Executive Coaching, The Chief Executive Officer & the Board of Directors

Coaching the Chief Executive Officer ("CEO") to Make More Effective Use of the Board of Directors ("BOD")

Agenda

• Discuss development of best practice coaching techniques to be applied to CEO Executive Coaching Programs

• Goal is to help the CEO make more effective use of the BOD
Framing – Elevator Speech

• **Topic:** I wanted to learn about BOD Effectiveness

• **Question:** Because I wanted to find out what tools and guidance methods are currently available and used by the CEO to effectively manage the BOD, and whether it could be enhanced through a specific coaching process, and if so, how

• **Significance:** To develop coaching programs designed to assist the CEO specifically to better manage the BOD, resulting in increased value to all stakeholders

Framing - Approach

• Incorporated Google Scholar search, publications from ICF, Executive Coaching Forum, Columbia Univ. Library, HBR & general book search

• Key word searches included Coaching CEO, Coaching BOD, BOD Effectiveness, CEO Leadership Coaching & CEO Team Building

• Primary Sources – *Executive Coaching With Backbone and Heart*, Mary Beth O’Neill; *Training Your Board of Directors*, Arlyne Diamond, Ph.D.; *Evaluating the CEO (HBR)*, Stephen Kaufman
Definitions

• **Role of the CEO**
  – Responsible for implementing plans and policies as set by the BOD – operations, HR management and development, financial management, operations, PR, etc.
  – Primary interface with the BOD providing key info to the BOD for oversight

• **Role of the BOD**
  – Ultimate legal authority with fiduciary responsibility to all stakeholders
  – Responsible for setting overall strategic direction, hiring/firing the CEO, advice to CEO on specific operation issues

• **Board Effectiveness**
  – Ability to scan environment for opportunities & threats, give constructive feedback to CEO, tap external network to enhance company performance

Conundrum

• Post Enron environment & current financial crisis causing increased focus on independence and oversight responsibilities of BOD

• Resulting in decreased effectiveness of BOD in providing valuable guidance to CEO and the company & and increased chance for adversarial relationship

• Challenge is to balance need of CEO to have autonomy in managing the company with need of BOD to provide oversight and perform fiduciary duty
Primary Thesis

• The BOD is like a team, with same issues affecting effectiveness – many coaching processes exist to increase success.

• Managing the CEO/BOD relationship is the primary responsibility of the CEO but this is not widely acknowledged.

• Specific CEO Coaching focused on this critical issue could provide significant impact to company performance.

Literature Review

• Substantial Literature exists on CEO Coaching:
  - Leadership
  - Team Building
  - Employee Relations

• Substantial Literature exists on BOD Functionality:
  - Team Effectiveness
  - Role Definition

• Little on Gap between the two – How to Coach the CEO to make more effective use of the BOD.
Summary of Findings

• CEO Coaching techniques focused on leadership and team building within the organization:
  – Internally focused
  – Directed primarily at CEO individually & on relations with employees

• BOD Coaching focused primarily on improving team functionality

Summary of Findings (cont’d)

• Gap exists for incorporating best coaching practices related to helping CEO make more effective use the BOD

• Increased regulatory scrutiny, current financial crisis and often ill-defined roles of CEO relative to BOD heighten importance of this issue
Implications for Coaching Practice

• Expand current CEO Coaching programs to include specific priorities aimed at helping the CEO improve BOD effectiveness

• Awareness by CEO/BOD of importance to achieving success of CEO/BOD relationship

• Incorporation of 360, NBI, MBTI, EI SpeedReaching People and Team Coaching exercises

Implications for Coaching Practice (Cont’d)

• Specifically aimed at CEO for the CEO to guide development of BOD effectively

• Development of robust system for on-going feedback to CEO from BOD

• Commitment to need for CEO to take leadership role in more effective development of CEO/BOD relationship
References


References (Cont’d)


- Tieger, P.D. (2005). President and CEO of SpeedReading People®, LLC. Hartford, CT.

