



*Strengthening Oklahoma's Safety Net,  
One Community At A Time*

## **Board Bulletin**

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### **Managing Risk with Sound Personnel Policies**

Personnel policies are critical to community health center (CHC) success. To proactively manage risk, CHC boards must develop effective personnel policies that minimize exposure. While the board is never to interfere with the day-to-day operations and undermine the CEO's ability to manage personnel, boards are responsible for setting sound policy that will guide CHC staff when resolving personnel issues. Boards must then monitor implementation to ensure policy adherence. Policy can only be effective if it is followed.

#### **Personnel Policy**

The patient-majority governing board, designed to effectively meet community need, also results in direct interaction between board members and CHC staff. This heightens the need for board members to exercise utmost discipline and completely adhere to established policy. Board members must refrain from discussing personnel issues with CHC staff or employee selection with community residents. If a board member takes calls at home or discusses personnel issues not in accordance with policy, they have subjected the entire board to potential litigation. Personnel policies include but are not limited to the following areas:

- *Selection & Dismissal Procedures* – The board establishes policy that outlines hiring practices, including job posting procedures and confidentiality of applicant information. All personnel policies should reflect conflict of interest rules as defined in CHC bylaws, particularly those regarding nepotism. CHCs must exercise extreme care to avoid conflict of interest – either real or perceived. Board members must develop hiring policy that carefully adheres to bylaws and regulations regarding conflict of interest with board members, CHC staff or even prominent contractors and institute a mechanism that identifies potential conflicts.
- *Employee Compensation* – The CHC board provides policy with acceptable compensation ranges for positions that includes wage and salary scales along with benefit packages. The CEO and management staff use the board-approved salary scales to determine actual salary amounts for employees.
- *Position Descriptions* – CHCs must have board-approved position descriptions for key personnel that identify job title, position supervisor, basic duties and responsibilities, and qualifications such as education and experience. Position descriptions should list the minimum qualifications required for the job (basic threshold) plus preferred education and experience desired. Boards should develop position descriptions for the optimum candidate rather than creating one with a specific individual in mind that does not hold to a standard.
- *Performance Review and Evaluation Procedures* – Personnel policy must include a mechanism by which to consistently evaluate employees and outline performance expectations. Evaluations serve as a risk management tool by providing documentation of identified performance issues that have been discussed with employees. The process should include evaluations being signed by all parties involved.
- *Employee Grievance Procedures* – CHC employees must have confidence that grievances will be heard and addressed. Boards must set the tone for the organization to ensure that grievance procedures are in place and that the process is used to handle employee conflicts. No matter how smoothly a CHC may operate, human nature gives rise to workplace conflicts. While boards need to ensure proper attention is given to employee issues, board members must exercise discipline to allow grievance procedures to work, only becoming involved if due process has been followed and no resolution could be reached.
- *Equal Opportunity Practices* – Policies must demonstrate that all labor laws will be obeyed. Personnel procedures should include routine staff training in this area to ensure compliance.

There are many 'danger zones' associated with personnel management that must be considered when developing policy: employment claims (hiring, firing, contracts, benefits); contract claims (length of agreement, termination, payment terms); discrimination claims; and defamation of character. While the board is charged with establishing policy, they must allow the CEO (their one employee) to implement approved policy. Health center exposure to litigation is increased if policies have been developed but are not being followed. To review OKPCA's entire *Board Bulletin* series, visit the 'CHC Boards' section of [www.okpca.org](http://www.okpca.org).

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