open to stakeholder scrutiny.
- Make all stages of plan and budget formulation, execution, and performance reporting fully accessible to the public and stakeholders.

- Make information about tender processes publicly available on the Internet.
- Introduce a code of conduct on ethics, conflict of interest rules, and whistleblower protections.

Begin with Yourself

- Demonstrate the highest standards of personal integrity, truthfulness, honesty, loyalty, and responsibility in all of your activities in order to inspire confidence and trust in your activities.
- Treat others equitably and respectfully in all aspects of your activities. Do not engage in any form of discrimination or harassment.
- Be loyal to the mission of your organization. Do not engage in any conduct that would undermine the public's trust in your organization.
- Do not engage in any activity or relationship that would create a potential or actual conflict of interest and that would adversely affect your ability to faithfully perform your public service duties. Make full disclosure of all potential and actual conflicts of interest. When in doubt whether to disclose or not, disclose all potential conflicts of interest.
- Do not solicit or accept a gift in return for an official act; do not accept any expensive gift such that a reasonable person is likely to conclude that the individual is using his or her position for private gain.

Maintain Oversight Responsibility

- Manage your organization's resources in a responsible manner that maximizes your ability to advance the organization's mission.
- Ensure that the financial results are reported in an accurate and timely manner.
- Be open, candid, and transparent about reporting financial results.
- Be an honest and faithful fiduciary and protect the funds entrusted to the organization.
- Provide members of the public who express an interest in the affairs of your organization with a meaningful opportunity to communicate with an appropriate representative.

BUILD MANAGEMENT CAPACITY

Management of scarce resources should be undertaken by experienced and effective managers, under the oversight of the governing body. Governing bodies need to invest not only in continuously developing the competencies of managers to perform the essential leading and managing practices, but also in the tools, systems, and working conditions for employees to flourish. As you govern to support management's capacity, there are several activities that can help ensure that the organization's resources are being used wisely.

Which two or three of the following activities are the most important in your situation?

- Invest in continuing education for the management team.
- Ensure that managers reorient processes toward concrete and measurable results.
- Ensure that managers focus on monitoring continuous quality improvement.
- Strengthen oversight of service delivery.
- Pay close attention to the quality of service and care provided by your organization.

What are the obstacles leaders who govern are likely to encounter in building management capacity? How might the governing body remove or reduce those obstacles? What are two or three practical ways to help ensure the successful accomplishment of this activity?

MEASURE PERFORMANCE

The wise stewardship of scarce resources requires that their flow and use be carefully measured and accounted for. Modern, disciplined, accurate, and ethical accounting and bookkeeping practices are essential to the infrastructure of well-governed health systems. Effective governing body members ask pertinent questions about patterns and trends in the costs and expenditures of their organization.

There are several activities that can help ensure the achievement of this essential practice. Of the following activities, which are most important in your situation?

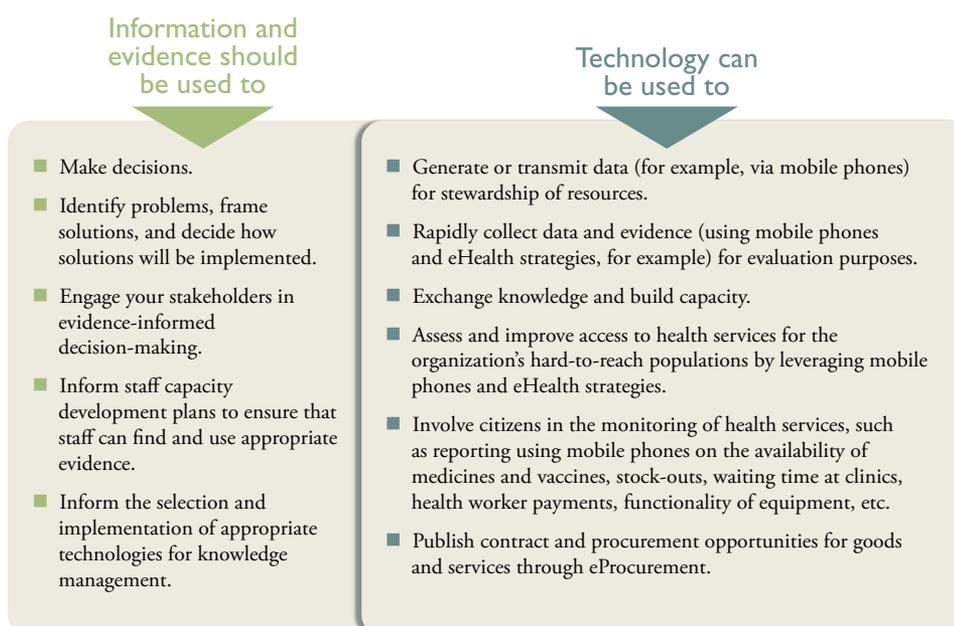
1. Ensure that managers and health providers:
 - measure performance;
 - involve stakeholders in the measurement of results;
 - consider the perspectives of users of health services when measuring results;
 - use performance information to improve services;
 - periodically review and revise the performance measures.

2. Build the skills of managers and health providers in selecting and using meaningful measures to support their decision-making.
3. Review your governance effectiveness at least annually. Regularly seek information and feedback on your own governance performance. Pause periodically for self-reflection, to diagnose your strengths and limitations and to examine your mistakes. Measure participation of stakeholders in governance decision-making; your openness, accountability, and integrity; gender responsiveness; and improvements in health system performance and health service performance.
4. Use measurement results for:
 - improving use of resources;
 - promoting your own accountability and that of your team;
 - communicating with the public;
 - evaluating, controlling, budgeting, motivating, promoting, celebrating, learning, and improving.

USE INFORMATION, EVIDENCE, AND TECHNOLOGY IN GOVERNANCE

Consider how best to support your organization's managers to use information, evidence, and technology for effective utilization of resources. Consider how these tools can best be used to facilitate governance decision-making.

FIGURE 14.1 Use of information, evidence, and technology in governance. When a governing body uses these for decision-making, quality of governance and organizational performance both improve.



What steps could you take to promote use of data, information, evidence, and technology to facilitate governance decision-making that is focused on the wise use of scarce resources?

ERADICATE CORRUPTION

Corruption is the improper use of resources for personal gain or in such a way that the achievement of the organization's mission is compromised or jeopardized. Unfortunately, corruption exists in the health sector of most nations. Good governance does not hide from this painful reality. Governing body members must ensure that they do not behave in unethical or illegal ways and should take any necessary actions to protect the organization from all forms of corruption.

Common types of corruption in the health sector include kickbacks and bribes; nontransparent tender and procurement processes; theft of drugs, supplies, and money; diversion of medicines and supplies from public facilities for resale at private facilities; abuse of public facility space; private use of time on duty; private use of resources (e.g., vehicles); and absenteeism. Corruption can be blatant, such as taking bribes, or more subtle, such as helping a relative get a job.

Fortunately, there are several activities that can help prevent corruption or mitigate its negative impact.² Which of the activities listed below are most important to reduce and eradicate corruption in your organization? What steps could your governing body take to reduce and eradicate corruption in your organization?

Ethics and Compliance Initiatives

- Train an ethics or compliance officer.
- Develop a code of conduct for governing body members and staff.
- Provide ethics training for governing body members and staff.
- Have an internal whistleblowing or ethics reporting mechanism in place.
- Make public statements by senior management.
- Conduct risk assessments.
- Offer incentives for a well-designed compliance program.

Human Resource Management

- Develop an employee performance appraisal system.
- Make changes to civil service to allow for prompt disciplinary action.
- Provide performance-based payment.
- Use a merit-based hiring and promotion system.

2. Personal communication with Professor Taryn Vian, Boston University.

Pharmaceutical Sector

- Make reforms to the drug inspection process (pay inspectors well, rotate inspectors).
- Make legal reforms to the drug registration system.
- Maintain transparency in procedures and decisions for drug registration (posting on websites, etc.).
- Maintain transparency in procedures and decisions for procurement.
- Contract out drug storage and distribution to the private sector (where there are incentives not to steal drugs).
- Invest in security systems and ways to track stolen medicines.
- Use mHealth technology to monitor stock-outs and correlate with spending on pharmaceuticals (detect anomalies).
- Use hospital-based systems to reduce theft by employees.
- Impose serious penalties for breach of ethical and legal standards.

Participation of Civil Society

- Develop social audit initiatives (citizen report cards).
- Utilize citizen complaint offices (with trained legal counselors who can solve a problem).
- Provide support for watchdog or regulatory organizations (to analyze government performance, share data, etc.).
- Encourage citizen participation in governance structures (boards, public committees).
- Provide civic training (teach people how to write a letter of complaint, etc.).
- Use satisfaction surveys (measure dissatisfaction and perceptions of corruption).
- Provide media training (development of capacity for investigative journalism; training in health policy and how to access public data for journalists).

Financial

- Use electronic cash registers (give itemized receipts, reconcile quickly with cash count, measure performance of individual fee collectors/locations).
- Use video surveillance in areas where cash transactions take place.
- Train auditors and financial staff; increase the quality and frequency of audits.
- Strengthen computerized accounting systems (including automatic payments of per diems into bank accounts of employees).

- Provide initiatives to reduce informal payments by paying staff well while concurrently increasing detection and punishment.
- Use voucher programs (to reduce informal payments).

Crime Fighting

- Employ situational crime prevention, which looks to “alter the immediate situation so as to create less favorable settings for crime, thereby altering the decisions which precede crime commission” (increases the effort it takes, reduces rewards, reduces provocations, etc.).
- Collaborate with other ministries and agencies (police, customs, anti-corruption agencies, finance).

Good Practices

- Health policy goals should include anti-corruption considerations.
- There is no “one size fits all” approach to combating corruption in the health sector.
- More than one anti-corruption intervention should be employed to deal with one risk.
- Prioritization is essential; based on evidence, governments and others involved in health services and programming should prioritize areas of the health system that are most susceptible to corruption and implement appropriate interventions.
- It is important to work with other sectors.
- Prevention is the best strategy; therefore, it is best not to wait for corruption to happen before beginning to deal with it.
- Numerous empirical diagnostic tools should be employed.
- Partners with experience in implementing anti-corruption strategies and tactics should be identified for technical support.
- Broad stakeholder participation in health policy and planning is helpful.
- Good behavior should be rewarded and bad behavior punished.

CONTINUOUS IMPROVEMENT

TOPICS

| |
|---|
| Cultivate Governance Competencies |
| Build Diversity in the Governing Body |
| Organize Governance Orientation and Continuing Governance Education |
| Develop a Mentoring Program |
| Perform Regular Governance Assessments |
| Run Effective Governing Body Meetings |
| Develop and Document Governance Policies |
| Use Appropriate Governance Technologies |
| Establish Continuous Governance Improvement |

Good governance involves constantly striving for better results and improved effectiveness. This section explores the need for and nature of continuous self-assessment and performance improvement in all governance practices and support systems. The section also presents principles and activities in the nine topics shown in the menu on the left of this page that will help you develop plans for continuous governance improvement.

THE CHALLENGE

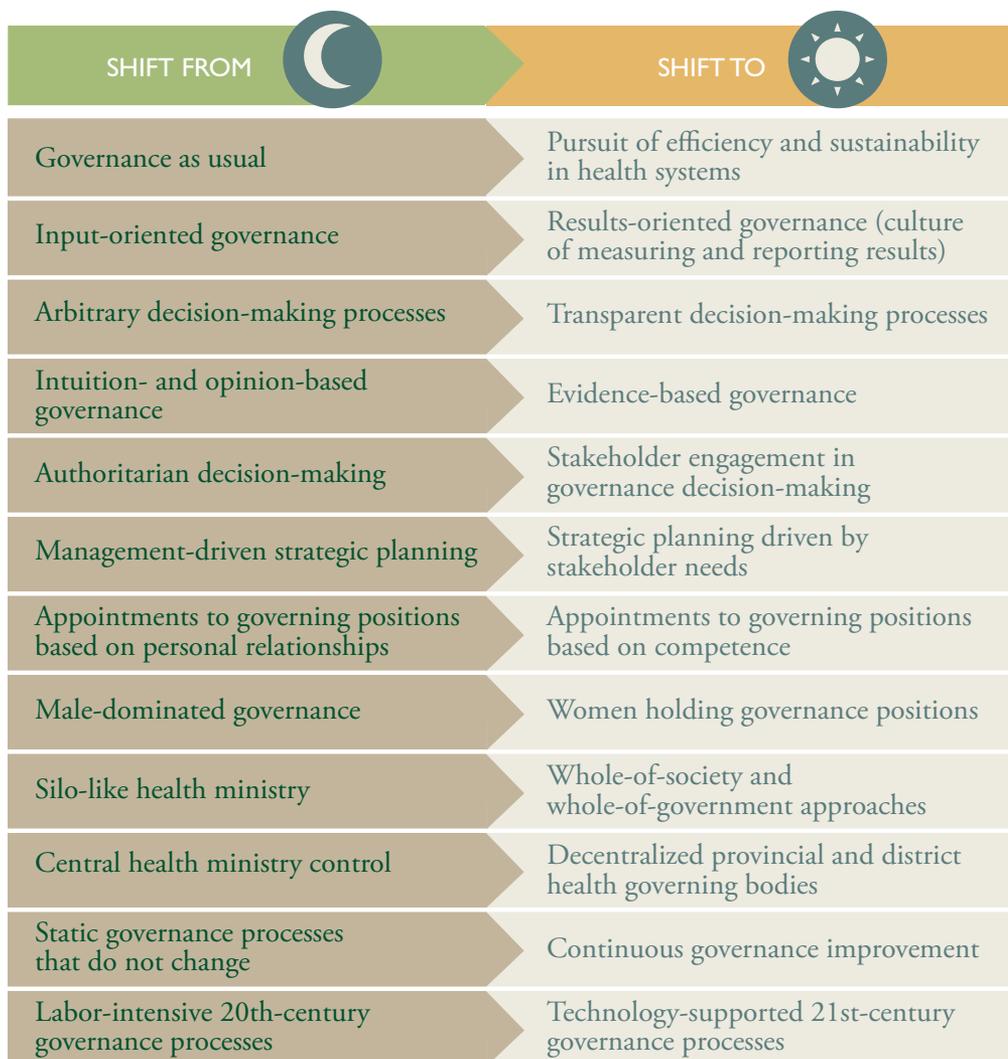
You are a schoolteacher asked to chair a taskforce to design ways to continuously improve the work of your governing body for a “food for families” program for the 20 schools in your school district in Haiti. How would you create the conditions in which annual plans for continuous improvement in governance processes are developed? How would you establish policies and processes to assess progress in governance on an annual basis? How could you tell if governance was improving?

Good governance is dynamic, always seeking ways to improve the performance of the four essential practices: cultivate accountability, engage stakeholders, set shared direction, and steward resources. Those who govern must make both an individual and a collective commitment to continuously enhance the strategies and structures of the governing practices. Experience in the health sector of low-

and middle-income countries shows that the task of continuous governance improvement requires the nine strategies listed in the topics section above.¹

In the following paragraphs, we will explore actions that governing body leaders can take and adapt to their unique realities to continuously improve governance in their organizations. As an example, we define practical ways in which a governing body can develop the confidence and competence of its members and continuously improve the systems for good decision-making. Leaders who govern need to make certain attitudinal and behavioral shifts to govern well and continuously improve their governance effectiveness. Consider the ones in Figure 15.1. To what degree are these shifts being made in your organization?

FIGURE 15.1 Essential shifts in governance. These attitudinal and behavioral shifts modernize governance and boost health system performance.



1. Zelaikha Anwari et al., "Implementing People-Centred Health Systems Governance in 3 Provinces and 11 Districts of Afghanistan: A Case Study," *Conflict and Health* 2015; 9(1):2.

CULTIVATE GOVERNANCE COMPETENCIES

Good governance is both an art and a science. Studies of high-performing governing bodies show their passion to identify, and then support the development of a set of essential knowledge, skills, practices, and attitudes. High-performing governing bodies succeed by having members with an optimal mix of competencies, experiences, and perspectives. No single member will have all of the competencies needed to protect and pursue the mission of the organization, but the governing body as a whole should encompass most of the competencies. Of the competencies found in Table 15.1, which do you believe are the most important ones for governance success in your situation?

TABLE 15.1 Governing competencies

| Category | Competencies |
|------------------------------|---|
| Personal capabilities | Ability to lead change; accountability; achievement orientation; collaboration; community orientation; impact and influence; information seeking; innovative thinking; management of complexities; organizational awareness; professionalism; relationship building; strategic orientation; talent development; team leadership |
| Knowledge and skills | Ability to run effective meetings; continuous quality and process improvement; financial planning and management; general business and finance; health care delivery and performance; human resources; trust building among stakeholders |

Source: Center for Healthcare Governance, *Competency-Based Governance: A Foundation for Board and Organizational Effectiveness* (Chicago: American Hospital Association, Health Research & Educational Trust, and Hospira, 2010).

Responsible governing body members should be able to:

- ensure that the style of their communication with governing body colleagues and with the organization's management is constructive;
- support, thank, encourage, and motivate staff;
- work to build consensus among fellow governing body members;
- trust and be supportive of the work of committees;
- enhance the quality of the work of the committee on which they serve;
- frame disagreements in a constructive manner;
- look for partnerships and networking opportunities to enhance their ideas and effectiveness;
- remember that they are serving the community's health and health care needs;

- cultivate their listening skills to hear what people are really saying;
- promote the accomplishments of the organization to nurture a good image and morale inside and outside the organization;
- be knowledgeable about recent developments in the health field;
- contribute information that supports the governing body's decision-making.

Reflect on your areas of strength and weakness in governance competencies. In view of the items listed above, how will you build your own governing competencies and governance competencies in which your governing body is deficient?

BUILD DIVERSITY IN THE GOVERNING BODY

The needs of the people whom you serve should drive governance for health. To make sound decisions about what their health needs are and then establish policies, plans, and programs to meet those needs, good governance requires the engagement of diverse stakeholders who reflect the age, gender, racial, ethnic, and religious characteristics of beneficiaries. It is particularly important for women to be well represented in the governing process because they usually comprise a significant proportion of the recipients and providers of health services.

Of the possible ways to support and enhance diversity in your governing body listed below, which do you believe are the two or three most important in your situation?

1. Define “diversity” for the governing body of your department or organization. Have in-depth conversations about diversity.
2. Make a commitment to diversity in your governing body. Draft a simple diversity statement and fulfill your commitment.
3. Have your mission statement reflect your commitment to serve ethnically and culturally-diverse people.
4. Identify and remove barriers that may prevent ethnically and culturally diverse groups from becoming governing body members. In selecting new members, consider representatives from the ethnically and culturally diverse communities you serve. Ensure that the governing body membership reflects the ethnic and cultural diversity of your community.
5. Welcome individuals of diverse backgrounds. Give responsibilities to every new member of the governing body. Give equal respect to all governing body members and have equal accountability.
6. Keep the governing body large enough to offer a diversity of views, yet small enough to be efficient in operations.

7. Maintain a skills profile for the governing body. Recruit new members based on the needed skills and characteristics that are lacking in the body as a whole. Use a tool such as governing body composition matrix to record the skills profile.
8. Develop a competency-based selection process that is matched to the strategic needs of the governing body. The process should ensure the selection of diverse, well-qualified, and dedicated people.
9. When conducting recruitment for the governing body, consult individuals, groups, or organizations that represent ethnically and culturally diverse people. Consult with your stakeholder constituencies about who might best represent their interests.

Now that you have identified the two or three most valuable ways to enhance diversity in your governing body, what steps will your governing body take to improve its diversity? How will you be effective in recruiting and engaging diverse stakeholders in your governance work?

ORGANIZE GOVERNANCE ORIENTATION AND CONTINUING GOVERNANCE EDUCATION

Wise, effective, and efficient governance does not just happen. Those who govern must invest individually and collectively to continuously improve their knowledge about how their health system or organization functions and how governance can be continuously improved. Expanding your knowledge is not a one-time effort. Your effectiveness and sense of satisfaction that your time and talents are being well used are functions of your willingness to participate in a well-designed orientation covering your role and responsibilities (your job description), followed by periodic participation in educational activities focused on governance. All governing bodies need continuing education and development of their competencies.

There are many ways to organize governance education opportunities for busy leaders. Which of the following do you believe are the two or three best ways to enhance your knowledge and effectiveness in governance?

1. There is both a formal orientation program and ongoing education program for the governing body.
2. The orientation program covers topics related to the organization (for example, the services it provides, its strategic direction, organizational structure, roles, and finances) and topics related to the role, responsibilities, and accountabilities of the governing body and its members. New members receive a thorough orientation before attending their first governing body meeting.

3. The organization's strategic challenges are what drive the ongoing education program. Each meeting of the governing body includes an education component. Governing body leaders can bring in expert consultants and facilitators to conduct educational sessions during governing body meetings. The leaders can set aside time during a meeting to discuss a publication on a topic in which the governing body may be particularly interested or a publication about an area in which the governing body lacks sufficient knowledge. Governance education should help to fill the knowledge and skill gaps in the governing body, as seen in governance self-assessments.
4. The governing body has a written policy and budget for its education and development and has an annual education plan that is reflected in the organization's budget for governing body activities and support.
5. The chair of the governing body seeks opportunities to educate the governing body and develop its leadership capacity. Committee membership and committee chair roles are used as an opportunity to build the leadership capacity of governing body members. Committee membership is reassigned after specific intervals. The position of the governing body chairperson is periodically rotated. The chair or governance committee investigates individual member's governance education or leadership development interests and provides them with corresponding opportunities.

You have identified the two or three best ways to enhance your knowledge and effectiveness in governance. What steps will your governing body take for the orientation and continuing education of its members?

DEVELOP A MENTORING PROGRAM

The governing body should have a peer-to-peer mentoring program. In such a program, an experienced member of the governing body takes responsibility for mentoring a new member. Box 15.1 contains tips for establishing a mentoring program.

BOX 15.1 Tips for establishing a mentoring program

1. Consider assigning an experienced senior mentor to existing governing body members who are serving their first term or who are not performing their roles and responsibilities well.
2. Identify the mentor and pair him or her with his or her mentee by assessing the skills and expertise of both. Identify the governance education needs of the new governing body member and include them in your pairing methodology.
3. The mentor must be sensitive to the governance education needs of the new member, specifically, what governance competencies he or she needs in order to be effective on the governing body. With a good grasp of the new member's education needs, the mentor will not appear patronizing.
4. Most new members have a wide range of knowledge and experience outside of your organization. Mentors should acknowledge this and find ways to capitalize on such assets for the benefit of the full governing body.
5. The mentor helps the new governing body member get to know his or her governing body colleagues by reviewing their individual strengths, personalities, contributions, and idiosyncrasies.
6. The mentor guards against inserting his or her personal bias into discussions about colleagues.
7. Sometimes the relationship with the mentor may not meet the needs of the new governing body member. In such a case, the new member should inform the governing body chair that the mentoring process is not working, and perhaps a new mentor can be assigned.
8. The mentor can accomplish a great deal in educating a new member by providing a context for most issues.
9. When mentoring is complete, both the mentor and the new governing body member evaluate the process.

Source: Adapted from The Governance Institute, *Elements of Governance: Board Mentoring* (San Diego, CA: The Governance Institute, 2008).

PERFORM REGULAR GOVERNANCE ASSESSMENTS

An objective and structured evaluation of how well you are performing, as well as how well the governing body and its various decision-making processes are performing, encourages continuous governance improvement. Performance reviews strengthen your capacity for continuous governance improvement.

Of the following activities, which do you believe are the two or three most important for periodic governance assessment for your governing body?

1. Continuously improve performance by conducting an annual assessment of individual members of the governing body and using the outcomes in re-appointment decisions.

2. Conduct a formal process in which the governing body evaluates its own performance. The governing body as a whole, its committees, the chair of the governing body, committee chairs, and individual members all conduct annual self-assessments.
3. Carry out periodic external or third-party assessments of the performance of the governing body.
4. Conduct one or more of the following types of assessments.
 - overall governance risk assessment
 - governing body 360° assessment (i.e., a process in which all important stakeholders give feedback about the performance of the governing body)
 - chief executive performance planning and assessment
 - surveys of overall organizational performance such as physician and health worker satisfaction survey
 - workforce satisfaction survey
 - managers' performance assessment
 - patient satisfaction assessment
 - community perception survey
 - stakeholder satisfaction survey
5. Use the assessment process to identify specific improvement opportunities for members, define specific governing body performance improvement goals, and include them in an annual plan for improvement.

You have identified two or three of the most important activities for continuous governance improvement. What concrete steps will your governing body as a whole take to assess its own performance?

Refer to [Sections 16](#) and [23](#) for details about governance self-assessments.

RUN EFFECTIVE GOVERNING BODY MEETINGS

Governance is largely conducted through meetings. Poorly designed, ill-managed, and unnecessarily long meetings will waste the time and talent of, as well as frustrate, the governing body members, most of whom are volunteers. The disadvantages of ineffective meetings include not only the loss and frequent turnover of good governing body members, but also the waste of scarce resources, and in some cases, the loss of good managers if a governing body is ineffective. Chronically ineffective meetings can also create a breeding ground for poor leadership behaviors, including corruption by those who govern, lead, or manage your health system.

Which of the strategies to improve meeting effectiveness (see Box 15.2) do you believe would yield the greatest value for your governing body meetings?

BOX 15.2 Strategies to improve the effectiveness of meetings

1. Prepare a yearly calendar to show when the discussion of major topics and decision-making about them will take place.
2. Ensure that approximately 80% of the meeting focuses on future and strategically important items, and 20% on a review of historical information. Governing body meetings are more effective if participants look at future critical issues and develop strategies for dealing with anticipated problem areas.
3. Use dashboards and graphics to review performance data. Regularly review strategic goals, to which five to seven key measurements are linked.
4. Encourage members to review materials for the governing body meeting prior to the meeting. Send minutes, committee reports, financial reports, quality reports, etc., to governing body members a few days before the meeting so they have time to review the materials. This will avoid unnecessary presentation of the content of such reports during the meeting and allow more time for discussion and planning. Use new technologies to improve the flow of ideas and information among all members and the senior management team.
5. Maintain a clear-cut purpose for each meeting through careful planning so objectives can be achieved in a limited amount of time. Circulate a well-defined agenda before every meeting and ask members at the beginning of the meeting if they have any additional items for the agenda.
6. Deal with routine matters efficiently; for example, use a consent agenda, which reserves time for the most important agenda items.
7. Have a management liaison present issues from management's perspective and its specific recommendations.
8. Schedule a short period at the end of the meeting to enable governing body members to express their views about the work they are doing. Vary the formats of meetings in order to maintain members' interest.
9. Make sure committee reports have an "easy-to-read" format, with a one-page executive summary. Fewer lengthy reports will leave more time for discussion and planning.
10. Solicit views from health workers (nurses, physicians, etc.) on the quality of staff, morale, adequacy of personnel, and new programs. Occasionally schedule presentations from people such as a patient, community leader, or competitor organization.
11. Have the governing body chair manage the progress of the meeting against the agenda and limit extraneous input, comments, and personal agendas. Build question-and-answer sessions into the agenda to get governing body members involved.
12. Educate governing body members about the fact that they have a fiduciary responsibility to act and make decisions based on what is best for the community, and not individuals or themselves. Encourage all of the members to listen, be prepared to exchange ideas, and then make decisions.
13. Include recommendations about effective and efficient meetings in the orientation and education program for governing body members.

Source: Adapted from Integrated Healthcare Strategies and the Governance Institute, *Governance Enhancement Plan: Fresh Thinking for Improved Effectiveness & Efficiency in Our Board Work* (Minneapolis, MN and San Diego, CA: Integrated Healthcare Strategies and the Governance Institute, 2008.)

For the strategies you selected, what specific steps will you and your governing body take to make your governing body meetings more efficient and productive?

Refer to [Section 25](#) for a detailed description of how to make governing body meetings more productive.

DEVELOP AND DOCUMENT GOVERNANCE POLICIES

Just as the design, delivery, and financing of health services are complex undertakings, so too is good governance. Effective governance is guided by clear and sensible policies and procedures, which are documented in a policy manual that is easy to understand and readily accessible to governing body members (see Figure 15.2).

FIGURE 15.2. Policies highlighted in this book. The governing body can set the stage for good governance by enacting governance policies in key areas.



The policy manual should be drafted by the governing body members in a consultative manner. It should cover the following topics

- role of the governing body with regard to strategic visioning and planning, quality assurance, fiscal health, management, stakeholder relations, interface with the Ministry of Health, and governance effectiveness
- position description and performance expectations for the chair of the governing body
- position description and performance expectations for the members of the governing body
- role and description of committees and advisory bodies
- position description and performance expectations for committee chairs
- annual work plans of committees

- annual meeting calendar for the governing body
- examples of governing body meeting agendas
- periodic governance assessments
- plan for continuous governance improvement

The manual should also contain policies on the following topics

- conflict of interest policy for the governing body and the staff
- code of ethics and conduct for the governing body and the staff
- whistleblower protection
- confidentiality
- record retention and document destruction
- governing body member expenses
- budgeting
- capital expenditures
- financial control policies
- investments
- financial audits
- risk management
- governing body fundraising
- sexual harassment
- nepotism

From the content lists above, which documents do you have and which do you need to prepare? What steps will your governing body need to take to draft, approve, and adopt these basic policies and procedures for governance?

Several of these policies are highlighted in other sections of this book.

USE APPROPRIATE GOVERNANCE TECHNOLOGIES

Several technologies are available that can help governing bodies practice effective and efficient governance. Many governing bodies are adopting dashboards and balanced scorecards (see [Section 11](#) on cultivating accountability). Performance dashboards can be used for management and governance in low-resource settings. Review the examples described below and identify practical activities you can undertake for your governing body.

Governance Dashboards

Dashboards are helpful for monitoring an organization's progress in fulfilling its mission and meeting its goals. Most governing bodies receive an integrated quarterly report covering program, operations, and financial issues. First, a brief narrative summarizes the past quarter's performance and directs attention to noteworthy trends. An overall dashboard report shows key indicators of financial performance, operations, service to patients, human resources, quality of care, customer service, and patient safety.

Governing body members who want more detail about a specific indicator can turn to a page in the report that shows a simple but accurate definition of the measure, an explanation of how the target was set, and another display comparing current and year-to-date performance against the target. Many indicators, such as overall patient satisfaction, are essential to performance measurement. Figure 15.3 illustrates the patient satisfaction section of a governance dashboard. This example is color-coded to show whether performance is better than expected (blue), as expected (green), or worse than expected (red).

FIGURE 15.3 Patient Satisfaction Dashboard

| PATIENT SATISFACTION DASHBOARD REPORT | | | | | |
|---------------------------------------|---|---|--|----|---|
| Measure | Q1 | Q2 | Q3 | Q4 | Year-to-date |
| Inpatient satisfaction |  |  |  | |  |
| Outpatient satisfaction |  |  |  | |  |

| DETAILED PATIENT SATISFACTION DASHBOARD REPORT | | | | |
|---|---|-------------------------|---|--|
| Q3 | Year-to-date | Measure | Key | |
|  |  | Inpatient satisfaction |  91 - 100% | Measure of patient perception of the quality of care and satisfaction with inpatient services. Score represents the mathematical mean (average) for all questions asked on the survey. Benchmark (80% and above) represents the score recommended by the ministry as indicative of high performance. |
| | | |  80 - 90% | |
| | | |  < 80% | |
|  |  | Outpatient satisfaction |  86 - 100% | In this case, patients' satisfaction with the outpatient department is scored using the method described above for inpatient satisfaction. |
| | | |  75 - 85% | |
| | | |  < 75% | |

| KEY | | | |
|---|---|--|---|
| Better than expected  | Expected  | Worse than expected  | Not applicable  |

Web Portal for a Governing Body

Governing body members need timely and convenient access to meeting-related materials. A web portal is an online website where all the materials governing body members need are stored, using high security and restricted access. The portal offers many benefits, including time savings (for example, there is no need to print voluminous materials prior

to meetings), cost savings, a better-prepared governing body because of the round-the-clock access to relevant information, and a better-educated governing body since the portal can provide access to many helpful resources.

In addition, the portal enables governing body members to communicate and share documents, and create topic-specific workspaces. It helps the governing body to perform its oversight function more efficiently. Rapid document updates are possible. The committees may also find the portal to be useful and convenient for the same reasons. The portal helps to improve the quality and timeliness of the information flow between governing bodies and the management staff they oversee. It streamlines governing body work and reduces risk by providing governing body members easy yet secure access to important information. It helps the governing body's members to communicate and collaborate effectively, improving the efficiency of the governing body's work.

The following content may be stored on the governing body web portal for easy access and use by the members.

TOOLS FOR GOVERNING BODY MEMBER DEVELOPMENT

- governing body member competencies
- competency mapping process to guide recruitment and governing body development
- governing body member orientation program
- governing body member mentoring program
- governing body member customized individual education plans
- governing body education plan and budget
- digital reference library on governing concepts and practices
- eLearning resources

TOOLS FOR PERFORMANCE ASSESSMENT OF GOVERNANCE

- governance overall risk assessment
- governing body overall performance self-assessment
- governing body member 360° assessment
- chief executive performance planning and assessment
- physician and health worker satisfaction survey and workforce satisfaction survey
- managers' performance assessment
- patient/client satisfaction assessment and community perception survey

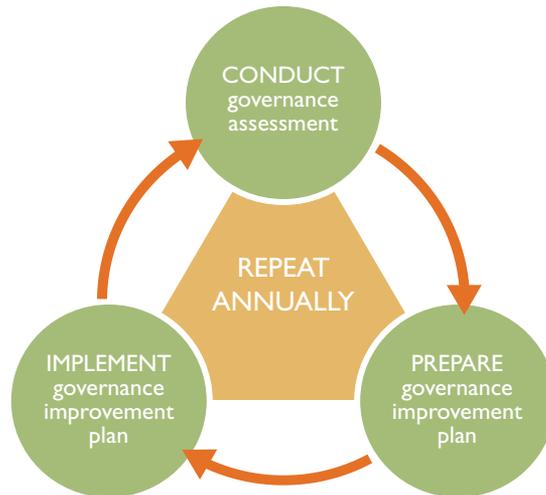
GOVERNANCE MONITORING

- governance performance indicators and metrics
- governance dashboard design and development, and design of governing body information system

ESTABLISH CONTINUOUS GOVERNANCE IMPROVEMENT

Good governance requires an interest in and commitment to continuous improvement. For this to happen, the governing body should pause at least once a year and assess its own performance and that of its chair, committees, committee chairs, and individual members. This periodic self-assessment will motivate the governing body and its members to continuously improve their governance performance. This assessment process and the action plans that result from it will enable the governing body to identify critical gaps and fill them. The process should facilitate the development of a governance improvement action plan (see Figure 15.4) that includes responsibilities, timeframes, and projected outcomes.

FIGURE 15.4 Continuous governance improvement process. The governing body should assess its own performance every year. This assessment will help to identify and fill critical gaps in governance by formulating and implementing governance improvement plans.



Which of the following strategies do you think will foster continuous improvement in the performance of your governing body?

1. Governing body members commit to being continuously educated on priority issues and come well prepared for governing body meetings and interactions.
2. The governing body assesses the organization's bylaws and structures every two or three years.
3. The governing body uses competency- and diversity-based criteria when selecting new members. A process for removing non-contributing governing body members exists and is documented.

4. Governing body members review the responsibilities of the governing body, indicate whether they think the governing body currently performs well on each responsibility or whether performance needs to improve, and identify how improvements could be achieved.
5. The governing body uses a formal process to evaluate the performance of individual members.
6. At least once a year, the governing body organizes a retreat that provides time for brainstorming and relaxed, thoughtful discussion about organizational and governance challenges, plans, and progress. The governing body reflects on its past performance and plans for improvements in the future.
7. The governing body establishes performance requirements for member re-appointment.
8. The governing body has a mentoring program for new members.
9. Governing body chair or the governance committee organizes training sessions and workshops for governing body members.
10. The governing body uses an explicit process of leadership succession planning to recruit, develop, and choose future committee chairs.
11. The chair is a champion of governing body improvement and acknowledges and celebrates good governing practices and behaviors by members, committees, task forces, and the governing body as a whole.
12. The governing body holds open discussions about plans, progress, options, and issues. Data are transformed first into information and then into intelligence for the strategic thinking and decision-making needed for bold initiatives.
13. The governing body promotes what is best for the overall integrity and vitality of the health system and its stakeholders. It maintains a focus on strategic “dashboard”-type measures of performance in areas of service quality and finance.

You have identified strategies that will help foster continuous governance improvement of your governing body. What steps will your governing body take to implement these strategies?

APPENDIX 15.1

Resources for Further Study

CDC Local Public Health Governance Performance Assessment

Centers for Disease Control and Prevention (CDC), National Public Health Performance Standards Program, *Local Public Health Governance Performance Assessment: Model Standards*, Version 2.0 (Atlanta, GA: CDC, no date). Available at: <http://www.cdc.gov/nphpsp/documents/final-governance-ms.pdf>

Centers for Disease Control and Prevention (CDC), National Public Health Performance Standards Program, *Local Public Health Governance Performance Assessment Instrument*, Version 2.0 (Atlanta, GA: CDC, no date). Available at: http://www.cdc.gov/nphpsp/documents/governance/07_110300-gov-booklet.pdf

Center for Healthcare Governance

American Hospital Association, *The Guide to Good Governance for Hospital Boards* (Chicago, IL: Center for Healthcare Governance, 2009). Available at: <http://www.americangovernance.com/resources/reports/guide-to-good-governance/>

Effective Governance for Quality and Patient Safety in Canadian Healthcare Organizations

G. Ross Baker, Jean-Louis Denis, Marie-Pascale Pomey, and Anu Macintosh-Murray, *Effective Governance for Quality and Patient Safety in Canadian Healthcare Organizations: A Report to the Canadian Health Services Research Foundation and the Canadian Patient Safety Institute* (Ottawa: Canadian Health Services Research Foundation and Canadian Patient Safety Institute, 2010). Available at: <http://www.patientsafetyinstitute.ca/English/research/PatientSafetyPartnershipProjects/governanceForQuality/Documents/Full%20Report.pdf>

Good Governance Institute

Good Governance Institute, Publications [website] (London). Available at: <http://www.good-governance.org.uk/publications/>

Governance Centre of Excellence

Ontario Hospital Association, Governance Centre of Excellence [website]. Available at: <http://www.thegce.ca/Pages/default.aspx#5>

Healthcare Quality Improvement Partnership

John Bullivant, Robin Burgess, Andrew Corbett-Nolan, and Kate Godfrey, *Good Governance Handbook* (London: Healthcare Quality Improvement Partnership and the Good Governance Institute, no date). Available at: <http://www.hqip.org.uk/assets/Guidance/GGI-HQIP-Good-Governance-Handbook-Jan-2012.pdf>

Healthy NHS Board

National Health Service England, “The Healthy NHS Board: Principles for Good Governance.” Available at: <http://www.leadershipacademy.nhs.uk/wp-content/uploads/2013/06/NHSLeadership-HealthyNHSBoard-2013.pdf>

Institute for Healthcare Improvement

5 Million Lives Campaign. *Getting Started Kit: Governance Leadership “Boards on Board” How-to Guide* (Cambridge, MA: Institute for Healthcare Improvement; 2008). Available at: <http://www.ihf.org/resources/Pages/Tools/HowtoGuideGovernanceLeadership.aspx>

IPPF Code of Good Governance

IPPF, “Code of Good Governance” (London, UK: International Planned Parenthood Federation, 2007). Available at: <http://www.ippf.org/resource/IPPF-Code-Good-Governance>

IPPF Governance Handbook

IPPF, *Welcome on Board: A Handbook to Help IPPF Member Associations Improve Their Governance* (London, UK: International Planned Parenthood Federation, 2010). Available at: <http://www.ippf.org/resource/Welcome-Board-governance-handbook>

Management Sciences for Health

MSH, *Continuous Governance Enhancement for Health Systems Strengthening* (Medford, MA: MSH; Leadership, Management, and Governance Project, 2014). Available at: <http://www.lmgforhealth.org/content/governance-guides-and-handbooks>

MSH, *Pharmaceuticals and the Public Interest: The Importance of Good Governance* (Medford, MA: Management Sciences for Health; Strengthening Pharmaceutical Systems Project, 2011). Available at: <https://www.msh.org/resources/pharmaceuticals-and-the-public-interest-the-importance-of-good-governance>

World Health Organization

WHO, *Toolkit on Monitoring Health Systems Strengthening: Health Systems Governance* (Geneva: WHO, June 2008). Draft. Available at: http://www.who.int/healthinfo/statistics/toolkit_hss/EN_PDF_Toolkit_HSS_Governance.pdf

MANAGEMENT OVERSIGHT

TOPICS

Build a Healthy Partnership between the Governing Body and the Management Team

Oversee without Micromanaging

Invest in Management and Leadership Development

Earn Mutual Trust

Celebrate the Results of Collaboration

This section presents practical ways to assess and continuously enhance the working relationships between the governing body and senior administrative and clinical leaders within your health services program or institution.

THE CHALLENGE

You are the chairperson of the governing body of the Central Medical Store responsible for the supply and distribution of essential medicines in South Africa. The management team for the Central Medical Store has given you a report that the costs of some medicines are exceeding budget targets; some are not getting out to district health posts on time and at the right quality. Some medicines may have been stolen and resold in the private sector. How should the governing body help management address these challenges, without micromanaging? What are the problems with micromanagement? How can the governing body and managers best establish mutual trust as they carry out their respective responsibilities to ensure effective management of the supply of essential medicines?

BUILD A HEALTHY PARTNERSHIP BETWEEN THE GOVERNING BODY AND THE MANAGEMENT TEAM

In theory, governing bodies govern and the management team manages. In other words, governing bodies set policy and strategic objectives and monitor the progress toward accomplishment of those objectives, while the management team is responsible for implementation of policies and strategies. In practice, however, governing bodies and management teams have both governance and management responsibilities. The two must work in partnership, governing and managing, to achieve the mission and goals of the organization, with the governing body focusing primarily on governance, including management oversight, and the management team focusing on managing day-to-day operations.

The challenge for the governing body is to ensure that it provides management oversight while avoiding micromanagement. It must focus on the “the big picture” rather than too much on details. Examples of micromanagement on the part of governing bodies might include:

- approving the choice of major equipment or software to be purchased;
- participating in preparing job descriptions for management team members (other than the chief executive);
- selecting and interviewing members for the management team (other than the chief executive);
- approving individual staff salaries (applicable particularly to civil society organizations);
- recommending or approving specific vendors;
- making recommendations about the promotion of specific staff members.

To further understand the differences between the governance responsibilities of the governing body and the management responsibilities of the management team, complete the checklist in Table 16.1 and compare your answers to the recommended ones.

TABLE 16.1 Management vs. governance sample checklist

| Overall direction (mission, vision, values) | Gov | Mgmt | Both | Recommended |
|---|-----|------|------|-------------|
| Revise mission, vision, values | | | | Governance |
| Determine annual goals | | | | Governance |
| Monitor progress on goals | | | | Governance |
| Determine strategies to achieve goals | | | | Both |
| Recommend policy | | | | Management |
| Approve policy | | | | Governance |
| Implement policy | | | | Management |
| Change bylaws | | | | Governance |
| Employ outside consultants (counsel, financial, etc.) | | | | Both |
| Ensure compliance with regulations | | | | Both |
| Strategic planning | | | | |
| Develop strategic plan | | | | Both |
| Approve strategic plan | | | | Governance |
| Approve strategic plan budget | | | | Governance |
| Approve deviations from strategic plan | | | | Governance |
| Finance | | | | |
| Approve annual operating budget | | | | Governance |
| Approve capital budget | | | | Governance |
| Approve deviations from operating budget | | | | Governance |
| Approve deviations from capital budget | | | | Governance |
| Approve senior management travel budget | | | | Management |
| Governing body effectiveness | | | | |
| Prepare and administer a governing body self-assessment program | | | | Governance |
| Prepare and approve a governing body orientation program | | | | Both |
| Recommend changes in governing body composition | | | | Governance |
| Recruit new board members | | | | Both |
| Quality of care | | | | |
| Recommend criteria for credentialing | | | | Management |
| Approve criteria for credentialing | | | | Governance |
| Recommend quality indicators | | | | Management |
| Approve quality indicators | | | | Governance |
| Establish standards for quality of care | | | | Governance |
| Monitor quality improvement program | | | | Both |

Source: Sean Patrick Murphy and Anne D. Mullaney, *Intentional Governance: Advancing Boards beyond the Conventional* (San Diego, CA: The Governance Institute, 2010).

If the main function of governing bodies is governance, why do they tend to get more involved in direct management than oversight of management? Here are a few reasons.

- Legal requirements dictate that the governing body manages certain areas. Examples include discussions of leases and contracts that require governing body approval, decisions on signature authorizations, and discussion and selection of auditors.
- Operational responsibilities may lead the governing body to get involved in some area of management. Examples include recruitment and evaluation of the chief executive, raising money, or influencing public policy.
- Lack of staff may cause governing bodies to take responsibility for management functions.
- Understaffed organizations may require more governing body management.
- The governing body loses confidence in the chief executive of the management team.
- The governing body is structured along management lines.
- The governing body has more meetings than is necessary.
- Most of the members of the governing body work daily as managers.
- Governing body members who are recruited for their professional skills perform staff roles pro bono.
- Governing body members enjoy the immediate sense of accomplishment that comes with management.

Issues with the management team's chief executive may also lead the governing body to engage in managing. Issues might include the following.

- The chief executive invites the governing body into management issues.
- The chief executive does not readily provide information the governing body needs.
- The chief executive's behavior or performance prompts the governing body to deal with management issues.

These circumstances illustrate how easy it can be for the governing body to become involved in day-to-day operations and management instead of focusing on management oversight.

The key to keeping the governing body focused on management oversight and the management team on management is a healthy partnership between the two entities. To support this partnership, the governing body should make sure that both it and the chief executive of the management team:

- have clear terms of reference that delineate their respective governance and management responsibilities (see sample terms of reference for the govern-

ing body and chief executive in [Appendix 16.1](#) and [Appendix 16.2](#), respectively);

- have annual performance objectives;
- review strategic and annual operational plans to identify areas to be addressed during the year and determine whether they will be addressed only by management, only by the governing body, or by both;
- maintain continuous and open conversation between the head of the governing body and the chief executive of the management team to assess the governing body's performance in carrying out its governance function and support the management team in carrying out its management function.

The quality of the relationship between the governing body chair and chief executive is vital to a successful partnership and should be based on the following three principles: (1) mutual respect, trust, and support for each other and the partnership; (2) reciprocal communications; and (3) shared purpose and commitment to the mission. Each individual's personal and professional biases and preferences are primary challenges in building this partnership. The key is for the two to maintain a balance between being too rigid or too relaxed as they work together on their shared and separate tasks related to the management and governance of the organization. They should identify their shared tasks, as well as a plan for implementing them, so that they both understand their roles in carrying out the tasks. This is particularly needed for fundraising and resource mobilization, where tasks are commonly shared. Avoid making assumptions about who should do what based on past experiences or perceptions.

The partnership of the chief executive and governing body chair provides the structure for a process for accomplishing tasks whereby governance and management complement and support each other through different perspectives and actions. Each entity needs to know what the other is doing. The partnership is critical for sharing information, addressing issues, and planning next steps appropriate to governance's and management's separate and collective responsibilities (see [Appendix 1.3](#)).

OVERSEE WITHOUT MICROMANAGING

Members of governing bodies should see themselves as overseers, not implementers. When governing bodies overstep the line between governance and management, they can easily become micromanagers. If you suspect that your governing body might be overstepping, ask yourself these questions:

- Would you engage in this level of detail if you were on a corporate board?
- Is the issue related to policy and strategy?
- Are you a disinterested party or motivated by personal concerns?
- Is this an issue of execution or does it raise matters of values?

If the governing body is focusing too much on short-term management issues, try taking these steps to remedy the situation.

CLARIFY EXPECTATIONS FOR THE GOVERNING BODY

- Review governing body expectations with body members, emphasizing that the governing body is responsible for governance and assuring that the organization pursues and accomplishes its mission and that it sustains itself over the long run.
- Develop work plans for the governing body that are directly linked to the organization's strategic plan and priorities.
- Assign activities to specific governing body committees that relate to policy and strategy in the strategic plan.

CLARIFY EXPECTATIONS FOR THE CHIEF EXECUTIVE

- Require that the chief executive produce information for the governing body that will stimulate strategic discussions and decision-making. Such information could include: executive summaries for action items; discussion questions; annual memoranda dealing with strategy; and institutional performance indicators.
- Require that the chief executive's performance evaluation includes assessment of his/her ability to present strategic questions and complex problems to the governing body in a way that facilitates governing body action.
- Discourage the chief executive from providing reports on operational matters to the governing body.
- Establish an "executive hour," which is a specific time that allows the chief executive to discuss critical governing body-level issues with governing body members that are not easily incorporated into the governing body meeting agenda or committee structure. This time also affords governing body members opportunities to collaborate at the highest level of the organization.

PROVIDE MEETING MATERIALS AND STRUCTURE MEETINGS TO DIRECT THE GOVERNING BODY'S ATTENTION TO MATTERS OF POLICY AND STRATEGY

- Provide governing body members with the agenda and materials for the governing body meeting (governing body packet) 10-14 days before the meeting and state the strategic importance of each agenda item included in the packet.
- Indicate which materials in the packet must be read in advance.
- Make sure that governing body meeting agendas include questions on issues of strategic importance for discussion and that governing body members receive the questions in advance in order to prepare for discussion.

- Prioritize agenda items so that the most critical issues are discussed first, ensuring that governing body members are fresh, alert, and better able to pay attention.
- Assign time intervals for discussion of governing body items so that sufficient time is dedicated to items involving policy and strategy.
- Use a consent agenda (see Box 16.1) to vote on routine agenda items, thereby lessening the opportunity for discussion of routine operations.

BOX 16.1 What is a consent agenda?

A consent agenda is the set of routine actions that require governing body approval by tradition, statute, or bylaws. The consent agenda might include approval of the minutes from the previous governing body meeting, matters related to property or contracts, personnel actions, and minor program changes. The governing body chair and the chief executive decide what to include in the consent agenda, and governing body members receive a brief explanation of each item in the information packet sent before the meeting. When the governing body meets, any member can request that an item be removed from the consent agenda for further discussion. The items remaining in the consent agenda are voted on together and without discussion.

ENABLE GOVERNING BODY MEMBERS TO MONITOR ORGANIZATIONAL PERFORMANCE AND PROGRESS

- Develop key indicators for the governing body to monitor organizational performance and ensure that the chief executive and his/her team report periodically to the governing body on the indicators. The governing body's time should be spent discussing the reasons for downward trends or low performance and actions to be taken to improve performance.

CONTINUOUSLY ASSESS THE GOVERNING BODY'S PERFORMANCE

This should include assessment of the extent to which the body maintains a focus on governance, not management. Such an assessment does not need to be complicated and can be done at the conclusion of each governing body meeting. The following questions can help with the assessment:

- At the end of each meeting ask governing body members to rate the following aspects of the meeting on a scale from 1 to 5 and discuss the results.
 - The issues covered today were
Trivial 1 2 3 4 5 Essential
 - The materials provided were
Worthless 1 2 3 4 5 Indispensable
 - Today's discussions concerned primarily
Operations 1 2 3 4 5 Strategy

- Ask governing body members to answer questions on a card or form at the end of each meeting, for example:
 - What might we have done differently to improve our meeting today?
 - In light of today’s meeting, what topics/issues should we address at the next meeting?
 - As a governing body, what was the most valuable contribution we made today to our organization?

The governing body chair and the chief executive should compile and analyze the responses and provide them as feedback to the governing body at the next body meeting. Continuous feedback provides warning signs when the governing body begins to slip into the process of meddling in day-to-day management operations so that corrective action can be taken. As governing body members become more and more accustomed to assessing their performance at the end of each governing body meeting, these mini-assessments can be done verbally.

In addition to doing assessments at the end of each meeting, governing bodies can also assess their governance performance periodically, as follows:

- Every one or two years, prepare a review of the minutes of governing body meetings and conduct a survey of body members to determine the issue(s) on which the body spent the most time throughout the year(s). Examine the issues and whether they were related to strategic directions, values and principles, and scope and quality of services, or whether they focused on rules, regulations, normal operations, routine transactions, and minor policies. Determine how much of the time was used to focus on operational versus strategic and policy issues. Depending on the results, include a governing body objective for the coming year that redirects the body’s time to governance issues, as opposed to day-to-day management.
- Conduct an annual governing body self-assessment and discuss the findings at a governing body meeting. (See [Appendix 16.3](#) for a sample governing body assessment form.) Consider what the body can do to improve and convert the actions into governing body objectives.
- Periodically supplement the governing body self-assessment with an external assessment (conducted by those who are not body members) to obtain the opinions of senior staff and other stakeholders about the governing body’s strengths and weaknesses, the value the body adds, and the costs it generates, as well as what more the governing body can do to ensure that it governs the organization effectively.

Research available from Creating the Future about why governing bodies become engaged in micromanagement sheds additional light on what to do about it.¹

1. Hildy Gottlieb, “Why Boards Micro-Manage and How to Get Them to Stop” (ReSolve, Inc., 2001). Available at: http://www.help4nonprofits.com/NP_Bd_MicroManage_Art.htm

INVEST IN MANAGEMENT AND LEADERSHIP DEVELOPMENT

Since the role of the chief executive is to manage the organization, it is the governing body's responsibility to ensure that he/she has the management skills to do the job well. The governing body has four opportunities to identify the chief executive's need for management and leadership development:

- when the chief executive is interviewed for the position and his/her strengths and weaknesses as a manager are identified
- as the chief executive carries out his/her duties and the governing body is able to observe management and leadership skills in which he/she needs further development
- when the organization embarks upon a new initiative that requires specific management and leadership skills that may not be the chief executive's strongest
- during the chief executive's annual performance review, when both the governing body chair (or executive committee) and the chief executive together review the chief executive's performance and identify management and leadership skills that need strengthening

Performance Assessment of the Chief Executive

Like any other staff member, the chief executive should participate in a performance assessment. However, unlike other staff members, he/she participates in a review conducted by the governing body (usually the executive committee or an ad hoc board committee formed for purposes of the performance assessment), led by the body chair. Box 16.2 presents principles to guide this process. See [Appendix 16.4](#) for a sample form for assessing the performance of the chief executive.

BOX 16.2 Principles of performance assessment of the chief executive

Performance reviews of the chief executive (whether annual and less formal, or less frequent but more formal and comprehensive) work best when guided by these four principles:

1. The primary purpose of the performance review is to help the chief executive perform more effectively. To keep the process healthy and constructive, compensation and contractual renewal decisions should not be considered the sole or primary purpose for conducting the review.
2. The chief executive should be consulted on the process to be used for the performance review.
3. The chief executive's and governing body's performance are interdependent. The governing body should also assess its own performance.
4. The governing body is responsible for conducting the performance review of the chief executive, while the chief executive is responsible for the performance review of senior staff.

Source: Cathy A. Trower, Govern More, *Manage Less: Harnessing the Power of Your Nonprofit Board*. Second edition (Washington, DC: BoardSource, 2010).

Once the governing body has identified the chief executive's management and leadership areas or skills that need strengthening, it can put together a performance improvement plan for the chief executive. The plan should include activities to develop the chief executive's management and leadership capacity. The costs of the activities are included in the annual budget.

Management and leadership development of the chief executive may take two forms—training and coaching—as described below.

Training the chief executive. The chief executive can obtain training through short-term courses, in person or online. Areas in which the chief executive might need to strengthen his/her skills include fundraising, working with the governing body, and specific leadership skills. BoardSource² offers a number of online courses and webinars for chief executives (as well as board members) related to their governance responsibilities.

Coaching the chief executive. As part of the governing body's responsibility to support the chief executive, the body chair should continually coach him/her. Governing body members with coaching skills and specific expertise can be assigned to coach the chief executive in areas that need strengthening. The governing body can hire professional coaches to provide management and leadership development support. The case study in Box 16.3 tells how a professional coach was used to improve the performance of the Executive Secretary of a Country Coordinating Mechanism for the Global Fund to Fight AIDS, Tuberculosis and Malaria.

2. BoardSource, Trainings (Washington, DC: BoardSource, 2015). <https://www.boardsource.org/eweb/dynamicpage.aspx?webcode=TrainingandEvents>

BOX 16.3 Coaching to improve the performance of the leadership of a Country Coordinating Mechanism

The Country Coordinating Mechanism (CCM) of a country in Latin America was experiencing difficulties in carrying out CCM functions and requested technical assistance (TA) to overcome them. One of the challenges the CCM was facing, and particularly the CCM Chair, was the difficult relationship between the CCM Chair and the CCM Executive Secretary, as well as the Executive Secretary and the CCM's government sector. The Executive Secretary's poor relationship with the Chair and government sector affected the quality of communication with CCM members, Principal Recipients and the Global Fund, the proper functioning of the CCM, and, ultimately, management of grants in which the government was the Principal Recipient.

After separate interviews with the CCM Chair and the Executive Secretary, the TA team suggested to the Chair that the Executive Secretary be coached by one of the team members, who was a professional coach accredited by the International Coach Federation. The Chair concurred, and the Executive Secretary readily agreed to being coached.

The methodology used was based on coaching conversations, using a model that focuses on aspirations, realities, alternatives, and actions. Coaching of the Executive Secretary took place over a six-month period, during 10 individual face-to-face or virtual sessions.

In the first session, which lasted two hours, the Executive Secretary was introduced to the coaching process and code of ethics, particularly in regard to the confidentiality of the process. All aspects of the Executive Secretary's life, and particularly the Executive Secretary's relationship with work (the CCM), were reviewed so that the Executive Secretary could identify objectives for the coaching and the expected results. The Executive Secretary decided to focus on improving communication between the CCM Secretariat and the CCM Executive Committee, particularly the CCM Chair. The remaining coaching sessions each focused on a specific aspect of the objective identified during the first session. Each session ended with an action plan (tasks and targets) that the Executive Secretary would carry out.

From the coach's viewpoint, the coaching process was very successful. The Executive Secretary showed enthusiasm during the coaching sessions and kept commitments (tasks and targets) for the following session. The CCM Executive Secretary also viewed the coaching process as successful, commenting: "Once I realized that the role of the CCM Secretariat is to advise rather than direct the Chair, our communication became easier and our relationship became one of mutual trust and acceptance. The impact of having received coaching has also made it possible for me to continue to work with ease and self-assurance with successive Executive Committees, now that I am aware of the pitfalls of the Chair-Executive Secretary relationship."

From the viewpoint of the CCM Chair, the coaching process was also a success. The Executive Secretary's communication with the Chair improved greatly as a result of coaching.

EARN MUTUAL TRUST

The relationship between the governing body and the chief executive is one of mutual trust and respect that must be earned and sustained. The two must work together, maintaining open communication about their mutual expectations, and understanding of the distinction between the governing body's primary function of governance and the chief executive's duty to manage the organization.

Candid conversation about the performance of the chief executive should take place throughout the year, rather than only during the annual performance review. The gov-

erning body chair plays an important role in ensuring constant and open communication, since he/she is usually the spokesperson for the body in matters relating to the chief executive's performance.

The governing body chair provides both good and bad news to the chief executive, and vice versa. In fact, an agreement of “no surprises” between the two is a smart practice and helps to deal with performance and organizational problems before they become crises.

The governing body chair and chief executive respect each other's complementary responsibilities. Yet they also have shared responsibilities, such as preparation of meeting agendas, committee assignments and activities, governing body member cultivation and recruitment, governing body retreat planning, and other governing body undertakings.

One of the governing body's main responsibilities is to support the chief executive (see Box 16.4). In fact, the governing body, starting with its top leader, is the chief executive's most significant source of support. Moreover, the quality of the relationship between the chair and chief executive is paramount to a high-performing governing body and retention of the chief executive, and it affects the relationship with the entire body.

BOX 16.4 How the chair of the governing body can support the chief executive

The chair of the governing body can support the chief executive by:

- being predictable when reacting to and addressing challenges;
- encouraging the chief executive to be decisive;
- standing by the chief executive when constituencies are opposed to certain decisions;
- providing encouragement when needed;
- responding to requests for help.

After the governing body chair, the body executive committee (or the body's elected officers) is the second line of support for the chief executive. They look after the chief executive, identifying ways in which the governing body can support him/her, understanding issues of concern, and monitoring his/her morale. Use the following checklist to ensure that the chief executive³

- receives frequent, substantive, and constructive feedback (not just at the time of the annual performance review)
- receives proper compensation as recognition of good performance
- has confidence that the governing body chair will intervene with any governing body members who may misunderstand or abuse their positions
- believes that on-the-job performance is being assessed fairly and appropriately

3. Adapted with permission from *Ten Basic Responsibilities of Nonprofit Boards* by Richard T. Ingram, a publication of BoardSource. For more information about BoardSource, call +1 800-883-6262 or visit www.boardsource.org. BoardSource ©2009. Content may not be reproduced or used for any purpose other than that which is specifically requested without written permission from BoardSource.

- is introduced by governing body members to key community leaders who can assist and support the organization
- is invited to speak at significant or high-profile functions
- receives compliments for exceptional initiatives
- is encouraged to use professional and personal leave time for rest, relaxation, and renewal
- feels that the governing body chair is aware of and sensitive to any personal situation or needs and respects the confidentiality of their private conversations

In the same way that the governing body chair and the chief executive agree to “no surprises,” the full governing body also abides by this guideline. The chief executive should be the first to know about governing body dissatisfaction with executive management or leadership, before hearing about it from outsiders. Similarly, the body chair and the full governing body should be the first to hear about organizational problems, before hearing them from others or reading about them in the news. Open communication in this manner gives the chief executive the opportunity to correct problems and make improvements before they negatively impact the organization.

CELEBRATE THE RESULTS OF COLLABORATION

Celebrate successful collaboration between the governing body and the chief executive. Every chief executive enjoys hearing compliments from the governing body on a job well done. Similarly, body members want to hear from the chief executive that their contributions make a difference to the organization. In the same way that the governing body and chief executive are candid with each other about problems and issues that might arise, they should also joyfully recognize successes and results obtained. Opportunities to celebrate might include:

- the launch of the organization’s strategic plan in which governing body and staff participated;
- dissemination of the organization’s annual report that demonstrates results achieved;
- completion of the chief executive’s annual performance review of the good work accomplished;
- announcement of a significant new funding source or revenue stream for the organization that the governing body played a significant role in developing;
- completion of the governing body chair’s term of service and recognition of his/her efforts.

Working together, the governing body and the chief executive can ensure that the governing body focuses on governance while providing oversight to management. In organizations where the body governs and monitors management, governing body discussions will be more meaningful, governing body and committee meetings will be more interesting,

and governing body members will contribute more and be more satisfied. The enhanced engagement of body members will lead to better decision-making and greater commitment, including increased moral and financial support, and a healthier organization.

In regard to management oversight, discuss the following actions with governing body leaders to adapt them to your unique realities.

- If your governing body tends to micromanage, discuss with the body and with the chief executive what body members perceive as the responsibilities of the governing body and the responsibilities of management. Clarify expectations.
- Routinely evaluate governing body meetings to assess to what extent the meetings focus on issues that are strategic to the organization versus operations.
- Conduct an annual governing body assessment.
- Establish performance objectives for the chief executive and schedule a performance assessment. Use the performance assessment to identify needs for management development of the chief executive. Consider training or coaching for the chief executive.
- If your governing body is having difficulty working with the chief executive, discuss what the body can do and what the chair can do specifically, to better support the chief executive.
- Identify a particular achievement of the governing body working successfully with the chief executive. Celebrate the achievement!

APPENDIX 16.1

Terms of Reference for a Governing Body (sample)

(See also [Appendix 1.1](#))

Responsibilities

- Approve the organization's mission and review management's performance in achieving it.
- Annually assess the ever-changing environment and approve the organization's strategy to be responsive.
- Annually review and approve the organization's funding plans.
- Review and approve the annual financial goals.
- Annually review and approve the organization's budget.
- Approve major policies.

Organization

- Elect, monitor, appraise, advise, stimulate, support, reward, and, if deemed necessary or desirable, change top management. Regularly discuss with the chief executive matters that are of concern to that person or to the body.
- Annually approve the performance review of the chief executive and establish compensation based on recommendations of the executive committee and governing body chair.
- Ensure that management succession is properly planned.
- Ensure that the organizational strength and employee base can substantiate long-range goals.
- Approve appropriate compensation and benefit policies and practices.
- Propose a slate of prospective trustees to members and fill vacancies as needed.
- Determine eligibility for and appoint members to governing body committees in response to recommendations of the executive committee.
- Annually review the performance of the governing body (including its composition, organization, and responsibilities) and take steps to improve its performance.

Operations

- Review results achieved by management as compared with the organization's mission and annual and long-range goals. Compare performance to that of similar organizations.
- Verify that the financial structure of the organization will adequately support its current needs and long-range strategy.
- Provide candid and constructive criticism, advice, and comments.

- Approve the organization's major actions, such as capital expenditures on all projects that are over authorized limits and major changes in programs and services.

Audit

- Ensure that the governing body and its committees are adequately informed of the financial condition of the organization and its operations through reports or any appropriate method.
- Ensure that published reports properly reflect the operating results and financial condition of the organization.
- Ensure that management has established appropriate policies to define and identify conflicts of interest throughout the organization and is diligent in its administration and enforcement of those policies.
- Appoint independent auditors subject to approval by governing body members.
- Review compliance with relevant material laws affecting the organization and its programs and operations.

Source: Barbara Lawrence and Outi Flynn, Role of the Board, Sample #3, in *The Nonprofit Policy Sample*, 2nd ed. (Washington, DC: BoardSource, 2006).

APPENDIX 16.2

Terms of Reference for a Chief Executive (sample)

Position Summary

The chief executive is responsible for the overall administration and management of [name of organization], including service programs, fundraising, and business operations. Areas of responsibility include planning and evaluation, policy development and administration, personnel and fiscal management, and public relations. This is a full-time position, hired by and directly accountable to the board of directors through its elected board chair.

Responsibilities

1. Management and administration
 - Develop and facilitate an active planning process.
 - Develop organizational goals and objectives consistent with the mission and vision of [XYZ].
 - Develop and administer operational policies.
 - Oversee all programs, services, and activities to ensure that program objectives are met.
 - Oversee business development.
 - Ensure compliance with funding sources and regulatory requirements.
 - Provide information for evaluation of the organization's activities.
2. Fiscal
 - Develop, recommend, and monitor annual and other budgets.
 - Ensure effective audit trails.
 - Approve expenditures.
 - Provide for proper fiscal record-keeping and reporting.
 - Submit monthly financial statements to the board of directors.
 - Prepare and submit grant applications and funding proposals as appropriate.
3. Personnel
 - Administer board-approved personnel policies.
 - Ensure proper (legal) hiring and termination procedures.
 - Oversee any and all disciplinary actions.
 - Provide for adequate supervision and evaluation of all staff and volunteers.
4. Relations with the Board
 - Assist the board chair in planning the agenda and materials for board meetings.
 - Initiate and assist in developing policy recommendations and in setting priorities.
 - Facilitate the orientation of new members of the board.
 - Work with the board to raise funds from the community.
 - Staff committees of the board as appropriate.

5. Public relations

- Serve as chief liaison with specific community groups.
- Ensure appropriate representation of [name of organization] by all employees.
- Coordinate representation of [name of organization] to legislative bodies and other groups

Adapted from BoardSource, Chief Executive Job Description 2 (Washington, DC: BoardSource, 2013. From BoardSource at 1-877-892-6273 or e-mail learningcenter@boardsource.org).

APPENDIX 16.3

Performance Assessment for a Governing Body (sample)

Instructions

Using your experience and/or involvement with the governing body, please rate each characteristic on a scale of 1 to 5. Ideally, compare responses among your governing body colleagues and use the information to help determine priorities for attention.

Strongly Agree Agree Disagree Strongly Disagree Do Not Know
5 4 3 2 1

| Characteristic | Rating |
|--|--------|
| 1. The governing body develops and maintains a longer term vision and clear sense of direction for the organization. | |
| 2. Governing body members ensure the prevalence of high ethical standards and understand their legal obligations. | |
| 3. The governing body ensures effective performance through sound information. | |
| 4. The governing body ensures financial and organizational health of the organization. | |
| 5. The governing body recruits, sets objectives, and evaluates the performance of the chief executive. | |
| 6. The governing body ensures sound relationships with key external bodies. | |
| 7. The governing body ensures sound relationships with members and clients and provides opportunities for them to influence key initiatives. | |
| 8. The governing body manages risk effectively. | |
| 9. The governing body maintains accountability. | |
| 10. The governing body ensures the soundness of the governance system. | |
| 11. The governing body has effective board chairs and committee chairs. | |

Source: Institute on Governance (IOG), *Board Self-evaluation Tool* (Ottawa: IOG, no date). Based on IOG's 11 characteristics of high-performing boards.

APPENDIX 16.4

Performance Assessment for a Chief Executive (sample)

Instructions

This questionnaire has been designed to solicit input from members of the governing body on the performance of the chief executive. Please complete Parts A and B of the questionnaire assessing the chief executive's performance. It should take you 30 to 60 minutes to complete. To encourage candor, the questionnaire does not ask for your name. Your confidential responses, along with the responses of your colleagues, will be summarized on Part C of the questionnaire and shared with the chief executive at a meeting with a small committee of the board.

The questions measure your level of satisfaction with how the chief executive is carrying out various aspects of his/her responsibilities. Indicate the degree to which you are satisfied or not satisfied with the chief executive's performance for each responsibility mentioned by circling one answer: exceptionally satisfied, satisfied, or very dissatisfied. You also have the option of answering "unable to assess." If you think a particular question is not applicable, feel free to skip it.

At the end of each section and at the conclusion of the assessment there are a number of open-ended questions. Please take the time to answer these questions, because your responses will be especially helpful when the board and chief executive look for ways to strengthen the chief executive's performance and the organization as a whole.

Part A. Organizational Responsibilities

I. Vision, Mission, & Strategy

How satisfied are you that the chief executive has a clear understanding of the mission and strategy of [NAME OF ORGANIZATION] and plays a key role in translating that mission into realistic action?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

2. Achievement of Results

How satisfied are you that the chief executive has accomplished the objectives and priorities set by the governing body for the performance period?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

3. People Management

How satisfied are you that the chief executive has selected and developed qualified staff and built morale among staff, volunteers, and clients?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

4. Program Management

How satisfied are you that the chief executive has appropriate knowledge of the organization programs and services, and provides suitable oversight for the provision of high-quality programs and services?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

5. Effectiveness in Fund Raising and Resource Development

How satisfied are you that the chief executive is an effective fundraiser, working well with all constituencies and donors to generate needed resources for the fulfillment of [NAME OF ORGANIZATION]'s mission?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

6. Fiscal Management

How satisfied are you that the chief executive is knowledgeable regarding financial matters, and has established a system that allows for accurate accounting and informed financial decision-making?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

7. Operational Management

How satisfied are you that the chief executive has ensured that the organization has suitable systems, policies, and processes for: accounting and fund management, human resources management, office space, information technology, and risk management?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

8. Governing Body / Staff Relationship

How satisfied are you that the chief executive works effectively with the board, maintaining good communications and a collegial, professional environment?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

9. Other Expectations

How satisfied are you that the chief executive has responded appropriately to unanticipated or difficult situations, and to those specific challenges associated with the unique mission of [NAME OF ORGANIZATION]?

| | | | | |
|----------------|-----------|-------------|------------------|------------------|
| Very Satisfied | Satisfied | Unsatisfied | Very Unsatisfied | Unable to Assess |
| 5 | 4 | 3 | 2 | 1 |

Please comment:

Part B. Personal Leadership Qualities

1. How satisfied are you that the chief executive is knowledgeable regarding financial matters, and has established a system that allows for accurate accounting and informed financial decision-making?

Please comment:

2. What are the areas in which the chief executive would most benefit from additional development of skills or knowledge?

Please comment:

3. In what ways does the chief executive make a unique contribution to [name of organization] because of the person he/she is?

Please comment:

Part C. Overall Assessment (to be completed by the committee responsible for the assessment)

| |
|--|
| 1. Narrative Summary of Performance |
| |
| 2. Affirmation of Strengths and Achievements |
| |
| 3. Discussion of Gaps |
| |
| 4. Suggestions for Professional Development |
| |

Source: Berkeley Development Resources, *Evaluation of the Chief Executive: A Briefing for Non-Profit Boards of Directors* (Toronto, ON: Berkeley Development Resources, no date). Adapted with permission. Available at: <http://www.bdrconsultants.com/>

MEMBER RECRUITMENT

TOPICS

Recruitment, Appointment, or Election of Governing Body Members

Term Limits: Pros and Cons

Compensation and Voluntarism

Building Recruitment Networks

Connecting with Traditionally Marginalized and Excluded Populations

This section examines ways to find and recruit the right people to serve on a governing body, even if they are appointed by government leaders beyond your direct control.

THE CHALLENGE

The chairperson of a governing body of a Provincial Health Council has asked you to recruit five new members to a task force on reducing maternal mortality rates for the coming three years. Since there are few experts in obstetrics and maternal health in the region, how can you find and convince community leaders to serve and be effective in this task force?

RECRUITMENT, APPOINTMENT, OR ELECTION OF GOVERNING BODY MEMBERS

The composition of your governing body is a critical factor in governing your organization successfully. Making sure you have the right people is one of the most important steps in building an effective governing body. Governing body members are recruited, appointed, or elected, as determined by organizational bylaws or governmental statutes.

Recruitment of Governing Body Members

Recruitment of members is the first step in developing a high-performing governing body and perhaps one of the most important governing body development activities. Most civil society organizations form their governing bodies through recruitment of members. Recruiting its own members gives the governing body control over who sits on the body, ensuring that its members have the necessary skills and backgrounds to govern the organization.

Identifying the skills you need on the governing body. Whether you are setting up a governing body for the first time or filling vacancies, you need to be strategic in your recruitment of members. You must understand the work of your governing body and the expertise it needs to carry out the work. The governing body's members should be diverse so that as a group they represent the community your organization serves.

Identifying the right candidates with the appropriate skills is not an annual event but rather an ongoing activity, often led by the governance committee (if you have one) or another specific committee charged with the recruitment of governing body members. Having an organized recruitment process in place allows your organization to cultivate potential members over time and thus be ready to fill vacancies when they arise.

Identifying the right people to serve on the governing body. An organization seeking governing body members should look for individuals with the following traits.

- **Experience:** Has the individual served on other voluntary governing bodies?
- **Achievements:** Has the individual proven to be successful in public service, business, or a profession, or in representing a specific constituency?
- **Skills:** What talents does the individual bring to the governing body? Do they complement the skills of other members? Do they fill any gaps in existing members' skills?
- **Personal qualities:** Does the individual listen well, and does she or he have the ability to prioritize issues?
- **Integrity:** Does the individual exemplify high ethical and moral standards in personal and business life?
- **Commitment:** Will the individual remain committed to the organization and governing body over the long term?
- **Objectivity:** Is the individual sufficiently independent so that she or he can consider issues from an open and unbiased perspective?
- **Willingness to be trained:** Is the individual receptive to learning and being trained about the organization and about his/her responsibilities as a member of the governing body?
- **Availability:** Can the individual devote adequate time to serving on the governing body?

See [Appendix 2.1](#) for more information on the traits needed for key governance players.

Selecting governing body members. When searching for new members, the chief executive and current members can use the following six-step method to determine the skills and attributes that are needed on the governing body and to help them to select the final candidates. See Figure 17.1 for a brief overview of planning.

FIGURE 17.1 Questions to ask when recruiting governing body members. Recruitment of competent people will help the governing body govern well and contribute to higher organizational performance.

Key questions to ask when recruiting governing body members

- To accomplish our mission, what are the most important knowledge, skills, and attitudes we need among our members?
- What are the biggest challenges and obstacles we will likely face in the next 2-3 years? What experiences and competencies do we most need among our members?
- To achieve our goals over the next 3 years, what actions, relationships, and investments will be most essential to our success? What relationships and behaviors do we most need among our members to help lay these foundations?

Step 1: Identify the skills and attributes the governing body needs, based on the key issues and decisions the organization is likely to face over the next three to five years. Use this assessment to identify the skills, attributes, knowledge, perspectives, and connections that will be necessary to address these issues.

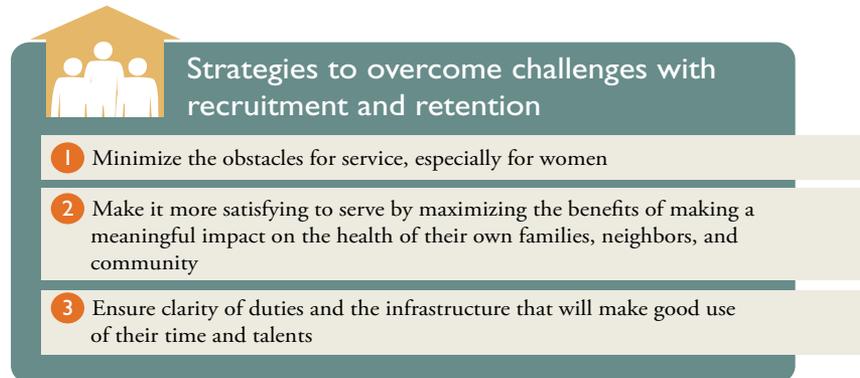
Tip: To identify the skills and attributes needed on the governing body, many governing bodies use a matrix. You can adapt the matrix in [Appendix 17.1](#) to your needs.

Step 2: Identify the skills and attributes of current members of the governing body. Develop a profile of their skills and attributes and identify additional skills and attributes that are needed to complement those of the current members.

Step 3: Develop criteria for selecting new members. Based on the needs identified in Step 2, prioritize the skills and expertise the governing body is seeking and focus on these in your recruiting efforts. Ensure diversity by including men and women of various ages and with different skills, professional backgrounds, financial situations, and cultural and ethnic backgrounds.

Step 4: Recruit and cultivate prospective candidates for the governing body. Identify qualified and interested candidates and make recommendations to the governance committee (or other committee assigned to governing body member recruitment). Note that cultivation of prospective members is a continuous process. You should have several prospects waiting to fill vacancies. See Figure 17.2 for some strategies for finding candidates.

FIGURE 17.2 Strategies to overcome challenges with member recruitment and retention. These strategies will help the governing body to recruit and retain competent members.



Step 5: Select new governing body members. The governance committee (or other committee assigned to recruitment of members) should interview any promising candidates and make a short list of final candidates for presentation to the full governing body. The full governing body selects the new members.

Step 6: Orient and involve new governing body members. Once chosen, they should receive an orientation to the organization (see [Section 18](#)) and a full explanation of their role and responsibilities as governing body members.

Appointment of Governing Body Members

Governmental agencies or organizations frequently appoint their governing body members. Governing body members can be appointed by name or by virtue of their affiliation or position within an organization. For example, the governing body of the Health Services Commission of Lagos State in Nigeria appoints its five members by name. In contrast, three of the ten members of the board of trustees of the Joint Clinical Research Centre (JCRC) in Uganda are appointed by JCRC's founding organizations: the Uganda Ministry of Health, Makerere University Medical School (now College of Health Sciences), and the Ministry of Defense.

When members are appointed, the governing body does not control its composition. Board appointments (made by non-members of the governing body) can thus be used to appoint friends and relatives or to return political favors, without regard to the skills and expertise that are needed on the governing body. Appointed members who do not have

the qualifications to be able to contribute to the work of the governing body undermine its ability to govern.

Before governing body members are appointed by non-members (who may not understand or recognize the experience that is needed on the governing body or who may want to influence its composition in their own self-interest), follow the guidelines below to help ensure that newly appointed members have the proper skills and expertise to serve effectively on the governing body:

- Determine the skills and expertise needed on the governing body.
- Develop objective, verifiable criteria for appointment of members of the governing body, explaining the rationale for them.
- Present the criteria and rationale to government officials (or others) responsible for appointment of members to the governing body.
- Mobilize stakeholders, including civil society, to advocate among government officials for formal adoption of the criteria to appoint governing body members.

These guidelines may not be adopted, however. Tools that a governing body can use to deal with troublesome governing body members include a code of conduct (see sample in [Appendix 17.2](#)), a signed governing body member agreement (see sample in [Appendix 17.3](#)), and an attendance policy for governing body meetings (see sample in [Appendix 17.4](#)).

Election of Governing Body Members

Some governing bodies, such as membership associations, elect their members. Members of Country Coordinating Mechanisms (CCMs), which govern Global Fund grants in response to HIV & AIDS, tuberculosis, and malaria in many countries, are also elected by their constituencies. Each CCM determines which constituencies should be represented on the CCM, and each constituency holds elections for members and alternates.

Governing bodies whose members are elected can better assure that their members have the qualifications to contribute to the governing body by recommending or requiring specific skills and/or attributes of elected governing body members. CCMs, for example, are increasingly using terms of reference specific to each constituency represented on the CCM. The terms of reference state the criteria that the constituency should take into consideration in electing its representatives. See [Appendix 17.5](#) for a sample terms of reference for a CCM member elected to represent the women's constituency.

TERM LIMITS: PROS AND CONS

Should governing body members have term limits?—that is, should the organization limit the number of terms that a member can serve on the governing body? Arguments in favor of term limits are based on the fact that, while governing body membership can be exciting and challenging in the beginning, members may lose this enthusiasm over time. For this reason, many people believe that governing body members should be replaced at the end of their terms by new members with fresh insights and ideas.

Rotating members on and off the governing body using term limits has the following benefits.¹

- possibility to work with active community members who can devote only a few years to service
- easier inclusion of diversity into the board structure and keeping in touch with constituents
- built-in balance of continuity and turnover
- rotation of committee assignments
- fresh ideas and new perspectives
- regular awareness and positive attention to changing group dynamics
- opportunity for the board and the retiring board member to reassess mutual willingness to continue working together
- easy exit for passive and ineffective board members
- mechanism for dismissing troublesome board members
- possibility to enlarge the circle of committed supporters by keeping retired board members involved

Arguments against setting term limits are related to loss of expertise and organizational memory. New members, however, may bring new expertise to the governing body. Organizational memory, from the governing body's perspective, lies in the governing body handbook, revised and approved over the years, and in well-documented meeting minutes.

The majority of governing bodies set term limits for their members. A common practice is to stagger member rotation, such that, for example, a third of governing body members rotates each year. A staggered system provides consistency among members, making it easier for new members to understand the governing body's culture and the organization's expectations.

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COMPENSATION AND VOLUNTARISM

Members of governing bodies can serve as volunteers or they can be compensated financially for governing body service. Whether they are volunteers or receive compensation is largely determined by local custom. In most regions of the world, governing body service in nonprofit organizations is a volunteer activity, since, according to the basic tenets of nonprofit law, governing body members should not profit or benefit financially from the organization.

Compensation of governing body members is more common in complex nonprofit organizations, such as health care systems or large foundations, or where members' responsibilities are unusually demanding or time-consuming. When fees are paid to members, they should be commensurate with market price, since paying excessive fees could cause a nonprofit organization to be fined or lose its tax-exempt status. When considering whether or not to compensate its members, the governing body should take into consideration the perception and possible reactions of donors. Donors, whether funding agencies, grant-making organizations, or individual donors, generally expect their financial support to be used on programs and services.

As a collective body, the governing body is responsible for advancing the organization's mission, making sure it has adequate resources, protecting those resources, and providing oversight for their use. Providing governing body members with compensation can cloud their judgment, causing them to put their personal interests before those of the organization. In those organizations in which governing body members receive compensation, it is good practice to have the compensation established by outsiders or by governing body members who lack conflict of interest with regard to the compensation arrangement.

Issues of governing body member compensation and reimbursement, as well as business relationships with board members, frequently arise during the deliberations of governing bodies. To guide those discussions, governing bodies should develop and implement the following policies:²

- **Compensation (of members of the governing body)**
For a sample policy regarding compensation of governing body members, see [Appendix 17.6](#).
- **Reimbursement of expenses (incurred by members of the governing body)**
For a sample policy regarding expense reimbursement of governing body members, see [Appendix 17.7](#).
- **Conflict of interest**
For a sample conflict of interest policy and procedures, and annual declaration form of conflict of interest, for members of a governing body, see [Appendix 17.8](#).

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BUILDING RECRUITMENT NETWORKS

The members of your governing body should be diverse with regard to age, gender, religion, sexual orientation, race or ethnicity, language, socioeconomic status, legal status, disability, geographic base and political viewpoint. Having diverse membership ensures that your governing body is exposed to a wide array of ideas, opinions, and options, makes forward-thinking decisions, and better represents the community served. A diversity of members will also likely ensure that the governing body faces organizational challenges more successfully than a governing body composed of people of similar gender, age, skills, and backgrounds (see Box 17.1).

BOX 17.1 Why is a diverse governing body a benefit?

- A homogeneous governing body may not always be ready to deal effectively with problems, due to an inherent near-sightedness. Diversity on a governing body breeds varying opinions, approaches, attitudes, and solutions. Membership in the governing body requires open-mindedness, curiosity, acceptance, and responsiveness, which can ultimately facilitate understanding and willingness to work together. Having members with different or opposing backgrounds, cultures, beliefs, habits, and norms can facilitate a consensus-oriented approach to conflict management.
- Governing bodies are often expected to represent the organization's constituency. Diversity is a way to create accountability and form a link with the constituents.
- Diversity for the sake of diversity, even without a deliberate attempt to represent constituents, can form a base for innovation and creative thinking.
- A diverse governing body sends a message and sets a powerful example for the entire organization.

Source: "Benefiting from Diversity," *Board Basics 101*. (Washington, DC: BoardSource, 2013).

Many governing bodies are reaching out to include young people, who tend to better understand the use of technology and social media for communicating with clients, donors, and other stakeholders. Women must also be included among governing body members in order to bring their experiences, interests, and knowledge to bear on the work and the decisions made by governing bodies.

Some governing bodies continue to be largely composed of males. When governing bodies are asked why they include so few women, they often respond that they are unable to find women interested in governing body work. These governing bodies typically, however, are looking for potential women members in places traditionally dominated by men, such as clubs, professional associations, and law firms.

To ensure diversity, governing bodies must link into the networks of the population groups they want to include in the governing body. (See Box 17.2 for a suggestion about how to link into networks.) For example, to identify potential members who are women, the governing body can reach out to:

- professional groups (midwifery associations, businesswomen's associations, nursing associations, social work associations, and associations of female physicians, lawyers, and journalists)
- service organizations (Zonta, Lion's Club, Rotary Club, and other national service clubs)
- women's micro-enterprise groups (for example, microcredit or microfinance associations)
- women's networks (networks of women living with HIV, networks of organizations working on women's issues)
- women's organizations (local community organizations composed of women, women's unions)
- religious groups of different faiths (many have specific women's groups)
- university women's associations;
- women's education groups;
- chambers of commerce (which may have women's groups associated with them);
- groups of women parliamentarians.

BOX 17.2 Access networks to keep your governing body energized and bring in fresh ideas

Consider forming an *ad hoc* committee of non-governing body members who have access to completely different professional and social circles compared to governing body members. Ask this committee to reach out to new groups over the next 90 days to identify potential new governing body members who are talented individuals with new ideas. Once prospective candidates are identified, begin to nurture those relationships. Provide them with information about the organization, invite them to events, and ask them to serve on committees or in some other volunteer capacity. As your organization gets to know these individuals, it will become apparent whether the governing body can benefit from their additional skills. Some may be too busy to be able to join your governing body right away. In that case, keep them on the prospect list and stay in touch with them, updating them on the organization's activities and achievements.

CONNECTING WITH TRADITIONALLY MARGINALIZED AND EXCLUDED POPULATIONS

In some situations, governing bodies will have difficulties connecting with traditionally marginalized or excluded populations, such as those who live in rural areas, ethnic minorities, people living with disabilities, refugees and migrants, and prisoners, among others. In these cases, governing bodies can expand their reach by creating advisory councils. Members of advisory councils supplement the governance activities of the governing body or management activities of staff by providing specialized expertise. Advisory council members can reach out into the community, linking the governing body to local communities and their concerns and fostering a sense of accountability. They can also bring

outside support and expertise to the organization regarding specific populations served by the organization.

Governing bodies that have difficulties connecting to specific populations may also want to create a task force. Task forces are different from advisory councils in that they have a specific objective and disband once it is accomplished. A task force, composed of governing body and/or non-governing body members, can be charged with identifying the best mechanism(s) to keep the governing body connected to traditionally marginalized and excluded populations.

In countries that have Global Fund grants, the Global Fund now requires that at least 30% of CCM members be women and that CCM members represent constituencies composed of persons living with the diseases (PLWD)—HIV & AIDS, TB, or malaria—and key affected populations.³ While CCMs do not preside over member elections held within each constituency, they are responsible for reaching out to the various constituencies to explain the role of the CCM and the requirement for open and transparent elections within each constituency. Many CCMs struggle with how to access PLWD, particularly those infected/affected by TB and malaria, as oftentimes these individuals might not belong to a network or engage with a specific community. See Box 17.3 about how the Guatemala CCM engaged members to represent those communities affected by malaria on the CCM.

BOX 17.3 Identifying CCM members to represent malaria-affected communities in Guatemala

The CCM in Guatemala wanted to have representation from malaria-affected communities in order to fulfill one of the requirements for the country to be eligible for Global Fund grants. One of the CCM members and the Executive Secretary contacted the Ministry of Health Malaria Program, which put them in touch with community volunteers who collaborate with the Malaria Program to identify new malaria cases, test for malaria, refer confirmed cases, and promote prevention of malaria through distribution of insecticide-treated nets and other activities. The CCM member and the Executive Secretary then visited the Department of Esquintla, which has a very high malaria burden, to meet with program volunteers. In a meeting with program volunteers, the work of the CCM was explained as was the important role of the CCM members to represent malaria-affected communities. As a result, two volunteers came forward to become members of the CCM. These individuals now participate in the CCM as full and alternate members, representing malaria-affected communities.

Access to some key affected populations, particularly in countries where their activities are criminalized, is also presenting a challenge for CCMs. They can consider contacting networks of civil society organizations as well as multilateral and bilateral organizations and national programs working with the three diseases.

3. Global Fund to Fight AIDS, Tuberculosis and Malaria, “CCM Eligibility Requirements, Minimum Standards & Updated Guidelines” (Geneva: Global Fund, 2015). Available at: <http://www.theglobalfund.org/en/ccm/guidelines/>. Key affected populations are defined as women and girls, men who have sex with men, people who inject drugs, transgender people, sex workers, prisoners, refugees and migrants, people living with HIV, adolescents and young people, orphans and vulnerable children, and populations of humanitarian concern (depending on the socio-epidemiology of the disease in each country).

In regard to member recruitment, discuss the following actions with governing body leaders to adapt them to your setting.

- Establish a governance committee on your governing body to be responsible for continuous member recruitment (and development) activities.
- Identify the attributes and skills needed on your governing body.
- Create a matrix ([Appendix 17.1](#)) to identify attributes and skills (1) currently on your governing body, and (2) those you need for recruitment of new members.
- Review the membership composition of the governing body for diversity. If it lacks diversity, create an action plan to diversify membership through recruitment of women, young people, and people of different backgrounds.
- Cultivate new members to fill vacancies in your governing body.
- Develop a member agreement ([Appendix 17.3](#)) that explains the obligations and rights of members of the governing body. As you fill vacancies on the governing body, have each new member sign the agreement.
- Find out whether your organization has term limits for members of the governing body. If not, determine if they are necessary. If they are, create a policy that determines the number of consecutive terms that a member can serve.
- Develop a compensation policy ([Appendix 17.6](#)) and expense reimbursement policy ([Appendix 17.7](#)) for members of the governing body, if you do not already have them.
- Develop a conflict of interest policy and form for declaration of conflicts of interest ([Appendix 17.8](#)), if you do not already have one. Have members of the governing body sign the form each year.
- Identify whether your governing body is adequately linked to traditionally excluded and marginalized populations. If not, take action, such as establishing an advisory council or setting up a task force, to better connect the governing body to these populations.

APPENDIX 17.1

Governing Body Matrix Worksheet

| Attribute/Skills/Background | Current Members | | | | | | Prospective Members | | | | | |
|---|-----------------|---|---|---|---|-----|---------------------|---|---|---|---|-----|
| | I | 2 | 3 | 4 | 5 | Tot | A | B | C | D | E | Tot |
| Areas of Expertise | | | | | | | | | | | | |
| Administration management | | | | | | | | | | | | |
| Early stage organization/start-ups | | | | | | | | | | | | |
| Financial oversight | | | | | | | | | | | | |
| Accounting | | | | | | | | | | | | |
| Investment management | | | | | | | | | | | | |
| Fundraising | | | | | | | | | | | | |
| Government | | | | | | | | | | | | |
| Law | | | | | | | | | | | | |
| Leadership skills/motivator | | | | | | | | | | | | |
| Marketing, public relations | | | | | | | | | | | | |
| Communications, media | | | | | | | | | | | | |
| Human resources | | | | | | | | | | | | |
| Strategic planning | | | | | | | | | | | | |
| Physical plant (architect/engineer) | | | | | | | | | | | | |
| Real estate | | | | | | | | | | | | |
| Representative of clients | | | | | | | | | | | | |
| Understanding of community needs | | | | | | | | | | | | |
| Special program focus (such as hospitals, primary care, specific diseases, health systems strengthening, disability, medicine, nursing) | | | | | | | | | | | | |
| Technology | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Community Connections | | | | | | | | | | | | |
| Faith-based organizations | | | | | | | | | | | | |
| Civil society organizations | | | | | | | | | | | | |
| Health services/systems | | | | | | | | | | | | |
| Corporate | | | | | | | | | | | | |
| Education | | | | | | | | | | | | |
| Media | | | | | | | | | | | | |
| Political | | | | | | | | | | | | |
| Philanthropy | | | | | | | | | | | | |

| Attribute/Skills/Background | Current Members | | | | | | Prospective Members | | | | | |
|--|-----------------|---|---|---|---|-----|---------------------|---|---|---|---|-----|
| | I | 2 | 3 | 4 | 5 | Tot | A | B | C | D | E | Tot |
| Small business | | | | | | | | | | | | |
| Social services | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| Resources | | | | | | | | | | | | |
| Money to give | | | | | | | | | | | | |
| Access to money | | | | | | | | | | | | |
| Access to other resources (foundations, corporate support) | | | | | | | | | | | | |
| Availability for active participation (solicitation visits, grant writing) | | | | | | | | | | | | |
| Personal Style | | | | | | | | | | | | |
| Consensus builder | | | | | | | | | | | | |
| Good communicator | | | | | | | | | | | | |
| Strategist | | | | | | | | | | | | |
| Visionary | | | | | | | | | | | | |
| Team member | | | | | | | | | | | | |
| Qualities | | | | | | | | | | | | |
| Leadership skills/motivator | | | | | | | | | | | | |
| Willingness to work/availability | | | | | | | | | | | | |
| Personal connection with the organization's mission | | | | | | | | | | | | |
| Age | | | | | | | | | | | | |
| Under 18 | | | | | | | | | | | | |
| 19-34 | | | | | | | | | | | | |
| 35-50 | | | | | | | | | | | | |
| 51-65 | | | | | | | | | | | | |
| Over 65 | | | | | | | | | | | | |
| Race/Ethnicity (adapt to your situation) | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

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APPENDIX 17.2

Statement of Personal and Professional Standards of Conduct

It is the intent of [name of organization] to strive for the highest ethical conduct from all board and staff. The leadership is particularly sensitive to individuals who hold management and governance positions of trust and confidence in fulfilling the mission and goals of the organization. These sensitive positions include officers, key senior staff members designated by the chief executive, and members of the board.

In an effort to achieve the highest standards of conduct, each officer, key staff member, and board member is requested to acknowledge (by signing) the following adopted Code of Ethics by [month/day] each year. This acknowledgement will be kept on file in the human resource department.

All officers, key staff members, and members of the board of [name of organization] are required and expected to exercise the highest ethical standards of conduct and practice fundamental honesty at all times.

In support of [name of organization] standards of high ethical conduct, each officer, key staff member, and board member WILL NOT:

- Deceive, defraud, or mislead [name of organization] board members, officers, staff members, managers, supervisors, or other associates, or those with whom [name of organization] has business or other relationships.
- Misrepresent [name of organization] in any negotiations, dealings, contracts, or agreements.
- Divulge or release any information of a proprietary nature relating to [name of organization] plans, mission, or operational databases without appropriate approval.
- Obtain a personal advantage or benefit due to relationships established by any officer, senior staff member, or board member by use of the organization's name.
- Accept individual gifts of any kind in excess of \$[amount], in connection with the officer's, key staff member's, or board member's relationship with [name of organization]. All such gifts are to be reported to the chief financial officer who shall divulge gifts received during the calendar year to the audit committee.
- Withhold their best efforts to perform their duties to acceptable standards.
- Engage in unethical business practices of any type.
- Use [name of organization] property, financial resources, or services of [name of organization] personnel for personal benefit.
- Violate any applicable laws or ordinances.

Infractions of this Statement of Personal and Professional Standards of Conduct are to be reported directly to any member of the [name of committee] who shall, in his/her determination, bring the infraction to the full executive committee.

Signature _____ Date _____

Name (please print) _____

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APPENDIX 17.3

Governing Body Member Agreement

I understand that as a member of the board of [name of organization], I have a legal and moral responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of [name of the organization], and I will act responsibly and prudently as its steward.

As part of my responsibilities as a board member:

1. I will interpret the organization's work and values to the community, and represent the organization when requested by the chair.
2. I will attend at least 75% of board meetings, committee meetings, and events unless given leave of absence by the chair.
3. I will act in the best interests of the organization and excuse myself from discussions and votes where I have a conflict of interest.
4. I will stay informed about the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies, and other board matters.
5. I will work in good faith with other board members as partners towards achievement of our goals.
6. If I do not fulfil these commitments to the organization, I will expect the board chair to call me and discuss my responsibilities with me.

In turn, [name of organization] will be responsible to me in several ways:

1. I will be sent, without request, timely financial reports and updates of organizational activities, including activity reports.
2. Opportunities will be offered to me to discuss with the executive director and the board chair the organization's programs, goals, activities, and status. Additionally, I can request such an opportunity.
3. The organization will help me perform my duties by keeping me informed about issues in the field in which we are working and by offering me opportunities for professional development as a board member.
4. Board members will respond in a straightforward fashion to questions I have that I feel are necessary to carry out my fiscal, legal, and moral responsibilities to the organization. Board members will work with me in good faith towards achievement of our goals.

Signature _____ Date _____

Name (please print) _____

Source: Adapted from CompassPoint, Board Café materials (Oakland, CA: CompassPoint Nonprofit Services, 2001) by Greenlights for Non-Profit Success. Available at: <http://static.smallworldlabs.com/greenlights/content/documents/OnBoard/Sample%20Board%20Member%20Agreement.pdf>.

APPENDIX 17.4

Governing Body Member Meeting Attendance Policy

Rationale

Regular attendance at board and committee meetings is essential in order to maintain continuity and cohesion in the management and governance of [name of organization]. This Board Member Meeting Attendance Policy is intended to encourage regular attendance at [name of organization] board and committee meetings and to provide procedures to deal with any failures in such attendance.

Policy

Board and committee members are expected to demonstrate their commitment to the organization by unbroken attendance at the meetings of the board or committee on which they sit, except when prevented by unforeseeable events or granted leave of absence by the chair.

Definition of a Board Attendance Problem

A board attendance problem exists with any of the following conditions:

1. The member has two un-notified absences in a row (“un-notified” means the member did not call a reasonable contact in the organization before the meeting to indicate their anticipated absence).
2. The member has three notified absences in a row.
3. The member misses all board meetings in a 12-month period.

Procedure

If a board attendance problem exists then the chair shall consult the board member to discuss this matter.

If the board member’s difficulties are resolvable, then the chair shall attempt to resolve them.

If no mutually satisfactory resolution is possible, and if the board member wishes to continue on the board, then the member’s response will be put to the board at its next meeting. The board member shall be entitled to speak to this item, and to vote on it. The board will then decide what actions to take regarding that board member’s future membership on the board.

If the board decides that termination is justified, it may suspend that person’s membership on the board. In the event the member wishes to continue in his/her position, the suspension shall be put to a general meeting for approval. The suspended member shall be given an opportunity to be heard, either personally or through a representative, and may submit materials in writing to be circulated.

The board may remove any person from any board subcommittee for any reason, including (but not limited to) non-attendance.

When any person has been removed from the board or from any committee under this provision, the board or committee will promptly initiate a process to recruit a new board member. The person whose membership has been terminated shall retain the right to stand again at the next election for the board.

Board Chair's Signature _____
(indicating board authorization)

Date _____
(enter date Board Policy last revised)

Source: Adapted from Our Community, Policy Bank website, "Board Attendance Policy" (W. Melbourne, Victoria, Australia: Institute of Community Directors, Our Community, and Hesta, no date). Available at: http://www.ourcommunity.com.au/financial/financial_article.jsp?articleId=1453

APPENDIX 17.5

Country Coordinating Mechanism Constituency: Women

Sample Terms of Reference for Full and Alternate Members

This terms of reference sets forth the knowledge and duties of Country Coordinating Mechanism (CCM) members in general, as well as the activities to be carried out by the CCM members who represent the constituency of women. It also establishes the requirements of those persons who wish to be elected to the CCM to represent the constituency of women, as well as the skills and experience required.

1. All CCM members should have the following general knowledge regarding the Global Fund, the CCM, and Global Fund grants in [country]:
 - the Global Fund mission and the mission and objectives of the [country] CCM
 - the eligibility requirements and minimum standards that the CCM must fulfill in order for [country] to be eligible for grant funding
 - the core functions of the CCM
 - information contained in the [country] CCM regulatory framework documents, such as the statutes/bylaws/internal regulations, conflict of interest policy, governance manual and other documents regarding CCM operations
 - the implementation status of current grants in [country], including their achievements as well as their challenges, in order to contribute to solutions for overcoming bottlenecks identified by CCM oversight

2. All CCM members should undertake the following duties, as outlined in the [country] CCM bylaws:
 - Present recommendations and suggestions to the CCM from the constituency for the development of concept notes as well as feedback regarding implementation of ongoing grants, ensuring the successful execution of grants between the Global Fund and Principal Recipients.
 - Inform the constituency of CCM deliberations, decisions, and actions.
 - Promote the constituency's participation in the country dialogue and review of national disease strategies related to Global Fund grants.
 - Participate actively in CCM general assemblies.
 - Act ethically and with accountability when assigned to positions as CCM officers and committee members; carry out duties in a timely manner.
 - Cooperate such that the activities of the CCM are always carried out with respect and harmony.
 - Adhere to the conflict of interest policy, and when conflict of interest arises, abstain from deliberations and voting.
 - Respect and comply with all norms in the bylaws, regulations, and procedures manuals, as well as resolutions by the General Assembly and committees.

3. All CCM members should undertake the following activities:
 - Prepare and implement an annual work plan that specifies how the members (full and alternate) will inform the organizations in the constituency about the proceedings and deliberations of the CCM, how the members will gather and take suggestions from the constituency to the CCM, and how the members will inform the constituency of the results of such feedback. The work plan should be approved by all of the organizations in the constituency and presented to the CCM Executive Committee and Secretariat.
 - Maintain constant coordination between full and alternate members representing the same constituency. Both should participate in CCM meetings and, when the full member is unable to participate, he/she must ensure that the alternate attends, who will then inform the full member of the proceedings.
 - Increase the number of organizations pertaining to the constituency, working together with the alternate member, such that each successive election for CCM members in the constituency involves a greater number of organizations.
 - Contribute to and ensure that the election processes for CCM members within the constituency are clear, open, and transparent, and that they have been duly documented.
 - Participate in at least one CCM committee, task force, or mission during the two-year term as CCM member.

4. CCM members representing the constituency of women should undertake the following activities:
 - Ensure that the concept notes and grants include activities that target women who live in areas where malaria is endemic, where tuberculosis incidence is high, and where women are exposed to HIV.
 - Participate in the country dialogue, preparation of concept notes, and oversight of the projects, coordinating active participation of persons from the constituency of women who have the knowledge and experience in the prevention and treatment of HIV and AIDS, TB, and malaria, and in care and support for persons affected by these diseases.
 - Promote gender equality in elections for the CCM Executive Committee and composition of CCM committees and task forces, ensuring a balanced number of men and women.
 - Ensure that concept notes and grant activities take into consideration the needs of women who work in the prevention and treatment of HIV and AIDS, TB, and malaria.
 - Keep the CCM Executive Committee and CCM General Assembly informed when cases of discrimination against women are identified that are related to activities carried out with Global Fund funding.
 - Ensure that activities related to the three diseases—HIV and AIDS, TB, and malaria—whether in concept notes or in grants themselves, contemplate women's groups that work to promote community health.

- When required, facilitate contacts for the CCM with women’s organizations or groups within the women’s constituency that can support the activities of the CCM.
5. Requirements to be elected to represent the constituency of women on the CCM:
 - Belong to an organized or recognized group that can demonstrate that it has been working for at least two years on women’s initiatives.
 - Preferably, belong to an organization that is part of a national network of women’s organizations.
 - Be a leader in an organized or recognized group that works on women’s initiatives.
 6. Skills and experience required to represent the constituency of women on the CCM:
 - Be a leader in an organized or recognized women’s group.
 - Have work experience in improving women’s health or education or strengthening their human rights, or other activities that seek to improve the quality of life of women, with a focus on health.
 - Be able to listen to and dialogue with the diverse organizations that comprise the constituency of women.
 - Be known as an honest and credible person, and be trusted by the community.
 - Hold no prejudices in relation to men who have sex with men, persons that inject drugs, male and female sex workers, and other groups that are vulnerable to the diseases (HIV and AIDS, TB, and malaria) that are the focus of Global Fund funding for health programs in the country.
 - Be motivated to defend the rights of all groups vulnerable to the three diseases (HIV and AIDS, TB, and malaria), whether their vulnerability is due to their income, education, religion, or culture.
 - Be ready and willing to work with sectors and constituencies, such as government, private enterprise, and the academy.
 - Be able to work in a team and be flexible, tolerant, and open to criticism.
 - Be able to listen to others, have empathy, and see things from others’ perspectives, even though they appear different and challenging.
 - Be ready to lead and not a potential victim.
 - Be ready and able to completely support the principle of gender equity.

Source: Management Sciences for Health, prepared by the Grant Management Solutions (GMS) project for a CCM in Latin America.

APPENDIX 17.6

Governing Body Member Compensation Policy

Sample #1

Board members shall serve without compensation. Board members shall be allowed reasonable reimbursement of expenses incurred in the performance of their duties, when authorized by the board chair, including attendance at board-authorized meetings and conferences.

Sample #2

In order to avoid a conflict of interest situation between an individual board member and [name of organization], the following procedures will be observed:

1. Board members shall serve without compensation.
2. If the board member is asked or volunteers to perform a service in his/her capacity as a board member, the board member will not charge or be reimbursed for the service. Example: The board requests a board-member attorney to research and/or give an opinion regarding director liability. The attorney will perform the task as a volunteer board member at no charge.
3. If the board member would like to perform a service or provide a product to the organization for compensation, he/she must resign from the board and participate in a competitive bidding process. If the contract is awarded to the board member (or his/her company) who has resigned, he/she cannot be invited to join the board until two years after the completion of the contract. If the contract is not awarded to the board member (or his/her company) who has resigned, he/she cannot be invited to join the board until one year following his/her resignation.

Sample #3

Rationale

In accordance with [name of organization] policy, board members may receive an annual retainer fee of [currency and amount], a sitting allowance of [amount and currency] for attending board meetings per sitting, and other amounts for performing other services on behalf of [name of organization] per day, not to exceed three consecutive days. Thereafter, half of the allowance will be paid up to a maximum of seven days.

Any board member may waive all or any portion of his/her compensation for any month or months during his/her term of office, by a written waiver filed with JCRC. The waiver may be filed any time after the board member's appointment to the board and before the

date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

Policy and Procedures

A board member is eligible to receive compensation at the rate of [currency and amount] per day, or for a portion of a day, for the following activities:

- attending a regular or special meeting of the board
- serving as a designated representative of the board, including, but not limited to, such activities as committee meetings, non-board meetings, etc.
- attending board-approved training and/or development activities, including, but not limited to, board retreats, board governance training, etc. This does not include time involved in traveling to and from the activity
- attending special board-related activities when approved by the board in advance, including, but not limited to, building dedications, staff retirements, and other such ceremonies

A board member shall sign a receipt for all compensation received.

Board Chair's Signature _____
(indicating board authorization)

Date _____
(enter date Board Policy last revised)

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APPENDIX 17.7

Governing Body Member Expense Reimbursement Policy

Whenever possible, board members are expected to bear all travel-related costs associated with attending board meetings, committee meetings, or discharging any other governance responsibilities assigned by the board chair. When a board member is unable to bear such costs, in whole or in part, the board member should request approval for reimbursement of expenses from the board chair and appropriate receipts should be submitted to the chief executive of [name of organization] for reimbursement by the organization.

The organization will reimburse board members traveling on official organization business the cost of round-trip travel, lodging, and meals up to a maximum amount per day, depending on the location. Guest travel, lodging, and meals are generally not reimbursable.

So that the amount of the reimbursement is not considered taxable income to the recipient, [name of organization] will reimburse expenses for the actual amount paid provided that the amount is reasonable and receipts are attached. The organization's travel mileage reimbursement shall be equal to the current government reimbursement amount.

When requested, meeting reimbursement will include the following.

Travel: Round-trip bus, train, or airfare for [name of organization] board member, and local transportation to and from the airport, bus, or train station. For those travelling by air, [name of organization] will reimburse board members for travel in economy coach class.

Per Diem: Actual expenses for lodging and meals up to a maximum per day.

Reimbursement is allowed for additional reasonable, ordinary, and necessary expenses incurred in connection with approved travel or per diem expenses on behalf of [name of organization]. Any exception to this policy must be approved by the [name of organization] board chair.

[Name of organization] board member reimbursement policy shall be reviewed annually by the secretary/treasurer and the board.

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APPENDIX 17.8

Conflict of Interest Policy and Procedures and Annual Declaration of Conflict of Interest

Policy Statement

Each member of the board of [name of organization] has a duty of loyalty to [name of organization]. In furtherance of this duty, it is the policy of [name of organization] that directors may not use their position as directors for personal, family, or professional gain. Directors may not obtain for themselves, their relatives, or their friends a financial or material interest of any kind from their connection with [name of organization]. Each director has a duty to give undivided allegiance to [name of organization] when making decisions affecting [name of organization] and in any transactions, dealings, or situations involving [name of organization]. In furtherance of these obligations, [name of organization] has adopted this Conflict of Interest Policy and Procedures applicable to its directors.

Categories of Conflicts of Interest

Conflict of Interest Transactions

A conflict of interest with respect to a transaction effected or proposed to be effected by the organization means the interest a director has respecting such transaction, if:

1. The director knows that he/she or a related person is a party to the transaction or has a beneficial financial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the director or a related person that the interest would reasonably be expected to exert an influence on the director's judgment if he/she were called upon to vote on the transaction.
2. The director knows that any of the following persons is either a party to the transaction or has a financial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he/she were called upon to vote on the transaction:
 - a. an entity of which the director is a director, officer, partner, equity owner, agent, or employee;
 - b. a person who controls, is controlled by, or is under common control with, one or more of the entities described in subsection (a);
 - c. an individual who is a partner, principal, employer, employee, personal friend, business associate, or a significant creditor or debtor of the director.

For purposes of this Policy, a “related person” of a director means: 1) the spouse of the director, or a parent or sibling thereof, or a child, grandchild, sibling, or parent of the director, or the spouse of any thereof, or an individual having the same home as the director, or a trust or estate of which an individual specified in this paragraph is a substantial beneficiary; or 2) a trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary.

Examples of situations in which conflicts of interest may arise include, but are not limited to, the following.

- transactions with persons and organizations supplying goods and commercial services to [name of organization]
- transactions with persons and organizations from which [name of organization] leases property and equipment
- transactions with persons and organizations with whom [name of organization] is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property
- transactions with persons representing competing or collaborating organizations
- transactions with donors and others supporting [name of organization]
- transactions with persons representing agencies, organizations, and associations that affect the operations of [name of organization]
- transactions with organizations or individuals receiving grants from [name of organization]

Conflict of Interest Relationships

[name of organization] recognizes that conflicts of interest may arise not only in the context of a transaction but also in situations where a director’s personal interests, or the interests of a related person, personal friend, business associate, an entity in which a member holds an equity interest, employer, employee, or a significant creditor or debtor of the director, could reasonably be expected to exert an influence on the director’s judgment regarding general [name of organization] matters and/or impair his or her ability to act in the best interests of [name of organization].

It is important to note that a conflict of interest exists if a decision could be influenced (i.e., perceived conflict of interest)—it is not necessary that influence actually take place.

Procedures for Identifying and Addressing Conflicts of Interest

The following procedures shall be followed when a conflict of interest arises with respect to any director:

1. The director must promptly make full disclosure of the conflict of interest to the qualified directors of the board. The director must disclose (a) the existence and nature of the director's conflict of interest and (b) all facts known to him or her regarding the subject matter of the transaction or situation that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction or how to deal with the situation.
2. For purposes of this policy, a "qualified director" means any director who does not have either (a) a conflict of interest with respect to the transaction or situation, or (b) a familial, financial, professional, or employment relationship with a second director who does have a conflict of interest with respect to the transaction or situation, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction or situation.
3. The qualified directors will discuss the conflict of interest and, depending on the nature of the conflict of interest, vote on either (a) whether or not to continue the transaction at issue or (b) measures to address the situation at issue. Directors subject to a conflict of interest shall not be permitted to be present or to participate in the deliberations or vote of the qualified directors with respect to such conflict of interest. Recusal of the director shall require such director to physically remove himself or herself from a meeting, conference call, e-mail, listserv, or any other electric communications.
4. The conflict of interest transaction or situation shall be approved only upon the affirmative vote of a majority, but no fewer than __, of those qualified directors on the board or on a duly empowered committee of the board (who voted on the transaction after required disclosure to them); provided that action by a committee is effective only if (a) all committee members are qualified directors, and (b) committee members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board. A majority, but no fewer than __, of all the qualified directors on the board, or on the committee, constitutes a quorum for purposes of the vote described above.
5. When a conflict exists, resolution of the matter may include (a) approving or disapproving any transaction or situation at issue; (b) requiring the director to remove himself or herself from positions in which the conflict of interest exists until there is no longer a conflict; or (c) requiring the director to discontinue, reduce, or modify his/her participation in the board, committees, or task forces where the conflict exists.
6. In addition to the procedures described above, directors have an obligation to address any perceived conflict of interest of other directors if they are aware of such conflicts with respect to matters pertaining to [name of organization].

Acknowledgment and Annual Disclosure

Directors will receive this Conflict of Interest Policy and Procedures and shall be required to sign and date the policy disclosure form at the beginning of their term of service. Directors also shall be required to sign and update the policy disclosure form at the beginning of each calendar year. Failure to update or sign the policy disclosure form, however, does not nullify a director's obligations under this policy.

Annual Statement Concerning Possible Conflict of Interest

The undersigned acknowledges receipt of a copy of the Conflict of Interest Policy and Procedures for Directors of [name of organization].

By my signature affixed below, I acknowledge my agreement with the spirit and intent of these policies, and I agree to report to the chief executive of the organization any possible conflicts (other than those stated below) that may develop before completion of the next annual statement.

_____ I am not aware of any conflict of interest.

_____ I do or may have a conflict of interest in the following area(s):

Signature _____ Date _____

Name (please print) _____

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MEMBER ORIENTATION AND EDUCATION

TOPICS

The Goals of Developing Governing Body Members

Overcoming Challenges to Educational Programming

Ways to Make Member Development Valuable

Measuring the Impact of Member Development

Celebrating Educational Advances with Other Stakeholders

This section examines the importance of good processes to develop and maintain the capabilities and competencies of your governing process participants. It explores effective ways for you to design and manage programs that ensure the orientation and ongoing education of your governing body colleagues.

THE CHALLENGE

Every year, your governing body experiences a 30-40% turnover in membership. How can you explore why this turnover is so high? And how can you improve the orientation and education of these members to enable them to make more effective and efficient decisions in their governance work?

THE GOALS OF DEVELOPING GOVERNING BODY MEMBERS

Few people are born with the aptitudes to be effective members of a governing body, and service on a governing body is not taught in school. Members thus need to learn what it means to serve on a governing body by participating in development activities. Even people who have previously served on governing bodies benefit from development, as no two governing bodies are the same. Each governing body has its own culture, values, and procedures, and

each serves an organization with its own mission, vision, and strategies. All governing body members have the right and duty to learn about the work of the governing body and the organization it serves.

Development activities involve initial orientation and routine education of the members of the governing body about the work of the organization. Development also entails enabling members to master the art and science of good governance decision-making, policymaking, and oversight, as well as getting along with other members of the governing body and maintaining healthy and productive relationships with managers. It also calls for the ability to build relationships with health workers, politicians, and other stakeholders.

Member Orientation

The goal of orientation is to prepare the members of the governing body to effectively govern the organization. Orientation provides an initiation to service on the governing body and an introduction to the organization, its mission, and programs. Orientation clarifies future time and financial demands and gives members the opportunity to get to know other members and key staff persons. Members have the chance to visit the facility and/or offices and to build an informed foundation for effective service on the governing body in the coming years.

Orientation also enables the governing body to educate new members and get them quickly engaged in the governing body's activities. It makes sure that every member is functioning within the same framework and with the same instructions. Orientation benefits the governing body as a team by providing an official launch for new partnerships and relationships.

A typical orientation program is structured into sessions specific to the organization, hospital, or health system served by the governing body. Each session in the orientation program answers basic questions regarding the organization, such as its structure, key managers, and financial and legal issues. See Box 18.1 for a sample program for a governing body orientation that can be adapted to your particular organization.

BOX 18.1 Information to be included in an orientation for governing body members

- the organization (history, mission, vision, and values)
- programs and services
- structure
- strategies, plans, and planning process
- funding (annual budget and funding sources)
- financial management
- legal issues and risk management
- public relations and organizational spokesperson
- staffing
- structure of the governing body
- roles, responsibilities, and team work of members of the governing body
- board operations and policies
- specific skills (e.g., how to read a financial statement)
- questions and answers

[Appendix 18.1](#), which provides a more comprehensive outline of a governing body orientation program specifically for a hospital, can also be adapted to your specific health services organization.

OVERCOMING CHALLENGES TO EDUCATIONAL PROGRAMMING

One of the challenges governing bodies face with regard to member education is how to organize orientation for members. Some opt for a retreat lasting from several hours to more than a day in order to cover all topics needed for proper orientation. However, a lengthy orientation may be too much of a time commitment for busy members, who have already committed to attendance at governing body meetings. This is especially the case for those who must travel between cities for governing body meetings. An additional disadvantage of the retreat model of orientation is retention of information, since a lot of information is imparted in a short time.

One way to orient governing body members is to divide the content into components to be conveyed during initial contacts with the members. For example, when members are being cultivated, they can learn about the organization—including its mission, vision, values, and major strategies. At that time they can also focus on the specific contribution they can make to the organization. Once members have accepted the invitation to join the governing body, they should receive the governing body handbook. This handbook (see Box 18.2) contains the information members need to start service on the governing body, and they should read it before their orientation.

BOX 18.2 Information to be included in a handbook for governing body members

- **Organizational background**
 - history
 - mission, vision, and values
 - articles of incorporation or bylaws*
 - internal regulations*
 - most recent annual report*
- **Programs and services overview**
- **Organizational chart**
- **Strategic directions, strategic plan,* and annual operational plan***
- **Overview of funding and revenue sources**
- **Finances**
 - overview
 - annual budget
 - most recent audit report
 - policies with regard to investments, reserves, and endowments
- **Overview of key staff positions and names of staff members in those positions**
- **Structure and members of the governing body**
 - members of the governing body: names, contact information, terms, and brief biographies
 - officers of the governing body and position descriptions
 - committees of the governing body and their terms of reference
- **Roles and responsibilities of members of the governing body**
 - governing body roles and responsibilities
 - individual responsibilities as members of the governing body
 - member agreement
- **Operations of the governing body**
 - meetings
 - annual calendar
 - orientation and continuing education of members
 - minutes of most recent board meetings*
- **Policies of the governing body**
 - meeting attendance
 - reimbursement of expenses incurred by members of the governing body
 - compensation of members of the governing body
 - conflict of interest
 - assessment of the performance of the governing body as a whole and of individual members
 - performance assessment of the chief executive

*These items can be included in the appendixes of the handbook.

Once members have read the governing body handbook, a core orientation meeting can be scheduled. At this orientation, old and new members meet and get to know each other, and key organizational issues are covered in detail, without repeating information that is

in the handbook. The orientation includes a question-and-answer session to clarify areas of concern or importance. The first *official* governing body meeting, held later, will orient new members to regular business.

Some governing bodies recruit new members throughout the year, rather than all at once. In those cases, “orientation” might be a meal or meeting with just the chairperson and a welcome as a brief agenda item during a regular meeting; alternatively, orientation might take place informally with a mentor for the new member. This more informal approach makes most sense when:

- the organization is local and/or very small;
- the new member already knows most of the existing members;
- the new member is already very familiar with the organization’s work.¹

Development of the governing body doesn’t end, however, with orientation. Every governing body meeting should also be used for education. Continuous education strengthens the governing body and, ultimately, makes it more effective.

Continuous governing body training can be organized in several ways. One option is to schedule training at regular intervals, perhaps three or four times per year. These trainings can be scheduled ahead of time for the whole year so that the members can arrange to be available. They can be organized around predetermined topics or left open for governing body issues as they arise. See Box 18.3 for education topics.

BOX 18.3 Ideas for continuous governing body training topics

- resource mobilization and the role of members of the governing body in raising funds
- legislation applicable to non-profit organizations and their governing bodies
- leadership succession and the role of the board
- board member duties as individuals
- funding sources, financial management and the fiduciary role of the board
- human resources (including staff compensation and benefits) and the role of the board in staff relations
- accountability and transparency - discussion of how to strengthen organizational accountability and transparency
- review of the organization’s mission, vision and strategies
- programs – review of major programs, technical explanations of program work
- organizational impact – discussion of how to measure it
- governing body structure and responsibilities of committees
- risk analysis and management
- the role of the governing body in supporting the chief executive

Source: KU Work Group for Community Health and Development, “Welcoming and Training New Members to a Board of Directors,” chap. 9, sec. 5 in Community Tool Box (Lawrence, KS: University of Kansas, 2014). Available at: <http://ctb.ku.edu/en/table-of-contents/structure/organizational-structure/train-board-of-directors/main>

1. A substantial portion of the content of this section has been adapted, with permission, from KU Work Group for Community Health and Development, “Welcoming and Training New Members to a Board of Directors,” chap. 9, sec. 5 in Community Tool Box (Lawrence, KS: University of Kansas, 2014). Available at: <http://ctb.ku.edu/en/table-of-contents/structure/organizational-structure/train-board-of-directors/main>

Another alternative is to use regularly-scheduled meetings for governing body education to establish it as a standard part of governing body business. At the beginning of the year, specific governing body development topics can be assigned for presentation and discussion during 10- to 15-minute sessions at every governing body meeting. Training courses can also be scheduled as the need arises.

Finally, it is not necessary for all governing body education to be in person. The organization can periodically send short, interesting, and informative emails or newsletters on specific governing body education topics to members. Governing body members can also be encouraged to participate in online courses offered by organizations such as Board Source.²

Governing body trainings should vary in the way they are organized. Some training sessions can be done internally by a member of the governing body or staff member. Other sessions can use invited guests to address specific topics, depending on the expertise and resources available and the form of the training session.

Members of the governing body themselves are important resources for governing body education. For example, training sessions can be self-conducted, using discussion and facilitation by members of the governing body to address issues. Staff members can also provide governing body education, depending on the topic. Tax issues can be handled by an accountant on the governing body; similarly legal issues can be addressed by a lawyer, and health issues related to the work of the organization by a clinician such as a doctor or nurse. See Box 18.4 for an actual example of how one County Coordinating Mechanism (CCM) in Africa decided to organize member orientation.

BOX 18.4 Organizing a CCM member orientation in Zambia

After many years of requesting external technical support to orient new CCM members, the Zambia CCM decided to provide CCM member orientation itself. With the assistance of technical support providers, the CCM designed its own orientation program for CCM members and committee members, and trained Secretariat staff to deliver the training. The training for new members consists of:

- self-learning modules for new members: Global Fund and key stakeholders; CCM functions and structure; governance principles; Global Fund value chain; oversight; Zambia Global Fund portfolio; mentoring and coaching (for mentors and coaches); and CCM secretariat;
- two-day face-to-face orientation held in the form of a retreat and delivered by Secretariat staff;
- mentoring and coaching of new members by experienced CCM members.

There are instances in which a simple orientation is not sufficient for some governing body members. This is especially true if your organization asks clients/patients or people with less formal education to be governing body members or if new members join who:

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- don't speak the language spoken at governing body meetings as their first language;
- represent special constituencies and thus have additional orientation needs regarding how to inform their constituency about governing body deliberations and how to inform the governing body about the concerns and issues of the constituency.

The chief executive plays a key role in the success of the orientation. The chief executive is the person most knowledgeable about the organization and thus the ideal person to share this information with new governing body members. The chief executive also usually guides the staff to organize the logistics of the meetings.

WAYS TO MAKE MEMBER DEVELOPMENT VALUABLE

According to “Welcoming and Training New Members to a Board of Directors,” there are three major stages in setting up an orientation and training session that is valuable for members of the governing body: (1) advance preparation, (2) the welcoming and training session, and (3) follow-up.³ The steps within each stage are listed below.

BEFORE THE WELCOMING AND TRAINING SESSION

- Decide who should attend.
- Decide who will facilitate the meeting.
- Send out information for governing body members to review before the meeting.

THE WELCOMING AND TRAINING SESSION

- Provide name tags (or other type of culturally appropriate identification) and make sure everyone has a chance to meet everyone else.
- Explain (or review) major topics that concern the governing body.
- Allow adequate time for questions and answers.
- Make sure to involve new members immediately.

AFTER THE WELCOMING AND TRAINING SESSION

- Send minutes that detail what was said and agreements that were made.
- Send an evaluation form to all governing body members following the orientation.
- For new members, follow up with a phone call to ask how the orientation went and what questions remain.

3. Adapted with permission from KU Work Group for Community Health and Development, “Welcoming and Training New Members to a Board of Directors.”

See Box 18.5 for additional tips from BoardSource on how to make orientation valuable for members of governing bodies.

BOX 18.5 Tips for organizing effective orientation programs

To turn orientations into effective training sessions, follow these guidelines.

- **Bring the right people together.** Expect everybody to attend assigned sessions. Help everyone get to know each other.
- **Create a conducive atmosphere.** Bring informality to your “classroom.”
- **Choose different modes to get your message across** and to effectively address certain issues—eg, facilitated discussions, small group exercises, case studies, etc.
- **Manage expectations.** Be clear as to why everyone is in the room and what they are supposed to get out of it.
- **Choose the right focus.** Concentrate less on the organizational details and more on how to be a good governing body member.
- **Discuss teamwork.** Governing bodies are teams, and only as a body can the governing body make decisions.
- **Incorporate the social side of governing body work** into the orientation process. Governing body members are often busy professionals and want to find an enjoyable professional setting for the retreat. Collegiality facilitates effective communication.
- **Give homework.** Orientation is just a beginning; show governing body members how they can build on what they just learned.

Source: Adapted with permission from “Board Orientation,” *Board Basics 101* (Washington, DC: BoardSource, 2013). BoardSource is the premier resource for practical information, tools, and training for board members and chief executives of nonprofit organizations worldwide. For more information about BoardSource, call +1 800-883-6262 or visit www.boardsource.org. BoardSource ©2013. Content may not be reproduced or used for any purpose other than that which is specifically requested without written permission from BoardSource.

MEASURING THE IMPACT OF MEMBER DEVELOPMENT

Like any organizational activity, each governing body development activity should be evaluated on its own. In addition, governing body members should evaluate the governing body itself as well as themselves as individual governing body members. Conduct the following activities to evaluate the development of your governing body.

Conduct a Governing Body Self-Assessment

A self-assessment gives the governing body an opportunity to step back from its routine business and focus on its performance as a governing body. It allows the governing body to evaluate whether it is fulfilling its responsibilities and focusing on key aspects of governing body work—from strategic direction and financial and programmatic oversight to fundraising and engagement with stakeholders.

As a result of the self-assessment, governing body members gain a better understanding of their own roles and those of other governing body members. They can also get a sense

of how well the governing body is performing and devise a clear action plan, which may include activities for further governing body development.

For more information on governing body assessment, see [Section 16](#), including [Appendix 16.3](#), and [Section 23](#), which contain a sample form to assess the performance of the governing body.

Conduct a Self-Assessment of Individual Members of the Governing Body

In addition to self-assessment of the entire governing body, governing bodies should provide the opportunity to conduct periodic assessments of individual members. Assessments of individual members are particularly useful when a member's term is near its end and the member is being considered for re-election. These assessments help guide your group's approach to continuous member education.

The self-assessment can be based on the letter of agreement that the governing body member signed at the beginning of the term (if any) or the governing body member terms of reference (see the Governing Body Member Agreement in [Appendix 17.3](#)). Each self-assessment should be followed by a conversation between the governing body member and either a member of the governance committee or the governing body chair. In the case of incumbents, this conversation serves to guide opportunities for future educational development, to determine whether they should be nominated for re-election, to remind governing body members elected for an additional term of their responsibilities, and to help the governance committee determine whether to nominate a member for an additional term.

See [Appendix 18.2](#) for a sample individual governing body member assessment that can be adapted to your governing body.

CELEBRATING EDUCATIONAL ADVANCES WITH OTHER STAKEHOLDERS

Celebrating the development of the governing body at every step in the process is important to recognize the good work of the governing body and of individual members. Celebrations energize members and add meaning to their work as members of the governing body.⁴ The key is to decide on what to celebrate. Provide tokens of appreciation (such as useful items imprinted with the organization's logo) after governing body retreats or an annual meeting. Surprise the governing body with special refreshments at a meeting to celebrate a particular achievement. Be sure to celebrate the arrival of new members with a warm welcome and toast those who are departing to show appreciation. Celebrate not just for celebration's sake but for creating camaraderie among governing body members that allows them to get to know each other, share stories, and compare experiences. A governing body with strong spirit will be better prepared to face organizational challenges and find solutions.

4. See [Section 28](#) on Celebration.

In regarding to orientation and education of members of your governing body, discuss these actions with governing body leaders to adapt them to your own organization.

- If you don't have one already, prepare a governing body handbook for the members of the governing body.
- Organize an orientation for new members of the governing body; or if you have never held a governing body orientation, organize one for all members. Consider organizing the orientation as a retreat.
- Evaluate your governing body's development by carrying out a governing body self-assessment. Have the governing body discuss the results and develop an action plan.
- Remind members of the governing body of their individual responsibilities by conducting an individual member self-assessment.
- Following an annual meeting or retreat, celebrate your governing body and your governing body members!
- Provide tokens of appreciation to members of the governing body for their service.

APPENDIX 18.1

Sample orientation program/handbook for a hospital governing body

| Main Topics | The section should answer the following questions: |
|-----------------------------|--|
| Mission of the Organization | <ol style="list-style-type: none"> 1. Why do we exist? 2. Has our mission changed recently? 3. What are the communities we serve? Who are the “owners?” |
| Vision of the Organization | <ol style="list-style-type: none"> 4. Where do we want to be as an organization? 5. Has our vision changed recently? 6. Does our strategic plan reflect our vision? |
| Values of the Organization | <ol style="list-style-type: none"> 7. What are our core values? 8. Has our value statement changed recently? 9. Do the medical staff and management accept and promote these organizational values? |
| Board of Trustees | <ol style="list-style-type: none"> 10. Who is on the board? (This section should include trustee and CEO names, addresses, work and home phone numbers, and their length of tenure.) 11. Who are “internal” members? “External” members? 12. What board committees do we have? 13. Which board members are assigned to what committees? 14. What is the health professional representation on the board? 15. What are the provisions/terms of our D&O insurance? |
| Meetings | <ol style="list-style-type: none"> 16. What is the board’s meeting schedule? The committee meeting schedules? 17. How long are board meetings? Committee meetings? 18. Who provides staff support to the board? How do we contact them? Where is the board “office?” 19. What does a standard board meeting agenda look like? 20. How do we submit agenda items for the meetings? |
| Organizational Structure | <ol style="list-style-type: none"> 21. What are the primary phone numbers for the organization? 22. Who is the primary administrative support person we should contact? What is their direct phone number? 23. How is the organization set up (parent, subsidiaries, special programs/units, etc.)? 24. How is management set up (organizational chart)? 25. Who is the senior administrator on call? |
| Strategic Plan | <ol style="list-style-type: none"> 26. What is our primary direction over the next 3 to 5 years? 27. Who developed the plan? 28. Where are we in its implementation? 29. What are the plan’s problems, if any? |

| Main Topics | The section should answer the following questions: |
|-----------------------------|---|
| Type of Organization | <p>30. What is our legal status (not-for-profit corporation, division/branch of a not-for-profit corporation, subsidiary of a for-profit corporation, etc.)?</p> <p>31. Do we have for-profit subsidiaries? If so, what are they and how does this work?</p> <p>32. Do we have non-profit subsidiaries? If so, what are they?</p> |
| “Direct Reports” to the CEO | <p>33. What departments/services report directly to the CEO?</p> <p>34. Who else reports directly to the CEO?</p> |
| CEO Responsibilities | <p>35. What are the CEO’s responsibilities?</p> <p>36. What is the difference between what the board does and what the CEO does? (Where is the line between the two functions?)</p> <p>37. Is the CEO a voting member of the board?</p> <p>38. Who handles the media?</p> |
| Medical Staff | <p>39. Who is the chief of the medical staff? How long have they had that position? Is this person on the board? Is this person a voting member of the board?</p> <p>40. What is the composition of the medical staff (how many, specialties, etc.)?</p> <p>41. What is the responsibility of the medical staff with respect to patient care and the board?</p> <p>42. How is the medical staff organized (including committees)?</p> <p>43. Is there an updated medical staff manual?</p> <p>44. What is the credentialing and reappointment process?</p> <p>45. What medical staff committees exist to ensure quality patient care?</p> <p>46. Does the medical staff leadership provide the board with routine reports on quality of care?</p> |
| Operations | <p>47. Do we have a customer service program? If so, what are its components and who is in charge?</p> <p>48. Do we have a patient handbook? If so, has it been recently updated?</p> <p>49. Do we have a continuous quality improvement/performance improvement initiative? If so, how is it working and who is in charge?</p> <p>50. What is the accrediting organization and how does it affect our organization?</p> <p>51. When was our last accrediting organization visit? Were we accredited? If no, what have we put in place to ensure we will be accredited at the next visit? When is the next visit?</p> <p>52. What programs do we have that reach out into the community?</p> |

| Main Topics | The section should answer the following questions: |
|---|--|
| Finance | <p>53. Who is our chief financial officer (CFO) and what are the CFO's responsibilities?</p> <p>54. Who conducts internal audits?</p> <p>55. Who conducts external audits?</p> <p>56. What was our inpatient/outpatient activity over the past year? Has it increased or decreased? What are the implications?</p> <p>57. What was our revenue and expense position over the last year? What are the implications?</p> <p>58. What is our payer mix? How does this affect our revenue?</p> <p>59. What are our key financial indicators?</p> <p>60. What is our bond rating?</p> <p>61. What are the trends in patient activity, reimbursement, technology, and in the market?</p> |
| Nursing | <p>62. Who is our director of nursing and what are their responsibilities?</p> <p>63. How are patient care services organized (e.g., ambulatory care, medical/surgical, intensive care, maternity/obstetrics, etc.)?</p> <p>64. Who is the "house supervisor" and what does this mean?</p> <p>65. What are the current issues regarding our Emergency Department?</p> <p>66. What are the inpatient statistics—e.g., the number of beds per unit, occupancy, number of surgeries?</p> <p>67. What are the outpatient statistics—the number of ambulatory visits, emergency room visits?</p> <p>68. Do we have case managers?</p> |
| Other Clinical Services | <p>69. How many labs do we have and where are they located?</p> <p>70. How many lab tests are done each month?</p> <p>71. How many radiology sites do we have and where are they located?</p> <p>72. How many radiographic studies are done each year?</p> <p>73. Do we have rehabilitation services? What are the specifics?</p> <p>74. Do we have cardiopulmonary services? What are the specifics?</p> <p>75. How is our social service/social work effort organized? What are the specifics?</p> <p>76. What are the specifics about our pharmacy services?</p> |
| Corporate Compliance/ Strategic Planning | <p>77. Who is in charge of corporate compliance and strategic planning?</p> <p>78. What are the responsibilities associated with monitoring corporate compliance?</p> <p>79. What is the specific role of the person in charge of strategic planning? How does this activity relate to board responsibility?</p> |

| Main Topics | The section should answer the following questions: |
|--------------------------|--|
| Legal | <p>80. Who is our counsel?</p> <p>81. Do we have outstanding lawsuits against us? What is the status?</p> <p>82. Who handles our contracting?</p> <p>83. What major contracts do we have outstanding?</p> <p>84. What are our most pressing legal issues?</p> |
| Physician Recruiting | <p>85. Do we employ physicians?</p> <p>86. How do we recruit physicians?</p> <p>87. What are our current physician needs for the organization?</p> <p>88. How are we progressing in our recruitment efforts?</p> |
| Human Resources | <p>89. How many employees do we have?</p> <p>90. What are our employee statistics (e.g., males vs. females, number that are full- and part-time, average age, average length of employment, turnover, etc.)?</p> <p>91. How many nurses do we have? Do we have a shortage? What are some of the main issues and efforts?</p> <p>92. What is in the employee benefit package?</p> <p>93. How does employee compensation compare with that of our competitors and with the industry?</p> <p>94. Do we have in-house education programs?</p> <p>95. What are the components of human resources that merit attention of the board (e.g., changes to administrative policies such as benefits and wages, accreditation criteria, etc.)?</p> |
| Materials and Facilities | <p>96. Who is in charge of materials and facilities management?</p> <p>97. What are some of the key responsibilities of this position?</p> <p>98. How does this function relate to capital purchases and the capital budget?</p> <p>99. If we have large construction projects underway, what has been our progress and what can we expect in the next 3 to 6 months?</p> |

Source: The Governance Institute, *Board Orientation Manual* (San Diego, CA: The Governance Institute, 2005).

APPENDIX 18.2

Individual self-assessment for members of a governing body

| Statement | Yes | No | Unsure |
|--|-----|----|--------|
| 1. I understand and support the mission of the organization. | | | |
| 2. I am familiar with the programs implemented by the organization and the services it provides. | | | |
| 3. I prepare for meetings of the governing board by reading the materials that are provided. | | | |
| 4. I read and understand the organization's financial statement, helping the governing body to fulfill its fiduciary responsibility | | | |
| 5. I attend at least 75% of board meetings. | | | |
| 6. I participate actively in discussions at meetings of the governing body, asking substantive questions and contributing my ideas and opinions. | | | |
| 7. I assume leadership positions on the governing body and undertake special assignments willingly and enthusiastically. | | | |
| 8. I keep the deliberations of the governing body confidential. | | | |
| 9. I make a financial contribution to the organization within my means. | | | |
| 10. I recommend potential donors to the organization and assist with fundraising. | | | |
| 11. I speak for the board only when authorized to do so. | | | |
| 12. I serve as an ambassador for the organization, telling its story and presenting its accomplishments. | | | |
| 13. I represent the community on the governing body, bringing back concerns, ideas, suggestions and compliments. | | | |
| 14. I counsel the chief executive as appropriate. | | | |
| 15. I avoid asking the staff for special favors, and particularly requests for information, unless I have consulted with the chair of the governing body and/or chief executive. | | | |
| 16. What can the organization do to ensure that your service on the governing body is more satisfying and productive? | | | |
| 17. What can you do to ensure that your service on the governing body is more satisfying and productive? | | | |

STRATEGIC THINKING AND PLANNING

TOPICS

The Power of
Innovation

Design Thinking for
Better Governance

Strategies to Infuse
Innovation into Your
Strategic Planning
Process

This section builds on the work of [Section 13](#), as well as [Health Systems in Action](#)¹ and work by the [Mayo Clinic's Center for Innovation](#)² to define practical ways for your governing body to conduct its annual strategic business planning. It also examines the value of “design thinking”³ as a means to build innovation into your plans for success.

THE CHALLENGE

The District Medical Officer has asked you to develop and manage a 90-day process of strategic thinking and planning for new ways to engage youth in family planning and reproductive health services. Who would you invite into the process and how would the process generate a sense of ownership and enthusiasm among the planning participants, school, and community groups to implement the plans once defined?

In [Section 13](#) we see that one of the most important contributions a governing body can make to a health services organization is to help you, as leaders of the organization, to think strategically and

1. Management Sciences for Health (MSH), *Health Systems in Action: An eHandbook for Leaders and Managers* (Medford, MA: MSH, 2010). Available at: http://www.msh.org/sites/msh.org/files/ehandbook_2014_final_29aug14.pdf
2. Mayo Clinic, “Center for Innovation” (Rochester, MN: Mayo Foundation for Medical Education and Research, 2015). Available at: <http://www.mayo.edu/center-for-innovation>
3. For more on design thinking, see Tim Brown, “Design Thinking,” *Harvard Business Review*, 2008. Available at: <https://hbr.org/2008/06/design-thinking>

creatively about the future, including: (1) the future of the health care needs of the people your organization serves; (2) the future staffing, medicines, and technologies needed to serve your target populations; (3) the future design of integrated service delivery systems; (4) the future sources of financing for your type of organization; and (5) the ways in which you will be held accountable for the organization's work, its costs, and its results.

Governing body members should not wait for the future to be defined by forces out of their control. Be proactive and work with managers and health workers to use new ways to envision the future. Be innovative when engaging with your many internal and external stakeholders to build and implement a strategic roadmap for your journey to accomplish the desired future. To master the processes for such planning, successful governing bodies will need new perspectives and processes that weave together the best experiences of innovation and design thinking. To master your many governance challenges, old planning tools will not be enough.

THE POWER OF INNOVATION

Innovation is defining new ways to address old challenges—new ways that your health workers actually understand and implement in a manner that gets sustained results. For example, after scores of planning sessions in many different countries and settings, a series of videos is now available that address how governing bodies might champion process improvements in their own organizations to prevent maternal deaths.⁴

Can health sector governing bodies that are not expert in health services be innovative in their strategic thinking and planning? Yes. In fact, some may be significantly better in using innovative ways of planning health services, because they offer a new way to look at the challenges of your health organization. Farmers, bankers, businesspeople, and religious leaders can bring fresh thinking to your governance decision-making practices. A simple process, for example, is for your governing body to apply the classic [Challenge Model](#)⁵ to your governance work. You define your ideal vision of how the governing body would look and behave in the future, identify obstacles or challenges to achieving this vision of a well-functioning governing body, pinpoint the causes of these obstacles and how to remove them, and explore new ways to accelerate not only overcoming the challenges but also improving the quality of your governance work.

All members of your governing body can practice creative thinking to help you achieve smarter planning for your health service programming. Let's examine how the [Kaiser Health System](#) in California looks at innovation.⁶

4. US Agency for International Development (USAID), Ending Preventable Child and Maternal Deaths. Washington, DC: USAID, 2014. Video series. Available at: http://video.search.yahoo.com/yhs/search;_ylt=A0LEVjLGjgRVSE8Af4MPxQt;_ylu=X3oDMTB0N25ndmVnBHNIYwNzYwRjb2xvA2JmMQR2dGlkA1lIUzAwNF8x?p=uganda+ending+preventable+maternal+deaths&hspart=iry&hsimp=yhs-fullyhosted_003
5. Management Sciences for Health (MSH), *Managers Who Lead: A Handbook for Improving Health Services*. (Medford, MA: MSH, 2005), pp. 23-24. Available at: <http://www.msh.org/sites/msh.org/files/mwl-2008-edition.pdf>
6. Kaiser Permanente, Garfield Innovation Center, "How Can YOU Transform Health Care?" (San Leandro, CA: Kaiser Permanente, 2012). Available at: <https://xnet.kp.org/innovationcenter/index.html>

Kaiser Permanente leaders create a culture in which decision-makers have permission to ask bold questions, challenge ineffective ways of doing things, and create organizational and physical spaces to experiment—even fail.⁷ They continuously explore ways to invite diverse people, patients, vendors, and citizens into their processes of problem definition and problem solving.

The [Mayo Clinic's Center for Innovation](#) also supports diverse teams of people with very different backgrounds, skills, and attitudes to work together to find new and better ways for health care service delivery with new health products, facilities, and processes. Their collaboration across many internal and external stakeholders is the key to success.⁸

Most innovators credit their success to their willingness to listen to the ideas and experiences of others without rushing to judgments such as, “It won’t work because it wasn’t invented here,” or “It might embarrass us that what we were doing was wrong.” This risk-taking involves both a willingness to be vulnerable to the views of others and an invitation for others, especially the beneficiaries and users of your services, to join you for problem defining and problem solving. Developing ideas together can help improve the way you make governing decisions.

DESIGN THINKING FOR BETTER GOVERNANCE

Your work as a governing body is focused on making the process of group decision-making effective. Just as the Mayo Clinic’s Center for Innovation uses diverse teams of people in and outside health care to improve clinical decision-making processes for better health care and health gain, this process of “design thinking”⁹ can be used to improve governance decision-making processes.

If you outline the types of decision-making processes you have in your governing body, you can step back, invite in some new people who might think and see things differently, and explore sensible ways to try new approaches.¹⁰ Any group decision-making process has the following elements, all of which require two essential ingredients: (1) engagement of diverse stakeholders with different experiences and attitudes, and open minds to listen to others; and (2) accurate, timely, trusted, and honest information.

- **State the problem:** The first and most important of five steps in this decision-making model is to identify the problem, challenge, or opportunity. Until you have a clear understanding of the problem or decision to be made, it is pointless to proceed. If the problem is stated incorrectly or unclearly, then your decisions will be wrong.

7. Anjali Sastry and Kara Penn, *Fail Better: Design Smart Mistakes and Succeed Sooner* (Cambridge, MA: Harvard Business Review Press, 2014).

8. Mayo Clinic, Center for Innovation, “Collaborations” (Rochester, MN: Mayo Foundation for Medical Education and Research, 2015). <http://www.mayo.edu/center-for-innovation/what-we-do/collaborations>

9. For videos on Mayo Clinic’s Center for Innovation process, see the “Yale Video Series” (New Haven, CT: Yale School of Management, 2013). Available at: <http://www.mayo.edu/center-for-innovation/what-we-do/history-of-the-center-for-innovation/yale-video-series>

10. Alan Chapman, “SWOT analysis.” (Leicester, England: Businessballs, 2015). Sample tools for decision-making and group analyses are available at: <http://www.businessballs.com/swotanalysisfreemtemplate.htm>

- **Identify alternatives:** Sometimes your only alternatives are to do something or not do it. Most of the time, however, you will have several feasible alternatives. It is worth researching your options to ensure you have as many good alternatives as possible.
- **Evaluate the alternatives:** This is where the analysis begins. You must have some logical approach to rank the alternatives. Two such logical approaches are discussed at [Sample SWOT Analysis](#).¹¹ It is important to realize that these analysis methods are only some of many.
- **Make a decision:** Once you have evaluated your alternatives, there may be two or more high-ranked alternatives that are very close in their evaluations. Eliminate all of the alternatives that were low ranked. Now, go back and examine the assumptions you made to refine your evaluation criteria for the close high-ranked alternatives. Do you still feel comfortable with the inputs you made? When you have eliminated the alternatives that do not make logical sense, it is time to let your intuition and subconscious work. Review all the details of the remaining high-ranked close alternatives, so they are completely clear in your mind. Then leave the project alone for a few days. When you return to it, the decision will likely be clear. This works only if you have done your homework!
- **Implement your decision:** A decision has no value unless you implement it. If you are not an effective implementer, then find someone who is. Support the success of the implementation through follow-up.

Areas in your governing work that could benefit from this simple improvement process may include how you:

- organize the time and topics for your regular meetings;
- incorporate information that is more accurate, timely, and easy to understand and use into your board meetings;
- invite beneficiaries into subgroups of the governing body to help you carry out planning and program evaluations;
- define community health needs;
- recruit and retain health workers;
- improve working conditions for your health workers;
- earn the respect of politicians in order to mobilize more resources to accomplish your mission.

How might your governing body discuss the application of these techniques in your setting? Who could you invite from your region or from other industries to help you learn more about innovation and process improvement?

11. Dee Reavis, "Business Analysis Made Easy" [website], Sample SWOT Analysis. <http://www.business-analysis-made-easy.com/Sample-SWOT-Analysis.html>

STRATEGIES TO INFUSE INNOVATION INTO YOUR STRATEGIC PLANNING PROCESS

The Value of Scenarios

A valuable, innovative tool is to have teams of stakeholders develop and use alternative scenarios¹² in planning. A scenario is a reasonable picture of how your situation or performance might look and behave in the future (usually 3 to 10 years in the future, but it could be 12 to 36 months). A scenario allows you the freedom to journey in your imagination into these alternative futures without the risk or loss of time spent actually making the trip.

Scenario-based process improvement planning can follow this five-step process:

Step 1. Invite a very diverse set of stakeholders who vary by age (youth and elders), sex (the number of women should at least equal the number of men), ethnicity, religion, education, training experience, and work background. Give them permission to explore new ways to evaluate the strengths and weaknesses of, the opportunities for, and the threats to your health services and/or the way you do your governing work.

Step 2. Encourage and support them to develop alternative scenarios about your future governing work, using at least three types of scenarios.

Best case: A picture or story that is the best view, one in which, amazingly, everything you need for success is in place;

Worst case: A story or set of assumptions in which most all factors and resources for your success either do not happen or are only partially evident;

Likely case: A situation or picture that falls somewhere in the middle of the other two scenarios.

Step 3. Ask them to identify what they consider to be the advantages and disadvantages of each scenario for your organization or governance work (making sure at least one positive and one negative implication are identified and debated) and to recommend a reasonable path or strategy to journey into each scenario that maximizes the advantages and minimizes the negatives.

Step 4. Ask each group/team to then answer the following question for each reasonable option: “If we were to implement this action, change, or strategy, what would be the implications for our quality, staff morale, financial position, political situation, and ability to implement it in a timely manner?”

Step 5. Make your final decision on how best to improve your organization, service, or governing process based on the consensus reached after weighing all of the considerations.

12. The Organisation for Economic Co-operation and Development (OECD) defines scenarios in “WHAT Are Scenarios?” (Paris: OECD, no date). Available at: <http://www.oecd.org/site/schoolingfortomorrowknowledgebase/futurestinking/scenarios/whatarescenarios.htm>

Where do you think this process might best be used in your situation?
How would you refine or improve the process?

Developing and Using an Innovation Lab

Some organizations don't wait for problems to start exploring new ways into future domains of high performance. They have some fun by inviting diverse groups into an "Innovation Lab" or a "Design Studio" to explore new ideas that have the potential to make the organization or governing body stronger. Just like good musicians or athletes who are not content with their current level of performance, they are willing to continuously look for fresh ideas and pathways.

The Mayo Clinic Center for Innovation calls one of its creative spaces [The Garage](#),¹³ as if entrepreneurs were setting up a new business in their garage. An innovation lab or studio can be as simple as a room, tent, or grove of trees over which you have placed a sign. "Innovation Lab" participants enter to converse about how to improve the work and results. It is a safe space in which to dream, plan, and experiment. It is like a greenhouse in which new ideas can be allowed to grow, take root, and begin to flourish before being planted in the challenging realities of your underwatered, undernourished, and underfertilized field.

13. Mayo Clinic, "Virtual Tour" [video] (Rochester, MN: Mayo Foundation for Medical Education and Research, 2015). Available at: <http://www.mayo.edu/center-for-innovation/>

RESOURCE MOBILIZATION

TOPICS

The Challenge of Funding Your Organization's Mission

Alternative Sources of Resources

Practical Ways to Plan Resource Mobilization

In an era of changing levels and forms of financial support, this section targets ways for governing bodies to establish strategies and structures for the continuous procurement of local, national, and international political and financial support for the work of their health services organizations.

THE CHALLENGE

The Ministry of Health has just enacted regulations that will enable your public hospital to participate in performance-based financing (PBF) and earn donations for capital improvements of your facilities and equipment. Who would you engage and how would you engage them in planning a campaign for earning and wisely using new revenues?

THE CHALLENGE OF FUNDING YOUR ORGANIZATION'S MISSION

Health sector leaders remain concerned that the burden of communicable and noncommunicable disease in low-income countries is measured not just in disturbing numbers of lives lost, but in crippling patient costs that are inequitably shared between those who live in urban areas and those who live in rural areas, and between people who have resources and the poor. See the example in Box 20.1. The

agendas of governing bodies, at all levels of these countries, must address this funding problem.

BOX 20.1 The cost of treating one case of tuberculosis

Five presentations made at the 44th World Conference on Lung Health of the International Union against Tuberculosis and Lung Disease, held in Paris in 2013, found that diagnosis and treatment of tuberculosis (TB) represent a catastrophic health expenditure for many patients, in countries as diverse as Bangladesh, Nigeria, and Peru—even when treatment is supposed to be free. For example, a review of eight studies from 11 countries found that “total mean expenditure for TB care was equivalent to 16% of annual household income.”

Source: I. Alabu, et al. “Economic Burden of Tuberculosis at Household Level: Highlight [sic] of the Research and Policy Gaps,” *Abstract Book*, 44th World Conference on Lung Health of the International Union against Tuberculosis and Lung Disease, p. S46 (Nov. 2, 2013). Available at: http://www.theunion.org/what-we-do/journals/ijtld/body/ABSTRACT_BOOK_2013_Web.pdf

How can we do more with less? Our costs are exploding, and our sources of funding are at best flat.

How can we make governing decisions that allow us to simultaneously expand access to good services, recruit staff, purchase essential medicines, and pay for basic health facilities and electricity when our budgets are squeezed and user fees cannot be collected?

Even if the government funds social health insurance, how can we afford to prepare for the costs and complications of billing and collecting these payments?

Managing this health financing challenge is made more difficult because few of the members of our governing bodies and management teams have the knowledge and expertise needed to develop and oversee the policies to find, secure, and manage the funding levels we expect to need in the coming years.

ALTERNATIVE SOURCES OF RESOURCES

The top priority for governing body education needs to be the twin challenges of: (1) being able to forecast the amounts and types of resources we need to secure each month and each year for the coming era of change; and (2) identifying potential sources of funding that can meet these spending requirements under terms that are manageable. In both arenas, however, governing body leaders must be ready to advocate for national policy changes from new collaborations between the national ministries of health and finance. Then, leaders must advocate for such funds to flow equitably to the provincial, district, and community levels.

Use of Funds

Compared to the resources needed, governing bodies find it comparatively easier to define the types of expenditures needed for their type of health services organization. Whether a facility is an urban hospital, a storefront drug re-seller, a family planning clinic, or a rural health post, 60%-70% of its budget is usually used to pay wages and some modest benefits for health workers, including basic housing and food. Essential medicines and electricity follow close behind.

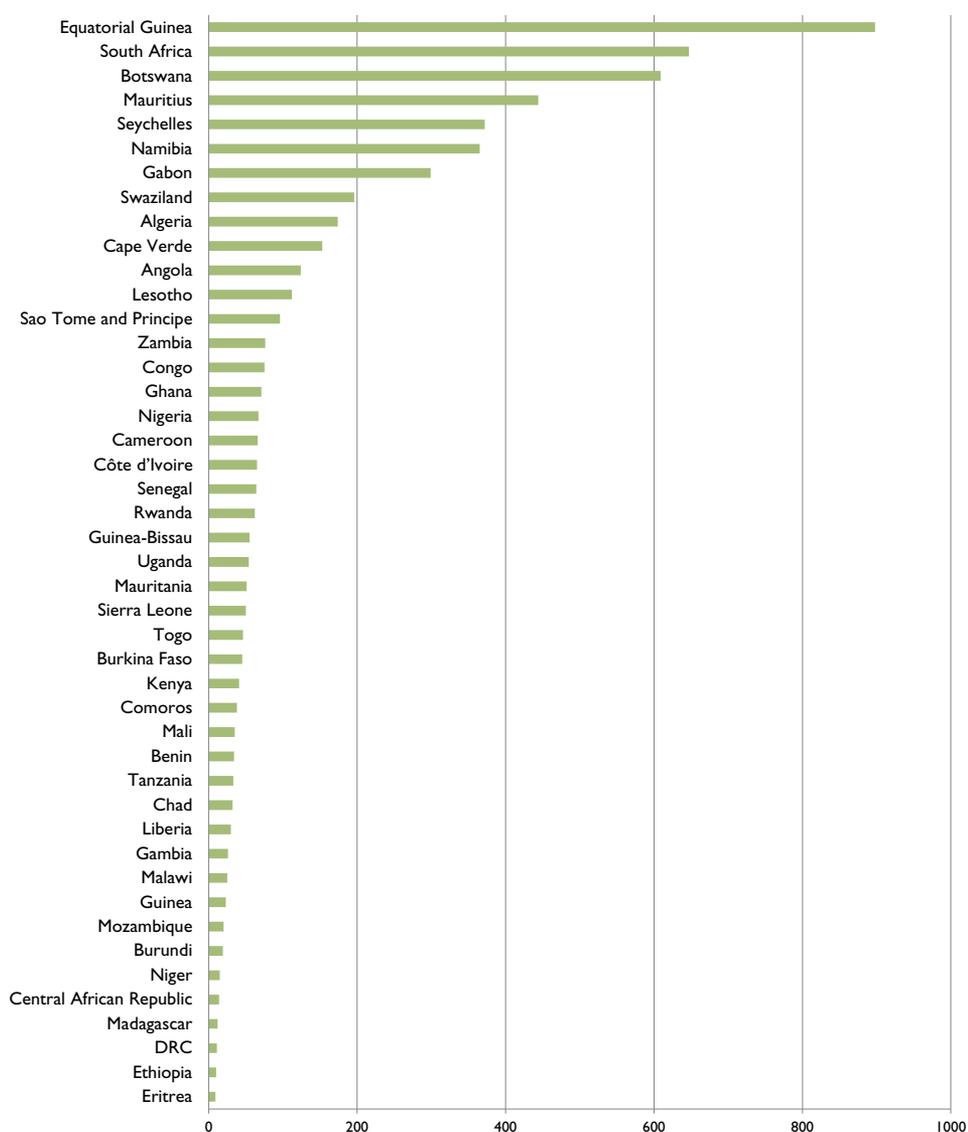
Governing bodies should have briefing sessions at least twice per year from their managers about the amounts, trends, and patterns of budget spending for their type of health program, facility, or system. Figure 20.1 on the next page shows the dramatic differences in health spending per person in African countries. Governing body leaders should advocate for additional spending for their programs and ask for explanations for gaps in their levels compared to other comparable districts or provinces.

Building Africa's health leadership capacity: Tackling the root causes of weak health systems

The main reason for Africa's weak healthcare systems is neither a shortage of policies, nor road maps, nor even funding. Lack of leadership capacity, reflected in corruption and flawed policy implementation, must be addressed, argues Dr. Margaret Mungherera, immediate past president of the World Medical Association.

Cited from "The Future of Healthcare in Africa: Progress, Challenges and Opportunities," *The Economist Intelligence Unit*, 2014, p. 10.

FIGURE 20.1 Total health expenditure per capita in the African region in US\$ (2010). Examining larger trends can help members of governing bodies compare their institution against the broader field and advocate for changes accordingly.



Source: World Health Organization (WHO), Regional Office for Africa, *State of Health Financing in the African Region* (Brazzaville: WHO Regional Office for Africa, 2013). Available at: <http://www.afro.who.int/en/clusters-a-programmes/hss/health-financing-a-social-protection/hfs-publications.html>

Sources of Funding

Health is increasingly recognized as a key aspect of human and economic development in Africa, and countries are increasing investment in actions and reforms to improve health outcomes and accelerate progress toward meeting the health Millennium Development Goals and Sustainable Development Goals.

Low-income countries will increasingly be expected to become more self-sufficient in meeting their health sector funding needs. Economic growth in the broader society is, of course, a prerequisite for this to happen.¹ In Africa, the more than 1 million community leaders serving on governing bodies must lend their voices to this call for investment in their health systems.

The political will of national leaders to put health in the forefront of development has been reiterated at the continental level through actions such as the Abuja Declaration of 2001 on increasing government funding for health, the Addis-Ababa Declaration of 2006 on community health in the African Region, and the 2008 Ouagadougou Declaration on primary health care and health systems in Africa. Health systems financing is one of the key areas that offer important opportunities to translate these commitments and this political will into results.²

Key health care financing patterns in sub-Saharan Africa include the following.³

- The current level of health care funding from government tax revenue is relatively low in most African countries, particularly in relation to the target of 15% of total government expenditure being devoted to the health sectors agreed to by the African heads of state in Abuja in 2001. In the majority of countries (about 60%), the health sector share of total government expenditure is below 10%. Achieving the 15% target would reflect government commitment to some degree of health sector prioritization in expenditure. It does not imply that this level of funding would be adequate to meet national health needs, even at a most basic level.
- There is still a reasonably high level of reliance on donor funding in African countries. Donor funding accounts for more than a quarter of total health care funding in about 35% of countries, with 5% of countries having more than half of all health care funding coming from external sources.
- There is limited insurance coverage in African countries, especially in relation to mandatory health insurance. However, community prepayment schemes have been on the increase in recent years.
- One of the single largest sources of financing is that of out-of-pocket payments, which exceed 25% of total health care expenditure in more than three-quarters of sub-Saharan African countries. Out-of-pocket payments include user fees at public sector facilities as well as direct payments to private providers, both nonprofit providers (e.g., missions) and for-profit providers (ranging from doctors working in private practice to informal drug sellers and traditional healers).

1. Sheila Dinotshe Tlou, "Self-Sufficiency of African Healthcare Systems," *The Economist*, Nov. 3, 2014. Available at: <http://www.economistinsights.com/healthcare/opinion/self-sufficiency-african-healthcare-systems>

2. See the many studies of resources on the Health WHO Financing website (Geneva: WHO, 2015). Available at: http://www.who.int/topics/health_economics/en/

3. Di McIntyre, Lucy Gilson, and Vimbayi Mutyambizi, *Promoting Equitable Health Care Financing in the African Context: Current Challenges and Future Prospects*, EQUINET Discussion Paper No. 27 (Harare, Zimbabwe: Regional Network on Equity in Health in Southern Africa [EQUINET], 2005). Available at: <http://www.equinetafrica.org/bibl/docs/DIS27fin.pdf>

The governing body should reach agreement with its managers on specific targets for financial vitality for the program or organization that everyone can work to achieve. Examples might be:

- Increase budget allocations from the Ministry of Health by 5% during each of the next three years.
- Save 5% of medicine costs by arranging for more stable procurement and storage arrangements to avoid stock-outs and waste from expired drugs.
- Generate new programs for revenues and/or in-kind resources from extractive industries, internal donors, and local philanthropists.⁴
- Develop contracts with private sector employers to earn funding from special diagnostic or testing services.
- Decrease reliance on out-of-pocket user fees for maternal and infant care services.

Governing body members must realize, however, that to decrease reliance on out-of-pocket payments, their countries and provinces will need to find ways to increase health funds that come from prepaid sources and are subsequently pooled. The potential to identify new sources of tax revenue, such as sales taxes and currency transaction fees, exists. Ghana, for example, has funded its national health insurance scheme partly by increasing the value-added tax by 2.5%. A review of 22 low-income countries showed that they could collectively raise US\$1.42 billion through a 50% increase in tobacco tax. Innovative resource mobilization instruments, including public-private partnerships and multisectoral engagements, could help reduce the funding gap and serve as good mechanisms for lobbying the state to increase the health budget.

Table 20.1 shows some innovative health financing mechanisms from several African countries. There are good practices in the region as well, for example, in Gabon (Box 20.2) and Ghana (Box 20.3).

TABLE 20.1 Innovative health financing mechanisms in some African countries

| Country | Special levy on large profitable companies | Levy on currency and other financial transactions | Tobacco and alcohol excise tax | Other taxes earmarked for health |
|------------|--|---|--------------------------------|----------------------------------|
| Cape Verde | | | ✓ | |
| Comoros | | | ✓ | |
| Gabon | ✓ | ✓ | | |
| Ghana | | | | ✓ |
| Guinea | | | | ✓ |
| Zimbabwe | ✓ | | | |

Source: WHO Regional Office for Africa, *State of Health Financing in the African Region*, 2013

4. For an example from the extractive industries, see Chile Hidalgo, Kyle Peterson, Dane Smith, and Hugh Foley, *Extracting with Purpose: Creating Shared Value in the Oil and Gas and Mining Sectors' Companies and Communities* (Boston, MA: FSG, Oct. 2014). Available at: <http://www.fsg.org/publications/extracting-purpose>

BOX 20.2 Innovative financing mechanisms in Gabon to augment health funds

In 2009 Gabon introduced new taxes to raise additional funds to subsidize health care for low-income groups. One was a tax on money transfers whereby a 1.5% levy on the post-tax of profits was imposed on companies that handle remittances. The second was a 10% tax on mobile phone operators in the country. The two taxes raised an equivalent of US\$30 million for health in 2009. These funds are used to protect low-income groups against financial risks and to reduce barriers to accessing health care. They support enrollment of the low-income population in national health insurance and social security schemes. This mechanism of raising funds for health for low-income groups is an example that can be emulated by other countries in the African Region.

Source: WHO Regional Office for Africa, *State of Health Financing in the African Region*, 2013

BOX 20.3 Organizing prepayment and pooling through the National Health Insurance scheme in Ghana

In order to improve access to health services, Ghana embarked on a health financing reform process in the late 1990s. This development, which ultimately led to the establishment of the Ghana National Health Insurance Scheme (NHIS), was pushed forward by strong political will that has since survived democratic transitions in political power.

The NHIS implementation process relied on existing mutual health insurance organizations (MHOs) established in the early 1990s, often with the help of international donors and agencies. The voluntary community-based MHOs started out at the local level, pooling risk for a limited number of people, often not more than 1,000. The NHIS process brought together these fragmented units into building blocks (which became the districtwide mutual health insurance schemes [DMHIS]) of a national system that was formalized through the National Health Insurance Act (Act 650) in 2003 and that was effectively rolled out from 2005.

The NHIS is built as a health financing pooling mechanism into which funds from multiple sources are channeled. Most of the NHIS funds come from a value-added tax (VAT) levy, a 2.5% part of the regular VAT that is earmarked directly for NHIS. Another source is the redirection of 2.5% of the payroll tax from the Ghana pension scheme for formal sector workers. The contributions of NHIS members represent only a small fraction of the total revenue of NHIS, and these contributions often stay at the DMHIS level and are not accounted for at the national level. NHIS aims at supporting revenue progressivity by cross-subsidies from the formal sector payroll tax and by VAT exemptions on some primary necessity products.

NHIS coverage was revised to 34.7% in 2011 against the 60% estimated in 2009. Since the inception of the scheme, those exempted from premium payments constitute more than 50% of the total members, with children under 18 years forming the biggest part of that group. The number of exempted indigents and pensioners is very low. Paying members from both the formal and informal economic sectors constitute less than 10% and about 20% of the membership, respectively. The current government has stated its commitment to introduce a one-time premium payment, which will further change the dynamics of NHIS revenue collection.

Source: WHO Regional Office for Africa, *State of Health Financing in the African Region*, 2013

PRACTICAL WAYS TO PLAN RESOURCE MOBILIZATION

Governing bodies need a blueprint to follow as they seek to mobilize additional resources for their organization's vitality. This “roadmap for resource mobilization”⁵ should have these characteristics:

- It is driven to meet tangible funding requirements defined by careful program planning and financial analyses for each program and institution.
- It contains a very clear “case for support” that defines the importance of how the funding will be used to yield tangible gains in lives saved, services provided, health services utilized, and quality of care delivered.
- It is targeted for specific amounts from each source of funding, including:
 - budget requests from local, district, provincial, and national agencies;
 - in-kind resources from international donors and local businesses, such as for:
 - water and utilities
 - medical supplies, equipment, and furnishings
 - housing and food for staff and volunteer community health workers
 - medicines
 - building and land maintenance
 - equipment maintenance
 - support for micro-enterprise development for co-ventures with local banks, hotels, caterers, security, or cleaning services
 - technical assistance for quality improvement, service excellence training for staff, and administrative system enhancements
 - revenues earned by contracting out services to other government offices, faith-based organizations, or private companies;
 - fundraising from local community groups, foundations, faith-based organizations, wealthy families, or corporations eager to support your health programs;⁶
 - support from international NGOs and global foundations such as Gates, Rockefeller, and those engaged in health systems strengthening and humanitarian assistance.⁷

5. There are many examples of planning for new resources. Explore these documents: Suresh N. Shende, *Improving Financial Resources Mobilization in Developing Countries and Economies in Transition* (New York: United Nations, 2002). Available at: <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN006235.pdf>. See also Mercy Corps, *Guide to Community Mobilization Programming* (Portland, OR: Mercy Corps, no date). Available at: <http://www.mercy-corps.org/sites/default/files/CoMobProgrammingGd.pdf>. Also WHO Regional Office for Africa, *Resources Mobilization Strategy 2009-2013* (Brazzaville, Republic of the Congo: WHO Regional Office for Africa, 2008). Available at: http://www.afro.who.int/en/downloads/doc_download/5421-resource-mobilization-strategy-2009-2013.html

6. Karin Stenberg et al., *Responding to the Challenge of Resource Mobilization: Mechanisms for Raising Additional Domestic Resources for Health*, World Health Report (2010) Background Paper 13 (Geneva: WHO, 2010). Available at: <http://www.who.int/healthsystems/topics/financing/healthreport/13Innovativedomfinancing.pdf>. See also Fundsnet Services, “International Grants and Funders.” Available at: <http://www.fundsnet.com/searchresult/30/International-Grants-&-Funders.html>

7. See the website of the Foundation Center, “Global Philanthropy: Health” (New York: Foundation Center, 2015). Available at: <http://foundationcenter.org/gpf/health/>

- It has a detailed action plan with leadership assigned to specific members of the governing body, leadership team, and local community civic, religious, and business leaders outside the governing body.
- It includes a calendar to guide follow-up. There should be monitoring and reporting on progress against the plan at each meeting of the governing body. Receipt of funding, such as a donation or new grant, should be openly celebrated in the service area to encourage supporters to sustain their work and support going forward.

The members of the governing body need to inspire and sometimes lead the development of these types of resource mobilization plans. A special taskforce or committee should be formed with a written charge, work plan, and staff support to be successful. This committee should plan openly with participation from community leaders. Broader engagement will not only yield more creative ideas, but also motivate people to help implement the plan and participate in the appeal to various governmental, donor, and private sector sources of support.

QUALITY ASSURANCE

TOPICS

The Importance and Challenges of Service Quality

What Governing Bodies Need to Know about Service Quality

Engaging Beneficiaries in Strategy Design and Implementation

Measuring and Reporting Progress against Plans

Celebrating Results

This section describes practical ways for governing bodies to work with their health workers and leadership team to ensure that their services achieve high standards of clinical outcomes, patient or beneficiary safety, and service excellence that earns beneficiary satisfaction.

THE CHALLENGE

You are a respected retired nurse-midwife serving on the governing body of a hospital for women and children in Cairo, Egypt, and you have been asked to develop a program to expand the number of births in Cairo that are attended by a trained birth attendant. How would you guide the governing body and staff to accomplish this challenge?

THE IMPORTANCE AND CHALLENGES OF SERVICE QUALITY

To save lives and enhance service utilization to improve health, governing bodies need to be active partners with their management and health workers to call for more formal and disciplined process improvements in health services. These improvements are often dependent on the availability of additional human and financial resources, which can be secured from the resource mobilization strategies outlined in [Section 20](#).

Service quality has three dimensions that must be maximized:

- clinical process improvement to meet sensible international standards of excellence;
- safety so that health workers do no harm in their interventions to improve health;
- user satisfaction with the following service characteristics:
 - access and hours of operation
 - convenience of location
 - comfort in waiting
 - dignity and respect for beneficiaries’ culture and norms
 - affordability of services
 - results, as measured by healing and increased personal functionality
 - opportunities to provide inputs into service planning and evaluation

Unfortunately, in many low- and middle-income countries, these attributes of health services and medicine delivery are rarely met. Too often we see the following symptoms of a failing health system.¹

- poor staff attendance at work
- stock-outs of essential medicines²
- maternal and neonatal deaths from unsafe or untrained staff or home deliveries
- infant deaths from malnutrition and unsafe water or sanitation
- long waiting lines for services
- stigma and discrimination that affect people with HIV & AIDS and tuberculosis
- rapid spread of communicable diseases such as Ebola
- poor diagnostic facilities and staff for chronic diseases such as cancer and diabetes
- medical equipment that fails due to lack of maintenance and/or spare parts
- inadequate supplies of water and electricity
- corrupt practices in such areas as procurement, drug management, and staff placement

These system and health worker failures kill people, demoralize health workers and communities, and impede a community’s or nation’s political stability and economic growth.

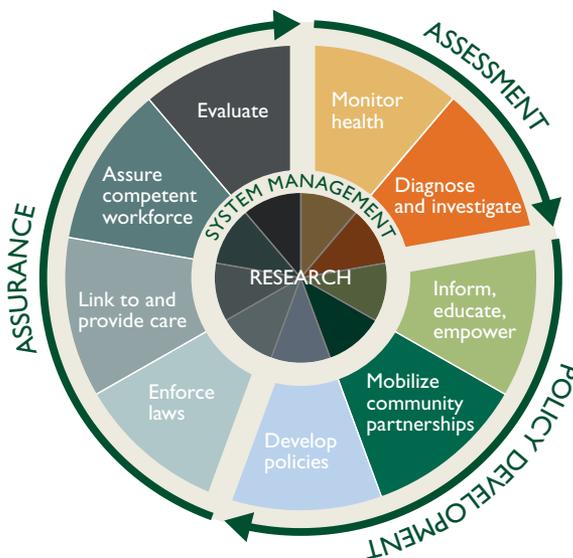
1. For reports on poor quality, see Stephen Lock, “The State of Healthcare in Southeast Asia” (Edelman Indonesia: Dec. 20, 2013). Available at: <http://www.edelman.com/post/the-state-of-healthcare-in-south-east-asia/>; Anthonia Adindu, “Assessing and Assuring Quality of Health Care in Africa,” *African Journal of Medical Sciences* 2010; vol. 3, no. 1: 31-36. Available at: <http://www.africaleadership.org/rc/Assessing%20Quality%20of%20Care%20in%20Africa.pdf>; and Kenneth N. Wanjau, Beth Wangari Muiruri, and Eunice Ayodo, “Factors Affecting Provision of Service Quality in the Public Health Sector: A Case of Kenyatta National Hospital,” *International Journal of Humanities and Social Science* 2012; vol. 2, no. 13: 114-25. Available at: http://ijhssnet.com/journals/Vol_2_No_13_July_2012/11.pdf.
2. See Joseph Wales, Julia Tobias, Emmanuel Malangalila, Godfrey Swai, and Leni Wild, “Stock-outs of Essential Medicines in Tanzania: A Political Economy Approach to Analysing Problems and Identifying Solutions” (London: Overseas Development Institute, 2013). Available at: <http://www.odi.org/publications/8432-stock-outs-essential-medicines-tanzania-political-economy-approach-analysing-problems-identifying-solutions>

These failures can be addressed with leadership that calls for more education and funding and celebrates groups that invest their time and talents to design new ways to meet health service performance standards.

The US Centers for Disease Control and Prevention (CDC) has many guides for essential public health standards in the following 10 areas³ (also see Figure 21.1):

1. Monitor health status to identify and solve community health problems.
2. Diagnose and investigate health problems and health hazards in the community.
3. Inform, educate, and empower people about health issues.
4. Mobilize community partnerships and action to identify and solve health problems.
5. Develop policies and plans that support individual and community health efforts.
6. Enforce laws and regulations that protect health and ensure safety.
7. Link people to needed personal health services and assure the provision of health care when otherwise unavailable.
8. Assure competent public and personal health care workforce.
9. Evaluate effectiveness, accessibility, and quality of personal and population-based health services.
10. Research for new insights and innovative solutions to health problems.

FIGURE 21.1 Ten essential public health services. Developed by a committee of American public health service agencies in 1994, the essential services are one example of the core activities that a public health system should undertake to best serve the community. They can also factor into the development of health performance standards.



Source: Core Public Health Functions Steering Committee, "Public Health in America" (Atlanta, GA: CDC, 1994). Available at: <http://www.health.gov/phfunctions/public.htm>

3. See CDC, National Public Health Performance Standards, "The Public Health System and the 10 Essential Public Health Services" (Atlanta, GA: CDC, 2014). Available at: <http://www.cdc.gov/nphpsp/essentialServices.html>

WHAT GOVERNING BODIES NEED TO KNOW ABOUT SERVICE QUALITY

Governing body members may not be experienced in the technical aspects of quality improvement of health services. They can, however, invite experts from the Ministry of Health, local medical schools, schools of nursing and public health, and international NGOs and local CSOs to help them to become better informed about root causes of poor service quality and about innovative approaches to improve service outcomes and acceptability to beneficiaries. Advances are being developed with many local partnerships with such respected organizations as the [Institute for Healthcare Improvement](#);⁴ [University Research Corporation](#);⁵ [International Society for Quality in Health Care](#);⁶ [US Agency for International Development \(USAID\)](#);⁷ [International Planned Parenthood Federation \(IPPF\)](#);⁸ [United Nations Population Fund \(UNFPA\)](#);⁹ and [United Nations Children’s Fund \(UNICEF\)](#).¹⁰

The main lesson for governing bodies is that poor quality is avoidable and much can be done without spending a lot of money. Sanitation, hand-washing, preventive medicine, good food, and clean water can help as much, or more, as well-trained health workers.

Evidence that significant improvements are possible can be seen in the work in Ghana to reduce under-five mortality with local health providers collaborating with the [Institute for Healthcare Improvement](#).¹¹

To make a positive impact on health care through your organization’s activities, reach out to other segments of your community, province, or other ministries that deal with the social determinants of health.^{12,13} Seek to organize joint projects with the schools and the ministry of education.¹⁴

4. See examples from the Institute for Healthcare Improvement (IHI), “Africa: Overview” (Cambridge, MA: IDI, 2015). Available at: <http://www.ihl.org/regions/africa/Pages/default.aspx>; “Latin America: Overview” (Cambridge, MA: IDI, 2015). Available at: <http://www.ihl.org/regions/LatinAmerica/Pages/default.aspx>; and Asia: “Asia-Pacific: Overview” (Cambridge, MA: IDI, 2015). Available at: <http://www.ihl.org/regions/AsiaPacific/Pages/default.aspx>
5. For the approach of the University Research Corporation (URC), see “Quality Improvement” (Bethesda, MD: URC, no date). Available at: http://www.urc-chs.com/quality_improvement
6. Website of the International Society for Quality in Health Care (ISQua) (Dublin: ISQua, 2012). Available at: <http://isqua.org/>
7. USAID, “USAID Quality Health Care Project” (Washington, DC: USAID, March 13, 2015). Available at: <http://www.usaid.gov/kyrgyz-republic/fact-sheets/usaid-quality-health-care-project>
8. For IPPF commitments, see “Good Quality of Care at All Service Points” (London: IPPF, 2013). Available at: <http://www.ippf.org/about-us/accountability/quality>
9. UNFPA, Quality Assurance, “UNFPA’s Quality Assurance” (New York: UNFPA, no date). Available at: <http://africa.unfpa.org/public/cache/offonce/home/procurement/pid/10863>
10. Website of UNICEF, “UNICEF in Action” (New York: UNICEF, 2003). Available at: http://www.unicef.org/health/index_action.html
11. IHI, “Initiatives: Project Fives Alive! in Ghana” (Cambridge, MA: IHI, 2015). Available at: <http://www.ihl.org/Engage/Initiatives/ghana/Pages/default.aspx>
12. See WHO Commission on Social Determinants of Health: Final Report, *Closing the Gap in a Generation: Health Equity through Action on the Social Determinants of Health* (Geneva: WHO, 2008). Available at: http://www.who.int/social_determinants/thecommission/finalreport/en/
13. For US experiences in social determinants, see US Department of Health and Human Services (DHHS), “Social Determinants of Health” (Washington, DC: DHHS, 2015). Available at: <http://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health>
14. See an example to improve health worker supply from the WHO Global Health Workforce Alliance, “The Alliance Brings Together Ministries of Health, Education, Finance and Public Service in El Salvador” (Geneva: WHO, 2010). Available at: <http://www.who.int/workforcealliance/media/events/2010/ccfsalvador/en/>

ENGAGING BENEFICIARIES IN STRATEGY DESIGN AND IMPLEMENTATION

The power and impact of governing body interest to improve service quality increases dramatically when you engage with community groups and beneficiaries. You do not need to do this alone. Inviting in users and community leaders from schools, faith-based groups, and businesses provides superior leverage because you gain new ideas and resources, fresh energy, and stronger political will to sustain and expand successful interventions and implement new ones to achieve and celebrate health gains.

Governing bodies can form special task forces focused on specific diseases and/or hard-to-reach rural villages and ask them to generate ideas on how to improve service quality, acceptability, utilization, affordability, and overall quality. Community groups in villages in Peru, for example, have achieved substantial increases in use of services by engaging community leaders to define how best to design and deliver quality health programs to improve maternal and child health.¹⁵ In Afghanistan, provincial and district health councils meet to plan services and monitor the delivery of packages of basic health services.¹⁶ The experiences of community health committees in Kenya, as summarized in Box 21.1, are also examples from which governing bodies can learn.

15. See Eliana López Pérez, “Peruvian Leaders Guide Their Communities to a Just and Healthy Life” (Medford, MA: MSH, 2015). Available at: <http://www.msh.org/news-events/stories/peruvian-leaders-guide-their-communities-to-a-just-and-healthy-life>

16. For Afghanistan community health councils, see MSH, “Afghanistan” (Medford, MA: MSH, 2015). Available at: <http://www.msh.org/our-work/country/afghanistan>

BOX 21.1 Learning from community health committees in Kenya

The curriculum was developed by key stakeholders who work at the community level and who are aware that community health committees (CHCs) are crucially important for the success of both community health workers (CHWs) and community health extension workers (CHEWs). This curriculum formed the basis for developing the trainers' manual, out of which was derived the take-home Handbook for Community Health Committees. Development of the curriculum was guided by the roles and responsibilities of CHCs. These roles and responsibilities, listed below, hinge on CHCs' core functions of providing leadership and governance oversight in the community.

Roles and responsibilities of CHCs are to:

1. Provide leadership and governance oversight in the implementation of health and related matters in community health services at level 1.
2. Prepare and present to the Link Health Facility Committee (and to others as may be needed) the community Annual Operational Plan (AOP) on health-related issues at level 1.
3. Network with other sectors and developmental stakeholders towards improving the health status of people in the Community Unit, e.g., Ministries of Water, Agriculture, Education, etc.
4. Facilitate resource mobilization for implementing the community work plan and ensure accountability and transparency.
5. Carry out basic human resources and financial management in the community.
6. Plan, coordinate, and mobilize the community to participate, along with themselves, in community dialogue and health action days through social mobilization skills.
7. Work closely with the Link Health Facility Committee to improve the Community Unit's access to health services.
8. Facilitate negotiations and conflict resolution among stakeholders at level 1.
9. Lead in advocacy, communication, and social mobilization.
10. Monitor and evaluate the community work plan, including the work of the CHWs through monthly review meetings.
11. Prepare quarterly reports on events in the Community Unit.
12. Hold quarterly consultative meetings with the Link Health Facility Committee.

Source: Ministry of Health and Sanitation, Training Community Health Committees in Kenya: The Trainers' Manual for Community Health Committees (Nairobi, KE: Ministry of Health and Sanitation, 2012). Available at: http://chs.health.go.ke/images/pdf/trainers_manual_for_chc.PDF or http://webcache.googleusercontent.com/search?q=cache:h7n2f8jLZPgJ:chs.health.go.ke/images/pdf/trainers_manual_for_chc.PDF

MEASURING AND REPORTING PROGRESS AGAINST PLANS

It is not enough to have a good plan, well developed in partnership with the beneficiaries and other stakeholders. The work must be implemented, and progress measured against the plan must be monitored. Progress should be reported openly (even when progress is slow) to all stakeholders.

Stakeholders can also be engaged in defining a practical set of tactics to implement the plan. The first and most important step is to ask the stakeholders to identify all of the

obstacles they believe you will encounter in your journey to better quality services and their utilization. By defining in advance the barriers expected in the road to improvement, you are better able to define ways to remove, reduce, or work around these obstacles to a successful implementation.

To report on the progress being made to better quality, you can post charts on the walls of the health facility, on the walls of buildings in the villages, on a website, in newspaper reports to the community, and in radio stories with testimonials by real beneficiaries and health care providers explaining what was planned, what was done, and what results are being seen.

Country Coordinating Mechanisms use dashboards at the national level to show how Global Fund support is yielding service improvements for patients.¹⁷ CARE International provides a [toolkit](#) that includes Community Score Cards that can be used to monitor a variety of health-related gains.¹⁸

CELEBRATING RESULTS

Too many health organizations, in both wealthy and poor nations, try to drive the behavior of their health workers to higher levels of quality and performance by “naming and shaming” weak results and weak workers or service departments. This negative pressure rarely helps and usually hurts your drive for improvement. Continuous quality and process improvement is usually more significant and more sustained when people are praised for good progress.

How might your governing body work with your health workers to define a series of practical but powerful ways to recognize and reward great ideas to continuously improve your processes for health services quality? [Section 28](#) provides a variety of ways drawn from international health leaders at the Cambridge University Judge School of Business to accomplish this.

17. Grant Management Solutions Project, *The Country Coordinating Mechanism Grant Oversight Tool: Set-Up and Maintenance Guide* (Geneva: Global Fund to Fight AIDS, Tuberculosis and Malaria, 2010). Available at: http://www.theglobal-fund.org/documents/ccm/CCM_SetUpMaintenance_Guide_en/

18. CARE Malawi, “The Community Score Card (CSC): A Generic Guide for Implementing CARE’s CSC Process to Improve Quality of Services” (Washington, DC: Cooperative for Assistance and Relief Everywhere, Inc., 2013). Available at: <http://governance.care2share.wikispaces.net/file/view/CARE%20Community%20Score%20Card%20Toolkit.pdf/433858992/CARE%20Community%20Score%20Card%20Toolkit.pdf>

HUMAN RESOURCES DEVELOPMENT

TOPICS

The Challenges of
Securing Human
Resources for Health

Policies and Systems to
Secure Health Workers

Strategies to Retain
Health Workers

Shaping Workforce
Policies While Avoiding
Micromanagement

This section describes roles for the governing body to help create the conditions within which health workers are more likely to successfully achieve their organization's mission and plans. The term human resources (HR) development is used in this section to mean development of workforce capability and capacity to satisfy current and future health service demands. Under each section there are boxes with practical HR development and management tips for board members.

THE CHALLENGE

As an experienced physician in Peru, you serve as the managing director of a large regional referral hospital that is facing a severe shortage of nurses and laboratory technicians. An influential board member wants you to contract with her training school at very expensive rates to develop your own nurse-training program. What are the issues you must be careful about? And how might you best develop a master HR development plan for all of your health workforce needs?

THE CHALLENGES OF SECURING HUMAN RESOURCES FOR HEALTH

Health sector leaders know that health services depend on health workers. Unfortunately, many local and national health systems do not invest in the compensation, infrastructure, or capacity development needed to attract and retain good talent in the health systems of low- and middle-income countries. These weaknesses cause a persistent shortage of essential health workers across the globe.¹

More than 70% of health services costs relate to health workers. Because the effectiveness and productivity of these health workers are central to achieving the mission of their organizations, local governing bodies must become more comfortable with and competent in facing the challenges and designing strategies to support a good supply of health workers at all levels of a country's health system. Key challenges faced in recruiting and retaining health workers are:²

- lack of funding by ministries of health and a resultant overdependence on foreign donors;
- poor working conditions, including lack of supplies, medicines, and new technologies; low pay; lack of housing; and unsafe conditions for women;
- lack of support for career planning, ongoing development of a talent pipeline, and continuing professional development;
- lack of recognition by national and local heads of state about the value of the health sector and health workers as positive contributors to political stability and economic growth;
- weak pre-service and in-service training for the profession of health managers in the health sector.

Improving human resources means more than ensuring that the appropriate numbers and types of health workers are in place. These efforts must be supported by sound policy, especially in the areas of managing, retaining, and funding the health workforce.

Management Sciences for Health (MSH) has been working for over 20 years to support the development and management of smart human resource policies, practices, and infrastructure with local health systems, managers and governing bodies.³

-
1. See the analysis reports and other resources of the Global Health Workforce Alliance, Knowledge Centre (Geneva: WHO, 2015). Available at: <http://www.who.int/workforcealliance/knowledge/en/>
 2. On human resource challenges, see Joint Learning Initiative, *Human Resources for Health: Overcoming the Crisis* (Cambridge, MA: Harvard University, 2004). Available at: http://www.who.int/hrh/documents/JLi_hrh_report.pdf; this article: Gavin Yamey, "What Are the Barriers to Scaling Up Health Interventions in Low and Middle Income Countries?: A Qualitative Study of Academic Leaders in Implementation Science," *Globalization and Health* 2012; 8. Available at: <http://www.globalizationandhealth.com/content/8/1/11>; and these publications: *Knowledge Strategy of the Global Health Workforce Alliance 2009-2011* (Geneva: WHO, no date). Available at: <http://www.who.int/workforcealliance/knowledge/publications/alliance/2009KnowledgeStrat.pdf> and those from the CapacityPlus Project website, "HRH Action Framework: Action Field: Leadership" (Chapel Hill, NC: CapacityPlus partners, 2015). Available at: <http://www.capacityproject.org/framework/leadership/>
 3. MSH, Human Resources for Health [website]. Available at: <https://www.msh.org/our-work/health-system/human-resources-for-health>

The importance of health workers cannot be overemphasized in the work of your governing body. The World Health Organization's [Global Health Workforce Alliance](#) offers many resources for your consideration as you develop and monitor your organization's human resources for health (HRH) initiatives.⁴ Supportive policies are also available from USAID's [CapacityPlus Project](#).⁵

POLICIES AND SYSTEMS TO SECURE HEALTH WORKERS

Many reports define the scope and nature of the policies and systems needed to attract, retain, and enhance the capacities of health workers in low-resourced countries. The bold actions, recommendations, and investments that these reports call for now need the understanding and commitment of governing body leaders to support their implementation. Governing bodies need a subgroup on HRH planning and support systems, as outlined in the Global Health Workforce Alliance [HRH Toolkit](#).⁶

Governing bodies must work with their managers to make certain that the following five initiatives and investments are in place for HRH success.

1. **Data:** Review current workforce data and anticipated workforce needs to create an understanding of current and potential gaps.
2. **Strategy:** Invest in an overarching workforce planning model or approach.
3. **Implementation:** Plan and implement an approach to ensure a pipeline of future personnel for the organization, while considering how new technology will change how the workforce functions and delivers services.
4. **Evaluation:** Establish a process for monitoring the effectiveness of the workforce planning and development model or strategy. It is important to regularly measure the results of recruitment, orientation, and retention programs.
5. **Cross-cutting foundational pillar:** Invest in HR leadership and governance policies, systems, and practices that promote equity, efficiency, and commitment.

4. See, for example, Global Health Workforce Alliance, *Health Workforce 2030: A Global Strategy on Human Resources for Health* (Geneva: WHO, no date). Available at: http://www.who.int/workforcealliance/knowledge/resources/strategy_brochure9-20-14.pdf?ua=1

5. CapacityPlus Project, Knowledge Library: Selected Health Workforce Tools from CapacityPlus (Washington, DC: Intra-Health International, 2015). Available at: <http://www.capacityplus.org/knowledge-library/all>

6. Global Health Workforce Alliance, *The Human Resource for Health Toolkit* (Geneva: WHO, 2015). Available at: <http://www.who.int/workforcealliance/knowledge/toolkit/hrhtoolkitpurposepages/en/>

STRATEGIES TO RETAIN HEALTH WORKERS

Once it is clear that recruited health workers, who have begun fulfilling their responsibilities, are an asset to the organization, it is important to retain them. Governing bodies can work with the managers and representatives of health workers to design, fund, and monitor the implementation of these five key actions for retaining health workers:

1. They should invest in a performance management system that defines clear job expectations, includes a performance appraisal process, and contains tools that help health workers to accomplish desired goals and results.
2. They should develop strategies to improve morale, job satisfaction, and supervision of staff, and to increase productivity.
3. They should implement a package of financial and non-financial incentives and retention strategies tailored to particular cadres and relevant to specific contexts, to maximize their effectiveness.
4. They should create programs to enhance personal growth, mentoring, career development, and organizational stability.
5. They should plan for continuous improvements in the well-being and occupational safety of health workers.

How is your organization already carrying out some of these important strategies? How could your organization use these strategies to accomplish better results? What additional actions should you encourage your managers to take?

SHAPING WORKFORCE POLICIES WHILE AVOIDING MICROMANAGEMENT

Governing boards often micromanage organizations or staff because they are confused about their roles, or they lack policies to guide their workforce-related actions. Governing body leaders can contribute more productively to shape workforce planning and management policies by working collaboratively with the senior management of the organization and asking these fundamental questions:

- Are we attracting the kind of people we are willing to entrust this organization to?
- Are we developing them so that they can continuously improve their performance?
- Are we retaining them, inspiring them, recognizing them?
- Are we making human resource decisions that correspond to our vision for tomorrow, or we are settling for the convenience of today?

Discuss these actions with your governing body leaders to adapt them to your unique realities.

GOVERNANCE SELF-ASSESSMENTS

TOPICS

| |
|---|
| What is a Governing Body Self-Assessment? |
| Why Should Boards Regularly Do a Self-Assessment? |
| How Should the Assessment Be Used to Improve Governing Performance? |
| How Often Should the Assessment Be Done? |
| How Do We Know if We Are Doing Self-Assessment Effectively? |
| What Are the Steps in Conducting a Governing Body Self-Assessment? |
| How Should We Analyze the Results of the Self-Assessment? |
| How Can We Use the Sample Self-Assessment Tool? |
| What Do the Scores Mean? |
| What about More Advanced Governance Self-Assessment? |
| Where Do We Find Evidence That Governance is Working Well? |
| What Are the Limitations of Self-Assessment? |

This section builds upon the strategies of [Section 15](#) and [16](#) to examine alternative tools and systems for conducting successful self-assessments of governing bodies, then linking the findings to continuous governance improvement plans.

THE CHALLENGE

You are a new member of the Country Coordinating Mechanism (CCM) in Ukraine, where the chairperson has asked you to recommend a process for a quarterly review of the decision-making work of the CCM. How should you best collaborate with management to first develop such a program of review, and then link it to process improvement activities?

In the following section, we will see the actions that governing body members need to take to conduct effective governance self-assessments and use the results for improving governance and organizational performance.

High-performing governing bodies establish and adhere to a policy that requires an annual assessment of their engagement, behaviors, and results in the past year. The purpose of this policy is to give the governing body an opportunity to reflect on how well it is fulfilling its responsibilities and to identify opportunities for continuous improvement.

WHAT IS A GOVERNING BODY SELF-ASSESSMENT?

A governing body self-assessment can be defined as an organized quantitative and/or qualitative self-evaluation of the governing body’s satisfaction with all aspects of its performance in fulfilling its governance responsibilities. It combines ratings of statements about the health service delivery organization’s governance environment, processes, focus, and performance with governing body members’ recommendations for change to improve governance performance. Done correctly and consistently, a governing body self-assessment process—which melds the assessment and the action plans created from it—enables the governing body to identify critical “governance gaps.” It also enables it to achieve and maintain the level of governing excellence required for success in today’s challenging health care environments.

WHY SHOULD BOARDS REGULARLY DO A SELF-ASSESSMENT?

Members of the boards of governing bodies should conduct an annual governing body self-assessment in order to:

- set measurable objectives for improving governance that foster enhancement of the health services organization’s performance;
- gather information to assess their effectiveness in improving organizational performance;
- use established, objective criteria to assess their governance effectiveness in improving organizational performance;
- draw conclusions based on their findings, and develop and implement improvements in their governance activities;
- evaluate their performance to support sustained improvement.

Governing body self-assessment is also an ideal way to regularly engage the governing body in an anonymous and confidential evaluation of its overall governance performance, while at the same time providing governing body members with an opportunity to rate their personal performance. An excellent governing body self-assessment process will achieve several major outcomes. It will:

- define the most critical governance success factors;
- secure confidential, broad-based member input on the critical fundamentals of successful governing leadership;
- create an opportunity to address major issues and ideas in a nonthreatening, collaborative manner;
- clearly demonstrate where the governing body is both in and out of alignment with leadership fundamentals and issues;

- objectively assess the degree of common understanding, expectations, and direction for the governing body among its members;
- assess deficiencies that may impact the governing body's ability to fulfill its fiduciary responsibilities;
- identify opportunities for meaningful leadership improvement;
- help administration better understand and respond to the governing body's leadership education and development needs.

HOW SHOULD THE ASSESSMENT BE USED TO IMPROVE GOVERNING PERFORMANCE?

Conducting the governing body self-assessment is only the first step in improving governance performance. An excellent self-assessment process does not simply measure governing body members' viewpoints about governing performance. To be successful, it must be a catalyst for engaging governing body members in a wide-ranging discussion of assessment findings that highlights performance gaps and areas where governing body members lack consensus. Finally, it must facilitate the development of a governance improvement action plan with responsibilities, time frames, and projected outcomes.

HOW OFTEN SHOULD THE ASSESSMENT BE DONE?

Ideally, the governing body should assess its performance annually. Many governing bodies conduct their self-assessment as part of an annual governing body educational and planning retreat. There they set aside time to discuss the assessment results and explore ways to improve leadership performance. Some governing bodies are able to successfully design and conduct a self-assessment, compile and analyze the results, and facilitate the development of a governing body improvement action plan using internal resources. Others rely on outside consultants, who offer reliable methodologies and tools for governing body self-assessment.

HOW DO WE KNOW IF WE ARE DOING SELF-ASSESSMENT EFFECTIVELY?

You can use the questions to know whether you are deriving the maximum benefits from the self-assessment process. Answer the questions in Box 23.1 with yes or no.

BOX 23.1 Quick analysis of your self-assessment process

1. Do you do a self-assessment annually?
2. Does your governing body understand the purpose and value of self-assessment?
3. Is your governing body uniformly committed to self-assessment?
4. Does your self-assessment allow governing body members to freely express their ideas for needed change?
5. Does your self-assessment result in specific ideas for ways to improve governance processes, structure, and outcomes?
6. Do you use the results of your self-assessment to create action plans for governance improvement?

WHAT ARE THE STEPS IN CONDUCTING A GOVERNING BODY SELF-ASSESSMENT?

You can use the checklist in Box 23.2 to make sure that you are taking all the correct steps.

BOX 23.2 Ten-step plan for conducting a governing body self-assessment

- Step 1:** Determine the unique objectives and projected outcomes of your assessment.
- Step 2:** Design draft evaluation criteria and a measurement methodology (for example, 5 equals very satisfied, 1 equals very dissatisfied; 5 equals strongly agree, 1 equals strongly disagree; 5 equals excellent, 1 equals poor). Alternatively you may adopt and adapt the governance self-assessment in Table 23.2.
- Step 3:** Print a draft questionnaire and test the criteria and methodology for relevance and completeness in meeting your assessment needs.
- Step 4:** Distribute your self-assessment questionnaire to all trustees with a stamped, self-addressed envelope, ensuring both anonymity and confidentiality. Alternatively, you can develop a Web-based self-assessment, which can be administered online.
- Step 5:** Compile the results and produce a report. The report should have graphs depicting the areas measured in priority order, from highest to lowest average score. Include verbatim comments and a brief analysis of key themes and findings.
- Step 6:** Hold a special governing body meeting or retreat to review the assessment results and discuss their implications for all aspects of board activities and performance.
- Step 7:** Appoint a committee or taskforce to develop specific recommendations for improvement. Then prioritize the most important areas of governance focus, and determine the resources required for success.
- Step 8:** Implement the recommendations. Assign responsibilities and determine outcomes.
- Step 9:** Document and regularly report on the progress of the approved governance improvement initiatives.
- Step 10:** Continually re-assess governing body performance.

HOW SHOULD WE ANALYZE THE RESULTS OF THE SELF-ASSESSMENT?

There are a variety of ways to compile and analyze the results of your governing body self-assessment, from simply tallying responses by hand to using customized self-assessment software applications. One effective process includes the following steps:

1. Compile the results into a database that enables:
 - the creation of graphs that show mean (average) scores, in order from highest to lowest, for statements about the governing body’s governance performance in several broad dimensions of leadership, such as improving community health, CEO and medical staff relationships, financial stewardship, etc.;
 - development of individual “distribution graphs” that depict the frequency of rating response for each individual assessment point. These distribution graphs show the degree of consensus among governing body members on individual performance points, and help to provide the detail behind the mean scores.
2. Analyze governing body members’ suggestions for ways to improve governing body performance. Trustees should have an opportunity to comment on the reasons for their ratings, and/or express their ideas and recommendations for needed governance change.
3. Compile an executive summary of key themes and findings; it should be based on both quantitative and qualitative responses.
4. Produce a report containing graphs of all statements rated by the governing body, including all mean graphs and relevant distribution graphs where governing body member consensus appears to be lacking. Also include a summary of potential actions to respond to governing body members’ ratings and suggestions for governance improvement.

HOW CAN WE USE THE SELF-ASSESSMENT TOOL?

Tables 23.1 and 23.2 present a simple tool that you can start using right away for your governing body self-assessment. If you want to conduct a more exhaustive assessment, please use the advanced tool presented toward the end of this section.

In the assessment instrument below, each statement has a response option from 0 to 4. The maximum score for each statement is 4. There are 25 statements in total, so 100 (25 x 4) is a perfect score. The score key is given below in Table 23.1.

TABLE 23.1 Self-assessment instrument score key

| Statement | Score |
|--|-------|
| This aspect of governance is performed fully and very well in this organization. | 4 |
| This organization is above average in the performance of this activity. | 3 |
| This organization's performance is average in this activity. | 2 |
| This organization performs this activity poorly. | 1 |
| This organization does not do this activity at all. | 0 |
| The activity is not applicable to the organization. | NA |

Table 23.2 presents the descriptive statements that can help you to articulate the internal strengths and weaknesses of, and external threats to and opportunities for, the governance of the organization.

TABLE 23.2 Sample self-assessment instrument descriptive statements

| # | Statement | Maximum score |
|-----|---|---------------|
| 1. | The governing body has a clear understanding of its purpose and role. | 4 |
| 2. | Members of the governing body understand their responsibilities in the governing body well. | 4 |
| 3. | The governing body monitors the organization's financial performance compared to financial goals set by the governing body. | 4 |
| 4. | Governing body members are required to complete a conflict-of-interest/confidentiality disclosure statement annually. | 4 |
| 5. | As a whole, our governing body communicates effectively with the Managing Director/Chief Executive. | 4 |
| 6. | The governing body is actively involved in establishing the organization's strategic direction (e.g., creating a longer-range vision, setting priorities, and developing/approving the strategic plan). | 4 |
| 7. | Governing body members strive to represent the health care needs of the organization's target population groups. | 4 |
| 8. | Governing body members make attendance at governing body meetings a high priority. | 4 |
| 9. | The governing body makes good use of the time available during governing body meetings to perform its duties. | 4 |
| 10. | The governing body regularly reviews the organization's quality and results (patient safety scores, for example). | 4 |
| 11. | Governing body members recognize the differences between the governing body's role and management's role. | 4 |
| 12. | The governing body requires that all plans in the organization (e.g., financial, capital, operational, quality improvement) be aligned with the organization's overall strategic plan and direction. | 4 |

| # | Statement | Maximum score |
|--------------|--|---------------|
| 13. | The governing body requires management to keep the governing body informed about potential or current legal issues important to the organization. | 4 |
| 14. | Governing body members communicate effectively with the Chief Executive. | 4 |
| 15. | The governing body has an orientation program for new governing body members. | 4 |
| 16. | The governing body considers how the organization's strategic plan addresses community health status and needs before approving the plan. | 4 |
| 17. | The governing body requires an assessment at least every two years of the perceptions of those who work in the organization to identify their level of satisfaction with the organization. | 4 |
| 18. | Governing body members participate in educational opportunities on issues affecting its governance. | 4 |
| 19. | The expectation that governing body members advocate on behalf of the organization is clearly established during orientation for governing body members. | 4 |
| 20. | Governing body self-assessment is treated as a top priority by the governing body. | 4 |
| 21. | The governing body has a written policy or procedure describing ethical practices for financial and service quality reporting. | 4 |
| 22. | Governing body members assist the organization in communicating with key external stakeholders. | 4 |
| 23. | Governing body members actively support the organization's resource mobilization or fundraising activities. | 4 |
| 24. | The governing body uses the ability to advocate on behalf of the organization as a criterion in the selection process of new governing body members. | 4 |
| 25. | The governing body encourages an organizational culture that fosters high health worker and staff morale. | 4 |
| Total | | 100 |

Notes:

Statements 1, 2, 5, 8, 10, and 13 are based on the practice of cultivating accountability.
 Statements 11, 14, and 22 are based on the practice of engaging stakeholders.
 Statements 6, 7, 12, and 16 are based on the practice of setting shared strategic direction.
 Statements 3, 4, 17, 21, 23, and 25 are based on the practice of stewarding resources.
 Statements 9, 15, 18, 19, 20, and 24 are based on the practice of continuous governance enhancement.

Open-ended questions. Open-ended questions, such as those provided in Box 23.3, allow respondents to express their perspectives about the strengths, weaknesses, opportunities, and threats that affect organizational governance.

BOX 23.3 Open-ended questions for governing body self-assessment

1. What is the biggest internal strength in the governance of this organization?
2. What is the biggest internal weakness in the governance of this organization?
3. What is the biggest external opportunity for the governance of this organization?
4. What is the biggest threat to the governance of this organization?

WHAT DO THE SCORES MEAN?

An average governance score for the given year will place the organization in a corresponding stage of governance effectiveness. See Table 23.3 for details and a definition of each of these stages.

TABLE 23.3 What do the scores mean?

| Governance score | Stage of governance maturity |
|------------------|--|
| 25 or less | <p>Level 1: Clear need for governance development. No formal governance structures, practices, and infrastructure are in place; or they are rudimentary and just getting established; or they are at elementary stage of development. At this level of maturity, governance processes are usually not used as a key lever for achieving stronger organizational performance.</p> |
| 26 to 50 | <p>Level 2: Basic level of governance. At this level, governance structures and infrastructure start evolving because the leaders who govern see value in developing them. There are leaders and a few champions who succeed in their personal efforts of inspiring their peers. Governance processes and decisions start delivering value to the organization. However the organization still struggles to become successful and is inhibited by a lack of governance maturity. Practices of good governance are not yet assessed or applied consistently. This is the stage where organizations that are committed to improving their performance become interested in good governance and want to develop optimum governance structures, practices, and infrastructure to reach the next level of governance maturity.</p> |
| 51 to 75 | <p>Level 3: Goal-driven and dynamic governance. Good governance is delivering value and leading the organization to higher performance. Governance at this level is running like a “well-oiled machine” and consistently has a positive impact on the organization. Principles and practices of governance are explicit and known by all concerned in the organization. Practices of good governance are consistently applied, and their application is regularly assessed. Desirable outcomes include sound management and reliable service delivery.</p> |

Governance
score

Stage of governance maturity

76 to 100

Level 4: Transformational governance. This level indicates that an institution has achieved a high level of governance maturity. Practices of good governance are consistently applied at all levels of the organization. There is a continuous effort to assess and improve governance. Governance practices are not only attaining desirable outcomes, but also creating competitive advantage for the organization. Today, few organizations have reached this level of governance commitment in their institution, because many years of experience are needed to achieve the necessary changes in the culture of governance. This is where governance maturity contributes to organizational agility.

WHAT ABOUT MORE ADVANCED GOVERNANCE SELF-ASSESSMENT?

For a more thorough analysis of your organization's governance, you may wish to consider the Advanced Governance Assessment, part of the [GovScore app](#).¹ See [Appendix 23.1](#) for an example and offline version of the assessment.

What Is the Difference between the Self-Assessment Described Above and the Advanced Governance Assessment?

The former is a basic, high-level governance assessment instrument whereas the advanced self-assessment goes much deeper into examining the practices of good governance.

Who Should Take the Advanced Governance Assessment?

We recommend that the governing body chair, chief executive, governing body members, and senior management team take the assessment. Others may not have enough information to accurately answer the assessment questions. Participants can take the assessment collectively in a special meeting convened for the purpose, or they can take it individually and then aggregate the results.

Assessment Results

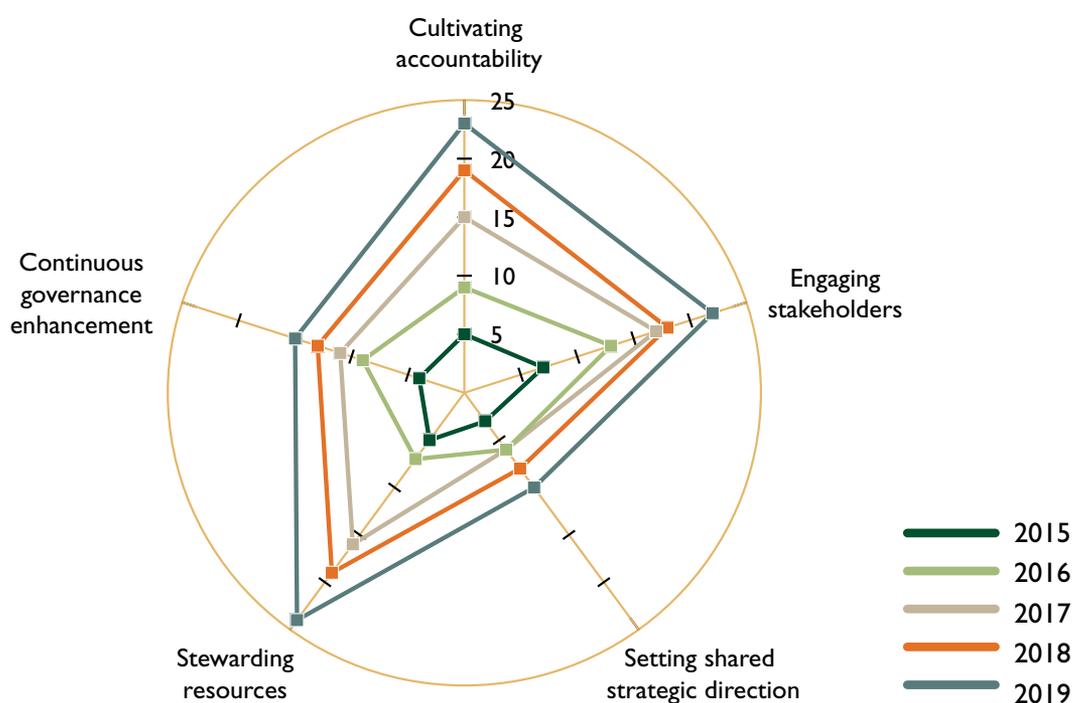
The Advanced Governance Assessment will provide an organizational governance report that details the results by practices and their domains with graphs depicting the areas measured in priority order, from highest to lowest average score. See Table 23.4 and Figure 23.1 for examples of these resources.

1. MSH, "GovScore" (Medford, MA: Management Sciences for Health, Leadership, Management, and Governance Project, 2015). Available at: <http://govscoreapp.net>

TABLE 23.4 Sample organizational governance maturity results over five years

| Practice areas | Max. score | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------|----------------|----------------|----------------|----------------|----------------|
| Cultivating accountability | 24 | 5 | 9 | 15 | 19 | 23 |
| Engaging stakeholders | 24 | 7 | 13 | 17 | 18 | 22 |
| Setting a shared strategic direction | 12 | 3 | 6 | 6 | 8 | 10 |
| Stewarding resources | 24 | 5 | 7 | 16 | 19 | 24 |
| Continuous governance enhancement | 16 | 4 | 9 | 11 | 13 | 15 |
| Total score: | 100 | 24 | 44 | 65 | 77 | 94 |
| Corresponding stage of governance maturity: | | Level 1 | Level 2 | Level 3 | Level 4 | Level 4 |

FIGURE 23.1 Graph of governance maturity results. This chart visualizes the changes over five years. Note the greatly expanded covered area in 2019 compared to 2015.



WHERE DO WE FIND EVIDENCE THAT GOVERNANCE IS WORKING WELL?

How do you know your organization's governance is improving? When governance leaders working with senior management and key stakeholders govern well, it reflects in the measures of the organization's performance. The organization will make—and will be seen to be making—steady progress in its strategic direction and toward its strategic long-term priorities.

Well-governed health systems are able to provide health care that is safe, timely, efficient, equitable, effective, and patient- or health-service-user-centered. Good governance reflects in many ways in addition to the measures of the organization's performance. Some examples are:

- better morale of health managers, health providers, and health workers;
- sound management systems for the management of money, medicines, human resources, and information (meaning that the right people are in the right positions, doing the right work, at the right time, with the right competencies, with the right supplies and commodities and equipment, and for the right people, at the right level of quality and at reasonable cost);
- less turnover among staff and managers;
- better service availability, utilization, and quality;
- higher patient or health service user satisfaction;
- more accurate and timely collection, reporting, and use of health data.

WHAT ARE THE LIMITATIONS OF SELF-ASSESSMENT?

A disadvantage of self-assessment as a method of obtaining data is the greater chance of measurement error. This measurement error could be intentional or unintentional. Unintentional errors arise when questions are unclear or ambiguous, when there are limitations to respondents' comprehension or memory, or when the measurement scales used are not clear. Intentional errors occur when respondents might deliberately alter their responses because of social desirability, boastfulness, or modesty.

Measurement bias can be mitigated through methods like supplementing the self-assessments with objective measures, where possible, and involving external stakeholders in the measurement process. You may also wish to periodically measure the organization's performance in terms of attainment of its strategic goals, along with measurement of governance. This will help you assess the impact of the organization's governance on its performance.

APPENDIX 23.1

ADVANCED GOVERNANCE ASSESSMENT INSTRUMENT

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|---|---|--|--|---|--|--|---|
| Practice: Cultivating Accountability | | | | | | | |
| 1 | Culture of personal accountability | There is a culture of personal accountability among the governance leaders, managers, and employees of the organization. | Governance and management leaders share information with stakeholders, community members, and health professionals and health workers. | Leaders of the organization give the opportunity to internal and external stakeholders to question their decisions. | Leaders of the organization answer questions from stakeholders, and welcome constructive feedback on their actions and decisions. | Leaders of the organization accept responsibility for the present situation and the future success of the organization. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 2 | Nurturing accountability of the organization to its external stakeholders and its social accountability | The organization is accountable to its external stakeholders. | Governance and management leaders of the organization establish goals and standards against which their performance can be judged. | Governance and management leaders disclose credible information about the strategy, goals, standards, and performance to the public and key stakeholders. | Governance and management leaders establish mechanisms to investigate whether they and their organization have met the expected standards, goals, and targets. | Governance and management leaders establish a process under which those who are responsible, including themselves, are held accountable for falling below the standards expected or are recognized for achieving or exceeding the standards. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|-------------------|--|---|---|---|--|---|---|
| 3 | Fostering internal accountability in the organization and supporting accountability of health providers and health workers | The organization is accountable to its internal stakeholders. | Goals or tasks are clear to all in the organization. Managers, medical professionals and health workers know to whom they are accountable and for what. | Managers, medical professionals and health workers have sufficient resources to be able to succeed. | Performance and targets achieved are monitored in a transparent manner, using a process in which managers, medical professionals and health workers explain their decisions. Results are measured and explained to internal and external stakeholders. | There are consequences for non-performance or under-performance, and there is recognition and reward for excellent performance. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 4 | Measuring performance | There is a culture of measuring results in the organization. | There is performance measurement policy in the organization. | Pursuant to this policy, measures for all strategic and operational objectives are identified and used in the organization. | Emphasis is on celebrating excellent performance rather than apportioning the blame. | Performance information is used to refine programs and policies. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 5 | Sharing information | There is a culture of sharing information internally in the organization or with its external stakeholders. | The organization generates timely and accurate information in simple and readily comprehensible language and formats. | Access to information is given to those who are affected by decisions, transactions, or the work of the organization. | Reports on finances, activities, plans, and performance are made available to the public, and they are formally shared with the stakeholders, staff, regulatory bodies, and the media. | Modern information and communication technologies are used for wider and effective dissemination of information. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|---------------------------------|--|--|---|--|---|---|---|
| 6 | Effective oversight of service delivery | There is governance oversight in the organization. Policies and decisions are implemented. | The governance and management leaders of the organization are mission-focused. They make sure that policies exist for measuring and improving quality of services provided by the organization. | The governance and management leaders monitor the quality of the services the organization provides using dashboards or other tools. They regularly celebrate innovations and quality improvements taking place in the organization. | The governance and management leaders ensure that internal and external stakeholder input is used in quality improvement. | The governance leaders evaluate performance of the senior management on a regular basis. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| Practice: Engaging Stakeholders | | | | | | | |
| 7 | Achieving sincere stakeholder engagement | The organization and its governance leaders engage with key stakeholders. | The governance leaders and senior managers keep stakeholders, community members, and health workers informed. | The governance leaders and senior managers listen to concerns of the people, employees, and stakeholders, and provide feedback to them. | The governance leaders and senior managers coordinate with stakeholders, community members, and health workers to make sure that their concerns are directly reflected in the governance decisions. | The governance leaders and senior managers work with the people and the health workers to formulate solutions, and frequently put decision-making in the hands of the people. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 8 | Building trust | The organization and its governance leaders inspire trust, they are trustworthy. | The governance and management leaders of the organization do what is good for the organization and its service users. | The governance and management leaders make their promises and commitments carefully and often keep them. | The governance and management leaders deal with difficult issues with courage before they turn into major problems. | The governance and management leaders are just and fair in their decisions. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|-------------------|---|--|--|---|---|--|---|
| 9 | Engaging with patients or service users | The governance leaders and management leaders engage with patients or users of the services the organization provides. | Senior leadership of the organization is committed to engage with patients or health service users. | The employees and staff of the organization are trained to provide patient-centered care or user-centered services. | There is regular measurement of patient or service user satisfaction and the feedback is used for improving the quality of services. | There are mechanisms available for the patients or service users to communicate their voice. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 10 | Engaging with doctors, other clinicians, and health workers | The governance leaders and management leaders engage with doctors, other clinicians, or health workers. | The governance and management leaders discover common purpose with health workers such as improving service quality to meaningfully engage with health providers. | The governance and management leaders make it easy for doctors, nurses and clinicians to do the right thing for patients or health service users. | The governance and management leaders make it easy for doctors and clinicians to participate in governance decision making processes. | The governance and management leaders support doctors and clinical leaders to take positions on the governing body, and also provide them professional development opportunities on a regular basis. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 11 | Collaborating with other sectors | The organization has a culture of intersectoral collaboration. | The governance and management leaders of the organization go out of their way to make new connections and invest energy and time in building relationships with the leaders in other sectors that impact health. | The governance and management leaders draw on as many perspectives from other sectors as possible. | The organization has established governance structures to reach out to other sectors. | The organization has funding arrangements to support actions on the social determinants of health across many different sectors to attain health objectives. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|--|--|---|--|---|--|--|---|
| 12 | Realizing gender-responsive governance | The organization is particularly responsive to the needs of women and people of gender identities other than men. | The governance and management leaders consider the different needs of women and men before making their decisions, and the decisions respond to these different needs. | The governance and management leaders consult women and men in governance and management positions, women and men clinicians, women and men health workers, and women and men health service users, or women's organizations before making their decisions. | The governance and management leaders consider the implications of their decisions on health service users as a whole and women and men users of health service separately, and also on health workers as a whole and women and men health workers separately. | Performance is measured and reported disaggregated by gender. Aggregate evidence and also sex-disaggregated evidence is considered before making their decisions. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| Practice: Setting Shared Strategic Direction | | | | | | | |
| 13 | Defining the strategic direction of the organization | The organization has a strategic direction. | The governance and management leaders of the organization have developed the strategic direction or vision for the organization. | The governance and management leaders have a defined strategy and action plan with measurable goals to achieve this vision. | The governance and management leaders have raised and allocated resources to implement the action plan and accomplish the vision. | The governance leaders do not preoccupy themselves with day-to-day operational and management matters. They have set up accountabilities, and they make decisions to accomplish the strategic action plan. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 14 | Establishing a shared vision among key stakeholders | The key stakeholders of the organization play a role in defining or achieving the strategic direction. | The key stakeholders of the organization agree with the vision and the strategic direction of the organization. | The key stakeholders of the organization agree with the strategic plan of the organization. | The governance and management leaders inspire everyone in the organization and its key stakeholders to achieve the organization's vision. | Progress is reported to the key stakeholders of the organization on a regular basis, and they are able to monitor the implementation of its strategic plan. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|--------------------------------|--|--|---|---|---|---|---|
| 15 | Enabling and exercising leadership in the organization | The governance leaders, managers, health providers, and health workers exhibit leadership behaviors. | Leadership is exercised at all levels in the organization. Leaders who govern or governance leaders, senior managers, clinician leaders, and leaders of health worker teams exhibit leadership behaviors. | Governance leaders govern in a strong partnership with the senior management, health providers and health workers, and community leaders. | The organization invests in continuing leadership education at all levels by providing opportunities for participation in formal leadership development programs, mentoring programs, study tours, peer interactions, and executive education programs, and access to the state of the art knowledge resources. | The organization has moved away from scattered, disconnected activities towards purposeful, interconnected actions. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| Practice: Stewarding Resources | | | | | | | |
| 16 | Mobilizing resources | The governance leaders have been able to mobilize adequate resources from diverse sources for the organization to be able to provide satisfactory services at present and in the future. | The governance leaders have been able to mobilize adequate resources for the organization to be able to provide satisfactory services. | The governance leaders have been able to mobilize adequate resources to accomplish the organization's mission and plans. | The governance leaders have been able to mobilize adequate resources to continue its activities in the future and also expand activities to keep up with population growth and with the additional demands created by the epidemiological situation. | The governance leaders have been able to raise the needed resources from <i>diverse</i> sources. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|-------------------|---|--|---|---|--|---|---|
| 17 | Wisely using resources | The resources of the organization are efficiently used. | Every dollar spent in the organization advances the mission of the organization. The governance leaders monitor and evaluate financial performance on a regular basis using actual financial data and dashboards. | The governance leaders make their expectations in terms of financial results and service quality clear to the senior management ahead of the time period, and closely monitor achievement of these results. | The governance leaders ensure that the organization maintains a good financial standing, it is audited in a professional way, adequate internal controls are in place and warning signs are pursued when something is wrong. | The governance leaders have created opportunities for the public and health service users to be included in monitoring and evaluating how resources are raised, allocated, and used and how health services are provided. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 18 | Pursuit of efficiency and sustainability | The organization pursues efficiency and sustainability in its activities and services. | The governance leaders insist on costing of services. Cost data is available for various services provided by the organization. | Cost per outcome data is available in the organization. | The governance leaders have embedded efficiency into every aspect of the business and financial planning or the organization. | They build the financial capacity of the organization to continue its activities in the future and to expand them as needed. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 19 | Use of information, evidence and technology | Information, evidence, and technology are used in governance of the organization. | The organization uses modern information and communication technologies for promoting transparency, cultivating accountability, engaging with stakeholders, and stewarding resources. | The organization uses modern information and communication technologies for monitoring service delivery. | Citizens use technology in the monitoring of health services, such as using mobile phones to report on the availability of medicines and vaccines, stock-outs, waiting time at clinics, health worker payments, functionality of equipment, etc. | eProcurement or Internet is used to publish contract and procurement opportunities for goods and services. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|--|---|---|--|--|---|--|---|
| 20 | Practice of ethical and moral integrity | There is personal integrity, truthfulness, honesty, and sense of responsibility in the organization. | The organization has a code of conduct and ethics and it is widely followed from the top to bottom. There is whistleblower protection and an ethics violation reporting mechanism. | All stages of plan and budget formulation, execution, and reporting are accessible to the public and key stakeholders. | Policies, practices, budget, expenditures, and performance information are made open to stakeholder and public scrutiny. | Stakeholders and the public play a role in the oversight of activities of the organization. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 21 | Eradicating corruption | Corruption is minimal in the organization. | It is not likely that the health service user would have to offer money, a present or a favor (more than official charge) to get service in the organization. | The organization demonstrates transparency in procedures and decisions on high value procurement and contracts. | The service users are able to participate in governance structures and they have a mechanism to report corruption. | There is a zero tolerance policy in the organization which means when an instance of corruption is discovered by the organization, the involved governance leaders, managers or staff are subjected to swift and decisive disciplinary action. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| Practice: Continuous Governance Enhancement | | | | | | | |
| 22 | Cultivating governance competencies | The leaders who govern the organization have the competencies needed to govern the organization well. | The leaders who govern the organization have skills in cultivating accountability, engaging stakeholders, setting shared strategic direction, and mobilizing resources. | The leaders who govern the organization have skills for leading change, working in collaborative fashion, managing complexity, leading teams, and developing talent. | The leaders who govern the organization have a talent for innovative thinking, impact and influence, and relationship building. | The leaders who govern the organization have knowledge of issues in health care business and finance, and human resources for health. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

| Governance Domain | Description | Column A | Column B | Column C | Column D | Tot | |
|-------------------|---|--|---|--|---|---|---|
| 23 | Building diversity in the organization | Diversity is valued in the organization. | The organization has a commitment to establishing diversity in its governance, management, and service delivery. | All important stakeholder constituencies are represented on the governing board. | The employees of the organization are diverse in terms of gender, age, race, ethnicity, sexual orientation, socio-economic status, and religious and political beliefs. | The service users of the organization are diverse in terms of gender, age, race, ethnicity, sexual orientation, socio-economic status, and religious and political beliefs. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 24 | Organizing governance orientation and continuous governance education | There is governance orientation and continuous governance education in the organization. | There is a formal orientation program and ongoing education program for the governing body or the leaders who govern. The governing body has a written policy and budget for its education & development. | The ongoing education program of the governing body or the leaders who govern is tied to the organization's strategic challenges. | Each meeting of the governing body includes an education component. | Governance education is designed in such a way that it helps fill the knowledge and skill gaps in the governing body as seen in regular governance self-assessments. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |
| 25 | Performing regular governance assessments and working for continuous governance enhancement | There is a culture of governance assessment and improvement in the organization. | The governing body or the leaders who govern conduct a formal process to evaluate their own performance. | The governing body or the leaders who govern use the assessment process to identify specific improvement opportunities, define specific performance improvement goals, and include them in the plan for improvement. | The governing body or the leaders who govern continuously improve their own performance by working on weak areas noticed in the assessment. | The governing body or the leaders who govern use their governance education in improving the organization's performance. | |
| | | Score range | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | No=0, Yes=1 | 4 |
| | | Score you give | | | | | |

COMMUNICATION PLANS AND STRATEGIES

TOPICS

The Power of
Communicating Your
Organization's Mission
and Plans

Overcoming Challenges
to Media Relations

Being Proactive in
Earning the Trust of the
Media

This section outlines the value and characteristics of a communications and public relations plan for your organization. It focuses on developing a set of activities to build positive relationships with diverse public media as a means to advocate for and better accomplish the strategic communication priorities of the health services program or institution.

THE CHALLENGE

The local radio station wants to do a strong series of three programs on the threat, prevention, and treatment of Ebola. You are set up to meet with a small work group of staff and governing body members to guide the work of the reporter. What are the things you should or should not do in order to foster a good relationship with the media?

THE POWER OF COMMUNICATING YOUR ORGANIZATION'S MISSION AND PLANS

No matter how effective and influential your governing body, you cannot achieve your organization's mission without effectively communicating (1) who you are, (2) what you plan to do to improve the health of the populations you exist to serve, and (3) how you plan to strengthen your organization in order to contribute to health gains. Communications matter to your success,

whether it is communicating with internal stakeholders, such as health workers, suppliers and managers, or with external stakeholders, such as clients, beneficiaries, politicians and funders.

Consider these eight components of a good communications plan.

1. **Introduction:** A business plan that summarizes the basics of a health services organization is a great way to help others understand a health services organization like yours. A business plan forms the backbone of your communications plan. It explains the overall goals and strategies, the organization's history and mission statement, and its strengths, weaknesses, opportunities, and threats. Therefore, it is important to take care in creating it and keeping it up to date. There should also be an introduction or executive summary, including a brief situational analysis and explanation of the creation of this plan.
2. **Target audience:** Although you should define your target audience(s) in detail in your business plan, be sure to define it in your communications plan as well. Your audience could differ from or be a smaller portion of your overall target market, so take time to define it carefully.
3. **Goals and objectives:** What is the purpose of this communications plan? What are the expected outcomes? Make sure that they are tied into your organization's overall goals and business plan.
4. **Strategies:** What advantages do you have or want to have in competing for health workers and donor support? What are the organization's priorities? For example, are you looking to increase the utilization for maternal health care? Consider expressing the goals and objectives in a more tangible form. Make sure that your strategies, goals, and objectives are all SMART: Specific, Measurable, Applicable, Realistic, and Time bound. The goals should not be unattainably high but challenging and exciting, though somewhat difficult.
5. **Tactics:** How will you increase service utilization or donor funding support? This is also a place where you can create a measurable goal. How high would you like your performance measures to rise? What are the tools you plan to use to increase them? Be specific and make sure that your tactics all make sense to use. Be realistic about the types of communications—for example, radio—that are not likely to increase the use of services among your beneficiaries.
6. **Implementation:** When will you implement your tactics? Create a timeline that shows who is responsible for what. This will help to keep everyone aligned. It can also help you to create a better budget by showing where time is needed and where it is spent.
7. **Monitoring and evaluation:** How will you measure success? Create benchmarks and use them to assess whether a tactic was successful or not, and use that information in future planning. Be sure to evaluate the plan when it comes to an end, so that you can learn from unsuccessful tactics.

8. **Budget:** This is most important if your communications plan was created by an outside party, but it can also be applicable if you are presenting the plan to your governing body to be included in your health services organization's budget. Use the above information to support your presentation to a board or executive team. There should be no items here that were not covered in the above sections.

What are the benefits to your governing body of having a structured communications plan for your health services organization? Most organizations would see these five benefits.

1. **Save time:** The members and management related to the governing body are more likely to use their time and reputations most effectively; there is less wasted effort and money, with a greater impact on the attitudes of your key stakeholders.
2. **Mobilize funds:** Money needed to implement the plan can more readily be mobilized in advance before it is needed.
3. **Engage stakeholders:** Developing the plan with staff and community leaders will help generate not only better strategies of who to communicate with, what to communicate to the target audiences, and how best to deliver the messages, but it will also help build and nurture positive relationships with these stakeholders.
4. **Alert the media:** The process of developing your plan can be used to alert the media that your organization is becoming more organized and that you value the media's role as your partner to improve the health and well-being of your area's high-risk and vulnerable populations.
5. **Improve impact:** A formal plan of action is likely to help you achieve at least 20% to 30% greater results by following a disciplined roadmap that defines who you need to influence, the messages to need to deliver, and the channel, mechanism, and style with which you must deliver each message to connect with the target audience.

Mass media is a major set of means through which your organization can communicate with these audiences.

Why should governing bodies care about the media? The short answer is the media can help you build political support, attract staff, help your beneficiaries use your services better to impact their health, and mobilize needed resources for your organization's success and vitality.

Some people—elected leaders, professional athletes, actors, rock stars—need public relations to handle the daily crush of media requests. But any health services organization, however big or small, can use the same tools to get out its message.

For examples of media relations toolkits that can be adapted to your setting, you can make use of resources such as those shown in Box 24.1.

BOX 24.1 Media relations toolkits

For a comprehensive set of ideas from North America, see Steven R. Van Hook, “Public Relations Toolkit: How to PR” (Santa Barbara, CA: Worldwide Media Relations, 2014). Available at: <http://www.aboutpublicrelations.net/toolkit.htm>

For resources in Africa, see Sunday Odedele, “PR for Africa” (Lagos, NG: PRfA, 2012). Available at: <http://prforafrica.org/download.html>

For how a hospital connects to its community, see American Hospital Association, “Engaging Communities in the Redefinition of the H: Tools and Resources” (Chicago, IL: American Hospital Association, 2015). Available at: <http://www.aha.org/research/cor/redefiningH/index.shtml>

For tools for county public health departments, explore these resources from the US; see NACCHO, “Toolbox” (Washington, DC: National Association of County and City Health Officials, 2015). Available at: <http://naccho.org/toolbox/>

Campaigns can also be targeted at particular audiences and vulnerable populations. For communicating with injecting drug users, consider Centers for Disease Control and Prevention (CDC), *The One & Only Campaign* (Atlanta, GA: CDC, 2014). Available at: http://www.oneandonlycampaign.org/campaign_resources

OVERCOMING CHALLENGES TO MEDIA RELATIONS

There’s a lot of truth to the old joke that public relations is “the care and feeding of reporters.” That’s the essence of public relations: informing and persuading the public, not one person at a time, but by the thousands or millions through newspapers, radio, television, and the internet. But some of these reports express a poor opinion of health services providers and health workers. They may be skeptical and suspicious about your capabilities and motivations. Make sure your intentions are sincerely focused on strengthening your service delivery in ways that yield better health outcomes for real people in your area.

Health sector leaders in low- and middle-income countries can use carefully-crafted communication strategies to increase the influence and vitality of their health programming, to expand both the use of services and the resources to attract health workers, secure essential medicines, and strengthen the organization’s overall viability.

Directors of communications can consider these actions to leverage new relationships with local media decision-makers:

- Develop and maintain a “media directory” of all of the officers, leaders, and reporters in the public media resources in your area, including mass media outlets for TV, radio, newspapers, billboards, and social media on the internet.
- Meet with the leaders of each form of media and document their top priority editorial criteria for news and communication stories. Then map their interests back to the health priorities of your organization. Develop an

annual plan of interactions and story development that is in sync with their editorial calendar and themes of interest. Your messaging and proposed collaboration should emphasize where your interests intersect. For example, radio may be looking for a story on birth experiences, and the newspaper may want to draw attention to new staffing plans for community health workers, or feature a profile of a new surgeon who will be covering the local health centers twice per month.

- Arrange for periodic meetings with each of the media outlets to keep them informed about your plans and progress, and to clarify issues that may arise about errors or weaknesses in your performance. Your credibility will be enhanced if you meet with them to educate them before you need them. Transparency and prompt interaction to resolve rather than avoid negative publicity will serve you well. Covering up problems rarely works, and it can damage the longer-term relationships you need to impact politicians and donors.
- Invite reporters to conduct media relationship training for board members, senior managers, and health workers regarding the value of transparency and earned trust; the need for honesty even when errors are made; the power of clear and short statements of facts; and how best to manage hostile inquiries, errors in reporters' analyses, and general complaints.
- Develop and follow a written media relations protocol so that only two people, the CEO and the governing body chairperson, are authorized to talk with the media at difficult times. Having multiple spokespersons will create confusion and undermine your credibility and control of your communication. For a sample media relations plan, see [Appendix 24.1](#).

BEING PROACTIVE IN EARNING THE TRUST OF THE MEDIA

Governing bodies should understand that the main goal of a communications or public relations strategy is to enhance their health program or organization's reputation. Staff who work in public relations are able to present an organization or individual to the world in the best light. The role of the plan's strategy then can be seen as a reputation protector as well as reputation enhancer.

Public relations outlets provide a service for your organization by helping to give the public and the media a better understanding of how the organization works. Within a health program or health system, public relations can also come under the title of public information or beneficiary (or patient, client, or customer) relations. These staff assist people if they have any problems with the organization.

See Box 24.2 for important information about the difference between earned media and paid media.

BOX 24.2 Earned media versus paid media

Public relations is different from marketing, which is about getting people to buy something, typically with advertising campaigns, which cost money. You can—and often should—generate public relations without spending money for advertising.

That’s why public relations people often talk about “earned media.” You don’t take out ads in the newspaper, on the radio, or on television. Instead, you earn stories and coverage.

But earned media cuts both ways. Just as you can earn press coverage for good things, you earn it for bad events, too, and you have to manage bad news through crisis communications.

Here are some of the tools in your communications and public relations toolbox.

- **To inform:** fact sheets, press releases, press conferences, or town hall meetings
- **To persuade and inspire:** speeches, letters to the editor, guest columns, radio talk show appearances, newspaper editorial board meetings
- **Multimedia:** photos, charts, websites, blogs, film clips, radio public service announcements and social media such as Facebook or Twitter

When your goal is to inform people about an issue or event, public relations has a lot in common with journalism. When you’re trying to persuade, public relations leans on the ancient art of rhetoric and the modern science of persuasion.

What are you already doing to link with and influence the media? How effective are your current communication strategies for your clinic, health advocacy agency, supply distribution system, or program, department, council, or hospital?

Build formal plans and investments from a candid assessment of your reputation and communication activities, and a plan of action you develop in partnership with beneficiaries, suppliers, and funders.

APPENDIX 24.1

Sample Media Plan

Good governing bodies think and act strategically about how they communicate with and engage the public and the media in their decision-making work. Explore how these samples can shape your development of sensible public relations and media relations plans. The board should coordinate all communications with the CEO as s/he are most likely to understand the many aspects and complexities of your strategic messaging and communication s with multiple stakeholders.

Ways for the public to engage and communicate with a health provider in England:
<http://www.westlancashireccg.nhs.uk/have-your-say/>

For a US Children's Hospital, their website indicates this policy:
<http://www.phoenixchildrens.org/newsroom/media-relations-policy>

You can adapt this example below from the National Associations of Community Health Centers in 7501 Wisconsin Ave, Suite 1100W, Bethesda, MD USA 20814:
<https://www.nachc.com/toolkit-online.cfm>

Goal: To create an awareness among the public and policy makers of

- what CHCs are and what they do
- who CHCs serve
- the value of CHCs to the community
- the cost effectiveness of CHCs

Media Options:

- TV stations: news, talk shows
- news radio: news, talk shows
- daily and weekly newspapers: news stories, feature stories, op-eds, editorials, letters to the editor
- public service announcements

Phase I: Planning and Preparation

1. **Develop Your Message.**
 - a. Have a local and/or human interest hook about the CHCs that is an important story (i.e. give them something they can “sell” to their readers).
 - b. Select and train your spokespeople.
 - c. Prepare a basic “stump” speech/op-ed that delivers your message.
2. **Designate a media coordinator** and identify one or two key media spokespeople.
3. **Prepare a Media Briefing Book.**
 - a. background narrative
 - b. fact sheets and side-by-sides
 - c. copies of newsletters
 - d. human interest stories
 - e. press clippings
 - f. key issues summaries (policy papers)
4. **Compile a media contact list.**
 - a. print: key reporters, editors, feature writers
 - b. TV: reporters, assignment editors, talk show producers
 - c. radio: news editors, talk show producers
5. **Compile a list of community organizations** that receive frequent/positive media coverage for potential speaking engagements.
 - a. program chairs
 - b. lead time needed for scheduling events
6. **Develop a media event calendar.** Try to identify or plan at least one good press opportunity a month. Identify annual events or activities that should be media events. For example:
 - a. annual open house
 - b. Child Health Month
 - c. Women’s Health Month
 - d. legislative reception
 - e. awards dinner near Christmas (this is a slow news time and a good time for features)

Phase 2: Implementing the Plan

1. Contact key reporters, editors, and producers by phone to introduce yourself and your health center or association. If possible, set up a brief personal meeting. Establish your credibility by initiating regular contact so a reporter gets to know who you are.
2. Follow up by sending or hand delivering a copy of your Briefing Book.
3. Learn individual reporters' story interests (especially producers) and call them when a an idea for a good story surfaces.
4. Schedule speaking engagements at one or two of the well-covered community organizations and arrange coverage.
5. Develop an identifiable organizational template or format to use when sending press releases and other notices to the media.
6. Arrange opportunities to call a press conference, send a press release, schedule an editorial board meeting, write an opinion editorial, or send a letter to the editor.

EFFECTIVE MEETINGS

TOPICS

| |
|---|
| Participants |
| The Meeting Agenda |
| Ways to Make Meetings Purposeful and Productive |
| Venues for Meetings |
| Meeting Minutes |
| Continuous Improvement |

Much of the work of governing bodies is conducted in meetings. This section describes the characteristics of good meetings and how to ensure that they are well planned and managed.

THE CHALLENGE

You and the governing body chairperson want to improve your governance work by improving the effectiveness and efficiency with which you plan and conduct its meetings and those of its various committees and task forces. How can you organize and run better meetings? What are the characteristics of excellent meetings? And what infrastructure is needed to support such smart meetings?

PARTICIPANTS

Most governing body meetings are attended by only governing body members, a few senior managers, and possibly some health worker representatives. This is because too large a group makes it difficult to have good conversations and thinking. (See [Section 2, Composition and Competencies](#).) It is often a good idea, however, to periodically invite additional resource people to provide information and perspective to your decision-making process. It also gives them the opportunity to see the work of the governing body,

which fosters their support and ability to help implement its plans and decisions. Guests whom you might find valuable are:

- beneficiaries with good or bad stories about their experiences;
- health workers who can introduce new interventions or technologies or provide information about trends or issues likely to face your program in the coming months;
- a politician or media representative interested in supporting your programs and services;
- a governing body member from another similar organization in your region or country;
- an international donor, philanthropist, or funder of your services.

THE MEETING AGENDA

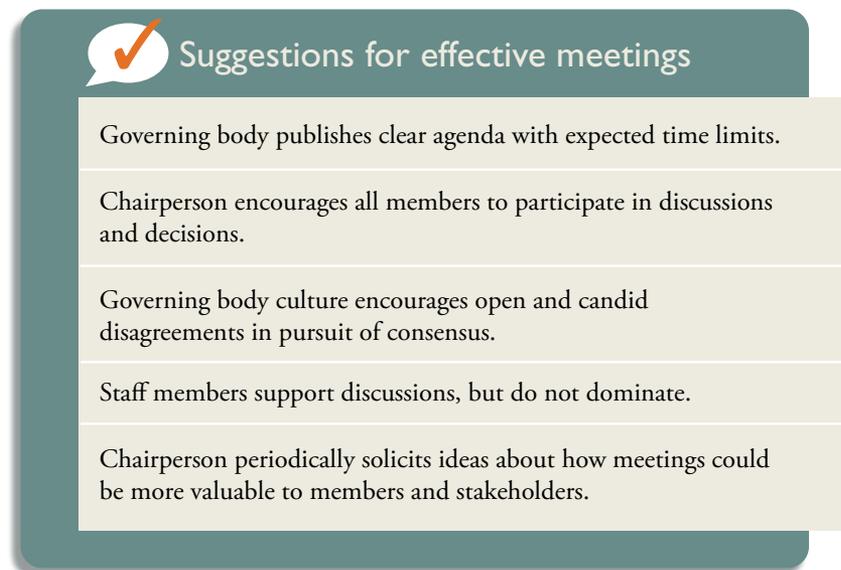
The meeting agenda provides an essential roadmap for good meetings. The governing body chairperson and managing director or CEO should develop and circulate the agenda well in advance of the meeting. Every community and culture has different views about and desires for group meetings and discussion. However, it is common to structure health services governing body meetings as described below to efficiently and methodically cover its business.

1. Welcome and introduction of any guests or new members: 5 minutes
2. Review of minutes from last meeting: 5 minutes
3. Brief reports on sub-groups: 5-10 minutes each, but with one designated to receive more time than others based on a calendar (see [Section 26](#), Themed Meetings Calendars):
 - Finance
 - Quality
 - Community relations and advocacy
 - Resource mobilization
 - Staff relations
 - Continuous governance enhancement
4. Identification of any items that need action taken at this meeting
5. Discussion around the action items of the agenda: 60 minutes
6. Educational dimensions of the meeting that can inform action in future meetings: 15 minutes
7. Other business: 5 minutes
8. Closing comments and agreement on priority topics for the next meeting: 10 minutes
9. Adjourn

WAYS TO MAKE MEETINGS PURPOSEFUL AND PRODUCTIVE

Good meetings must be well planned in advance and focus on ideas and initiatives that help accomplish the mission and plans of the organization. See Figure 25.1. Poor meetings discourage member and staff participation and fail to take advantage of the unique experiences, ideas, and insights that governing body members can bring to your health services organization. They also waste staff time and can erode trust among members, health workers, beneficiaries, and potential funders.

FIGURE 25.1 Suggestions for effective meetings. Since the work of the governing body happens in its meetings, they should be conducted efficiently and effectively.



Don't Meet Too Often or for Too Long

While meetings are critical to governance decision-making, many governing bodies meet too often and do not use their time wisely. High-performance governing bodies meet from five to seven times yearly for about two to three hours. If your meetings routinely last for four to five hours, you risk exhausting the enthusiasm of members, and increasing the chances that unproductive arguments will erupt when people grow weary. This is especially the case if you are trying to meet more often than 10 times per year. More frequent meetings may be needed if there is a health crisis being addressed by the organization, or if it is facing severe political or financial challenges.

In low-resourced settings, there may also be pressure to meet more often because there is a stipend paid for each meeting. Some governing body leaders may want to have more meetings because they can demonstrate their importance or influence in the community.

It is also important to recognize that reduced meeting frequency and time guidelines work only if those in the governing body trust one another as well as the reports and progress being made by the health workers and the managers of your organization. The greater the trust, the less time needed to process analyses, reports, and action items. Low levels of trust prompt questions and requests for more information and make those in the governing body less willing to endorse proposed actions recommended by staff or committees.

In rural districts or provinces where members have to travel long distances to participate in meetings, you may need to plan more time to justify their travel. For example, you can add time for opportunities to listen to beneficiaries, and for health workers to describe their work, challenges, and aspirations. But the parts of the meeting needed for discussion and action about governing priorities can still be limited two to three hours.

If you are required by law or regulation to meet more frequently—e.g., monthly—explore how you can redefine the focus of certain meetings. For example, one meeting can be dedicated to conversations with the beneficiaries about their experiences with your organization, and another meeting could be devoted to an educational workshop by one of your health workers or an outside guest on trends in the disease or technology most relevant to your organization’s mission. Dedicate more time to a strategic planning retreat in which you address these types of topics:

- our service and financial performance in the past year;
- trends in the key drivers for the use of our services;
- the needs of the people we exist to serve;
- obstacles to our success and how we can remove them;
- actions that we must accomplish and investments that we must make to move us closer to achieving our mission.

Pick and Merchant observe that “Like all people, board members are creatures of habit, and board meetings, agendas, timetables, and processes typically follow regularized patterns. Having these regular routines reduces anxiety and stress. Personal calendars are easier to organize, and with a regular routine, things happen as they are expected to happen. If they are well designed, board routines also allow the board to operate efficiently. But routines also have their dark side. The exact characteristic that allows routines to reduce board member anxiety—predictability—is the feature that causes routines to discourage awareness of and responses to new environmental cues. Boards might be following their normal routine and miss some new issues that should be discussed. A possible solution to this tension is to change the calendars, processes, and routines periodically to unfreeze the board members’ thinking processes.”¹

To help enhance how you use your time in these meetings, discuss the observations in the following section about the style of your meetings with governing body leaders.

1. Katharina Pick and Kenneth Merchant, “Recognizing Negative Boardroom Group Dynamics,” in Jay W. Lorsch, ed., *The Future of Boards: Meeting the Governance Challenges of the 21st Century* (Cambridge, MA: Harvard Business Review Press, 2012), p. 121.

Start with an agenda focused on governing for vision and mission. Experienced health sector leaders discuss the value of good meetings and how best to make them yield a productive exchange of ideas among community health stakeholders. It helps if you connect every activity and discussion to your main responsibility, which is to advance the vision and mission of your organization. Skip anything that doesn't keep you focused on your organizational purpose and your specific responsibilities in the governing body. Boards shouldn't get caught up in small details, nor should they micromanage. Their role is to guide and steer the organization to achieve its mission and plans.

Value (and facilitate) open space and big questions. Other than listening to reports, to focus on governance, board time is best spent by regularly setting aside time in meetings to ask questions that cannot be answered with a “yes” or “no:” What does our community's future look like in our mission area? What trends are emerging that might affect demand for our programs and our capacity to provide those services? Where are the great ideas—from our field and elsewhere—that can help us think creatively and expansively about what lies ahead? What do we need, as a governing body, to lead into that future? It may be hard for action-oriented community leaders to recognize that it's okay to give yourselves time to think and reflect over time—rather than to rush to a vote—on decisions shaping the organization's future.

Avoid endless oral reports. Replace those verbal reports with written updates that contribute to members' knowledge about the organization's history, and instead open up meetings for more meaningful discussion and work. Doing so instantly creates time to discuss, learn, evaluate, and govern.

Flip the agenda. For some governing bodies, abandoning reports and throwing open the creative doors to the future simply asks too much. In those cases, you might consider flipping the agenda. This addresses the common complaint that members are so exhausted by listening to reports and dealing with the usual difficulties that dominate the first part of most agendas that they have no energy by the time they get to the more substantive topics that typically fall under “new business.” Listening to reports requires little concentration. If you absolutely must include oral reports, place them at the end and reserve prime time for what matters.

Create the expectation that every member will contribute—and maybe even lead—and provide opportunities for them to do so. No one should leave a board meeting without having contributed actively to the conversation. Some people process information in quiet ways. But everyone should be able to contribute to board discussions and deliberations. Make sure everyone has a chance to address topics in the agenda, and to share fully. Have board leadership and a board culture that expects that they do so.

Encourage storytelling. Sharing stories facilitates learning in ways that simply citing information and statistics cannot. Stories can connect us more closely and personally to the mission. They offer examples of how board, staff, and volunteers engaged to make a difference. They give us a chance to make sense of our own experiences and learn to share appropriately with donors and other stakeholders. Stories can create powerful opportunities to explore and understand our organizational role and impact in our community.

Make time for learning. Learning, which takes place in various forms during board meetings, builds group capacity to serve. Why not commit to offering regular opportunities to learn and explore? Ask individual members to share expertise that expands the group's knowledge or builds the skills needed to govern effectively. Share an article, story, video, or other resource before the meeting and devote 10 to 15 minutes to discussing how it applies to your mission or an issue you're facing as a board. Periodically ask a committee member to research a governance topic and share what is learned with the larger group.

Include updates on organizational and board plans. Strategic processes most often fail when they are confined to periodic exercises that result in a document that lingers until an update is needed. Help to ensure that strategic efforts—e.g., planning and goal-setting—have a chance to be useful; include time across the board year for updates. What's working well? What might have been more difficult than anticipated? What obstacles have arisen that were not anticipated? Regular check-ins allow governing body leaders to adjust and adapt appropriately to an ever-changing environment.

Acknowledge the big and little successes. The routine processes of governance are far from glamorous; the work can be tedious and occasionally hard. Keeping in mind a vision and mission that likely will not be reached in our lifetimes—and certainly not during our board terms—can test even the most passionate member's motivation. Take a moment to stop, as a group, and recognize members' contributions to advancing the mission. Acknowledge a job well done, creativity displayed, or outreach that engaged new stakeholders. Help the board and its members to appreciate those actions and efforts that make a difference, and reconnect them to their reason for serving.

Close every meeting with this important question: How did we advance our vision and mission today? Bring closure to your productive time together, and remind members why they are gathered. Do this by articulating how the work you did in this setting moved you—and your organization—just a little bit closer to what draws you together. Even if the steps are small, you should be able to identify ways in which your time moved the organization forward.

VENUES FOR MEETINGS

Meetings can be more interesting and productive if they occasionally occur in different settings. Criteria to guide the place in which the governing body does its work can include that it be:

- comfortable and safe;
- easily accessible, even for vulnerable and marginalized participants;
- easily accessible for managers and health workers to periodically meet with governing body members;

- amenable to providing refreshments for members, but not lavish receptions or meals that could alienate citizens, politicians, beneficiaries, and health workers;
- enabling for the use of decision support materials and technologies.

Effective governing bodies realize that once or twice a year, meetings can be scheduled in different venues to add interest and energy to the decision-making discussions. Alternative locations to consider for your meetings include:

- a school
- a hospital
- a different government building
- a health center or screening clinic
- a bus (to enable a mobile meeting in which you travel to various sites in your health system and conduct the meeting while you move between locations. In this instance, the people you visit may appreciate the opportunity to meet board members.)

MEETING MINUTES

Capturing and storing the conclusions of your meetings is a necessary evil of governing body work. Practical considerations in developing these minutes in a form that is usable and accessible for future decision-making are specified below:

- The notes on decisions made should be complete enough to allow reference in the future about what was decided and what information was relied upon for the decision.
- The summary must be understandable—with as many graphs and charts as feasible—so that an average person who was not in the meeting can follow the results and process.
- The summary should not be so exhaustive as to make it costly and cumbersome to prepare and store or read in the future.
- The minutes should be treated as confidential; they should be accessible only to board members and the chief executive.
- The minutes should be stored in a safe place away from harsh conditions, and if in digital form, on a server with good security.

CONTINUOUS IMPROVEMENT

Like all of your practices and processes, good governance is enhanced when you are always ready to continuously improve what you do and how you do it. Consider:

- helping the chairperson learn how to conduct a meeting that starts and ends on time, and that promotes wise discussions and debate. All members should feel their voices were heard and that no one faction dominated the conversation and decisions;
- making information needed for decision-making available far enough in advance to be digested and understood by all members;
- having agendas that encourage and celebrate a relaxed flow of different opinions;
- planning meetings that offer a mix of education from staff and visitors on priority issues and topics;
- including experimentation with digital tools for governance deliberations, such as those available from [BoardEffect](#).²

What are two to three ways you can improve the quality of your governing body meetings? What can you do personally to improve your contributions to these meetings?

2. BoardEffect website (Philadelphia, PA: BoardEffect, 2015). See: http://boardeffect.com/?utm_source=bing&utm_medium=cpc&utm_campaign=BoardEffect%20Brand&utm_term=+boardeffect

THEMED MEETING CALENDAR

TOPICS

The Value of an Annual Calendar of Meetings

Strategies to Coordinate Multiple Types of Meetings

Options for Developing Calendars

This section describes the value of and strategies for developing and using a dynamic annual calendar of meetings of various types for the governing body and its subgroups. Each governing body has many types of meetings, and each type represents themes that you can anticipate and carefully manage.

One of the most valuable governing body resources to manage is the time of the members. Think of the members' time as an investment that should yield important returns, such as: (1) ideas about how to improve the quality of your services; (2) ways to encourage smarter utilization of your services by your diverse beneficiaries; (3) insights about how to mobilize more resources for your organization's mission and plans; (4) actions to earn trust from your politicians and community leaders; and (5) actions to strengthen the overall financial vitality of your organization. You can guide the use of these time investments by using calendars for your many meeting types.

THE CHALLENGE

The governing body of your teaching hospital in Hanoi has certain types of decisions it needs to make at certain times of the year. You and the chairperson want to plan the timing of meetings to address certain themes of decision-making during specific months or quarters in order to better prepare board members and staff for these key decision points with information and stakeholder inputs. What are the key decision-making processes for your governing body, and

what are the most logical times of the year when these should occur? How would you best develop and follow a calendar of themed meetings when your health challenges are so complex and variable?

THE VALUE OF AN ANNUAL CALENDAR OF MEETINGS

You are all busy community leaders. To use your time and talents wisely, it will be helpful for you and your managers to develop and follow a continuously updated calendar of meetings. This calendar could tell you at a glance not only the dates, times, and locations of the meetings and events, but also the themes for many of the meetings and how you can best prepare for each type of activity.

The chairperson of a family planning association realized that, because their annual financial year begins on January 1 and runs through December 31, she would need to receive an approved budget by the end of October in order to secure funding from a local philanthropic foundation. This same budget, however, was due to the Ministry of Health by September 15 to qualify the organization for a grant from the ministry by January of the next year. These dates demand that the finance committee of the board meet between June and August to develop an appropriate budget, one that is driven by the organization's plans and programs. Most stakeholders can similarly benefit from such advance planning and communication alerts.

TABLE 26.1. Sample calendar and themes for board meetings

| Month | Descriptive theme for meeting |
|-----------|---|
| September | Draft "Governance Enhancement Plan" reviewed and refined based on self-assessment about board work and performance |
| October | Final Governance Enhancement Plan considered by board |
| November | Review, comment, and approve budget for coming year |
| December | Some form of board education on important topic |
| January | Routine meetings until end of fiscal year. Every month, board receives board book with report on plans and progress on performance metrics and budget |
| February | Meeting 1: Medical staff development and engagement focus |
| March | Board packet, but no meeting |
| April | Meeting 2: Maximizing stakeholder engagement |
| May | Board packet, but no meeting |

| Month | Descriptive theme for meeting |
|-----------|--|
| June | Meeting 3: Explore ways to recruit health workers and enhance their skills |
| July | Special meeting to celebrate employee and health workers' awards |
| August | Meeting 4: Discuss alternative sources of funding |
| September | Board packet, but no meeting |
| October | Meeting 5: Board self-assessment and governance enhancement planning |
| November | Meeting 6: Review, comment, and approve budget for coming year |
| December | Some form of board education on important topic |

The benefits of a published themed calendar include:

- Trustees and staff can plan their personal travel to avoid missing meetings.
- Subcommittees can shape their annual work plans around key decision deadlines, and you can ask for staff support and key information items well in advance of when they are needed for effective decision-making.
- Staff can know when they will need to produce certain reports, rather than having to respond to a last-minute request from the governing body.
- External stakeholders who may need to be invited to key events are given ample time to organize their calendars.
- Politicians, donors, and media can better plan for their support of key activities and decision-making requirements.

Have a conversation at your next governing body meeting to see what other benefits they can derive from a new approach to calendar planning and distribution.

STRATEGIES TO COORDINATE MULTIPLE TYPES OF MEETINGS

Many health services organizations work to balance the activities of the governing body among these 10 key activities.

1. routine meetings of the governing body
2. routine meetings of the committees and task forces of the governing body
3. special fundraising events to support vulnerable populations, such as women and children
4. deadlines for reports to funding organizations
5. events that celebrate accomplishments by health workers
6. civic and community festivals that need your visible attendance
7. school programs that could benefit from your collaboration
8. orientation and continuing education programming for governing body members and clinicians
9. dedication ceremonies for new programs, equipment, or facilities
10. political events among groups you need support from for the coming year

If you are fortunate enough to have an organizational website, it is easy to develop and maintain digital calendars. See these examples from:

- [a county health department](#)¹
- [the Department of Health in Australia](#)²
- [the Global Fund](#)³

Mapping these meetings not only helps staff plan for materials to be developed and distributed in advance to members, but it also helps identify scheduling conflicts for board members or staff. It further helps to ensure that the people who will participate in a meeting in eight weeks can complete their discussions or secure the insights needed for the decision-making at that future meeting in a logical sequence.

1. Harford County Health Department, “Health Department Calendar of Events” (Bel Air, MD: Harford County Health Dept., 2015). Available at: <http://harfordcountyhealth.com/about/calendar-of-events/>

2. Australian government, Department of Health (DOH), “Calendar of Events” (Canberra: DOH, 2015). Available at: <http://www.health.gov.au/calendar>

3. The Global Fund to Fight AIDS, Tuberculosis and Malaria, “Events Calendar” (Geneva: Global Fund, 2015). Available at: <http://www.theglobalfund.org/en/events/>

OPTIONS FOR DEVELOPING CALENDARS

The first challenge in developing a master “governance decision-making” calendar is to be sure you invite several people who can help identify all the major meetings in which key stakeholders need to be involved, then map the meetings on a blank calendar. The second challenge is to keep the calendar accurate and up-to-date. The third challenge is to motivate people inside and outside your organization to use the calendar to wisely plan and manage the time of staff and governing body members. Table 26.2 provides actions that can help you manage these challenges.

TABLE 26.2 Recommendations for developing calendars

| Challenges | Actions |
|---|---|
| Invite stakeholders to define calendar events | <ul style="list-style-type: none"> ■ Ask key manager and clinical staff to identify key health-related events in the coming year. ■ Ask governing body members to map for the coming year all planned subgroup and committee meetings. ■ Review key social and community events with local community groups, civil society organizations, and political parties. |
| Keep calendar accurate and updated | <ul style="list-style-type: none"> ■ Assign a staff member to ask governing body members and managers for updates to the dates, venues, and themes of calendar meetings and events. ■ Make sure that the chairperson and CEO review and refine the calendar at each of their meetings. ■ Share updated versions of the calendar periodically with members. |
| Actively use the calendar | <ul style="list-style-type: none"> ■ Have the chairperson and managing director ask people at each governing body and subgroup meeting to look at the calendar and invite any edits. |

Start small and earn interest in and use of the calendar by your many stakeholders. At the very least, you can develop and publish a paper calendar for the coming 6 to 12 months that you can hand out to all members near the end of the month before the period being planned.

USE OF INFORMATION

TOPICS

The Value of Good Information for Good Governance

The Types of Information Needed for Good Governance

Strategies to Develop Trustworthy Information

Making Information Understandable and Usable

New Technologies that Support the Wise Use of Information

Effective and efficient governance decision-making requires good information. This section explores practical ways to develop, manage, and use information of various types in the decision-making process of the governing body and its various affiliated subgroups. Continuous performance improvement (see [Section 15](#)) also relies on good information.

THE CHALLENGE

Your governing body oversees the plans and performance of a provincial program for family planning and reproductive health. You have a mix of funding sources to support your programming. They and you want to know what you are accomplishing with these funds to improve the health of women and reduce preventable maternal and infant deaths. What are a few indicators of your performance that provide the most valuable and cost-effective way to measure your progress according to the plan? How can data for these indicators best be displayed to facilitate the ability of your governing body to judge how well the program is performing and support timely interventions to celebrate or correct the performance?

THE VALUE OF GOOD INFORMATION FOR GOOD GOVERNANCE

The heart of good governance decision-making is information that informs the discussion and consensus needed to take action. Unfortunately, too many governing bodies have information characterized by five fatal weaknesses. The information is

- nonexistent
- not provided with enough time to digest it
- not provided in a form that is easy to understand
- too much to read
- inaccurate or even dishonest

Box 27.1 summarizes practical ways to deal with each of these challenges.

BOX 27.1 Dealing with information challenges

- **Challenge 1: Information does not exist.** Work with management to secure and report basic counts of the numbers and types of beneficiaries using your services; then plot them on charts to track changes by week, month, and year. Ask for monthly financial reports on the amount of money received and spent for various services; also include at least the key cost items of health worker compensation, medicines, supplies, and utilities for your facilities.
- **Challenge 2: There is not enough time to digest the information.** Ask your leaders to provide clear and easy-to-understand information for each meeting at least three to five days before meetings. Expect these data to be accurate, timely, and easy to understand in graphic or chart forms that compare data from this period with that of last month and last year. Expect a short interpretation of the data and the implications of the trends from your leadership team.
- **Challenge 3: Information is not provided in a form that is easy to understand.** Data should tell a clear story. Charts, pictures, or graphs should include source notes, captions, and text explaining the trends and their implications.
- **Challenge 4: There is too much to read.** Ask management for one-page summaries of all data reports. Trust management and subcommittees to read long, complex reports and provide you with an opportunity to raise questions about the meaning of the information at each meeting.
- **Challenge 5: Information is inaccurate or even dishonest.** Be very clear about your expectations that data be timely and accurate. Ask for second opinions on the accuracy and meaning of data reports. Celebrate reports and staff that are transparent, honest, and clear in their reporting, and replace staff who cannot meet these criteria.

The Work of Good Governing Bodies Is All about Good Decision-Making

Good decision-making is all about good information that is well understood and used by the members of the governing body to accomplish their roles and responsibilities related to the continuous improvement of the four essential practices of:

1. cultivating accountability
2. engaging stakeholders
3. setting a shared strategic direction
4. stewarding resources responsibly

Good information helps governing body members objectively understand the context in which their organization works. It also helps them understand decision-making related to policy and strategy options, as well as the advantages and disadvantages of alternative decisions about how to address these options. One way to summarize information in a way that supports decision-making is through a dashboard; see Box 27.2.

BOX 27.2 Governance dashboards

Governance dashboards, like the dials on the instrument panel of a car, are useful for monitoring an organization's progress in fulfilling its mission and meeting its goals. Many governing bodies are adopting dashboards and "balanced scorecards."

Governing bodies can receive an integrated quarterly report covering programs, operations, and financial issues. First, a brief narrative summarizes the past quarter's performance, and directs attention to noteworthy trends. The overall dashboard report shows key indicators of financial performance, operations, services to beneficiaries, human resources, quality of care, customer service, and patient safety.

Governing body members who want more detail about a specific indicator can flip to a page showing, at a glance, a simple but accurate definition of the measure and an explanation of how the target was set. Another color-coded display can be used to compare current and year-to-date performance against the target.

THE TYPES OF INFORMATION NEEDED FOR GOOD GOVERNANCE

To conduct good board meetings, you should provide much of the information that your governing body needs for its overall governance functions. [A sample meeting agenda](#) suggests these types of information.¹

1. the health status of your service area and the people using your programs and services
 - changes in the demographic profile of the people you serve by age, sex, ethnicity, employment, etc.
 - coverage of immunizations
 - trends in mortality in your service area, especially maternal, neonatal, and infant deaths
 - patterns in communicable diseases, especially HIV & AIDS, malaria, TB, and Ebola
 - patterns in noncommunicable diseases such as obesity, diabetes, hypertension, heart disease, and cancers
2. the quantitative profile of how your services are being used, and by which types of clients—for example, prenatal care, births at home and those with a trained birth attendant, surgeries, lab tests, prescriptions filled, etc.
3. the qualitative profile of services provided, especially
 - clinical dimension: hospital-acquired infection rates, preventable maternal and neonatal deaths, medication errors, stock-outs of essential medicines, etc.
 - beneficiary satisfaction with services²
4. public opinion polls about satisfaction with your organization's performance
5. trends in health workers' attendance rates, vacancy rates, compensation levels, and satisfaction

For programs delivering services funded by large international donors, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, the governing bodies of the Country Coordinating Mechanisms (CCMs) face significant reporting challenges.³ Large family-planning organizations, such as the member associations of the [International Planned Parenthood Federation \(IPPF\)](#),⁴ must provide significant amounts of information to their governing bodies every few years as part of a rigorous accreditation process.

1. For a US hospital board agenda, see Texas Health Resources Board of Trustees, Sample Board Agenda with Consent Agenda (Oct. 2006). Available at: <http://www.americangovernance.com/resources/reports/brp/2007/sample-board-agenda.pdf>

2. Information about the good work of the Institute for Healthcare Improvement (IHI) in Africa, Improving Health Care Quality in South Africa (Cambridge, MA: IHI, 2015) is available at: <http://www.ihl.org/Engage/Initiatives/SouthAfrica/Pages/default.aspx>

3. Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), CCM Eligibility Requirements, Minimum Standards & Updated Guidelines (Geneva, Switzerland: GFATM, 2005). Available at: <http://www.theglobalfund.org/en/ccm/guidelines/>

4. See IPPF Monitoring guidelines here: <http://www.ippf.org/about-us/accountability/monitoring-evaluation>

One key element in all of their regions is their annual assessment of the degree to which the governing bodies are meeting a formal code of conduct.⁵

In high-income countries such as England, resources support the flow of data into health information systems so that governing bodies can measure the degree to which they are delivering “value for money.”⁶

In the United States, Matthew Weinstock and Suzanna Hoppszallern report that the boards of Most Wired hospitals are increasing investments for activities to engage patients. These activities include chronic disease monitoring and mobile health applications. For instance, the majority of these hospitals:

- allow patients to check their test results online via a secure portal;
- provide patients with chronic conditions self-management tools via a portal;
- offer an mHealth application that provides access to the patient portal.⁷

For your type of health services organization, what are the three to five most important indicators of performance that you should monitor every month or every quarter?

STRATEGIES TO DEVELOP TRUSTWORTHY INFORMATION

Your governing body needs to rely on the accuracy of information provided to it to make good decisions about the plans and performance of the organization. Some organizations do not have data on service volumes for recent periods, or even cost and quality information. This can be demoralizing for staff and governing body members alike.

How much do you trust your information sources? How can this information be made more trustworthy?

Focus group research in the United States consistently indicates that the public is wary, and legitimately so, about the sources of data on the performance of health care plans and providers.⁸ They are fully aware that some of the health care information available to them is inaccurate or misleading. In some countries, many health plans, hospitals, medical groups, and other providers advertise their quality; therefore, consumers are often suspicious of any quality report that appears to promote a particular organization.

5. International Planned Parenthood Federation (IPPF), *Monitoring, evaluation and learning* (London: IPPF, 2015). Available at: <http://www.ippfar.org/resources/code-governance>

6. See National Health Service (NHS) England, *Health and Social Care Leaders Set Out Plans to Transform People's Health and Improve Services Using Technology* (Redditch: NHS, Nov. 13, 2014). Available at: <http://www.england.nhs.uk/2014/11/13/leaders-transform/>

7. Matthew Weinstock and Suzanna Hoppszallern, “Cover Story: 2014 Most Wired,” *H&HN [Hospitals and Health Networks]* (Chicago, IL: American Hospital Association, July 9, 2014). Available at: http://www.hhnmag.com/display/HHN-news-article.dhtml?dcrPath=/templatedata/HF_Common/NewsArticle/data/HHN/Magazine/2014/Jul/mostwired-health-it-technology-data

8. These studies, like much formative research to design reports, have not been published. The studies have been used to support reports on various CAHPS (Consumer Assessment of Healthcare Providers and Systems) surveys, the AHQR (Agency for Health Quality and Research) indicators, hospice quality measures, and nursing quality measures. Available at: http://qualityindicators.ahrq.gov/Modules/psi_overview.aspx

This means that report sponsors have to make a clear case that it is both expert and unbiased. If the sponsor is already well known and has this reputation, you simply need to make clear who the sponsor is. But many organizations that sponsor reports are far from being household names at this time. They need to build a brand as a reliable and convenient source of useful information about health care quality. See Box 27.3 for tips for developing trustworthy information.

BOX 27.3. Strategies to develop trustworthy information

1. Use a trusted source for the information.
2. Encourage continuity of sources to track trends over time.
3. Be transparent about how data is gathered, stored, summarized, and reported; a lack of openness breeds suspicion and distrust.

How to Communicate Legitimacy and Trustworthiness

Some governing bodies ask their managers to include their names on the report cover and a brief mission statement that emphasizes their commitment to good information as a means for mission achievement. The reports can also:

- explain why you issued the report. You may want to emphasize that you are trying to help people make a good choice for them, rather than leading them to one particular choice or another;
- include information about the reporting staff (names and titles) and department and the other organizations that have endorsed the report;
- if appropriate, mention that you are concerned about improving health care for the whole community.

Publicizing Endorsements

The credibility of the report can be enhanced by endorsements from an array of organizations. While consumers might not trust a report on local physicians that is sponsored by the local medical society, for example, they might still be pleased to know that the report has been endorsed by the society.

Many service area reports for health today are “multi-stakeholder” entities, such as Chartered Value Exchanges and Aligning Forces for Quality grantees. (Learn more about US experiences with Chartered Value Exchanges and the [Aligning Forces for Quality](#) program.⁹ These types of organizations are in a position to obtain endorsements from a

9. US Department of Health & Human Services, Agency for Healthcare Research and Quality (AHRQ), in Key Quality Initiatives (Rockville, MD: AHRQ, no date). Available at: <https://cahps.ahrq.gov/consumer-reporting/talkingquality/resources/initiatives/index.html>

range of stakeholders to reinforce their legitimacy. Other sponsors can do the same thing through effective outreach efforts.

10. 18. Kabacoff and R. Luther, "Creating a culture of excellence," *Healthcare Executive* 2012, 27(4): 68-71. Available at: <http://www.fhite.org/resources/Pages/Publications/CreatingaCultureofExcellence.aspx>
11. Care Quality Commission, "Chief Inspector of Hospitals publishes report on the quality of care provided by Central Essex Community Services C.I.C." (Newcastle upon Tyne, England: Care Quality Commission, 2014). Available at: <http://www.cqc.org.uk/media/chief-inspector-hospitals-publishes-report-quality-care-provided-central-essex-community-servi>

MAKING INFORMATION UNDERSTANDABLE AND USABLE

An important strategy to drive your use of information is to work to make it “patient-centered.” Ask for reports on service volumes by various types of people to make it interesting and put a human face on the numbers. These reports can contain financial, service volume, and quality information. For example, the average costs for each woman served in our HIV & AIDS clinics last month was x; the average hospital cost per birth last quarter was y; the number of primary care visits in our province per 1,000 people during the first half of the year was z, which represents a certain percentage increase from the same period last year.

Also develop a style of meeting that periodically features actual beneficiary stories by health managers and health service providers to illustrate patterns in quality outcomes. The more your governing body can create a “culture of quality,”¹⁰ the easier to understand and more meaningful the information in meeting reports will be, not just to you and your colleagues in the governing body, but to the public, politicians, and the media. See Box 27.4. Public reporting on quality measures is becoming the standard in Europe, England,¹¹ Canada, and the US. Low- and middle-income countries in Africa, Asia, and Latin America are moving in this direction.

BOX 27.4 Three ways to make information understandable and usable

1. Use charts and graphs.
2. Rely on short text summaries or captions in conjunction with charts to communicate the meaning of the information.
3. Make information more readily available and accessible in relaxed discussion sessions.

More than 4,000 hospitals in the US are required to report their quality experiences to the public through a [Medicare website](#).¹² AHRQ reports on disparities in health service utilization among various types of patients on its [website](#).¹³

NEW TECHNOLOGIES THAT SUPPORT THE WISE USE OF INFORMATION

Your governing body members need timely and convenient access to meeting-related materials. As Internet access expands in low-income countries, websites with high security and restricted access can be used to store all the materials governing body members need for their work.

These new portals and platforms offer many benefits, including time and cost savings, e.g., there is no need to print voluminous materials prior to meetings. Members can be better prepared and educated because of the around-the-clock access to relevant information including many helpful references and resources for capacity development. Staff can also update documents more rapidly.

In addition, these platforms can enable governing body members to communicate and share documents, and create topic-specific workspaces. They help the governing body to perform its oversight function more efficiently.

Committees may also find the portal to be useful and convenient for the same reasons. The portal helps to improve the quality and timeliness of the information flow between governing bodies and the management staff they oversee. It streamlines governing body work and reduces risk by providing governing body members easy access to important information. It helps the governing body communicate and collaborate more effectively, and to improve the efficiency of its work.

12. US Department of Health & Human Services, Centers for Medicare & Medicaid Services (CMS), Official Hospital Compare Data (Baltimore, MD: CMS, 2015). Available at: <https://data.medicare.gov/data/hospital-compare>

13. US Department of Health & Human Services, Agency for Healthcare Research and Quality (AHRQ), National Healthcare Quality & Disparities Reports (Rockville, MD: AHRQ, 2015). Available at: <http://www.ahrq.gov/research/findings/nhqrd/index.html>

BOX 27.5 Benefits of using a web portal for your governing body

The following types of content to support the development of governing body members can be stored on a web portal for easy access and use by members.

- governing body members' resumes and experience
- competency mapping process to guide recruitment and governing body development
- orientation program for members
- mentoring program
- customized individual education plans
- governing body education plan and budget
- knowledge and experience exchange process for the governing body
- digital reference library on governing concepts and practices
- other eLearning resources

Web portals can also provide tools for performance assessment of your governance infrastructure, such as

- overall risk and challenges assessment
- governing body overall performance self-assessment
- governing body member 360 assessment
- chief executive performance planning and assessment
- physician and health worker satisfaction survey
- managers' performance assessment
- patient/client satisfaction assessment and community perception survey

How can you make this information more accurate, trusted, and easy to understand? How can you use more charts and graphs to communicate numbers in a lively, engaging way?

CULTURE OF CELEBRATION

TOPICS

The Power of Celebration to Nurture Engagement

Challenges to Cultures of Celebration and How to Overcome Them

Strategies for Effective Celebration of Good Governance

Good governance is a continuous process of group decision-making. To motivate and inspire participants to continue their engagement in decision-making over the long term, it is essential to celebrate their work and contributions. This section describes ways to celebrate the time, talent, and results of good governance as a way to support continuous governance improvement.

THE CHALLENGE

As nurse leader recently promoted to chair the governing body of a health center in Upper Egypt, you would like to work with the managing director to establish a more positive culture among the employees and volunteers working in the health center. You do not have a lot of money for special pay. Most of the workers are in government posts with a weak performance management program, and the working conditions are not ideal. In such a setting, what are the advantages and disadvantages of creating a workplace that celebrates success compared to one that punishes failure? What are low-cost actions you could take to recognize, encourage, and reward positive behaviors and practices to improve worker morale and service quality?

THE POWER OF CELEBRATION TO NURTURE ENGAGEMENT

Your success as a governing body is linked to how well you invite—and listen to—the ideas of diverse stakeholder groups and welcome their insights into your decision-making processes. Their willingness to engage with you is a function of how efficiently and effectively you use their time and talents. It is also impacted by how well you show your appreciation for the time and ideas they share when engaged. Celebrating their time, talents, and contributions is a powerful way to encourage their ongoing participation over the long term.

Why is citizen engagement worthy of your celebration and appreciation?

Some policymakers observe that local governments, community organizations, and public agencies make better decisions and have a more positive impact on their communities when they increase the frequency, diversity, and level of engagement of community residents. But this engagement does not come easily; and it must be carefully managed by the leadership of the governing body and the health services organization. Leaders who govern wisely need to master the art of showing sincere appreciation for the work, investments, and ideas of the many people that volunteer or are employed by the organization.

Governing body leaders should thank others to acknowledge the value of what they have done and encourage them to help again in the future. It's this aspect of gratitude that Adam M. Grant and Francesca Gino examine in a study published in the *Journal of Personality and Social Psychology*.¹ In fact, Grant and Gino found that people weren't providing more help because they felt better or it boosted their self-esteem, but because they appreciated being needed and felt more socially valued when they'd been thanked.²

This feeling of social worth helps people overcome the obstacles that prevent them from helping. We are often unsure whether our help is really wanted, and we know that accepting help from others can feel like a failure. The act of saying thank you reassures the helper that their help is valued and motivates them to provide more.

CHALLENGES TO CULTURES OF CELEBRATION AND HOW TO OVERCOME THEM

In health systems that face shortages of health workers and funding, creating a culture of appreciation or celebration is not easy. Governing bodies need to have candid conversations with their managers about how best to overcome challenges such as:

- The civil service system is not driven by modern performance management principles or practices.

1. Adam M. Grant and Francesca Gino, "A Little Thanks Goes a Long Way: Explaining Why Gratitude Expressions Motivate Prosocial Behavior," *Journal of Personality and Social Psychology* 2010; 98:946-55.
 2. Jeremy Dean, "Why 'Thank You' Is More Than Just Good Manners," PSYBLOG, Oct. 11, 2010. Available at: <http://www.spring.org.uk/2010/10/why-thank-you-is-more-than-just-good-manners.php>

- The working conditions of health workers and managers do not enable or encourage recruitment and retention of enough talented health workers and managers.
- Most governing body members are not experienced in leadership development for human resources.
- Local hiring practices favor people from certain political parties, ethnic groups, or families rather than people with the skills to do excellent work.
- Governing bodies avoid conversations about how to enhance the environment and conditions for their organization's managers and workers.

The negative impact of these challenges on an organization's drive for service excellence and vitality must be minimized before the governing body can establish a culture of celebration and appreciation. Consider the actions shown in Table 28.1 to minimize the challenges.

TABLE 28.1 Challenges to high-performance cultures

| Challenges | Actions to minimize challenges |
|--|--|
| The civil service system is not driven by modern performance management principles or practices. | Zimbabwe made a bold policy move and moved all health sector workers out of the civil service system—which needed to accommodate librarians, sanitation workers, and police in addition to doctors and health workers—into a new organization. Shorter-term actions can be: invest in training for human resource managers as a profession in the Ministry of Health and at all levels of the public health system;* and advocate for more transparent reporting on hiring and organizational performance. |
| The working conditions of health workers and managers do not enable or encourage recruitment and retention of enough talented health workers and managers. | <p>Meet with health workers to document workplace conditions and how to improve them; then publish the findings in a manner that encourages political support for new investments and policy changes.</p> <p>Work with your managers and workers to develop and implement a series of small, quick improvements to show positive movement within your organization.</p> <p>Build more support into your budgets for improvements in local working conditions.</p> |
| Most governing body members are not experienced in leadership development for human resources. | <p>Have at least one meeting per year focused on the needs of health workers.</p> <p>Ask your managers to suggest easy reading on ways to strengthen human resources planning and management in your organization.†</p> <p>Invite speakers to at least one of your governing body meetings about practical ways to improve human resources management.</p> |
| Local hiring practices favor hiring people from certain political parties, ethnic groups, or families rather than people with the skills to do excellent work. | Establish and observe human resources hiring and performance management policies and practices that are competency-driven and focused on the best people to successfully accomplish your organization's mission and plans.‡ |

| Challenges | Actions to minimize challenges |
|---|--|
| Governing bodies avoid conversations about how to enhance the environment and conditions for their organization's managers and workers. | Have the chairperson and managing director ask people at each governing body and sub-group meeting to look at the calendar and invite any edits. |

* The WHO's Global Health Work Force Alliance (GHWA) calls for this in recent reports; see, for example: Report of the 17th Board Meeting (Geneva: WHO, July 17-18, 2014). Available at: http://www.who.int/workforcealliance/about/ghwa_report_17th_bm2014.pdf

† For many good strategies, see the materials published by the USAID-supported CapacityPlus Project. Home page available at: <http://www.capacityplus.org/>

‡ Paul Marsden, "No More Business as Usual: Strengthening Health Sector Human Resources Management," CapacityPlus website, August 2010. Available at: <http://www.capacityplus.org/no-more-business-usual-strengthening-health-sector-human-resources-management>

How can your governing body best minimize these challenges? What are more important challenges in your unique situation?

STRATEGIES FOR EFFECTIVE CELEBRATION OF GOOD GOVERNANCE

You can draw on the five Canadian principles to earn citizen engagement in defining and developing strategies for celebration. See Table 28.2.

TABLE 28.2 Principles of citizen engagement

| Principle | Rationale |
|--|---|
| Working with citizens will add value to the program or project. | Soliciting citizen input should be done with purpose—not just for consultation's sake. |
| Mutual learning and understanding will build trust and credibility. | The organization can learn from citizens in the same way that they can learn from us—and from each other. Understanding and valuing the views, concerns, and experiences of citizens will build trust and credibility on all sides. |
| Openness will enhance transparency and accountability. | Sharing information about the organization's core business and decision-making processes will enable it to demonstrate the value (and impact) of the taxpayer dollars that support our mission. |
| The organization will be inclusive in its approach to citizen engagement. | Barriers that prohibit or diminish engagement with a wide range of groups do exist; recognizing and addressing them will improve the diversity of citizen representation and will enhance the quality of the feedback received. |
| Citizens will be supported to ensure their full participation. | Orientation tools and sufficient support are needed to help citizens contribute fully to the discussions and decisions being considered. |

Source: Canadian Institutes of Health Research (CIHR), "CIHR's Framework for Citizen Engagement: Section Three: The CIHR Citizen Engagement Framework" (Ottawa, ON: CIHR, May 21, 2013). Available at: <http://www.cihr-irsc.gc.ca/e/41289.html>

How Can Engagement Best Be Celebrated?

Organizations can foster citizen engagement in many ways—and many of them have little financial cost.³ Studies done at the [University of California at Berkeley](#) suggest five ways to show your appreciation:⁴

1. Use a website to post a public expression of appreciation.
2. Make appreciations a regular ritual in meetings. Go around the room and have each person appreciate the person on their left. In just 5 to 10 minutes, you will have improved the effectiveness of your meetings.
3. Give formal recognition. Nominate individual staff members or teams for recognition awards, such as “Spot an Achievement Awards,” or other types of departmental rewards.
4. Give a thank-you card. Use thank-you cards to express your thanks in a format that becomes a keepsake.
5. Invite a colleague to have coffee or tea. Spend a few minutes with a colleague to share your gratitude for their contributions.

It is common in American culture to say thank you to acknowledge good things received from other people, especially when they give unselfishly out of kindness. See Box 28.1.

BOX 28.1 Ways to cultivate gratitude at work

People say thanks at home and in school, in stores, and at church. But not at work. According to a survey of 2,000 Americans released by the John Templeton Foundation, people are less likely to feel or express gratitude at work than anywhere else.* And they’re not thankful for their current jobs, which they rank last in a list of things they’re grateful for.

It’s not that people don’t want to both give and receive gratitude at work: 93% agreed that grateful supervisors are more likely to succeed, and only 18% thought that gratitude made bosses “weak.” Most reported that hearing “thank you” at work made them feel good and motivated.

Source: Jeremy Adam Smith, “Five Ways to Cultivate Gratitude at Work,” May 16, 2013 Available at: http://greatergood.berkeley.edu/article/item/five_ways_to_cultivate_gratitude_at_work

* Emiliana R. Simon-Thomas and Jeremy Adam Smith, “How Grateful Are Americans?” Jan. 10, 2013. Available at: http://greatergood.berkeley.edu/article/item/how_grateful_are_americans

Given the value of appreciation in the workplace to foster better performance, how can governing bodies work with their managers to establish a “culture of celebration?”

A group of health services leaders from over 20 countries at the [International Health Leadership Program \(IHLP\)](#) at the Judge School of Business at the University of Cambridge⁵ identified 30 possible ways to reward people, even in governmental civil service systems. Which of these strategies should you try in your unique situation?

3. See, for example, the work of the Center for Rural Pennsylvania, a legislative agency of the Pennsylvania General Assembly, “Developing Effective Citizen Engagement: A How-To Guide for Community Leaders,” April 2008.
4. University of California at Berkeley, “The Value of Saying Thank You” (Berkeley: University of California at Berkeley, 2013). Available at: <http://hrweb.berkeley.edu/files/attachments/Top-5-Ways-to-Say-Thank-You.pdf>
5. These items were generated in a course offered by James Rice in the IHLP during 2006. See: <http://www.health.jbs.cam.ac.uk/people/fellows.html>

Delegates to the International Health Leaders Programme (IHLP) at Judge Business School of the University of Cambridge were invited to share practical ideas about how best to encourage and facilitate civil service employees to be more receptive to and effective at innovation and process or performance improvement. Some public sector leaders are frustrated by the constraints of civil service structures and rules. They believe such constraints keep senior and middle managers from hiring or firing employees or motivating them to pursue excellence. Perhaps these ideas will encourage creativity and persistence in efforts to harness fresh thinking about how to motivate and mobilize staff and colleagues for health gain.

The ideas generated by these groups appear below for your discussion and refinement:

- Provide additional pay and remuneration for individuals and teams or departments that exceed performance goals.
- Provide promotion options for great accomplishments and progress.
- Praise as close to the time and place of the good work as possible. Praise in public. Punish in private.
- Provide incentives for peak performance within civil service structures, for example: better parking; office accommodations; better clerical support staff; access to special training programs; and educational travel.
- Conduct award and recognition programs for staff that include inviting their families to see and hear praise from supervisors and colleagues.
- Provide additional days off.
- Offer inclusion in or leadership of special projects or studies seen as important to the overall goals of the organization (e.g., the prestige of being selected to make a difference).
- Offer access to job rotation as way to enhance potential for future promotions and advancements.
- Provide invitations to social opportunities, such as dinners with respected leaders.
- Have managers show sincere interest in the person's personal life and career.
- Nominate the person for local, regional, national, or international awards.
- Take affirmative action to show that talent is recognized and rewarded.
- Offer financial rewards, no matter how small.
- Pool gifts from suppliers so that high performers can earn points for them or compete to receive them in a very open and transparent process.
- Negotiate with the national civil service to offer special leave packages that can be used for teams that go above and beyond the call of duty for patients or communities.
- On a quarterly basis, post a photo album of high performers on the organization's website. Create, too, an attractive book or a newspaper insert so

their colleagues, families and neighbors can see their accomplishments and recognitions.

- Seek permission to install a new incentive compensation or merit pay system that provides money for high performance results.
- Negotiate contract provisions that allow 1%-15% of high performers' time to be sold for special outsourced services to other agencies for additional pay.
- Provide better equipment, office furniture, education programs, or cash bonuses for departments that exceed targets.
- Offer flextime or other work prerogatives for high achievers.
- Praise high performers in front of their colleagues.
- Issue plaques for great work, ideas, or process improvements.
- Offer vouchers for dinners, entertainment, travel, food packages, sports equipment, books, publications, etc.
- Provide opportunities for working in another job for cross-education and training, change of pace, or even fun.
- Post photos of high performers in public areas to celebrate their superior work and positive attitudes.
- Provide a month of afternoon neck massages for staff of departments that do well.
- Allow an executive to help in a community service program for a short time and be mentioned in local newspaper as an award winner.
- Provide special tours and dinners for the families of award winners, so they see their loved one receiving positive recognition.
- Have in place basic tools for doing good work. For example: have clear job descriptions; fair quarterly and annual performance reviews; a safe workplace; decent tools and equipment; clear timelines for work to be done; and clear explanations of why the work or project is important.
- Provide mentoring for younger workers from respected retired workers.
- Provide employee lounges with some refreshments and music.
- Increase shared decision-making. Allow more employees to have a share in and stake in their own destiny.
- Move or remove bad managers if they are not performing well or serving as good role models.
- Ask employees for more of these ideas for recognition and rewards.
- Listen to workers about how their work and work processes could be improved, including asking them how you can be more effective as a leader!

How might you devote one of your governing body meetings to a conversation with your managers and health workers about such ideas? Which would you define as the five most valuable to try next year?

GOVERNANCE IN PHARMACEUTICAL SYSTEMS

TOPICS

| |
|---|
| Managing Access to Essential Medicines |
| Governing Challenges in Pharmaceutical Systems |
| Governing Bodies and the Pharmaceutical System |
| Interventions to Improve Governance in Pharmaceutical Systems |

As medicines are so important in the performance of health systems, this section provides insights into the unique governance challenges of managing the supply of essential medicines in low- and middle-income countries and discusses practical ways to promote good governance in pharmaceutical systems.

THE CHALLENGE

To improve transparency and evidence-based decision-making in the selection of products for inclusion in the formulary list of approved medicines for your hospital, you have been asked to help establish a Pharmacy and Therapeutics Committee (PTC). What recommendations would you make to the Chief Executive Officer regarding the process for setting up this committee to ensure the safe and cost-effective prescribing and use of medicines in your hospital and selecting members for the PTC? What could you do to establish the legitimacy of the new committee to encourage medical staff to adhere to formulary recommendations?

To achieve the goal of effective health service delivery that supports better health outcomes, health systems and organizations require a reliable supply of safe and affordable essential medicines, vaccines, and other medical supplies of assured quality. However, surveys conducted between 2007 and 2011 in low- and lower-middle income countries found that essential medicines were available

on average in only half of public sector and two-thirds of private sector health facilities.¹ Whether you are a health leader or policy maker at the national level or serving on a district health council or hospital board, you and your governing body members will be concerned about preventing stock-outs of essential medicines, vaccines, and supplies, which can compromise the performance of your health system or organization. Also, given the high value of medicines, encouraging their rational and cost-effective prescribing and use and minimizing avoidable wastage and losses in the supply chain will be other important concerns. Poor governance and corruption in pharmaceutical systems are increasingly acknowledged as important factors that contribute to gaps in access and inappropriate use of medicines, vaccines, medical devices, and other health products worldwide.

MANAGING ACCESS TO ESSENTIAL MEDICINES

Managing pharmaceutical products in both public and private sector organizations and at any level of the health care system follows a well-recognized framework (Figure 29.1). A functioning pharmaceutical system efficiently and effectively carries out the interdependent processes of **selection, procurement, distribution**, and activities that support the safe and appropriate **use** of medicines. These processes are enabled and supported by a strong **management support system** (organizational, financial, information and human resources management) and rely on a foundation of appropriate **policies, laws, and regulations**.

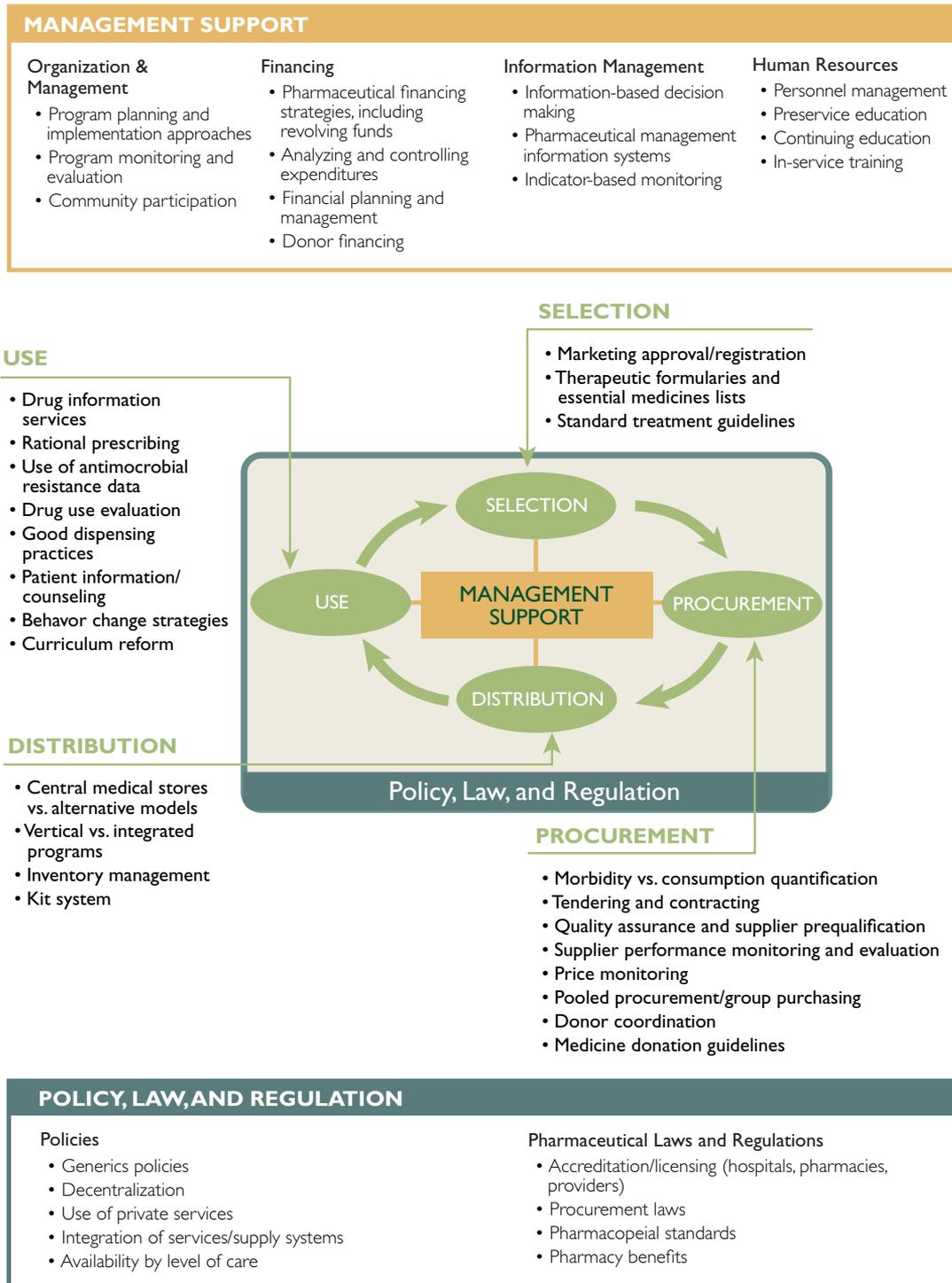
Important decisions have to be made by governing bodies, regulatory authorities, committees and health providers in the performance and oversight of the key functions and activities shown in Figure 29.1 that determine whether patients have access to medicines they need and the pharmaceutical services that support the safe and appropriate use of these products. In addition, decisions made by government, health governing bodies, and management boards about key issues relating to policy and legislation and resource allocation also influence the efficiency and effectiveness of the pharmaceutical system.

Some examples of important decisions in pharmaceutical systems include

- **Clinical trials:** deciding whether to give approval for a clinical trial to be done in a hospital
- **Registration (market authorization):** determining which products to register and release for marketing in a country
- **Control of promotion:** deciding whether to permit advertising of medicines directly to consumers
- **Licensing:** setting criteria for licensing manufacturers, importers, distributors or outlets where medicines may be sold
- **Selection:** deciding which products should be included in a national, regional or hospital essential medicines list or formulary
- **Procurement:** determining specifications to include in a tender for procurement of medicines and other pharmaceutical products

1. United Nations (UN), *Millennium Development Goal 8: The Global Partnership for Development: Making Rhetoric a Reality: MDG Gap Task Force Report 2012* (New York, UN, 2012).

FIGURE 29.1 Pharmaceutical management framework



Source: Pharmaceuticals & Health Technologies Group, MSH. n.d.

- **Distribution:** choosing transporters to distribute medicines to health facilities
- **Prescribing:** deciding whether to prescribe a generic or branded medicine for a patient
- **Dispensing/Supply:** advising on the purchase of a medicine or informing a client if a medicine is not needed
- **Financing:** making decisions about the budget allocation for the purchase of medicines for a country or a health facility
- **Human Resources:** deciding which candidate to appoint as the manager of a warehouse that handles high-value pharmaceuticals
- **Policy and Legislation:** determining import duties and tariffs which influence the price of imported medicines

These and other pharmaceutical management activities can be vulnerable to corruption and unethical practices, especially when procedures are not transparent and checks and balances are inadequate. The different committees, boards, and healthcare providers responsible for these activities must ensure they adhere to principles of good governance including transparency, participation, and accountability when making decisions and performing their statutory, governing, management, or oversight duties.

GOVERNING CHALLENGES IN PHARMACEUTICAL SYSTEMS

Poor governance in health systems increases opportunities for corruption to occur and for mismanagement to go undetected. Pharmaceutical systems are recognized as being particularly vulnerable to fraud and corrupt practices for a number of reasons:²

- Medicines and products such as medical devices and laboratory diagnostics have a high market value which makes them a target for theft.
- Large public pharmaceutical budgets can incite offers or requests for kickbacks and bribes.
- The complexity of the supply chain and the involvement of many separate players can allow substandard or falsified medicines to enter the market, particularly in countries where institutional controls and enforcement of regulations is weak.
- In many low- and middle income countries, decision making for functions such as medicines registration and selection are discretionary and can be especially susceptible to corruption and unethical practices.
- Patients often do not have the necessary information to make informed choices about the medicines they need. As a result, health providers can unnecessarily or inappropriately prescribe or sell medicines for personal gain.

2. See: Cohen, J. C., M. F. Mrazek, and L. Hawkins, "Corruption and Pharmaceuticals," in *The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level*, edited by J. E. Campos and S. Pradhan, (Washington, DC: World Bank, 2007).

The impact of poor governance in the pharmaceutical system can be substantial.³ Corruption and inefficiencies can lead to significant financial losses for a health system or institution and diminish medicines availability. Donors may halt funding to health systems and institutions that they perceive to be corrupt or mismanaged and may be reluctant to provide future funding. Household expenditures can also be significantly impacted when patients and their families have to pay inflated prices for medicines or purchase unnecessary or ineffective products. Medicines can promote trust and participation in health services, but poor availability of medicines due to insufficient funding, weak supply systems or corrupt practices can reduce demand for services, increase staff attrition and ultimately compromise service delivery. Furthermore, poor access to essential medicines, their inappropriate use, and the use of unsafe or poor-quality medicines can harm patients. A more detailed review of the potential governance-related problems that can occur in the performance of key pharmaceutical management functions and some possible consequences for the health system are shown in Table 29.1 on the next page.

GOVERNING BODIES AND THE PHARMACEUTICAL SYSTEM

Earlier in this section we discussed the various types of decisions that have to be made about how medicines will be managed, i.e., financed, registered, selected, procured, distributed and prescribed, dispensed, or used in a health system or a health institution. In low- and middle-income countries, what kinds of bodies are responsible for making these decisions and providing oversight to ensure that good governance principles and practices are adhered to during the decision making and implementation processes? The roles and responsibilities may vary from country to country and within a country between different health institutions and the public and the private sectors. Some examples are listed below.

- statutory bodies such as national regulatory authorities responsible for registering and controlling medicines and councils or boards responsible for licensing pharmacies and pharmacy personnel
- governing boards of institutions such as national procurement agencies
- advisory councils, boards and committees that make important decisions in pharmaceutical systems. Some examples include pharmacy and therapeutics committees at national, local or institutional levels that advise on the selection of medicines for essential medicines lists and formularies and procurement tender committees that evaluate bids and award tenders
- health governing bodies such as district health councils, hospital boards, and clinic committees that provide oversight of health service delivery including the provision of pharmaceutical services
- governing bodies outside the health system that make decisions that affect the pharmaceutical system, for example, about import duties and tariffs which can influence the price of imported medicines and thereby decisions on local production

3. World Health Organization (WHO), *Good Governance in the Pharmaceutical Sector*, (Geneva, 2013). Available at: http://www.who.int/medicines/areas/governance/EMP_brochure.pdf

TABLE 29.1 Potential problems relating to poor governance in pharmaceutical systems

| Pharmaceutical management functions | Potential problems | Possible consequences |
|-------------------------------------|--|--|
| Policies and Legislation | <ul style="list-style-type: none"> Lack of or weak/outdated policies and legislation Weak enforcement of policies and legislation Corruption in licensing processes Inadequacies in medicine regulatory system | <ul style="list-style-type: none"> Facilities do not meet standards for delivery of quality services Practitioners lack competencies or skills Products available that do not meet safety, efficacy, and/or quality standards |
| Selection | <ul style="list-style-type: none"> Failure to use criteria to select products Corrupt practices in selection process (e.g., bribery, power pressure) | <ul style="list-style-type: none"> Less effective or more expensive products selected Rational prescribing and use compromised |
| Procurement | <ul style="list-style-type: none"> Product specifications in tenders favor certain supplier(s) Awarding contracts to suppliers that do not meet criteria Lack of consequences for poor supplier performance | <ul style="list-style-type: none"> Unreliable supplier service Purchase of inappropriate, poor quality, falsified, or highly priced products Stock-outs and wastage of medicines and supplies |
| Storage/distribution | <ul style="list-style-type: none"> Lack of or failure to use criteria to select distributors Poor enforcement of auditing procedures at storage areas | <ul style="list-style-type: none"> Unreliable distributor service Over expenditure Stock-outs of medicines and supplies |
| Use | <ul style="list-style-type: none"> Unethical practices resulting in inappropriate prescribing or sale/supply of medicine Inappropriate charges (informal payments, substitution of cheaper brand at higher price, patients who have to supply own medicines while in institutions) | <ul style="list-style-type: none"> Compromised patient care Higher out-of-pocket expenses for patients |
| Financing | <ul style="list-style-type: none"> Inadequate, misappropriated, or mismanaged funds Non-compliance with or weak enforcement of reporting and auditing (medicines and assets) Late payments to suppliers | <ul style="list-style-type: none"> Decreased funding to procure medicines and deliver services Stock-outs, inefficiencies |
| Organizational management | <ul style="list-style-type: none"> Oversight bodies do not exist or do not function Inappropriate appointments to or political interference with consultative or oversight bodies Conflict of interest | <ul style="list-style-type: none"> Inadequate oversight of key processes (e.g., tendering, financial management) Loss of trust among staff and patients |
| Human resource management | <ul style="list-style-type: none"> Promotion/benefits not based on merit (nepotism, bribery) Inadequate accountability Absenteeism, kickbacks, demand for informal fees, ghost workers | <ul style="list-style-type: none"> Poor performance of duties Attrition Unethical behavior Abuse of resources |
| Information management | <ul style="list-style-type: none"> Information not available, not trusted, or not used for decision making due to lack of reliability or timeliness Information not publicly available, resulting in lack of transparency and accountability | <ul style="list-style-type: none"> Lack of information makes governance and management difficult, including identifying and controlling theft or fraud |

Source: Strengthening Pharmaceutical Systems (SPS), *Pharmaceuticals and the Public Interest: The Importance of Good Governance* [submitted to the US Agency for International Development by the SPS Program], (Arlington, VA: Management Sciences for Health, 2011); p. 6

INTERVENTIONS TO IMPROVE GOVERNANCE IN PHARMACEUTICAL SYSTEMS

Governing bodies at the national, provincial and facility levels are increasingly involved in designing and implementing interventions to strengthen governance at all steps of the pharmaceutical management process. The design and implementation of these interventions should be guided by a clear conceptual model embracing key governance principles. Work by the USAID-supported Strengthening Pharmaceutical Systems (SPS) Program⁴ defines several actions within the framework of Figure 29.2 below.

FIGURE 29.2 Framework for strengthening governance in pharmaceutical systems



Source: Strengthening Pharmaceutical Systems (SPS), *Pharmaceuticals and the Public Interest: The Importance of Good Governance* [submitted to the US Agency for International Development by the SPS Program], (Arlington, VA: Management Sciences for Health, 2011); p. 7.

This approach focuses on interventions in these four areas:

- **Policies and legislation** supported by rule of law
- **Organizational structures** able to exercise appropriate decision making, authority, and oversight
- **Systems and processes** that are transparent, ethical, accountable, and grounded in well-formed policies and legislation
- **Human resource management systems** that promote effective performance and ethical practices

4. The SPS Program (2007-2011) and its successor program, the USAID-funded Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program (2011-2016) are implemented by MSH with partners.

Developing Policies and Legislation

Medicines must be carefully regulated because they are widely bought and sold, and because products that are unsafe or incorrectly used are potentially dangerous. Pharmaceutical policies and legislation provide the framework for how medicines and other pharmaceutical products will be regulated in a country. To reduce piecemeal approaches to policy making which can lead to confusion in putting policy into practice and conflicting policy guidance, WHO recommends that countries prepare a national medicines policy (NMP) which sets out a guide for action for providing safe and effective medicines of assured quality that are affordable, accessible, and rationally used. The NMP provides the basis for pharmaceutical legislation and a guide for coordinating activities among pharmaceutical sector stakeholders. Sound legislation and fairness, equity, and impartiality in its enforcement is critical to control the availability, promotion, prescribing, and dispensing of medicines; the provision of product information; and the licensing and oversight of pharmaceutical establishments and professional staff. Legislation must be supported by policies, guidelines, and standard operating procedures that define norms and standards of practice, provide guidance for decision making, and incorporate checks and balances for pharmaceutical management activities at all levels.

Strengthening Organizational Structures

Given that strong lobbies may try to influence decision making and processes in pharmaceutical systems, it is important to ensure that members of the governing bodies and decision-making structures described earlier in this section are chosen on the basis of documented, objective criteria that relate to their knowledge or skills to mitigate political interference, nepotism, and corruption in their appointment. To increase transparency and accountability, members may represent different sectors and constituencies, including civil society. In low- and middle-income countries, experts such as clinical pharmacologists are rare and may sit on the boards of several organizations as well as consult for the pharmaceutical industry. Conflicts of interest can arise from these relationships, for example, with pharmaceutical manufacturers who have strong interests in getting their products registered, included on essential medicines lists, and prescribed. These relationships need to be declared, documented, and managed.

Incorporating Good Governance Practices into Systems and Processes

To minimize bias, undue influence and inconsistency, decision-making in pharmaceutical systems, for example for awarding tenders for procurement of medicine, should be guided by clearly-defined criteria. Where appropriate, an appeals process should be available to appeal against decisions made. To serve the public interest, meeting reports that include decisions reached (for example, contracts awarded and prices paid in public procurements) should be easily available for public scrutiny. Written procedures that set out standards for performing pharmaceutical management activities such as inventory management should be available and adhered to, to promote efficiency and effectiveness and reduce opportu-

nities for fraud, theft, and other corrupt practices. Because pharmaceutical systems and processes are particularly susceptible to corruption, systems for oversight and audit are essential and must have adequate capacity, autonomy, and funding to function effectively.

Enhancing Performance and Ethical Practices

To prevent interference or nepotism in the appointment or promotion of staff that handle high-value medicines or participate in activities that are vulnerable to corruption, job vacancies that specify required experience and qualifications together with criteria for selection or promotion of personnel must be publicly available and adhered to. Sufficient staff need be made available to enable important principles such as separation of key responsibilities (e.g., requisitioning and receiving medicines) and oversight (inspections, audits, supervision) to be properly implemented. Formal systems for whistle-blowing and enabling patients to submit complaints should be set up and publicized. Also important in the pharmaceutical sector are codes of conduct, such as those that control the advertising of medicines by the pharmaceutical industry and the acceptance of gifts and payments by health care providers. To be effective, these must be monitored and enforced with meaningful sanctions.

Good Governing Practices in Pharmaceutical Systems

By applying the five governing practices described earlier in this book, health leaders and governing body members can help to improve the performance of pharmaceutical systems and reduce the wastage and loss of valuable medicines and financial resources.

Cultivating Accountability: To improve governance in pharmaceutical systems and reduce opportunities for corruption, governing and oversight bodies play an essential role in ensuring that their institution or organization is accountable to stakeholders (patients, communities, elected politicians, and public and private purchasers and providers of health services). There must be clear accountability for:

- the development, implementation, and enforcement of relevant policies, laws, and standards;
- establishment of effective organizational structures and oversight bodies;
- ensuring that decision making and oversight processes are transparent, ethical, and conducted in accordance with best practices;
- monitoring and introducing measures to ensure effective performance and ethical behavior of the workforce and players such as the pharmaceutical industry.

Engaging Stakeholders: Many of the committees and boards that make decisions in pharmaceutical systems include members that represent different constituencies or sectors, including civil society, to promote participation, transparency, and accountability. In addition, civil society organizations increasingly play a role in checking medicines avail-

ability in public health facilities in low- and middle-income countries and use this information to pressure officials to take action to address stock-outs.⁵ Engaging stakeholders in coordination committees that bring together donors and other supply chain partners to enable information sharing, procurement planning, and resource mobilization can help to increase efficiency and minimize stock-outs of medicine. To improve the prospect that newly-developed or revised pharmaceutical policies, legislation, and strategic plans will be implemented successfully, governing bodies should ensure that stakeholders and civil society groups have opportunities to participate in the development process.

Setting Strategic Direction: Governments articulate their political commitments and medium- to long-term goals for the country's pharmaceutical sector in the NMP. They may also express broader objectives aimed at furthering the concepts of essential medicines, universal health coverage, and access to medicines as a human right. The successful implementation of an NMP depends heavily on political commitment by the government and support from all stakeholders in the pharmaceutical sector. A well-informed national pharmaceutical sector strategic plan should be developed to provide the road map for achieving NMP priorities and objectives, funding requirements, timelines, and methods for measuring progress. Health institutions in the public, private, and nongovernmental sector should ensure that their strategic plans incorporate clear goals and a plan for mobilizing adequate resources to secure the supply of essential medicines and provide for their safe and responsible use.

Stewarding Resources: In many low- and middle-income countries, insufficient financing and inadequate human, financial, and technological resources for managing medicines efficiently and minimizing waste and corruption are common causes of poor access to medicines. Governing bodies play a critical role in mobilizing and deploying resources for the purchase of medicines and pharmaceutical management activities, and in ensuring that sufficient human resources are allocated to provide for separation of key responsibilities and the provision of oversight. In addition, robust record-keeping and monitoring systems are important to track and control medicines as they move through supply chains. Pharmaceutical expenditure, stock-outs, and prescribing and dispensing patterns should be routinely monitored to identify unusual patterns and anomalies. Ongoing supervision and oversight checks such as regular and unannounced audits of warehouses and pharmacies, all play a part in reducing problems such as theft and wastage. Technologies that allow real-time monitoring of procurement and distribution, biometric scanners that control access to warehouses, and bar coding of products are increasingly being used in low- and middle-income countries to improve transparency and reduce corruption. [Page 14.8](#) describes some suggestions for reducing corruption in the pharmaceutical sector.

Continuously Improving Governance: Members who serve on governing bodies and other committees responsible for decision making and oversight often come from outside the pharmaceutical sector. Given the complexities of the pharmaceutical system, it is critical to develop the capacities of these members and empower them with the tools, skills, and information needed to make effective contributions.

5. Stop Stock Outs Project, 2015. Available at: <http://stockouts.org/about-us.html>

Whether your governing body works at the national level overseeing the pharmaceutical system for your country, or you serve on a district health council or a hospital board, you should become more familiar with pharmaceutical management activities that culminate in the supply and appropriate use of safe, quality-assured, cost effective medicines. Some key governance actions for your discussion and decision-making at selected types of governing bodies are shown below.

National Medicines Regulatory Authority

- Develop a mission statement and strategic plan that identifies goals for the agency including safeguarding its autonomy.
- Revise policies and legislation to address inconsistencies, gaps and weaknesses using transparent processes (consult stakeholders, inform the public).
- Develop terms of reference that define roles and responsibilities of advisory committees and use objective criteria for member selection.
- Maintain best practices and transparency in decision making based on clear criteria.
- Make rules for declaring and managing conflicts of interest and for meeting with applicants for registration of products, and establishing an appeals mechanism.
- Maintain transparency, equity, and impartiality in the inspection process by rotating inspectors, auditing inspection reports, and establishing a complaints and appeals process.

Supply Chain Oversight Committee

- Make the committee's scope, lines of authority, mandate, and membership publicly available to promote transparency.
- Develop capacity, skills and knowledge to enable committee members to fulfil their role effectively and assure appropriate orientation for new members.
- Provide oversight to ensure that procedures for core supply chain functions (procurement, warehousing, distribution, service liaison) are in line with best practices and international guidelines that promote transparency and that systems are in place to monitor strict adherence to them.
- Verify that criteria for awarding contracts are explicit, followed, and made publicly available together with the bids awarded and prices paid.
- Check that tender committee members submit declarations of interest and declared conflicts are appropriately managed.
- Ensure that oversight bodies exist and supply chain auditors have adequate competency, resources, and autonomy to function effectively, and require them to report regularly.

- Require that warehouses have information systems, technologies and security systems that can adequately track products and funding; monitor supply chain processes and stock-outs; and identify and reduce opportunities for theft and fraud.
- Verify that supplier performance is monitored and reports used effectively to improve performance and to inform future tenders.

Hospital Pharmacy and Therapeutics Committee (PTC)

- Make PTC committee membership and terms of reference (selection of medicines for inclusion in the hospital formulary, monitoring and promoting rational use) publicly available.
- Adhere to evidence-based medicines selection processes (procedures based on international guidance, explicit criteria for decision making, informed by WHO essential medicines list and other objective information).
- Maintain transparency in selection procedures and decisions (circulate agenda and application forms, invite observers, report on products added or deleted and justifications, members present, declared conflicts of interest, and process for appealing decisions).
- Involve key stakeholders and opinion leaders early on to foster political buy in and support.
- Advise the hospital management team on the development of policies to control promotion by pharmaceutical industry representatives (sponsored trainings, medicine samples, gifts and payments) on hospital premises.

Among these actions, which two or three are the most important in your situation and why?

For these two or three actions, what factors are most likely to frustrate their successful accomplishment?

What can be done to improve the prospects that the interventions will be successfully implemented?

APPENDIX 29.I

Resources for Further Study

Strengthening Pharmaceutical Systems (SPS), *Pharmaceuticals and the Public Interest: The Importance of Good Governance* [submitted to the US Agency for International Development by the SPS Program], (Arlington, VA: Management Sciences for Health, 2011). Available at: http://projects.msh.org/projects/sps/SPS-Documents/upload/sps_governance_pub_final_2011.pdf

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All of us hope this resource will be valuable in the journey to smarter health sector governance, especially at the sub-national and organizational levels of resource-constrained countries across the globe.

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