

## **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 & 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

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