

# VICTORIAN HEALTHCARE ASSOCIATION GOVERNANCE AND SERVICE QUALITY

The relationship between the Board  
and the Chief Executive

# The Board and the Chief Executive

1. How to avoid the wheels falling off.
2. How to recognise when the wheels are about to fall off.
3. What to do when the wheels fall off.

# How to avoid the wheels falling off.

## Make sure the Chief Executive knows:

- ▣ What is expected
- ▣ How performance will be measured
- ▣ How and when to ask for help

# What is expected?

“Men wanted for hazardous journey. Small wages. Bitter cold. Constant danger. Safe return doubtful.”

- ▣ 1908 advertisement for crew to accompany Ernest Shackleton on his 1400 kilometre, 80 day trek to the South Pole.

# What is expected of the Chief Executive?

- ▣ Need clear goals linked to the strategic plan
- ▣ Board committee to agree goals with the CEO
- ▣ There are lots of systems for this. Goals need to be SMART; specific, measurable, achievable, results focussed, time framed.
- ▣ Agree on an annual board agenda and the reports that the Board will require at each meeting.
- ▣ Agree on areas for improvement identified by accreditation and other processes.

# How will performance be measured?

- ▣ With an ongoing communication process.
- ▣ Not just once a year discussion when faults, areas for improvement and shortcomings are raised. Feedback and recognition.
- ▣ What barriers are there which hinder performance and how can they be minimised?
- ▣ By facts and data, not by opinion alone.
- ▣ What gets measured gets managed.
- ▣ Regular discussions make it easier.

# Regular performance review meeting agenda

- ▣ What has been achieved since we last met?
- ▣ What has not been achieved?
- ▣ What has been put in place to catch up to the original plan, to get us back on track, on time, on budget?
- ▣ What can I do to help you get back on track?
- ▣ What will be achieved by the next time we meet?

# The Business Excellence Framework for improvement

- ▣ Leadership
- ▣ Customer and market focus
- ▣ Process management, improvement and innovation
- ▣ People
- ▣ Strategy and planning
- ▣ Data and information
- ▣ Success and Sustainable results
- ▣ [www.saiglobal.com](http://www.saiglobal.com)

# When the Chief Executive needs help/advice/mentoring

- ▣ Needs to know that the Board will be supportive. May need to be agreed up front.
- ▣ CEOs don't always know when they need help.
- ▣ A mentor needs to be more than a mate you can whinge to about your Board.
- ▣ There are people who will help- VHA, professional colleges, senior colleagues.
- ▣ Facilitated performance appraisal can be helpful.

# The Board and the Chief Executive

- ▣ How to recognise when the wheels are about to fall off.

# How to recognise when the wheels are about to fall off

- ▣ Look for early warning signs
- ▣ Is there a crisis? Is this part of a pattern?
- ▣ Is the CEO working on enjoyable projects rather than difficult ones?
- ▣ Have other executives expressed concerns?
- ▣ Is there a financial problem which is getting worse? Are the auditors or lawyers worried?
- ▣ Is the regional office worried?

# The Board and the Chief Executive

What to do when the wheels fall off.

# What to do when the wheels fall off- try to do it when the first wheel goes-not the fourth.

- ▣ Is there a crisis? Need a plan to manage it.
- ▣ Do other Board members think there is a problem? Do all Board members agree on the action to be taken?
- ▣ Does the Chief Executive think there is a problem? What do other Executives think?
- ▣ What does the Regional Director think?

# What to do when the wheels fall off

- ▣ Is there a way to put the wheels back on? What will it take for the Board to regain confidence?
- ▣ Do you need help to manage the relationship with the CEO?
- ▣ Is there a succession plan? Does the Board still have the support of the other executives?
- ▣ What needs to happen to make sure the wheels don't fall off again?
- ▣ Need a communication plan for internal and external use.

# Summary

- ▣ Remember that the Board is responsible for the performance of the CEO.
- ▣ Make sure everyone knows what is expected.
- ▣ Agree on how performance will be measured.
- ▣ Meet regularly and formally to discuss progress and how to make up for slippages.
- ▣ Document these discussions.
- ▣ Get help when needed by either party.
- ▣ Make the hard call as early as possible.
- ▣ Communicate the decision quickly.