



MARKKULA CENTER FOR APPLIED ETHICS

How Boards and Managers Can Work Together

Running Time, 8 minutes

Summary

Varian Medical Systems Chair Richard Levy describes how boards and managers can create trust and transparency in their relationship. Too often, an adversarial relationship develops because boards try to micromanage. Levy proposes specific steps boards and management can take to prevent this.

When to Use This Video

- to introduce the essential relationship between the board and company management
- to offer specific strategies for building relationships of trust and transparency

How to Introduce This Video

- Varian Chair Richard Levy is a former CEO of the company and admits he wanted to hide things from the board when he felt they were micromanaging him. Based on his extensive experience on boards, he describes what makes an effective director.
- As you watch the video, consider the specific suggestions Levy has for avoiding a lack of trust between the management and the board.

Questions to Ask After Viewing the Video

1. What specific suggestions does Levy have for creating greater trust between the board and management?
2. How much transparency does management owe to the board?
3. What are the characteristics of a really effective board member?
4. Are there times when a board does have to micromanage?

Concluding Comments Instructors May Wish to Make

- No one likes to have a boss. Nonetheless, corporate boards have very specific responsibilities to watch over the CEO and other senior executives.
- When we talk about a dysfunctional board, we are usually talking about a board where trust has broken down between the directors and management. This relationship is essential for a good board and good corporate performance.