

Appendix 5 - The critical relationship: Chair, Trustees & Chief Executive

The workshop considered the differences in the roles of Trustees and the Chief Executive, how the roles are separated and what could be the likely cause of any difficulties. The workshop was led by Wesley Harcourt, London Manager at AdviceUK and Jennifer Ball, Training and Conference Co-ordinator at Law Centres Federation.

■ What are the differences in the roles of Trustees and the Chief Executive?

Chair & Trustees	Chief Executive & Staff Team
<ul style="list-style-type: none"> ■ Governance (governance is not management) ■ Ensuring things are done ■ Responsible for the mechanisms and working practices - strategy ■ Responsible for performance ■ Guidance on levels of service delivery 	<ul style="list-style-type: none"> ■ Management (Management is the responsibility of the staff) ■ Doing ■ Implementation of strategy agreed by the board ■ Carrying out and monitoring performance ■ Managing how to meet and monitor service delivery levels

■ How do you separate the two roles?

Delegates attending the workshop offered a variety of views including the following:

- It depends on the contract
- Is this a problem?
- Trustees tell the Chief Executive (CE) what to do
- Trustees develop strategies, they are policy makers
- The CE puts policies into action.

An example was given of where a Chair had also become the paid Director, with Charity Commission approval. Following on from this the facilitator posed the following question: is it possible to be your own employer?

One participant suggested it was useful to consider different models of governance. She used the analogy of school governors: in a period of transition governors may take on some of the duties of the Head. However, there has to be a plan to move out of such a situation which is not sustainable. Another analogy was used to demonstrate this: you cannot act as a Maths teacher unless you are qualified.

The facilitator suggested that when Trustees become involved in the day to day running of an organisation, it is often an indication that something is wrong or is not working.

Ideas about the role of the Chair/Trustees versus that of the CE were put forward by participants. These included:

- The job of the Chair/Trustees is to steer, not to manage
- Issues can arise when an individual sets up a “one person band” and resists the involvement of others
- The job of the Chair is to manage the meeting and the board, not the whole organisation
- Paid workers manage the organisation
- The CE reports to the board and reports back to staff
- The board offers leadership and organisational monitoring
- The Chair monitors the CE, regulatory matters, checks strategy is up to date and oversees financial management
- The CE leads strategy with management committee input
- The Chair monitors the CE and checks the CE is following policies
- There are different types of leadership, where there are staff the CE translates Trustee decisions to staff
- The CE highlights changes in the law and regulations for the Trustees.

The school analogy was continued. The Head is not only monitored, but s/he must draw the attention of the Governors to any changes in the law.

Another analogy was raised, that of a football team manager where the board buys or sells a player over the head of a manager.

■ **What would be the likely cause of any difficulties?**

Key issues at the root of any difficulties were identified as:

- Lack of clarity about roles
- The power dynamic
- Lack of trust.

The facilitator drew attention to a recent article in Governance magazine that indicated that the CE should champion decisions by the board back to staff. Another participant suggested that CEs should also champion issues from staff back to the board. It was suggested that an organisation’s structure should be seen as that of two inverted triangles, with the CE in the middle and the sole conduit of information in either direction. If s/he is not good at the role the whole organisation can suffer.

It was suggested that the CE does not have to be the only way information is shared. Setting up ad hoc working groups with staff and board members with equal say is a good way of ensuring the flow of information. An example was provided of a board of school governors where staff have involvement and of Trustee meetings where other staff members are present except for confidential items.

■ **Suggestions for improving the critical relationship**

Chair	Chief Executive
<ul style="list-style-type: none"> ■ Be clear about delegated authority - avoid misunderstandings or ambiguity ■ Do not bypass the CE and give orders to staff - ensure staff issues go through the CE ■ Be responsible for line managing or supervising and appraising the CE ■ Make sure the CE is given respect and time to report at board meetings ■ Acknowledge the expertise and knowledge of the CE 	<ul style="list-style-type: none"> ■ Offer support and assistance to the chair ■ Develop a good working relationship with the board and the chair in particular ■ Do not keep important information ‘secret’ ■ Ensure the chair is updated regularly with information on important strategic issues ■ Ownership of decisions made by the board and champion its role to staff

Other suggestions were made regarding how to ensure that the relationship between the Chair/Trustees and the CE work well, these included ensuring that:

- The Chair is seen as providing leadership to the board, but that decisions come from the board as a whole
- Written role descriptions are provided for the Trustees and Chair
- Supervision and appraisal is provided for the CE
- Time is spent recruiting the Chair, rather than, as often happens, the Chair assumes the position by default

Other points made included:

- Managing somebody in a leadership position requires a specific skill set, it is not about micro management
- Trust between the parties is needed
- The role of the Chair/Trustees is to act as a sounding board, the Director can be very isolated
- The supervision of the CE is a reassurance to the board.

One participant, a CE, indicated that setting up an operations board has been useful to his organisation, where the Chair, Vice-Chair and SMT (Senior Management Team) meet without the pressure of the whole board.

The key role of trust and respect was highlighted by another participant, and the need for the Chair/CE relationship to work as a partnership. The participant explained that initially his relationship with his Chair was formal and based on reporting. It became evident that this was due to the Chair's experience with the last CE who had withheld information and there had been a breakdown in trust.

Other issues that participants suggested could give rise to difficulties were:

- Inequality of pay between the Board (in their day jobs) and paid staff
- The Chair working as an unpaid volunteer versus the "well" paid CE
- The difficulty for Trustees, as volunteers to make difficult decisions, for example making cuts or redundancies

- Some CEs/Trustees micro-manage whilst others, feeling they do not have the expertise, refuse to manage.

One participant summed up the role of the Chair as follows: the Chair is there to chair meetings, it is the collective role of the board to run the organisation, to provide strategic oversight and stewardship of assets (including staff and volunteers), and this is a delicate balance.

■ Discussion of scenario

A scenario (see below) involving a recently appointed 'over active' Chair was discussed, where the Chair, who is also the Chair of the local residents' association, thinks he could run the advice centre better than the Director, makes unannounced visits to the centre, makes demands of staff and is openly hostile to the Director at management committee meetings.

Participants felt this situation would have very bad impact on the advice centre, and that the Chair roles were a potential conflict of interest. Participants suggested that the impact could be:

- Detrimental, even disastrous
- That the organisation will not be a viable organisation for very long, funders might cut funding
- As with other organisations, serious conflict can continue for years, which causes various problems and high staff turnover.

Participants suggested the following ways in which the CE might deal with the conflict:

- Leave the organisation
- Try again to agree a protocol with the Chair (in the scenario the Director had already tried this)
- The CE could use his/her relationship with other Trustees
- Mediation from outside of the organisation
- Get training for the Chair
- Run governance days for the Chair and Trustees.

Participants suggested the following ways that Trustees could help resolve the situation:

- Take responsibility
- Training is a key issue for all Trustees, there should be a proper induction for a new Chair, even if they have been on the board for many years, and Trustees
- Trustees should take a high level view
- They should act as mediators through all issues
- There should a board self appraisal involving an annual skills audit annually
- They could take a vote of no confidence and remove Chair
- They could enlist client support
- The three local authority representatives on the board should take a role in restraining the Chair.

■ Scenario

The Willow Lane Community Advice centre is situated on a large council estate in North London. The estate is one of the most deprived in London according to the various Indices of Deprivation and as part of a regeneration package for the estate the local Council helped to finance the setting up of the centre.

The Willow Lane Community Advice centre has a full time Director, two advisers and a receptionist. There is a Management Committee with a strict allocation of places. There are three reserved places for council nominees, three for residents from the estate who are elected every three years and three places for independent members who are drawn from other advice providers in the borough such as the Law centre and the CAB.

The current chair of the MC took up office six months ago and is also the Chair of the local residents association which he feels this gives him the authority to represent the tenants' opinions. He is a former manager from the private sector, now retired, and feels that the director is not running the centre efficiently and that without his input the centre would be losing money. For instance he was not happy with some building work being done in the centre and was able to recoup a significant amount of money from the contractor as a result of his intervention. He believes that he could run the centre more efficiently and goes in to the centre unannounced on a regular basis making demands of staff and wanting to 'check' on their work.

The Director is understandably unhappy with the situation and has tried to agree a protocol with the chair for how the two should work together. Staff feel they are being bullied and the director has told the Chair not to deal with the frontline staff.

A similar scenario plays out at MC meetings with the chair openly hostile to the director attacking his reports to the MC and constantly referring back to minor tasks that have not been carried out. Board meetings are lengthy and many of the members no longer make any contribution at the meeting prompting the chair to suggest that they need to be trained before being allowed to become members of the MC. Finance is discussed but the Chair dwells on his role in saving money and monitoring of service delivery and progress towards targets is cursory, often being left to the final few minutes of the meeting.

Discussion

- 1. How do you feel this situation is likely to impact on the Willow Lane Advice Centre?*
- 2. What steps could the Chief Executive take to rectify the problems?*
- 3. What is the role of the Trustees in resolving this situation?*

