Getting ‘on board’ with ‘across the board’ high standards in Boardroom Dynamics

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Boardroom Dynamics

Responsibilities and Context – setting the scene

The ‘F’ Factors……

• The fun – why we are involved
• The fascination – good governance – harnessing the elements
• The frustration – personalities, styles
• The challenges – risks!

Strategies – for enhanced outcomes
Interplay between 3 aspects of governance:

- **Structure** — process and task of the board – the system of direction and control of the organisation.

- **Culture** – context of boardroom power structures. Unspoken and unwritten norms. Culture (and decision making) influenced by rules and policy or relational dynamics. Leadership style and capability. Process or results orientation. Family like or business like. Cultural fit!

- **Behaviours** – depends on capabilities, who is on the Board, skills and experiences (indiv, and collective), character and personality –
  - alignment with purpose & strategic direction of organisation.
Organisational culture permeates from the top and is demonstrated at the highest level within the Boardroom. Leadership – “a fish rots from the head down” (anon).

Leadership by the Chair and by individual Directors / Members. Role modelling.

Boardroom culture and ethical perspectives – values, attitudes and behaviours are apparent to CEO’s and executive / senior management and these can cascade through an organisation.

Self and group awareness, control and review. Acting in good faith, with care, diligence and skill (Business Judgment Rule)

Individual (Board member/ contributor) - to be proactive, responsive, objective, constructive, resourceful and respectful. Act in best interests of the school.

Procedures and Processes - Pre and during meeting processes, agenda construction, Boardroom papers - all impact on Boardroom dynamics and the level of ‘free flow’, left field discussions and rambling, dominating personalities, passengers, commentators. Legal requirements.
• **Diverse board composition** in knowledge, skill, gender and personality (text book requirements!) are considered optimum. Easier said than done?
  
  - Politics and process?

• **However** - even when balanced, the interplay of dynamics directly impacts on the effectiveness of decision-making and member input.

• Dynamic between Board / Council and Management – clarity of roles and responsibilities.
The Fun – why are we involved?

- For school / organisational good – to benefit others, to give back
- To add value through your contributions
- Collegiality, association
- Meaningful work – voluntary, goodwill
- Strategically interesting and challenging
- Hearty debate – better for the banter!
- Volunteer or ‘conscript’ – Motivations?
  - Representative member, independent, non-executive or executive member - objectivity? (may impact on nature of involvement) WIFM?
The Fascination – why and what?

Good Governance - Needs / Requirements of Boards:

• **Accountability** – knowledge, vigilance, diligence, objectivity, courage, ethics, clarity of roles and responsibilities, legislative requirements, what can live with!

• **Transparency** – honesty, openness, diplomacy, communication – internal and external.

• **Effectiveness** – systems and processes, diversity, capability and capacity.

Sharing of wisdom, skills, knowledge, expertise
Questions to ponder:

• What are the **dynamics** of your Board?

• **What do you value** about your Board composition and its interactions and outcomes.

• What are the **challenges**? What would you like to change?

• **Behaviours, attitudes & egos** – confidence, self esteem and emotional intelligence – how do these play out?

• **Relationship and interactions** between Non-executive and executive Board members - what characterises the best and the worst of them?
Fascination – good governance at its best

Functional Board / Council Behaviours:

• **Conductor-Chairs** – strong leadership and relationships with CEO / Principal (and others), guidance, collaborative, agenda and tone setter, flexible / adaptable – good internal barometer.

• **Change Agents** – champions, drivers & catalysts for change, optimistic, futures focussed

• **Consensus Builders** – conciliators, can dissolve conflict, strong interpersonal skills

• **Counsellors** – persuasive, high credibility, versatile in working with people, support behind the scenes (can be quiet and meetings)

• **Challengers** – deliberate and thoughtful – ask the tough questions, speak up, challenge status quo, prepared, direct and fair, speak judiciously

(Leblanc and Gillies - AICD - 2014)
The Frustration .... And the familiar – another classroom in a different form?

- Attitudes, Personalities, Egos, Behaviours

**Dysfunctional Behaviours**

- **Caretaker Chairs** – not decisive or influential, passive chair
- **Controllers** – dominating, manipulating, intimidating, negative, opinionated?
- **Conformists** – followers, lacking confidence, conceded power
- **Cheerleaders** – rhaa, rhaa! Enthusiastic amateurs, good attendees, not strategic, praise others, little credibility
- **Critics** – complainers, not constructive, abrasive, confrontational, gamesmanship, critical behind the scenes
Cultural Power Structures – who’s Got the Power?

Ref: Brown Governance Inc
The Challenges and Risks

- **Group think** – excessive cohesion, strive for unanimity
- Status quo thinking
- **Biases** – prejudices – filters – world view - framing
- Intended or Bounded rationality – conscious (or unconscious) restriction of data and information
- Cognitive limitations
- Values clashes or variances
- **Imbalance in risk appetite** – too risky, risk averse (situational)
- Time framed thinking – short term focused.
- **Operationally focused** or side tracked – role of Boards is to think strategically – long term, view to sustainability
- Personal agendas
- **Improper use of** position / information
- Dominating personalities, voices, opinions
- **Size of Board** – to big or too small or just right!?
Choices – for dealing with Issues

• **Live with it** – ignore, hope goes away

• **Confront it** – led by Chair or Deputy

• **Remediate** – assess, educate, train, coach, counsel, co-opt outside help, realign

• **Seek** resignation

• **Remove** Director / member

• **Recruit** for optimal behaviour and competencies
CBSR Framework:

- **Specific Competencies** – to exercise sound judgement
- **Behavioural** characteristics – lead to effective decision making
- **Strategic** ability – to enable change
- **Recruitment** of new directors – capable of enabling the Board / Council to adapt to new business situations and requirements
  - (Leblanc and Gillies – AICD)

- Assess Board / Council performance / capability in these areas.

> **What value is being created** by the Board and by each member?
Strategies

• **Annual Review** – assessment of Board / Council (as group and indiv) – questionnaire, interviews, 360’s
  - ✓ Identify areas for development, training, improvement
  - ✓ Acknowledge achievements, successes, capabilities, value added
  - ✓ Make the tough decisions

• **Annual Board / Council day** – planning, focus on key strategic matters, undertake some profiling (for fun and awareness).

• Consider **your decision making framework** – structures, processes, tools and capability.
IT'S NO USE WHISTLING -
I CAN SEE THE BUBBLES
COMING OUT OF YOUR BOTTOM.
‘Soft’ Skills

- Emotional intelligence / maturity – self awareness, self management, self control, awareness of others’ emotions
- Self esteem
- Integrity and honesty
- Interpersonal skills and sociability
- Team player
- Servant leadership
- Positive and proactive attitude
- Appreciative of diversity
- Trustworthy
- Resilient
- Courageous..... etc
Resources

• **Book** – *Inside the Boardroom* – Richard LeBlanc and James Gillies, 2005

• **Governance Matters (newsletter)** – Canadian Co-operative Association – 2007

• Assessment / Profiling Tools:
  • DISC – [www.professionalchange.com](http://www.professionalchange.com)
  • Myers Briggs – [www.myersbriggs.org](http://www.myersbriggs.org)
  • Emotional Intelligence – John D Mayer: [www.unh.edu/emotionalintelligence](http://www.unh.edu/emotionalintelligence)

• **Book** – From Good to Great – Jim Collins – Level 5 Leadership
ANY QUESTIONS?