Challenges in Contemporary Governance

Chair/Chief Executive: working together to build resilience

Introduction and background

This article is prompted by a Centre for Charity Effectiveness (CCE) presentation at the 2020 Civil Society Trustee Exchange held on 29th and 30th July 2020. It builds on thinking emerging from a seminar held by CCE for Chairs and Chief Executives[1] in July 2020 which tackled the topic of the Chair/CEO relationship during the COVID 19 pandemic.

The reflections from this seminar form the basis of both the Trustee Exchange presentation and this article. The learning from the seminar has been interwoven with material from academic literature, findings from 12 interviews held in July 2020 with Chairs and their CEOs, and finally, with some material emerging from the Trustee Exchange session, where participants took part in a poll, and also gave their views about how individuals can build resilience in others.

The central theme running through the presentation and this article is:

> ➢ Of all the relationships in a charity, the Chair/CEO one has the power to have the most positive impact across the whole system
> ➢ A strong Chair/CEO relationship will strengthen organisation resilience and enable a more effective response to crisis, and provide the foundation for greater agility.

This article will look at:

1. Reflections from the Chairs and CEOs who took part in our seminar and interviews about working together during turmoil: lessons learnt and messages to carry forward.

2. Thoughts about how the ripple effect of this important relationship can create resilience through the organisation, posing links between this 'dynamic duo', resilience capacity, and strategic agility.

Working together during turmoil: lessons learnt

The Chairs and CEOs involved in our seminar and interviews were encouraged to have a focus on the positive, on lessons they have learnt and want to share with others about how to make things work better and improve practice.
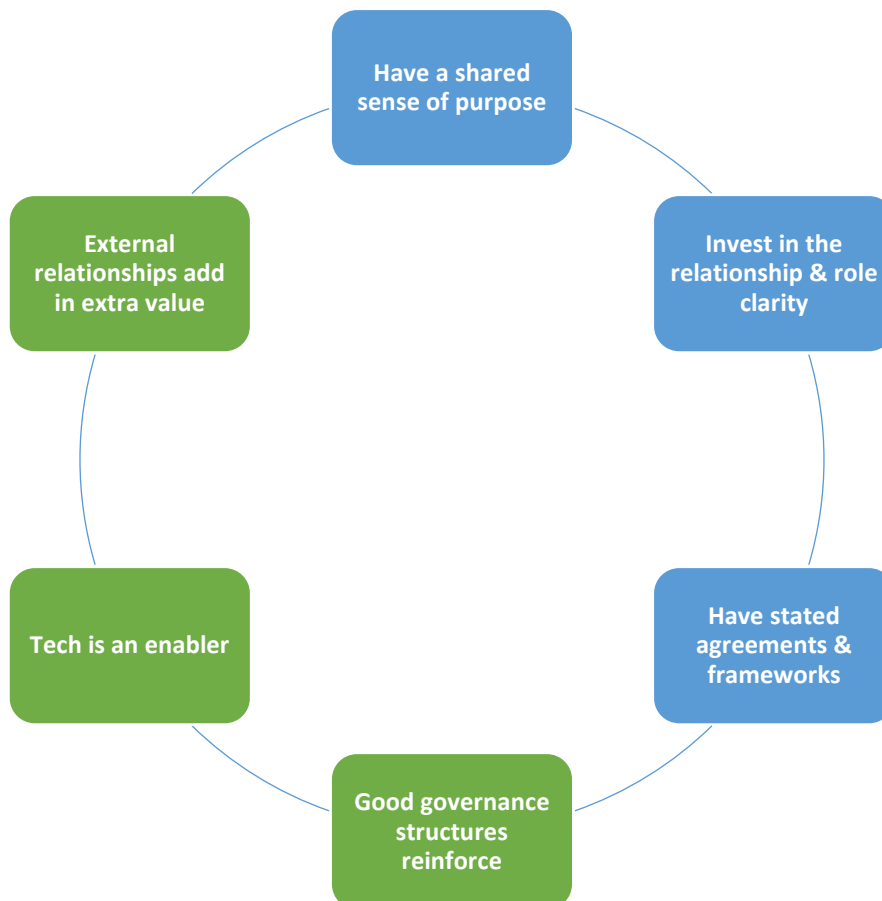
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[1] CCE has been convening both breakfast and tea time Chair/CEO seminars through 2019 and 2020: the 'pair' have to attend together, and with their peers tackle topics of interest under the general heading 'Challenges in Contemporary Governance'; more articles from these seminars will be published over the next few months

It is recognised that some relationships haven't flourished, that there have been strains and tensions, and this has sometimes spilled over and had a negative knock effect on the rest of the organisation. Learning from this may well need to be the subject of another article at some point – this one is about building on the good, so that others can learn and take positive action to strengthen their relationship.

The learning themes are below, and what Chairs/CEOs actually said can be found in Appendix One.

It is clear from the responses from Chairs and CEOs that the greater the effort that was invested in the relationship and supporting frameworks prior to the COVID 19 pandemic, the greater the likelihood of the relationship flourishing (or at least not floundering!) during turmoil. It is also apparent that continuous conversation and sense-making through the crisis to explore together, surface assumptions, reframe ideas, test things out etc. has to be seen as a necessary ongoing investment.

The blue shaded aspects are learning about the Chair/CEO relationship; the green represent wider learning:

It is very clear that a number have found new ways to operate and lead together:

- The importance of stated agreements about how the Chair/CEO will work together: role clarity is absolutely vital.
- The need to be really clear about the shared agenda, and focus on what's important.

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- Having worked at the relationship in the past pays dividends: a number talked of having already been through the storming phase in their relationship prior to it being tested by crisis.
- Showing vulnerability and seeking support builds trust.
- Being really open both ways builds trust.
- Explore together, test things out.
- Nurture gut feeling and use alongside evidence when making decisions.

Some of the most powerful quotes are:

"It's like in Dirty Dancing – 'this is my space and this is yours' – it's how we make a great dance together and respect each other's space"

"Overlapping circles really matters – it wouldn't have worked so well if we'd been the same or clashed"

"We listed the top 4 priorities and this is what we focussed on together"

"We faced everything with a shared understanding and said 'what's our line on this' and moved forward together"

"We looked around dark corners together unafraid to look where others might feel unable or unsafe to do so!"

"We presented a strong united front and this gave everyone confidence and built trust

There is also a sense emerging from the feedback from Chairs and CEOs that what worked in crisis needs to be revisited as organisations emerge from crisis – a number stress the need to 'recalibrate', to take some initiatives forward and stitch them into future practice, but not to assume that what works in short term crisis will continue.
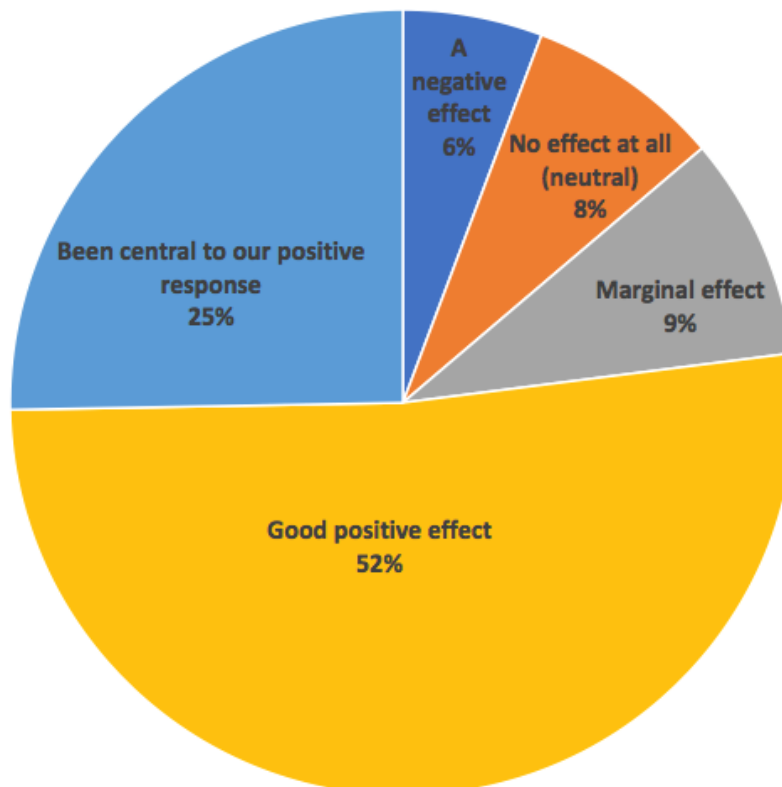
Finally, a number report how important it was to understand the ripple effect: where the Chair and CEO purposefully designed how they would deal with communications, the message, preparing those around them (each 'looking after' the needs of their respective teams), this did have a positive knock on effect across the organisation.

Linking the ripple effect from this strong relationship with resilience capacity and strategic agility

The ripple effect

The ripple effect was tested at the Trustee Exchange using a poll, completed by 89 people. The results support the view that the Chair/Chief Executive relationship is influential across the system. 77% of those completing the poll saw a good positive effect, or even better, one that was central to a positive response.

Poll: The Chair/CE relationship in my organisation has contributed positively to the effectiveness of our response to the pandemic:

Chairs and CEOs in our seminar and interviews made specific reference to this ripple effect that illustrates the power of the pairing to drive positive effects:

- "We presented a strong united front and this gave everyone confidence and built trust"
- The notion of overlapping circles is important: "We took our respective teams with us"
- It has to be worked at/designed: "We prepared our respective teams"; "We created a safe space for the Board and Exec to come together and articulate their views openly"
- "There was a symbolism in our regular meetings and briefings which both instilled a sense of confidence and allowed us to be nimble"

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Resilience capacity

> "Your capacity to maintain your well-being and respond effectively in the face of obstacles and set-backs". (Gibson 2018)

There is a close relationship between the learning from the crisis reported by the Chairs and CEOs involved in our exploration and what management literature finds are the behaviours and actions that build resilience capacity.

Lengnick-Hall (2009) asserts that resilience capacity can be developed and managed:

- Pay attention to the external environment to understand the forces at work and how they might impact.
- Establish a strong sense of Purpose; communicate purpose and the rationale powerfully and consistently, especially reinforcing the Values which bring a shared sense of meaning; this is a strong aspect in much of the literature and chimes with our study reflecting the importance of a shared frame of reference.
- Put in place habits and routines around resourcefulness and creativity: exploration, 'sense-making' (getting a depth of understanding, a map, looking for patterns), Soon and Prabhakaran (undated) would add in here: testing assumptions, trial and error experimentation with ideas, reflective processes, creating a safe environment where people will speak up.
- Establish inter and intra organisational relationships with open access to shared resources, capitalise on broad networks and diverse relationships; build social capital[2] bridging across organisations to generate greater capacity and confidence.

There is a strong sense in much of the literature that building resilience is better done collectively (rather than on your own), within and between individuals, even between organisations. Soon and Prabhakaran (undated) capture this by explaining that exploration with others, mutual encouragement, going beyond one's own understanding through dialogue, enables us to get diverse insights that could not be gained individually, and in expanding the conversation, resilient behaviour and mindset can have a positive influence on a larger circle.
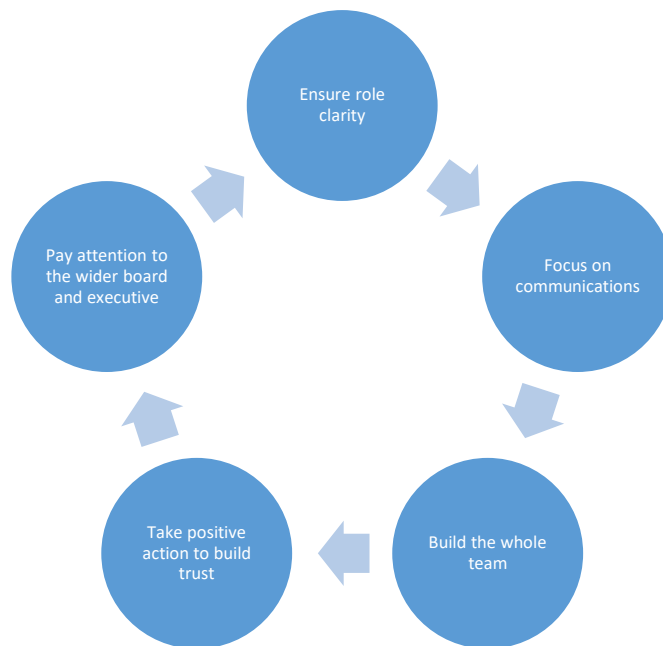
The importance of trust[3] as a building block for resilience cannot be underestimated, and again was a key feature of the findings from the study with Chairs and CEOs. Trust is important because the effectiveness of efforts to strengthen resilience capacity is dependent upon the quality of relationships (one to one and across communities). Soon and Prabhakaran (undated) suggest that to build resilience we need to trust each other to each take responsibility for our part, and that trust is deepened when we create a learning environment, feel safe and supported, when we can be vulnerable and feel able to speak up.

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[2] "Social capital is a resource, both private and public, inherent in the *structure of relationships* in organisational social networks and interpersonal relationships". Begum (2003:11)
[3] An individual's confidence in the intentions and capabilities of a relationship partner and the belief that a relationship partner would behave as one hoped (Deutch 1958 in Soon and Prabhakaran (undated))

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Participants in the 2020 Trustee Exchange Chair/CEO Resilience session offered their ideas about ways to build resilience:

What participants actually said can be found in Appendix Two, and the messages chime with much of the findings so far. An added perspective from this event was the importance of paying attention to the wider board and executive team and not making it 'just the Chair/CEO show'. This study has very much focussed on the Chair/CEO relationship, but not to the exclusion of others, more to enable others. Participants in the session especially stress:

- Ensure that all trustees feel they are part of moving forward, so more frequent update.
- Support trustees to have the information that they require for decision making.
- Agree that the relationship between Chair and CEO is essential for clarity but needs to be communicated to all trustees so they can support/challenge as necessary and feel part of the decision.
- Make sure a strong relationship can be sustained... include other trustees occasionally in Chair/ CEO one-to-ones.
- Support new trustees so you do not lose them - you will need them in the future.
- Make sure all trustees and the executive feel able to make a contribution at any time and know that they will be listened to.
- Have to be careful that the Chair/CEO relationship does not prevent proper debate by trustees.
- Encourage others to think about succession planning.

The point about whole board debate, support and challenge (and all feeling sufficiently informed to enable this) was the topic of the CCE contribution to the 2019 Trustee Exchange, and materials from this session can be found on the website, along with a link to the CCE Building Better Governance Guide to building the whole top team (Board and Executive).

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Resilience capacity and strategic agility

Lange (2019) links together resilience (as the ability to bounce back and recover after hardship and adversity) and agility (which helps us deal with ongoing relentless change, uncertainty, ambiguity and insecurity), asserting that taken together they create the notion of 'bounce forward'. Lengnick-Hall (2009) extends this by saying that they each have common roots, and the potential to enhance future prospects by transforming at the same time as recovering; if you work to build resilience capacity, this will help with strategic agility.

Lange (2019) cites characteristics of those who are both personally resilient (and thus as has been found more likely to enable the resilience of others) and agile:

- Self-aware and not defensive when receiving feedback.
- A clear sense of reality.
- Curious and willing to take risks; a talent to improvise and adapt (make the most of what they have).
- Hyper aware of the external environment; a clear sense of reality.
- Able to take evidence-based decisions.
- Able to engage with others, motivate and inspire.

Once again, the resilience/agile literature stresses the importance of a strong shared purpose and value set to guide and enable quick, decisive action to take advantage of opportunity and explore new options.   Good communications, adaptable structures and processes that connect are also seen as vital (Lange 2019), along with the need to enable an environment of reflecting and learning. There are many parallels with the learning from the Chair/CEO seminar and interviews.

A distillation of all the themes emerging from this short study show the following as important aspects to consider as individuals, partnerships and organisations work together to face an uncertain future:

For individuals
- Show vulnerability, be open about how you feel, and seek support
- Think about your propensity to trust and how to build trust in others
- Maintain a sense of reality (however grim it is!)

For the Chair/CEO
- Work at the relationship; design it, don't leave it to chance; have stated agreements and role clarity
- Work at the ripple effect, especially across the whole top team: design it

For the wider organisation (everyone)
- Have a shared sense of purpose; use this to sense-make; create safe spaces for dialogue
- Reach out to others and build networks and relationships
- Create habits and routines that aid reflection, encourage learning and insight

Reading and references

On resilience

Gibson, Andy (2018) The Mind Manual Hamlyn: London

Lucy, Dan and Shepherd, Catherine (2018) Organisational Resilience: developing change readiness: Roffey Park

Soon, Sueann, Gopal Prabhakaran, Saradevi (undated) Team Resilience: an exploratory study on the qualities that enable resilience in teams: Roffey Park

On resilience and agility

Lange, Katharina (2019) Agility and resilience: The essential qualities of leadership in the digital age: The European Business Review

Lengnick-Hall, Cynthia (2009) Resilience Capacity and Strategic Agility: Prerequisites for Thriving in a Dynamic Environment: University of Texas

McCann, Selsky, Lee (2009) Building Agility, Resilience and Performance in Turbulent Environments: HRPS Volume 32

On social capital

Begum, Halima (2003) Social Capital in Action: adding up local connections and networks: Centre for Civil Society

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Appendix One: Chair/CEO Lessons Learnt

Learning themes	What Chairs and CEOs said
Having a shared sense of purpose and focussing only on what's important brings clarity and unity	"We listed the top 4 priorities and this is what we focussed on together" "Park anything that isn't a key priority" "Helping maintain a sense of perspective has been really important – testing things out and making sure we are giving the right amount of weight to things has been vital" "We had the same rallying cry" "We presented a strong united front and this gave everyone confidence and built trust" "Reinforcing and living the Values together added strength" "A clear focus on the Mission – bringing all discussions back to the beneficiary really worked"
Investing in the relationship and in ensuring role clarity is important and has to be a continuous process	"It accelerated what was already there and what would have evolved naturally – we'd done our storming and norming before the start of the pandemic – that was really important" "Being like overlapping circles really matters – it wouldn't have worked so well if we'd been the same or clashed" "It's like in Dirty Dancing – 'this is my space and this is yours' – it's how we make a great dance together and respect each other's space" "We are stronger and more confident in our roles and boundaries" "Role clarity is really important – being clear about who does what between the Chair and the CE" "Explore together and nurture gut feeling and use this alongside evidence when making decisions" "We look around dark corners together, unafraid to look where others might feel unable or unsafe to do so!" "We've been very open both ways – this has built trust" "Showing vulnerability is really important, as is the giving and receiving of support, both ways"

Having stated agreements, clear frameworks and regular meetings helps to underpin and reinforce the relationship	"There was a symbolism in our regular meetings and briefings which both instilled a sense of confidence and allowed us to be nimble" "I've taken things to my Chair earlier in their development than I would have in the past which was helpful" "We had shared decision making criteria"
There is a ripple effect outwards, especially if you work together to bring people with you	"We each prepared our respective teams so that everyone arrives at meetings prepared and ready" "We created safe spaces for board and exec to come together and articulate their views openly" "We took our respective teams with us" "We've used the Chair as a buffer with the Board and CE has been able to be agile and make decisions" "The Chair supporting the CE made a huge difference" "Speaking with one voice built trust between us and around us"
What people will preserve going forwards	"The level of openness between us" "Being clear about what I want and why – what I need her to do" "We realise we haven't paid enough attention to the well-being of the board, and must do much more of this going forwards" "The notion of freedom to act within an agreed framework"
The importance of the need to recalibrate as people and organisations emerge from crisis	"it was right to live in the moment but we now need to think about next year and securing the future" "We now realise that uncertainty is the new normal but crisis isn't – we're out of crisis now and have to change our behaviours again" "The power of pause - we will now look at what worked well, and carry this forward into the future"

More general lessons learnt – beyond the relationship	
Good governance structures make for a more effective response	"Because we had a good structure in place (for decision making, for assurance/risk management, committee structure, board meetings calendar) we were able to adapt rather than start from scratch" "It's easier to get better quality decisions with fewer people" "Understanding what trustees and the exec (all stakeholders really) needed was vital, especially around their information and assurance needs" "Having a Chair and other trustees with direct experience of working in the sector was a clear benefit in supporting other board members to interpret the crisis"
Tech as an enabler	"Tech is a huge enabler - but it also makes you very accessible" (too accessible, and for a number, too great a burden to continue for long) "We will carry on having virtual meetings as they are so efficient – but intersperse them with face to face"
External relationships also flourished & provided extra value	"Relationships have got better and we must build on this" "People came together across our sector and we can build on that in the future" "We learnt from each other and also realised how well we were doing – it affirmed that we were doing OK"

Appendix Two: Trustee Exchange input on ways to build resilience

Positive action to build trust and the relationship	• Be vulnerable • For me building resilience needs to be focused around nurturing relationships - within the board, within the organisation, with funders and collaborators. • Share a dinner • Talk through the tough issues before sharing just to check perceptions and understanding • Honour achievement and value each other • Provide opportunities to focus on well-being and mental health, off-loading emotional reaction • Be open to discussion of mistakes, avoiding blame and jointly working through the learning. • Lean into problems • Model what you want to see in others • Supporting the trustees and staff is time and energy consuming - try to ensure that CEO (particularly) and Chair are able to have some space for themselves • Be agile but stop and breathe. • Leadership and partnership between both parties to give confidence and build resilience for both trustees and staff • The strong relationship must contain a willingness to listen to each other and accept there are times when each will challenge the other. The weakness is when half of the relationship is not strong enough to stand up to the other.
Ensure role clarity	• The Chair tried to be the best CE he could be and therefore took his eye off the strategic matters • A difficult situation when the Chair is a reluctant conscript because no-one else wants the post!
Pay attention to the wider board and exec	• Ensure that all Trustee feel they are part of moving forward so more frequent update • Agree that the relationship between Chair and CEO is essential for clarity but needs to be communicated to all trustees so they can support/challenge as necessary and feel part of the decision • To make sure a strong relationship can be sustained... include other trustees occasionally in Chair/ CEO one-to-ones • Support new trustee so you do not lose them, you will need them in the future • Be careful not to make it the CEO and Chair show, you need all input from Trustees and Senior Staff • Supporting trustees to have the information that they require for decision making • At the end of the day the Chair is just one of the trustees and I think it is important to engage with all trustees and all staff and

	make sure they feel able to make a contribution at any time and they will be listened to. • Have to be careful that the Chair/CEO relationship does not allow for proper debate by trustees. • Encouraging others to think about succession planning • Succession planning - for example, preparing your vice chair to take on the chair role through involvement at an early stage • The Chair may not always be the trustee with most capacity, especially with such a world-changing event as covid-19. The relationship needs to recognise that. If the sector is to push forward its diversity we need to move away from chairs all being white early retirees that can put so much time in.
Focus on communications and building the whole team	• Be clear and consistent and as open as possible with all staff • Encourage. identify any problems that staff are experiencing. Listen carefully and value the responses • Good leadership • Building resilience: supporting all trustees and staff with empathy in times of difficulty • Constant communication, anticipating concerns, coming up with solutions, share outcomes with others, agree way forward. Success! • Communication from Chair/CEO of how they are valued. • Building trust by being present, Keeping the information stream flowing, listen to others ideas, but when you do take decisions, stand by them, to show others that you are not afraid to take the lead during difficult times • Building a really strong relationship between the chair and vice chair. We also set up task and finish groups so that we could take decisions quickly and respond and adapt, being very agile as an organisation. I would say we have experienced the positive things you covered in your presentation and have attracted new funding to respond to the needs we have identified. • Listening to the quietest of voices • Supportive environment where the collective responsibility can be explored and moved forward • Understanding change, how it affects you and what tools you can use to help move through the change more easily