



High Performing Boards Start with Effective Board Members

A healthy board of directors requires that each member be in top contributing condition. As part of the Directors Development Program, **Ashley Summerfield**, Global Practice Leader for CEO Succession and Board Consulting at Egon Zehnder, Vineet Hemrajani, India Managing Partner of Egon Zehnder, and Darpan Kalra, who specializes in board consulting for Egon Zehnder, share what it takes to be an effective director and the key qualities of a chair in unlocking and enabling board effectiveness.

The Who, What, and How of Effective Boards

According to Summerfield,

“The most effective directors are the ones who have a compass that shows them a true north, and the true north is keeping the board as effective as possible.” For the board to be effective, they need to get three elements right: the *who*, the *what*, and the *how*.

Who refers to the people sitting around the table. A reputable resume is not enough to land a board seat anymore. A key quality that boards are looking for is good judgment. Furthermore, they need to suit the company’s future aspirations, as Summerfield notes: “What got you here won’t get you there.”

What is the atmosphere and behavior of the directors around the table. “The boardroom should be a safe place but not a soft place for management,” Summerfield states. For an effectively functioning board, board members need to be open to feedback and management needs to be open to opting for different solutions.

This leads to the last part of the effectiveness needle, *how* to engage. The role of committees is important. “One of the worst things I’ve seen is where you go to a full board meeting with 12 or 14 people around the table and you’re essentially either repeating or wasting time going over what could or should have been done in a committee meeting,” Summerfield says.

A Checklist to Maximize the Effectiveness of a Board Meeting:

Preparedness and time management. Optimal utilization of airtime during board meetings is crucial. Directors should understand and approve the items to be discussed on the agenda prior to the meeting and flag any potential issues or missing items.

Balancing discussion about soft and hard topics is essential. Summerfield notes, “Typical feedback from our global board reviews is that the board spends far too much time talking about money.” Softer items, such as the people and the culture, warrant close monitoring, as they are equally critical as hard items” he added.

Not just looking at the past. According to Summerfield, many of our client’s questions are centered on.

“Why do we spend so much time looking through the rear-view mirror in board meetings rather than looking through the windshield of what is to come?”

Effectiveness hinges on collective communication. It is the chair’s responsibility to create a space for informal communication between directors. The chair should create an environment that encourages dialogue.

Recognizing diverse communication styles among board members, the chair must ensure that everyone has an opportunity to express their views. As Summerfield states, “If there’s an introverted but very brilliant director who finds it hard to get into the conversation in real-time, maybe you could imagine a situation where a chair has taken soundings from that person and make sure they can speak up in the meeting.”

Unveiling the Power of the Chair – the Disproportionate Influence on Board Effectiveness

A pivotal discovery emerges after having reviewed over 1000 boards during the past decade: multiple pathways inevitably culminate at the chair. According to Summerfield, “The chair is obviously only 10% of the people, but he or she is probably ~50% of the reasons a board may or may not be effective.” This transformative realization redefines the role of the chair as the linchpin of a leadership team. Consequently, the board should have heightened expectations for the chair. As a chair, it is essential to recognize the elevated expectations the board harbors. And for aspiring candidates eyeing the role of the chair, it is advised to cultivate the traits and competencies that distinguish one as a natural candidate.

A Coaching Approach to Board Governance and CEO Collaboration

Embracing a coaching approach by non-executive directors during interaction with management has been advocated in the past. “The non-execs need to be more like coaches rather than like police officers?” as per Summerfield. When evaluating candidates for a director position, Summerfield outlines few key dimensions that encompass the lens through which a candidate can be looked at: “challenging management, safeguarding shareholders, bringing their own judgment via their experience and expertise and then also providing insights where management welcomes their input.”

The quintessential question remains when your chief executive sees a board meeting in his or her diary. How do you think they feel? Ideally, a board meeting should serve as a catalyst to “see around the corner” and “avoid the beartraps.” Yet Summerfield postulates that many chief executives dread these meetings, since “it is going to be intimidating” or “it’s going to be a bureaucratic waste of time.” Thus, a pivotal responsibility entrusted to the chair and the directors involves cultivating an environment where management actively looks forward to board meetings, regarding it as an opportunity for growth, exploration, and collaboration.

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