

Effective Governance: Board Roles and Relationships

Effective governance manages the roles, tasks and relationships between Board or Council members and the organisation

Good governance builds good relationships. It grows out of clear, formal roles and responsibilities for Board or Council members and for the organisational officers or staff. In these circumstances, everyone knows what to do, what to expect and how to make their best contribution to the work of Board or Council.

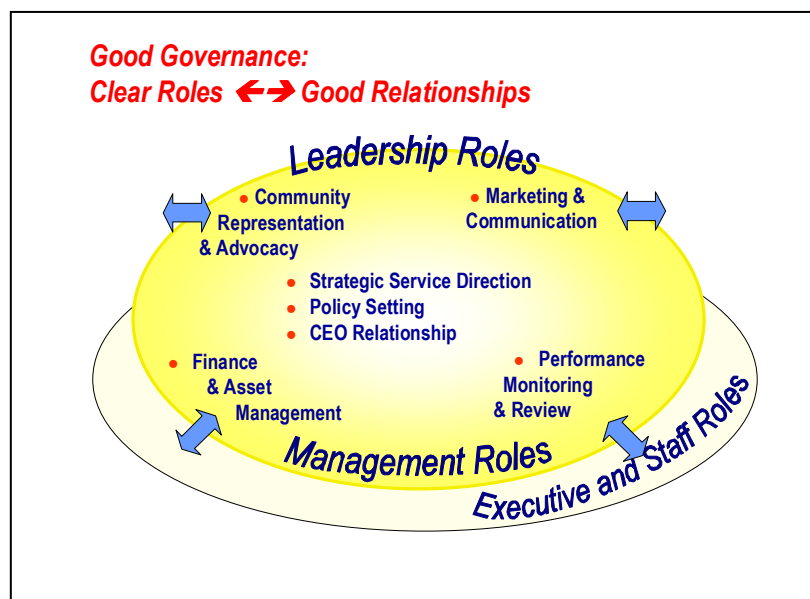
Defining these day-to-day arrangements is also the best way to foster more effective, informal working relationships. It seems that role clarity comes first - and that good relationships follow. Role clarity helps councillors and organisational staff to be clear about their authority and purpose. This builds good relationships within the Board, between Board members and staff, and with others in the community.

Clear roles and good relationships together are the best way for the Board to fulfil its primary aim of providing strategic leadership to the organisation as a whole. We believe that this is the leadership and management challenge.

Governance Roles and Tasks

Seven roles and the key responsibilities for Board members can be described.

1. *Strategic Service Direction*
Board conducting a strategic review of the challenges, needs and opportunities in the community and the capability and capacity of the organisation - setting key objectives for the organisation as a whole.
2. *Policy*
Developing policies for governance, planning and corporate management of the organisation.
3. *Finance and Asset Management*
Long term financial planning, with support from senior staff, and the monitoring of revenue, costing, pricing, assets and infrastructure, debt and annual budgets.
4. *Performance Monitoring & Review*



Ongoing monitoring and auditing of organisational and service performance. The challenge for the organisation is to develop meaningful, but 'high level' performance indicators rather than bogging the Board down in masses of operational information.

5. *CEO relationship*

The Board's prime relationship is with the CEO and to a lesser extent with second line Directors. Board is responsible for appointing the CEO, establishing contractual conditions and developing a monitoring, feedback and review process linked to the organisation's strategic plan. Clarity in the formal requirements of this relationship greatly contributes to effective working relationships with other senior staff.

6. *Marketing and communication*

Communicating and consulting with the community - promoting the work, challenges and achievements of the organisation.

7. *Community representation and advocacy*

Board members have a primary role in understanding and negotiating the interests of service users, other organisations and government, and the community generally with their fellow councillors.

Relationship Styles

Effective relationships also rely on 'how' we enact the roles described above. Board members, senior managers and staff always operate with a variety of interpersonal work styles. All are useful and necessary. Our experience of many Boards is that the real secret to effective organisational relationships is to manage a balance of these styles - to suit the context, issues and people involved.

The key styles are:

- *Bureaucratic, procedural and task focussed*

This approach to Board relationships relies on the structures and methods of 'rules of order'. It is a very useful way of managing conflict - using agendas, nomination and seconding of motions, amendments, points of order and voting. It can damage other aspects of Board's relationships if it is the only way we do business or if the voting is always tight.

- *Rational problem solving*

Rational discussion, debate and persuasion is a delight! It builds relationships through shared investigation of the facts, analysis, discussion and conclusion. This does not necessarily mean that we agree - but honest engagement in rational debate has a knack of building trust and mutual understanding. These are essential prerequisites of more sustainable relationships.

- *Tactical and political*

Sometimes, the available outcomes are in conflict - with no other apparent solution. In these circumstance our relationships will become more competitive. In many organisations people become skilled at the tactical control of relationships - seeking to engage, withdraw, deflect or manipulate the process. This is inevitable, but can be positive if done 'in the service of the task'. Tactical approaches will damage relationships, sometimes very badly, if this is done in the service of power or simply winning.

- *Collegial and interpersonally supportive*

Lastly, the most personally satisfying approach is one that relies on interpersonal engagement - building a real team between Board members and with Senior Management. This approach relies on listening, curiosity, appreciation of diversity, encouragement, constructive feedback and a genuine wish to work together.



Effective relationships between Board members and with organisational staff are defined by clear roles and responsibilities. The best relationships include a range of styles - task focussed, rational, creatively competitive and interpersonally sensitive. Such relationships take time, trust and commitment to develop.

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