

Becoming part of the conversation

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*Strong differences in personalities and views can lead to robust questioning and decision-making, or a dysfunctional board of limited value. **Sam Walker** investigates how directors can become a meaningful part of the boardroom dialogue.*

Enhancing the boardroom conversation

- Think about the big picture
- Ask good questions, be curious, test hypotheses
- Summarise what has been said and clarify points made
- Listen to what others have to say
- Get to the point
- Don't talk in complex jargon
- Demonstrate mutual respect
- Build relationships
- Speak to the chairman about any issues you may have
- Know when to put up your hand
- Prepare well and read the board papers

Conversation – an art form for some and a learned skill for others – dominates most aspects of our lives, and the boardroom is no exception.

But it is fair to say some conversations are more effective than others. In the boardroom this can mean the difference between successful decision-making and potentially disastrous outcomes.

A good conversation is an exchange of information, ideas, thoughts, opinions and observations and, at a minimum, requires two people and at least one listener.

The ideal boardroom is a place of dynamic conversation where decisions are determined as a collective based on the varied experiences and input of each director to achieve the best outcome for the organisation. It is a place where each director requires an equal voice, where egos need to be left at the door and more timid personalities need to speak up.

Experienced boards, particularly those with a long-standing team of directors, may argue they have mastered boardroom conversation.

Phillip Ralph, founder and managing director of The Leadership Sphere, an organisation specialising in leadership and team development, warns this can be a mistake and that many experienced boards could improve their communication tactics to enhance boardroom proceedings.

"I don't think experience correlates with effectiveness," says Ralph. "You can have boards with lots of experienced

members, but they can be quite dysfunctional and not have good processes."

Ralph facilitated the Australian Institute of Company Directors' six-month *Board Ready* program, which mimicked a boardroom environment and gave directors real-life feedback. He says the safe environment gave directors an opportunity to experiment and practise different communication styles. For example, someone who was usually first to speak up took a more reflective approach.

"It can be quite revealing and draw some great insights," he explains. "We all have these styles and communication methodologies we have grown into in response to the team we've been part of."

Ralph describes three main types of conversation – download, debate and dialogue. The quicker a board can get to the dialogue, the better the conversation will be.

Download – the dumping of information such as a PowerPoint presentation – can be useful as long as dialogue follows quickly.

Debate, on the other hand, is a more antagonistic "me versus you" approach and can generate conflict in a boardroom rather than unified decision-making.

"I'm not a big advocate of debate," says Ralph. "We assume a position and we hold that position no matter what. Certainly, have a view, but in the collective decision-making of a board you have to be able to shift your view. Dialogue generates constructive collaboration – the 'us together'."

So how can boardroom conversation be improved and what can directors do to ensure their voices are heard?

Having the gift of the gab will not necessarily make you a great conversationalist.

Indeed, perhaps the most underrated key to good conversation is the ability to listen.

Ralph says listening effectively can go a long way towards understanding other viewpoints and the bigger picture, optimising communication within the boardroom.

Board diversity also plays a part in generating quality conversations, and author and business change strategist Margot Cairnes FAICD can't emphasise this point enough. "Diversity is hugely important because then each contribution is really valuable because it is coming from a different perspective," she explains.

"Organisations are very big on risk management and we're managing risk like there's no tomorrow. Yet the biggest risk to any organisation is the 'black swan' – the unknown unknown."

Cairnes says many organisations are managing what they know, but the more diverse a board is, the more chance there is to understand the latest trends and to pre-empt new developments. She notes that the business world has become unstable, with increasing complexity while change is speeding up. Directors need to be on their toes to be able to deal with sudden and massive industry movements.

The Australian courts have also taken a dim view of directors who do not ask questions. This was made evident in June 2011 when the Federal Court found directors of the Centro Properties Group had breached their duty of care and diligence. As the case demonstrates, it is expected that directors ask questions to clarify any anomalies in information presented to them and ensure they fully understand the implications of their decisions.

While questions are crucial, Wendy McCarthy AO MAICD, executive director of McCarthy Mentoring and chairman

of several boards including Circus Oz and headspace, says there can be a right and a wrong way to ask them.

"The wrong way for a woman is: 'I'm sorry if this is a dumb question'," says McCarthy.

It is terminology men rarely use, and the "dumb" questions are often the most important. "Never apologise for your question. Every question at the board table should be a legitimate question."

It is important not to be afraid to ask about the things you don't know, as nobody expects you to know everything.

Ralph believes it is also far more constructive to ask why before you ask how. "How tends to be used as a weapon. The easiest way to snuff out innovation is to ask how you would do it," he explains.

When a conversation seems to be going in circles, Ralph likes to suggest 10 minutes devoted to new conversation and no previously raised points, which he believes is a great way to fast track discussions and generate new thinking.

Ewen Crouch FAICD, chairman of Allens and Mission Australia, says quality conversation is fostered by good leadership and it is the chairman's role to manage and facilitate discussion. "It's important that all directors have an opportunity to contribute to the discussion on a particular topic," he says. "It doesn't follow that each director needs to feel obliged to say something about the topic. Sometimes what needs to be said has already been said."

Even though conversation is so vital in our lives, there are some who struggle to find their voice or express their views.

Crouch says the skill of the chairman is to ensure one director does not dominate the airtime and to consciously ask others for their contribution in an inclusive way. "You have to be alive to the chemistry around the boardroom table," he says.

An effective chairman will be able to build an atmosphere that ensures everyone has the confidence to express views clearly and succinctly. "The critical part of the atmosphere is that you can express a contrary view without adversely affecting the team dynamic," says Crouch.

One of the biggest challenges to good boardroom conversation is "groupthink".

"If the majority of people seem to be going in a certain direction, the person with a different viewpoint may keep quiet or may be kept quiet," notes Cairnes.

People don't always like a different point of view and those with an independent opinion can be talked over, shut down or ignored. "If that happens to us once or twice, we feel excluded and we just don't say anything."

Groupthink can be a particular problem for boards with minorities, whether that is a single female, a single male, someone from a culturally different background or a person with specific skills, such as technology.

Cairnes says diversity research has found one woman on a board finds it almost impossible to have a voice, two have a chance and three are up and running.

Directors also need to think about whom and what they are representing. McCarthy advises atypical members of a board to make a decision about how much of that perspective they are bringing to the boardroom. It's about losing that idea that you have to speak in a representational way. You are there as an individual.

"A lot of things go past that I don't like because I think there's a bigger picture to be achieved," she says. "I don't see myself as a defender of all women."

Joining the conversation can also be challenging for new directors and Crouch suggests it can take a few meetings for new members to feel comfortable in the boardroom and to pick up the history of particular issues.

That said, directors are still responsible and accountable and need to speak up if they have concerns or questions.

For those really struggling to be heard in the boardroom, Cairnes and Crouch advise speaking privately to the chairman to raise concerns and ensure their issues are heard.

Building one-on-one relationships with other board members can also help get support for your views.

With the advent of the young, technical entrepreneurs making a mark in global business practices, some boards are being joined by young members, adding to their diversity. You only have to look at the office space of Google to realise the younger generation do business differently and are happy to break conservative moulds.

Ralph says managing the exuberance of youth can be a challenge for a chairman and an experienced or conservative board.

As a general rule, he says young people are more forthright in putting their views forward and expect to be heard. "The challenge for a lot of members is to be able to manage that energy without snuffing out the flame."

Just as some things move the conversation forward, there are behaviours that can annoy other directors and stifle the quality of the boardroom discussion.

Speaking over the top of people, constantly taking centre stage, cutting people off and putting people down are considered bad manners in most communities and are not conducive to quality discussions.

There are people who continue to make their point, not realising they have been heard or understood. For these, Ralph suggests summarising their points is an effective way to show you have heard them.

Speaking before you think and demonstrating you have not read the papers can also be frustrating for others on the board.

Mistakes are part of human nature and should be learned from.

From a chairman's perspective, Crouch says a decision needs to be made on whether to lead on a matter or let views come out via the discussion.

"There are times when I might have expressed my views a bit early and that might have stifled the discussion," he says.

When your gut tells you to say something, you should say it – a point McCarthy has learned the hard way after supporting something she felt uneasy about.

Now, she speaks up.

Conversation is critical to good board decisions. Asking questions and summarising information helps facilitate

understanding. Everyone on the board has a role to play and everyone can play a part in optimising the discussion.

Ten ways to become a better contributor

Communication skills coach Dr Gary Wohlman provides 10 practical tips to help you become a more valuable contributor to the boardroom conversation.

1. Ask how you can add more value. To become a key contributor to meetings, meet the chairman, CEO and other directors and ask how you can best add value, within as well as outside the boardroom. This demonstrates a tangible interest in finding out what the needs are. Also, the front-foot approach provides the opportunity to be more clued in to individuals' agendas, points of views and puts challenges in perspective.
2. Aim to shift from didactic to dialogue. Think of the meeting more as mediation than winners and losers. Appreciate each participant will have diverse experiences and perspectives and encourage them to share opinions. Speaking up in this manner will foster greater understanding and draw out each individual's contribution.
3. Encourage open dialogue with comments like: "What I am about to share with you are my thoughts. Let's explore these ideas together and discover what we can come up with as a team, drawing on the shared intelligence and wisdom of our collective." This is more inclusive, fosters the multiplicity of brainstorming with shared co-operation and demonstrates humility. This style shifts the focus from "how can I get the board to take on my view" to "how can I create context to engage each director's full potential and inspired leadership".
4. Be valuable outside the boardroom. Attend staff training and inductions. Have lunch with various employees. Spend time in the office, site, shop or on the factory floor. Take the role of the customer as a "mystery shopper" and participate in the company experience as a customer would. This serves to filter expertise through a lens of experience you wouldn't have otherwise. Follow traditional, digital and social media in relation to the company and its competitors.
5. Be mindful of the physical position of your body at the board table. By sitting slightly askew, at a gentle angle from the chairman, rather than face to face, tension is eased and focus is softened. This position stimulates co-operation and harmony in communication, in contrast to sitting directly in front of the chairman and looking straight into his or her eyes, which may be confrontational.
6. Use colour to shift your tone of voice – literally. Use a highlighter when preparing your notes, for example: red – initiation; yellow – illuminating; grey – conflicts and difficulties; brown – muddy dark areas; blue – soothing and calming; purple – change and transformation; and green – kind. This way you will know by just glancing at your notes, the tone and posture to appropriately adopt before you speak.
7. Agreeing is the first thing to do in a conflict situation. Acknowledge the point being made in a positive way. "That was a powerful point and very insightful." Once you have given support, then ask how the issue could be better managed. "What I liked about your points was (abc). Is there a way this could possibly be done better with (xyz)?" Avoid being confrontational, instead practise being invitational.
8. Ensure you are heard. Practise empowerment exercises. Identify three key words that summarise your strengths and connect your voice, tones and gestures to these words. As you become more familiar with "being in a high-performance zone", this practice will eliminate negative self talk before speaking. If you are quietly spoken or perceived as meek, this is a useful springboard to influence.
9. If you have a particular issue to bring up that is delicate, fragile or sensitive, your "example" will be more easily heard when you show how this specifically applies to the group, and when you back up your point by a "principle" that includes everybody and that everyone can agree with. This is the Wohlman P.E.A. formula, developed to encourage the full cycle of communication. The essence of how this works is to make it a practice to reinforce each point with one example and one application, before moving on to the next point.
10. Avoid the urge to fidget, play with pencils, tap fingers or mobiles. Eliminate sudden gestures or distracting behaviour like touching hair or rings. When speaking and listening, explore ways to be so fully present that your movements and gestures are in concert with the points being shared.



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