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Interaction and Communication Guidelines: One of the Keys to a Healthy Board-CEO Working Relationship

Does your board have clear guidelines regulating the way its members can interact with staff? Head off time-consuming and uncomfortable interactions with these common-sense rules.

by Doug Eadie

> *Editor's note: This article is excerpted from* The Board-Savvy CEO: Building a High-Impact Partnership With Your Board, *by Doug Eadie, published in January 2014.*

I'll begin this discussion with a couple of true tales of woe. "He's driving me crazy. Someone's got to get him in line, but I can't imagine myself doing it. Help!" I'm paraphrasing what I heard in my first interview with the executive director of a very well-regarded aging-services nonprofit that operated a top-quality nursing home and assisted living facility. This CEO went on to tell me a horror story that had begun on an auspicious note. He and his board chair had been delighted when they'd succeeded in attracting a retired senior banking executive—I'll call him Kevin—to the board. It hadn't been easy to convince Kevin to join a new board since he was already serving on two other boards that were taking up considerable time, but the executive director and his board chair teamed up make a compelling case. In order to carry out the nonprofit's ambitious expansion strategy, including securing financing for a new state-of-the-art facility, they badly needed Kevin's financial acumen and rich experience. He'd be the most financially savvy board member, without question, they'd told Kevin, so there was no question he'd make a difference. How could Kevin refuse such an offer?

As I listened to this classic horror story unfold, I was reminded of the adage, "Be careful what you ask for; it might come true." Early in Kevin's first week on the governing job, the executive director had a pretty clear indication that they might have opened Pandora's box. Kevin appeared at the CEO's door at 7:30 a.m. Tuesday that week, without an appointment, asking if they could chat for a few minutes. Sitting down, he explained to the executive director that since he'd be spending a good deal of time on the financing strategy for the new facility, it'd make sense for him to spend a few hours every week at headquarters, if the executive could come up with a small office. In fact, he pointed out, he'd noticed a small conference room down the hall that would be perfect, assuming the executive director could spare it. Caught off guard, the executive director agreed, and it didn't take long for things to go downhill from there.

Settling into his new little office the next Friday, two weeks before his first board meeting, Kevin got to work with a vengeance, summoning the chief financial officer to his office to run over the financial documentation he'd need before noon to get started with his analysis of the financing requirements for the new facility. For the next three weeks, the CFO spent hours in Kevin's office, going over figures, answering questions and, eventually, producing documentation at Kevin's direction. The last straw was when the CFO missed a critical executive team meeting because he was closeted with Kevin. The executive director knew he couldn't allow the situation to continue, so he called the board chair to discuss the unfolding nightmare and decide how to handle it.

A different but similar situation had developed in a school district I worked with a few years ago. A new board member—let's call her Melinda—not long after her election began to visit elementary school boards in the district, always arriving at the principal's office unannounced to chat about how things were going, what problems they were experiencing that she should know about, and how the board might help in solving them. Melinda also did some probing about the superintendent-principal working relationship, asking whether there were any issues she and her colleagues on the board should be aware of. Of course, the superintendent quickly heard about these visits, but she didn't want to do any red-flagging without thinking the matter through. If she'd been tempted to wait, she was forced to act when she got a call one afternoon that Melinda had appeared in an elementary classroom one morning with no warning, sat in the back observing for a couple of hours, and stuck around until the lunch break to ask the teacher some questions about teaching methodology.

Both CEOs—the executive director and superintendent—understood that the unhealthy situations that had developed in their organizations were due to the absence of guidelines to govern board member interaction with staff. They were both board-savvy enough, fortunately, to recognize that they couldn't safely take on the job of disciplining their erring board members, and they needed to help their boards assume the self-policing function. The solutions were similar. In the case of the aging-services nonprofit, a previously scheduled board governance retreat provided the perfect opportunity. Working closely behind the scenes with the board chair, who chaired the committee responsible for retreat planning (the board operations committee), the executive director came up with a retreat agenda that included a breakout group charged to brainstorm a set of guidelines for board-staff interaction that would be finalized by the board operations committee subsequent to the retreat and formally adopted by the board. Three of the guidelines were adopted and that pretty quickly ended Kevin's ill-advised executive career provided that:

- "Only the Board of Directors collectively may provide direction to the Executive Director, and only to the Executive Director.
- Neither the Board of Directors as a whole nor an individual board member may provide direction to any staff member under the Executive Director.
- Individual Board members may request information from the Executive Director or executives reporting to the Executive Director, provided that: (1) the information is easily accessible and does not require more than a few minutes to obtain for the requesting board member; and (2) the Executive Director is formally notified by the board member requesting information from one of his executive team members, and, via the Executive Director, the full Board."

The case of the erring school board member who was wandering around elementary buildings was addressed slightly differently. Since there wasn't a retreat on the board's agenda, the school board president, having been briefed by the superintendent, called a special work session of the board's governance committee to flesh out a set of interaction guidelines that were soon thereafter formally adopted by the school board. The guidelines, which were very similar to the ones adopted by the aging services nonprofit, included a this proviso: School Board members are encouraged to visit school buildings in the district, but such visits shall be arranged through the Office of the Superintendent, which will ensure that such visits do not unduly inconvenience building administrators and faculty or disrupt classroom activities."

By the way, in both cases the boards, along with their CEOs and senior executives, engaged in a robust discussion of the need for, and content of, the guidelines—in the governance retreat of the aging services nonprofit and in the special work session of the school board's governance committee. It was definitely not a case of board members' reacting to detailed recommendations from their chief executives, who were savvy enough to know that board ownership would be critical to enforcing guidelines. And Kevin and Melinda—the erring board members? Neither was explicitly mentioned during the process of working out the guidelines as the precipitating factor. Rather, to make sure they got the message loudly and clearly that continuing their aberrant behavior would violate the boards' new guidelines, they were privately counseled by their board chairs, who had no desire to embarrass their two board colleagues.

While board-CEO (and staff) interaction guidelines create boundaries that help to avert the development of issues that can erode a chief executive's working relationship with the board, communication guidelines serve as an adhesive, strengthening the board-CEO bond and making it more resistant to erosion. Board-savvy CEOs, knowing how important communication can be in strengthening their relationship with their board, make sure that [communication guidelines] are explicitly mapped out with the board's governance or board operations committee. Here are some examples of guidelines that have worked well in practice:

- The board-savvy CEO makes sure that board members are never caught off-guard and embarrassed publicly by important events they're unaware of. The CEO makes sure that they are always "in the know." I'll never forget a board member's quivering with indignation when, during a board retreat, she told her colleagues about being accosted in the supermarket line by a constituent who was irate about the transit authority's changing the schedule on one of the bus lines. "I felt like an idiot," I recall this board member saying. "How could this happen without my knowing?"
- The board-savvy CEO pays close attention to regular, formal communication with the board. For example, the president & CEO of an international trade association sends the board a bi-weekly e-update on major developments not only within the association (including its chapters), but also in the wider industry. And this same CEO carefully crafts his oral presentation at quarterly board meetings, making sure that board members are apprised of his activities as CEO, including dealing with key stakeholders, knowing that board members need to have a firm grasp of his CEO leadership priorities.
- Finally, the board-savvy CEO knows that informal communication helps to cement her relationship with board members, so meeting one-on-one with board members, say, once a quarter, often over a meal, is a tried and true strategy. Of course, in the case of statewide, national and international associations, this isn't really feasible, so board-savvy association CEOs rely on the telephone rather than in-person meetings.

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