

Good relationships require everyone to be on board

Gordon Tinline looks at some of the options for keeping things positive at executive level

Over the past 10 years Robertson Cooper has worked with the boards and top executive teams in many public sector organisations to help them improve working relationships. Recently, much of our work has been with the boards of NHS trusts and we have seen a definite connection between the external pressures they face and the state of relationships within their boards. Tension is rising and boards are looking for strategies to maintain healthy relationships in the boardroom.



In the case of the NHS, there can be little doubt that the pressures on trusts to maintain and improve services while at the same time constraining resources are beginning to bite. The quality, innovation, productivity and prevention (QIPP) agenda is driving boards to consider how they can reduce their cost base and deliver against ever-increasing health outcome demands. The failure of governance and leadership at the Mid-Staffordshire Foundation Trust continues to cast a shadow. In some ways this is positive – because it is a clear warning of the dangers of becoming so focused on finance and targets that the basics of effective patient care get lost. However, such a landmark example of poor practice can lead to a climate of risk aversion. That can block the innovation required to respond to the QIPP agenda.

Looking specifically at where problems on boards can arise, a classic area of tension is the relationship between executive and non-executive directors (NEDs). Of course, for effective governance there should always be some tension – NEDs are on the board to provide assurance that executives are running their organisations legally and effectively and this means they need to ask difficult questions. Clearly the combination of how and when these questions are posed, and the initial response to them from executive directors, has a large bearing on whether the exchange turns into constructive dialogue or negative conflict. But contextual pressures tend to determine how well the board functions – that is, whether there is a climate of constructive challenge and support within the board or one characterised by dysfunctional relationships, a lack of trust and defensive conversations.

So important is the role of NEDs that the regulator, Monitor, has just published a revised code of governance for NHS foundation trusts that covers this area as well as broader issues. It states that NEDs should “scrutinise the performance of the executive management”. Scrutinise means “to examine in detail with careful or critical attention” – so how does a NED do this without being perceived by executive directors as not trusting their professionalism? Scrutiny while maintaining open

constructive relationships could, at times, require the diplomatic skills of an ambassador, so it is critical to find NEDs with interpersonal as well as business skills.

More generally, pressure can cause various relationship problems on boards – these are some of the most common:

- NEDs believe executive directors are defensive and reluctant to involve them in critical decisions
- Executives feel that NEDs don’t trust them or allow them to exercise their professional judgement
- The board chairman is seen as taking sides by both NEDs and executives – like the football referee accused of bias by both teams
- A perception that board meetings take forever or that far too much time is devoted to operational detail, rather than overall performance and strategic direction.

So, how can you make relationships more constructive? Here are three options:

- 1) In the words of Stephen Covey, “seek first to understand then to be understood”. It is easy to slip into focusing on how to present a paper to the board in a non-contentious way that maximises the chances of getting it through painlessly. Board papers are much more effective when they are written with a clear understanding of the needs of the audience – particularly NEDs, who will not have the same depth of background knowledge or context. Avoid making assumptions about what the board will take as a “given”. Try to draw attention to the content that is strategically critical.
- 2) Keep revisiting common values. It is easy to become fixated on differences of opinion. Discussing how the board is doing in terms of the way directors behave to deliver core values is important. It refreshes common purpose and reminds members that perhaps some debates have been raging for too long when reconsidered in the context of what is really important.
- 3) Consider NED-executive “buddying” or shared portfolio collaboration. For example, there may be a NED with a financial background who can partner with the finance director to collaborate on strategic financial issues. Even if they only meet informally once a month to discuss relevant issues, this can help ensure a better shared understanding. But guard against cosy relationships forming that can undermine the benefits of this approach.

Boards contain the most influential people in any public sector organisation. Relationships within them are critical to organisational success and little is more important than fixing a truly dysfunctional board. History teaches how bad the outcomes can be if such a board is left to its own devices.

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