Transformational Times Require a Collaborative Partnership Between Board & CEO

Facilitated by:
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Today’s Session

• Understand purpose & value of effective Board-CEO collaboration

• Discuss barriers, building blocks, enablers

• Explore ways to support collaboration...ACTION PLAN

Board-CEO collaboration is an important & powerful resource
Headwinds are strong...

• Population health
• Volume to value
• Financial challenges
• Health equity & social determinants of health
• Consumerism
• Accountability
• Technology/big data
• Cybersecurity
• Workforce
• Partnerships with community
Basic Premise

• Complexity requires new mindset & ways of working

• CEO turnover rates continue to disrupt organizational stability (ACHE reports 18%).
  – Consolidation
  – Demands in hyper-change environment
  – Unresolved conflicts w/board
  – Baby boomer retirements

• Board-CEO collaboration supports leadership continuity & fulfillment of mission/vision
Setting the tone

Relationship between Board & CEO sets tone for all other interactions
What is culture?

- A culture is formed by beliefs that drive behaviors.
- New beliefs lead to new behaviors & new possibilities emerge.
- Change leadership mindset & you change organizational culture.
- Culture is built through everyday actions.
Why does culture matter?

• Culture defines lens through which problems are recognized & described.

• Defines way in which solutions are developed, formulated & acted upon.
What is collaboration?

Working across boundaries

Different from cooperation or coordination

Can be:
➢ Mindset
➢ Cultural value & attribute
➢ Process
➢ Tools & techniques

2+ people working together to create something new in support of their shared vision

Requires trust
What is collaboration?

• “Collaboration describes a process of value creation that our traditional structures of communication and teamwork can’t achieve.” --Michael Schrage

• “extreme teaming”
  --Amy Edmundson

• Collective intelligence
Different perspectives
Different perspectives
Effective Governance

Board Displaces CEO

Board & CEO Collaborate

Board & CEO Disengage

CEO Displaces Board

Source: Chait, Ryan, Taylor. Governance as Leadership

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Collaboration

“Getting value from difference is at the heart of the collaborative leader's task... they have to learn to share control, and to trust a partner to deliver, even though that partner may operate very differently from themselves.”

---Archer & Cameron
Why does collaboration matter?

- Facilitates alignment
- Role modeling
- Better results
- Builds teamwork & develops people
- Helps minimize risks
Why does it matter for board-CEO?

• Without collaborative approach, group of talented individuals can fail to realize their potential – at organization’s cost

• Collaboration between CEO & board chair can help define broad, forward-looking agenda

• Builds strong board dynamics...balances trust with challenging dialogue
Collaboration in Healthcare

- Inter-professional collaboration... safety & quality
- Shared decision-making
- Care across continuum
- ACOs, integrated clinical networks, new delivery models
- Community partnerships
- Disruptor partnerships
Workforce Implications

• Millennials expect collaboration

• Innovation more likely to occur where collaboration is permitted & encouraged at every level of organization.

• Increases capacity for complexity, innovation, change
Recent IBM Global CEO Study found that over \(\frac{3}{4}\) of 750 CEOs said collaboration is crucial to innovation, but only \(\frac{1}{2}\) “believed their organizations were collaborating beyond a moderate level.”
Collaboration

• It’s easy to say that our organization should be collaborative, but what does that actually mean?

• And, what does it take from board members & CEOs to actually make it happen?
Common Barriers

• Lack of respect & trust
• Different mindsets
• Poor listening skills
• Knowledge deficits
• Lack of alignment around goals
• Real or perceived hierarchy
• Internal competitiveness
• Information hoarding
• Organizational silos

I don't see or hear you...I'm on a different level than you...I have different priorities ...I don't really know you or understand what you do.
Collaboration

“Collaboration needs a different kind of leadership; it needs leaders who can safeguard the process, facilitate interaction and patiently deal with high levels of frustration.”

--Chrislip & Larson
Board-CEO Collaboration

• Both Board & CEO define what’s needed from other & how they want to work in partnership to lead hospital/health system.

• Make clear, compelling agreements.

• Periodically assess & give feedback on whether agreements are being kept. Make course corrections.
Collaboration as Leadership Competency

• Have you built “collaboration” into your board & CEO job descriptions?

• Do you assess “collaboration” during board & CEO evaluations?
Building Blocks of Collaboration

• Alignment & focus: mission, vision, values, strategic plan

• Clear roles
  ➢ Job descriptions
  ➢ Strategic plan
  ➢ No surprises

• Mutual respect

• Trust
Building Blocks of Collaboration

- Leverage strengths
- Ability to disagree constructively
- Transparency
- Shared learning
- Open communication: positions, priorities, concerns
- Embrace risks
• Where must we align before dialogue begins?

• What are your views...?

• What am I/we missing?

• Let me make sure I understand...

• Tell me more...
• How else could we approach this?

• Yes, and...

• What have we learned...?

• How will we recognize if/when...?

• How are we willing to change if/when....?
different – yet mutually interdependent – Board, Board Chair & CEO roles

Collaboration
Communication is Key

• Board-CEO often start without spoken expectations & agreements

• What’s left unsaid/ unplanned can lead to unmet expectations, anger & frustration

• Conflict over goals, roles, communication, styles

• We revert to illusions of control...blame
Role Clarity

• Stay in “swim lane”

• Role confusion often exacerbated by “lone ranger”... outlier behavior can significantly reduce board’s ability to collaborate & effectively govern

Common problem: CEO focuses on strategy without Board & Board extends too far into management
Board Role

• Establish mission, vision, values, strategic direction & engage in on-going strategic thinking in partnership w/CEO

• Provide various forms of oversight
  ➢ Financial, quality, legal, safety, compliance, CEO, etc.

• Adopt policies

• Ensure board’s strategic composition

• Select, support, evaluate CEO

• Ensure resources
"The board is responsible for creating the future, not minding the store."

---John Carver
“Board members need to come prepared, rise to the occasion, work diligently as a group, and expect to be intellectually taxed by complex and consequential questions.”

Richard P. Chait, et al.
Governance as Leadership: Reframing the Work of Nonprofit Boards
Seven Guiding Questions

1. Is it big?
2. Is it about future?
3. Is it core to the mission?
4. Is it a high-level policy decision needed to resolve a situation?
5. Is a red flag flying?
6. Is a watchdog watching?
7. Does the CEO want & need board’s support?

Barry Bader, “Distinguishing Governance and Management”, Great Boards
Board Chair: 
*Leader Among Leaders*

Leader of board, focuses on governance

- Set constructive tone
- Foster positive board culture
- Take lead in partnership w/CEO
- Serve as board’s ambassador
- Build consensus

Adapted from BoardSource
Board Chair

Facilitate effective board meetings

- Stimulate discussion & participation
- Solicit different points of view
- Encourage constructive dissent
- Intervene - keep meeting on track
CEO role

- Strategy & policy implementation
- Assemble, engage, coach teams
- Lead by example to reinforce culture & mission
- Nurture innovation; lead change

- Leader of staff, focuses on management/operations
- Partners w/board & board chair
CEO role

• Support board to focus on what matters most

• Advise on trends, significant changes, non-compliance w/ policies

• Seek counsel re: management challenges

• Ensure board receives adequate information
Board Chair-CEO: Shared Responsibilities

- Planning & preparing for board meetings
- Board effectiveness & efficiency
- Board communications
Board Chair-CEO: Shared Responsibilities

- Both responsible for understanding mindset, concerns, goals & needs of group they are leading
- Accountability is mutual
- Relationship must be defined carefully... understood by all
Too much of a good thing?

- Board Chair looks like he/she is running organization
- No evidence of constructive dissent in meetings
- Board loses ability to provide oversight/objectivity due to emotional commitments to CEO, staff, proposal
- Board gets in detail...can’t effectively oversee...needs to question what management is recommending
Ensure interdependence

• What is unique value that each role brings to our system/organization?

• What tension is each role supposed to generate in system/organization?
What does success look like?

• Share an example of effective board-CEO collaboration in your organization.

• What enabled success?
Enablers

• Role clarity: separate spheres of responsibility

• Ensure constructive Board Chair-CEO partnership
  o Expectations
  o Agreements
  o Regular check-ins

• Build effective communication channels

• Transparency ...“no surprises”
Enablers

- Clear process for agenda planning & facilitation
- Effective board briefing & education before decision-making
- Establish routine strategic planning process
Enablers

- Set-up communication system for special issues (complaints, media, etc.) & crisis situations
- Clear process for communication between board members & CEO/staff
- Chair sets clear expectation that board will function collaboratively & ensures committees, structures, support systems are in place to support collaboration
Enablers

• Embrace evaluation process for board & CEO

• Nurture community building/social networking

• Support process with techniques & technology

• What else?
Questions to Consider

• Do we have the right people on board...who demonstrate a commitment to collaboration... with each other... with CEO?

• Are we designing our agendas to focus on building collaboration? Real conversations that matter?

• Do board & committee chairs model collaboration?

• Do individual trustees reflect on how they contribute to culture of collaboration?
Plans are only good intentions unless they immediately degenerate into hard work.

---Peter Drucker
Action Planning

• What does a culture of collaboration look like in your organization?

• What agreements do you need moving forward to create & sustain a culture of collaboration?

• What systems or structures do you need in place to ensure your success?
What else is on your mind?
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