

GETTING THE MOST FROM YOUR BOARD: A CEO'S GUIDE

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→ CEO and the Board

Both the board and the executive will be helped in their relationship with one another if each of them understands the need for the other to be capable and powerful

> Cyril Houle, *Governing Boards*



Scope of workshop

- > Roles and responsibilities
- > Communications
- > Induction processes
- > Others' expert views
- > Top tips
- > Q and A



→ What is a Board

A legally recognised group of people who have ultimate accountability for and authority over the organisation





→ Why do boards exist?

- > Control and accountability
- > Checks and balances
- > Skills and expertise
- > Continuity
- > Helicopter view of the organisation
- > Legal requirement

→ Helpful attitudes (for the CEO)

- > Understand the Board's role, and authority
- > The human factor - no-one is perfect, and some under-perform (or misbehave) in the board role
- > Help them to be as good as they can be
- > Get to know them
- > Acknowledge your own limitations

All decision-making authority rests with the board and some of it is delegated to you as the CEO

Elizabeth Jamieson



→ CEO's obligations to the Board

- > **Commitment** to mission and policies
- > **Competent** performance of fundamental tasks
- > Communication on financial and administrative matters – **building trust**
- > **Positive staff relations**
- > **Quality board papers** and timely response to requests for information by the board (collectively) or the Chair

One of the great paradoxes of governance is that the board has all the liability but doesn't have access to the information, and never will have, unless management makes it happen

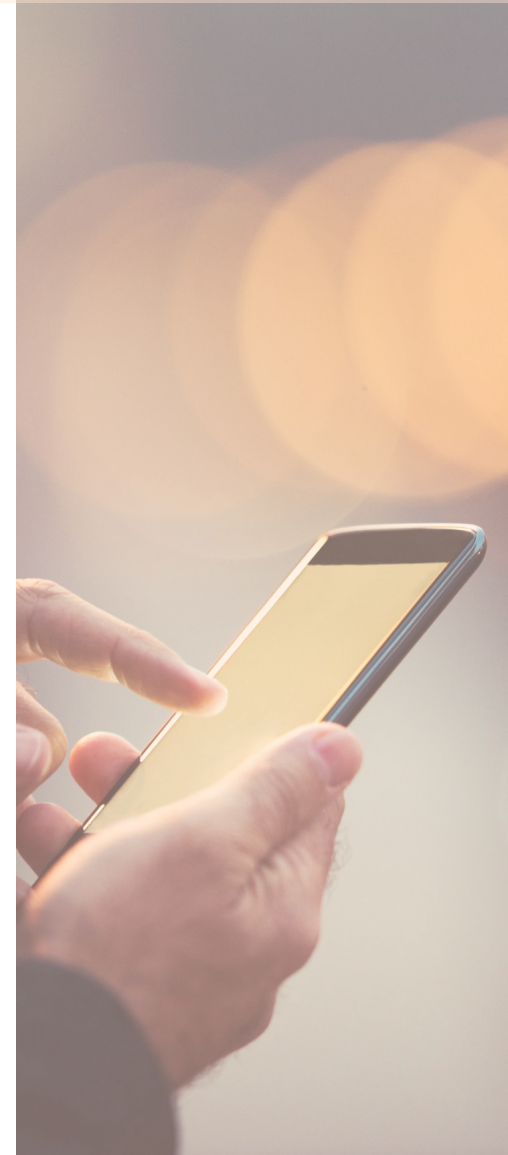
Elizabeth Jamieson

→ The CEO's report

- > Significant developments or changes in the operating environment
- > A brief overview of progress and challenges
- > Partnerships - new and existing
- > Significant media coverage and issues
- > Staff (and board) achievements
- > Personnel issues, challenges, risks
- > System developments (IT, personnel, communications, finance)
- > Financial highlights

→ Schedule of Matters Reserved for the Board

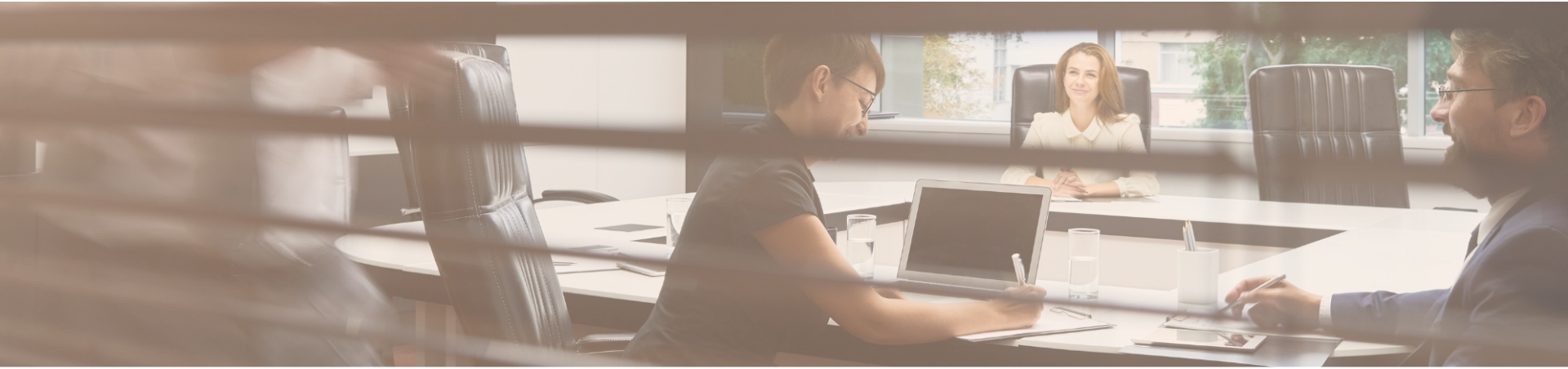
- > Strategy and management
- > Structure and capital
- > Financial reporting, controls and risk
- > Contracts
- > Board membership
- > Delegation of authority
- > Corporate governance
- > Policies



→ Board's obligations to the CEO

- > Clear duty statement and performance goals
- > Guidance and regular formal performance reviews
- > Respect for the CEO's authority over staff
- > Support in networking and fundraising
- > Prompt and thoughtful response to request for assistance





→ Support for the CEO

If a CEO contacts me and asks for something it is really important that I get back and provide that support promptly. I'd always have a meeting with the CEO before the board meeting - to run through the agenda and make sure they are on top of everything

> Lynne Wannan

→ Chair Role

- > Allocate board tasks and portfolio responsibilities
- > Sub-committees and task forces
- > Hold people to account, and play to their strengths
- > Guide the CEO
- > Run effective meetings
 - Purposeful, organised, serviced, punctual
 - Action-oriented

You see people who chair organisations who get into terrible muddles because they are reactive, because they can't hold themselves emotionally. You have to be a grown up to be a good chair

> Judith McLean

→ Learning flows both ways

We often think that the Chair has been there, done that before and that all the wisdom is coming from one direction. That has not been my experience and I've been a Chair more than a CEO, but I'm constantly looking to the CEO for guidance to me as well, because I'm still very much learning and the sorts of things that a Chair ought to be looking to the CEO for are not dissimilar to the other way around

> Simon McKeon



→ Chair-CEO coordination

- > What papers will be prepared for board meetings?
- > Who will minute the meetings, and in what level of detail?
- > What are the protocols for board-staff communications?
- > Who will be the principal external spokesperson for the organisation?
- > What are our expectations of the board members?
- > What information does the Chair want, and not want?
- > What support and advice does the CEO want?
- > How will the Chair or board appraise the work of the CEO, and provide feedback?
- > What are the key things we need to achieve in the next year?
- > How often will we meet or teleconference?

→ No surprises

I work on the basis of no surprises. The CEO's brief from me is, I don't want you to have to get permission from me to do anything but I don't want to get any surprises. So anything you think I should know about you keep me informed. That requires a bit of practice till you get it right and you get used to each other

> Paul Wright

PERSPECTIVES FROM EXPERTS





STEVEN BOWMAN

MANAGING DIRECTOR -
CONSCIOUS GOVERNANCE

THEODORA LE SOUQUET

MANAGING DIRECTOR -
CANARIA TECHNOLOGIES





BOARD AND CEO INDUCTIONS

→ The value of Why?

I always want them to be asking questions. Why this, have you thought of that? That is a really helpful process for me and I use the same process with all the people who report to me. I see myself as supporting and challenging them. You want the best outcomes for the school and the wisdom is not vested in one person

> Lee-Anne Perry

→ Board Induction Pack

- > Annual report
- > Constitution (Memorandum and Articles)
- > Most recent audited financial statement
- > Strategic plan and financial projections
- > List of current board members, titles and affiliations
- > Board organisation chart
- > Staff organisation chart
- > Brief biography of the CEO



→ Board Induction Pack

- > Two or three recent sets of board minutes
- > Code of ethics/code of conduct
- > Board role descriptions
- > Governance charter
- > List of key forthcoming dates (meetings, events)
- > Organisation's newsletter, brochure or other publications
- > Recent press cuttings relating to the organisation's work



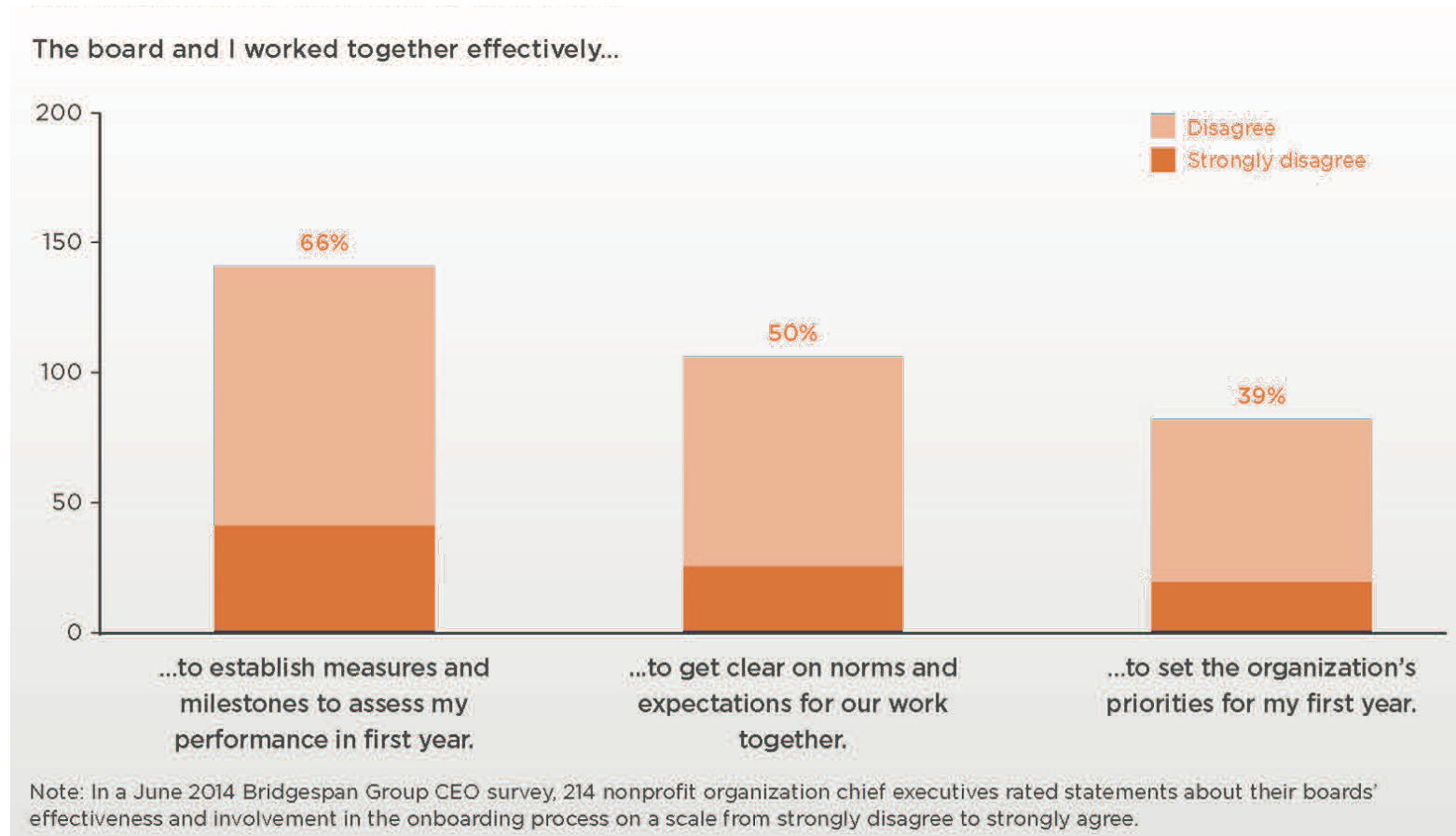
→ Board Induction Process

- > Induction briefing (queries from induction pack)
- > Meetings with CEO, Chair, Company Secretary, other board members
- > Site visit
- > Observation of the work
- > Access to further requested information



Working Together

- > Non-profit CEOs and their boards struggle with working together effectively during the onboarding process



Source:
The Bridgespan Group

→ Sample Leadership Agenda

Organisational Capacity Plan

What are the three to six priorities and goals for the organization over the next 18 months?

- > What changes will the organisation need to accomplish—including changes or additions to staff, additional fundraising, or other items—to fulfill its priorities?
- > What additional support will the organisation need to achieve its goals? Should it engage consultants, hire a coach for the board, or take other steps?
- > What types of support does the new leader need over the next 18 months to realize her full potential? Should the board arrange for coaching, mentorship, networking, or attendance at regional meetings or trainings?



→ Sample Leadership Agenda

Organisational Priorities and Action Plan

- > What are the three to six priorities and goals for the organisation over the next 18 months?
- > What are the respective roles of the new leader, board, and senior staff in achieving those priorities?

	New Leader Role	Board Role	Staff Role
Priority #1			
Priority #2			
...			

- > What are the milestones that will be used to assess the new leader's performance over the next 6, 12, and 18 months?

	6 Months	12 Months	18 Months
Priority #1			
Priority #2			
...			

Source: The Bridgespan Group

→ What can go wrong - from the Board

- > Misalignment of expectations
- > Jockeying for power - internally or with the CEO
- > Crumbling under external pressures
- > Changes to the 'board officers'
- > Square pegs, round holes



→ What can go wrong - from the CEO

- > Incompetence
- > Failure to provide information (including abuse of knowledge power)
- > Failure to deliver on agreed tasks
- > Unwillingness or inability to nurture a positive working environment
- > Struggle for primacy
- > Why don't they just give or get some money?

→ One person's strategic . . .

I think that there is real confusion around what is strategic and what is operational. I think that it's been misused in terms of how boards relate to CEOs or CEOs relate to boards, in a way that can stop boards asking questions because people say "well that's operational", when in fact to actually understand the risks of an organisation you need to ask questions and a CEO should be facilitating that, not blocking it

> Karyn Walsh



→ It's a partnership. . .

There is nothing better than partnership between CEO and Chair. My job as Chair is to make them fly, to really do well. That in itself is a way of thinking a Chairman should have. It is your failure if they fail, especially if you've chosen them.

> David Gonski



→... Most of the time

The thorniest problems I have seen in businesses and non-profits have been, almost without exception, around a fight between Chair and CEO. Usually, that has emanated from a mixture of the Chair not knowing where the position begins and ends and the CEO also not knowing the boundaries of what they should do

> David Gonski



→ Threats to trust

There are a number of potential barriers to building trust. On the board's part these may include:

- > Hands-on role, intrusiveness (micro-managing)
- > Bringing specific volunteer/operational issues into the boardroom (role blurring)
- > By-passing the CEO in dealings with staff (breaching protocol)
- > Conflicting instructions from the board to CEO (inconsistency)
- > Lack of resources allocated by the Board to achieve its objectives (unrealistic demands or targets)
- > Struggle for primacy (putting self before the company)

→ Building Trust

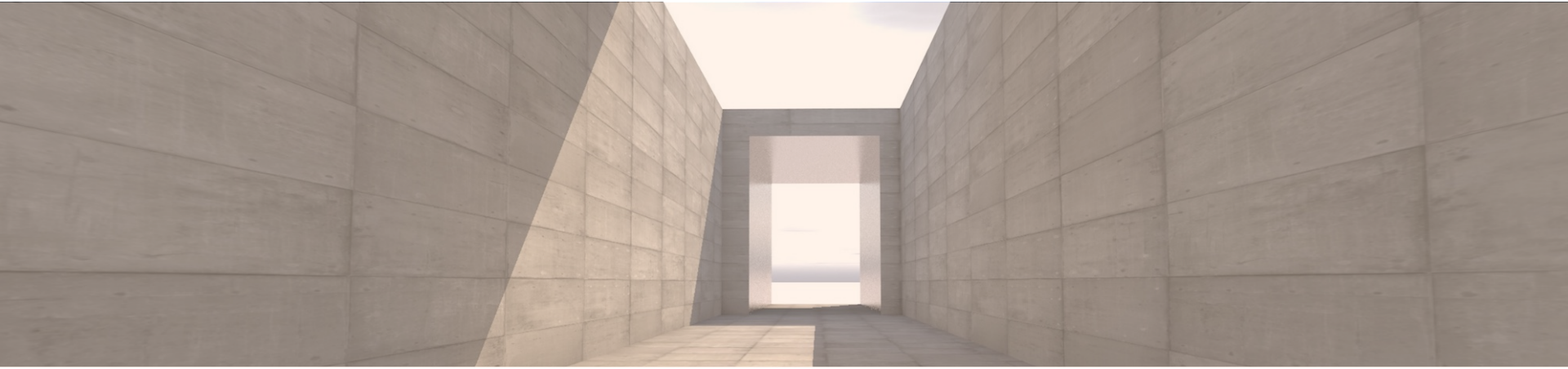
- > Clarity of board function
- > Clarity of CEO role and responsibilities
- > A mutually agreed strategic plan
- > Regular communication and co-ordination
- > A recognition of the different frameworks
- > Observance of protocol
- > Mutual obligations

→ Top Tips

Things a CEO can do:

- > Duty Statement
- > Induction
- > Timely papers - well-crafted for discussion and decisions
- > Partnership with the Chair - guide the work board members can do to assist, make it easy for them
- > Emotional control - it's not about me, humility





→ Endnote

The ability of any board to truly function and perform effectively is dependent upon the integrity and competence of the chief executive and the company's senior managers and upon the competence of individual directors and the board 'team'. The chief executive must present quality and reliable information to directors and do so in a timely and meaningful way. Otherwise, it is too difficult, perhaps impossible, for a board to perform properly

> Chris Thomas, Egon Zehnder International

THANK YOU

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