

## **THE CONDUCTOR-CHAIRMAN: TOWARDS A GREATER UNDERSTANDING OF BOARD LEADERSHIP AND BOARD EFFECTIVENESS**

Company chairmen have much in common with conductors in the popular imagination: what on earth are they for? What exactly do they *do*?

Neither is generally held responsible for success – most would say it is surely the musicians and company managers who are that - and yet they are both still seen as in some way ‘in charge’. How can this be so? What is it that links the two? And how could this help us recognise when someone is a natural chairman and describe what successful ‘performance’ as a chairman may look like?

In essence, a chairman, like a conductor, is responsible for leading a group of already highly trained and rather experienced people, and for making them effective *as a group* – so that collectively they add up to more than merely the sum of the individual parts.

A football captain will play football just like his team mates whilst also acting as captain. He is first and foremost a key part of the team. By contrast, a conductor and a chairman are engaged in a different kind of activity from their ‘teams’ whilst also expecting to lead them in their work. A conductor is not part of ‘his’ orchestra in that sense, and a chairman is not simply a part of ‘his’ board. After appointment, a Chairman is really neither ‘independent’ nor ‘unindependent’; neither an executive nor just a non-executive. On the face of it, then, this would seem to be a curious, potentially problematic and somewhat amorphous role.

In fact, I should like to propose that a ‘conductor-chairman’ is responsible for a number of very distinct and key things:

For setting a tone, and for settling on and keeping to a tempo or rhythm - and then being prepared to change it where necessary [eg the need to energise, to manage the ebb and flow of meetings to prevent their becoming routine].

For deciding on what should be programmed [that is, put on an agenda].

For cueing in the right people at the right time, so that the work unfolds as it should. [Meetings that run to time but where all feel they have had their say.]

For ensuring that some instruments [voices] are heard above others because at that moment it is important to *his* conception of what they are trying to do with the matter in hand that this should be so. [Choosing to ask for and highlight some people’s contributions rather than others at given points.]

For hiring and firing the members of the band [board], up to and including the concert master [CEO] and section leaders [committee chairmen].

Despite these clear functions, it is still true to say that we are really talking about two examples of leadership of a kind whose actual essence is difficult to distil, but whose absence is always immediately apparent. This is leadership that is not about doing the work of anyone else, nor about knowing everyone else's job better than they know it themselves – the leader as super teammate or just 'first among equals'.

It is, on the contrary, about cognitive and emotional intelligence, about the ability to formulate and keep to independent judgements which are appropriate to the context, and the successful, practical application of the latter to a group of diverse and talented individuals - by means of the former. It is far more of a *real* leadership role than the mere 'arbitration' or 'peacekeeping' of popular imagination. And it all needs to be done in a way that is appreciated and welcomed by senior colleagues, rather than resented and rejected.

For this reason, even the conductors' conductor Carlos Kleiber was known for his increasing reluctance to conduct in his later years. It was often said, amusingly but mistakenly, that he only did so 'when his fridge was empty'. The truth was that with age he came increasingly to doubt his own ability to translate what he wanted from the music he knew, and which he carried in his head, into a successful performance of it. Or the ability of any orchestra to be able to understand and produce what he wanted to the level he required. Or perhaps a combination of both.

The challenge for many chairmen, equally, is to ensure that the group of people they 'chair' (an interesting term in itself which is an amalgam of listening, influencing and directing) feels that it is respected, listened to and sovereign, whilst remaining personally sure that the direction of travel is the right one, and the one which he would have pursued if offered the unfettered right to make the decision alone. In a certain sense, it is to be the 'backseat driver' in reality whilst still being seen by his fellow passengers as a helpful, if rather opinionated, guide.

When a chairman and his board do become de-coupled on any very serious matter, a chairman must usually resign. If this happens, it means the board will inevitably be bent on doing something of which he disapproves, or is not doing what he would wish it to do. Most of a chairman's work lies in developing the composition of the board in a way that meets his own and his shareholders' expectations, and then ensuring that it gels sufficiently to work as a body, whilst keeping enough creative tension and challenge that it does not become complacent, box-ticking, and/or prone to serious errors.

Ego (as we would normally understand its manifestations) does not – cannot – come into it. The leadership required is of a subtle, necessarily non-linear, almost lateral kind. It is leadership that does not really appear to be leadership; the art that must conceal its own art.

If it did not, there would be problems - in the real world - with one's CEO for a start. The Chairman is there to 'serve the music' [delivering shareholder value], through the work which the board must perform, and to ensure as perfect a connection as possible between the two by interpretative and motivational means.

A good conductor will usually conduct slightly ahead of the beat, anticipating and demonstrating by his actions and energy how the music should go – just as a chairman needs to give a lead without in any sense doing the board's work for it, or micromanaging either the group or its individual members. He has to hope and trust that they will just 'go with him' where he wants to lead. If he is successful as a chairman, and the right man for the particular job, they will.

Herbert von Karajan was once asked by a member of his orchestra what he meant by an instruction that they should make an entry 'as late as you possibly can'. He was asked what on earth he meant by that. 'I mean just wait until you cannot bear it any longer'. He was not, in other words, telling them *when* precisely each of them should come in, nor even insisting that they *all* do so at the same time. He was leaving it up to the players to interpret what this meant for themselves. Although some were rather discomfited by being handed this apparent freedom, it at least meant that they *did* have some sense of freedom, which they could exercise within the boundaries of the work as they saw it and in accordance with their own experience and training. He made it their problem, not just his – but with no obvious loss of 'control'. The good Chairman will always make board members feel that they can influence events, that they are responsible – even if in reality he is still firmly in control of the direction of travel. The result was that the body of the orchestra played together as never before, each player listening intently to what his colleagues were doing in the 'chamber' ideal of playing. By giving freedom to the players, he soon had them straining to conform to the 'greater good' - that is, playing together rather than as individuals.

The conductor also needs to know how and when the orchestra should be rehearsed. Sometimes this will be a lot, such as with something the group has never attempted before, or which is unusually complex. At other times, when the group is familiar with a piece, to over-rehearse will result in a stodgy, stale experience devoid of spark or originality – and which doesn't plumb the depths it should. A Chairman must know, equally, how often to discuss a certain matter before a decision to be made – how many iterations will be productive, how many destructive. When to drill down, and when to stop drilling; when to move on and when to bring a matter to a head – and to a decision. Less is often more, when it comes to managing the key moments,

and to producing well-supported decisions at a time when a real ability is needed to make change happen.

But what can we deduce and learn from such analysis about these professional similarities that will assist us to understand better the role of the chairman, and assess someone's effectiveness on a board in this role?

First, the realisation that this is a deeply personal business, which is driven by a peculiarly subtle form of charisma, by intellectual and emotional leadership, and by clarity and firmness of purpose in how chairmanship is conducted. The most naturally able chairmen, like conductors, are in some sense born not bred. You are either naturally 'chairmanic' or you are not.

Second, that a good concert master does not always make a good conductor. CEOs are required to flex different muscles from their Chairmen. The roles and functions are different.

Third, that a board which does not instinctively *wish* to follow its chairman's lead (even if it occasionally chooses not to do so) is dysfunctional, and needs a new chairman.

Fourth, that a chairman's role is about far more than the rather sterile one (much beloved of nervously controlling CEOs everywhere) of 'managing the board' – while the CEO is said to 'run the business'. A Chairman is there to make the board (including any executives) *perform* in its role overseeing the company in delivering value to its shareholders. This is an active not a passive process.

Fifth, that just as the sound of the same orchestra will change with the conductor, however subtly, so will a Chairman's example, conduct and mere presence set the tone for the culture of the boardroom. The same body of people chaired by one person will behave differently from one chaired by another. Often only someone external to the group will be particularly aware of this change.

Finally, that the solution which occurs to the popular mind, the conductor-less orchestra, is no answer at all. A company without an effective chairman is rudderless because it is conductor-less, running on auto-pilot to a programme set by the management alone. Even strong-minded section leaders in an orchestra [committee chairmen in the case of a board] cannot stop the music grinding to halt when this happens – as there is literally no one apart from the conductor [chairman] who is in unique position both to discern and then to shape the whole (bigger) picture in a responsive, dynamic manner.

So where does that leave us, in terms of achieving a greater, richer understanding of what board leadership and board effectiveness are, as well as

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the close relationship of the two? It is clear that any board review should certainly spend the proper amount of time on the role and performance of the Chairman, as he is at the heart of what a board does, and is the greatest single determinant of its effectiveness as a group (though not, obviously, that of its members individually). However, this must be a two-way street: is the board responding as it should to the chairman's lead? Is it both challenging and supporting colleagues sufficiently, and following the chairman's lead in doing so? Are board members taking note of his guidance to them about their own performance?

As with a conductor and the work of his orchestra, the cheers of an audience are some guide to success (ie the support of shareholders), as are the views of the critics (that is, any external advisers on board effectiveness) but ultimately it is the orchestra itself who will either choose to form a lasting relationship with its conductor, or things will fall apart, whether explosively or by dying a slow death. It is the body itself that must determine whether the tissue is to be accepted or rejected: this is a decision that can never be outsourced. The external board review is simply a highly useful tool which the progressive board will use to assist it in answering this question.