

What I hate about boards

By Iain McCormick

Being a director must be the most exciting thing you can do with your clothes on! You get to examine the entrails of some fascinating organisations, watch the tectonic economic forces push and pull results, work with some very exciting and dynamic people and get paid for doing it.

But despite the excitement, there are a few things I hate about boards.

I hate boards that won't make clear, decisive decisions. You know the sort. The board that has a robust debate about an issue and edges closer to a decision. The, just when the consensus is crystallising someone says; 'I know this is a slight tangent but ...'. The comment breaks the consensus-building process and the board heads off in a different direction. Unless the chair is astute the emerging consensus disappears and another hour of board time evaporates with nothing to show. Directors must understand the volatility of decision making to be decisive.

I hate boards that don't support their CEOs. Jack Welsh reportedly said boards should ask just two questions: Do we have confidence in the CEO? And, where is the succession plan?

If boards do not have confidence in the CEO they should fire him or her and appoint another. If they do have confidence they should show it. Many CEOs, particularly from not-for-profit organisations, suffer unresponsive and ineffective boards. Boards can't lead effectively without supporting the CEO. This doesn't mean being uncritical or unchallenging – that is vital. It means clearly and assertively recognising good ideas, good work and good progress.

I hate boards that add cost rather than value. It happens when one or two directors, often ineffective ones, delight in asking for extra data, analysis and documentation, disguising their inability to take considered risks

or make wise decisions. These directors create hundreds of hours of extra work to no purpose.

I hate boards that can't see beyond the CEO's good news. CEOs want to make the best of situations and present positive pictures to the board – their job often depends on it. Boards must distinguish between CEO-dependent and independent information. Astute directors understand executive 'spin' and how to gather independent information. It comes from discussions with senior staff, staff opinion surveys, attending customer, joint-venture partner and supplier meetings where they can talk directly to stakeholders. Board members should read widely, search the internet and generally do their homework. Gathering independent information has nothing to do with distrusting the CEO. It helps supplement and constructively challenge the CEO-dependent information.

I hate boards that think there is a positive relationship between the quality of decisions and the time spent discussing them. Often there is an inverse relationship. Endless hours of circular debate deaden the spirit of enterprise.

I hate board meetings where inflated egos pollute the atmosphere. These directors invariably talk loudly, frequently and are intent on telling their colleagues how competent, capable or funny they are.

I hate vigorous agreement. When directors reach agreement after a robust debate they, for some unknown reason, find it essential to restate their views. The discussion is invariably irrelevant and time wasting.

I hate directors who turn up without having read their board papers. It results in lengthy discussions that turn into clarification sessions. If the board papers are too long, too

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boring or in some way confusing, directors should feed this back to the CEO. **Many boards go through cycles, asking for more detail, then abbreviated reports and back to detailed papers again. This frustrates CEOs. They see it as indecisiveness.** Get the amount of detail right and be consistent.

I hate boards that aren't clearly directed. A key role of the board is to set the company direction. Boards of large organisations may just challenge and approve company direction but, the important point is that direction is established. There is no substitute for one or two-day off-site facilitated meetings to help directors understand the challenges and, after robust debate, decide on a clear direction.

I thoroughly enjoy being a director. The process is exciting, dynamic and intellectually stimulating. Occasionally, I hope, I add some value! But too often, boards aren't sufficiently open to critical self-reflection, honest feedback and review. Boards become stagnant and lack self criticism which keeps boards grounded. Things can, so easily, be so different. ●



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