

2015 SUMMER  
LEADERSHIP INSTITUTE

*EMBRACING THE FUTURE*

*Treading Water or Making Waves with Smart Change?*

# The CEO's Role in Board Governance

Presented by:  
BoardSource

Vernetta Walker,  
Chief Governance Officer

**NCE**  
National Conference of Executives of The Arc

  
**The Arc.**

# Today's Objectives

- Learn essential components for developing a constructive partnership with the board of directors
- Identify strategies for effective board engagement



# Agenda

1. Creating Space for the Board to be the Board
2. Unlocking the Board's Unique Value
3. Focusing on What Matters Most



# Ideally...

What is the highest and best use of your board of directors?

# 1. Creating Space for the Board to be the Board



# Constructive Partnership

Exceptional boards govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent.



# Why Leadership Teams Stumble

- Unclear Understanding of Responsibilities
- Lack of Focus on Critical Issues
- Lack of Effective Leadership
- Lack of Communications
- Lack of Accountability
- Lack of Explicit Goals
- Lack of Engagement
- Imbalance of Power
- Lack of Courage



# Distinct Roles

- The **Board** governs the life of the organization
  - Has ultimate responsibility
  - Is accountable to the public trust
- The **Chief Executive** manages the affairs of the organization
  - Has immediate responsibility
  - Is accountable to the board

# Chief Executive and Board

What should the board expect from the CEO?

- 1.
- 2.
- 3.
- 4.

What should the CEO expect from the board?

- 1.
- 2.
- 3.
- 4.

# Board Expectations

- Strategic information that will assist the board in its governance roles
- Proposals for policy changes
- Identification of issues that need board attention
- No surprises

# CEO Expectations

- Timely and clear decisions
- Directors who are informed, prepared, and ask questions
- Mutual accountability
- No micro-managing
- A board that speaks with one voice

# Partnership Challenges

- Gender
- Age
- Ethnic, cultural, religious background
- Tenure of chief executive
- Personality type
- Assertiveness or lack thereof
- Degree of confidence in oneself and in the other person
- Fear of making waves or hurting feelings
- Feeling overwhelmed
- Feeling uncertain or intimidated

# Peer to Peer

1. How do you empower your board?
2. How much time are you willing to invest in the relationship?

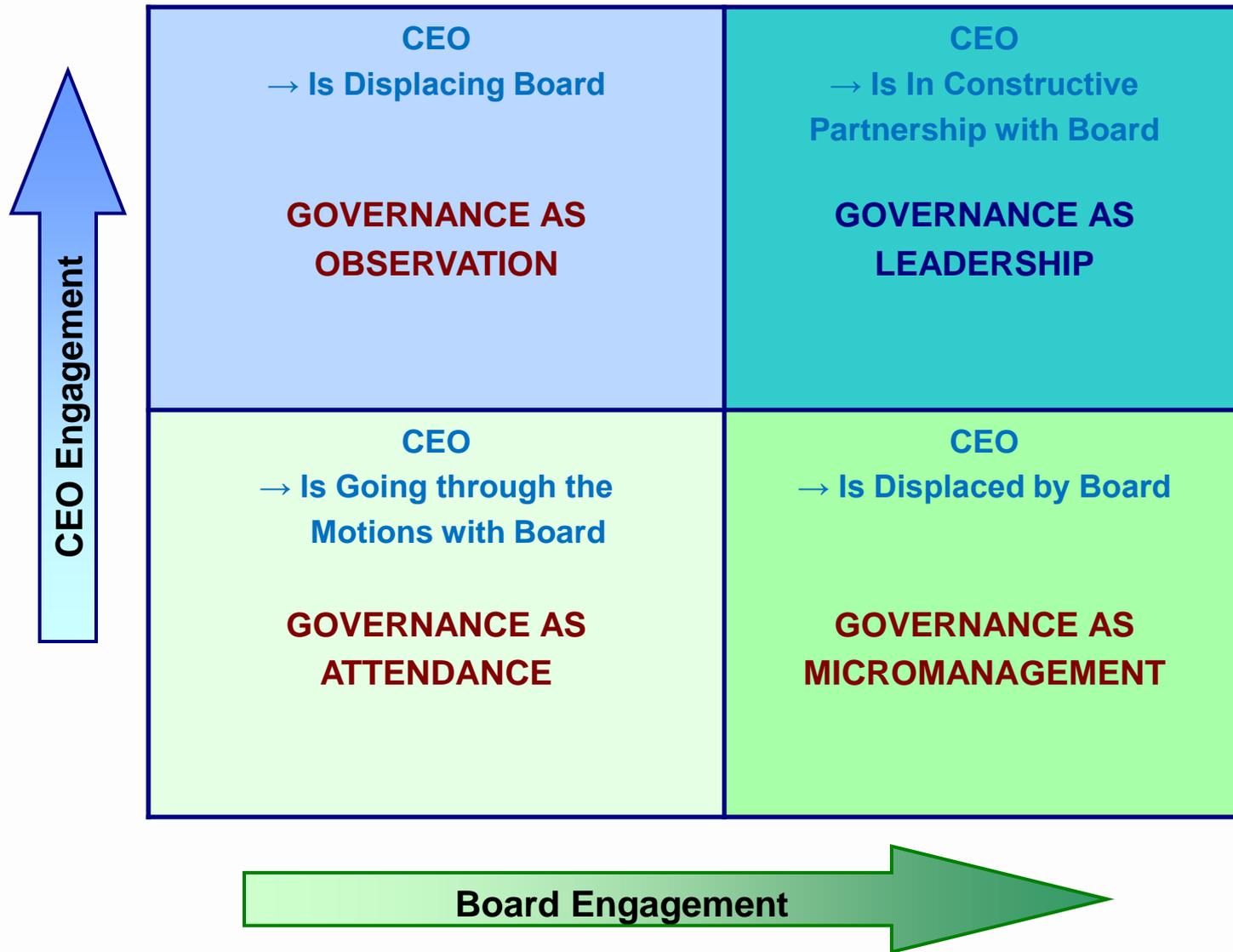
# Communication

- Sharing of accurate, relevant information
- Be open and honest
- Check to ensure accurate understanding
- Listen to each other's ideas and concerns
- Clarify mutual expectations
- Mutual support
- Responsiveness
- Appreciation

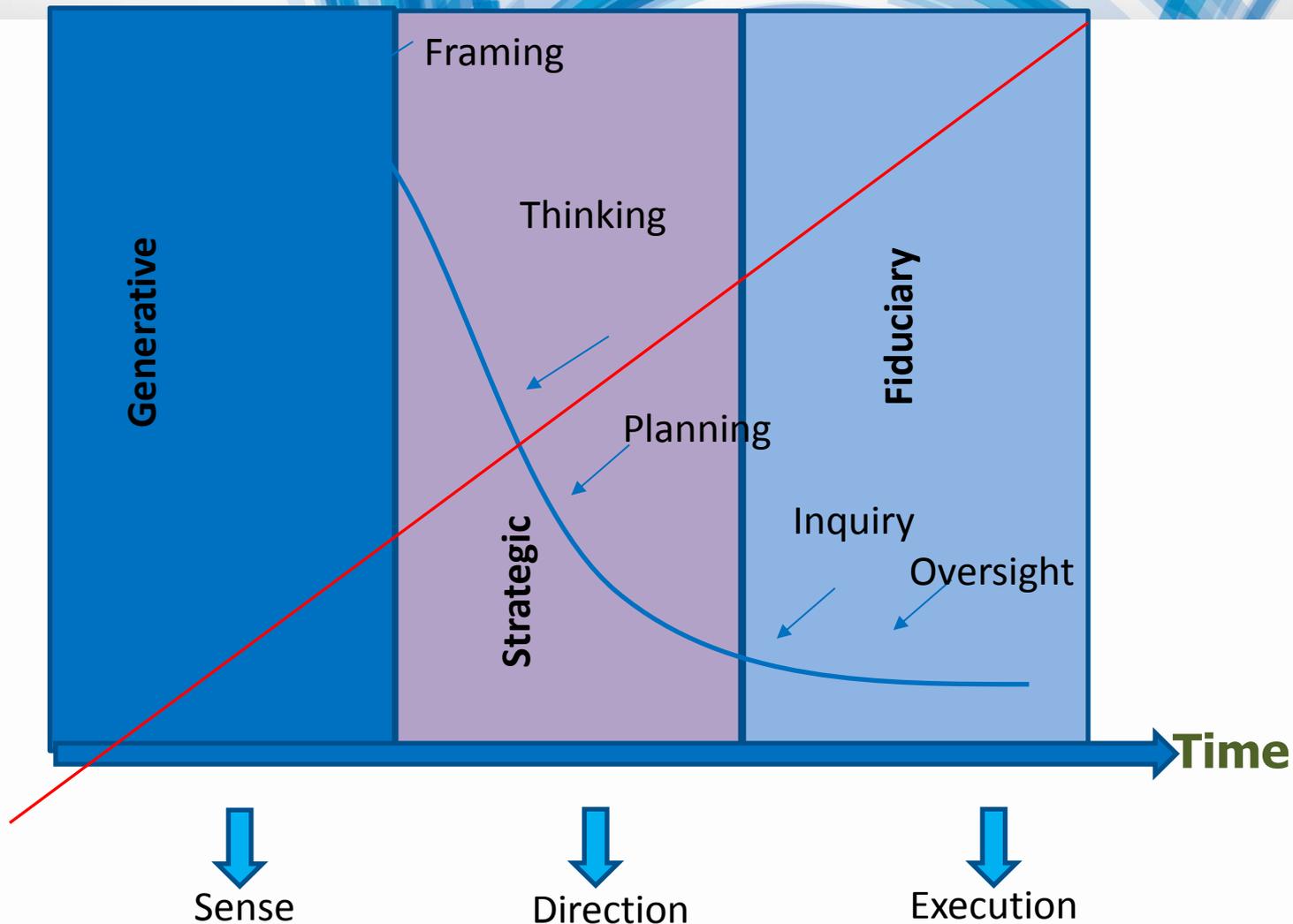
## 2. Unlocking Your Board's Unique Value



# Governance as Leadership



# Opportunity for Generative Work



"A problem well-stated is a problem half-solved."  
Charles Kettering (inventor and head of research for GM 1920-1947)

	Type 1 Fiduciary	Type II Strategic	Type III Generative
<b>Board provides</b>	Oversight	Foresight	Insight
<b>Board's core work</b>	Ensure accountability	Shape strategy; review performance	Reconcile value propositions; discern and frame adaptive issues; think collectively; make sense of circumstances
<b>Board's source of power</b>	Formal authority	Expertise	<b>Ideas</b>
<b>Key question</b>	What's wrong?	What's the plan?	<b>What's the key question?</b>
<b>Problems are to be...</b>	<b>Spotted</b>	<b>Solved</b>	<b>Framed</b>

# Infuse Meetings with Catalytic Questions

1. What is the biggest gap between what we claim we are and what our actual performance says about what we are?
2. What are the top 2-3 strategic issues facing us in the next 18 months?
3. What do you hope will be most strikingly different in five years?
4. Five years from today, what will our key constituents consider the most important legacy of the current board? Our chapter?

# Foster a Genuine Culture of Inquiry

1. Is there a **two-way** appreciation of challenging questions?
2. Are different formats used for board meetings, such as small group discussions, facilitated sessions, or outside speakers, to help the board address important issues?

# 3. Focus on What Matters Most



# Intentional Practices

- Careful Framing of Questions
- Annual Imperatives
- Built-In Educational Time
- Consent Agenda
- Dashboards
- Board Retreats
- Focused Pre-Readings/Reports
- Chair keeps board on task



# Engagement Architecture

How would you design the  
perfect meeting?

# The Payoff

- Empower the board.
- Engage the “collective mind.”
- Exploit board’s talents.
- Enrich board’s work.
- Enhance performance of board and your organization.



*“A good board is a  
victory  
not a gift.”*

*- Cyril O. Houle, Governing Boards*



# A-ha Moments



# **BoardSource**

750 9<sup>th</sup> Street, NW

Suite 650

Washington, DC 20036-5104

Phone (202) 349-2500

Web site: [www.boardsource.org](http://www.boardsource.org)