



An Executive Committee Can Lead The Strategic Work of the Board

BY RICHARD D. LEGON

EVERY BOARD HAS THE OPPORTUNITY to take advantage of an executive committee that facilitates the full board's strategic work. Unfortunately, some boards ask their executive committee to assume responsibilities more appropriately left to the full board, while missing the chance to use the committee to ensure the board is acting strategically.

Some board leaders (especially when the board is large) may believe that the executive committee should assume certain prerogatives to facilitate board decision making. But well-intentioned board leaders may not understand that an overly broad delegation of responsibilities to the executive committee might supersede oversight that is better left to the full board and can work against the ability of the board to function effectively.

To be sure, an executive committee should have the ability to address issues on behalf of the board that arise between regularly scheduled board meetings. But how can a board balance the need to empower its executive committee to make decisions that aid the full board's deliberations and not alienate other board members? And how can a board avoid delegating more than is appropriate to the executive committee?

The challenge is to spare board members who do not serve on the executive committee from wondering whether they are being inadvertently excluded from weighing in on central issues and whether the crucial decisions about the strategic direction of the institution are being made by a small group of insiders. One important benchmark is to avoid scheduling executive committee meetings more frequently than meetings of the full board.

Executive committees can be most helpful by focusing their responsibilities in these areas:

- *Coordinating the strategic work of the board and its committees.* The executive committee should be composed of board officers, key committee chairs, and a limited number of at-large members. With this core cadre, the executive committee can draw on the talent and experience of a broad range of board members to coordinate the board's strategic work. Standing committee and board agendas should reflect the board's priorities; the executive committee can facilitate this coordination.

- *Monitoring the strategic plan.* The executive committee monitors the development and implementation of the institution's strategic plan, ensuring that the plan's benchmarks are being met. If committee members are informed that problems exist in implementing specific aspects of the plan, they can review any issues with the president or ask that the appropriate board committee address these issues. This oversight role allows the executive committee to ensure that the board's work focuses on the plan's agreed-upon priorities.

- *Assessing the president and reviewing or approving the president's compensation.* The executive committee can take the lead in the annual and periodic assessment of the chief executive, though in some institutions this responsibility may reside within a compensation committee, if one exists. In setting the president's salary and benefits, the full board relies on the work of executive committee and/or the compensation committee to take the lead. The proceedings and recommendations of these committees should be available to any board member who wants to know the details of the president's compensation.

Taken together, these three charges constitute an ample portfolio for the executive committee. Proper execution of such charges allows the committee to be a practical and respected asset of the full board. Yet if too much authority is delegated to the committee, or if it is perceived to operate as a "board apart," its leaders can sow seeds of discontent.

In the end, the crucial point for board and executive committee leaders is to be sensitive to the feelings of all trustees in determining the scope of the committee's responsibilities—even down to the frequency of its meetings. ■

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Do not leave the impression that crucial decisions are being made by a small group of insiders.