

Doug Eadie & Company

**Building High-Impact
Board-Chief Executive Leadership**

www.DougEadie.com

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***Cementing the Board-CEO Partnership
In Your Economic Development
Organization***

**IEDC 2020 Leadership Summit
Tampa Bay , Florida
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Governance Edge Leadership Series



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

Doug Eadie

Check Out Our Extraordinary CEO Blog

www.extraordinaryceo.com

(IEDC's Jeff Finkle serves on the blog CEO Advisory Committee with 30-some national nonprofit leaders from around the nation.)

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Module One

Overview Of High-Impact Board-CEO Governing Teams



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

- No universally accepted set of core principles or best practices
- Heated debate about principles and practices
- In flux/rapidly evolving
- Many “insidious foes” of the board-CEO partnership 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 EDO and/or CEO performance will keep the board-CEO relationship healthy.**
 - **There’s a firewall between the board’s “policy making” role and the EDO’s executive/administrative function that must be preserved: the twain can’t be allowed to meet.**
 - **Fashioning governing policies (rules of the governing game) will ensure effective governing decisions and judgments (known as the “policy governance” approach).**
 - **Non-working “letterhead” board members and “worker bee” board members can happily coexist on the same board.**

Emerging Facts of Life in EDO Governance

- Changing board member expectations: **to be actively engaged in making high-impact decisions that make a real difference** (and not merely 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 senior executives working as a **Strategic Governing Team**
- Growing recognition that board members who are **satisfied owners** of their governing work feel a stronger commitment to governing and make more reliable partners for the CEO
- Growing recognition that inappropriate board member involvement in executive/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**

Truly High-Impact EDO Boards

1. **Recognize that governing an EDO is completely different from doing hands-on work (e.g., contacting business prospects).**
2. **Work closely with their CEO in developing the board's governing capacity.**
3. **Understand their governing role and functions inside-out and focus on doing high-impact governing work that makes a significant difference in the affairs of their EDO, avoiding getting bogged down in the “weeds” of micro-management**
4. **Rigorously manage themselves as governing bodies**
5. **Employ well-designed board standing committees as high-powered “governing engines.”**
6. **Employ well-designed processes to ensure active engagement in making governing decisions and judgments**
7. **Meticulously manage the board-CEO working relationship**

Governing At The Highest Level

To play the leading role – in partnership with the CEO and Executive Team – in answering 3 critical questions:

1. Where should our EDO be headed/what should we become over the long run, in terms of programs/services, customers/clients, revenues, business model, etc.?
 2. What should our EDO be now and in the near-term (mission, programs, budget)?
 3. How well are we performing - operationally, financially, managerially?

Your Board's Detailed Governing Work Consists Of Much More Than Just "Policy (Rule) Making"

Governing is making decisions about concrete governing "products" and judgments based on concrete governing documentation – flowing along 3 broad streams:

Strategic and operational planning/budget development

Performance Oversight/Monitoring

External/Stakeholder Relations

Questions/Discussion

1. **What are your board's most significant strengths and weaknesses as your EDO's governing body?**
2. **What have been your board's most notable governing accomplishments over the past year or so?**
3. **What current governing issues are you and your board currently facing?**
4. **What steps are you taking – and/or might take – to become more board-savvy?**
5. **What kind of structure might you employ to engage both non-governing “blue ribbon” volunteers and working board member volunteers?**

Module 2

Developing Your Board's Self-Management Capacity



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Helping Your Board Develop Its Self-Management Capacity Will Pay Handsome Dividends In Terms Of

More effective board governing decisions and judgments

Greater board accountability for its governing work

Heightened board member self-esteem and esprit de corps

Attraction of qualified candidates to serve on your board

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Board Self-Management Involves Both

**Developing your
Board as a human
resource**

**Managing your
board's governing
performance**

Successful Board Self-Management Depends On An Accountable Board Committee

- Typically known as the Governance or Board Operations Committee
- Headed by the board chair and consisting of other committee chairs and the superintendent
- Accountable for developing the people on the board, for overseeing Board governing performance and communication/interaction with the CEO and executive team, and for coordinating board operations

2 Critical Elements Of Board Human Resource Development

- **Enriching your board's composition by developing a profile of the ideal board in terms of desirable board member attributes and qualifications and using the profile to identify potential board members**
- **Developing board members' governing skills and knowledge**
 - ❖ **A well-designed orientation program for new board members focusing on the board's role, functions, structure, and governing processes**
 - ❖ **A formal, budgeted ongoing board member governing education and training program**

Managing Board Governing Performance Involves

- Setting board member performance targets/standards and monitoring performance (both governing performance targets and perhaps some non-governing targets, such as speaking on behalf of your EDO at city council and county commission meetings)
- Periodically assessing how the board as a whole is performing as a governing body
- Identifying steps to remedy identified board weaknesses

Questions/Discussion

1. **What are some critical attributes and qualifications you should look for in identifying candidates for vacancies on your board?**
2. **What are key elements of an effective orientation program for incoming board members?**
3. **What are some board member governing (and non-governing) performance targets that you can reasonably expect board members to achieve?**
4. **What steps might you realistically take to deal with a board member's underperformance?**

Module 3

Managing The Board-CEO Working Relationship



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4 Keys To Maintaining A Healthy Board-CEO Working Relationship

1. Make a board standing committee (typically Governance or Board Operations) responsible for the board-superintendent working relationship
2. Adopt clear, detailed board-CEO (and board-senior executive) communication and interaction guidelines
3. Build and maintain a solid board president/chair-CEO partnership
4. Employ a well-designed, **substantive** process for board evaluation of CEO performance (**Not a subjective questionnaire!**)

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

- Reaching agreement with the board president/ chair on the basic division of labor with the CEO
- 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

Regarding The Board President/Chair- CEO Division Of Labor

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

Board Evaluation of CEO Performance Is Intended To Result In Practical Steps To:



**Strengthen CEO
performance**

**Identify and address
relationship issues**

A Sound Process For Board Evaluation of CEO Performance Is

- Handled by the governance (board operations) committee
- Is done at least annually – with the CEO present
- Is outcomes-focused, not functional
- Focuses on 2 performance tiers: (1) overall EDO economic development performance; (2) “CEO-centric” leadership targets
- **Note: Avoid having individual board members complete pseudo-scientific, highly subjective evaluation questionnaires that tend to produce questionable results and are open to abuse.**

CEO-Centric Performance Areas

Board development and support

EDO strategic organizational development

EDO Internal management improvement

EDO External/stakeholder relations

Questions/Discussion

1. What are some board-CEO communication/interaction guidelines that will help to keep the relationship healthy?
2. What does the CEO need to know about the board chair/president to build and maintain an effective relationship?
3. What steps might the CEO take to ensure that the board chair/president succeeds as leader of the board?
4. What are examples of CEO-centric leadership targets in key leadership areas: **board development and support; internal management improvement; external/stakeholder relations; strategic organizational development?**

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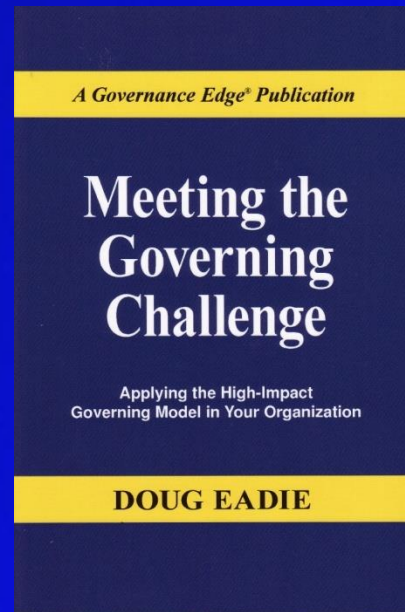


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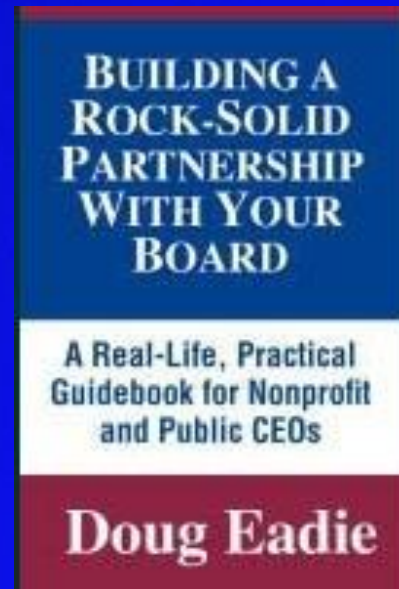
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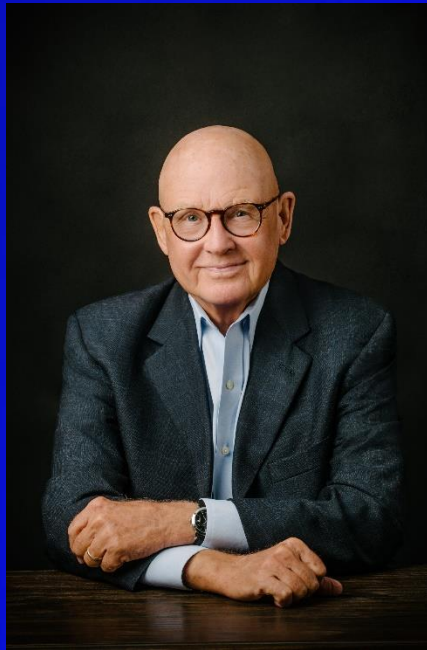
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