

Director-CEO Relationship

by

Scott Pickard

The foundation upon which an outside director builds an effective tenure on the board is based on a healthy and mutually respectful relationship with the CEO. The strength of this relationship is tested during two major lines of interaction (questioning) between the director and CEO.

When focusing the CEO on the highest-leveraged priorities for the business, the CEO and management are obligated each day to put out a certain number of operational fires while moving the company along towards the strategic plan and goals. There's rarely time to kick back to think and discuss the big picture. It is the director's responsibility to focus the CEO and fellow board members on the highest-leveraged strategic issues facing the company, and the director has a choice of interaction styles that fit the situation at hand:

- **Pulling** – Asking questions intended to lead management (and the board) to a conclusion or action the director has in mind.
- **Pushing** – Stating a position upfront and then defending the position against challenges from the CEO and board.

and

- **Supporting** – Supporting management and encouraging them to act.
- **Challenging** – Challenging management and requiring them to act.

The key word for directors is balance between these ranges of interaction styles with the CEO.

Confidence is a fragile commodity which is a powerful driver of human performance, and can be torn down quicker than it takes to build up. Coaches know that even the most talented of professional athletes are vulnerable to an erosion of confidence caused by a string of failures. So too directors must be aware of the confidence-affecting balance of pull vs. push, support vs. challenge that they practice with the CEO.

Trust Your Instinct

Focus and *Accountability* are the two principles of directorship that guide the director's words and actions as they relate to the CEO. And the range of behavior the director can choose to serve each principle is broad and must be adapted to the personalities and situation at hand. Like any long-term relationship that is based on mutual respect, trust, and principles, there will be periods when the strength of the relationship between the CEO and director is tested by the stress of the director's obligation to bring focus and accountability to management and the board.

The effective director has only his or her experience-based common sense, patience, flexibility, good timing, and instinct to rely on when navigating this course.