

The leading of leaders in the boardroom

Leading leaders requires competencies that are uncommon among most managers and directors. Fortunately, there is a proven process for greatly enhancing the quality of board conversations and decision making. **BY J. JEFFREY SPAHN AND KATHLEEN M. FLANAGAN**

A NEW VICE CHAIRMAN calls over the weekend to insist that he must be designated as the replacement for the current CEO, immediately... The morning newspaper reports that a multimillion-dollar service system has crashed, leaving clients vulnerable to financial losses across the country... A director demonstrates his competitive drive and power by sabotaging approval of the new compensation system, wasting weeks of prolonged board discussion.

These are just a few of the possibilities that can keep a conscientious director awake at night, counting potential losses and lawsuits. The shame is that many of these nightmares could be avoided if the diverse viewpoints and talent of the board were fully realized, rather than lulled to sleep.

Despite the tremendous impact of boards on the smooth functioning of our public and private institutions, we still find that routine, procedure, and reticence muffle board deliberations more than heavy draperies and oak paneling. Staid discussions stand in stark contrast to the drama that occasionally flares up in public view. Ironically, the common

inhibition of real dialogue actually causes crises to emerge. Lack of mutual understanding leaves the CEO and the board vulnerable to misperceptions of each other's intent, triggering unexpected and public eruptions. Polite reticence clouds key decisions in confusion or compliance, increasing the odds that risks and opportunities will be misjudged.

Fortunately, grudging agreement and clashing egos are not the only choices. Shouldn't the inevitable difference of opinion among diverse board members ignite creativity and raise intellectual capital? General Electric's board proves it can be done. Running on open, frank, and challenging conversation, the GE board earned the designation "Best Board in America" by *Business Week*. The directors credited Jack Welch with setting a tone that invites vigorous interaction. One director said that Welch created "a freewheeling environment" that encouraged directors to speak up.

Certainly, increased communication is easier to prescribe than to enact. However, success is not limited to a few cases in which a CEO's natural style tends toward dynamic dialogue. Every executive can learn to raise more intellectual capital by tapping into the power of different perspectives, rather than trying to tamp them down. A simple conceptual framework and two



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basic competencies can lead your board to more efficient and wealth-producing conversations.

Power of collective leadership

The problem is that most leadership theory and practice assume that leaders lead followers. Today, the dynamics of the boardroom call for leaders to lead leaders, not just followers. Nowhere is this more evident than in a boardroom populated by CEOs in their own right or civic leaders with significant constituencies. Yet leading leaders requires competencies that are unfamiliar to most managers and directors.

Many chairmen and CEOs are still accustomed to operating from authority in their primary management role, or they may be reticent to cede authority to the collective board except on issues whose outcome is certain. They intend to be collaborative, but are not able to make the necessary distinction between leading leaders and leading followers. More important, they lack the necessary mindset, competencies, and methodology for practicing collective leadership.

When “each of us is responsible for leading the rest of us,” as one executive describes it, the power of collective leadership emerges. The key conceptual shift is from “How can I get the board to own my point

of view?” to “How can I create a context within which each director’s full potential will be engaged?” The first question concentrates on manipulation, showmanship, and control. The shift to the second question releases and channels energy, captures the strategic

insight of the entire team, and generates passion that can lead to exponential results.

Breaking through communication barriers

Leaders lead leaders in the boardroom by consistently being a catalyst for dynamic conversations where the energy, intelligence, and creativity are greater than the sum of the parts. Fortunately, there is a proven process for the leading of leaders. The solution finds roots in the ancient art of dialogue and draws from the contemporary disciplines of business, philosophy, athletics, science, psychology, and spirituality. Socrates named the interplay of question and answer “dialogue.” Plato called this style of conversation the highest of human art forms. The philosopher Martin Buber and the psychiatrist Carl Rogers along with many others have made contributions to the theory and

practice of this effective form of communication.

More recently, the physicist David Bohm reawakened general interest in dialogue. He observed that within a hot electromagnetic field, electrons collide with each other and act in a chaotic fashion. In a cool environment, these same electrons move and flow as if in a dance. Bohm asserted that the physical world of electrons mirrored the relational world of human beings. In highly conflicted religious and political settings, he began exploring ways of lowering the temperature among human beings. This action spawned an interdisciplinary approach to creating conditions conducive to dialogue. For our purposes, dialogue is a process of mutual leading whereby each participant is simultaneously leader and follower.

The enabling competencies

Genuine dialogue differs from other methods of communicating in its very purpose. The purpose of a dialogue is to discover or gain insight, to see things differently, to learn. In a *debate*, participants try to convince others of their opinion. To this extent, they work to impose their thinking. In a *discourse*, the audience only listens, as in a lecture. In this context, the members of the audience withhold their thinking.

In a true *dialogue*, elements of both discourse and debate are at play, but with a different character. The speakers present their ideas in as convincing a way as possible, yet resist imposing them upon the listeners. The listeners listen as deeply as possible, but resist withholding their own thinking and feeling. It is this interchange that is most lacking in boardrooms and most packed with potential for increased effectiveness.

Directors can greatly enhance the quality of boardroom conversations by developing a mindset, a process, and competencies for leading leaders. Below we describe two of a number of competencies that create an immediate impact on the dynamics of a conversation. These are simply (1) to suspend certainty, and (2) to display thinking and feeling.

Suspending certainty

New translations of the ancient arts of war highlight a significant observation: Problems arise when one holds a view that is too small or inflexible. In this way warriors, managers, and directors court disaster when they assume they see the whole picture and are reluctant to suspend their certainty.

To suspend certainty means to let go of our belief that we already know the answer. Suspending certainty means choosing curiosity over premature

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conclusions. When leaders lead followers, they gain strength from being confident in what they know and by telling people what to do. Leaders who want to lead leaders must be willing to acknowledge and gain strength from their ignorance. They see “I don’t know” or “I’m unsure” as evidence that they have identified important areas for exploration. By letting go of certainty, or suspending it, the leader gains access to the intelligence of the entire team because the leader is willing to ask and willing to hear what other people think and feel. By doing so, the leader transforms personal ignorance into the curiosity that can unleash collective intelligence.

The poet Rumi captures this insight in the story of two men washing clothes in the river. One man gets clothes wet. The other shakes the clothes out to dry in the sun. These two actions may seem contradictory when seen from a distance, but when the purpose is understood, they can be seen as two parts of a harmonious whole. These perceived contradictions are rife when analyzing business issues. The marketing plan highlights the importance of the customer and emphasizes immediate responsiveness. The operational goals stress efficiency and cost reduction. These goals may seem to be in conflict if only part of the picture is visible. By suspending certainty, directors can forestall premature conclusions or conflicts until a holistic view can emerge through dialogue.

Action steps

How can directors create an environment where certainty is suspended and curiosity valued? There are a number of steps that can be introduced in the normal course of board conversations. Appreciative listening, affirmative acknowledgment of the value of other perspectives, and questions that deepen understanding are first steps.

Deeper understanding can be created through questions such as: “Am I correct in assuming your position is...?” “Would you help me understand how you came to this?” “What experiences have you had, or what data have you collected, that support your point of view?” “What do these experiences mean to you?” or, “How do you interpret the data?”

All too often, we ask questions only to identify how we can counter an idea that we do not like or how to present our own ideas more effectively. In suspending certainty, it is important to let go of that mental process and free the mind to truly explore the idea or proposal as it is presented.

This suspension of certainty is motivated by the honest belief that we could be missing something and a willingness to explore that possibility. No matter how difficult the circumstance nor how deeply

buried the desire, the natural curiosity of human nature is almost always accessible and often the key to greater communication and understanding.

Displaying thinking and feeling

The improvisation theater classes at Second City stress a simple concept: Bring a brick, not a house. The bricks students bring are their current thoughts and feelings as they emerge through interaction with the cast and scene. As such, improvisational theater embodies the art of dialogue.

How does one bring a brick to the boardroom deliberations? The key is to display current thinking and feeling. This requires simultaneous resistance to both imposing and withholding. Think of a neighborhood apparel store. The entrepreneur does not walk into the streets, clothing in hand, attempting to get people to wear it. Neither does she hide the goods in the closet. Rather, she displays them in the window. The more current thoughts and feelings are displayed in a boardroom conversation, the more significant issues and potential conflicts can be surfaced and resolved.

For example, if one of the leaders in the boardroom said, “I am presenting my thoughts and feelings about how we should proceed. As I do so, I am well aware that there may be things you may see that I don’t. Let’s explore this together and see what emerges.” Notice the leader develops a clear point of view and resists withholding it or imposing it upon the rest of the board. By setting this context, the leader changes the intent of the conversation. It is no longer an attempt to convince or to win. Through this opening statement, the director — whether chairman, CEO, or committee member — creates a space for a deeper, collaborative conversation that accesses collective wisdom, builds trust, and opens the door to quicker quality decisions.

Common challenges, uncommon solution

The common challenge in many board situations is the need for real exchange of expertise and insight among the talented members of the board. For many companies and organizations, the board of directors may contain the least tapped and most potent remaining reservoir for wealth-producing ideas. But this talent will remain untapped if we continue to operate our board meetings like secretive enclaves where initiative is expressed only with the an-

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nouncement of the hiring or firing of a CEO. The capacity of the board to contribute will be inhibited if our definition of collegiality does not comprehend an authentic and energized exchange that leads to creative thinking.

We see powerful CEOs, COOs, and CFOs today who are taking a new look at the board of directors. They see the board as a source of talent and insight. In a complementary view, the board sees itself as a creative collaborator. Without inviting micro-management or interference in daily operations, these enlightened directors seek to generate collaborative and creative conversations about pressing business issues.

How does the process we have outlined leverage the sagacity of the board? As true dialogue comes to

replace heated debate or one-sided discourse, trust among the members of the board builds. Trust opens the way to more open and informative conversations. Trust opens the way for multiple sources of intelligence to be accessed. By honoring rational, emotional, and intuitive ways of knowing, this process reaches collective wisdom that often goes untapped.

By introducing true dialogue and orchestrating creative conversations, boards of directors can unleash the power of collective intelligence and greatly increase their effectiveness. ■

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