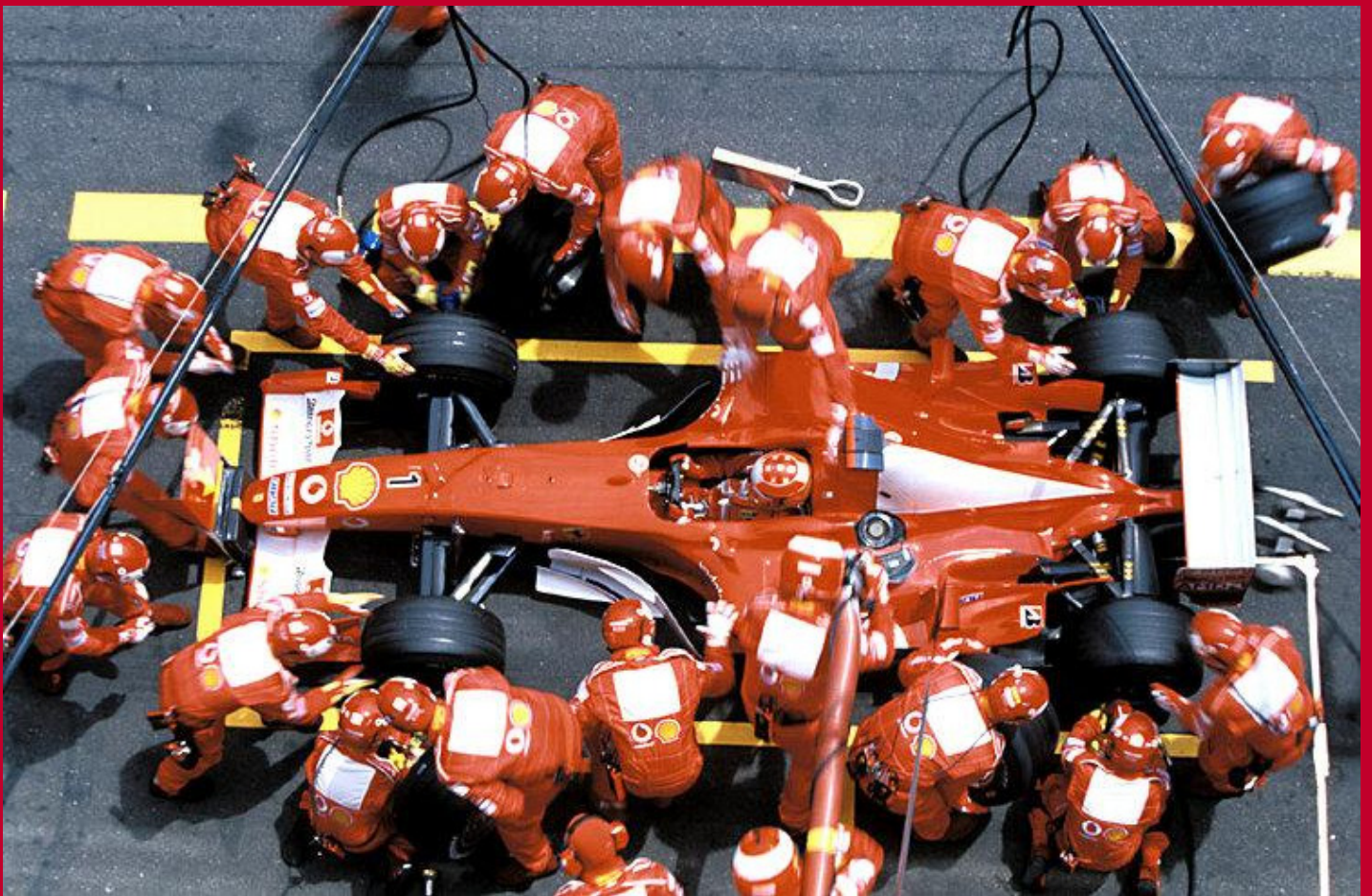


Board Development: Shaping the Board into an Effective Team

by Dr Mike Rugg-Gunn

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INTRODUCTION

What did the English Army at Agincourt, Wimbledon FC winners of the 1988 FA Cup final, and John F Kennedy's cabinet during the Cuban missile crisis all have in common? The answer is, in some way or another, that they came together as a high performing team to overcome supposedly superior opponents through elevating their collective performance to far outweigh the sum of their individual contributions.

So, how do we get boards to work together optimally and what is it that makes board team working different to other forms of team working?

BARRIERS TO BOARD DEVELOPMENT

Recent research has highlighted some of the difficulties that boards encounter in developing as effective teams. For example, boards come together only infrequently (perhaps as little as six times a year) and this militates against creating a strong sense of group identity and purpose that are necessary pre-requisites for effective teamwork.

Some boards have complex stakeholder obligations leading to confusion over company goals. The sheer diversity of such groups and their respective agendas impede the creation and delivery of clear team goals. In 2008, Bear Sterns was sold to JP Morgan for less than 10% of its 2007 market value raising the issue of shareholder value as shareholders, employees, the buyer and the US government all disagreed about what constituted a fair and realistic price for the Bear Sterns business.

Finally, there is a tendency in many organizations to focus resource on individual development (e.g. talent programmes) at the expense of more team based and collaborative initiatives. Yet research suggests that team members are capable of performing at higher intellectual levels when asked to work in collaborative situations than when asked to work individually as learning as a team improves problem-solving strategies.

PRE-REQUISITES OF TEAM DEVELOPMENT

So, given these constraints, what are the factors that convert disparate board members into high performing teams?

Candidly, one cannot make a silk purse out of a sow's ear. Therefore the first step in generating a high performing team is to ensure that the team contains competent people. This truism is frequently ignored. However, any planned team intervention needs the confidence and trust of team members in each other. In short, those who are not competent need to be replaced by those who are. If board members lack either the technical skills to do the job or the cognitive skills to master learned capabilities then team working development will not transfer to the boardroom and, as such, will be a waste of time and money.

Boards need to take stock of the mix of knowledge, skills and abilities that are required for them to work effectively and deliver shareholder value. Group diversity in terms of knowledge and experience contributes positively to both the quality of team decision making and the learning process. This is an ongoing requirement and, in addition to development, requires the recruitment and replacement of directors too. For instance, those organisations seeking to expand their business globally will require board directors with experience of emerging markets and a cross cultural mindset that may not exist in the skill base of the current board members.

TEAM WORKING

To paraphrase Jim Collins, now that we have the wrong people off the board, the right people on the board, sitting in the right seats and facing the right way, we can start to develop them as a high performing team. Team working is both complex and dynamic in nature and requires board members to balance a number of intrinsic factors (e.g. individual competence, personality preferences and different roles) with extrinsic factors (e.g. the ability to synchronize events, resources and actions across functions and businesses). Given the complexity of team performance, it is very unlikely that these team skills will be enhanced by trivial team building events.

This starts to define what board team development is not. It is not paint balling, white water rafting or jollies down the pub. Nor is it a set of videos or team games applied generically to every team scenario. Rather, team development is the creation of a learning environment where board members receive information around strategic issues, governance, values, goals, realistic tasks and scenarios and then have the opportunity to observe, practice and receive feedback.

Figure 1: The structure of team development (adapted from Salas, E. & Cannon-Bowers, J. 1997)

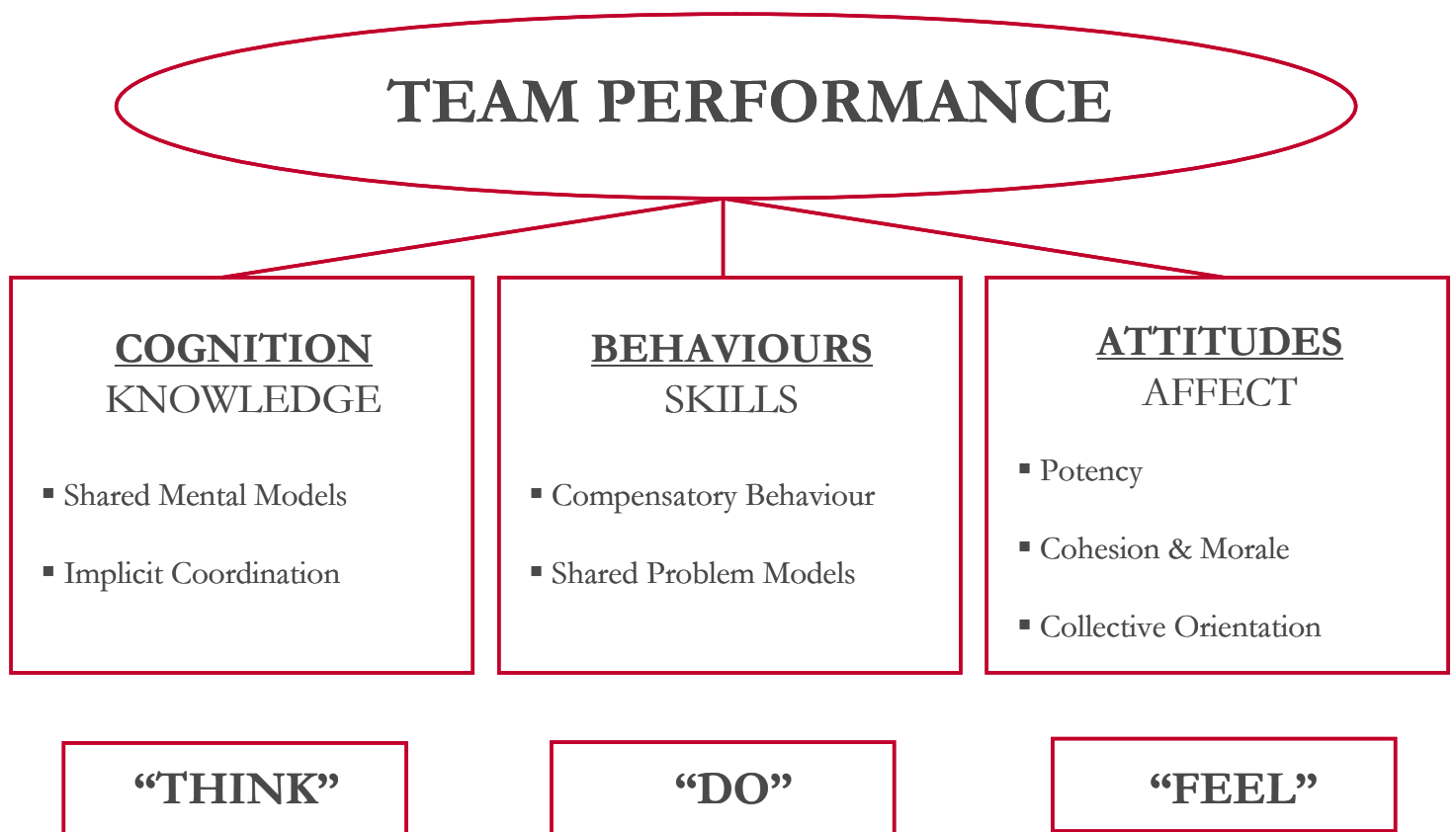


Figure 1 above suggests that team performance is made up of three components. There is a thinking component; this is sometimes referred to as having a shared mental model of the task – a collective understanding of the situation that the team finds itself in. There is a behavioural component that helps team members to achieve interdependent tasks, including communication, co-ordination and mutual support to other team members. Finally, there is an attitudinal component that is the team’s internal beliefs about their ability to achieve a goal, maintain team morale in times of stress and pressure, and willingness to work as a cohesive team. As Figure 1 suggests, these components can be summarised as ‘*think*’, ‘*do*’ and ‘*feel*’.

TEAM DEVELOPMENT

It is the contention of this report that much of current team development is ineffective at board level. There are many and varied board development tools on the market but most are diagnostic rather than developmental. Diagnosis is helpful to a point, but helping the board to understand the nature of a problem does not constitute team learning because it highlights what is being done incorrectly rather than models what needs to be done to be effective in the complex inter relationship of ‘*think, do and feel*.’ In addition, this perspective incorrectly positions team development as a solely remedial activity when it may also act usefully to move a ‘good’ team to a ‘great’ one.

The aim of any team development is to ensure that what is learned is routinely applied once the developmental intervention has ceased. Therefore, the exercises and scenarios chosen need to be both practical and relevant in order that they carefully replicate the environment that boards work in. For example, the board may be practicing effective decision-making. This needs to be practiced under variable conditions with attendant stresses and pressures, because this is the reality of real board work and such development increases the chances the appropriate team behaviours will be recalled and exhibited in the future.

Team development is accelerated if there is a quantifiable measure of team effectiveness through which boards can benchmark their progress as a highly performing team. This measurement is frequently ignored in board development work and yet forms the basis for assessing and re-mediating performance as the board go about practicing their team working. This should take the form of scoring both task and process performance issues to ensure team learnings are happening quickly.

To illustrate this theory, let us expand a previous example. The board needs to practice applying effective decision making of critical issues under stress and pressure. This task needs to be broken down into key sub tasks (for example, adherence to corporate governance) and attendant team working behaviours. So, we may also need to measure process by examining if the team worked from the same mental model (Think), communicated, co-ordinated and offered mutual support (Do), and acted with a strong collective orientation (Feel). It is this parallel learning of task and process that helps to deliver team learning that translates into enhanced team performance and thus leads to effective team development.

This behavioural approach to team development should not obscure the need to pay attention to the social dynamics operating within the boardroom. Human beings are complex and diverse and the social dynamics of team working can be accelerated through facilitated development sessions that allow board directors to explore how they come across to their colleagues. Sometimes, this can be achieved through the use of psychometric tools and techniques and also through 360 degree feedback mechanisms. Either way, the goal is the same. The board director understands him/her self better and has an increased appreciation of, and tolerance for, the differing behaviours of fellow board members. Such development helps to optimise relationships between board members and thus help them to work with group dynamics in a constructive way.

SUMMARY

Effective team development at board level consists of both individual and collective learning that transfers from the development session to the boardroom and is maintained over time through regular practice and refinement. This is important. For example, it is not the case that, in times of stress and pressure, effective boards need to communicate more between themselves. In fact, truly effective boards communicate less as, over time, they have learned how to anticipate each others' needs and requirements without the need for overt strategising. This is the very essence of effective team working where team learning, practice and refinement lead to an implicit synchronicity and economy of effort towards achieving team goals.

TEN TOP TIPS FOR SHAPING THE BOARD INTO AN EFFECTIVE TEAM

Do ensure that:

- the right people are on the board with the right skill sets;
- team development also addresses both the task and process elements of team working;
- development is targeted at the thinking, doing and feeling elements of team work
- team development allows opportunities for practice, feedback and measurement of performance;
- the board has a clear focus on its goals and the means of achieving them;
- board members recognise how their contribution is indispensable to the team effort
- the design of team development fosters independent thought within an interdependent team culture;
- the board has the right resources to undertake their collective role;
- the team understands their own individual impact, behavioural preferences and key strengths;
- each team member has an increased tolerance for, and appreciation of, the key strengths and behavioural preferences of their fellow board members.

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