



### *What makes a great Director? Do they exist?*

We advertise for Directors and human beings turn up!

Jean Pousson, the Managing Director of Board Evaluation Limited, looks at the attributes of being a great Director and also examines why so many fail to live up to their responsibilities.

No one teaches you to be a Director, or at least very few get the proper development interventions to prepare them for the rigours of being a Director. In fact, most Directors are both emotionally and professionally unprepared for their first appointment. They walk into a Boardroom full of existing behaviours and codes, which can be very overpowering to say the least.

The first point to appreciate is that Board dynamics are very different to typical team dynamics. Boards have the ultimate responsibility, ie to make decisions. The buck stops here! And yet far too often we see Boards actually not make decisions despite lengthy discussions.

Board members, (especially the non-executive Directors), do not meet that often and are not 'plugged in', so to speak, to the same level as executive Directors. Even among executives, the hierarchy is diluted in the sense that the CEO typically would be their boss but they would be equal among others at a Board meeting although the Chair runs the meetings. Organisational charts are not always reflective of the power structures within organisations and it can take newly appointed Directors quite some time to figure this out.

Culture, as always, plays a big part. In some cultures, the tone of questioning would be perceived as aggressive and insulting, in others the engagement tends to be more coded and soft. Other cultures simply do not like conflict and navigate with the well-known Japanese yes. These subtle, and not so subtle, nuances need to be understood. Boards should also have a well-established Code of Conduct, which hopefully matches the organisation's values, ethics and principles.

Board meetings can also be dominated by strong personalities, (eg a very successful CEO), or influenced by dominant shareholders, and this can make Directors feel very uncomfortable in making the kind of contributions that they would otherwise like to make.

We always encourage Boards to reflect and evaluate their performance, (we would wouldn't we!) Not only should formal evaluations be conducted and ideally externally-facilitated, internal assessment can be akin to marking your own exam paper, but a short moment of reflection after each Board meeting does no harm:

- **How did we do today?**
- **What could we do better?**
- **Can we make sure that this never happens again?**

This is all about constantly raising standards. A very simple question to ask at the conclusion of each Board meeting is the following:

*"How have we, as a Board, added value to the organisation today?"*



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- **Simple, but profound, and not always easy to answer.**

The Institute of Directors has a very good Director Competency Framework that I and a few colleagues were instrumental in developing a few years ago. This is well worth investing the time to “rate” yourself and identify some potential gaps:

<https://www.iod.com/training/iod-approach/iod-competency-framework>

Over and above the very good guidance in the framework, we would like to share some of our experiences and trust that you find them useful.

Directors very often fail to ‘let go’, ie they remain far too operational and continue with the details and the levels of operational management which have served them well over the years. They find it very difficult to delegate as they feel that this would weaken their intellectual position.

During the pandemic, many Directors had to be more ‘hands on’ and get even more involved, especially if the business was in some sort of economic distress. But once the patient started breathing again, Directors need to reassess the extent and quality of their contributions to the business. Financial desperation should not replace strategic thinking and crowd out purposeful strategic conversations.

Humility and Bravado – Directors can often feel that by not contributing, they are failing in their duties. That has some foundation, but at the same time Directors cannot possibly be knowledgeable on everything. It is far better to say, “I have no expertise in this area”, than embark on debates and make contributions which may give the erroneous impression that they are on top of the subject matter.

And not wishing to make contradictory statements here, but Directors should also resist the temptation of ‘staying in their lanes’, ie sticking to making contributions in their field of expertise and staying silent on other matters. One person one vote and all that.

Which means that should some Directors see gaps in their capabilities, eg finance, technology etc, they should seek the appropriate developmental avenues to redress this to make more meaningful contributions going forward. Relying on the Finance Director/Chief Finance Officer, for example on finance matters, with blind faith is not recommended. Trust but verify.

Another important quality expected of Directors is to have an independent mind, very much like a jury member in a Court trial, and not allow themselves to be influenced by prejudice and bias. We are all prisoners of our own experience, some call it the curse of knowledge, and as we have said on numerous occasions, “Experience is great as long as the future resembles the past”. Enough said!

The concept of The Learning Board is not new. It is the realisation that in business, as in life, nothing is forever, and therefore Boards and Directors must always ensure that they learn, collectively and individually, and that they never stop learning. The aftershocks of the Covid 19 pandemic have served as a powerful reminder of this in the sense that there are no blueprints, very little guidance, and no Professor of Covid 19 at Business Schools to offer guidance.



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If you would like more information on this subject and would like to talk to us at Platinum Compliance (Guernsey) Limited, please contact [lindsay@platinumcompliance.co.uk](mailto:lindsay@platinumcompliance.co.uk) or visit our website <https://www.platinumcompliance.co.uk/>

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