

# Trustee Insights

## BOARD CULTURE



## Building the Board Chair-CEO Partnership

### Six Areas to Build a Strong Relationship

BY PAMELA KNECHT

**A**s the health care landscape becomes increasingly complex, it is imperative that management and the board work well as partners to determine how best to address the organization's critical strategic issues. And since the CEO and the board chair are the respective leaders of management and the board, the health of their relationship is a key factor in their organization's success.

Many CEOs and board chairs state that they have a productive relationship. However, in a recent AHA survey of 19 pairs of board chairs and CEOs attending an AHA conference session, the top two

issues they wanted to discuss were "Building a Healthy Board Culture" and "Leading Effective Meetings." In other words, these CEO-chair duos wanted additional guidance on the "soft side" of working together and with their boards — the human and group dynamics.

The board chair-CEO pairs who reported having the most positive working relationships were intentional about how and when they communicated with each other, the board, committees and key executives. Their six areas of focus were:

- Preparing jointly.
- Clarifying roles.
- Facilitating engaging meetings.
- Communicating well.
- Prioritizing continuous improvement.
- Being proactive and candid.

### Preparing Jointly

One of the most important practices for building a strong chair-CEO partnership is jointly preparing for board meetings well in advance. The foundation for this practice is the development of an annual board topics calendar. Ideally, this calendar will indicate when each major governance task will be addressed (e.g., annual budget approval) as well as which board meeting will be devoted to which strategic or educational issue.

Then, a few weeks prior to each board meeting, the CEO and board chair meet to review the board meeting agenda and any supporting materials that the CEO and executives have drafted based, in part, on the board topics calendar. The chair suggests refinements to ensure that the correct topics are addressed, that the timing for each discussion is realistic and that the packet materials are at the governance (not management) level.

This practice increases the likelihood that the CEO and chair are on the same page regarding the focus of each meeting and what is needed to prepare for a successful meeting.

### Clarifying Roles

Whether board members understand and respect their governance roles can negatively or positively impact a board's culture. Recently, a board chair confided that one of their fellow

board members had asked to review the employment contract for an employee. The chair felt strongly that this was overreach into the CEO's realm, so the chair and vice chair met with the board member to explain that his request was going to be perceived as micromanaging by the CEO and other executives of this large health system.

Tools that the chair and vice chair used in their discussion with their board colleagues included the trustee job description, code of conduct and management spending authority matrix. Having these board-approved documents readily available made it easier for the board leaders to help keep their board members on the right side of the oversight/operations line.

The chair's (and vice chair's) willingness to deal with a potentially difficult board situation helped build a stronger, more trusting relationship with their CEO. The CEO appreciated their leadership of the board, allowing the CEO to focus on the organization.

## Facilitating Meetings

Since boards are only boards when they are together in a meeting, one of the key determinants of a healthy board culture and strong CEO-chair partnership is whether the meetings themselves are productive. Board and executive leaders report that great board meetings are the ones in which members felt their opinions were considered before decisions were made.

The key to this outcome is a board chair who understands that their role is to facilitate discussions among their colleagues, not to pontificate regarding their own

opinion. This can be difficult for chairs who have been successful executives. For instance, one health system board chair who had been a managing partner in a consulting firm spent most of the board meetings telling management how he would solve each of the issues raised by the executive team. A few brave board members met with him and encouraged him to facilitate meetings instead of lecturing. They suggested that he encourage his colleagues to speak, then summarize their views and work to gain the full board's consensus. As a result, the rest of the board members felt able to make more meaningful contributions and the CEO received clear directions from the full board, not just from the board chair.

## Communicating Well

When the CEO-chair pairs explained the reasons for their healthy partnerships, they often credited clear communications, stressing the importance of communicating transparently, often and well. Examples they shared of good communication techniques included holding regularly scheduled CEO-chair meetings; clarifying the role of the chair as a spokesperson with the public; and ensuring the board receives written updates from the CEO. Chairs knew that part of their role was to keep their board members informed and were grateful when the CEO took the time to provide clear, written status reports for the chairs to share with their boards.

Board chairs also emphasized the importance of CEOs sharing both good and bad news with the board. They credited this type of transparency as a main reason for the

trusting relationship between the CEO, the board chair and the rest of the board members.

## Prioritizing Continuous Improvement

Board chairs that have healthy relationships with their CEOs and their boards encourage regular evaluation and goal setting for their members, committee chairs and themselves. The best chairs annually solicit feedback on their performance from the board, CEO and other executives who support the board and its committees. They then set personal improvement goals for the next year. An example of a board chair goal was to increase the percentage of board members who felt that their experience, skills and perspectives were used to their fullest potential in their board and committee service.

Some board chairs even began their continuous improvement journeys before starting their positions. Recognizing the challenges of doing the job well, some engaged a board coach to bolster their knowledge and skills. Whereas some wanted to increase their understanding of the health care industry, others wanted a third party to help them navigate difficult conversations. Their coaches provided advice on how best to handle tricky situations, whether strategic or personal. The CEOs of these organizations appreciated that their board chairs benefitted from objective advice from individuals who understood the challenges facing both CEOs and boards.

One of the most powerful but often overlooked governance practices is to conduct board meeting evaluations and debriefs. For

instance, the CEO and board chair at Tufts Medicine in Burlington, Mass., commit to routinely assessing their board meetings. At the end of each meeting, the chair asks the trustees what went well and what could be improved.

In addition, approximately two weeks after each board meeting, the chair and CEO meet to discuss whether the correct topics were on the agenda and how well management prepared materials to help the board address the key issues. They

candidly discuss how well the CEO and chair worked together — or struggled — to ensure the board meeting's goals were accomplished and that the board members were sufficiently engaged.

### Being Proactive and Candid

In summary, a strong, trusting partnership between the board chair and CEO requires intentionality, time and honesty. Each party must be willing to be proactive and candid and

to invest the time needed to plan successful meetings. In this way, the board chair and CEO can build a partnership that will help them and their organizations succeed in challenging times.

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