The Chartered Governance Qualifying Programme

Boardroom Dynamics

Syllabus

Boardroom Dynamics

Level 7, Part Two Programme

Total hours study time: 200

Introduction
The aim of this module is to provide the advanced knowledge, understanding and skills needed for the company secretary/governance professional to support boardroom performance by enabling both effective individual behaviours and group processes.

In recent years, due to high profile failures, maturing codes of governance, and an increasing interest in human capital intangibles, there have been increasing calls to focus on how the board works beyond the technical aspects. These are necessary but not sufficient to engender good governance. In addition therefore, an appreciation and competence in more behavioural, cultural and psychological aspects of boardroom practice is required to be an effective modern company secretary/governance professional.

This module explores these areas in detail, with a particular focus on understanding the dynamics of, and between, members of the board and how these factors contribute to an effective board and the sustainability of an organisation. In addition the module will cover what boards and company secretaries/governance professionals can do differently and how they can influence and effect change within the remit of their role.

Learning outcomes
After successful completion of this module you should:

1   Understand why focussing on boardroom dynamics is becoming increasingly important for organisations.
2   Understand the different facets of boardroom dynamics.
3   Be able to critically evaluate how dynamics might affect the quality of relationships, decision-making, conversations, culture, diversity and other factors.
4   Understand how to use formal and informal methods to positively influence dynamics and enhance boardroom performance.

Module content

Section A: The importance of board dynamics

<div align="right">*20% – 40 Learning hours*</div>

LO.1: Understand why focussing on boardroom dynamics is becoming increasingly important for organisations

Topic area	Exemplification
The emergence of board dynamics in governance	- The evolving focus of governance: - how codes of governance have evolved and why - the purpose of task-focused training - Organisational failures: - impact of organisational failure - examples of organisational (including corporate) failure: - Royal Bank of Scotland - Enron - WorldCom - Tyco - Parmalat - OneTel - HIH Insurance - Kids Company - Volkswagen - new business regulations: - Sarbanes-Oxley Act (2002) - CLERP 9 (2004) - Interest in human factors: - gross national happiness - human capital - talent management - culture - other human factors - Shifts in approaches to leadership - Focus on ethics: - the role of the Institute of Business Ethics - impact of good and poor ethics - How corporate governance is maturing: - the evolution of codes: - UK Corporate Governance Code (2018) - The Walker Report (2009) - importance of FRC Guidance on Board Effectiveness (2018) - Shift in board research away from structural factors - A broader model of corporate governance: - the 11 Cs model:

Topic area	Exemplification
The emergence of board dynamics in governance (*cont*.)	− board structures − board demographics − board attributes − board dynamics • Defining board dynamics • The evolving role of the company secretary: • Andrew Kakabadse research

Governance structures	• Governance theory related to board structure:
	  • agency theory
	  • stewardship theory
	  • stakeholder theory
	• Defining structural elements of boards and the impact of board structures on performance:
	  • unitary board:
	    − all-executive board
	    − majority executive board
	    − majority independent non-executive board
	  • two tier board
	  • ratio of executive directors to non-executive directors
	  • board size
	  • committees structure
	  • chair considerations:
	    − chair and chief executive officer split role
	    − chair as a former chief executive officer
	    − chair as an executive or non-executive
	  • director considerations:
	    − average tenure
	    − board diversity
	    − director compensation/remuneration - – base pay, incentive schemes, equity involvement
	  • board tasks:
	    − board meeting frequency
	    − board review
	    − board induction and development
	  • board tasks:
	    − meeting frequency
	    − board induction and development
	  • summary of board structural configuration and compliance

Board director demographics and attributes	• Board demographics:
	  • board demographics as predictors of board performance
	  • assumptions of traditional board theories

Topic area	Exemplification

Board director demographics and attributes (*cont.*)	• Key individual technical components:
	  • capacity:
	    − fit and proper test
	    − external commitments
	  • capability:
	    − independence
	    − professional capital
	    − financial expertise/experience
	    − technical expertise
	    − diversity
	  • connections
	• Board attributes:
	  • competence:
	    − specific board role competence
	    − general leadership competence – emotional intelligence, leadership style
	  • twenty-first century leadership competence:
	    − resilience
	    − learning agility
	    − cultural intelligence
	    − digital intelligence
	  • commitment and personal disposition:
	    − personality styles
	    − mindset
	    − motivation
	    − derailers
	    − character

Section B: Understanding boardroom dynamics	
40% – 80 Learning hours	
LO.2: Understand the different facets of boardroom dynamics	
LO.3: Be able to critically evaluate how dynamics might affect the quality of relationships, decision-making, conversations, culture, diversity and other factors	
Topic area	**Exemplification**
Psychology of the board	- The importance of board dynamics relative to board structure, demographics and attributes - Defining board dynamics: - interactions between board members individually and collectively - how boardroom dynamics influence and are influenced by the wider stakeholder system - Psychological theories underpinning board dynamics: - psychodynamics - behaviourism - cognitivism - humanistic psychology - Characteristics of boards and board meetings: - ten specific characteristics - three gears model - three modes framework - Boards as high performing teams: - defining boards as teams: - Katzenback and Smith definition (1993) - working groups versus teams: - Hawkins' nine factors - boards as high performing teams - Board team outcomes: - board tasks - cohesion - challenge - the need for balance: - Walker Report (2009) - Board team processes: - senior leadership teams research – six key challenges for the CEO - a real team - a compelling purpose - the right people - solid structure - supportive context - team coaching

Topic area	Exemplification
Psychology of the board (*cont.*)	• resilient teams process – best practice • board team process – best practice

Board decision making	• Board decision making: an overview:
	  • process and outcome
	• Evidence-based boards:
	  • definition of evidence-based practice
	  • four sources of evidence
	  • six-step process
	• Cognitive bias:
	  • the issue of bias in the boardroom
	  • System One and System Two thinking
	  • types of bias
	  • mitigating bias:
	    − reviewing the process of decision making
	• Individual differences in relation to decision making:
	  • personality measures:
	    − Five Factor Model
	    − MBTI differences
	    − Decisions Styles model
	  • personality differences
	  • maximisers versus satisficers
	• Decision making tools:
	  • the WRAP framework:
	    − widen your options
	    − reality-test your assumptions
	    − attain some distance before deciding
	    − prepare to be wrong
	  • complex decision making
	  • gender differences in decision making
	  • Huston (2016) – seven recommendations for better decision making
	• Board team decision making: key factors and tools:
	  • board structure (size and meeting quantity)
	  • board diversity
	  • board leadership culture
	  • board stakeholder conversations

Stakeholder conversations	• Introduction to stakeholder systems:
	  • from boardroom dynamics to board dynamics
	  • the board as a system
	• The systems inside the board
	• Individual director lens:

Topic area	Exemplification
Stakeholder conversations (*cont.*)	- biology and personality - life roles - director roles - the overemphasis of the individual lens - Inter-personal board relationships lens: - building trust - Levels of communication - Parent, adult, child ego states - Team relationships lens: - team development frameworks: - Tuckman's model - five dysfunctions of a team - team dialogue - Kantor's 4 player model - Isaacs' advocacy versus inquiry - positivity ratios research – Losada (1999) - Board conflict: - an introduction to team conflict - extent of conflict in boardrooms - board role conflict including the Drama Triangle - how to challenge well in the boardroom - Team tasks lens – purpose, picture, plan, parts - The systems outside the board: - external stakeholder lens: - stakeholder mapping - including the stakeholder voice in the boardroom - wider systemic influences: - PESTLE analysis - the environmental, social and governance agenda
Culture in the boardroom	- Governance and culture: - responsibilities of the board - limitations of rules based compliance - Defining board culture: - what is culture? - Schein's ten categories of culture and Iceberg model - cultural variety - Board cultural markers: - board conversations as a representation of culture - what can go wrong with board conversations? - current quality of board cultural dynamics - Board cultural dynamics:

Topic area	Exemplification
Culture in the boardroom (*cont.*)	- Bedrock of Board Culture model - power culture: - passive board - certifying board - engaged board - intervening board - operating board - ethical culture: - ethics, governance and risk - ethical culture through team board trust - performance culture: - learning culture - task versus relationship culture - How to influence board culture: - situational factors - raising awareness of values - chairman role modelling - director attitude - board diversity
Diversity in the boardroom	- Defining and understanding the meaning of diversity in governance - Types of diversity - The impact of diversity on dynamics and performance: - the common business case for diversity - gender diversity - race and ethnic diversity - age diversity - country culture diversity - other 'surface' diversity - deep diversity: - learning styles - personality types - team role types - Diversity mindset: - implicit association test - diversity micro aggressions - How to promote a diversity mindset: - promoting a diversity mindset within the boardroom - promoting a diversity mindset more broadly - diversity quotas - inclusion

Topic area	Exemplification
The effect of meeting design on boardroom dynamics (*cont.*)	- Introduction to meeting design: - the challenge of meetings - Design of board meetings: - temporal characteristics: - meeting length - promptness of start and end - use of breaks - time of day - physical characteristics: - the basics: lighting, noise, temperature and refreshments - meeting space - technology use - seating dynamics - meeting space arrangement - procedural characteristics - meeting goals - agenda use - pre-meeting talk - visual displays - meeting arrangements - minutes - meeting recorded - attendee characteristics: - number of attendees - presence of a meeting facilitator - the board design checklist

Section C: Effecting change in the boardroom	
40% – 80 Learning hours	
LO.4: Understand how to use formal and informal methods to positively influence dynamics and enhance boardroom performance	

Topic area	Exemplification
The role of the governance professional in influencing the board	- The twenty first century governance professional - The company secretary as strategic leader: - leadership and management, including Mintzberg's three categories: - informational - interpersonal - decisional - evolution of leadership theory - leadership styles: - directive - visionary - affiliative - participative - pacesetting - coaching - company secretary as an 'invisible leader' - Leadership influence: - approaches to leadership influence, including Cohen and Bradford's five currencies of influence: - inspiration related currencies - task related currencies - poison related currencies - relationship related currencies - personal related currencies - Rodgers' Leadership Communication Grid - leadership influence tools: - building relationships - networking - acting politically - storytelling - challenging - Ethical dilemmas
Effective talent management	- Board talent management overview: - company secretary as talent manager - introduction to talent management - board talent management - Board competencies: - questions to be asked - chief executive officer and executive directors

Topic area	Exemplification
Effective talent management (*cont.*)	- non-executive directors - chair - senior independent director - general director - Board recruitment - Board induction - Board learning and development: - approaches to learning and development - board development - Board performance management: - performance management overview - assessment - development - remuneration - a systems perspective to board performance management - board succession
Board evaluation	- The company secretary as board consultant - The current landscape of board evaluation: - evolving corporate codes - organisational use of board evaluation - board evaluation providers - board evaluation interest from shareholders and investors - How to conduct board evaluations: - objectives of the board evaluation - deciding who and what is to be evaluated - deciding who will conduct the evaluation - techniques to be used in an evaluation - facilitating an evaluation - what to do with the results of an evaluation - Board evaluation – moving towards best practice - FRC Guidance on Board Effectiveness (2018) - Corporate Secretaries International Association report (2018)
Cultural differences in boardroom dynamics	- The company secretary as a cultural diplomat - Cultural development: - culture and cultural variety - stages of cultural development: - denial - defence - minimalisation

Topic area	Exemplification
Cultural differences in boardroom dynamics (*cont.*)	– acceptance – adaptation – integration - cultural intelligence (CQ) – cognitive CQ – physical CQ – environmental/motivational CQ - multicultural teams - Company culture: - mergers and acquisitions - Deal and Kennedy's model of corporate culture (1982) - Sector culture: - Cameron and Quinn's competing values framework (2006) - sector culture differences - Country culture: - theories of country culture – Geert Hofstede cultural dimensions – Fons Trompenaars and Charles Hampden-Turner cultural dimensions – Edward T. Hall cultural dimensions - country culture differences in the boardroom: – differences in relation to punctuality
Developing behavioural agility	- The company secretary as a team coach: - research on high performing teams and team leaders - One-to-one coaching: - the case for coaching - defining coaching - the coaching mindset - building coaching relationships - effective coaching questions: – open questions – closed questions – 'why' questions – 'what' questions – 'how' questions - coaching trends - Mentor: - the case for mentoring - defining mentoring: – buddy mentor – expert mentor – attached mentor

Topic area	Exemplification
Developing behavioural agility (*cont.*)	− detached mentor - trends in mentoring - Systemic team coaching: - the case for systemic team coaching - defining systemic team coaching - systemic team coaching disciplines and interventions: − discipline 1 – commissioning − discipline 2 – clarifying − discipline 3 – co-creating − discipline 4 – connecting − discipline 5 – core learning - Facilitator: - the case for facilitation - defining facilitation - facilitation skills and interventions: − prescribing − informing − confronting − cathartic − catalytic − supporting - facilitation styles: − contracting and ground rules − process breaks − mindful meetings − the check-in − positivity - Other supporting roles: - supervisor - mediator - counsellor
Maintaining personal resilience	- The requirement for resilience: - the company secretary as corporate athlete - the level of the stress problem - The stress response: - demands - appraisal - response - Defining resilience: - the resilient individual - the resilient board member

Topic area	Exemplification
Maintaining personal resilience (*cont.*)	- Building resilience: - resilience in theory - resilience in practice: - physical - cognitive - humanistic - social - resilience programmes - a resilient board dynamic: - company secretary relationships - the resilient board - Robertson and Copper's six essential conditions of well-being

The Chartered
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