

FROM THE HORSE'S MOUTH: ADVICE FROM CHAIRS ON HOW TO LEAD BOARDS MORE EFFECTIVELY

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OCTOBER 2021



Contents

1. **Introduction**
2. **The role of the King Code of Corporate Governance**
3. **Research methodology**
4. **Avoid the original sin in the chair-chief executive officer relationship**
 - 4.1 Role boundary dimensions
 - 4.2 Managing a complex relationship
5. **Build great relationships with and between board members**
 - 5.1 Personal relationships with individual members
 - 5.2 Foundation of mutual trust and respect
 - 5.3 Good relationships mitigate conflict
6. **Focus on board/member development**
 - 6.1 Choosing the right members
 - 6.2 Proactively develop new members
 - 6.3 Monitoring member performance
 - 6.4 Disciplining may be required
7. **To prioritise rich conversation, substitute participation for dominance**
 - 7.1 Detailed, regular briefings
 - 7.2 Team dynamics
 - 7.3 Need for self-awareness
8. **Make the hard choices, take the tough decisions**
 - 8.1 Get the right issues on the table
 - 8.2 Formal decision-making process
 - 8.3 Conductor not instructor
9. **Be organised, diligent, and ever watchful**
 - 9.1 Collaborative agenda setting
 - 9.2 Extensive preparation
 - 9.3 Attending sub-committees
 - 9.4 Demanding role
10. **Engage meaningfully with the content**
 - 10.1 Understand the content
 - 10.2 Broader vision of stakeholders
 - 10.3 Our context challenging
11. **Lead like an ethical statesman**
 - 11.1 Prioritises ethical tone
 - 11.2 Culture and values custodian
 - 11.3 Focus on integrated reporting
 - 11.4 The right stuff

Conclusion

References

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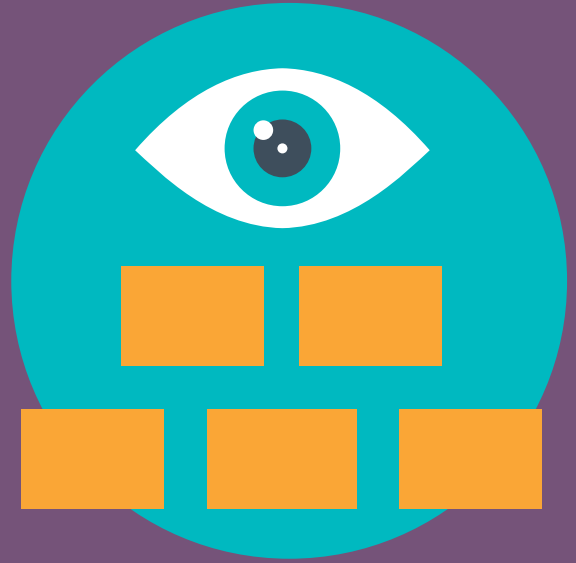
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The authors gratefully acknowledge the reviewer Prof. Charlene Lew.



1. Introduction

"Governance and leadership are the yin and the yang of successful organisations. If you have leadership without governance you risk tyranny, fraud and personal fiefdoms. If you have governance without leadership you risk atrophy, bureaucracy and indifference."

- *Governance Expert, Mark Goyder*

Despite having one of the most applauded codes of corporate governance in the form of King IV, South Africa has a growing governance problem. Ample evidence of this is to be found in both the public and private sectors. Examples include the

unethical conduct of state-owned enterprises (SOEs), such as Eskom, PIC and Transnet; EOH's failure to identify compromising deals in its silos; and food safety breaches at Tiger Brands (Francis, 2019).

These high-profile instances are but the tip of the iceberg. The insufficient number of high-performing institution boards and the prevalence of organisational failures are national issues. At the African National Congress's (ANC's) 106th anniversary in 2018, then Deputy President Cyril Ramaphosa (Ramano, 2018) declared:

We need also to act with urgency and purpose to restore SOEs as drivers of economic growth and development.... Corruption in SOEs and other public institutions has undermined the government's programmes to address poverty and unemployment, weakened key institutions, discouraged investment and contributed to division within the ANC and the alliance.

Therefore, insight on how to successfully lead high-performing, well-governed boards has never been more important. To this end, this paper seeks to identify key learnings obtained directly from the chairs of 29 of South Africa's top Johannesburg Stock Exchange (JSE) listed companies to empower existing and future chairs to be more effective in the interests not only of their organisations, but the country, too.

“The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.”

Institute of Directors in Southern Africa (2016)

2. The role of the King Code of Corporate Governance

No paper seeking to give advice to board chairs in South Africa can do so without noting the governance framework that exists in South Africa. As a reminder, the King Code of Corporate Governance (King IV) (Institute of Directors in Southern Africa, 2016) sets out the primary governance role and responsibilities of the board, namely:

- To steer and set the strategic direction regarding the organisation’s strategy and how specific governance areas are to be approached, addressed, and conducted.
- To approve policy and planning to give effect to the strategy and the set direction.
- To ensure accountability for organisational performance by means of, among others, reporting and disclosure.
- To oversee and monitor implementation and execution of management.

According to Principle 7 of King IV, “The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively” (Institute of Directors in Southern Africa, 2016, p. 40). And here lies the problem. Unfortunately, King IV does not provide any detailed guidance as to *how* the chair and board’s responsibilities are to be assessed or how these roles may be performed effectively. How then are these guidelines to be interpreted and implemented by the high-performing chair? This paper seeks to provide answers to how this is to be achieved and provide some clarity to promote the development of new capable board chairs and offer guidance to current board chairs, which will result in a substantial impact on the overall performance of their organisations (Withers & Fitza, 2017).



3. Research methodology

To obtain the answers to these questions, the chairs of the top companies listed on the JSE were approached and invited through the Chairman's Institute to participate in the collection of data for this paper. Each chairperson who was approached was informed that the purpose of the interview was to explore the behaviour and attributes that make a South African board chair effective. Twenty-nine interviews took place over 14 months. Each interview took approximately one hour and was conducted either face-to-face or via a videoconferencing application. Each interview was recorded on a secure device and the recording was transcribed by a professional transcriber who signed a non-disclosure agreement to honour the undertaking of anonymity given to each respondent as part of the informed consent obtained prior to each interview.

The data was analysed using Atlas.ti, a qualitative data analysis software program, in an iterative three-stage process. First, the researchers conducted a preliminary coding and sorting of the data to ensure that it was aligned with the key constructs that formed the foundation of the study. Next, the researchers

conducted a first cycle coding of the data within each of the broad topics covered by the interviews. This process involved line-by-line inductive coding of the data in such a way that the codes could both summarise the data as closely as possible and enable the identification of patterns across the data set. Once the first cycle coding was completed, the codes were grouped into meaningful categories. Finally, a second cycle of analysis involved the refinement of codes, the identification of categories, and the reconfiguration of the categorisation scheme. The result was a data set comprising 825 verbatim quotations, 224 codes, and 19 categories, which underpinned the themes presented in this report.

This report focuses on eight distinct themes of insight that emerged from the analysis, including: (1) avoid original sin; (2) build great relationships; (3) focus on board member development; (4) prioritise participation; (5) take the tough decisions; (6) be committed to hard work; (7) engage meaningfully with the context; and (8) lead like an ethical statesman. These themes are outlined in the sections that follow.

“I think the first thing you want to really look for is a person who understands the difference between the chair and the CEO. I mean that’s sort of the original sin in the relationship. That’s where the function or the dysfunction comes from.”

~ A participant in the study

4. Avoid the original sin in the chair-chief executive officer relationship

Of all the relationships that the high-performing chair manages, the relationship with the chief executive officer (CEO) is the most important and critical to success (Kakabadse et al., 2006). In a recent review of 40 years of research into the role of the board chair (Banerjee et al., 2020), it was found that the dominant theme in the research was the separation and duality of the CEO/chair role. This is because, until very recently, these roles were often vested in the same person, at least in the developed world (Banerjee et al., 2020). Therefore, the way in which the relationships between board chairs and CEOs are managed is of particular interest to scholarship and practice globally.

According to one of the participants in our study, a healthy relationship between the board and the CEO means that the board and the organisation thrives, while a bad relationship invariably spells disaster:

I think the first thing you want to really look for is a person who understands the difference between the chair and the CEO. I mean that’s sort of the original sin in the relationship. That’s where the function or the dysfunction comes from.

The “original sin” refers to the chair’s interference in the running of the business, which is interference in the role that the CEO is mandated by the board to perform. This interference might be the result of the chair’s prior experience with the organisation, or their belief that they can do a better job than the CEO. One respondent observed that the relationship between a chair and a CEO usually works well when the business is performing, but is invariably strained when the business is not performing as well:

What I have observed [is that] when companies do well, the probability of a strained relationship diminishes. The minute the company gets into trouble, then the likelihood that the chairman is going to move into the domain of the CEO becomes a lot higher ... tension tends to develop when strategies need to be revised and where the CEO and his or her team, present a different picture to what the chairman may have in his or her mind....

4.1 Role boundary dimensions

In the end, the CEO must know that they report to the chair, and they're accountable to the chair and the board. And therefore it is incumbent on both parties to define that role very clearly. There should be no misunderstanding about what is operational, but in the end the buck stops with the board.

~ Anonymous respondent

Participants in the study frequently noted that the relationship between the CEO and the chair was made more difficult by the “strong personality” associated with most CEOs. As a result, a primary factor in this critical relationship is the establishment and maintenance of clear roles and responsibilities as boundaries between the chair and the CEO. The role boundaries are relevant along a number of dimensions. The most frequently mentioned of these distinguishes between the **short-term/operational and long-term/sustainability** of the business.

Another dimension of the role boundary is the **area of focus**. While the chair is concerned with managing the dynamics of the board, as well as the relationship between the board and the executive committee (ExCo), the CEO's focus is inward on the ExCo and the organisation. As one participant highlighted:

So, I think stakeholders are saying, he's the CEO, he pulls his shirt sleeves up every day, picks up his pick and knocks away at the coalface, more often than not, and [the chair] here comes in every now and then to chair the board meeting, chairs various committee meetings, has colleagues and other board meetings chairing other meetings, and has the board interface, leads the board, gives guidance to the CEO, and so from that perspective might have a better global perspective of things.

A third dimension is the **governance-performance** function. While the chair focuses on governance, the CEO is more concerned with organisation performance. Some chairs point out the CEO reports to the board, is in a sense “the boss”, and that the CEO should therefore always behave with this awareness in mind. The CEO's authority is delegated by the board, but accountability is ultimately the board's and thus demands the respect of the executive. A respondent said:

In the end, the CEO must know that they report to the chair, and they're accountable to the chair and the board. And therefore it is incumbent on both parties to define that role very clearly. There should be no misunderstanding about what is operational, but in the end the buck stops with the board.

In this paradigm, the chair takes responsibility for **monitoring the performance** of the CEO in a holistic way and for ensuring that the CEO is actively “managed” through frequent contact and monitoring of personal and business performance. Other chairs see the functions as complementary, in which the CEO and the chair each perform functions for the organisation that the other cannot:

I'm not suggesting that CEOs themselves don't bring sensitivity to those issues, but this is non-bottom line issues that a chairperson [involves himself in]. Where am I when I am not at work, what am I doing? I'm sitting in some of those meetings in Paris talking about the sustainability of the globe....

Thus, the chairs recognise that their role and that of the board is of control (Shleifer & Vishny, 1997) and advice (Daily et al., 2003), both of which are required for effective board performance (Minichilli et al., 2012).



4.2 Managing a complex relationship

Fostering trust is vital for a healthy CEO-chairperson relationship, as it drives supportive behaviours in both parties (Morais et al., 2020). Clear transparent communication, regular interaction, and a mutual understanding of their respective roles and effectiveness were considered by some respondents to be important foundational principles for the trust relationship. Some respondents argued that the relationship between the chair and the CEO is complex and difficult, and should be sustained at a formal and professional level: “It’s a relationship, it’s not a friendship. If you’ve crossed that line – and it doesn’t mean you don’t have social interaction, but there is a line, and you don’t cross it.”

This professionalism extends to describing the relationship as being characterised by **transparency and trust**, to the extent that the chair and the CEO must be willing and able to be completely open with each other, especially when the executive is not performing to the required level:

The CEO has got to also feel that there’s a professional understanding of the difference in the roles. Trust doesn’t mean to say you’re not going to call people out. The CEO needs to know that they can go for advice, but that doesn’t mean to say I’m going to endorse everything you do.

Sometimes, respondents refer to a mentoring-style relationship between the CEO and the chair, in which the latter acts as a sounding board. This can extend to explicit support for the CEO at board meetings to ensure that non-executives understand the issues and the decisions facing the CEO. In this sense, the chairman **acts as a mediator** between the CEO and the board.

Although the relationship between the chairman and the CEO is for the most part cordial and supportive, respondents warn that it should not be overly close to the extent that the chair’s objectivity is compromised. Some respondents argued that without

this common understanding of **where the power lies** in the organisation, and without clear boundaries between the chair and the CEO, there is a risk of the CEO dominating to such an extent that the board has virtually no ability to constrain him/her:

In many companies it is the CEO who drives the agenda, participates, and is the sole link between the board, the chair, and the executive. And I personally think that’s a mistake from the outset, because it allows an overpowering power within the organisation of the CEO.

Ultimately, the chair and the Board can dismiss the CEO, and they must be willing to do so if the circumstances call for it. More importantly, the CEO must act with this recognition in mind:

A CEO who doesn’t believe that the chairman can fire him will not have a good relationship, he’s got to believe that. He’s got to actually believe that this man will fire me if I do wrong things or if I don’t perform, or if a group of – a big enough group of shareholders come and say, “Get rid of him”.

The relationship between the chair and the CEO is complex and fraught with challenges that can have far-reaching consequences for the organisation if not managed appropriately. Key to the effectiveness of the relationship is a clear understanding of, and respect for, the role boundaries between the two. While some chairs prefer a formal and somewhat distant relationship with the CEO and others adopt more of a mentoring style, it is clear that transparency and trust are the hallmarks of effective functioning. The power dynamics in the relationship must be maintained on an even keel to avoid dominance by the chair, which would result in interference in the operation of the business; or dominance of the CEO, which has an impact on effective governance by the board.

5. Build great relationships with and between board members



Particularly in the South African context, where board diversity is a social and economic imperative, and member interactions are sometimes particularly complex, the chair must focus attention on careful nurturing of relationships with and between board members. A participant in the study mentioned:

The realities of board composition in the South Africa we live in [are such that] the role of the chair is quite a complicated one because he or she tends to have elderly white NEDs [non-executive directors] and young black NEDs. And in many instances, the young black NEDs are females. So, how to get 65-year-old white CAs [chartered accountants], and I'm dramatising deliberately, how to get those elderly white CAs to work together in harmony with young black female non-executives with limited business experience.

... how to get those elderly white CAs to work together in harmony with young black female non-executives with limited business experience.

~ A participant in the study

5.1 Personal relationships with individual members

This requires that the chair “gets to know” the individual members of the board personally and in some depth. This knowledge should be the basis of a personal relationship between the chair and the individual members, a relationship that should exist formally within the board and informally outside the boardroom. Our respondents acknowledged that building and maintaining these relationships can be hard work, but that it pays off in terms of the effective functioning of the board in general:

[It takes] sensitivity and behind-the-scenes work. And the bulk of that work tends to take place at the informal level where one can get the board members to establish quality personal relationships. And if you then walk into the

boardroom, the dynamics are different, and the dynamics are conducive to having healthy debates, inviting different perspectives, respecting different perspectives.

These personal relationships inform the way that the chair manages the meeting dynamics with regard to discussions about particular topics. The chair's knowledge of the personal characteristics of individuals and their strengths and weaknesses guide the chair regarding who to call on, for what reason, and when. This applies both to managing the interactions between members and ensuring that individual contributions are recognised and maximised.

5.2 Foundation of mutual trust and respect

These interactions form the foundation for mutual trust and respect, which build up over time as a consequence of individuals getting to know each other's and their own contributions to the quality of debate and decision-making. Trust and respect are regarded as critical precursors to effective functioning and performance of the board:

Trust is absolutely critical in having a well-performing board, [and] you can't mandate that or decree that. There has to be trust between the chairman and the rest of the board, or between the board and the management, and that has to be earned. And that can only be earned over the period of time, where all have a really good chance to have a good look at each other.

In some ways, the personal relationships between the chair and the board members can substitute good relationships between

the board and the executive, and may be an important factor in assisting the chair to manage conflict and any dysfunctional behaviour that arises:

It may sound harsh to you, but entrepreneurial people, various businesses, often experience the attentive contributions of non-executive directors without skin in the game as stupidity, unnecessary interference. I mean this particular CEO often would say to non-executive directors, and excuse the French, "Only people who don't work 18 hours a day can come and talk shit like that at a boardroom." And then a very prominent South African business person once said to his father, "You know I like our boardroom table at head office, it sleeps 18 people." So, what does a chairman in those circumstances do? Try and build on those personal relationships. "Wait guys, you're all kind of pulling in the same direction here."

5.3 Good relationships mitigate conflict

Where the chair fails to establish good relationships with and between board members, the effective functioning of the board deteriorates and its overall performance is inhibited by intrigue and conflict:

I have had the unpleasant task of serving on boards where board member relationships were very strained and then energy was channelled into the wrong things, and warfare became the norm rather than the exception. And subjectivity crept into discussions, and the interests of the company became secondary. So, it is for a chairman to have the ability to manage all those sort of relationships, to recognise egos, get board members to act in the best interests to effect alignment at board level when it comes to the important things.

One respondent summarised the importance of building and maintaining trusting relationships by framing the chair's role as that of a servant leader, as highlighted below. This is particularly interesting in light of the research into the role of the board chair, in that little is known about exactly how chairs lead boards (Banerjee et al., 2020).

If you want to have an effective board, you appreciate that, as a chair, your role is essentially to be a servant leader to your board, to your peers. And you are given this leadership role because your peers are giving up their power, which they can, at any point, withdraw, i.e. take back. So, they don't work for you, you work together, and there's a consequence if you understand that clearly, your

leadership is only legitimate as long as you are behaving in a manner that shows them the respect as to why they need to continue giving you this.

Effective chairs tend to be those who are seen to be enabling equals rather than being a strong leader (Bezemer et al., 2018). Creating an atmosphere of openness and a cooperative attitude among board members is paramount (Kanadli et al., 2018), and chairs are quick to point out that the legitimacy of their position as "first among equals" is dependent on the ongoing support of their peers on the board:

The chair is not elected by shareholders, the chair is elected only as a director by shareholders and it's the peers that sit and decide who amongst them should be the chairperson. I think that's, for me, it's a very good starting point, because it informs the nature of relationships. Your colleagues on the board can unchair you if they so desire.

A good chair spends time and energy building great relationships with individual board members inside and outside the boardroom, both in a formal and an informal setting. The relationships are a critical factor enabling the development of openness and trust between board members, who in the South African context are often deliberately diverse in terms of their demography, knowledge, culture, and personality. Open and trusting relationships between members allow the board to function smoothly and productively, and can prevent or help to resolve conflict and dysfunctionality.

6. Focus on board/ member development

Effective board chairs see themselves as responsible not only for the recruitment and appointment of the “right” individual board members, but also for their integration into board operations and ensuring their development once appointed. Moreover, the Chair is considered responsible for overseeing board member

performance and for ensuring that members receive regular and robust feedback on their performance. In general, published research does not provide insight into the ways in which board chairs ensure and manage diversity in board membership (Banerjee et al., 2020).

6.1 Choosing the right members

When it comes to choosing the right members, the chair must take a variety of factors into account, including the individual’s fit with the culture and values of the organisation and with the board:

The other thing the chairman must do is to compose the board in a proper manner. It’s the job of the chairman to think about whether the board is right, you’ve got the right people on there, you’ve got the requisite skills, whether they are working properly, whether there’s one person on the board who’s quite responsible for making the whole board rickety.

However, in most cases, chairs are quick to emphasise that they are looking for the right combination of skills for the organisation. The chair must ensure there is a balance in the skill

set, which if not in place could inhibit the board’s performance. Finding the right combination of skills and experience is considered particularly challenging in the South African context, where skills are in short supply at every level. Ensuring there is diversity in skills and that this diversity enhances rather than disrupts the function of the board is a key concern:

Then another challenge in South Africa is [finding] real talent, experienced talent and a good diverse set of skills on a board. In some of my boards, it’s unbelievable in terms of how well diversified it is and how well people work together, where you have the old guard, the new turfs and then sort of the crazy ones. But the mix really works. And then in other boards it is really how to get that diverse set of skills in where everybody works together.

6.2 Proactively develop new members

The learning and development of board members has to be legitimised and validated (Gould, 1997). Once members have been appointed, the chair must be concerned with the onboarding and development of board member skills, as a collective and as individuals, with some noting that this is a particularly important function in the South African context: “And then as a chair, given our particular dynamics in South Africa, of race and the need for representation, race, gender, etc., etc., and skills of different elements, you, as a chair, have a responsibility to build those [individuals].”

Of particular focus is the need for every board member to develop a deep understanding of the industry first and foremost, as well as

the nature of the organisation. In addition, the chair must engage with the need to induct the new member into the culture and style of the board involved:

Any new board member comes in being somewhat unsure, it won’t take a long time before they are made aware. It’s a robust board. There are no shrinking violets ... the chair sets that tone, and our outgoing CEOs also are outspoken... I think anybody wanting to go on that board would say, listen, these are some heavy hitters here. They have a public persona, they have a reputation, and so that would guide deliberations and approach to issues.



6.3 Monitoring member performance

Although there is some variation in terms of what constitutes performance in the eyes of the chair, what is common is the expectation that members will, firstly, be prepared for every meeting and, secondly, be willing and able to contribute actively and constructively to debates.

We expect that you would have read your pack before you enter the room, we'll expect that to the extent that you don't understand anything in the pack whilst you are reading you would have enquired beforehand, so we don't use the meeting to clarify, but we're using the meeting to engage. There's clarification questions only when absolutely necessary, we expect you have taken the trouble to be fully prepared

Formal processes for the regular evaluation of board member performance seem to be increasingly favoured by chairs, especially in relation to the skills on any board. Some chairs commented that a formal process of board member evaluation assists the chair by providing evidence that performance is waning, which can then be addressed in personal reviews.

In a sense, it takes the burden off the chair having to call Joe to one side and say, "Joe, haven't you thought about spending more time with your family?" So, I actually think that having a policy has actually alleviated the pressure on the chair to have those sorts of conversations. But I do think that it is important for boards to find ways of bringing fresh blood and therefore one would hope, fresh thinking, into board discussions.

Others are less enthusiastic about a structured, externally run evaluation process, preferring instead to meet regularly with board members and conduct the evaluations personally:

I think we can become rather formulaic about having formal board reviews between the chairman and board members, and I'm not sure how effective the outcomes are. Do I think that it's necessary, say twice a year, for there to be individual engagements between the chair and board members? Absolutely. Just as I would expect board members to engage with each other individually outside the boardroom.

6.4 Disciplining may be required

Some chairs actively seek out feedback on their own performance from board members. However, the focus tends to be on ensuring that individual members are performing and disciplining those who do not perform well, either by pointing out where they are lacking or, when there is no improvement, by asking the member to resign so they can be replaced by a more active and appropriate member. This "disciplinary" function also extends to management, particularly in relation to their interaction with the board:

Work out a way of getting rid of that person, don't be shy to say to somebody, "XYZ, I want you off the board now and you must resign." They will always resign, almost always; if not, you have to wait for the three years when

the rotation comes up and then you don't appoint the person. But usually, if you tell a person to go, they will go.

In the South African context, respondents say the role of the chair in board member development is significant. This applies not only to ensuring that appropriate members are identified, but also once they have joined the board, ensuring that they are fully integrated into the culture and operations of the board. The performance of individual board members is carefully monitored by the chair, who acts as a coach in one-to-one informal sessions with each member. Formal evaluations of different kinds are also conducted by the chair. Sometimes, it falls to the chair to discipline recalcitrant members or even to encourage them to resign completely.

7. To prioritise rich conversation, substitute participation for dominance

The establishment and maintenance of good relationships with board members is the beginning of the process of ensuring that communication inside and outside the boardroom is rich and dynamic. The chair of a high-performing board must ensure that board members are fully informed for them to play their role appropriately. This typically involves regular one-to-one personal conversations with all board members. As one participant noted, “the chair can never over-communicate, especially in times of stress”, while another stated:

I think another very important thing is to have private sessions. So, have your private meetings with just your non-executives, and so the non-execs can speak openly, too. And whether it’s because people are reluctant for the sake of not being seen to be too critical, or whether some people just feel, “I express myself more openly and better anonymised, and without executive management” ... whatever reasons might be.



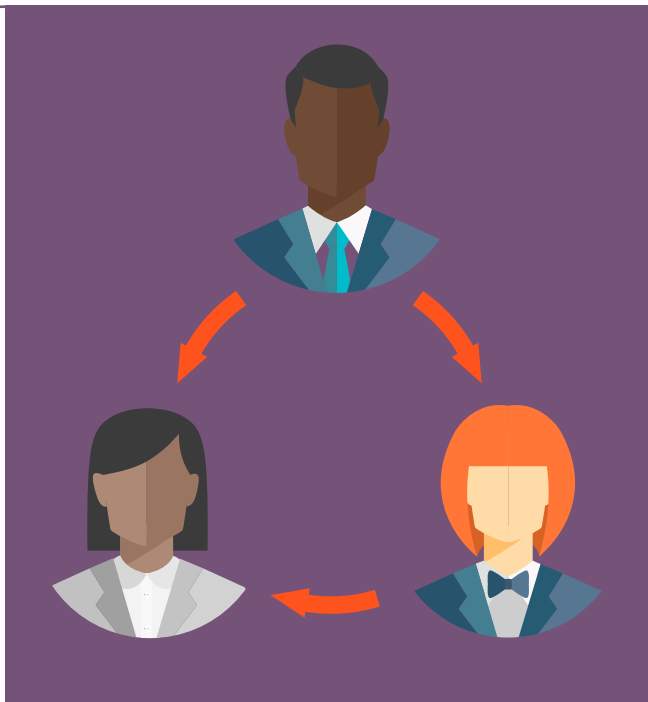
7.1 Detailed, regular briefings

The goal of this communication is, firstly, to ensure that there are no surprises in the average board meeting. Members must be sufficiently briefed that they have had advanced warning of the issues that might arise and, therefore, have thought through the issues. Sometimes this happens before the formal meeting, but in many instances these briefings occur during one-to-one conversations between the chair and the individual members, again sometimes informally, and sometimes in a more structured way:

So, what we do is we try to have a variety of interactions with board members. We have at least three – I have three sessions with people where I spend two or three hours discussing various things with them, three times a year with the individuals. We’re fairly open about performance, we’re fairly open about what needs to be done and the challenges, and different things that we haven’t addressed that they would like to see addressed.

The frequency of interaction allows the chair to build an understanding of how individual members prefer to communicate and what their communication style means for the way they show up in the meeting. On this basis, the chair builds an understanding of how to get the best out of each individual member – sometimes encouraging members to speak, other times encouraging them to remain silent:

And that’s a very deliberate way of managing a meeting, because someone can just let rip and carry on. And you need to say, “Okay, we’ve heard extensively from you today, can we just pause that because I’d like to hear from the next four people, and then we’ll return to these very important views that you have”.



7.2 Team dynamics

The careful management of team dynamics is considered particularly important when the board is diverse, made up of individuals from very different backgrounds with varying styles of communication, and different cultural understandings of what is appropriate behaviour in group conversational settings:

I was the third black person to join that board. And the other two people that I found on the board were very quiet on that board, and I knew one of them as a person who is not a quiet person. But the way the board was chaired made her quiet, because when you are in a board that has people that speak 15 times on any particular topic that is put on the table ... and if you are a person who comes from a culture where the style is to indicate to the chairperson that you want to express your thoughts and views ... and so you wait until the chairperson invites you in ... all of a sudden you get kind of left out culturally.

In this context, the chair must be careful to ensure that each individual member receives the message that their opinions are valued and they are empowered to speak so the conversation incorporates multiple perspectives on each issue:

So, it's very important for the rest of the room to know that, A, the chairman will see you, and B, you are guaranteed that you will have an opportunity to say something in a discussion. Conscious of the dynamic and through your temperament in the chair, you need to give everyone in the room a sense that everyone is equal. There are no favourites whose views are valued above anyone else.

7.3 Need for self-awareness

It stands to reason that the chair should prioritise equal participation of every member over the dominance of individual members who may have specialised knowledge, strong opinions or simply a strong personality. The facilitative role played by the chair is considered critical to the effective functioning of each meeting. This requires a deep awareness of how he/she influences the quality of the debate and directs or enables the conversation. Respondents advise against slipping into a habit of dominance by talking too much or always being the first to speak:

I think that chairmen can tend to take the view that as leaders of the board they should be speaking more than everybody else combined, and I'll confess, in one or two committee meetings of mine I look back and I say, "Hang on a second, you spoke too much today." Then I say, "Why do you do that?" Well the agenda was big and there was actually quite a bit of bumf ... but on other occasions, I've said to myself, maybe you stymied responses....

Furthermore, the acute self-awareness and reflection extends to the tone and style of the questions asked and answered, as well as the body language and gestures displayed by the chair during any board meeting:

Body language is important when somebody's talking. I've noticed a chairman, when X or Y talks the chairman just loses interest.... You get these chairmen [who act as if] "Why are you even wasting our time by talking", type of thing?

This finding is particularly useful because the body of knowledge on the role of the board chair is relatively silent on the topic of the nature of the skills required for high-performing chairs (Banerjee et al., 2020). It is interesting to note that in this study, board chairs agreed that the kind of skills required included high levels of emotional intelligence and interpersonal skills, perhaps even to a greater extent than more "technical" industry-based and managerial skills.

Nevertheless, the chair should never lose sight of the goal of this debate that is nevertheless sufficiently well-directed and that the right decisions can be taken in an efficient and effective manner. The role of the chair is both to direct the conversation and to connect it to the required decision.

Participants in this study noted that one of the most important factors driving the effectiveness of a board is the chair's ability to communicate with members – both outside and inside the meetings. The chair maintains regular communication with individual members to ensure they are kept fully informed about the issues that might arise. During meetings, the chair is responsible for ensuring that conversations are rich and deep and that issues are thoroughly debated before decisions are taken. This means that the chair must be mindful of his/her own behaviour and influence on meeting dynamics, and prioritise participation over domination.



8. Make the hard choices, take the tough decisions

For all the emphasis among the chairs in this study on what has been termed “softer skills”, they agreed on the need to play a pivotal role in ensuring that actionable decisions are taken at board meetings. This is particularly important when tough decisions need to be made, decisions that are “good for tomorrow but bad for today”.

Leadership skills in my opinion include courage, the willingness to take decisions and make hard choices. Final analysis, people must make a call. So, going around a board endlessly, trying to get consensus, may be an exercise in futility. We all want to have consensus if we can achieve it, by the way, but it’s not always possible.

8.1 Get the right issues on the table

Decision-making starts with ensuring the “right” issues are brought to the table. This requires consultation between the chair and the board members, and between the chair and the executive:

I’ve got a monthly meeting with my CEO. We’ve got a set agenda where we check through – or we’ve got a checklist of stuff which we go through. And at the same time, if there are any other top-of-mind issues that he needs clarified or cleared out, we do that on a monthly basis. At our board meetings, we have a closed session where the executives are not present. If there are issues over there, which other non-executive directors don’t want to raise in

a board meeting with the other executive people that were there as well, they do that.

Once the information relevant to the decision has been presented and the decision is before the board, the chair focuses on ensuring the debate is inclusive, thorough, and meaningful. This capitalises on the board’s diverse nature and ensures multiple points of view:

I would come to the meeting, and I would ask person 1, then I’d go to person 7, then go to person 5, then go to person 3, so that it wasn’t predictable, and say, “what are your thoughts on this, what are your thoughts?” So you’ve got an engaged board.

8.2 Formal decision-making process

The chair then attempts to achieve consensus among the board for a particular decision. This requires drawing together the different points of view to consider the similarities between them and to conclude in a way that satisfies various perspectives. In some boards, the practice is for every board member to have the veto on key decisions, although in others a majority holds sway. Even when perfect consensus cannot be achieved, the chair of a high-performing board will be conscious of the need to ensure that board members are heard and that the decisions take different perspectives into account:

There are three things that bring people on boards: one, you're treating the information fairly, you're giving them fair opportunity to express their views. Two, you're actually listening, you're hearing them, you're not just saying, "Okay, you talk", meantime I'm scribbling on the side and I'm not paying attention because I know what I'm going to do anyway, and so on. You make sure that they are heard. And three, that when that happens, that person tends to say, "Look, I haven't changed my mind, you haven't convinced me, but I'm happy to go with that decision."

Some chairs note that in striving for consensus, the chairs should avoid imposing their will on the board – not only does this erode trust on the part of other board members, it also risks suffocating

debate when a multiplicity of views would add value. This is not to say that the chair does not attempt to influence decision-making:

There must be a degree of restraint. Now when I make that point, when you're the chair, you're leading the board, you would prepare ahead of the meeting so that you could participate, but it's important for you to play a restraining role as far as yourself is concerned. So, what is [important is] that you allow the debate to take place and you sympathise and pull the elements together, and then put forward your view.

To ensure that multiple voices are heard and that the chair resists the temptation to dominate, chairs are required to suspend their egos, display a high level of self-awareness and emotional intelligence, and cultivate a deep sensitivity to others:

Successful chairs above all else have high emotional intelligence, because actually this is largely about people, how people are led, how people interact. So, if you've got a chair who simply doesn't understand or who is uninterested in people, who doesn't pick up on body language, then that will lead to, in my view, a less than high-performing board. Because this is all about who you selected, the CEO, there's the rest of the board, and it's all about how they behave.

8.3 Conductor not instructor

This is especially the case when the chair does not agree with the majority of the board members – the chair should make it clear that this is the case without imposing their will on the decision. "You've got to watch that.... you are not the most knowledgeable by any measure. You are not the brightest, you just have a job and role where you are the conductor." Alternatively, the chair can make the decision to defer a decision and to wait until tempers have cooled, more information can be gathered, a greater level of consensus can be achieved, and a satisfactory decision can be taken:

It's like anything in life, if there's a hint of uncertainty and it's important, don't make the call, rather sleep on it and make the call at another stage. But I do think it's important for a chairman to also have an opinion, not to lead with the opinion, but to have an opinion.

Ultimately, though, the chair has a casting vote. However, this is seen as a mechanism for breaking a deadlock in which there is no majority view, rather than a mechanism that allows the chair to dominate decision-making:

The second challenge you get is where there's a ticklish matter and there's not easy consensus on the board.... And half the board want to take the left fork and the other half want to take the right. How do you manage that, because you don't want to cast a vote unless you really have to?

In some situations, striving for a decision requires personal courage on the part of the chair to confront the difficult issues and deal with them directly and immediately. This is especially the case when the chair is forced to "look at a person in the eyes, be they the CEO, be they a member of your board, and you say, 'I think you are in too deep here, I don't think you are suitable for this role'".

Arguably, the core business of any board is to make decisions that support the CEO and the executive in the tough business of running a large enterprise. This is especially challenging when the decisions are ambiguous and novel, and the way forward is unclear. The chair must ensure that these tough decisions are the outcome of inclusive and diverse board debate informed by the data required to draw a conclusion. This means the chair must be concerned with the substance of the decision and the process by which it is reached.

9. Be organised, diligent, and ever watchful

The more visible and arguably glamorous parts of the chair's job hide the fact that the role is built on the collection, management, and dissemination of strategic information about the organisation, its context and performance, and its future. This requires the chair to be central to the agenda setting, board pack preparation, and sub-committee functioning. Agenda setting is a function the chair actively performs to maximise the productivity of board meetings and to focus attention on key issues:

Chairmen who don't play an active role in setting the agenda, and chairmen who don't give proper thought to what the key issues are when they set an agenda ... then sometimes board meetings become unproductive, it wastes a lot of time, because the chairman didn't give proper thought to the agenda. It's like there's a disconnect between the priorities of the day and what we are discussing.

9.1 Collaborative agenda setting

Often, the chair will gather input from the organisation's executive – especially the CEO and other board members in an iterative process – before finalising the agenda. However, several chairs in the sample stressed that they felt responsible for the process of agenda setting, however much a burdensome and seemingly mundane the task may seem. Together with agenda setting is the task of the preparation of board packs, usually in conjunction with the secretariat, to ensure the balance between comprehensiveness and focus:

One very important thing is board packs. There must be a good relationship between the chair, the secretariat, and business unit heads to make sure that what the board gets are packs that enable people to consider and make decisions, separate the wheat from the chaff. Don't overwhelm the board with lots and lots of data, give meaningful information; and I think the chair plays quite an important role in that regard.

However, the development of agendas and board packs is not merely an administrative duty. The Chairs see this as part of their preparation for any board meeting and is aligned with their expectation that every board member will be similarly well prepared:

I actually go through all of the material, because I'm at or a member of all the sub-committees – so I actually go [from] soup to nuts through everything. And if there are issues in a document which refer to something that is not clear, then I will call for more information on it. But I will then also ascertain whether it's not something that actually everybody should [see]. Because if it's a question for me that's not clear, then it's potentially a question for everyone. So, in most cases, stuff I call for I make sure gets made available to everybody.

9.2 Extensive preparation

The chair's reading of the board pack must be thorough and detailed, with the preparation extensive, to the degree that there is some consensus that eight hours of preparation is required for every two hours of board meeting. Chairs must create norms for preparation as well as encourage board members to be independently prepared (Gabrielsson et al., 2007). Respondents commented that a lack of preparation on the part of the chair can completely undermine the effectiveness of a particular board meeting as well as undermine the role itself:

The chairman of the board, for many years ... decided that he could sort of wing it, and it just created such a poor impression – people observed and I certainly picked up very quickly that the chairman did no preparation at all. He arrived at the board meeting believing that he knows the business inside out and start flipping through the board pack and shot himself in the foot saying, "What about this...?"

This level of preparation also facilitates the chair's ability to invite different members to contribute to debates and ensure that individual members are contributing effectively. Additionally, the chairs highlighted the importance of sub-committees. Selecting the right people with the right specialist skills is part of the chair's role:

You've got to have people that are expert at chairing the audit and risk committee, chairing the human resources and remuneration committee, the social and ethics committee. People must have the gravitas and they must have the prior knowledge so that they can arbitrate in positions that are taken.



9.3 Attending sub-committees

Respondents were almost unanimous in their opinion that, while the chairs should not directly participate in all board committees, they should attend as many as possible, as part of their information gathering and oversight roles:

I think that a chairman should attend all the committee meetings, that's my view. Sit in just as a guest, as an observer. Because if you really want to understand what's happening in the business, it's good to sit in all of the committees.

Attendance at all sub-committee meetings is less about the chairs asserting their control, and more about ensuring that they are fully informed about issues that exist in every part of the business. In a sense, attendance at sub-committee meetings is a part of the chair's preparation for board meetings.

I do attend board sub-committee meetings – for two reasons. One, it's my way of keeping up with what happens in the business.... Secondly, it gives me an opportunity to see whether the committees function properly, part of your oversight function. And it goes to the point of you have to be adequately committed. I know of other chairmen that do exactly the same, so it's just not me that does things like this.

Chairs recognise that their attendance can influence discussions and outcomes, and in order to limit this, they need to send a

subtle message that they are present in sub-committee meetings to observe, rather than to participate:

I make sure with my committee chairmen I'm purely there as a backup, and management knows that as well. It's like my role there is purely as a backup, I'm not there to chair the committee, I go through all the detailed documents, I have a discussion with the chairman of the committee beforehand, if I have issues, but I am not chairing that committee.

Nevertheless, not all chairs agree about their attendance at sub-committees. Some chairs prefer to leave the business of the sub-committees to the sub-committee members and sub-committee chairs entirely. This is partly a reluctance to interfere and partly a commitment to the notion that sub-committees are a good place for board members to develop without feeling monitored by the chair:

My view is that the chairman of the board should have very limited committee responsibilities. I think it's imperative that the chair of the board should also chair the nominations committee. But I am personally not in favour of the chair being represented, or serving on other committees, because that is where your other – your nonexecutive directors – can develop their own platform and apply their specialised skills and get the opportunity to interface with the executives.

9.4 Demanding role

Unsurprisingly, effective chairs admit that the role is demanding and, for a large, listed company particularly, represents a full-time job, if the chair is to be effective. Therefore, participants cautioned against taking on too many board appointments, which would reduce performance:

The truth of the matter is that the job is a 365-day a year job, it gets packaged into these meetings, that programme that I spoke to you about, but you're a chairman of XYZ, and its 365 days a year.

In general, the literature has not yet investigated the everyday practices of high-performing board chairs (Banerjee et al., 2020). Consequently, this study provides new insight into what exactly is involved in chairing the board of a high-performing company.

According to the study's respondents, chairing a board is demanding. In addition to the visible, figurehead roles that need to be performed, chairs need to "get their hands dirty". The chair is accountable for the collection, management, and dissemination of strategic, high-quality information about the organisation, its context and performance, both in the short term and the longer term. This requires a significant degree of skill and a serious commitment of time on the part of the chair. Contrary to popular belief, there is much more to the role than sitting at the head of a large table during board meetings. Chairing an effective board is hard work.



10. Engage meaningfully with the context

Many chairs described their role as guardian of the interface between external stakeholders and the organisation. Chairs point out that the organisation's executive is generally, and in most instances appropriately, inwardly focused on managing the business and meeting the needs of internal stakeholders, rather than outwardly focused on the organisation's external context and stakeholders. Management similarly tends to prioritise shorter-term performance over longer-term priority. Therefore, it falls to the chair to consider the firm's broader obligation to society:

A company gets almost a moral licence from society to operate and needs to recognise the privilege it has to operate as a company. And that the shareholders have been enabled and allowed by society to run their business, and they have an obligation towards that society that has allowed you to develop, to play the roles that you are playing.

10.1 Understand the context

The chair's focus on the external and the long term involves developing a deep understanding of and sensitivity to the context in which the organisation operates, as well as broader national, regional, and global conditions. This understanding contributes to ensuring the long-term sustainability of the firm by ensuring that the commitment to sustainability is widely shared among the executive:

I've served on boards where the chairmen had adopted a very narrow view and in my opinion that is not appropriate in the world we live in. So, the chairman needs to boast a much broader vision. But obviously, in the final analysis, the chairman must provide leadership and guidance to ensure the sustainability of the organisation.

In turn, knowledge of the context enables the chair to develop and maintain a network of trusted relationships that add value to the organisation, its executive, and the board. Relationships with shareholders and investors are a key component of the stakeholder portfolio from the chair's perspective. Chairs are

clear that they are personally accountable to the shareholders and that an open and frank relationship is in their own and the organisation's best interests:

The most important role of a board chair is to lead the board, that for me is the bottom line. And to never forget that they represent the shareholders out there, and all shareholders, not just a nucleus of people that might be sitting on the board; they represent all shareholders.

Equally though, the chair sometimes acts as a buffer between the shareholders and the organisation to ensure that the best interests of the organisation are first and foremost:

No shareholder that I know comes with a built-in halo. You get some shareholders that are fantastic shareholders in terms of thinking and acting what's good for the board, what's good for the company. Then you get terrible shareholders that frankly have got only their own interests, or interests at heart that might not coincide with the interests of the company.

10.2 Broader vision of stakeholders

Although for some chairs the interests of shareholders are front and centre, there is increasingly a need for a broader vision of the stakeholder landscape. Respondents interviewed noted that this was particularly important in the South African context – the chair must proactively remind board members and the organisation that the needs of non-shareholding stakeholders have equal salience:

So, the question really is, at the end of the day, is not what is the gap between the pay of the CEO and the floor sweeper; the real question is, what are we doing as a group to enhance the prospects and employability of the floor sweeper? Because often that floor sweeper is quite bright and just didn't have the opportunity to go off to a private school and have a university education, which the CEO has got. So, you've got to, as a chairman, also play some sort of conscience.

In their role as stakeholder champions, chairs must develop a deep and meaningful understanding of the broader-macro-environment and the respondents readily acknowledged that this task is challenging because of the uniquely complex, ambiguous, and uncertain conditions. However, this understanding is considered vital for operating effectively in South Africa, especially in the longer term:

In South Africa, we have different nuances. Cultural diversity is one, volatility is a second one, unpredictability, ambiguity. So, I think here because of the legacy of apartheid successful or effective chairmen or chairpersons it's more complicated here. Because you can't afford to have a pure business focus. Your radar screen should be a lot wider and one must have a deep understanding of all the dynamics. It's not just an objective role as an experienced businessman with facilitation skills.

10.3 Our context challenging

This makes the role of South African chairs particularly challenging when compared to chairs operating in the developed world. For example:

I think South Africa is a peculiarly complex environment, because of the transition through which we're going, and because of the legacy that we as a country and companies have inherited. And because of the social imperatives that weigh heavily on companies, disproportionately so if you compare it to other countries. One of the debates I have most regularly is when foreign companies, or the leaders or executives of foreign companies suggest that South Africa is no more complicated than other countries. It is. It is more complicated, I'm clear about that.

Chairs are clear that the context is not just at arm's length from the firm, but actually manifests inside the organisation and even influences the dynamics of the board itself. Therefore, the chair's effectiveness is dependent on their understanding of the broader context. Particularly in this role, the chair must develop skills to navigate the dynamics of the South African context. These skills are generally known as "soft skills", but are as critically important to the chair's effectiveness – some would argue more important – than mere technical skills relating to qualifications, industry knowledge, and management experience:

The attributes, I think, are a little different when it comes to adaptability, sensitivity, intuition, the soft skills are of paramount importance. So, one can be highly intelligent, academically brilliantly qualified, extensive experience, fantastic knowledge base, but if you don't have the ability to influence and inspire, if you don't have the sensitivity to what South Africa is all about you can put your foot into things and eventually your functional effectiveness will diminish in such an extent that you'll be booted out.

In a sense, with respect to their function as the conscience of the organisation and their deep understanding of the nuances of the South African context, some chairs argue that they are directly involved in and concerned with nation-building on behalf of the firms they represent:

I think that a South African chair needs to get the company to engage in issues affecting society, especially where we are now. I'd expect company chairs to talk about our lapses in the government, to talk about corruption, to talk about all of the improprieties. To talk about – to be committed to the change that we need to see to try and reverse the effects of apartheid. So, a commitment in transformation, commitment to a new value system.

Globally, there have been calls to complement a shareholder focus with a broader stakeholder focus, which means that the chair role must expand beyond a simple monitoring role. A recent review points out that chairs are increasingly active in the media and in other interaction with stakeholders, although the change in focus is not yet evident in published research, and exactly how this role is performed in relation to the CEO is unknown (Banerjee et al., 2020).

To meet the demands of the uniquely complex and challenging South African environment, chairs are required to do much more than simply represent the immediate interests of shareholders, as might be the case elsewhere, particularly in the developed world. The chair must represent the interests of all stakeholders within the organisation, which requires understanding who key stakeholders are and being willing and able to engage with them directly. Only through a deep understanding of the context can the chair act effectively to nurture the long-term sustainability of the enterprise. Furthermore, increasingly the chair must be and be seen to be active in nation-building to ensure that the organisation retains its legitimacy and licence to operate.

11. Lead like an ethical statesman

When it comes to leadership, chairs agree that the role requires skills, experience, diplomacy, and wisdom. The gravitas that this implies is necessary for the chair to perform functions relevant to the organisation. However, this is not to say that the role is merely ceremonial in the way it might have been a few decades ago, because as one respondent pointed out, “These days, the stakes are much too high.” Instead, the chair must have a “global view” of the business:

A global view of the company. What are its prospects? How’s its performance? What are its strengths and weaknesses? Is the management okay, rickety, not okay? Is the board functioning? Are the shareholders happy? Not happy? Are there opportunities to grow? Are we taking advantage and able to take advantage of those opportunities to grow? Are the workers happy or are they about to go on a demonstration to show they’re unhappy? And are we operating within the law, the legal and compliance requirements?

11.1 Prioritises ethical tone

Internally, chairs take it for granted that, together with the board, they are responsible for ensuring that good governance prevails at all levels in the organisation. Moreover, respondents noted that the chair is responsible for setting the “ethical tone” for the organisation, which involves implementing formal structures and processes, but also considering the way in which they are adhered to:

I think ethical tone is less negotiable if you like than the culture. Ethical tone I don’t think varies according to circumstances and cultures. What’s ethical is ethical. So, how does the chairman communicate that? I think the chairman needs to make sure that of course that you have the proverbial code of ethics. But that’s just a piece of paper. So, the question is: how does the chairman ensure adherence and monitor adherence, and that’s the challenge.

The setting of the ethical tone also has much to do with the communication and behaviour prevalent in the organisation, and is generally agreed to flow from that which is role modelled by the board and the chair personally:

The important thing is for us to draw moral lines in the sand, to represent the morality of the company and we’re not going to transgress that moral line. If anybody transgresses that moral line, it’s a red card immediately. That’s the thing. And I mean we should use it as a guideline, but at all times we’ve got to see and do what’s right and what’s required for the company.

In this respect, it is considered critical that the chairs’ communication and behaviour be beyond reproach, so that they can, at all times, act with the moral authority that provides the benchmark for the board, management, and organisation as a whole.



11.2 Culture and values custodian

Integral to the setting of the ethical tone, some respondents noted that the chair is the custodian of the organisation's culture and values, maintaining focus on what the organisation stands for, particularly in complex contexts and when tough decisions need to be made:

[The role of the chair] is to make sure that the public persona of the organisation is properly projected, carried through. And with the emphasis these days on ethics and culture, increasing emphasis on ethics and culture, it's a huge thing in organisations. The culture of the company, the board, its members, the chair, they all coalesce.

Along with, and fundamental to, the culture and ethical tone, is that the chair ensures that the organisation's purpose and vision are clearly articulated and widely understood. In keeping with

these "big picture" considerations, the chair must prioritise the organisation's long-term performance and sustainability, which might sometimes be at odds with shorter-term performance requirements:

The job of a leader, especially if they are a CEO or the chairman, is to recognise and secure the future. I would say the chair must be mostly long-term outside-in, 90% helicopter view, and 10% quarter-to-quarter performance.

Consideration of the long-term performance of the organisation means that the board chair has oversight of, and often directly engages in sustainability planning and integrated reporting processes and outputs. In this respect, there is an intersection between the internal and external leadership roles of the chair.

11.3 Focus on integrated reporting

The process of preparing and approving the integrated report may be regarded as a tick-box exercise for some, but chairs are generally aware of the increasing importance of ESG to shareholders, particularly foreign shareholders:

ESG has become incredibly important, especially in Europe and less so in the US, but especially in Europe, where shareholders are starting to say ESG is as important as bottom line is. And that is a good example to use, because it is not uncommon for chief executive of – in the South African context specifically, especially because they know that the key interest of shareholders in South Africa, privately will say to them, forget about that nonsense.

Consistent with the chair's outside-in, long-term focus is the idea that position has symbolic significance for the organisation. Not only is the chair a role model for the board, the management, and the organisation as a whole, but also in the eyes of a broader stakeholder group who view the chair as the "voice" and the "face" of the organisation:

You must assume that people are saying, there goes the chairman of so and so company, and so your conduct and what you say and how you behave... I think you've got to – you can't say, I'm off duty now, I can say what I want to, use whatever kind of language I want to and stuff like that. I think impact, you've got to carry the – in the sense

whatever you think the image of the company is. I think that's important.

More proactively in some instances, the chair acts as the external public face of the organisation and is willing and able to be its voice and embody the organisation and its messages in the public sphere. The notion of the chair acting as a "corporate ambassador" was put forward by chairs who distinguished between the role of the CEO in announcing results and the chair in promoting the governance of the organisation to external stakeholders.

Interestingly, there is some debate about the extent to which this "reputation management" function actually rests with the CEO rather than the board. Some Chairs argued for a role that is front and centre in the public sphere and others for more of a behind-the-scenes approach:

The CEO does implement strategy and all of that, of course, everything that the board and the chair would set as tasks for the company would be done by the CEO. But, you know, it's akin to your political – your minister as a political head of a department versus director general [DG], there's some sort of similarity there. So, your political head is your chair and your DG the CEO. So, I think increasingly there is that and the public requires that. So, that's the public interface that's become more and more so the case.

11.4 The right stuff

To be effective in these statesman-like roles, a chair needs particular characteristics or qualities, which some respondents argue is as important, if not more important, than the more technical skills and knowledge derived from their education and business experience:

You need intelligence about running organisations around the role, around the technical aspects, around the law, the dos and the don'ts. So, for me that is captured in, those are the different types of intelligence. I suppose talking about IQ as intelligence, EQ as intelligence, experience as intelligence.

A chair needs wisdom and moral authority to be able to attract the kind of followership required to lead effectively in complex, multistakeholder contexts. Chairs noted that the followership-leadership dyad cannot be one that is power-based. Instead, it requires humility and the willingness and ability to adopt a servant leader perspective:

I think we must remove power out of the equation, because I don't think that you have to be powerful necessarily to be a great chairman, because the notion of power in the boardroom has long been discredited as a style and mode of leadership where people pound on tables and intimidate people. It is the opposite of a leader that people choose to follow.

Effective chairs of high-performing boards lead like statesman, in that they need to apply their skills, expertise, and wisdom to the task. In a sense, the chair is a corporate "ambassador" to focus on the "big picture" long-term view both inside the organisation and externally. The culture and ethical tone of the board and the organisation are under the chair's purview, as are its ESG and sustainability practices. In addition, the chair role has symbolic value for the organisation's stakeholders and, as a result, the chair must be personally beyond reproach.



Conclusion

The roles and duties of a board chair are expansive. These range from the maintenance of healthy relationships with the CEO and non-executive board members to leading by example in terms of preparation, diligence, and familiarity with the details of the business to developing an ethical, inclusive culture within the organisation and between the organisation and its stakeholders. One thing is for certain, there are no shortcuts, only a deep sense of mindfulness of the magnitude of the task and duties that rest on the shoulders of a chairperson.

This study highlighted eight key focus areas for high-performing chairs in the South African context:

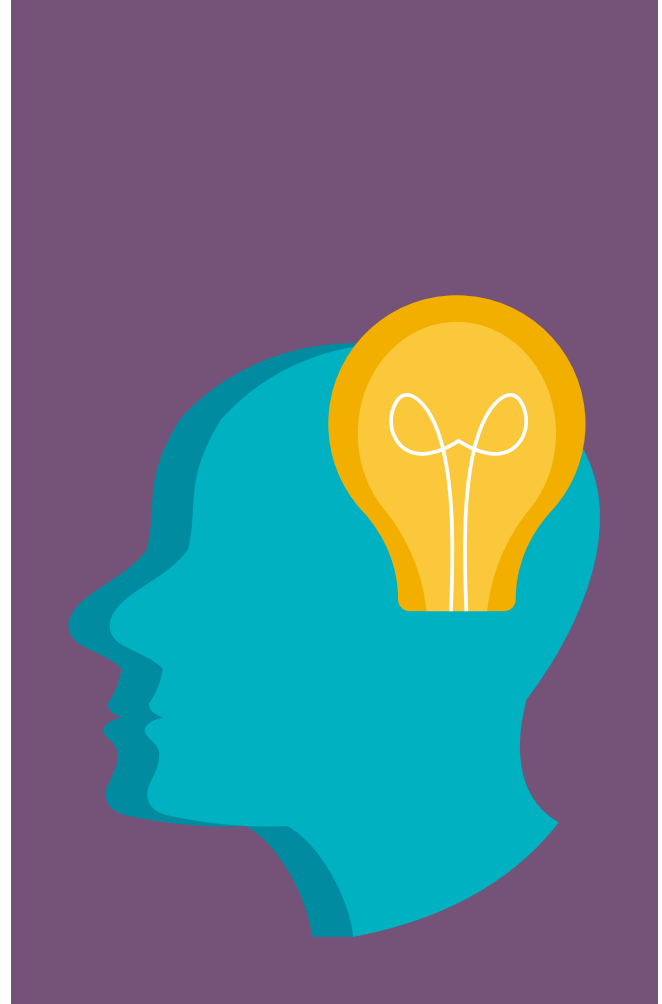
- **Avoid original sin:** The relationship between the chair and the CEO is complex and needs deliberate and constant management. Role boundaries must be carefully delineated and maintained in an environment of mutual respect and trust. This allows the power dynamic between the CEO and the chair to be in equilibrium to avoid dominance of one over the other, which has ramifications for the effectiveness of the board and the organisation.
- **Build great relationships:** A good chair spends time and energy building great relationships with individual board members inside and outside the boardroom, both in a formal and an informal setting. This enables the development of openness and trust between board members who are often deliberately diverse in terms of knowledge, culture, and personality.
- **Focus on board member development:** The performance of individual board members is systematically developed and monitored, with the chair acting as coach in regular one-to-one informal sessions with members. Formal evaluations of different kinds are also conducted by the chair, who must be willing and able to develop and discipline.
- **Prioritise participation:** High-performing boards are characterised by rich and deep conversation and thorough debate before decisions are taken. Chairs must ensure

equal participation and be particularly mindful of their own influence on meeting dynamics to avoid stifling the expression of multiple perspectives.

- **Take the tough decisions:** Chairs agree that ambiguous, tough decisions are best taken following inclusive and diverse board debate informed by the evidence. However, sometimes, the chair must be prepared to take the casting vote to ensure a decision is taken (rather than avoided), so that management can continue to run the organisation effectively.
- **Be committed to hard work:** The chair is accountable for the collection, management, and dissemination of strategic, high-quality information about the organisation, its context, and performance in the short term and the longer term. Contrary to popular belief, there is much more to the role than sitting at the head of a large table during board meetings. Chairing an effective board takes hard work and diligence, and there are no shortcuts.
- **Engage meaningfully with the context:** The chair must represent the interests of all external and internal stakeholders, which requires being willing to engage with them directly. Only through a deep understanding of the context can the chair act effectively to nurture the long-term sustainability of the enterprise. This means the chair must be and be seen to be active in nation-building.
- **Lead like an ethical statesman:** Effective chairs of high-performing boards are like corporate “ambassadors”, focusing on the “big picture” long-term view both inside the organisation and externally. The culture and ethical tone of the board and the organisation are under the chair’s purview, as are its ESG and sustainability practices. In addition, the chair role has symbolic value for the organisation’s stakeholders and, as a result, the chair’s behaviour must be personally beyond reproach.

This study offers useful insight into what South African chairs actually do to build and maintain good relationships with the CEO and members of a diverse board. Moreover, it provides guidance on the chair’s roles and responsibilities in and out of the boardroom, and the leadership qualities required to ensure that the boards they lead are successful and responsible, not only to the shareholders, but their broader stakeholders, too. Thus, this paper provides much-needed input into a chair’s understanding of the yin and yang of the governance and leadership of high-performing boards.

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