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Your board is as efficient as the personalities on it

LEADERSHIP A company should ideally have directors who are functional as opposed to dysfunctional

BY RICHARD GITONGA

A leading business personality recently said that the most useful person in the world is one who knows how to get along with other people.

Human relations is the most important science in the broad curriculum. Francois de

la Rochefoucauld, a famous philosopher, observed that a man of understanding finds less difficulty in submitting to a wrong-headed fellow than in attempting to set him right.

What does understanding of personalities have to do with corporate governance? Presumably a great deal, especially when members of boards have to engage, influence and

drive agenda to achieve the mandates of the institutions that they represent, whether in the private or public sector.

Most of us have had the opportunity to get acquainted with board directors, either by default or design, who can be placed into two distinct categories, those who are functional or dysfunctional.

1. Functional directors



Functional directors are those who have attributes most likely to influence the successful governance of the institutions that they oversee.

In an open and transparent marketplace, it is not too difficult to pick out functional chairs. They are known to relate well with directors and management and have a keen interest in effective corporate governance. Rarely will a scandalous episode erupt during their tenure and are regularly celebrated by the stakeholders that they serve

a. Consensus builders

On the functional end of the spectrum, there are directors who act as conciliators, seeking the collective view especially in times of disharmony and misunderstanding between board members.

These are very helpful in boards that have a history of strife or in periods when the organisation is going through transition or change.

b. Challengers

These directors ask the tough ques-

tions that most of their peers would not dare to ask so as not to rock the boat. They are known to be willing to relinquish their prestigious board appointments if they feel the status quo is against their intelligence and conscience.

c. Change agents

Act as catalysts for bringing about fundamental change. All too often, boards may be encapsulated by the concept of group-think in which all members are comfortable with the status quo and not willing to face the inevitability of change in progressive environments. Due to their disposition, they are usually the least popular and rarely survive without the support of their board chairs.

d. Counsellors

They have strong persuasive skills and are adept at using their experience and influence to help drive forward critical institutional mandate agendas.

2. Dysfunctional directors



Dysfunctional directors are likely to have a negative effect and are the cause of failure of what would otherwise be very successful institutions.

They are known to get into the public domain through the media for all the wrong reasons. They do not run board meetings effectively and do not have effective working relationships with other directors, the CEO, or the management team.

Some of these chairs do not seem to know the difference between their role and that of the CEO and are at constant loggerheads with various stakeholders.

Despite their pedigree, they have not been known to attend any formal classes in basic corporate governance.

a. Conformists

These are non-performing directors who support the status quo. They rarely have an opinion on any item on the board agenda and literally swing where the wind blows in the board room.

b. Critics

They constantly criticise and complain. They are a far-cry from the "challengers" in that they are focused more on negative criti-

cism and have a propensity to personalise issues. They are known to be a rich source of negative energy.

c. Controlling

These directors like dominating board processes through skill, tact, humour and anger. The challenge is that they are more often than not the most experienced and others are intimidated by them.

They are aware of the old adage that advice is sometimes transmitted more successfully through a joke than grave teaching.

d. Cheerleaders

Finally, we have enthusiastic amateurs with little awareness of strategic issues — the cheerleaders. They are often relied on to either propose or second board resolutions which they seldom understand.

The ideal board should strive to identify and get rid of dysfunctional directors. Standard personality tests can be applied in the selection process to identify the disposition early in the process.

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