

The Leadership Troika: Defining Roles in Creating and Sustaining Change: The Board, Executive Staff, and Management

BY ROGER A. GERARD, PH.D., SLOAN & GERARD CONSULTING, AND DAVID A. SHORE, PH.D., HARVARD UNIVERSITY, TIANJIN UNIVERSITY OF FINANCE AND ECONOMICS (CHINA), AND UNIVERSITY OF MONTERREY (MEXICO), BUSINESS SCHOOL

The strategic planning process is about identifying, executing, and sustaining changes in the organization that make it more purposeful and effective in accomplishing its mission and vision.

In previous articles, we focused on the planning process itself, and on the dynamics experienced by healthcare leadership as the organization makes necessary changes.¹ While most before us have treated this as delineation between board members and executives, this article specifically emphasizes the differing roles played by the board and its members, the executive team, and *management* as strategy creates reality.

Why Differentiating Roles Is Important (Stratifying Leaders for Optimal Performance)

Much has been written about organizational change in healthcare, the board and executive roles in strategic deployment and change, and management responsibility for success in the deployment process. Usually, the work spotlights one layer of management (board, executives, or managers) including specific focus on roles and responsibilities of that individual layer of management, without delineating the differences in responsibility from one layer to another. Often, managers are left out of the picture entirely, despite the fact that they are in the middle of where the “real” daily work of the organization is done. Sometimes, conflicting opinions are expressed. According to Ellis Carter, “One of the fastest ways to destroy a non-profit is for board members and staff members to start confusing their roles and stepping on one

another’s toes.”² On the other hand, Stephanie Myrie writes, “Sometimes the lines are blurry, requiring flexibility and dialogue.”³ Further, there are circumstances when it is not only important but necessary for boards to get involved with management in management concerns.⁴ Certainly, such diverse opinions can cause confusion among board members and executives trying to understand what is expected of them.

Leadership takes many forms, and in strategy deployment, each layer of leadership has specific and somewhat different duties and responsibilities. Much “lip service” has been given to clear role delineation between board members and layers of management, but in practice, board members still impinge on executive and management work, executives still work to manipulate board decisions and actions, and managers attempt to navigate the turbulence that results. While roles may overlap at times and in certain circumstances, understanding the differences in each role offers a platform for achievement otherwise unavailable. Clarity and focus of responsibilities, authorities, and accountabilities offer benefits that foster alignment of intention and purpose, reduction of confusion and collisions in agenda, and minimization of misunderstandings about who is doing what when. Examples include board members misusing their

Key Board Takeaways

As the board works with the executive team and management to create and sustain change in the organization, it should consider the following:

- Differentiating the roles and responsibilities of the board, executives, and managers is critical in properly aligning the work of the organization, and attending to performance management.
- In many organizations, despite efforts to clarify roles and responsibilities, confusion still occurs.
- Having clarity of role and purpose will set the stage for rich dialogue, and increase the probabilities that leaders will move forward effectively together.
- Not everything can be nailed down into clear, unambiguous roles and assignments. Take your best effort and work with it, knowing that there will never be a perfect order.
- Training and abundant conversation about expectations, responsibilities, authorities, and accountabilities will be required.
- It will be necessary to nourish the cultural values of respect and teamwork among the various layers of leadership to ensure alignment of purpose, roles, and responsibilities. Role alignment and clarity requires trust and a culture of performance excellence.

board status to dictate operational decisions and actions, executives undertaking substantial initiatives that have not been strategically vetted by the board, managers focusing on parochial responsibilities at the expense of larger system priorities, and the list goes on.

The Purpose of Each Role (The Leadership Troika)

Organizational purpose is generally organized around several clear categories: governance, strategy and innovation, policy, fiduciary responsibility, quality, communications, resource management, and performance management. For each, there are three differing roles to play, which, together, form a leadership troika as follows:

- **The board/board member role:** Typically, the board is responsible for the overall mission, vision, values, strategy, fiscal and fiduciary oversight, boundary setting, and hiring and evaluation of the CEO. Each board member contributes their experience, wisdom, and

1 See Roger Gerard and David Shore, “Aligning Strategic Planning with Cultural Change Imperatives,” Governance Notes, The Governance Institute, June 2015; and Roger Gerard and David Shore, “Leading Operational Change at the Board Level: Navigating the First Mile,” *BoardRoom Press*, The Governance Institute, February 2016.

2 Ellis Carter, “Board Member vs. Executive Director Roles,” Charity Lawyer Blog, September 16, 2015.

3 Stephanie Myrie, “Effective Board Chair–Executive Director Relationships: Not About Roles!,” *Nonprofit Quarterly*, December 21, 2006.

4 Michael Peregrine, “Respecting the Line Between Governance and Management,” E-Briefings, The Governance Institute, May 2009.

perspectives to the formation and direction-setting process, and weighs in on critical strategic decisions affecting the future of the organization. Board members, as leaders responsible for oversight, typically work to improve the organization, via strategy, and the performance planning and data available to communicate what needs to change. *As leaders, their primary focus is to bring about change.*

- **The executive role:** Executives are responsible for system/organizational execution of strategy, prioritization and allocation of resources, and the aspirational leadership of management and staff. As leaders, they execute strategy via tactics that guide overall operational priorities and initiatives. They work freely within the boundaries set by the board, and are accountable for overall organizational performance, in terms of clinical/technical quality, managerial competence and performance, employee engagement, and financial performance. *As leaders, they, like board members, are primarily focused on bringing about change.*
- **The manager role:** Managers typically are charged with the tactical/operational execution of organizational strategy, stewardship of resources, hiring and management of daily work by staff, and

performance management of those staff. Unlike board members and executives, inherently, *managers exist to stabilize the organization*, via the use of policy, resources, training, and daily management. Managers as leaders are responsible for ensuring action at the staff level to make things happen, deliver services, and ensure the customer/patient is well cared for within the strategic intentions of the board.

To the extent that these differing roles are organized to work together, with common intention and purpose, the organizational payoff will be an effective execution of overall strategy and direction. However, to the extent that roles are unclear, ambiguous, and structurally in collision, the organization's performance will suffer in significant ways. It is imperative that steps are taken to clarify who is responsible for what, and to ensure that differing layers of leadership do not "muddy the waters" by interfering with other layers. Each layer has its job, and must be left free to do that job. (See Exhibit 1, which shows one organization's effort to clarify roles and responsibilities, so that all involved know their job. The actual document contains a more complete list of responsibilities, with more detailed delineation

of roles for each, but this example shows the general framework for the conversations that took place among stakeholders. All board members and executives were involved in the crafting of the final documents, in a facilitated group dialogic process led by one of the authors.)

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How These Roles Work Together (Getting the Job Done)

As roles differentiate, it is critical that board and executive leadership carefully consider how these roles should work together to create effective overall governance. A smoothly

Exhibit 1: Board, Executive, and Manager Roles and Responsibilities*

	Board	Joint (Board/Executive)	Executive Staff	Management
Governance	<ul style="list-style-type: none"> • Board/committee structure/oversight • Ensure board development and succession planning for officers, members, and CEO 	<ul style="list-style-type: none"> • Effective integration of board and management structures • Compliance with all bylaws requirements 	<ul style="list-style-type: none"> • Management structure • Executive succession planning • Cross-functional integration and management 	<ul style="list-style-type: none"> • Take action on decisions made at board and executive structural levels
Strategy and Innovation	<ul style="list-style-type: none"> • Establish and approve mission, vision, values, and goals • Strategy approval/oversight • Foster strategic innovation 	<ul style="list-style-type: none"> • Participate in strategy planning process, including robust competitive analysis • Foster a climate for innovation 	<ul style="list-style-type: none"> • Participate in strategic planning • Execute MVV (mission, vision, and values) strategy • Research new, innovative opportunities 	<ul style="list-style-type: none"> • Manage strategic and tactical activities in business units • Collect data/progress reporting
Fiduciary Responsibilities	<ul style="list-style-type: none"> • Ensure board decisions are in the best interests of the community • Ensure budget approval and capital allocations process • All duties required in bylaws 	<ul style="list-style-type: none"> • Overall financial vitality • Effective use of resources • Development and execution of compliance initiatives 	<ul style="list-style-type: none"> • Ensure executive decisions are in the best interests of the organization • Budget development/audit • Corporate compliance • Investment/financial planning 	<ul style="list-style-type: none"> • Effective cost management
Organizational Performance	<ul style="list-style-type: none"> • Hire and appraise/evaluate the CEO • Support the executive team • Oversight re: staff engagement 	<ul style="list-style-type: none"> • Balanced scorecard (KPIs) at system level • Initiate and execute processes to ensure application of roles and responsibilities guidelines 	<ul style="list-style-type: none"> • Establish business performance KPIs at entity and unit levels • Conduct regular performance audits and appraisals 	<ul style="list-style-type: none"> • Manage daily work focused on KPIs/business results (quality, financial, engagement, and customer care)

*Adapted with permission from work done by Marshfield Clinic Health System, 2015.

operating organization is never an accident. It is the result of many conversations among stakeholders throughout the organization about “what matters most.” When those conversations occur, the results create the framework for decision making and effective, efficient performance. This means having conversations and making decisions about:

- Attention to cascading authority and responsibility with clear assignment
- Creation and maintenance of a framework for performance monitoring and management
- Establishing a capacity for each level to assist other levels in accomplishing intentions, especially when the changing environment requires strategic and tactical change
- Building a developmental framework for cultivating competencies and skills over time
- Nourishing a culture of relational clarity, confidence, and predictability

These are not small conversations, and can sometimes be tedious, surfacing collisions in philosophy and individual intention/goals that are disruptive and unsettling. Often, such conversations require the help of trained facilitators who can keep conversations focused on what matters most, and ensure all voices are heard with respect and professional discipline. But the conversations are necessary if people are going to move forward together with common intention, and a common understanding of how things must work so that everyone stays in alignment.

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Problems Can Occur Requiring the Disciplines of Reflection and Change

In many organizations, despite efforts to clarify roles and responsibilities, confusion still occurs; people collide in their efforts to move forward, and difficulties result that have an adverse impact on overall performance. Some of the issues include the following:

- Board members, especially those who have an appointment to the board in addition to their staff responsibilities (such as physicians in healthcare organizations), sometimes feel that they can enter the day-to-day work of the organization and affect that work by issuing advice or even directives with staff. This is disruptive behavior, and can even be abusive in the misapplication of authority, undermining the manager of the area they have entered. A board member should never feel free to assign staff to favored projects, or to interfere with the management of daily work. (For

example, in one organization, a physician board member felt compelled to use his board “authority” to prevent the rightful discipline of his staff nurse by her manager, because “she was a good nurse,” without truly understanding the actions that led to her need for discipline in the first place.)

- Executives, often with good intention, sometimes speak for board members, and misconstrue intentions for the sake of personal agendas or expediencies. (For example, an executive used the board strategy of financial improvement to suggest that necessary quality initiatives be curtailed in the face of needed cost improvements. These should never be traded off.)
- We often expect managers to be both leaders (changing things) and managers (stabilizing things). (For example, “We need to reduce costs, and therefore staffing, but do it without compromising quality or increasing overtime, regardless of patient load! And do it within the next two weeks!”) This is schizophrenic at best and counter-productive and destructive at worst. Leaders change things, but managers stabilize things. The manager, by role, is “in the middle,” dealing daily with the transition process described by Kurt Lewin in his three phases of change (unfreeze, *transition*, refreeze).⁵
- Leaders at all levels, in the name of politics or other urgencies, often fail to call out inappropriate behaviors of board members, executives, and/or managers. Such avoidance merely serves to teach people the wrong things about what is appropriate and what is not, and exacerbates the problems as things move forward. It is necessary that people have the courage to deal directly with the issues of governance and leadership. Failure to do so just makes things worse. Have the crucial conversation.

So, What Is the Solution to All of This?

Creating an effective decisional governance structure and process is time-consuming work that is mostly conversational and involves many stakeholders in the organization, at all levels. However, it is work that must be done if people are to be able



⁵ See Kurt Lewin, “Frontiers of Group Dynamics,” *Human Relations*, Volume 1, 1947, pp. 5–41.

to work effectively together. Some advice below will get you started on the process:

- First, and most importantly, roles and responsibilities of each layer of leadership must be made clear, with defined boundaries. Doing so will result in clarified expectations, more certainty, and more predictability of leader behavior over time.
- People must recognize that, beyond certain limits, there must be some flexibility; not everything can be nailed down into clear, unambiguous roles and assignments. Take your best effort and work with it, knowing that there will never be a perfect order. The key is building strong relationships so that trust can evolve, and people can help one another without the need for power struggles and other concerns.
- Training and abundant conversation about expectations, responsibilities, authorities, and accountabilities will be required. This includes training current and new board members, executives, managers, and even some critical staff, so that everyone is on the same page, with the same understandings, and using the same language to describe how things work.
- Clear governance documents must be created that spell out processes for

mediation of role conflict and collision. Collisions will occur and such documents help the conversation along, providing a frame of reference for people to use in building and rebuilding relationships over time. When the documents are found to be defective in some way, they are not cast in concrete, but can be changed as needed by further conversation among board members, executives, and managers. It is in dealing with exactly these kinds of issues that long-term trust is built among the different layers of leadership.

- Finally, it will be necessary to nourish the cultural values of respect and teamwork among the various layers of leadership to ensure alignment of purpose, roles, and responsibilities. If a history of misbehavior, misalignment of purpose, or role confusion has created distrust and cynicism (which it often does), time for conversation about that will be needed and should be facilitated by an experienced process facilitator.

Summary

Differentiating the roles and responsibilities of the board, executives, and managers is critical in properly aligning the work of the organization, and attending to performance management. Doing so

creates clarity, creates predictability, and fosters a better understanding of how things must be done by diverse layers of management. Doing so recognizes that roles are necessarily different, but with some overlap. Moreover, it establishes a framework for trust, respect, and effective teamwork among leaders. Problems and collisions will still occur, and robust dialogue will be necessary to ensure successful resolution. However, having clarity of role and purpose will set the stage for that dialogue, and increase the probabilities that leaders will move forward effectively together. ●

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