



Board culture, evaluation and performance oversight practices

The American Hospital Association released the [second chapter of its triannual National Governance Report](#) (available to AHA members) that focuses on **board culture, evaluation and performance oversight**. Based on data collected from hospitals and health systems between August and December 2024, the report offers a comprehensive picture of the state of healthcare governance structures and practices across the country. It also includes commentary from governance experts in each focus area. Review the following trends to see how your board compares.

Board culture

- **Boards are compressing more work into fewer meetings.** On average, boards meet less often, without an increase in meeting duration.
 - Most health systems reported holding four board meetings per year, while most freestanding hospital boards met 12 times annually.
 - From 2018 to 2024, the percentage of boards meeting monthly declined from 41% to 33%, while those meeting quarterly increased from 19% to 28%.
 - Freestanding hospital and subsidiary board meetings typically last one to two hours, while 31% of system boards reported meeting for five hours or more.
- **Time spent in discussion is declining.** All board types indicated they typically spent more than 25% but less than 50% of board meeting time in active discussion, deliberation and debate. The percentage in this group has grown over the last decade.
 - Consideration: How can boards shift their culture to prioritize dialogue that drives strategic thinking and organizational learning?
- **Executive sessions are routine.** More than half of all boards included an executive session on all board meeting agendas, with system boards being most likely to do so. Of those, 86% reported that the CEO participated in at least a portion of the executive session.
- **System boards were more likely to report that their members were spending more time on board work** and related activities than subsidiary and freestanding boards compared to three years ago. The percentage of all board types that had members who voiced concerns about time commitments associated with board service remained unchanged since 2018.

- **Practices to strengthen board culture include:**
 - prioritizing time for dialogue;
 - providing high-quality information in advance;
 - creating space to focus on board culture and effectiveness;
 - being intentional about fostering board member engagement; and
 - modeling transparency, inclusive behaviors and mutual accountability.

Board evaluation

- **Nearly one-third of respondents have not used any assessment tool** (full board, board member or board/committee meeting) in the past three years. In fact, the use of full-board assessments and individual board member evaluations has declined over the past 10 years.
 - System boards are more likely to conduct full assessments than subsidiary and freestanding boards (67%, 47% and 45%, respectively).
 - Full board assessments (51%) are more likely to be used by all board types rather than individual board member (19%) and board chair assessments (7%).
 - Less than half of all respondents (30%) reported using board meeting evaluations, which are one of the simplest ways to obtain timely performance feedback.
 - Of respondents who conducted a full board assessment, the highest percentages said the assessment focused on understanding board structure, roles and responsibilities (72%) and the extent to which the board achieved its goals/work plan (69%).
- **Boards are more likely to use the assessment results to improve performance** than in the past.
 - Nearly 90% across all board types reported they used assessment results to create an action plan and/or provide feedback to improve board performance.
 - Only one-third of respondents reported using the results as part of the process for reappointment of board members, board chairs or committee chairs, with system boards doing so more frequently than other board types.
- **“Meets the board and committee attendance requirement,” was the most common individual board member performance criterion**, used by a supermajority (90%) of respondents.
 - “Actively engages in board discussion” and “Fosters a culture of mutual respect” ranked second and third, respectively.

Board performance oversight

- **More survey respondents reported they had a formal CEO succession plan** in 2024 than in either the 2018 or 2014 surveys.
 - Twenty-six percent of respondents indicated they have updated their CEO succession plan within the past year.
- **Final approval of the CEO’s compensation varies by board type**, but it should reside with the full board.
 - Responding system boards were split between the full board (43%) and the compensation committee (43%) regarding which had final approving authority. Most system subsidiary hospital boards (68%) indicated that neither of those entities approved the CEO’s compensation, while

over two-thirds (76%) of freestanding boards reported that the full board had the final authority to approve the CEO's compensation.

- **Most boards (68%) indicated that they used an authority matrix** to define management versus governance oversight and accountability for various decisions. This practice is especially common among system boards (83%) and helps reduce friction, promote transparency and ensure accountability.
- **The most common types of metrics boards used** to evaluate organizational performance were clinical quality, patient safety and service quality/patient satisfaction.
 - Broader strategic measures — such as employee satisfaction (78%), physician engagement (59%) and community health impact (52%) — are less common.

Information for this article was obtained from:

- [2025 National Governance Report: Chapter 2](#), American Hospital Association (available to AHA members).

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