

# THE ROLE OF THE BOARD CHAIR

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SPORT  
NEW ZEALAND



## FOREWORD



Sport at every level depends on the people who sit on boards and committees. Thousands of individuals serve at club, regional and national level, overwhelmingly on a voluntary basis.

Board service in sport is increasingly challenging. Competition for resources and for the customer continues to grow. Directors take on serious legal and moral responsibilities. But the role of the chair brings additional and unique challenges.

Rather than being the 'leader' of the board, the chair is the guardian of the governance process and performance. Sports organisations, particularly membership-based ones, are every bit as challenging as for-profit entities and some would argue even more so. Getting the best out of a boardroom team whose members are both elected and appointed, and invariably volunteers, is a tough call. Ensuring the frameworks are present and applied is but the beginning. Ongoing management of the personalities frequently falls to the chair and real skill is needed to prevent that detracting from more important matters.

I acknowledge and thank all of you who have stepped up to this demanding role. I hope this short publication, together with other resources and training offered by Sport New Zealand, assists in your work.

Best wishes.

A stylized, handwritten signature in blue ink, appearing to read 'Paul Collins'.

Paul Collins  
**Chairman**  
Sport New Zealand



**“The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.”**  
— Max DePree

## INTRODUCTION

This resource is presented in three parts.

The first part is headed [Getting Started](#). While this initial section contains material relevant to chairs at every stage in their development, it is designed to help newly appointed chairs get their feet under the table and feeling comfortable about their new role.

The second part, [Achieving ‘Good’](#), is directed at chairs who have at least a year’s experience under their belt and are now able to step up to a new level of comfort and expertise.

The third section, [From ‘Good’ to ‘Great’](#), is designed for the experienced chair who is ready to perform with excellence.

Finally, there are a few additional matters relevant to chairs in all three categories.

We suggest that even the most experienced chairs should at least skim read the first two sections. There might be something that’s been forgotten or frequently overlooked. There might even be something new. Similarly, starting out chairs might read the entire resource and get a sense of where they want to head a year or more down the track.

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## SECTION ONE: GETTING STARTED

### The strangeness of group behaviour

When you first swap your director seat for the chair seat, one of the things you'll notice is that you can no longer sit back as a member of the group and allow someone else to do the group management. This is now your job. You'll also probably notice early on that groups are strange things: it's your job to make sense of the raft of unusual things that happen when people come together to work as a team.

For starters, you'll notice that people expect you to know what to do when things go wrong, when there's a gap in conversation, when they want to say something or when someone else is saying too much. You are now in the hot seat.

### **“The well-run group is not a battlefield of egos.” – Lao Tzu**

People's behaviour can change in group settings. Some who are confident and chatty when they're with one or two others can suddenly dry up when they're in a group of eight or nine. Some people who are otherwise quiet can become argumentative. Those who normally have opinions and ideas can hesitate to offer them in the group setting. A smouldering introvert can suddenly come alive when the opportunity is offered to disagree with any or every group-held opinion or position.

Working as a group puts pressures on individuals. Some feel anxious that they are under examination whenever they speak. And they are. The object of the group is to share and test ideas, otherwise why bring a mix of skills and experience together? Others will regularly want to be seen as 'right'. Such people are often unable to suspend judgement in order to hear the perspective of others.

As a novice chair, observe how the board members behave in the group as opposed to the way they operate individually. Don't try to be too clever in managing these differences, but think how you might, however, start to help the quieter members to be more involved. Invite them to contribute and ensure that the more forceful members don't dominate either you or the group. For these members a quiet word before or after the meeting is a good starting place. It's best not to openly challenge a very dominant member in front of the group. You might unwittingly start a war. Reaching agreement about their willingness to listen more and keep their contributions to the point can be effective. They typically need to feel valued.

*Stripped to its barest essentials, the role of the chair is to manage the board so that it performs its role to the highest standards.*

### Leading the leadership team

One concept that is universally associated with the board's role is 'leadership'. Writers and practitioners agree that, above all else, the role of a governing body is to provide leadership to the organisation. Within this overall role rests a myriad of interrelated leadership functions that combine to protect and enhance the owners' interests (whether they are shareholders, members, or others with an ownership stake).

While the board as a whole is accountable for governance, there is a need for a ‘team leader’. This person is the chair. Stripped to its barest essentials, the role of the chair is to manage the board so it performs its role to the highest standards.

The leadership behaviour of the chair is critical to the performance of the board. The chair can have enormous influence over the performance of the group in the ways they manage the tasks of the group, structure discussions, lead the group through internal conflict, and display other more subtle leadership behaviours. If a board is to be effective in its leadership role, its own leader must be clear about his or her role and have the skills to carry this out.

## What can go wrong?

Many boards struggle because they don’t have a capable leader. Even if they possess the types of personal qualities relevant to the role, many chairs find themselves buffeted by forces that reflect a wide spectrum of views about their role.

### “Hey folks, we need a leader here”

Just as a chief executive provides leadership to the staff and to the operational organisation, the chair provides leadership to the board. The chair is pivotal in creating the conditions for overall board and individual director effectiveness, both inside and outside the boardroom.

### If I’m not the boss of the board, what am I?

At one end of a continuum, the chair may be expected to be, or may choose to act as, the ‘boss’ of the board. At the other end is the view that the chair is primarily a ‘facilitator’, a process manager offering little or no leadership, instead hoping to draw this from the group of board members. Closer to the ‘facilitator’ end than the ‘boss’ end of this continuum is a position where the chair is a leader, but a leader who regards him or herself as a ‘first among equals’ (the Robert Greenleaf concept), who leads, but from behind. Another Greenleaf concept, that of ‘servant-leader’<sup>1</sup>, sees the chair as the protector and enhancer of the effectiveness and integrity of the board’s governance processes. The chair serves the board, not the other way round.

**“The servant-leader is servant first. It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. The difference manifests itself in the care taken by the servant – first to make sure that other people’s needs are being served.” – Robert Greenleaf**

## Get the board’s role right, then design the chair’s role

Most constitutional frameworks refer to the primacy of the board and to the duties of individual directors. When there is a reference to a presiding member (the chair), it is in a subordinate sense. The chair’s role is neither prescribed in law nor is there one right way to execute the role.

The role of chair must, therefore, be defined by what the board itself must achieve; only then can the chair’s role be determined. If the board as a whole does not have a clear understanding and explicit statement of its own job, the chair can hardly be blamed for imposing his or her interpretation and discipline on the board’s operations.

Once the board's job and then the chair's job are defined, the chair can be charged with leading a process that has high performance governance as its outcome. And so the chair can be thought of as the 'chief governance officer' (CGO)<sup>ii</sup> – the person primarily responsible for governance performance.

*The role of chair must, therefore, be defined by what the board itself must achieve.*

As a first amongst equals, the chair not only guides the board's processes, but is empowered, within the framework of well-considered governance policies, to make certain decisions. The chair leads the board in the quest for board discipline.

This approach is implicit in the sample job description shown below, which is based on the work of US not-for-profit governance theorist John Carver. It notably departs from traditional job descriptions that are usually laundry lists of functions or duties. It makes it clear that the chair's effectiveness will ultimately be judged in terms of whether or not the board as a whole fulfils the expectations and obligations of its own policies and procedures and performs well in a leadership sense.

#### **Chairperson – position description**

The chairperson provides leadership to the board, ensuring the board's processes and actions are consistent with its policies. As appropriate, the chairperson represents the board and the organisation to outside parties. The chairperson is expected to promote a culture of stewardship, collaboration and cooperation, modelling and promulgating behaviours that define sound board membership.

1. The chairperson will chair board meetings ensuring that:
  - a. meeting discussion content is confined to governance matters as defined in the board policies;
  - b. all board members are treated even-handedly and fairly; and
  - c. all board members are encouraged and enabled to make a contribution to the board's deliberations.
2. The chairperson has no authority to unilaterally change any aspect of board policy.
3. The chairperson will ensure that board meetings are properly planned including the development and timely distribution of board papers and that the minutes are accurate.
4. With the agreement of the board, the chairperson may establish a regular communication arrangement with the chief executive to exchange information. The chief executive may also use such sessions as a sounding board for proposed actions or to check interpretations of board policy. However, the chairperson will:
  - a. recognise that such sessions are not to be used to 'personally' supervise or direct the chief executive;
  - b. maintain an appropriate professional distance from the chief executive to ensure objectivity and attention to governance matters and concerns; and
  - c. not inhibit the free flow of information to the board necessary for sound governance. Therefore the chairperson will never come between the board and its formal links with the chief executive.
5. The chairperson may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

## Is there a recipe?

*There is no one right way to be the chair.*

There is no formula or a rulebook that should or can be applied with guaranteed success. No one personality type makes the ideal chair, and there is no clear connection between a board type and a chair type, although there might be some board and chair types that fit better than others.

There may, however, be a bit of magic attached to the highly successful or 'great' chair. Such a person seems to find the role easy to carry out. They don't seem to need to be the boss and yet they have a set of qualities that sets them apart from other board members both in the boardroom and outside it. A great chair makes the role look easy. When important matters arise they seem to know intuitively how to handle them. They draw the best from the team of board members without slotting any into a box. They lead from the front and yet, when examined, we find they actually lead from behind.

## Born to rule

Most people can be a good chair but not everybody can be a great one. Does the chair have to be 'great' to do a good job? Not at all. But he or she cannot perform poorly in their role and expect the board to fill in the gaps.

Board members ask a lot of their chair, expecting the role to be carried out fairly and with integrity even though at times the chair is required to 'overrule'.

*Directors expect their chair to control the meeting so that good outcomes are achieved, yet not to exercise so much control that others don't have the chance to contribute.*

## What are the required 'getting started' qualities?

The following sections describe the leadership qualities of 'good to great' chairs. This first section addresses the basics.

**Has personal integrity.** The chair must deal straightforwardly with board and director relationships and commitments, neither engaging in personal games nor playing favourites. Their conduct is guided more by principles than by politics.

**Leaves the chief executive alone.** A good chair will not interfere with the chief executive prerogatives granted by the board. Although chair intervention between the board and the chief executive can satisfy a board's anxieties in the short term, it invariably causes deterioration in the proper board-chief executive relationship.

**Is able to confront and lead.** Consistent with board process, the chair must act with the authority the board has granted, including the ability to confront individuals and behaviour.

**Focuses on the future rather than the past.** As the board's leader, the chair needs to have a sense of purpose and be able to keep and communicate a vision of the future. A constant concern for where the organisation is headed helps the board to stay focused on those things that will help the organisation to future success.



***Is willing to set and stick to high standards.*** The chair must uphold the highest standards of integrity, in both personal and group performance. This means not turning a blind eye to things that are not up to scratch, and continually looking for and applying ways to improve the board's effectiveness.

***Makes the time to do the job properly.*** The chair's time commitment is significantly greater than that of other board members. As well as preparing for and attending board meetings (and probably also committee meetings), the chair must have time to liaise with other board members, the chief executive and other staff, and communicate with important stakeholders.

## What knowledge is required?

Besides the qualities described above, a chair should also have the following skills and abilities.

***Know the board's policies and delegations.*** Top of the list is that the chair should be thoroughly familiar with the board's policies or its charter and with the board's written delegations to the chief executive. If the board does not honour its own operating principles, it will struggle to be seen as credible in the eyes of the organisation's owners or personnel.

***Know the standard rules governing meeting management.*** While most boards do not operate on the basis of formal meeting rules and procedures, there will be times, for example at the AGM, when formal rules apply. The chair should be familiar with these rules so that, should they need to be applied, they can be. There is no boardroom spectacle quite as unedifying as a battle over meeting procedure with the chair caught in the middle unable to mediate a resolution or provide a definitive and authoritative ruling.

***Know how to get the best out of the board team.*** The chair is the equivalent of the captain of the team and must lead by example while at the same time knowing how to maximise the skills and contribution of all team members. To achieve this, the chair must know the strengths and weaknesses of all directors. This may take time but, given that most chairs have been ordinary board members prior to taking on the leadership role, they will have a good idea of the contributions and personality traits of their colleagues.

***Know their own strengths and weaknesses.*** Humility that arises from self-knowledge is a powerful leadership competency. All chairs sometimes make mistakes and err in judgement, and so must develop the ability to self-assess their performance. They must be able and willing to change behaviours and capitalise on their strengths and weaknesses.

***Know where the organisation is, or should be, heading.*** Throughout the ages, all great leaders have presented a vision of a desired future to their followers. While not every board chair may aspire to become a great leader, they must still be able to articulate where the organisation should be heading. That future direction must be shared by other directors, even developed by the board as a whole. Regardless of how the future direction is developed, the chair must be its champion.

***Know what is on the agenda and what outcome is sought from each agenda item.***

The most visible and commonly practised aspect of the chair's role is their management of the board meeting. Less visible, but critical for meeting success, is pre-meeting planning. The chair should know exactly what issues are to be discussed at the meeting, in what order and what outcomes are sought from each item. At the start of the meeting the chair might quickly walk the board through the agenda, checking that his or her pre-planning assumptions are consistent with those held by other directors and as a way of warming up the board for the business to follow.

***Know when to draw a discussion to a close.*** One of the learned arts of good chairing is knowing when a boardroom conversation or dialogue has run its course and needs to be brought to a close. This can be difficult to manage, since board members want the opportunity to air their views and opinions, but also expect the chair to make sure discussion doesn't become drawn out and repetitive. The chair must often make a process judgement, perhaps test this with the board and, at times, be prepared to overrule the collective wish in the interests of good process.

***“A skilful chair, therefore, is a referee, moderator and smoothly slips in his own views. They bring a sense of discipline to the discussion. They cut people off nicely and set a time for each agenda.” – Richard LeBlanc and James Gillies***

## **Setting the boardroom culture and building the board as a team**

The chair models desired behaviours, acknowledges and enhances the contribution of other members of the board team, and creates and manages a working environment that enables the board to do its primary work.

The way the chair exercises authority has a direct impact on the board's culture. For example, a controlling and dominating chair relegates board members to mere 'yes' men and women. Apart from denying the board the chance to collate and exercise its collective wisdom, this can become self-justifying – other directors need to be dominated because they are weak or ineffective! A chair who allows directors free rein to express their opinions but then offers his opinion in the form of 'the final word' only nominally encourages free and open dialogue. A chair who tries to be 'facilitative' by deferring to fellow directors on all decision making leaves no personal imprint on the board's decision making. A chair who simply lacks basic interpersonal skills such as the ability to assess and judge non-verbal cues cannot create a productive boardroom culture and a cohesive board team.

*The chair models desired behaviours, acknowledges and enhances the contribution of other members of the board team, and creates and manages a working environment that enables the board to do its primary work.*

### **Write it, read it, know it, do it**

To ensure good governance is not left to chance, the chair should make sure the board has an explicit statement of its roles and responsibilities and of the policies, procedures and protocols that will guide the content and process of its work. Such a statement will also frame the expectations of the board's performance and that of its individual members. The chair should have an intimate knowledge not only of the board's own policies and procedures but the organisation's constitution, strategic plan, and other relevant 'directional' documents.



## Designing and managing the board's annual agenda and meeting agenda

Of all a chair's responsibilities, there is one that is regularly neglected – the design and content of the board meeting. Board meeting time is arguably a board's scarcest resource. Advance planning of how best to use it is an area where chairs can make their most substantial contribution.

**“Most of what boards do either does not need to be done or is a waste of time when the board does it. Conversely, most of what boards need to do for strategic leadership is not done.” – John Carver**

Ideally, the chair will periodically lead the board through the process of developing its work plan or annual agenda. This is to ensure the board:

- has ownership of its forward work programme and control of its own meetings;
- focuses on what is most important rather than what is most urgent (or 'interesting');
- focuses on those governance-related matters that justify its scarce time and attention and is not reacting principally to management concerns or initiatives;
- properly addresses all the major strategic issues that will affect the organisation's viability, reputation and success; and
- effectively monitors management and takes action to address financial performance or compliance issues.

Even when the board has such a work plan, the chair still needs to manage the content and sequence of each meeting to ensure it will be productive and to assist the chief executive to determine exactly what information the board requires and in what form and quantity.

*Board meeting time is arguably a board's scarcest resource. Advance planning of how best to use it is an area where chairs can make their most substantial contribution.*

Before each meeting (perhaps even weeks before), the chair should have thought through the meeting agenda, determining how each issue might best be addressed.

For example, some discussions are best served by the advance preparation of a definitive staff report with clear recommendations. Others benefit from a process of 'thinking aloud' or 'brainstorming', with very little structure imposed on the discussion or anticipation of its outcome. Part of this process is to consider how to make best use of members' particular skills or experience. It may make sense, for example, for the chair to ask another board member to lead the discussion or make a presentation to the board.

## Leading the board's meetings – where the rubber hits the road

It is then up to the chair to manage the board meeting according to the plan (agenda). The following examples of board meeting success factors highlight the demands on chairs to ensure:

- meetings start and finish on time but with flexibility in the way the agenda is managed;
- agenda items and discussions are restricted to governance issues, avoiding the temptation to delve into management issues;
- specific items are drawn from an annual agenda or board work plan;
- members are adequately prepared for the meeting and have information that supports understanding and decision making;
- the meeting process encourages open, frank and thorough dialogue. Every board member's opinion is sought, acknowledged and respected;
- behaviour, individually and collectively, is consistent with the board's previously agreed code of conduct; and
- when there has been sufficient dialogue, discussions are brought to a close and a clear conclusion or decision is reached and accurately recorded.

Following the board meeting the chair has the responsibility for reviewing the minutes of the meeting to ensure:

- they accurately reflect the board's deliberations; and
- matters arising from the minutes, and on which further action is required, have been addressed.

## Supporting the board-chief executive relationship

It is common practice – some would argue 'best practice' – for there to be a special communication relationship between the chief executive and the board chair. Others disagree.

At one end of the debate is the governance thinker John Carver<sup>iii</sup>, who makes a strong case for there being no independent relationship at all between these two key organisation leaders. Carver's point is that the chief executive is employed by the board as a whole, not by the chair alone, and therefore accountability should be expressed to that entire body. There is also a view that where such a relationship exists it is almost inevitable that, by the very nature of the power imbalance, it will become one of superior and subordinate, leading to the chair 'managing' the chief executive on a personal level. There are plenty of examples of this outcome and clear evidence of the damage that can ensue for the board and the chief executive.

*In your early days as the chair, you should take great care not to rush to form a close relationship with the chief executive.*

It is likely the chief executive will want to get to know you in your new role and the temptation is to allow this 'understanding each other' time to grow into something that could be hard to undo.

The chair, however, can be an ideal person for the chief executive to check with that his or her interpretation of the board's policies is consistent with the board's expectations. On such occasions, the chair acts on behalf of the full board. It's also common practice for the chair and the chief executive to plan the meeting agenda.

### **The chair should not become the top tier of management**

Some thinkers and practitioners argue that the chair should be the link or 'go-between' between the board and the chief executive, and expect the chair and the chief executive to meet regularly, often several times each week. Those who advocate this practice argue that these meetings are essential for the chief executive to keep the chair informed about 'what's going on'. However, this approach often results in the chair becoming a newly formed 'top tier' of management.

*... there should be no arrangement that implies that the chair is the 'boss' of the chief executive.*

Some chairs seem to think their role is to act as their chief executive's supervisor, directly influencing his/her work plan and spending considerable time around the organisation having a direct and active presence among staff. This is not surprising since chief executives' job descriptions often state that they report to the board *through the chair*.

While the chair must take the principal responsibility for ensuring the board is a 'good employer' of the chief executive (including clearly stated performance expectations and regular feedback on whether these are achieved), there should be no arrangement that implies that the chair is the 'boss' of the chief executive. The board as a whole employs the chief executive, who should be answerable to the board as a collective entity and not to the chair or other individual directors, or any committee (such as one concerned with the chief executive's performance evaluation).

### **"Remember, chief executive, I'm not your boss."**

When the chair has a close working relationship with their chief executive, no matter what the initial intention, it is almost inevitable that the chair will become the de facto manager of the chief executive. While a chief executive does need 'direction', no chief executive should need to be 'managed' in the sense that the senior executives manage other staff. The chair's involvement in the decision-making process makes it difficult for the board to hold the chief executive to account for the organisation's performance.

It is also important that the chair does not become an information filter between the chief executive and the board. While the chair may sometimes determine that a particular issue is an operational not a governance issue, the chair should never act as an information 'gatekeeper', or interfere in the board's ability to address governance matters.

### **Henry Bosch<sup>iv</sup> sums up the chair-chief executive interrelationship elegantly:**

*The relationship should be close but not too close; it should be characterised by consistent support in public but candour in private... The chairman's support should never go to the point at which responsibility for operational matters is removed from the chief executive; both parties have to keep in mind that the chief executive is there to lead the [operational] organisation and to be accountable to the board for its performance.*

The chair has a particular responsibility to ensure the board speaks to and instructs the chief executive with 'one voice'. This important interrelationship is further discussed in the following Achieving 'Good' section.

*Just as the chair should not 'manage' the chief executive, neither should he or she become an information filter between the chief executive and the board.*

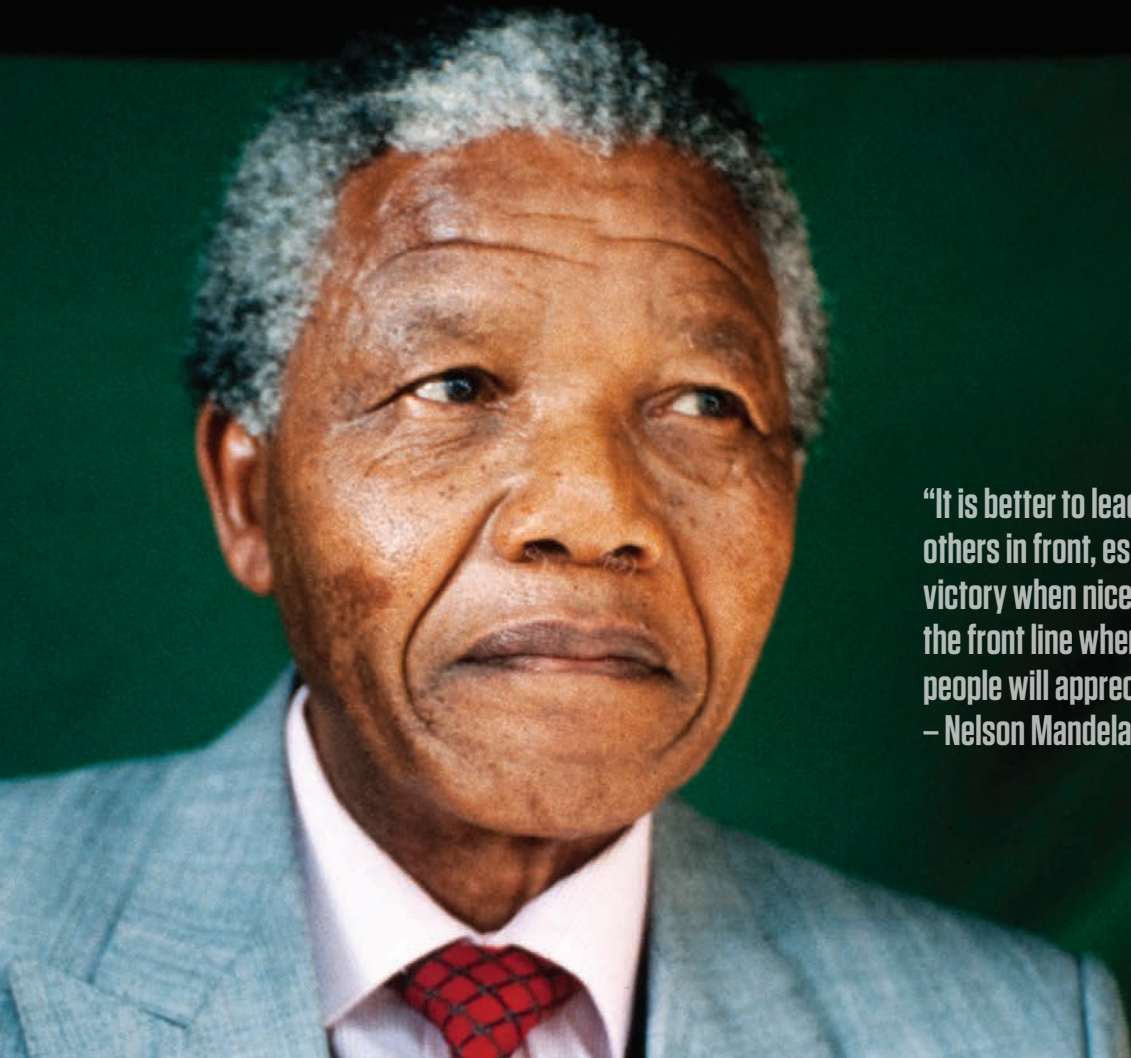
## Oversight of the stakeholder interface

It is essential that the chair ensures there is effective communication with members and other key stakeholders and the board understands their views and requirements. Many boards develop a Stakeholder Plan to make sure stakeholder issues are clearly understood.

Sometimes the chair will need to take a high-profile role in representing the organisation to the public, the media and key stakeholders. To be successful in this role, the chair needs to have a strategic understanding of the stakeholder environment and the way the organisation relates to its key stakeholders.

When acting as a public spokesperson for the board and/or the organisation, the chair must focus on governance-related matters and should not presume to speak for the chief executive about operational matters. The chair should stay within the bounds of board policy and agreed board positions, and not normally have autonomy to make 'policy' or determine matters on behalf of the board unless authorised to do so. The chair should ensure the board speaks with 'one voice' inside as well as outside the organisation.





**“It is better to lead from behind and to put others in front, especially when you celebrate victory when nice things occur. You take the front line when there is danger. Then people will appreciate your leadership.”**  
– Nelson Mandela

## SECTION TWO: ACHIEVING ‘GOOD’

### What are the required Achieving ‘Good’ chair qualities?

The Getting Started section offered a basic list of chair qualities. As the chair gains confidence and experience, this list can be deepened to include the following.

***A disposition to servanthood.*** The chair is a servant to the board, and can never forget on whose behalf he or she works and exercises authority, particularly when tough times call upon the chair to lead. The chair’s foremost role is to influence the board towards greater integrity and leadership.

***Courage.*** It is important for the chair not only to have the courage of their convictions but also to admit mistakes. Chairs must also be able to think for themselves without simply following and agreeing with what may be a superficial group consensus. In this respect, the chair has an important role in protecting the board from the perils of ‘group think’. There may be circumstances when the chair has to risk ‘popularity’ in order to do what he or she thinks is right.

***Intelligence and conceptual flexibility.*** The chair should at least be the intellectual equal of the board members. Because of the predominantly conceptual nature of leadership at this level, the ability to deal with concepts, constructs and principles is essential.



**Know how to deal with conflicting views and perspectives.** While the board should work as a team, directors are expected, even required, to exercise independent views and perspectives. Many directors are strong-willed individuals who bring passionately held views to the boardroom table. There will inevitably be times when the passion and individual perspectives boil over and generate conflict. A skilled chair will know how to manage such conflict and passion to the advantage of the board.

*Sometimes the chair will allow the conflict to reach a head in order to bring critical issues to the point where resolution is required.<sup>1</sup>*

At other times, the chair will divert the heat to minimise damage to board cohesion and relationships.

**Know the CEO's strengths and weaknesses and how to provide mentoring if this is needed.** Most boards accept that benefits can accrue from a soundly designed working partnership between the organisation's two leaders. When there is this kind of relationship, the chair can provide considerable support to the chief executive at times when the support of other senior managers is inappropriate. The chair should know the strengths and weaknesses of the chief executive and, as appropriate, be able to offer counsel or act as a mentor in the best interests of the chief executive, the board and the organisation.

**Openness.** A chair needs to be open in explaining the organisation to its stakeholders, and also open to ideas. An effective chair suspends judgement until hearing what people have to say and an issue is fully considered. In this, the chair has two roles to play – first, to be an effective facilitator of a collaborative dialogue process designed to thoroughly explore an issue and options and, secondly, to be a role model who listens to other points of view before firming up on his or her own.

**Sound judgement.** Some who possess high intellectual ability can make 'dumb' decisions because of a lack of common sense and sound judgement. A board needs at its head a person who is 'sound' and patient – who can be relied on to take a considered and 'grounded' view of matters under consideration.

*Neither board nor organisation can afford to have a chair who is seen as a 'bull at a gate' or a 'hot-head'.*

**A 'big picture' orientation.** Board members who are constantly questioning and objecting about matters of detail can be very damaging to a board and to the board's relationship with its executives. The chair in particular must take a 'big picture' approach and see that the board does not become 'bogged down' in the detail even though detail may be important at times (for example, in terms of the board's responsibility to monitor compliance).

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<sup>1</sup>*This is a skill that has to be learned from experience. Training courses might offer role play opportunities to practise dealing with difficult situations, but real learning comes on the job. A good starting point is to learn not to be afraid of a board member's passion or anger, to find a way to bring the essence of this to a board context while ensuring that the group is not harmed by the outburst. A chair can assist the passionate personnel by steering them away from each other and addressing the issue that's at the heart of the conflict.*

## Further board meeting objectives

The 'good' chair, now more comfortable in the role, might add further meeting objectives to his or her repertoire, for example:

- ensure articulate or 'higher status' board members are not allowed to dominate proceedings at the expense of others (further discussed in the following 'Good' to 'Great' section);
- use a constant agenda<sup>2</sup> to deal efficiently with issues that, while requiring formal board approval, do not require discussion;
- ensure there is a clear separation between historical (compliance monitoring and evaluation) and future-related (strategic thinking and decision making) agenda items with an appropriate balance between them;
- encourage divergent views but ensure differences in thinking do not become personal;
- ensure the board has the opportunity to 'think things through'. Allow sufficient time for the discussion of complex or contentious issues;
- bring discussion to a close when there has been sufficient dialogue, make a decision, and accurately record it;
- make sure the level of formality in the meeting process is appropriate and doesn't make it hard for any board members to participate; and
- reporting by the chief executive, staff, and board committees focuses on the governance level of issues and does not reduce the board to the role of passive listeners and observers.

## Supporting the board-chief executive relationship – more thoughts

As discussed in the previous section, a working relationship between the chair and the chief executive is often formed. This thinking is rooted in a set of organisational realities. The position of chief executive is frequently an isolated and lonely one and there are times when a chief executive shouldn't discuss matters with other staff, no matter how senior. At these times, the chair can provide a valuable, independent sounding board for the chief executive's analysis of the problem or the actions he or she proposes.

Therefore, while the chair is likely to have a regular business-focused working relationship with the chief executive, this is only on behalf of the board and consistent with the board's natural incentive to have an effective working relationship with the chief executive. The chair has the important responsibility to protect and enhance the integrity of the relationship between the chief executive and the board as a whole. The chair should never let his or her more frequent association with the chief executive come between the board and the chief executive. The chair has a particular responsibility to ensure that the board speaks to the chief executive with 'one voice'.

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<sup>2</sup>An agenda that includes items taken as read and not requiring further discussion.

*A competent chief executive, properly empowered via sound delegation policies, should not need to meet with any member of the board on a regular basis in order to carry out their role.*

### **How often?**

Some chief executives and their chairs meet weekly, some several times a week. Under normal circumstances, this should not be necessary. A competent chief executive, properly empowered via sound delegation policies, should not need to meet with any member of the board on a regular basis in order to carry out their role. And a board that has given its chief executive appropriate delegations and receives sound reporting should not expect its chair to form such a regular liaison.

*There is a real danger that regular, unstructured meetings will simply encourage the chief executive to 'check' with their chair before making any decision of significance.*

In the end, it may become a question of who is really making the decision – the chief executive or the chair? This form of creeping 'upwards delegation' can easily undermine the board's ability to hold its chief executive accountable.

If the chair and the chief executive usually meet before the board meeting to coordinate and discuss the agenda, this might be an ideal time for the two leaders to 'touch base'. This could include sharing perspectives and discussing issues relevant to the board. It is also an opportunity for the chief executive to 'sound out' with the chair any issues on which the chief executive might benefit from an independent, non-executive viewpoint.

But there are at least two further traps the parties should aim to avoid.

#### **1. Avoiding the 'filtering' factor**

Great care must be taken to ensure the meeting does not become a substitute for a more systematic sharing of information. A chief executive must not assume that the board knows about a board-related issue, just because the chair has been told about it. In turn, the chair must take great care to ensure that he or she does not become a 'filter' or a 'gatekeeper' for information provided by the chief executive that should be received by the full board.

#### **2. Avoiding the 'left in the dust' factor**

If the chief executive and chair are meeting regularly, there is a very real risk they will advance their thinking about issues affecting the organisation and the board more quickly than other board members can. These occasions can easily become 'mini board meetings' in which board issues are discussed and outcomes determined prematurely. The rest of the board can feel they have been left behind or, worse, excluded. It can make directors feel they have no option but to 'rubber-stamp' decisions the board chair and the chief executive have already made.

## The chair as mentor to fellow directors

Many chairs have much wisdom to offer and, because of the position they hold, will be looked to for advice and guidance. Fellow directors often use them as a sounding board and a listening ear. It is important that the chair knows their relative strengths and weaknesses and is able to maximise their individual contributions. The chair should be available to fellow board members for frank dialogue about performance and other board issues, and should be honest in giving feedback to individual directors about their contributions. The chair should treat all board members with equal respect regardless of their different abilities and contribution.

## Checking leadership effectiveness – the 10-minute test

When the chair is fully comfortable in the role, they should encourage the board to undertake a regular quick 10-minute meeting effectiveness test. This can be done at the end of a meeting, when board members are focused on their job and performance issues are still 'hot'.

It's very simple. Here's how it is done.

At the end of every board meeting, 10 minutes is routinely set aside to review the meeting. Board members each take a turn at leading the review, each choosing two or three themes for their session.

### Themes might include:

1. Satisfaction with the chief executive's and other reports considered at the meeting
2. Preparedness of the board and individual directors for the business transacted at that meeting
3. Time management by the chair
4. Opportunities for participation in the dialogue
5. Soundness of decision making
6. Sense that directors' time was well spent
7. Sufficiency of data/information in support of decisions
8. Conflicts (if there were any) well managed
9. Maximum use made of the chief executive's expertise
10. Sufficient time allocated for the 'big' issues
11. Adequacy of committee reporting and recommendations
12. The extent to which board dialogue remained focused at the governance level
13. The extent to which the strategic direction statements, such as the Purpose, Values, and Key Result Areas, formed the basis for board dialogue
14. Specific items arising from the annual performance review.

Some of these, such as 6, 10, 12 and 14, might be regularly assessed. Other issues might be reviewed as selected by individual board members.

The chair would keep track of themes to ensure that throughout the year there was full coverage. Each director would design their own approach to the 10-minute test. Where an improvement opportunity is identified, the chair might then lead a brief discussion designed to agree what might be done at future meetings.

**“When I give a minister an order, I leave it to him to find the means to carry it out.”**

**– Napoleon Bonaparte**



## SECTION THREE: 'GOOD' TO 'GREAT'

Becoming a great leader and a great chair does not usually come quickly. Many great leaders began their climb to greatness from a very early age. When the great New Zealand climber and mountaineer Graeme Dingle was asked when he began climbing, he replied that his mother told him he climbed from the womb. Others began at school leading sports or debating teams, continuing on into adulthood, always seeking leadership, growing and learning at every step. Trial and error, success and failure, facing and conquering adversity, and ups-and-downs are all part of leadership development. As was suggested earlier, great leaders and great chairs typically have a certain almost magical quality about the way they carry out their role. Everything seems easy and natural, the right response is always offered, they are humble, they lead yet they seem to follow, they are role models but don't push this. They just do it.

*There is no reason why every board chair should not aspire to be great.*

Greatness might not come easily or naturally but if the goal is there and this is supported by a willingness to learn and grow, then late bloomers can emerge.

This final section offers some finishing touches to the path to becoming a great chair. It addresses deeper level elements of the role and the skills and understandings required to climb to the top level. All of the skills can be learned, all of the concepts are understandable. Putting the learning and understanding into effective action is the hard part.

**“The most dangerous leadership myth is that leaders are born – that there is a genetic factor to leadership. That’s nonsense; in fact, the opposite is true. Leaders are made rather than born.” – Warren Bennis**

## The final part of the qualities list

**Mindfulness of group process.** The chair should be comfortable with group process, especially the ability of the group to capitalise on the talents of its members. This capability should extend to dealing calmly and appropriately with the occasional group process that goes awry.

**The ability to adapt their style and approach to different circumstances.** There is not one style that works best. The different situations that a chair will inevitably face during their tenure require them to be able to adapt to quite different circumstances. Even the substitution of one board member can radically change the dynamic of the board.

**Knowing how to handle a maverick board member.** Boards should not comprise like-minded directors. However, the collective strength that comes from diversity around the boardroom can also bring challenges to the chair. It is common, even desirable, that feisty individuals find their way onto boards. While the presence of such typically strong-minded individuals does not necessarily mean that the board cannot function as an effective, cohesive team, it does often mean that individual directors, prepared to break the team mould, can be seen as ‘mavericks’. One of the great challenges of group management is knowing how to harness the creative potential of a maverick while at the same time managing the potential damage to team cohesion. A chair must often walk a very fine line that typically needs to be informed by experience and strong intuitive skills.

**Emotional intelligence and maturity.** The demands placed on boards and their chair mean that the job can be quite stressful at times. Some chairs, for example, have to face a situation in which their organisation is under attack and have to defend or present their organisation in a way that does not do further damage. Others may have to guide their board through a deteriorating relationship with their chief executive. These types of situations demand unruffled but ‘on the ball’ leadership. An effective chair is self-aware, knows their own strengths and has well-developed strategies to work with these.

## A deeper understanding of group dynamics

### There are ‘insiders’

According to group theory, people typically fit into two broad categories when in a group. Evidence suggests that many small group members are readily, perhaps unconsciously, willing to suspend many of their own thoughts, needs and perspectives in order to fit into the group. They will look for a group consensus and are willing to be led and follow the majority, either out of a sense of ‘safety in numbers’ or because they don’t want to rock the boat. Most small group members fall into this category.

Those in this category might be thought of as ‘membership individuals’. There is some individuality, but this is less important than the greater good of the group and its harmony and shared agreement. It is this tendency that causes board members sometimes to hang back, unwilling to offer an opinion that might be contrary to what they see as a consensus.

A skilled chair recognises this behaviour as commonplace and actively draws members into a conversation. They ensure that a variety of opinions and perspectives are explored and that board members appreciate that good outcomes can come from diversity, so sharing these is good for the process. Of course, there has to be a feeling of group safety when contrary opinions are sought and explored. To challenge and be tough on the idea, not the person, enables individuals to break from the safety of their group member cocoon and dare to disagree.

### There are 'outsiders'

The second category comprises a much smaller number who are unwilling to give up their personally held positions and beliefs in the interests of the group. They will often fight their own corner regardless of the impact of this on group harmony and cohesion, because they firmly believe in their cause or position and believe their integrity is at stake if they give way to the group position. They are willing to stand outside the group even if this means missing out on the benefits of 'belonging'. They can be both valuable and troublesome and are typically very difficult to manage. Basically, they do not want to be 'managed' and will resist any suggestion that they should conform. Such people might be thought of as 'individual members', or mavericks, and, in the worst-case scenario, as bullies.

### Getting the best from both types

It also doesn't work well when group members sacrifice their individual opinions to the interests of the group so as to create group harmony. This makes it hard for the chair to generate the deeper examination of ideas and situations necessary for the board to dig deeply enough to be sure that the idea is sound or sufficiently robust.

*When a group is very harmonious, the chair needs real skill to encourage the members to challenge each other's ideas or interpretations.*

On the other hand, the outsider who resists being managed can present the chair with a different challenge. Finding room for the outsider's voice and opinion, however, can be as valuable as building cohesion.

When room is found for all perspectives and contributions, it's the chair's job to bring all of this together so that a sound decision is made in the best interests of the organisation and its owners (members and shareholders). The chair must also help the board agree on the decision and understand their obligation to support it.

Group behaviour can be a strange and perplexing thing to manage. New chairs often find this out very early in their chairing life. Some are unable to handle this and either give up or give in.

The aim of this resource is to assist chairs to learn to work with these behaviours in such a way that, while the behaviours might not change, they might be used to the benefit of the board and the organisation governed.

## Using an external expert/facilitator to help when the dynamics go awry

When the group dynamics go seriously wrong and, as chair, you feel you've lost or are losing control, it might be the time to seek outside help from someone with group dynamics experience. A skilled outsider will see things that no-one else sees and will bring these insights before the board in a non-threatening way. There is always a good chance that the chair has played a role in the process that has led to the need for assistance. A well-grounded chair will be open to looking at their part in the problem and so will model desirable behaviour to other board members, who might be encouraged to own up to their own contribution. Before intervening, the external expert will usually consult extensively with the chair and the directors to try to understand the range of board members' views and perspectives.

It may take several sessions to get to the heart of the problem and provide answers that the board can easily take on and practise. Like a couple seeking help from a counsellor, untangling relationship problems can often take time and several sessions with an outside expert.

## Expanding your skills and understandings

The following four elements lift the role of the chair to the highest level. A chair will find it difficult to address these more sophisticated concepts if he or she is not comfortable in the role and is not achieving good outcomes from board dialogue.

The following numbered sections are based on the work of Katherine Pick<sup>v</sup>.

### 1. Manage the status dilemma within a group of equals

Theoretically everybody on a board is equal. But in reality an informal internal hierarchy commonly exists based on power, competence, external status, and demographics such as age, gender and race. Because this is often not acknowledged, the consequent lack of acknowledgement of formal boardroom hierarchy or individual role definitions means board membership carries with it ambiguity and uncertainty.

Board memberships are an important component of personal identity for many directors:

- In groups people seek feedback that validates their own self-view.
- Directors attempt to find a niche in the board that affirms how they think about themselves and that gives them a sense of competence and belonging. This can lead to unproductive (even dysfunctional) contributions, such as posturing and jockeying or silence – because they're not sure how a particular comment might reflect on their status or identity within the group.

If there are no formal role definitions, directors learn about their contribution primarily by speaking up and getting feedback from other directors and from management. While it might be reasonable to expect directors (often highly educated, powerful and accomplished individuals) to have little trouble expressing their expertise in a board discussion, this is not always so.



Because directors usually bring very visible external identities (e.g. professions, or positions) that give them status and competence in the group, speaking up (which puts that identity at risk) in a board meeting is a high stakes and psychologically complicated act. In trying to establish an identity in the group and prove they belong, some directors may push too hard, by:

- posturing in front of fellow directors and management;
- speaking for the sake of making their presence felt; and
- scoring points at the expense of other directors and management.

Ironically, the risk that being wrong or naive could harm their self-image and their status in the group may make some directors more inhibited – even in speaking to their professional expertise.

The status dilemma leads some directors to keep silent when they are unsure of their assessments or ideas. Others feel unsure about speaking on topics outside their own professional background or competence.

### **The chair's role to manage the status dilemma**

A critical role for the board chair is to keep these status dynamics from damaging the quality of board discussion. A highly competent chair will:

- ensure directors know what they themselves and others bring to the board;
- make sure that directors' contributions do not become so narrowly focused that the board is reduced to a set of experts who speak only on their individual topics; and
- encourage the pooling of diverse and unshared information, the expression of minority opinions and the group collective commitment to outcomes.

### **Related chairing techniques**

'*Calling on*' individual directors during meetings. This is done to:

- encourage an individual to express a particular expertise or a concern;
- recognise the unique contributions possible around the board table and help directors understand each other and what everyone has to offer;
- help directors learn where their expertise is needed by the board and management;
- give them greater freedom (and opportunity) to express their ideas;
- give directors confidence in the board process by knowing that their ideas will come to the table even if they do not assert themselves;
- remove some of the risks of speaking up and to create a less threatening way to share information; and
- frame the topic raised by a director as valuable within a context of professional expertise (other directors are then less likely to personalise or dismiss whatever is expressed).



*It should not be assumed that all directors will speak their minds freely or easily.*

'Polling' the board by going around the table to get input from all directors on a particular issue. This process is useful because it recognises that:

- some directors are quieter than others; and
- discussion on certain topics is likely to be dominated by those who are very vocal and/or those who are (or perceive themselves to be) experts.

It should not be assumed that all directors will speak their minds freely or easily. Some might feel intimidated by the presence of others who seem more knowledgeable or the presence of senior staff. Others might not know enough to ask the right questions. However, comments from directors who are unsure or simply less passionate about the matter under discussion may also be valuable.

The benefits of polling also include:

- greater ownership of the discussion outcome when the entire board has spoken on something;
- the opportunity for other directors to revise their initial opinions, stimulated by the increased range of inputs to the discussion; and
- creating a sense of collective effort and unity of voice.

Despite its strengths, it is not feasible or necessary to use polling for every issue. Polling may not be efficient and could be divisive and make directors uncomfortable in front of senior management.

#### **Pre-meeting conversations with directors**

There are times when it's advantageous for chairs to conduct pre-meeting conversations with individual directors to help them understand the perspectives and concerns that are likely to be brought to the meeting.

The information gained from the meeting puts the chair in the position of being able to help a director articulate an idea to the rest of the board and ensure the board is using all the knowledge and experience assembled. It is important, however, to ensure this approach does not become perceived as pre-cooking important issues or as a 'divide-and-rule' tactic.

## **2. Manage the tension between the various roles the board plays with senior management**

The board is expected to oversee and monitor senior management, specifically the chief executive, but is also expected to advise and guide.

*At times monitoring and advising will be in conflict.*

The board's challenge is to be an objective and independent challenger and tester of management thinking and advice, while also providing the support that will ensure management is successful and will continue to provide the board with their thoughts and advice.

The tension between monitoring and evaluating can become apparent when:

- reviewing presentations, etc, with a critical eye;
- asking questions that might reveal potential errors or problems with judgement; and
- expressing disapproval or disappointment.

At the same time, the chief executive and senior management need to be kept motivated and feeling supported. The challenge for the chair is to help the board sustain a nurturing relationship with management while at the same time taking its ultimate responsibility for organisational performance seriously and discharging its responsibilities conscientiously.

### **The board relies on management for essential information**

A board needs to develop the kind of relationship that will keep senior managers bringing that information to the board. A board seen by management as overly critical or a nuisance is, at best, circumvented. The chair plays an important role in building this relationship by modelling appropriate responses in the boardroom and encouraging and supporting standards that both board and management agree should form the basis for their interrelationship.

The chair's role is to help the board balance the monitoring and advisory roles. This means the chair must build and sustain trust between managers and directors, yet simultaneously encourage an objective distance and independence.

### **The special linking role of the chair**

Chairs can use a range of techniques and tactics to ease the inherent tension in the roles that the board must play with management including:

#### **Building bridges**

- The chair can spend extra time clarifying and framing the input that might come from more vocal (and possibly more critical or aggressive) directors.
- It can be constructive to make positive connections between an aggressive comment (of the type likely to get a negative reaction from management) and other more positive ideas being discussed.
- It is good to create a safe space for management to hear (and not be distracted by) such contributions.

*... the chair must build and sustain trust between managers and directors but simultaneously encourage an objective distance and independence.*

#### **Gathering information before the meeting**

- Being forewarned and forearmed does not mean chairs should run the risk of appearing to be manipulating the situation. It is simply about trying to know beforehand which concerns are likely to surface.
- 'Board-only' time when all directors are present before the meeting is a good opportunity to get the type of heads-up a board chair needs.

#### **Foreshadowing points of discussion**

- This involves framing the anticipated points early in the meeting, perhaps mentioning them in relation to some larger issue. When the point emerges later, the groundwork for their importance has already been laid.

#### **Treating the meeting as a whole, integrated discussion**

- A chair should weave themes together even across the various discussion topics.
- The chair should aim to create an overall purpose for the meeting around the big issues that are the most urgent or relevant at that time.
- Doing this provides a context for directors' contributions and enables directors and senior managers to see how any criticism and new ideas fit together. The purpose is to create a more open and trusting dialogue between directors and senior management.

#### Modelling the relationship between management and the board

- The chair should aim to model a relationship with senior management that shapes the culture of the meeting and of the board, a relationship that is open and collegial and, as appropriate, includes some mentoring.

### 3. Sustain the cohesion of the board while encouraging dialogue

Cohesive groups are motivated to ensure the group does well and stays unified.

Uniquely, boards perform almost all their work in the presence of, and in interaction with, senior management (the group they are meant to supervise). This makes cohesion both more important and more difficult.

To be influential, the board needs to be able to move past conflict and present management with a coherent message from the whole board.

To consistently present a united front to management, the board must:

- balance open discussion and disagreement on the one hand with group cohesion, trust and efficiency on the other; and
- work out its own process in a way that shows management that the board is not divided or confused but rather a strong and credible group.

#### The chair's role to encourage and manage dialogue

The chair must encourage directors to be honest and contribute critically even if it engenders conflict. At the same time the chair must ensure disagreement does not paralyse the board, undermine its influence with management or hinder directors' ability to work together in a cohesive manner.

*... the board must be able to move past conflict and present management with a coherent message that comes from the whole board.*

Cohesion, however, can be a double-edged sword. Too much cohesion can lead to an uncritical group process, conformity, insufficient consideration of alternative viewpoints, and poor decision making. The chair must make it easy for the board to seek out and value differences. It is essentially a matter of social cohesion versus task cohesion.

- **Social cohesion:** A general orientation toward developing and maintaining social relationships within the group can undermine boards. Directors begin to operate on the basis of loyalty and a desire to belong.
- **Task cohesion:** Task cohesion is an orientation towards achieving the group's goals and objectives. It is essential to a board's ability to achieve agreed outcomes and to influence management.

#### Encouraging healthy disagreement

Conflict has long been considered to be bad for groups. Current thinking, however, recognises that certain types of disagreement and conflict in groups are beneficial to the quality of discussion, decision making and other group outcomes. This is certainly true in the boardroom.

### Task versus relationship conflict

Facilitators frequently advise group members to 'attack the issue, not the person'. Another way to state this idea is to say that task-related conflict is good but that relationship-related conflict is not.

It is important for board chairs to adopt specific tactics to seek and explore divergent views while keeping conflict at the task level by:

- framing directors' contributions in terms of directors' professional experience, thus keeping the focus on the topic of discussion;
- keeping the board feeling effective even after conflict has occurred;
- showing the group that disagreement need not be destructive or divisive;
- articulating discussion end-points and points of disagreement. This keeps the lines of debate open and legitimate and:
  - reinforces the idea that disagreement is inevitable and acceptable (perhaps at times desirable); and
  - demonstrates that disagreement will not derail discussions or the entire board meeting;
- asking other directors what they think about the matter;
- helping the board to accept that, while consensus is desirable, a decision has to be made. Voting is okay in order to create an end-point;

*There is nothing wrong with having something that is not a unanimous vote.*

- allowing disagreements to exist without sending the message that the board's work has been compromised as a result; and
- treating discussions on their own merits. Not every discussion is the same, nor every kind of disagreement. Consider how deep the disagreement runs, what the basis of disagreement is, and how directors are likely to respond to having the discussion concluded. Also consider whether it is essential to resolve the conflict right now.

### Avoid becoming the centre of all dialogue

Chairs should avoid the tendency to become the hub through which all communication flows.

- Encourage directors to speak directly to one another (and not just in board meetings).
- Ensure they have direct exposure to each other's ideas or concerns.

## 4. Manage the ambiguous nature of the board's role

Legally, the role of the board is only broadly defined. Boards are left to define for themselves how they will go about, for example, obtaining and evaluating information and interacting with senior management.

*A critical role, therefore, for the chair is to ensure directors are operating with a common vision for the board's role.*

- Ensure the board understands its role, both generally and at specific times in the meeting.
- Boards can (and should) change their style and focus depending on the state of the business. The chair must make sure individual directors are not wandering off in different directions.

**The chair can set up and conclude successful board meetings by:**

- providing each discussion with a purpose, letting the board know, for example, what management is hoping to get from them in the discussion, what stage the discussion is at, its scope, and what has come before;
- relating the purpose of the meeting to annual agenda themes, etc;
- concluding the discussion by summarising for the board what it has agreed and articulating what will come out of the discussion;
- modelling the role the board should be playing, for example, by interacting with management in a way that communicates the role a board member should play; and
- offering statements of philosophy. Even if these statements are met with resistance from other directors this will at least force a debate and uncover assumptions about the way the board should operate.





## KEY ISSUES FOR CHAIRS

### Ensure the board speaks with one voice to the CE

A board member will often speak directly to the chief executive or another senior staff member about an issue of particular interest to that board member. A common example is the financial specialist on the board talking about financial matters and their presentation. What can easily happen is that the board member might make suggestions to the chief executive about how things should or should not be done or presented. The chief executive wants to acknowledge the board member's expertise and so agrees. Other board members allow this to happen.

This scenario results in one board member 'instructing' the chief executive about a matter that affects the full board. The Board Charter and Governance Policies document (available online) makes it clear that only the board can instruct the chief executive. As a chair, you should be aware of this situation, since it's likely to occur quite often and has become an acceptable behaviour in the boardroom. While the 'expert' board member might, indeed, be making a good point and asking for a perfectly reasonable change to the way things are presented to the board, nonetheless board members should not be instructing the chief executive.

*The chief executive has one boss, the board as a whole.*

If a chair becomes aware that this is happening, bring the recommended action to the attention of the full board and check to see if they agree with the 'expert'. This, firstly, allows all board members to engage with the expert and understand why the suggested action is relevant or important for the board. Secondly, if the board agrees that such action or change should be taken or made, then the chief executive knows that this is an instruction from the board, not just from one member, reinforcing the principle that the chief executive has one boss, the board.



## Keep 'board-only' time short and tight

'Board-only' time can give the board the opportunity to address matters free from the ears of the chief executive and senior staff. However, this time should be carefully managed and should not be used to talk about things the chief executive should be contributing to, or to talk about senior staff.

It is, however, an ideal time for the chair to lead the board in a brief discussion about the focus of the meeting and to gauge directors' satisfaction with the content and focus of management papers to be discussed. Board members could also ask their peers questions that might be felt to be embarrassing to ask in the presence of staff. Board-only time provides an opportunity for agreement to be reached about how much time to devote to each agenda item, to be sure that everyone understands key concepts to be discussed, and for the chair to make clear what outcomes he or she is seeking from each agenda item.

*[Board-only time] ... should not be used as a time to talk about things the chief executive should be contributing to.*

Board-only time might last for no more than 10-15 minutes, at which time the chief executive is invited into the room and briefed about matters that relate to him or her and their role in the board meeting about to commence. When the chair knows that this special time is to be focused on internal board matters only, the chief executive might be told in advance so there is no anxiety attached to not being present.

## Ensure papers to the board focus on governance matters and meet board standards and requirements

Board members often have to read through long board papers looking for their relevance to governance. Some boards are presented with hundreds of pages of such papers for each board meeting. Many of these 'board packs' are padded with information that is only of marginal interest or relevance to the board or is poorly targeted. Often a chief executive will ask senior managers to write reports for the board, but the board will be dissatisfied with the paper. The chief executive will then criticise the paper or the writer or deny responsibility for the lack of quality or governance focus.

The bottom line is that all papers to the board are from the chief executive regardless of who wrote them. The chief executive is accountable for the content and quality of all papers and should ensure all board papers are up to standard and relevant to the board in its governance role.

*A chief executive's job is made much easier when a board has determined the form, style, and quality standards it expects to see in board papers.*

Report writers should follow a paper-writing model that begins with a statement of relevance to the board and then gives a brief outline of the paper and guidance to board members about what they should be looking for. This will make it much easier for board members to read the paper and understand its intent and significance. The body of the paper should focus on the matters under consideration and end with a recommendation or some other form of conclusion, which should be focused on the governance response to the issue.

The chair can assist this process by reinforcing to the chief executive the board's reporting and support requirements. The chair may reasonably ask to skim read the papers, or a selection of these, before they are presented to the board. The chair can then confirm that the board's criteria have been met or not. If not, the chief executive can correct any problems and present a paper that is easily read, relevant, and meets the board's requirements.

Remedial action is only likely to be needed once or twice. No chief executive will want to have to rewrite papers or have them refused by the board. As chair, you can assist both the board and the chief executive by ensuring that the paper-writing standards are established and are met.

### **Don't try to solve chief executive problems alone**

Always remember that the chief executive is employed by the board as a whole, not by the chair. When things go wrong at the chief executive level it's not the chair's role to play the lone ranger and be the 'fixer'.

*When the chief executive is struggling, this needs to be brought before the full board.*

There is real danger in the chair alone taking on the 'fixer' role. Firstly the objective separation that lies at the heart of the chair-chief executive interrelationship will be compromised when the chair becomes a partner or coach, either or both of which are highly likely as the chair tries to assist the chief executive to get back on track. And if the chair becomes party to confidential matters, they will lose their connection to the board as a whole. It's far better for the chair not to be drawn into a 'putting right' role, instead helping the board to act collectively in addressing chief executive performance problems.

### **Aim to be a 'conductor-chair' rather than 'caretaker-chair'**

In their research-based book *Inside the Boardroom*, Richard Leblanc and James Gillies<sup>vi</sup> identify two types of chairs: conductor-chairs and caretaker-chairs.

Conductor-chairs take a flexible approach to the role. They understand group dynamics and the challenges people face in a group setting. They find ways to ensure the mix of skills, experience and behaviours of board members are used in a positive way in the dialogue and decision-making process. Like the conductor of an orchestra, conductor-chairs know the outcomes they want to see achieved, the parts to that process and the role each board member is likely to play in helping the desired outcome. They facilitate free-flowing dialogue but know when to intervene and draw a discussion to a close.

*The conductor doesn't make the music.*

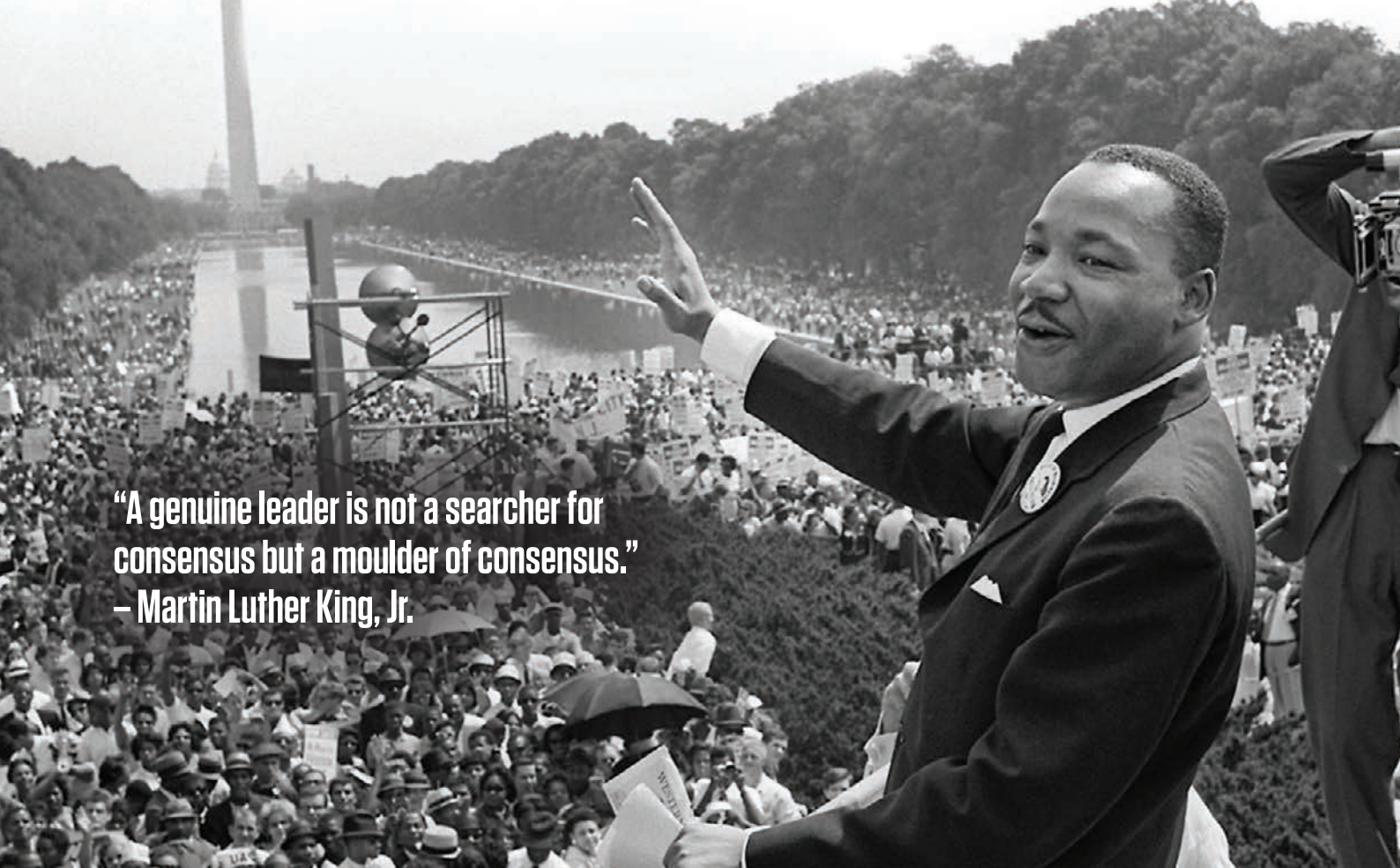
The dominant characteristics of the caretaker-chair are at opposite ends of the spectrum. At one end is the under-controlling chair, who provides little or no leadership to the board. He or she is scared by, or ignorant of, the dynamics inside the boardroom and fails to manage these in order to steer that board towards a productive outcome. They lose credibility with both board peers and management, who no longer feel safe inside the boardroom. Dominant or renegade directors will have free rein to push and pull board members, the chief executive, and senior staff present without any moderating control. The one upside of an under-controlling chair is that they will usually not resist recruitment of competent board members who might be potential leaders.

This type of chair might even welcome the opportunity to step aside and allow someone else to fill the gaps created by their style and lack of skill.

The opposite style of caretaker-chair behaviour is the over-controlling chair, who manipulates board members and board processes to their own, usually self-serving, end. Decisions are typically forced through, dialogue is tightly controlled and relationship building doesn't feature in this chair's style. An over-controlling chair is likely to make every effort to ensure that strong board members are not recruited to vacant board positions and that the board team does not have the opportunity to do things differently. Such a chair will ensure he or she remains in control.

Both types of caretaker-chairs result in a dysfunctional board. Such a board neither serves the organisation or its owner(s) well, nor builds a productive partnership with management.

The preferred chair style clearly fits the Leblanc and Gillies Conductor type. As John Carver<sup>vii</sup> reminds us, however, the conductor-chair should always remember that the conductor doesn't make the music.



**“A genuine leader is not a searcher for consensus but a moulder of consensus.”**  
– Martin Luther King, Jr.

## SUMMARY

### What do directors expect of their chair?

First and foremost, directors look to their chair for leadership. ‘Leadership’ is typically interpreted to mean that the chair takes a strong directional role at board meetings. The chair should play an active role in shaping the meeting agenda by designing its content, estimating the timing for the various items, and making clear the outcomes to be achieved.

The most evident demonstration of leadership from the chair is his or her management of the meeting itself. In particular, directors expect the chair to:

- attend all board meetings;
- gain the trust and respect of all fellow board members;
- understand the business/organisation and its operating environment thoroughly so they can determine which factors and issues are critical and which are not;
- be an independent thinker who can challenge and disagree with the chief executive or directors without being disagreeable;
- demonstrate good timekeeping;
- be even-handed and fair in the treatment of individuals;
- acknowledge the contribution of directors, noting the signals that indicate a wish to speak and giving them time to make their point;

- manage contributions to board dialogue so that no individual or subgroup dominates;
- manage conflict by allowing differences to be aired and explored constructively;
- encourage all directors to express their opinions and perspectives;
- model effective listening and questioning skills and the type of overall boardroom temperament expected from individual directors and the board as a whole;
- ensure discussion stays on track and is relevant to the governing role of the board;
- develop a productive interrelationship with the chief executive – this should be close enough for the chief executive to be able to share concerns and use the chair as a sounding board, but not so close that it limits objectivity;
- ensure the chief executive and other appropriate staff have the opportunity to contribute to board dialogue as appropriate and protect them from unwarranted or aggressive attack by hostile board members;
- understand enough about group theory and practice so that teamwork is developed and maintained while at the same time ensuring that the individuality and special contribution of directors add to the sum of the group experience;
- ensure the information flow to directors is timely and efficient; and
- be a strong advocate and credible representative of the board outside the boardroom, and honour the board’s policies and agreements.

### Chair expectations of individual directors

Many of the chair’s expectations of directors are a mirror image of the directors’ expectations of the chair. Some, however, are worth highlighting.

Attendance and punctuality are primary expectations that a chair has of every director. Many chairs wait patiently for late arriving board members, particularly when these are required to form a quorum, but they should not be put in this position.

The chair will expect directors to:

- focus on the job in hand – no text messages, email or phone calls;
- concentrate on governance issues and the agreed agenda topics;
- suspend judgement before offering critical assessment of the contribution of others, listen to arguments and contributions, and consider the merits of various perspectives;
- be properly prepared for board meetings, including having read and digested board papers, being clear about issues of concern, and having formed initial opinions and questions so that dialogue is entered into with purpose;
- be willing to support the dynamics of the boardroom and help manage conflict if it arises;
- try to include more reticent directors in dialogue and decision making;
- give constructive feedback on his or her meeting management. This might be offered either privately or as part of periodic board performance review processes;

- be willing to participate in board committees, without having to be 'railroaded' into accepting committee positions;
- attend special board activities and functions such as an annual strategic retreat, annual board-staff Christmas party, presentation of awards, and representing the board and the organisation at stakeholder and other important functions;
- show commitment and loyalty to board policies and agreements outside the boardroom, such as honouring the one-voice principle, especially in relation to matters affecting the chief executive;
- contain differences of opinion about policy matters to the boardroom; and
- refrain from having unauthorised contact with operational staff, including senior managers.

### **Chair expectations of the board as a group**

In addition to expectations of individual directors, a chair can reasonably expect the board as a group to demonstrate certain characteristics and qualities. These include:

- a commitment to working as a team;
- a commitment to finding the 'one voice' necessary for the group to speak as a single entity;
- an appreciation of the complexities of group dynamics and a willingness to 'weather' the ups-and-downs of group process; and
- support for the leadership role of the chair and an acceptance that this is an essential and, at times, challenging role. There will be times when the group as a whole will need to 'stand alongside' its leader and show public support and solidarity even if, away from the public eye, there is disagreement and dissatisfaction with aspects of the leader's performance.

Relationships can be placed under stress when expectations are not made explicit and assumptions are not tested or explored. This is as true for intimate relationships as it is for business, professional and group relationships of all kinds. Many board chairs assume the office of 'board leader' without ever making clear their personal 'agendas' and expectations of their board colleagues. Equally, board members elect or appoint chairs without making clear what style of leadership they expect from the individual in that role.

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- <sup>vii</sup>Carver, J 1999, *The Unique Double Servant-Leadership Role of the Board Chairperson*, sourced from the Reprint File, [www.carvergovernance.com](http://www.carvergovernance.com).

## RESOURCES

[www.sportnz.org.nz/chairs](http://www.sportnz.org.nz/chairs)

Under *Nine Steps* supporting material there is a range of resources relevant to the chair's role.

### Templates and good practice

- Board charter and governance policies
- Board room competencies
- Commitment letter for new directors
- Forms of agenda
- Board paper structure

### Articles

- Using the board's expertise
- Ten things a chair must know
- Key aspects of the chairman's role
- Eight basic expectations a chief executive has of his or her board
- Board-CEO relationship
- The CEO-chair relationship
- Quiet time – when the board meets alone
- Relevant information only please – board papers
- Writing for the board
- Writing for the board (2) structure of reports
- Difficult conversations
- Dealing to board meeting time wasters
- When the CEO's tail wags the board's dog



**SPORT  
NEW ZEALAND**

Ground Floor, 86 Customhouse Quay,  
Wellington 6011, New Zealand  
PO Box 2251, Wellington 6140  
Phone: +64 4 472 8058 Fax: +64 4 471 0813