

# The Board Chair-CEO Partnership

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*Prepared for*

The Governance Institute Leadership Conference  
April 2022



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## A Silver Lining



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2

## Research Questions

- How is the board chair-CEO relationship changing?
- What are the characteristics of effective board chair-CEO relationships?
- What are the essential steps for a newly established board chair-CEO relationship?
- How can a board chair and CEO advance to a full partnership?

3

3

## Research Methodology

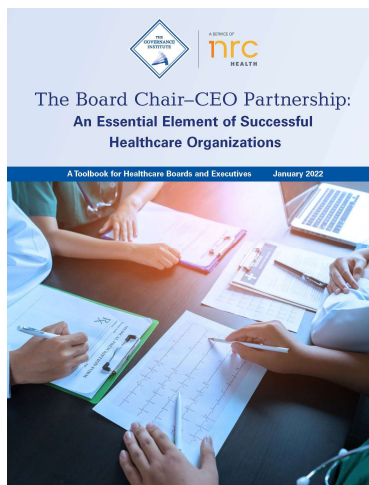
- Focused survey of board chairs and CEOs
- The Governance Institute's 2021 Biennial Survey
- Individual interviews of board chairs, directors, CEOs



4

4

## The Governance Institute Toolbook



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## Wisdom from the Governance Front Lines

- “A good board chair doesn’t happen by accident.”
- “Today’s board chair must be perhaps better read in (healthcare) industry trends, metrics and changes than ever before.”
- “The board chair must be able to respectfully challenge the CEO.”
- “The best board chairs are supportive and challenging.”
- “The dynamic nature of our industry requires more Chair/CEO discussion than ever before.”
- “It is important that the board chair recognize and support the need for change, despite historical success.”

6

6

**PAGE 3**

**The Governance Institute’s Leadership Conference – Hybrid Event  
April 11–12, 2022**

## Foundational Elements

- Transparent communication
- Mutual respect
- Time investment
- Trust



7

7

## Partnership of Equals

- Distinctive roles/job descriptions
- Healthcare industry knowledge
- Sounding board
- Thought partners
- The “I Don’t Know” Test



8

8

## My Favorite Definition

*“A thought partner challenges your thinking, causes you to modify or change your paradigms, assumptions or actions and has information or a way of thinking that provokes you to innovate or otherwise leads to value creation in your business, career or life.”*

- Forbes



9

9

## The Chair and Full Board Relationship

- Chair maintains responsibility for keeping the board engaged and informed
- Facilitation skills are paramount
- Executive sessions
- Periodic, personal connection with each board member
- Opportunity for feedback on the chair's performance
- Term limits

10

10

## Board Chair Time Commitment/Compensation

- TGI 2021 Biennial Survey:

Board Chair Compensation  
Systems - 15.2%  
Independent Hospitals - 12.3%  
Subsidiary Hospitals - 10.1%  
Government Hospitals - 19.8%



11

11

## Risks

- Governance/Management boundary
- Board chair relationship with fellow directors
- Partnership vs. friendship
- Priorities - The organization and its needs are always both primary and central
- Board size



12

12

## Board Chair Selection

- Commit to succession planning
- Consult the CEO
- Assess previous experience and comfort level with partnership arrangements
- Assess facilitation expertise
- Consider status of relationships with other directors
- Think about crisis leadership capabilities



13

13

## Board Chair Selection - Key Questions

- Are the strengths of the CEO and the potential chair overlapping or complementary?
- Has the potential chair proven his or her understanding of the difference between governance and management?
- Have meeting facilitation skills been directly observed?
- Is the potential chair a role model for ongoing learning about healthcare?

14

14

## Start-Up Tips

- Commit to a regular meeting schedule
- One-on-one time is essential
- Meet off campus
- Establish a personal relationship
- Establish mutual expectations
- CEOs: Educate yourself about the chair’s professional background, expertise and previous governance experiences

15

15

## Moving an Existing Relationship Toward Partnership

- Start with a conversation - “How can we work more effectively together?”
- Openly discuss time expectations of both parties
- Assess and potentially revise the communication structure
- CEOs: Are you focusing on management matters when you meet with the chair?
- Conduct a routine post-board meeting debrief
- Board chairs: Change up the conversation topics



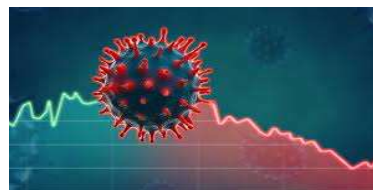
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16



## The Pandemic Impact

- Board chair role increased in difficulty due to the increasing complexity facing the organization
- Board chair and CEO increased communication frequency
- Transition from F2F to Virtual
- Board chair often became the “glue” bonding the board together during crisis peaks
- Board chair as ‘cheerleader’



17

17

## The Partnership: From Pandemic to Endemic

- Schedule an intentional conversation to review key learnings and to develop the future relationship pathway
- Board chair: Revisit CEO accountabilities
- Map the governance game-plan



18

18

## Attention Board Chairs (The CEO Perspective)

- Understand the perspectives of each board member
- Can facilitate meetings and build consensus
- Keeps me informed about executive sessions
- Can assist the board in providing clear direction
- Be a role model for distinguishing governance from management
- Must be selfless; the organization and its mission are first

19

19

## Attention CEOs (The Board Chair Perspective)

- Help the board understand the complexities of health care while providing focus on the most relevant elements
- Communicate clearly and with the appropriate frequency
- Support the need for executive sessions



20

20

## Benefits from the Board Chair-CEO Partnership

- Leads to more targeted and effective governance
- Maximizes strengths and contributions
- “All hands on deck”
- Prevention & early intervention strategy
- Major contributor to effective CEO leadership
- CEO retention
- Director recruitment and retention
- Strategic advantage



21

21

## Takeaways

- A true board chair-CEO partnership is a goal worthy of the time and effort.
- A solid business case exists for an effective board chair-CEO partnership.
- Start planning NOW for future board leadership talent.
- Current chairs and CEOs: Take the initiative!



22

22

## Final Thoughts

“I can do things you cannot, you can do things I cannot; together we can do great things.”

Mother Teresa



23

23

## Questions???

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*Thank  
you*

24

24

## Resources

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- Kimberly A. Russel, “The Board Chair-CEO Partnership,” The Governance Institute, January 2022
- “The Role of the Board Chairperson,” 3<sup>rd</sup> Edition - Elements of Governance, The Governance Institute, September 2016
- Stanislav Shekshnia, “How to be a Good Board Chair,” Harvard Business Review, March-April 2018

25

25