



2020 ANNUAL CONFERENCE

ACCOUNTABILITY DRIVEN BY PURPOSE: BEFORE, DURING, AND AFTER CRISIS

CGO and CEO – Roles and Relationships

Your Presenters

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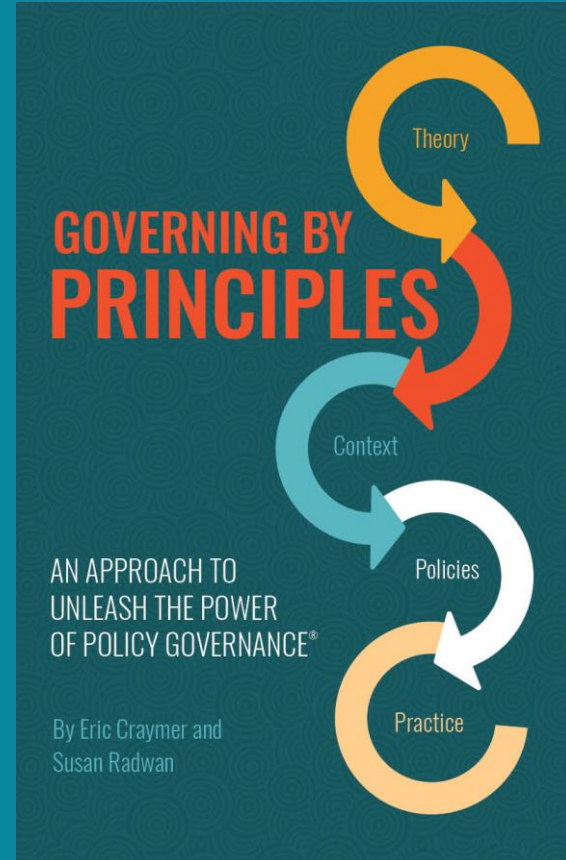
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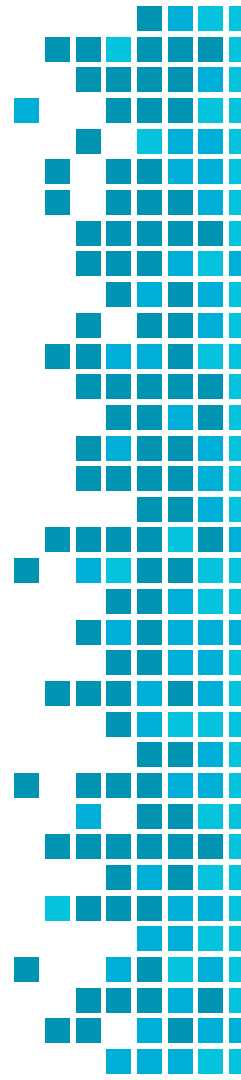
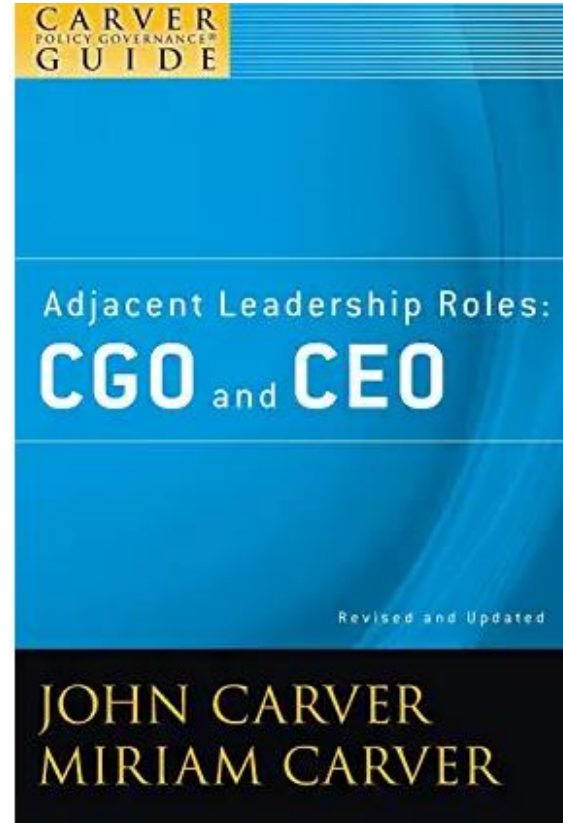
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In your experience, who has more authority?

- CEO or CGO?
 - Why do you think that?
 - Using the chat function, post your response.





Traditional Governance Traps

1. CEO Asks for Approval

2. CEO Asks for Board Advice

3. CEO Prepares the Board Agenda

4. CEO Heeds Board Member Instructions

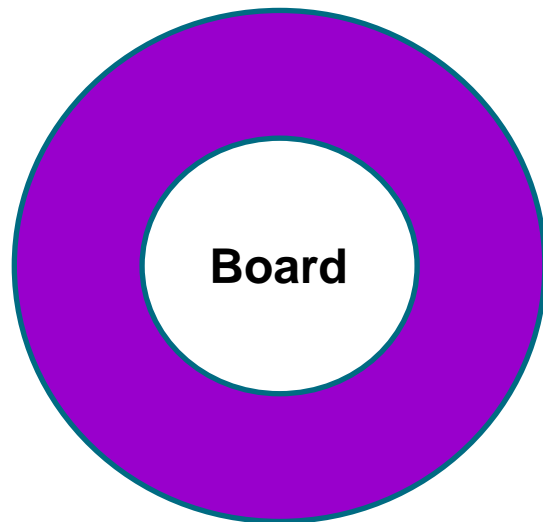


Principles-Based

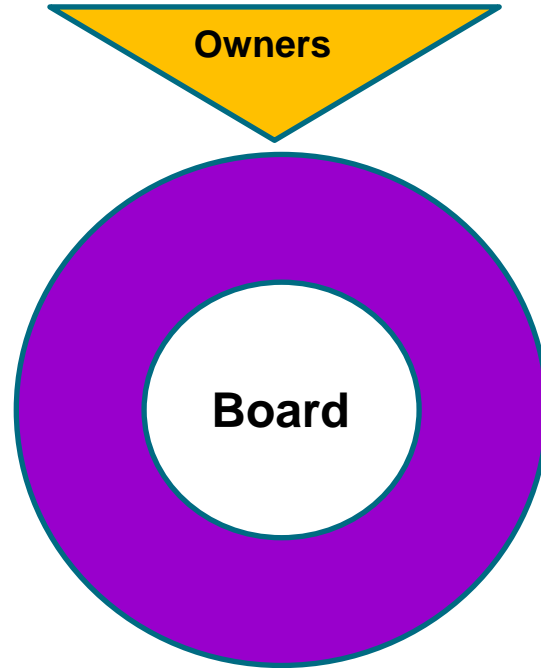
1. Owners
2. Position of the Board
3. Board Holism
4. Ends Policies
5. Board Means
6. Executive Limitations Policies
7. Clear and Coherent Delegation
8. Policy Sizes
9. Any Reasonable Interpretation
10. Monitoring



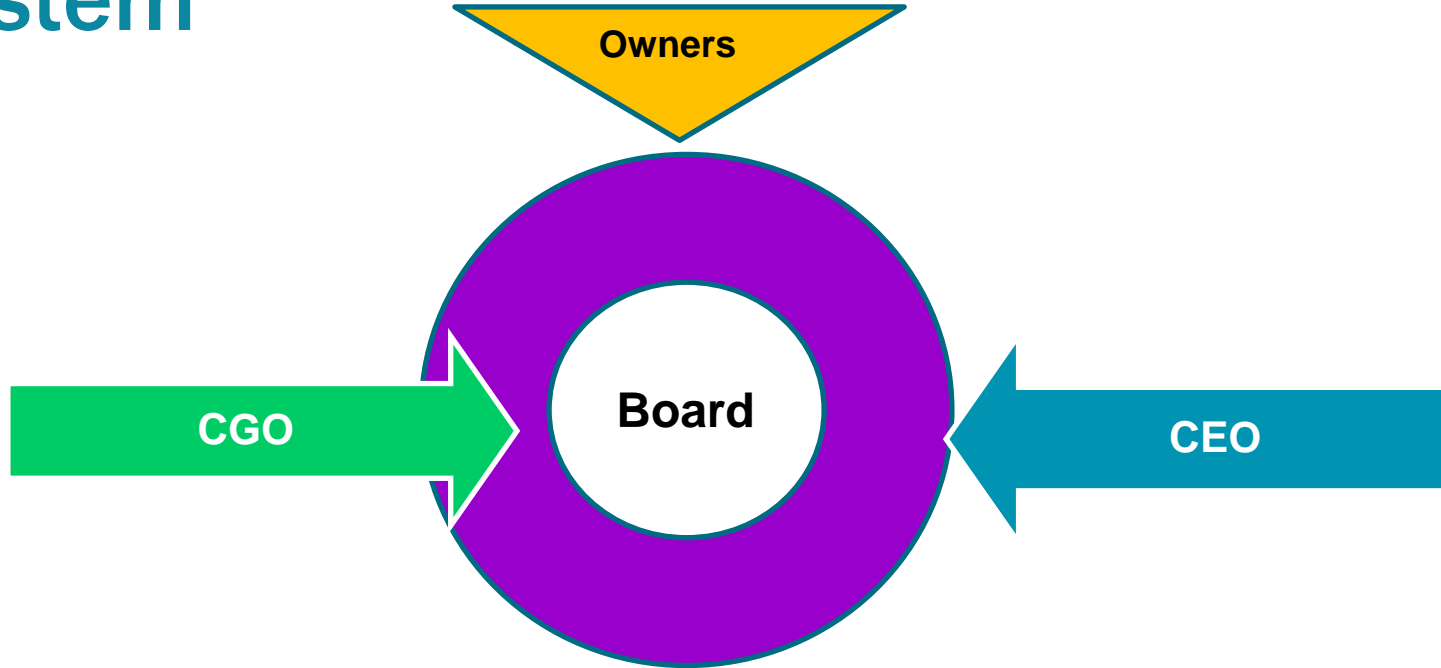
System

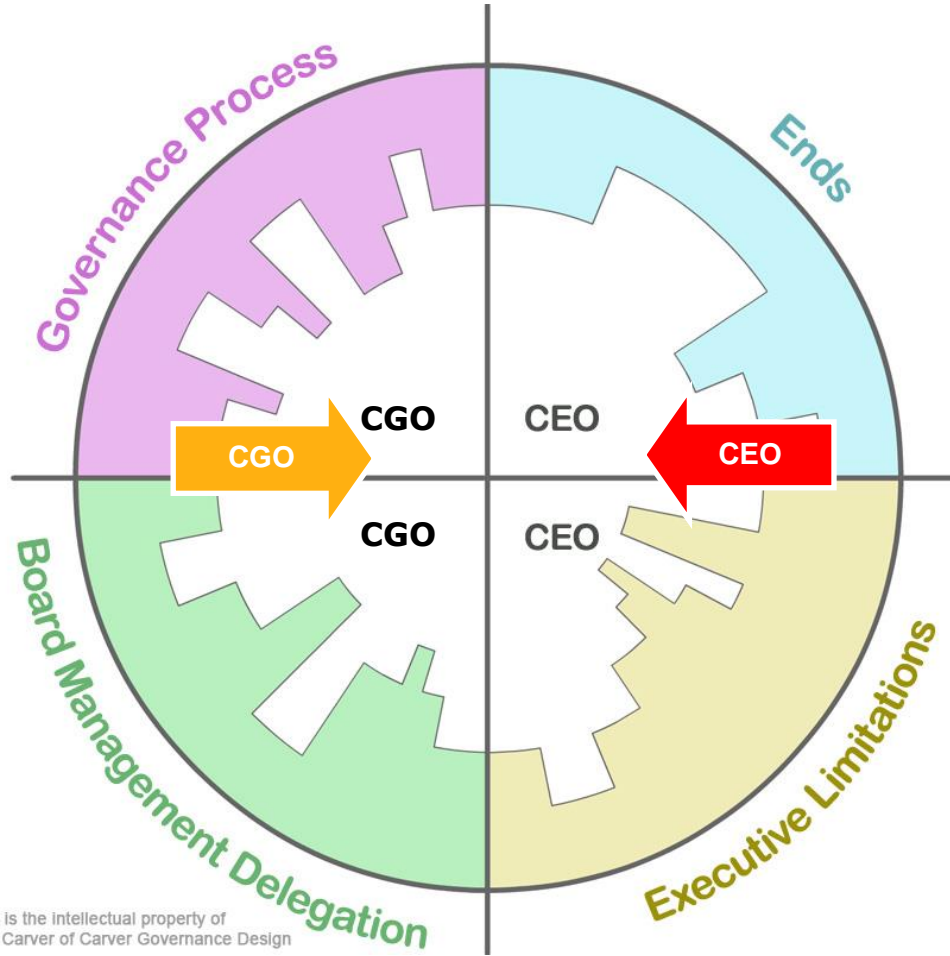


System



System





Similarities of the CGO and CEO, each with Distinct Roles

Both are allowed any reasonable interpretations

Both have job products

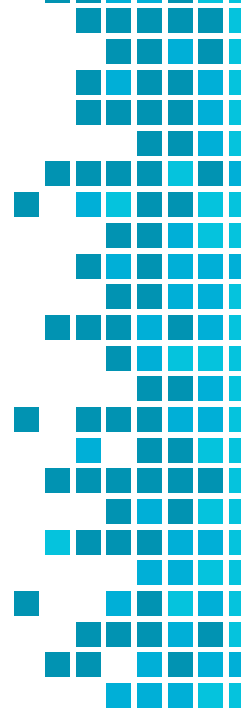
Both are empowered by the board in written policy

Both work for the board

CGO Similar and Distinct

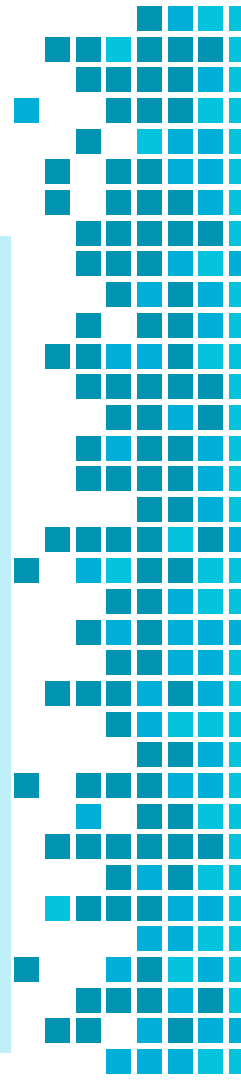


- CGO is a servant leader, first among equals
- CGO has the authority of using any reasonable interpretation within the Board's Means policies
 - CGO written interpretations are not required
- CGO often chairs the meeting, helping the board to stay in integrity with its policies



CEO Similar and Distinct

- CEO is hired by the full board to create benefits with appropriate methodology
- CEO has the authority of using any reasonable interpretation of Ends and Executive Limitations policies
 - CEO *HAS* to provide written interpretations and data delivered to the board
- The CEO is empowered to create operational policy and take all actions needed to achieve the Ends within Executive Limitations



Some of the Similarities

CGO

CEO

Both are allowed any reasonable interpretations

CGO can make further reasonable interpretations in the Board Management Delegation and Governance Process policies

CEO can make further reasonable interpretations in the Ends and Executive Limitations policies

Both have job products

CGO assists the Board to do its work and ensures that the Board is in integrity to its work

CEO produces Ends within the boundaries of the Executive Limitations and has the authority and accountable for all operations

Both are empowered by the board in written policy

CGO's authority and accountability are defined in the Board's Governance Process policies

CEO's authority and accountability are defined in the Board's-Management Delegation policies

Both work for the board

CGO works for the Board by helping it complete its work AND has an equal voice in decisions

CEO works for the full Board, not any subset thereof

Differences – CGO and CEO

- Assists governance success
- Delegation from the board
- Monitoring reporting
- Authority



CGO Different & Distinct

CGO is not in control of the board or CEO

CGO only has authority to preside at meetings and facilitate the board's work and has no command over anyone

CGO's role is to help the board stay in integrity to its policies and with the owners' values

The CGO typically does not necessarily need to provide interpretations and data to the board



CEO Different and Distinct

Has full authority to make all reasonable decisions and take all reasonable actions

Is accountable for all things operational

The CEO *MUST* deliver monitoring reports with an interpretation and the data showing it has been achieved

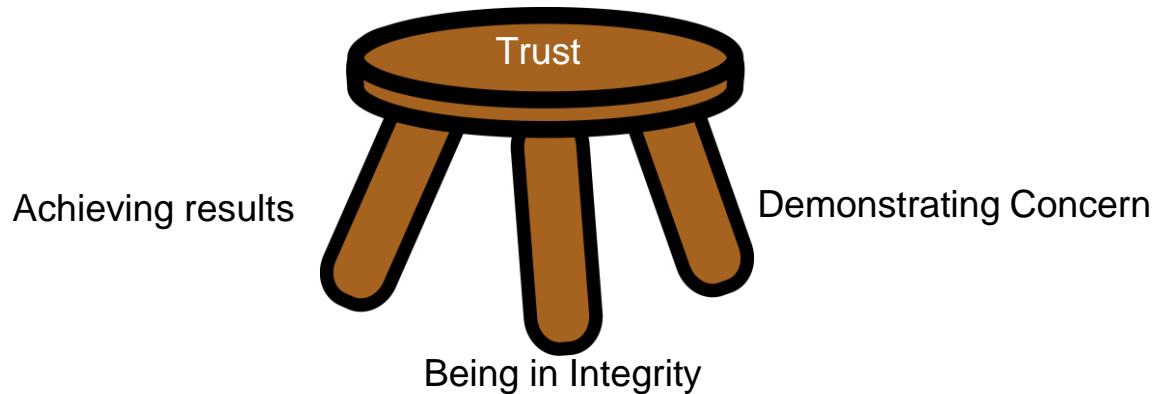


Some of the Differences

CGO	CEO
Assists Governance Success	
<i>Servant leader to the board Helps the board do its work</i>	<i>Leader of operations Deliver the desired Ends within ELs</i>
Delegation from the Board	
<i>Governance Process + Board Management Delegation</i>	<i>Ends + Executive Limitations</i>
Monitoring Reporting	
<i>No need, board sees CGO in action</i>	<i>Needed, board does not see CEO in action</i>
Authority	
<i>Soft authority; encourages, assists, & guides the board</i>	<i>Total authority in operations, as long as reasonable interpretation of board policy is applied</i>

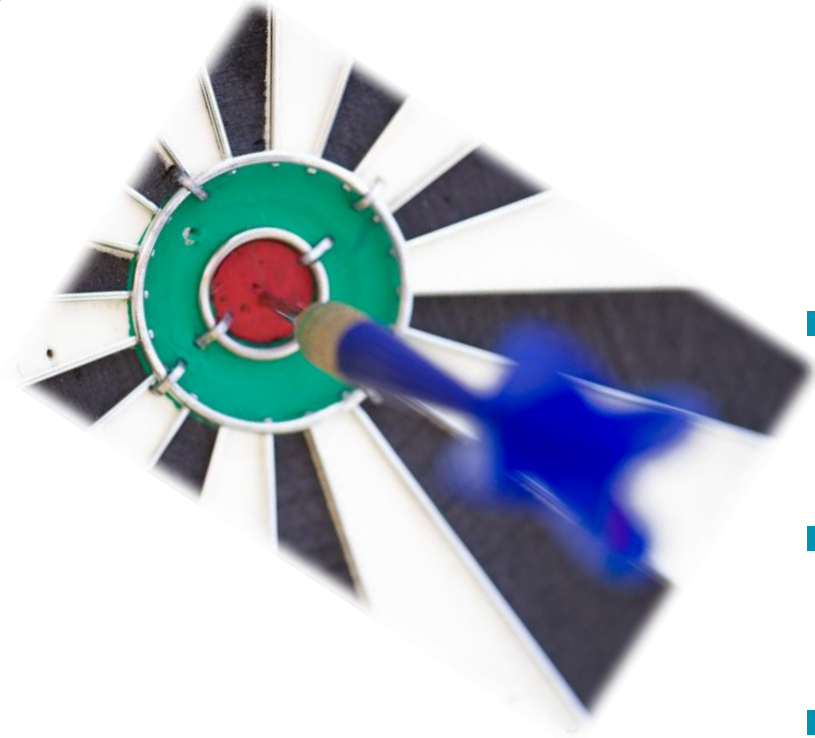
Good Practice Beyond the Principles: CGO-CEO as Partners and Colleagues

The Human Side – Trust and Trustworthiness



Achieving Results

- The CEO demonstrates achievement through monitoring
 - Key is *as long as* there is an explicitly defined projection of performance in the interpretation **and** it is achieved during the monitoring interval.



Integrity

CGO Side:

- The CGO holds the authority to assure the integrity of governance, so that the board complies with its own policies.



CEO Side:

- Many organizations give authority to the CEO, in their Communication and Support to the Board Policy, to inform the board when it is not complying with its own policies.

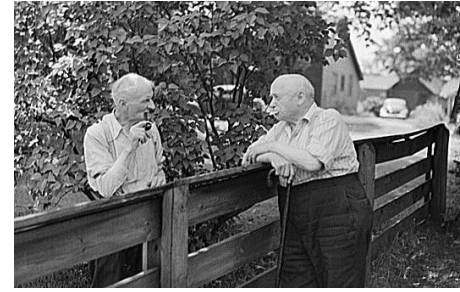
These two sides of the relationship support the practice of integrity which builds the trust level.

The Key = Demonstrating Concern

- As spokesperson for the Board, the CGO has a role to assure that the CEO is in a good place professionally.
 - *The CGO has a human-to-human role to offer congratulations and condolences when appropriate.*
- **If** asked by the CEO, the CGO may give perspective on areas of concern.
- The CEO may want to offer coaching, **if** desired by the CGO.
 - How to address worrisome board situations
- **Both are dependent on being invited in.**



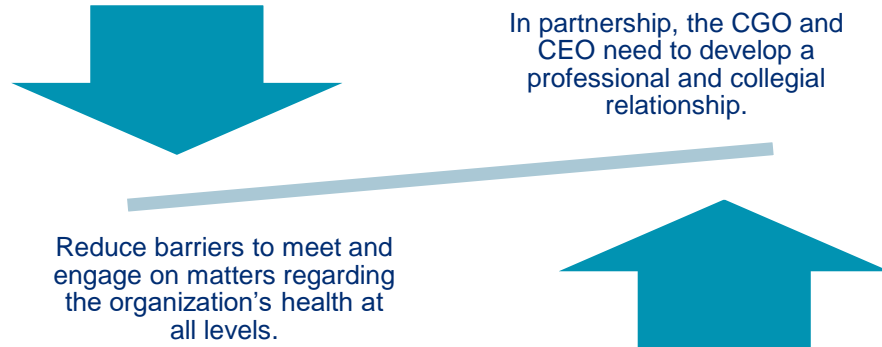
Give respect Get respect



Boundaries and Trust

- “Boundaries are not walls of self-protection, but rather places of meeting and engagement.”

Margaret Wheatley, *Leadership and the New Science*



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