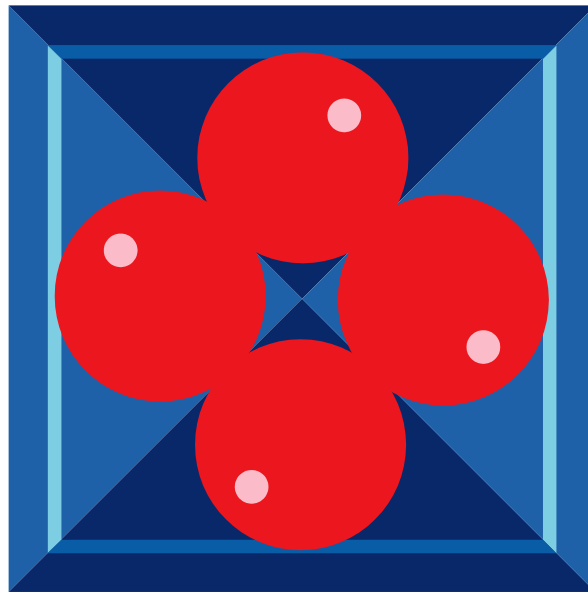


## The Leading Board



**How to lead complex organisations in a  
complex world**

**March 2003**

## **Leading Organisation®** **‘Leadership at every level and in every key relationship’**

Bath Consultancy Group uses the ‘Leading Organisation’ brand to work with organisations across private, public and not-for-profit sectors to implement a systematic alignment of their leadership to the aspirations and goals of the organisation and the culture, which will sustain this development. The brand offers four ways in which your organisational leadership can be sharpened and developed in line with business and ethical goals:

- board and top team development;
- organisational leadership diagnostics;
- leadership development processes; and
- coaching.

### **Creating the Leading Board:**

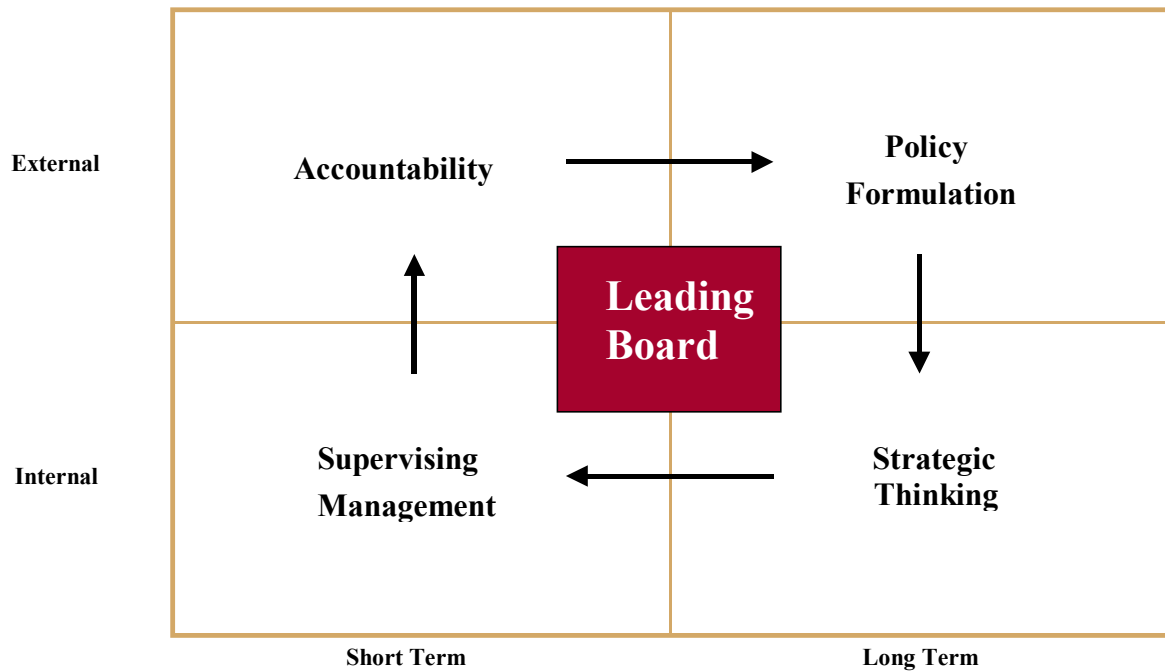
Bath Consultancy Group has been working with top teams of organisations (both Board and executive teams) for many years. Our experience is gathered from our extensive cross-sector work, our work in many countries, and our research in the field. The leadership diagnostic is a more recent and exciting development, which allows an organisation to review its current practices and effectiveness. In bringing these activities together under the one brand, BCG has been able to integrate them more effectively into a suite of focused ways in which we support an organisation in integrating and aligning its leadership effectiveness with its avowed strategy.

To create an organisation that is leading in its field, it is essential to develop a leading board, that is a board that clearly leads the organisation forward, and who’s own practice is leading edge.

Our approach to Board development includes five elements:

- 1) Clarifying and reviewing the functions of the Board
- 2) Clarifying the roles in the Board and individual performance in fulfilling them.
- 3) Reviewing the Board processes for setting policy, creating strategy, monitoring operations and governance.
- 4) Attending to the interfaces between the Board and the key stakeholders.
- 5) Working with the Board to develop a strategy for taking the organisation forward

Our belief is that Boards need to maintain a balance between attending to the external and internal environment. They must also create a balance between attending to the long term policy and strategy issues on the one hand and to the short term monitoring of current performance and accountabilities to shareholders or regulators on the other. These different functions of the board are often opposing or conflicting, and need to be held in dynamic tension. Bob Tricker (1980) first set these out in a model. Bob Garratt’s (1995) version, presented here, made some changes to it (crucially placing learning at the centre). The model can be used for framing the various areas of Board focus



The arrows represent the four major functional areas within a cycle, with each function having a rhythm or cycle of its own, for example:

Policy Review: annually

Strategy Review: 6 monthly

Operations Review: monthly

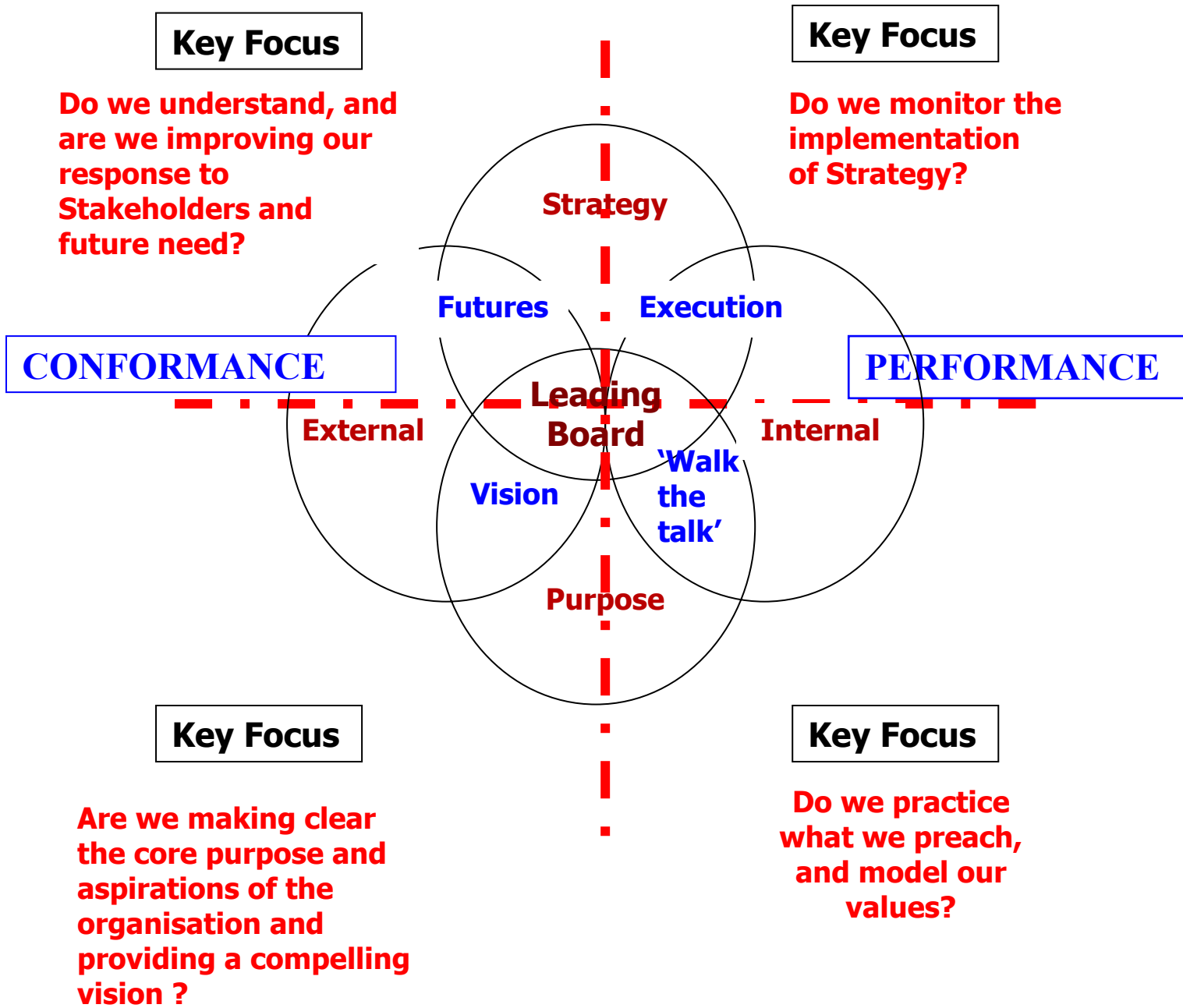
Governance Review: annually, 3 months before Policy Review

The board needs to set aside the time for thinking strategically and for the stewardship of the enterprise. Often boards can become legally oriented or administrative, with structures and agendas that block dialogue, thinking and learning. Garratt's model stresses the dual responsibility. Firstly a leading board has to drive 'conformance' to good practice, legal requirements, and the agreed values of the organisation. Secondly it has to create the environment to deliver good 'performance' from the organisation, by clarifying the measures that will audit achievement, and processes that will support strategic development.

Leading boards relate the short term to the long term, and the particular to the general in their day to day actions and communications: they show or state explicitly the links between specific decisions, plans and evaluations and the overall direction and vision of the organisation.

More recently we have developed our work on the Leading Board to provide a richer model of the core functions of the Board.

# Functions of the Leading Board



So as well as holding the tension between internal and external activity, we have also focused upon the tension between doing and being, that is between organisational strategy and purpose. Holding these two sets of issues in dynamic tension, allows us to look at four sets of behaviour that we see as crucial to leading board activity.

## Vision:

Each member of the Board needs to understand and accept the vision of what the organisation aspires to. This is not about being able to repeat the vision statement, but about thoroughly understanding the reasons why this vision has been developed and be able to relate it easily to everyday examples of the organisation's work. The

key focus of this behaviour is to be able to make clear the organisation's core purpose to staff and stakeholders and public, in a form that excites and involves them.

### **Futures:**

The leading board has an obligation to be looking into the future, on a regular basis, to see whether current strategies are robust enough to cope with future trends. The key focus of this activity is to try to understand future need in our sector, and the way in which our stakeholders' thinking is moving.

### **'Walk the Talk':**

Members of a leading board have to be able to act in accordance with, and model, the values of their organisation. The key focus here is to actively review and be aware of whether individually and together you practice what you preach, and positively represent your values.

### **Execution:**

To be a leading board, individual board members, and the board as a whole, need to develop the skill of 'getting the right things done'. The pressure on any board is such that it can drown in the 'urgent tasks', while never getting round to the most important and impactful ones. The board need to prioritise the really important goals that have to be delivered, in order to implement the organisational strategy, and then deliver them effectively. The key focus here is to monitor how successfully the strategy is being implemented. This will allow the board to judge whether it is getting the right things done.

### **Summary:**

By creating a leading board, you pull all the major dimensions of tasks currently expected of a board into a balanced interactivity, that gets your board members:

- enthusing others with the vision of the organisation
- developing robust strategy for the organisation
- modelling how the organisation should conduct itself, 'living its values'
- clearly monitoring the organisation's conformance to current codes of practice
- firmly supporting the performance of the organisation
- getting the right things done, in the right order, at the right time
- committing the organisation to learn from its activity