

Paul Streets OBE

Chief Executive of Lloyds Bank Foundation of England and Wales, Chair of Contact a Family

Paul Streets spoke to the Association of Chairs on 6 October 2016 and offered us an insightful distillation of his experience both as a Chief Executive working with a wide range of Chairs, and as a Chair himself. Paul has had a long leadership career in the voluntary and public sectors working as CEO of two charities (including Diabetes UK) and two public bodies. In that time he has worked with 7 different Chairs. Paul also has significant NED experience himself as a board member, and currently chairs Contact a Family and a UK wide NHS Committee. This is a brief summary of his remarks

Paul likened the Chair -Chief Executive relationship to a marriage, at its best creative and enjoyable and at its worst a nightmare, too often ending in divorce. His own experience is that it's harder to be a good Chair than a good Chief Executive.

Paul offered thoughts on:

- How to stop things going wrong, by doing things right
- 10 practical tips
- Appraisal
- Tackling performance issues

How to stop things going wrong, by doing things right

Lesson one-appoint the right Chief Executive. However, its very likely that you will inherit your Chief Executive - effectively an arranged marriage. If this is the case insist on having time to meet or speak informally with the Chief Executive. If this is not offered, then warning bells should be ringing. When you do get to meet the Chief Executive regard it as a blind date. Ask yourself is this someone you want spend time with - the chemistry is vital.

If you do enter into an arranged marriage invest time to get to know the other person. Make sure it's not all about practical stuff, take time to get to know them. But do not become friends. You may want to warn them that in the early days you will want to be closely involved with the organisation so that you understand it but make clear that is a temporary phase.

10 practical tips

1. Decide the Chair you want to be – and negotiate this model with the Chief Executive, recognising there are different approaches.
2. Decide on the level of engagement you want to have and guard against being over involved. Focus your time on where you make the most difference.
3. Give your fellow trustees enough space so that they too can contribute. For example, Paul has recently chosen not to be a member of his board's sub-committees.
4. Your primary role is to manage the board. Some misbehaviour by trustees goes with the territory and it's your job to manage it.
5. Your role is to support the Chief Executive – possibly even mentoring them.
6. Never go round your Chief Executive unless it's for matters that are not major.

7. Coach your Chief Executive about how to engage the board as well as inform them. Many Chief Executives need this, especially first time Chief Executives. A simple example: always remind boards what they have previously agreed. Plan agendas together.
8. A golden rule: never humiliate your Chief Executive in public. If you need to have a robust discussion or have a big difference get it out before the meeting not at the meeting. Know where you both are on big questions prior to the meeting. If as Chair you find the board is not with your Chief Executive than it's generally better to concede and steer a middle course, and not bully. A good Chief Executive will acknowledge you need to make that judgment. Another practical tip on this: use a strategic break in a meeting to have a quiet word with your CEO if things are not going to plan.
9. Empathy: sometimes what your Chief Executive wants is simply someone to listen and understand how they're feeling.
10. Seek support- chairing is a lonely job, so join networks to get support from your peers.

Appraisal

Most people want feedback to know how they're doing, if they don't, that's a warning sign. We all have weaknesses, the critical thing is to have insight into what they are. A good Chief Executive will seek complementary skills in their senior team to fill their deficits. Chairs have limited opportunity to see the Chief Executive at work, so do use 360 appraisals to get a rounded view. Also observe how staff interact, watch the body language and mood.

Performance issues

Paul noted with regret the number of acrimonious divorce settlements where the real casualty is neither the Chair nor the Chief Executive, but those they serve and those who work for the organisation. Such acrimony can be avoided by recognizing and tackling performance issues. A key thing is to recognise signs of trouble. Paul offered a typology of Chief Executives to help:

1. **The delusional Chief Executive** -believes everybody else is wrong.
2. **The secretive Chief Executive**- as Chair you find out from someone else that things are going wrong. It's critical the Chief Executive is open about problems.
3. **The exhausted Chief Executive**- at some points in the organisation lifecycle that's inevitable, but it must not be continuous. The Chief Executive needs time to look ahead and reflect. Make sure they are taking time off and have a life outside the organisation.
4. **The inexperienced Chief Executive** – has much to offer, but you need to recognise that you are likely to need to coach and support them.
5. **The Prima Donna Chief Executive**- won't listen, dominates, wants to be top dog. It can be great for while, but not for long.
6. **The humble Chief Executive with dignity.** Is aware or becoming aware of what they are good and bad at. They are keen on developing themselves. Ambitious for their people and the organisation. Wants to listen and will agree or not, but will do so sensitively. This is the ideal type.

If things do go wrong one challenge for the Chair is accessing support. They may find it very difficult to share the problem with the human resources function. So seek help from the Association of Chairs and peers. If you do get to dismissal, you're likely to need independent legal advice.

If you get to the stage where there is a divorce, don't stand on principle, but reach agreement on the exit, for example a payment with a confidentiality agreement. Make sure you agree the narrative, which allows the Chief Executive to depart with dignity.

You will get through it, then you'll be able to select your new Chief Executive and if that goes badly wrong you'll know who to blame . . .