

Mastering the Art of Board Leadership

By Beverly Behan – President, Board Advisor, LLC

Becoming the Chair of a Board of Directors is often the pinnacle of a brilliant career. Yet many Board Chairs never fulfill their true potential; they fail to capitalize on this tremendous opportunity. And that's a shame – not only for these leaders personally, but for the companies they govern and the boards they lead.

Board Leadership is an art - and it can be learned. This article will focus on three essential areas required to master it, based on my work with nearly 200 boards and their leaders over the past 25 years. While some of this advice will undoubtedly be familiar, you will also find practical ideas you may never have considered or even heard of up to now, all of which have been successfully used by other Board Chairs who wanted to become the very best in the boardroom.



Running Great Board Meetings

Agendas and Board Books: A great Board Chair knows how to lead a vibrant meeting that generates terrific exchanges, injects fresh perspectives, remains at a governance level, stays on topic, and reaches consensus. This starts by making sure that the underpinnings of a great board meeting are in place. Take a look at your Board agendas. Some agendas look like they were designed in 2005 and the board's been having the same meeting ever since. Can these be revamped and improved? Then move to the lowest-hanging fruit in the boardroom: Board pre-reading materials. These may be created by management, but it's ultimately the Chair's responsibility to ensure that the board books provide the foundation for a terrific meeting. Most don't. This was an area for improvement identified by nearly 70% of the boards I've worked with. If, as Chair, you want to immediately earn kudos from your fellow directors and elevate the effectiveness of your meetings, start working with management to improve the board materials. It's not that hard, it makes a huge difference, and it demonstrates respect for your directors' time. For more information on this topic, visit our website - **Building a Board-Worthy Executive Team:** <https://boardadvisor.net/our-services/board-worthy-executive-team/>

Meeting Facilitation: The board's work is largely done in its meetings - and effective facilitation of those meetings is at the very heart of the Board Chair's role. An effective Chair is actively listening and watching body language throughout the meeting - looking for opportunities to "draw in" the quieter directors to express their views and deciding when to intervene to curtail off-topic segues, repetitive comments and micro-management. Great Board Chairs work hard to bring out all the different angles and perspectives that relate to the question at hand and guide the board to a consensus decision on the issue. They then provide clear direction to management so that there's no ambiguity about next steps. Amazingly, many Board Chairs never bother to get constructive feedback in this area that can help them to raise their boardroom game: This is like buying a good set of golf clubs and then playing round after round. Yes, your game will improve the more you play, but most people take an occasional lesson and get some feedback on their swing. If you'd like to see a sample of what a Chair feedback report looks like, just email me with "Sample Chair Report" in the Subject Line.

Building Constructive Relationships

CEO Relationship: Building a constructive working relationship with the Chief Executive Officer is another critical facet of board leadership. The Chair's role in this regard involves two distinct but equally important aspects: (i) **Watchdog Role** –Acting as an “early warning signal” for the CEO about issues generating board concern or likely to do so. This extends to identifying material developments the board needs to be informed of so as to avoid “surprising the board”, which can put even high-performing CEOs on shaky ground with their directors; (ii) **Sounding Board Role** –CEOs find tremendous value in a Chair that can serve as a “sounding board” for them on a range of issues. It's lonely at the top of any organization and one of the most important facets of the Board Chair's role involves offering perspective and guidance to the CEO between meetings. Where the organization has a new CEO, the Board Chair plays a particularly important role in helping them adapt to working with a board, even if they're an internal promotion who “already knows the board well”. This is often the first time in the new CEO's career where “managing up” has not involved a boss - a single individual – but a group, the Board of Directors, presenting a range of challenges that many new CEOs never anticipate. My latest book, ***New CEOs and Boards: How to Build a Great Board Relationship and a Great Board***, may be of interest if you're a Chair working with a new CEO. It's now available worldwide on Amazon.

Board Relationships: Highly effective Board Chairs keep their finger on the pulse of their board. They check in regularly with directors to see what's on their minds – and where they may have concerns. Many make a point of sitting down with every member of their board least once a year for an informal conversation. Checking in with new directors 6, 12 and 18 months into their tenure is another useful practice. Many director orientation programs consist of little more than a series of introductory meetings with top executives. As the new director starts to settle in, these conversations with the Chair can surface terrific ideas to supplement this and accelerate their learning about the company and its business. However, in all discussions that a Board Chair has with their directors– be they one-on-one or in executive sessions – there is one non-negotiable: Confidentiality must be maintained. If a director shares a candid or unpopular view with the Chair in confidence – only later to discover that the CEO was told exactly who raised this issue and what they said – trust can be irreparably breached. A Chair in this position becomes unable to have the type of open discussions with directors required to be effective in a board leadership role. Trust issues like this are difficult if not impossible to unwind; it's best to be scrupulous about avoiding them in the first place.

Getting the Best from Your Directors

Board Succession Planning: Board composition is the single most important factor in any board's effectiveness. Although the mandate for director recruitment and re-nomination falls to the Nominating/Governance Committee, there is a critical role for the Chair to play in collaborating with the committee in this area. In a study of nearly 700 US directors conducted by PwC in 2020, 10% said their board had no director succession plan, 33% said their plan was ‘ad hoc’ and 49% of those who had a board succession plan indicated that it was never shared with the full board. PwC researchers concluded that “for many directors, they simply have no idea what the next chapter of their board will look like – and no input into those decisions. Making real change in this area requires work from board leadership.”¹ Boards I've worked with that have truly optimized their composition did so by gathering input from every director as well as the executive team before formulating director recruitment priorities – a practice that not only injects fresh perspectives on this important question, but also serves to create alignment and buy-in on board succession planning. Board 2.0 is an excellent

¹ PwC, “Turning Crisis Into Opportunity”, 2020 Annual Corporate Governance Survey, p. 4.

tool for this purpose. It can either replace or supplement a Board Skills Matrix, which, while popular, is far more of an investor relations device than a board succession planning tool. Board composition benchmarking is another new tool that can also be worthwhile; this is a data-driven exercise that generates useful insights on a range of board composition issues including director expertise, diversity, age/tenure and the like. More information on both, including a feature article from *The Corporate Board* can be found at our website – see **Building Board 2.0:** <https://boardadvisor.net/our-services/board-2-0/>

Director Performance Management: Like it or not, the thorny issue of director performance management falls squarely on the shoulders of the Board Chair. Nothing detracts from the credibility of board leadership more readily or more frequently than turning a blind eye to evident director performance problems. These come in many guises: Board members who consistently arrive at meetings unprepared, monopolize board “air time”, take a hostile or demeaning tone when challenging management or boardroom peers – and so on. Sometimes the director is “over their head” – their background and experience just isn’t that relevant to issues the board is tackling – and they’re struggling to make relevant contributions. Or perhaps they joined the board some years back, when the company was a regional monoline; now it’s a global conglomerate facing complexities that far outpace their own experience. Not only is it essential for a Board Chair to address these sorts of problems, but to do it in an effective way that produces an appropriate result and is considered “fair” by other board members. So, how do you pull this off? Savvy Chairs make an effort to learn about director performance management tools – even before they need them: Director Expectations, Evaluations, New Director 360s and the like, including how best to design them, what they can achieve and when they should be deployed. Director performance management issues often represent a turning point for board leadership: Chairs who have the courage to step up and address these problems in an effective way are often astounded at the genuine admiration they earn by so doing - from both fellow directors and the executive team.

30 Minute Complimentary Consultation for Board Leaders

If this article sparked any questions or if you have any other board issues on your mind - from improving your board books to director performance management– you’re invited set up a 30 minute Zoom with the author at no charge. This includes a Non-Disclosure Agreement signed at the outset to facilitate a confidential discussion. To schedule a time to connect, please email: Beverly.Behan@boardadvisor.net with the **Subject Line: 30 Minutes** or contact her through our website: www.boardadvisor.net. While you’re there, you can download other white papers and learn more about how Board Advisor helps Board Chairs, Chief Executive Officers and others to create, work with and lead truly great Boards of Directors.

