

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.