

Side by Side: Boards and CEOs

by Suzanne M. Kearney, Executive Director

"Board members make policy and strategic decisions while CEOs carry out policy and make tactical decisions."

Well, yes and no. This is a standard guiding principle for delineating the purviews of boards and senior management but "the devil is in the details."

The principle distinguishes between governance and operations. This distinction frequently gets translated as the difference between leaders and managers. Not so. The Board and the chief executive are jointly responsible for the leadership of the ministry.

To make this relationship work well, our Boards of Trustees and Board of Directors must know their jobs, our chief executives must know their jobs and both must understand the link between them. Each must recognize the authority and responsibilities of the other and know when to defer to the other. Then together they can orchestrate the areas in which they work together without interfering in the other's responsibilities.

For example, in the area of setting policy, which is a Board function, in general most policy is proposed by the chief executive and presented to the Board for discussion, revision and ultimately approval. This makes sense. The person in day-to-day operations is in the position to identify areas that require a policy framework and will be most affected by the policy. To the extent that the Board is discerning, knowledgeable about the organization and has selected a competent executive, this process is very effective.

Let's look at another example. The Board has responsibility to set direction for the organization. In most situations the Board does not formulate the strategic plan but requires that long-range planning occur, participates in its development and ensures that all major constituencies are included in appropriate roles in the planning process. The Board then gives final approval to the plan and monitors its implementation while the chief executive is largely responsible for implementation.

Chairs and Chief Executives

The relationship between Boards and CEOs is lived out most tangibly in the Chair/chief executive relationship. What are their respective roles?

The Chair has ultimate responsibility for the functioning of

Advice to Chairs and Chief Executives

- Keep each other informed.
- Respect boundaries.
- Carry out respective duties.
- Don't reduce the other to a rubber stamp.
- Share dreams and hopes for the ministry.

the Board. As such, s/he:

- speaks for the Board;
- is primary liaison with and support to the chief executive;
- presides at Board meetings;
- develops the Board agendas with the chief executive;
- appoints and assists Board committees;
- directs Board development and trustee formation; and
- maintains organizational integrity.

The chief executive has ultimate responsibility for implementing Board policy in running the daily operations of the organization and communicating with major constituencies of the ministry. In addition s/he has the responsibility to relate to the Board as **informer** and as **advisor**.

The chief executive helps the Board make informed and timely decisions. S/he:

- gathers all pertinent facts for a given strategic issue;
- shares knowledge of the ministry, its staff, community and other related organizations;
- informs the Board about activities, trends and issues that affect the ministry;
- develops materials for Board meetings and reports for the Executive Committee and the Board; and
- offers opinions and advice about matters such as expansion, new policy, program changes, financial decisions, organizational structure, partnerships, etc.

A Joint Effort

The ideal relationship between the chief executive and the Board Chair is one of shared responsibility and partnership. Together they constitute a leadership team. Here are some

specifics for consideration.

- While the chief executive has been hired to carry out the vision of the Board, the Board ought to allow the executive's professional opinion and knowledge to guide the vision, strategies and decisions of the Board.
- The Chair is involved in the selection of the chief executive. Likewise the executive may have input, not vote in the selection of the Chair. The nature of the relationship must be honored and personalities should be considered in making such a critical choice.
- The Chair and the chief executive must share a vision that is in the best interest of the ministry and its mission, although each is responsible for different aspects of the mission.
- Chair and chief executive should have joint ownership of Board agenda.
- The Board and the Chair must understand that communication to staff is through the chief executive.

In the best of all situations each helps the other work better and smarter and the ministry flourishes.