Developing an Effective CEO/Board Partnership

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Our Presenter

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Building the Partnership

... More than job descriptions and organizational charts
Some of the greatest obstacles to building and maintaining an effective Board–CEO partnership are rooted in perceptions CEOs and Boards have of each other.
Perceptions CEOs and Boards Have Of Each Other

- What we wish “They” knew/ understood/ recognized/accepted about their role.

- What we wish “They” would appreciate/ understand/recognize about our role.
The Board View . . .

What we wish CEOs understood about their role as CEO.
- Implement policies set by board
- Be a leader – set goals; lead by example
- Keep us informed

What we wish CEOs would understand about our role as board leaders.
- Make sure we understand what you’re talking about
- Recognize and use our knowledge and experience
- In the board meetings, it’s not personal
What we wish board members understood about their role as board members.
- You’re a policy board
- Your pool board member hat comes first
- Be engaged but don’t micro-manage

What we wish board members would understand about our role as CEOs.
- We can’t support you if you don’t support us
- Running a pool is different than running a city
- It’s difficult being “in the middle”
Board Governance: Fundamental Assumptions

- Distinction between governance and management.
  - “Ends” and “means”
- Clarity and agreement about who does what.
- Governance as Leadership: Fiduciary, Strategic and Generative modes.
3 Modes of Governance

- **Fiduciary Mode – Key Questions**
  - "How are we doing to date?"
  - “Are we in compliance?”
  - Anything wrong?

- **Strategic Mode – Key Questions**
  - "What should we be doing?"
  - "Where are we going?"
  - What’s the plan?

- **Generative Mode – Key Questions**
  - “What are the new possibilities?”
  - “What’s coming next?”
  - What’s the new question?
# Three Modes of Governance

<table>
<thead>
<tr>
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<th>Type I Fiduciary</th>
<th>Type II Strategic</th>
<th>Type III Generative</th>
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<tbody>
<tr>
<td><strong>Board’s role</strong></td>
<td>Steward/Watchdog</td>
<td>Strategist</td>
<td>Sense Maker</td>
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<tr>
<td><strong>Key question</strong></td>
<td>What’s wrong?</td>
<td>What’s the plan?</td>
<td>What’s the key question?</td>
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<td><strong>Problems are to be</strong></td>
<td>Spotted</td>
<td>Solved</td>
<td>Framed</td>
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<td><strong>Way of deciding</strong></td>
<td>Reach resolution</td>
<td>Reach consensus</td>
<td>Reach understanding</td>
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Principles of Governance that Power Exceptional Boards

BoardSource: From Responsible Boards to Exceptional Boards
Exceptional Boards ...

- Forge a partnership with the chief executive characterized by mutual trust, forthrightness, and a common commitment to mission.
- Encourage a strong, honest chief executive to pose questions and offer answers, and to share bad news early and openly.
- Communicate regularly with the chief executive, informally discussing concerns in and between board meetings.
- Encourage the chief executive to strengthen necessary skills.
Exceptional Chief Executives ...

- Pose questions and offer answers and share bad news early and openly.
- Provide boards with tools and information to govern exceptionally.
- Welcome differing points of view and strategic thinking at the board table.
Building the Partnership: Core Strategies
Core Strategies

1. Clearly define roles of board and CEO.
2. Communicate early and often.
3. Create board meeting agendas that focus on strategic and generative governance.
4. Work with the board to clarify how best to meet the board’s information needs.
5. Deepen the CEO–Board Chair relationship.
1. Clearly Define Roles and Responsibilities

- Clarity and agreement re: roles of management and governance.
- Ensure current position descriptions in place for CEO, board, board chair, and committees.
Governance Roles

- **Direction**: determine mission, purpose, vision
- **Legal**: ensure compliance—bylaws, laws, regulations, etc.
- **CEO**: hiring, supporting, evaluation, termination
- **Planning**: determine strategies, overall priorities
- **Programs**: determine direction, priorities, impact
- **Efficiency/Impact**: ensure realistic budget that maximizes resources
Board Position Description

- Attend all regular board meetings.
- Serve as active committee/workgroup member.
- Prepare in advance for board oversight, policy and decision-making.
- Actively engage in strategic thinking and planning.
- Attend annual board planning and education events.
Set board meeting agendas with Executive Committee and CEO.
Chair board and executive committee meetings.
Appoint board members to leadership positions.
Assist in conducting board orientations.
Periodically consult with board members on their roles.
Coordinate CEO’s annual evaluation.
Ensure board assesses its own performance.
# Responsibility Matrix

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<th>Responsibility</th>
<th>Board Of Directors</th>
<th>CEO</th>
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| **Finance and Accounting** | • Approves annual budget.  
• Reviews periodic financial reports (balance sheet, income statement, changes in financial position).  
• Ensures proper internal controls are in place. | • Prepares annual budget with input from CFO and finance committee  
• Oversees preparation of periodic financial reports.  
• Implements proper financial controls. |
2. Communicate Early and Often

- No surprises!
- Board chair accessibility to the CEO.
- Regular meeting time, preferably face-to-face.
- Communicate by phone and email (ask a question, share a tidbit, get a read…)
- Get to know each other on a personal level.
3. Board Meeting Focus on Strategic and Generative Governance

Traditional Approach

› Board meetings emphasize transmission of information and reports
› Same agenda structure
› Focus on the past and present

New Approach

› Emphasis on participation and action
› Focus agendas on critical issues
› Use meeting for strategic and generative thinking
› Meetings are outcome driven
› Focus on the future
Any questions?

Type your question in the Questions box and click Send
4. Work to clarify how best to meet the board’s information needs

- Information to support effective governance.
- Assess level of tech savviness – but don’t pamper!
- Provide thorough initial orientation and ongoing training.
- Annual board and committee calendars.
- Pre-board meeting materials.
- Use of consent agendas.
- Dashboards and infographics especially for more complex information.
5. Deepen the CEO–Board Chair Relationship

What Builds The Relationship?
Key Research Finding

- A dynamic Board Chair–CEO relationship is related to:
  - Building high levels of trust, and
  - Being strategic about what work you focus on together.

Mary L. Hiland, *The Board Chair–Executive Director Relationship: Dynamics that Create Value for Nonprofit Organizations*
So Let’s Talk About Building Trust
What actually goes on in the CEO–Board Chair relationship?
How do their interactions facilitate building trust?
CEO–Board Chair Interactions

- Fact–sharing.
- Ideas–sharing.
- Knowledge–sharing.
- Feelings–sharing.
- Give and take.

*What Type of CEO–Board Chair interaction predominates in your team?*
How is Trust Built?

Interactions

Relationships are strengthened (or not)

Builds trust (or not)
Strategic Focus

- Being strategic about what work you focus on together contributes to a dynamic CEO–Board Chair relationship.
- Implications for orientation and training.
3 CEO–Board Chair Patterns

- Managing Pattern: Focus on internal operations including board operations: agendas, logistics of meetings, composition.
- Planning Pattern: Do what managing pairs do but also focus on engaging with the Board on planning/decision-making.
Leading Pattern: Do what the managing and planning pairs do but also focus on:

- Vision/mission work with the board
- Using expertise of board members
- Accessing the networks of board members
- Strategic thinking
- Building external relationships
How Do You Characterize Your Relationship?

- Managing pair
- Planning pair
- Leading pair
To Summarize – 5 Core Strategies

1. Clearly define the roles of board and CEO.
2. Communicate early and often.
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5. Deepen the CEO–Board Chair relationship.
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Partnership Building Resources