



The art of chairmanship

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David Archer & Alex Cameron

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Socia Round Tables

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To anyone who aspires to chair a board, this can look like an impossible role to get right. And there is no room for a learning curve as the chairman is in the spotlight and will build their reputation from day one. At Socia we support many chairmen who lead boards of very diverse constitutions, and so in this board roundtable discussion we brought a group of chairmen together to share their experiences and to explore what is behind the art of chairmanship.

What does it take to be an effective chairman?

The group agreed that the role of the chairman is to ensure that the board can achieve its purpose for the business. Crucially, the chairman manages the boundary between executives and non-execs, ensuring that each group can fulfil their different roles without encroaching on each other's accountabilities. In practice, this means an effective chairman:

- Understands the strengths and weaknesses of their board and focuses the board process to get the best decisions from the group as a whole.
- Manages board meetings to ensure that the time spent together is efficiently and effectively used. The chairman sets the standard for the behaviour expected from others.
- Ensures that the board has access to the capability it needs from the group of non-execs and the executive leadership, with particular regard to the contribution of the CEO.

What are the toughest aspects of the role?

All the board chairmen in our group had experienced many challenges in this role. However, at the top of the list was dealing with an incompetent CEO in a timely fashion. When there are CEO performance issues, delaying taking action in the hope that things will improve usually proves unhelpful. Acting quickly to make any changes to the composition of the board is critical. This doesn't mean packing the board with friends or cronies, it means the board working with the nominations committee to ensure capability and succession are effectively addressed.

The chairman is at the locus of many intersecting demands from stakeholders on the board, shareholders, regulators, customer

groups etc. The job is to promote debate and challenge with the intention of finding the best solutions for the business whilst at the same time protecting and building relationships and the reputation of the board. It's a challenging role and, one chairman shared their experience of resigning from a board when they judged the governance arrangements as unacceptable. This is perhaps the ultimate authority of the chairman.

Advice for aspiring chairmen

Although the nuts and bolts of chairmanship may be straightforward to learn, the group were clear, everything else is much more art than science. The chairman is not a CEO and some find this distinction in roles rather difficult. It's better to have significant experience in a variety of non-exec roles, observing a range of different chairmen operating, before taking a first position as chairman.

For first-time chairmen the advice was to remember to take time to prepare for the content and the likely dynamics of the board meeting – and read the papers more thoroughly than your colleagues! Manage the board debate by setting the tone with the first question, encouraging contributions from all board members and ensure that the executives really listen to the non-exec feedback without defensiveness. Take every opportunity to learn from those with extensive experience in this role and don't forget that courteousness is a key skill and a good place to start.

Another piece of advice was to keep your own notes meticulously, tracking issues and individuals' behaviour from one meeting to the next. Pick your moment carefully to address specific issues. Not everything can be tackled in the interplay of a full board meeting and so it's important to have regular one-to-one meetings with board members outside the formality of the boardroom.

And finally

Chairmanship is much more art than science. Success is based on the particular constitution of the board and the requirements of the individual board members. Boards in different sectors and different industries make different demands on the chairman, however, the core skills do not change. The art of chairmanship is in how the individual applies those skills.

Some boards exist in a particularly challenging space, namely the intersection between public and private businesses. These boards often have unusual constitutions and governance issues to address. Our next Socia roundtable will bring a number of individuals together who have direct experience of such boards, to share how they address the differing demands of public and private sector stakeholders within the board structure.

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