



Governance in NHS Wales

Section Eight - The roles of the chair & chief executive

“One measure of leadership is the caliber of people who choose to follow you” – Dennis A Peer

The chair and the chief executive have discrete, complementary responsibilities. The chair has overall responsibility for the organisation and its governance, while the chief executive is the accountable officer and responsible for executing policy.

Key points:

- The chair is responsible for providing strong, effective and visible leadership, and is accountable for maintaining the highest standards of clinical care. The chair is ultimately accountable for LHB or NHS trust performance.
- The chief executive is responsible for the delivery of policy as agreed by the board. As the accountable officer, the chief executive needs to ensure that the systems and structures of the LHB are fit for purpose and ensure the highest standards of executive control.
- The chair directly holds the chief executive to account, and ensures that there is proper stewardship for resources for which the board is accountable.
- External ambassadorial functions of the LHB or NHS trust will include the chair working directly with community partners.
- Responsibility for ensuring the LHB is governed effectively within the framework and standards set by the NHS in Wales resides with the chair.
- Ensuring that board members have the right information available to them to discharge their responsibilities is a crucial role for the chair.

The Skilful Chair

There are four key areas of personal skilfulness that seem to make it much easier for chairs to be successful:

1. Separating their role from that of chief executive.
2. Ensuring people interact effectively.
3. Ensuring the board maintains a future focus.
4. Continuously improving board and board member performance.

The first area of skilfulness as mentioned earlier in this guide is to be able to separate their non-executive role as chair from the executive role of the chief executive. The job of the chair is to run and be accountable for the development and performance of the board, not the organisation. It is the job of the chief executive to run and be accountable for the development and performance of the organisation.

- This may involve the chair seeking regular feedback from the chief executive, other board colleagues and sometimes external observers about whether they are managing to strike the right balance in

the way they discharge their role.

- There is much in this guide that describes the work that needs to be done by the chair. However, because of the need to hold the chief executive to account and sometimes, when asked, to be a source of guidance and advice to the chief executive it is easy to begin to stray out of role. The skilful chair is continuously evaluating his or her own performance and behaviour in this respect.

The second area of skilfulness is about being able to ensure that people on the board interact successfully firstly with each other and secondly with others outside the board.

This may involve chairs monitoring transactions between individuals within and outside meetings to ensure that they:

- begin from a position of politeness and collegueship, understanding that they are working to achieving common goals,
- establish rapport before attempting to work an issue to ensure that they are communicating with common understanding of what is said and trust in one another,
- identify the outcomes each is wishing to achieve from the transaction and dovetail these so that both participants can be satisfied,
- agree how, where and when they are going to have that interaction (which may not always be there and then) and then do what they agree,
- before concluding, check outcomes have been achieved for each person to satisfactory extent or agree follow up activity to deliver these.

It is surprising how many people struggle with their interactive skills and in consequence are frequently misunderstood, create abrasive unpleasant situations for one or more parties to transaction or feel unable to contribute for fear of doing or saying something inappropriate.

The skilful chair will be able to intervene to provide structure to transactions in meetings, help people check for understanding, provide guidance to individuals in private and address this within each person's performance and accountability reviews.

Board members need to be able to interact successfully so that they can talk openly and challenge one another's views to ensure issues are properly explored without creating defensiveness or personal animosity.

The third area of skilfulness is about ensuring the board maintains a future focus and sets the present in context of it. The board's principal role is to set the direction and future vision for the organisation. The chair needs to ensure there is a really clear description of what it will be like when success has been achieved by the organisation. Once this picture is laid out by the board the chair needs to continually focus the board on comparing what is happening in the present with what is required in the future and discerning the most appropriate action needed to realise its delivery.

This may involve the chair in:

- opening each meeting with a summary of the purpose, vision and priorities of the organisation and a reminder to board members to look for steps towards its realisation throughout the meeting,
- ensuring the board regularly revisits its picture of the future to see if its description can be made more complete, lucid or needs modifying in some way to take account of new thinking and possibilities or to align more fully with national and regional goals,
- ensuring that the board measures progress and performance by the extent to which the required picture of the future is realised to the standards required.

The fourth area of skilfulness is about continuously improving board and board members' performance.

The chair needs to find a variety of ways to continuously review performance so that available improvements and higher levels of operating can be secured as soon as possible.

This may involve the chair in:

- reviewing content and process at the end of each meeting,
- ensuring the performance accountability and development framework is actively used for each board member,
- ensuring board member knowledge and tools and techniques training is provided to improve the quality of the board's work,
- ensuring that the board runs regular vision development and performance review workshops to maintain focus.

Putting in the board infrastructure

Chairs need to ensure a number of key infrastructure building blocks are put in place to enable the board to operate effectively. The following review provides a quick check list of the obvious and not so obvious components that may need to be considered, including:

- committee infrastructure
- people and skills infrastructure
- partnership infrastructure
- physical infrastructure.

Committee infrastructure

One of the more obvious infrastructure issues to which chairs need to pay attention is of course the establishment of the required and optional board committees. These are described in your board's Standing Orders so we will not address them in detail. Building an effective committee infrastructure may involve the chair in:

- Providing people from within and outside the board with an opportunity to be involved in doing work for the board and so having the opportunity to acquire board level experience.
- Checking that the committees really have the competence to complete whatever work is required by the board with sufficient rigour, discipline and veracity so that the board can rely on their findings without having to redo their work.
- Briefing the chairs of subcommittees about requirements and expectations and setting them clear personal objectives.

People and skills infrastructure

In addition (as is dealt with elsewhere in this guide) to developing a full complement of suitably skilled and knowledgeable members around the board table, the chair may also involve themselves in:

- Developing the role of the board secretary:
 - To advise on the statutory and procedural issues with which the board must comply and by providing regular opportunities to advise the chair on how that compliance can be achieved.
 - To find out to what extent action points from meetings have been/will be delivered by their target completion dates (and providing a written summary of progress with each set

of board papers rather than having to take valuable meeting time with verbal reports) and becoming a communication point through which board members routinely raise questions and comments for and about board business to help shape agendas.

- Encouraging the involvement of non-board members. The capacity of a board can be very usefully extended by involving people outside its membership. For example, one chair described a governance committee with wide ranging membership from all parts of the organisation whose job it was to educate departments about governance issues and track the extent to which they were delivered.

Partnership infrastructure

If the organisation really needs to work in partnership with other organisations to be effective, the chair may be involved in checking to see that:

- members of the board from other organisations are attending and actively contributing to board meetings to help build a joint approach,
- chief executives, executives and even boards are meeting together regularly to identify problems, opportunities, dovetail outcomes and agree a joint approach,
- a structured and logical approach is being used to start, build and regularise the partnership, evolve joint plans, develop a joint management approach and a jointly agreed scheme for resourcing,
- some kind of scenario modelling tools are being used to jointly view the current situation and explore possible solutions and their potential effects.

Physical infrastructure

Finally, one of the most frequently overlooked aspects of infrastructure is the extent to which rooms and furniture layout constrain or assist the board in doing its business. To be effective, the board needs to be able to flex their physical environment to suit the board's business. This may involve chairs in:

- Choosing venues that are easy for people to get to and meet the access requirements of the Disability Discrimination Act.
- Finding rooms with good daylight and ventilation in which board members and the public feel welcome and energised to listen and contribute effectively when asked.
- Choosing rooms in which the furniture can be rearranged to suit the business of the meeting so that for example:
 - All board members can contribute equally.
 - Visitors can see and hear and, if appropriate, contribute.
 - Presentations or scenario modelling can be used to help communicate.

Building the board team

Building an effective board team is one of the key responsibilities of a chair.

So:

- What is a team?
- What steps can chairs take to build an effective team?
- How can chairs help a team retain and build its effectiveness?

What is a team?

A team can be defined in simple terms as a group of people who have agreed to work together in pursuit of a common goal or purpose. So, what is an effective team? An effective team is one that has the skills and capability to work together well to deliver their primary goals and purposes to a high standard and in as short a timescale as possible.

What steps do chairs take to build an effective team?

An effective team:	This may involve the chair in:
Has a clear understanding of their primary purpose and goals and uses this to guide all their activities.	<ul style="list-style-type: none"> • Ensuring the board has regular time-outs to be absolutely clear about the fundamental purpose and vision for the organisation. • Being clear about the objectives of every meeting and how that contributes to the wider goals. • Being clear about what output is required from every agenda item and activity the board engages in. • Being clear about what objectives need to be delivered by each individual and how this fits alongside what other people are doing to deliver the team's goals.
Knows one another well enough to understand what strengths in terms of knowledge, skills and personal attributes each person can bring to assist the delivery of the team's outcomes.	<ul style="list-style-type: none"> • Providing time, opportunity and appropriate activities which help people to get to know one another. • Finding ways for each person to disclose the knowledge and skills they have and take inventory of the potential contribution each person can make to the team's activities.
Is well led.	<ul style="list-style-type: none"> • Making space for activities to be led by the person best equipped to help people deliver the outcomes successfully. • Helping people develop the leadership qualities they will need to be successful.
Has an overall plan of how they are going to use available resources to achieve their outcomes.	<ul style="list-style-type: none"> • Engaging the team in regular detailed discussion about what sequence of activities and deliverables will be required to deliver the overall purpose and goals and what personal and other resources the team can use to deliver these.
Identifies crucial breakthrough activities and milestones.	<ul style="list-style-type: none"> • Enable people to see the crucial tipping points that they need to achieve to know they are on track to deliver the team's goals.

An effective team:	This may involve the chair in:
Communicates effectively so that there is a common understanding of what is required in each moment from each person.	<ul style="list-style-type: none"> • Helping people communicate skilfully and with understanding. • Valuing politeness and objectivity so differences of perspective can be aired to explore alternatives and find the best ways forward. • Articulating clearly what contribution is needed from each person moment by moment.
Know who is doing what at any moment to deliver outcomes.	<ul style="list-style-type: none"> • Specifying actions clearly and making sure each person’s objectives are clear. • Running an up-to-date record of progress available for all to see.
Regularly reviews their way of working to: <ul style="list-style-type: none"> • See if there are better ways of doing what they are doing • Identify and plan how to surmount obstacles and grasp opportunities • Track their progress and performance in delivering goals. 	<ul style="list-style-type: none"> • Ensuring the team takes regular time out to examine progress and performance and look for better ways to deliver what is required. • Encouraging honesty to identify problems and skilful creativity to find ways to overcome them.
Regularly celebrates its successes to motivate further achievement.	<ul style="list-style-type: none"> • Creating an expectation of performance and an atmosphere of motivation by creating opportunities for and finding imaginative ways to recognise achievements delivered on time and aligned to the delivery of team’s goals.

The relationship between the chair and chief executive

The Cadbury, Sainsbury, and Higgs Reports on Corporate Governance, the Nolan and Kennedy Reports, the Institute of Directors and the Audit Commission have all published key recommendations that make clear the absolutely vital need to separate the role of the chair from that of the chief executive.

In essence the accountability of the chair, as you can see on the pages that follow, is to manage the performance and development of the board, whilst the accountability of the chief executive is to lead and manage the performance and development of the organisation.

The chair is also the figurehead and ambassador for the purpose and vision of the organisation. This means that the chair can always go out and champion what the organisation stands for and is trying to achieve and when it comes to questions about the performance of the organisation or its detailed implementation plans they can rightly say “you will need to ask the chief executive”.

This enables the chair always to stay on the high ground and not be forced onto the defensive – a crucial attribute when fulfilling their role as ambassador for their organisation and when representing NHS Wales to stakeholders and partners.

What has been learned is that it is absolutely vital that somebody is standing back independently and objectively so

that ideas, proposals, plans, activities, performance, competence and behaviour can be sensibly and appropriately reviewed in context. It is the job of the chair to ensure that the quality of this independent viewpoint and objectivity is sustained in all the board's activities.

What makes a great board Chairperson? - The Whitehead Mann Leadership Debate

Are great chairpersons born or made? How should their performance be measured? What impact does personal style make? Who's in charge: the chairperson or the chief executive? How is the chairperson's role changing, and is it for better or worse? Many such questions are currently being asked, and yet research and literature on the role of the chairperson are in short supply. This report is an attempt to redress the balance, as the most comprehensive study to date on the question "What makes a great board chairperson?" The focus of this report is not on regulatory codes, but on the role and performance of the chairperson as judged by fellow directors. The findings are based on an in-depth analysis of detailed interviews and represents the biggest survey of this type on this topic.

Read the report on the following link: www.wmann.com/knowledge_articles/chairperson.pdf

Leading the Board: The Six Disciplines of World Class Chairmen.

NHS Yorkshire and the Humber's quarterly e-resource, Headspace, discusses the significance of the chair to a board's performance and was highlighted in a recent presentation to the NHS Institute by Andrew Kakabadse, Professor Of International Management Development at Cranfield University. He shared the findings from extensive research of over 400 boards in 31 countries, which he has just published in his new book, Leading the Board – the Six Disciplines of World Class Chairmen.

The six disciplines he identifies are:

1. Delineating boundaries
2. Sense making
3. Stimulating argument
4. Influencing outcomes
5. Living the values
6. Developing the board

Read the article on: <http://www.yorksandhumber.nhs.uk/document.php?o=692>

What makes a great Chief Executive? - The Whitehead Mann Leadership Debate

We can all spot the successful chief executive, but what are the qualities that a great chief executive needs for success? That is the interesting question which Whitehead Mann's latest research has set out to explore. The greatest business leaders are those who set a clear vision, prepare coherent plans to achieve their aspirations and lead their team to successful delivery. They need to do this against a backdrop of sometimes competing expectations from several constituencies – their board, their shareholders, senior executives, staff throughout the business and the wider community.

Recognising that any chief executive operates their business in an environment which is partly out of their control, the key qualities must include an ability to lead, inspire and motivate people, the ability to communicate well to all shareholder groups, and the ability to be fleet of foot. As we have seen recently, the external environment can change through economic or political circumstances, unexpectedly and quickly.

This report from Whitehead Mann is timely and relevant because it demonstrates how to recognise what makes a great leader.

Read the report on the following link: http://212.100.253.72/knowledge_articles/CEO.pdf

Chairman and chief executive officer (CEO): that sacred and secret relationship

Andrew Kakabadse, Nada Kakabadse and Ruth Barratt, report their study in the Journal of Management Development Vol. 25 No. 2, 2006.

Whilst the relationship between the chairman and the CEO has been acknowledged as an important variable for attaining effective board performance, most studies stop short of entering into in-depth analysis identifying the critical components which determine the nature of this dyadic interaction. Attention to the interpersonal characteristics of the chairman/CEO and chairman and board relationships has been sparse. This study highlights two critical dynamics impacting on perceived board effectiveness; the latent and underlying potencies of a board and the manifest, emerging dynamics evident through board member participation.

Link: <http://www.som.cranfield.ac.uk/som/faculty/bookshop/assets/192b.pdf>

Further information:

See also the duties of the chair of a corporate board from:

The Combined Code [http://www.frc.org.uk/documents/pagemanager/frc/Combined_Code_June_2008/Combined%20Code%20Web%20Optimized%20June%202008\(2\).pdf](http://www.frc.org.uk/documents/pagemanager/frc/Combined_Code_June_2008/Combined%20Code%20Web%20Optimized%20June%202008(2).pdf)

The Walker Report http://www.hmtreasury.gov.uk/d/walker_review_consultation_160709.pdf