

COVID-19

27 April 2020

CEOs and chairs in perfect harmony

The new normal will need new leadership. Yet the people in charge remain the same. In an earlier bulletin we looked at the role only a chair can fulfil at this time. But the partnership between the chair and chief executive will also be pivotal in reshaping how well organisations rise to the challenge for refreshed leadership, and increasing demands for better outcomes.

The time is right for every chair and chief executive to devote meaningful time to rethinking their partnership and their respective roles. As tentative moves are made towards recovery, getting the partnership into proper shape is a critical task for the next couple of weeks. It can and should then be reviewed actively in the months ahead.

The need for new

Of course, many chairs and chief executives do this already and would point to an established and successful partnership. For them, ironically, there is even more reason to take stock now in order to recalibrate how things need to work in the changed world. It should not be assumed the previous agreement still holds. The pressures of an acutely operational focus and the destructive nature of command and control on ways of working will most likely have changed the previous balance in many ways.

Sadly, our experience suggests that arriving at a genuine partnership at the top, on which effective stewardship really depends, can prove more difficult for some. Rubbing along with someone you have inherited is not good enough anymore. The cracks are more visible and damaging than you might think. The scale of challenge and opportunity in the new normal demands real attention to partnership at the top.

The personal challenge

At one level this is deeply personal. Individual ambitions and interests matter and drive successful people. But they also need to be more overtly agreed between chairs and chief executives than they often are. And this plays directly to honesty and openness about the scale and realism of ambition for the organisation.

We talk about the maturity of governance but that starts with the maturity of relationships at the top. The chair and chief executive must, as a minimum, work on establishing and exuding trust in each other, to set the right tone for the board and the executive. This means chairs and chief executives working through some challenging questions and finding a way of capturing their answers as part of good governance.

Checklist and questions

There is much to reflect on from recent experience and future challenges. These issues and questions try to strike the right balance between the immediate and the longer-term. They are intended to provide some stimulus and support for what could be difficult, but necessary, conversations. Some of the issues are, of course, also whole board matters but here they are intended to help stimulate the chair and chief executive to arrive at their own partnership.

Issues and questions

- **Vision** – are we confident that our reading of the emerging world is really aligned and we have a shared view on the small number of absolute priorities?
- **Values** – what lessons from the last six weeks do we need to reflect on and absorb – especially about the way we, the board and the executive need to work in respect of our values, culture and contributions?
- **Pace and momentum** – are we agreed on the pace we can realistically set over the summer to take advantage of any immediate window of opportunity, and how do we individually play active and complementary roles in growing greater resilience and sustainability over time?
- **Risk** – do we need to revise our personal risk appetites, and how do we ensure the collective risk appetite is made to come alive more widely in the organisation by how we behave and what we do?
- **Communications and messaging** – are we agreed on the immediate core messages we must develop both for and with our key stakeholders, and do we take different responsibilities in respect of specific target audiences?
- **Whole system and place** – have we got a shared understanding about what our realistic position needs to be in the local place, and what are the specific contributions each of us will need to make as a result during the immediate recovery period and longer-term?
- **Key relationships** – which are the most critical people, partnerships, communities and networks we need to influence, and how are we going to mould the world around us by the way we work together, to both preserve autonomy and also achieve collective outcomes?
- **People** – are we agreed on how and how quickly we are going to secure the right leadership capacity for the new normal, and have we genuinely met our obligations to our staff and colleagues in the last few weeks?
- **Innovation** – what are our separate roles in creating the right conditions for innovation and sustainability?
- **Evidence-base** – do we share a view about how to strengthen the quality of our data and analytics to increase our strategic and operational grip, and how do we work together to actively promote learning into practice as quickly as possible?
- **Impact measures (personal)** – what are going to be our own personal totems of success over the next year, and how widely do we share them?

“The maturity of governance starts with the maturity of relationships at the top”

The temptation may be to make things less personal by seeing them as board issues. This is entirely understandable, especially where things may prove difficult to resolve easily, but it's not a helpful approach.

External support

There is also a strong argument that the process of growing and nurturing the partnership should not be left to the chair and chief executive alone. Active support and challenge may be worth building in from the start. This could be from the senior independent director or from an external independent. Relationships change and slip for numerous reasons. Annoyances can build and important issues avoided. It looks like there is no room for any of that in the new normal. Stewardship and sustainability require a deeper maturity at the top.

If you have any questions or comments prompted by this bulletin – please call us on 07732 681120 or email advice@good-governance.org.uk. We will aim to respond within 24 hours.