



Mentoring Circle

Outcome Report

Topic 1: Courage

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INSTITUTE OF DIRECTORS
SOUTHERN AFRICA

The aim of the Mentoring Circles is personal development, building a community of directors, and contributing to the social and personal competencies of the Director Development Framework.

The Challenges

- Courageous conversations are not always about “good” or “bad”, and it can be difficult to know when to raise an issue that is not clearly either. The risks of these conversations can outweigh the benefits, both individually and organisationally.
- With good intentions to make decisions that are in the company’s best interests, not all directors necessarily share the same understanding of their fiduciary responsibilities.
- Boards can filter information to their non-executive directors, which prevent the NEDs from participating fully. Such a board may also not be genuinely open to potentially different perspectives.
- As a director it can be difficult to acknowledge that one does not understand something, because one may be perceived as ignorant.

The Ideal

The courageous director is an authentic human being, knows themselves well, knowing when to, and when not to, speak up and present an alternative view. Courageous directors really make a difference by asking potentially difficult questions; set a direction and purpose for the organisation; admit their vulnerabilities and knowledge gaps; and understand deeply their role as a director and the fiduciary duties that accompany that role.

The Solutions

- Directors need to ensure that they have a broad understanding of all issues affecting the organisation, but that does not mean they have to be experts at everything. Phrasing probing questions for clarification, such as “How do you see issue X....” can reduce the fear of appearing ignorant, and often others will benefit from the additional clarity. One can also acknowledge diversity realities, and use phrases such as “I had never thought of X that way....”. Soliciting views from colleagues is invaluable as each person has a different perspective based on their subject matter expertise.
- “We don’t get free passes at this level” - directors must prepare thoroughly for board meetings. The more thoroughly prepared one is, the more one will understand, and the clearer it is what the core issues are on which one requires further discussion. Preparation supports courage.
- True courage is sourced in authenticity: a persistently disruptive or non-performing director can be removed by the other directors.
- Use all available resources to develop oneself as a director, including the Chartered Director programme, and the many IoD training opportunities.
- Issues do not always have to be raised as formal agenda items in board meetings: they can be discussed informally, including through sharing articles of interest, and using platforms such as the IoD to support issues of importance. If an issue must be raised in a meeting, using ‘risk’ language depersonalises the issue, and allows the board to focus on the impact on the company, rather than taking things personally.
- Using board appraisals can be a neutral way of surfacing difficult issues and/or personalities and/or negatively dominant individuals.
- Director inductions are crucial to clarifying fiduciary duties as they apply to particular organisations. The induction should unpack what words like ‘diligence’ and ‘care’ actually mean in practice: inductions should ‘transcend verbiage’.
- Being courageous means knowing when and what issues to raise and which to let go. When an issue is important enough to raise, the director must be very well prepared to discuss that issue.
- Having courageous conversations involves: careful phrasing; appreciating that one’s perspective is only one of many; creating the opportunity for and being open to alternative views from the board; not assuming all others are ‘wrong’ or somehow derelict in their fiduciary duties.
- The quality and nature of conversations at board level needs to change by every individual re-engaging with the ‘delightful curiosity’ of being a director, through applying their most gracious way of thinking to their fiduciary duties.
- Every director is on a board willingly: many pressures are self-inflicted, and each director needs to have honest and courageous conversations with themselves to keeping growing their self-awareness, to discern what is most important in their lives and why.