3

DIRECTOR SELF-ASSESSMENT

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The work of the board is both challenging and rewarding. Brain health, emotional and moral intelligence, and boardroom behaviour are four areas for board directors to develop self-awareness in and to continually self-assess and self-develop. Overconfidence and complacency undermine judgement and ultimately performance, so it is important to feel that we have never really cracked learning about ourselves and remain open-minded to learning experiences, feedback from colleagues, and to insights gained from success and failure.

Gaining an accurate impression of oneself is an intrinsically difficult task, one for which people often do not have crucial information, and when they do, they find it easy to ignore. That said, directors can take steps to reach more objective conclusions about themselves by setting clear and objective criteria, seeking regular, situational and specific feedback from others, and asking more profound open-ended questions that stimulate us to think as much about the things we don't want to face up to, as much as the ones we do.

How can you improve your self-awareness and self-assess?

The most important thing to do before beginning any self-assessment is to anchor the assessment to specific criteria. Judging performance is difficult if the criteria are ambiguous, open to disagreement, or are just unknowable. Research shows that the more ambiguous the performance criteria, the more likely people are to self-enhance and misjudge ability.

Brain health: A board director's job is a thinking job. In the last few years, neuroscience has made significant advances that show that insufficient sleep and cognitive overload have a direct bearing on the brain's capacity to think. If you are not getting enough sleep (latest research from the Centre for Human Sleep Science indicates seven to nine hours) or are working more than 40 hours a week, you don't just get tired, you make mistakes.

When fatigued or sleep deprived, we literally become less able to think effectively and to make judgements. The parietal and occipital lobes and the prefrontal cortex literally become less active. These are the areas of the brain we need for social perception, to be able to differentiate between good and bad and for thinking and processing information. Reports from serious corporate failures like the BP oil refinery explosion and "EA: The Human Story" make clear the role of fatigued and sleep-deprived people in corporate disaster. The board is the last stop for organisational oversight and challenge, and never before has it been so evident why board directors need to take the health of their brain and the health of their workers brains' so seriously.

Moral compass: Board work involves navigating dilemmas; situations in which a difficult choice has to be made between two or more alternatives, often choices that are equally undesirable. When faced with dilemmas, we make decisions that not only impact us but those around us. The consequences of the decisions we make at board level ripple far and wide, and the actions we take really matter to colleagues and their families, customers, and the economy. Doing the right thing isn't always easy. Understanding how we make up our minds when faced with a dilemma, means that we are more likely to do the right thing, in the right way, more of the time.

Emotional intelligence: Emotional intelligence is the capacity to blend thinking and feeling to make optimal decisions about ourselves, and how

we relate to and work with others. It is not traditional to think of boards and board decision-making as involving feelings and emotion; instead, we prefer to think of the board centred around logic and reason. However, this traditional view defies both experience and research. Emotional intelligence is central to effective boards because emotions transmit much faster than ideas and they are a significant driver of behaviour.

From research studies of brain-damaged patients whose amygdala (the emotion centre of the brain) is damaged, we find that they literally cannot make decisions. Emotions and feelings are a source of information, and emotional intelligence is the ability to explore this information to gain insight. For example, feeling anxious typically means that you perceive something or someone you care about to be under threat. Noticing the feeling of anxiety and considering what is making you feel like this puts you in a better place to consider your options: Are you really under threat? How big is the threat? What might you do to neutralise the threat?

There are four fundamental domains of emotional intelligence that directors can self-assess against.

- Self-awareness – can I name how I feel, and what insight is the feeling offering me?
- Self-management – do I consciously choose how I respond to my feelings, or conversely just react without exploring or reframing?
- Social awareness – how well do I empathise with the feelings of others?
- Relationship management – how effectively do I relate to others, navigating different relationship states?

Leadership Behaviour: Behaviour is important because how we behave directly impacts outcomes. There are four specific behavioural clusters directly related to the work of the board.¹ Each behaviour is definable, observable, and learnable, therefore making it possible for directors to self-assess against, to gain feedback on, and to learn to affect the desired outcomes.

- i. **Purpose, objectives, and strategy formation** (thinking behaviours: seeking information, forming concepts, conceptual agility). The board

¹ Specified by the UK Corporate Governance Code Principles of Board Leadership and Company Purpose.

is responsible for establishing the company's purpose and strategy. The act of strategy formation requires the director to *seek information* about the competitive landscape and markets; to be able to *form concepts* about the objectives the organisation wishes to pursue; and to demonstrate *conceptual agility*, comparing the pros and cons of different strategies. The quality of the strategic thinking by the board literally determines the quality of strategy.

- ii. **The board as a leadership team** (involving behaviours: enabling openness, facilitating and developing capability). The board is comprised of independent directors and executive directors who have shared accountability for the long-term success of the company and to deliver value for shareholders and contribute to the wider society. The board is *facilitated* by the chair, who is responsible for the effectiveness of the board. The capacity to *enable openness* in each other is vital in order for each director to be listened to and feel a sense of shared ownership for the outcomes. As with any team, each board member is responsible for *developing the capability* of themselves and the board as a whole. Feedback exchange and supporting peers to develop is a crucial precursor to optimising group effectiveness.
- iii. **Stakeholder engagement** (inspirational behaviours: inspiring communication, influence and building confidence). In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties. This requires directors to be *inspiring communicators*, work with *influence*, and *build confidence*.
- iv. **Performance oversight** (performance behaviours: enabling action and measuring and monitoring performance). The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. To do this, directors need to *empower action* to ensure what's agreed is delivered and to *measure and monitor performance* by seeking to understand a breadth of metrics from culture assessment to customer engagement to financial measures.

Effective self-assessment requires directors to seek and collate evidence of effectiveness against criteria from yourself and from others. This is best done by seeking feedback regularly and in relation to specific situations.

Fellow board members are much more likely to provide sincere and accurate feedback if, for example, after a particular meeting, you pose a series of questions relevant to the situation and related to a particular behaviour. For example, to understand how well you listened, you might ask: “How would you describe the quality of my listening in the meeting we’ve just finished?”; “Which issues could I have explored at a deeper level?”; “In my summary of the conversation, was there anything you might have added or concluded differently?”; “What might help me develop better rapport with X?”. Exploration of issues, summarising, and rapport building are all components of effective listening.

For those of you who have tried to fill out a feedback questionnaire, at the end of the year, about a colleague, hopefully you will instantly recognise this as a more beneficial way to gain and give accurate and specific feedback. Research shows that when feedback is given often, immediately, and with objectivity, it improves a person’s ability to self-assess. Seeking regular, immediate, and specific feedback can improve your ability to self-assess by 50% – priceless!

Twenty questions to generate self-awareness and monitor progression

There are two types of questions here. The first are those that you can use to monitor yourself. Regularly assessing your brain health, moral compass, emotional intelligence, and boardroom behaviour will help with maintenance and continuous improvement. The second type of question is designed to help you think at a deeper and more profound level about your contribution and the impact that you are having as a director on a board.

Brain health

1. How would I rate my sleep quality and sufficiency over the last week?
2. How many hours have I worked this week and on average over the last month?
3. Honestly, looking back over my preparation for board meetings, my attendance at board meetings, and other board work, how optimal has my brain functioning been?

4. In the last year, to what extent have I identified, explored, and challenged evidence of fatigue and cognitive overload in other directors or the workforce?

Moral compass

5. If I had the opportunity to talk to anyone that you have worked with over the years, what would be the most embarrassing thing I'd find out?
6. When faced with a difficult moral dilemma, what is your method for deciding what is the right thing to do and the right way to do it?

Emotional intelligence

7. Emotional intelligence has four fundamental elements. Which do you need to work on and what will the benefits be?
8. Can you name the 22 primary emotions and what each emotion is a signal of?
9. If your emotions were a friend who'd popped round for coffee, what would they tell you about yourself and how you feel about your role as a board director right now?

Behaviour thinking

10. All groups work with unconscious social dynamics and biases, for example, "groupthink" and "confirmation bias," which affect their ability to think strategically. Which dynamics and biases are you and your board particularly susceptible to and why? What is your evidence for this?
11. Last time you made a strategic decision, how many options did you thoroughly consider the pros and cons of before settling on your choice?
12. What strategic issues is your board ignoring and why? What might you do about this?

Involving

13. How do you rate your ability to get others to say what really think and feel?
14. Conformity means to behave in ways which are socially acceptable in a group. Which socially acceptable norms are rewarded in your board?
15. When did you last give another director feedback? Be honest. How accurate versus sugar-coated was it? How well timed was it? And how was it received?

Inspiring

16. How could you measure your level of influence?
17. Right now, what do you feel most ambiguous about with regard to the work of your board and your fellow board directors? What is this telling you?
18. Who or what is inspiring you, and what does that tell you about your values?

Performing

19. How effective have you been at raising performance standards of directors?
20. What stretching performance measures have set for yourself?