

Doug Eadie & Company

Building A Solid Board-CEO Partnership

American Public Transportation Association

2019 Transit CEOs Seminar

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BUILDING A SOLID BOARD-CEO PARTNERSHIP

A Practical Guidebook for
Transit Board Members,
CEOs, and CEO-
Aspirants

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Check Out Our
Board-Savvy Transit CEO Blog:
www.boardsavvytransitceo.com

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Overview:

Welcome to the Wild and Wonderful World of Public Transit Governance



Questions Board-Savvy CEOs Spend Lots Of Time Thinking About

1. What appear to be my board's most significant strengths and weaknesses as my authority's governing body? What does my board tend to do best – and least well – when it governs?
2. Over the past year or so, what have been the most important two or three governing accomplishments of my board (not of my authority generally)?
3. What appear to be the most important governing issues facing my authority right now?

Public/Nonprofit Governance Is Still Frontier Territory – Not Yet a Fully Developed Field:

- No universally accepted set of core principles or best practices
- Lots of debate about principles and practices
- In flux/rapidly evolving
- Many “insidious foes” of the board-CEO relationship to detect and avoid

Beware of Insidious Foes!



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Insidious Foes

- Erroneous assumptions about the nature of governing that sound plausible and are often recommended by self-styled “governing gurus” – but can damage the board-CEO partnership
- Some common Insidious Foes:
 - Stellar authority and/or CEO performance will keep the board-CEO relationship healthy.
 - There’s a firewall between the board’s “policy making” role and the executive management function that must be preserved: the twain can’t meet.
 - Fashioning governing policies (rules of the governing game) will ensure effective governing decisions and judgments.
 - Board members aren’t interested in building their own self management capacity (including managing their governing performance).

Emerging Facts of Life in Public/Nonprofit Governance Generally

- Changing board member expectations: **to be actively engaged in making high-impact decisions that make a real difference** (and not an audience for finished staff work!)
- View of the board's governing work as much more complex than the traditional notion of "policy making" – involving **carefully designed decision making processes**
- New view of governing as a "team sport" involving the board, CEO and executive team working as a **Strategic Governing Team**
- Growing recognition that board members who are **satisfied owners** of their governing work feel stronger commitment to governing
- Growing recognition that inappropriate board member involvement in administrative matters ("micro-management") is usually the result of an **under-developed board without a clear governing role, well-designed structure, or effective processes for engaging board members** – not of board members who really want to micro-manage

Building and Maintaining a Solid Board-CEO Partnership a Formidable Challenge

- Occasional CEOs who are not board-savvy enough to help the board develop its governing capacity
- Lingering adversarial we-they tradition: many board members still focusing on “watching the critters so they don’t steal the store”
- Limited opportunity to shape board composition
- Tremendous centrifugal force: the pull of appointing authorities working against loyalty to the authority and board colleagues and against board teamwork
- Always fragile board-CEO partnership because of:
 - The high-achieving, strong-willed, and demanding cast of characters at the top
 - And the complex, high-stakes issues they continuously deal with

Four Governing Hats That New-Breed CEOs Wear

1. **Chief Governing Relationship Manager:** playing an active, leading role in making sure the board-CEO-executive management team partnership is close, positive, and stable.
2. **Chief Governing Capacity Builder:** playing an active, leading role in helping the board become a higher-impact governing organization.
3. **Chief Governing Process Designer:** playing an active, leading role in making sure that processes are put in place to actively and meaningfully engage board members in shaping their governing decisions, turning them into satisfied owners of their governing work.
4. **Chief Governing Enabler:** playing an active, leading role in engaging executive team members in the process of supporting the board – and especially its standing committees – in carrying out its governing mission.

The CEOs Who Play These Key Roles Effectively:

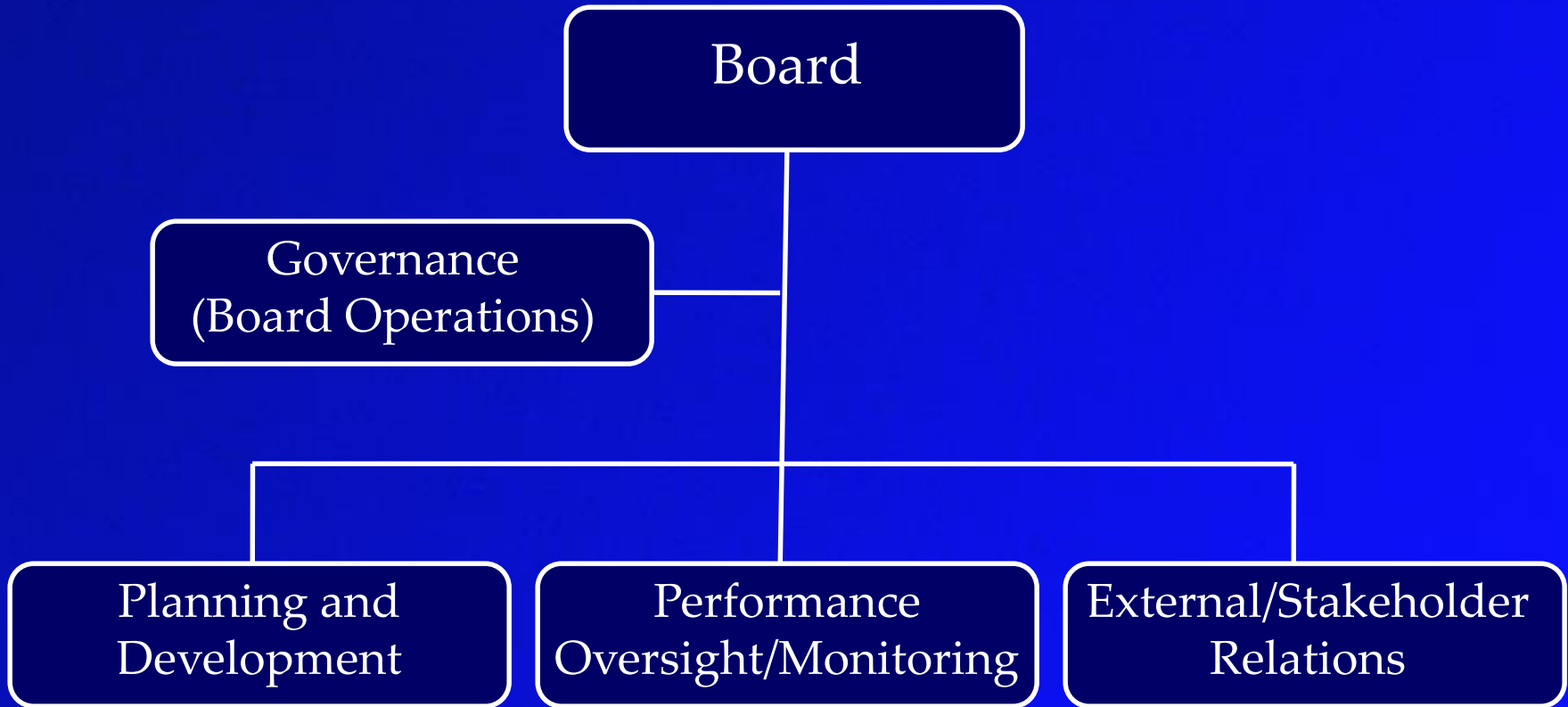
- Are truly “board-savvy:” know the governance business inside-out.
- Bring a positive attitude to their work with their board: seeing board members as partners and precious assets.
- Make the governing function and the work of the board a top-tier CEO leadership function: spend at least 25 percent of their time on governance matters.

Wearing The Chief Governing Relationship Manager Hat

4 Keys To Maintaining A Healthy Board-CEO Working Relationship

1. A board committee (typically Governance or Board Operations) responsible for the board-CEO working relationship
2. Clear, detailed board-CEO (and senior executive) communication and interaction guidelines
3. A solid board chair-CEO working relationship
4. A well-designed process for board evaluation of CEO performance

Model Committee Structure



Discussion Questions

1. What are some board-CEO communication and interaction guidelines that will help to keep the board-CEO working relationship healthy?
2. What guidelines should govern your board's communication and interaction with staff below the CEO in order to maintain a healthy board-CEO working relationship?

The Board-Savvy CEO Turns The Board Chair Into An Ally And Change Champion By

- Reaching agreement with the board chair on the basic division of labor with the CEO
- Getting to know the board chair really well
- Providing the chair with non-monetary compensation:
 - Helping the board chair succeed in leading the board
 - Paying attention to the board chair's professional objectives and ego needs

The Board Chair-CEO Division Of Labor

- The board chair responsible for leading deliberations of the board and the governance committee
- The CEO responsible for all authority operations, including directing staff
- The board chair and CEO share external/stakeholder relations
- Only the full board collectively provides direction to the CEO

Discussion Questions

1. How have you divided the leadership labor in your authority between the board chair and CEO?
2. What must you know about your board chair in order to help her succeed as chair, achieve her professional objectives, and meet her ego needs?
3. What practical steps have you taken to support your board chair in carrying out – and succeeding at – the chair's leadership functions?
4. What are you doing to help your board chair achieve her professional objectives and to provide her with ego satisfaction?

A Sound Process For Board Evaluation of CEO Performance Is

- Handled by the Governance (Board Operations) committee
- Done at least annually – with the CEO present
- Focused on concrete outcomes (avoid having board members merely fill out a questionnaire assessing the CEO's functional excellence!)
- Focused on 2 performance tiers: (1) overall authority operational performance; (2) the CEO's CEO-centric leadership targets

CEO-Centric Performance Areas

Board development and support

Strategic organizational development: service expansion and diversification, partnerships, etc.

Internal managerial/administrative capacity building

External stakeholder relationships/alliances

Governance Edge Leadership Series

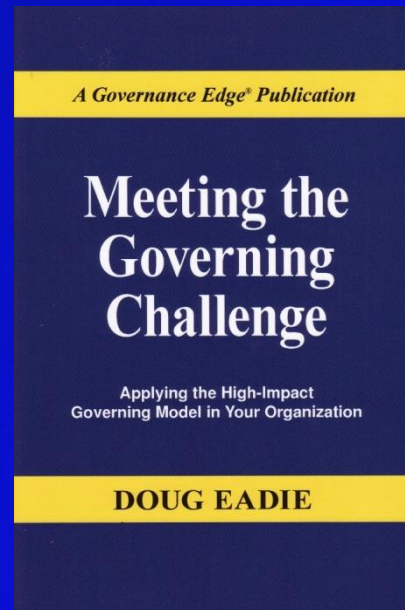


**Building a High-Impact
Partnership With Your Board**

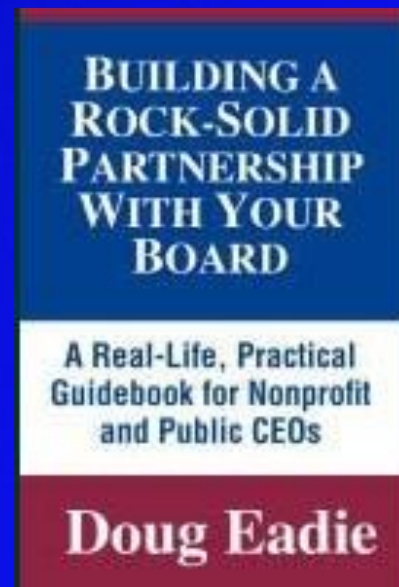
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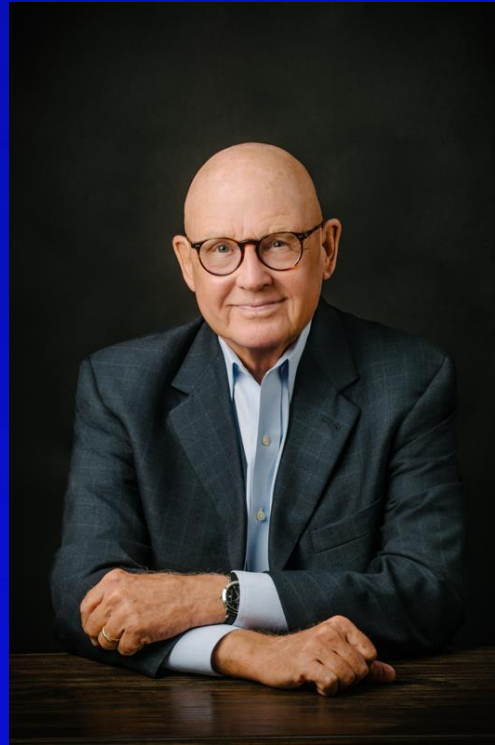
The
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Provides tested,
practical guidance
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emotional and
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dimension of the
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