

# Choosing a Chair

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## Choosing a Chair

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### **How do most organizations choose the board Chair?**

Board Chairs are almost always selected from among board members who are already serving (or have recently served) as experienced Committee Chairs. An exception is when an individual is specifically recruited for the role of Board Chair from outside the Board.

Board Chairs are usually chosen from among the independent directors. “Independent” directors are those board members who are not currently or recently on staff, or too closely tied to narrow interests that could conflict with the corporation’s interests.

A typical approach to choosing the Board Chair is when the Governance and Nominating Committee recommends candidates for election and appointment by the Board for Board Chair and Committee Chairs, after both informal discussions and more formal consultations.

In about half of Boards that use this approach, the formal director assessment is the most important input into these choices. In the other half, the corporate needs and director skills profiles are the most important – although in all cases, both inputs are factored in, including informal assessments of qualities among the board members themselves.

The Board is free to accept the Governance and Nominating Committee’s candidates for election and appointment or to choose their own, but in practice virtually always elects and appoints the GNC recommendations.

This is sometimes seen as a disadvantage to this chair selection method; that for practical purposes, the choice is left to a sub-set of the board, which may risk “cronyism”.

Another, less formal approach but more open system, has been adopted by other boards. The meeting floor is opened for board members to nominate fellow board members for the position of chair. The person who has been nominated must accept the nomination in order for their name to stand for the position of chair. The floor remains open for nominations until no more nominations are made.

When nominations have been completed, the nomination process is declared closed and those individuals who have agreed to let their names stand are now candidates for chair. The election for chair is usually a closed ballot system. Board members write the name of the candidate they are voting for on a piece of paper. The ballots are collected and tallied by a third party (usually the senior staff such as the Corporate Secretary or Executive Director.) The candidate with the most votes becomes the chair.

If only one person accepts the nomination for the chair position, they become chair by acclamation and it is not necessary to formally vote on the matter. In practical terms, the chair

position is a very time consuming job and some would say onerous. As a result, acclamation occurs much more frequently than one might expect or hope, due to too few willing candidates for the position.

This is one disadvantage to the “open contest” method of chair selection.

A third Chair selection/succession method is to designate the Vice Chair as successor to the Chair. When a new Chair is chosen, another board member is elected as Vice Chair, and then groomed for the position over the term (may be one to three years or more.) The advantages to this method are orderly chair succession, continuity of knowledge, process and relationships, since the Vice Chair has been “shadowing” the Chair and has access to all of these.

The main disadvantage to this method is that you may have effectively “closed the door” on all the other board members or even new candidates becoming board chair for several years. Once someone is designated as the successor, it is difficult to “change your mind” if that person turns out to be less than stellar as a team leader and spokesperson. It is for these reasons, the practice of appointing Vice-Chair has dropped off significantly during the era of governance reform.

And a fourth method is to select the Chair directly from outside the board, at times recruited. This is quite popular in the private and even public sector, but less common in the not-for-profit sector. The advantage is that an outstanding chair may be recruited; however conversely, it may take time for the “outsider” to gain the trust of the rest of the board and the management team.

Here is a summary table of these four Chair selection methods:

| Method   | Advantages  | Disadvantages  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Committee (Governance, Nominating) vets candidates and recommends best choice for Chair; Board ratifies by vote.</li> </ul> | <ul style="list-style-type: none"> <li>Diligent and orderly process to match the individuals with the best fit of attributes and skills to the job (all officers and committee chairs, too.)</li> </ul> | <ul style="list-style-type: none"> <li>Risks being perceived as a subset of insiders hand-picking the chair, risks “cronyism”</li> </ul>   |
| <ul style="list-style-type: none"> <li>Open vote for Chair every year (or term)</li> </ul>   | <ul style="list-style-type: none"> <li>Open, transparent, all directors involved in all discussions</li> </ul>  | <ul style="list-style-type: none"> <li>Political: risks “backroom deals” and rewards the best politician, who may not be the best chair; once one person stands, others often are reluctant to run against them</li> </ul> |
| <ul style="list-style-type: none"> <li>Designate Vice Chair</li> </ul>   | <ul style="list-style-type: none"> <li>Orderly chair</li> </ul>   | <ul style="list-style-type: none"> <li>Effectively “closes the door” on</li> </ul>   |

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|--|---|---|
| as successor   | succession, continuity of knowledge, process and relationships  | other candidates, which may discourage good people from remaining or running for the board; make choice several years ahead before really know if this will be the best chair or not <ul style="list-style-type: none"> <li>• Use of vice-chair is a dated governance practice</li> </ul> |
| <ul style="list-style-type: none"> <li>• Select Chair directly from outside the board</li> </ul> | <ul style="list-style-type: none"> <li>• Identify outstanding individual with chairing and leadership experience</li> </ul> | <ul style="list-style-type: none"> <li>• May take time for the “outsider” to gain the trust of the rest of the board and the management team</li> </ul>   |

### **What is a Chair responsible for?**

In addition to the duties assigned to a director, the Chair is responsible to preside over all meetings of the Board of Directors and is responsible for making sure meetings run smoothly and guidelines are respected and followed.

The Chair is also responsible to:

- a. Ensure orderly deliberation and decision-making;
- b. Build board unity, solidarity and trust; demonstrate integrity and ethical leadership;
- c. Guide the Board of Directors in carrying out its responsibilities;
- d. Run the meeting according to the organization’s procedures/bylaws and the rules of order;
- e. Initiate the proper process and procedure to ensure the Board successfully fulfils its purpose and responsibilities;
- f. Determine, review and ensure the completeness of board agendas, minutes and pre-read information in conjunction with the CEO (Executive Director or General Manager), ensuring that management provides the board with sufficient and appropriate information so that the board can fulfill its responsibilities;
- g. Coach directors, collectively and individually, to ensure full utilization of individual capabilities and optimum performance of the board;
- h. Encourage participation, ensure individual directors do not dominate discussions and that others fully engage in the deliberations;
- i. Ensure that the directors are properly informed on matters of substance;
- j. Ask questions to make sure all points are covered and understood;
- k. Summarize discussions noting areas of agreement and disagreement;
- l. Call for votes on the issue once there has been adequate discussion;
- m. Speak on behalf of the Board stating the Board’s position within the areas delegated to him/her;

- n. Serve as an ex officio (non-voting or voting) member of all Board committees or have an open invitation to attend and participate in all Board Committee meetings (this practice is changing in some sectors, particularly with regard to Audit and Governance Committees where board chairs are more recently not members);
- o. Act as a sounding board and counsel for the CEO, including coaching the CEO and bringing forward any issues, suggestions or concerns that the Board may have with him/her and/or with members of senior management (these usually arise out of in-camera/executive sessions);
- p. Communicate (usually in conjunction with the applicable Committee Chair) with the CEO on the results of the Board's annual evaluation of the CEO. This is a very important role for the Chair, as is all of the lead up to the evaluation and ensuring that the Board's input is captured and that the evaluation is both fair and accurate; and
- q. Maintain open lines of communication with directors between meetings.

During our interviews with experienced Board Chairs, they mentioned that:

- ✓ it is practically challenging both to participate in, and to chair, a meeting, yet board chairs are expected to do both;
- ✓ effectively fulfilling all of the items on this list means both a commitment of time and energy well in excess of other directors, and access to strong board support staff such as a Corporate Secretary.

### **Who is eligible to stand for election as the next Chair of the Board?**

Technically speaking, in most cases, any director is eligible to become the chair regardless of how long they have been on the board. However, it is important when considering the best fit for this integral position that the board should be thinking in terms of who has the deepest understanding and knowledge of the organization, how well the individual works with the CEO, and to what degree are they suited to be chair.

### **How do I decide who is the best fit to be the Chair of the organization at this time in its history?**

In addition to having the capacity to fulfill the specific roles and responsibilities of the Chair outlined above, the following “tips” for board chairs should be foremost in the decision:

### **Top 10 “Tips” for Board Chairs**

#### **Respect the Position**

1. *Remember Why You Meet:* Meetings are intended to solve problems and make decisions. A Chair’s job is to be a leader that causes change – to move the organization forward from where it is currently to the next place in its journey. The Chair should be able to lead the meeting in such a way as to solve problems and make decisions.
2. *Be a Leader:* The Chair is the leader of the board – as such they are obligated to lead. This cannot be delegated to anyone else. The Chair should be a leader in:

- character – acting with integrity always;
- competence – being educated in what is needed to do the job;
- courage – not being afraid to make the tough decisions and confront difficult issues head on; and
- calling – don't select someone as Chair unless you believe in your gut that this is how the chosen individual can uniquely serve the organization – that they are the best person for the job at this point in time. Don't choose someone because of tradition, ego, increased compensation, to control the agenda – choose someone who will serve because they are the best positioned to add value in this way.

Being a leader with integrity also means facilitating chair succession: grooming and encouraging potential successors, making sure that someone is ready, willing and able to step into your shoes seamlessly (especially if you will be leaving the board when you vacate the chair), and knowing when to leave, before you are pushed, which can split a board. This means being honest with yourself about burnout, time constraints, deteriorating relationships (especially with the CEO), or just the fullness of time, time for fresh ideas or a new approach.

### **Respect the Process**

3. *Create the Agenda:* A chair knows how to create and follow an agenda for every meeting no matter how short or long. This helps the Chair keep the group focused on the agenda items.
4. *Stay Aligned:* Chairs know how to align the agenda with the work plans of the board: great Chairs craft the agenda in consultation with management and ensure it aligns with the items on the board's annual work plan.
5. *Respect Time:* Chairs are disciplined. They are disciplined in managing the time allotted for meetings and therefore set the tone for others to discipline themselves to manage the time. They start promptly, keep to a timed agenda, and end on time. Directors are investing their valuable time in board meetings and this effort should be honoured with due respect.
6. *Call for the Vote:* A great Chair knows when to call for the vote ... and when NOT to call for the vote too quickly. It is the skill and art of balance: of allowing people enough time to process all of the information at hand – but not belabouring the point either – bringing closure once they sense they have consensus.

### **Respect the People**

7. *Understand People:* Chairs should understand how to work with people of different opinions, personality, problem solving and learning style/types.
8. *Listen to People:* Chairs know how to listen. They can listen to the squeaky wheels and the silent types! When individual directors are not adding to the deliberation, great Chairs go out of their way to draw out their opinions. The value of diversity on boards is exactly that – they bring diverse views, experiences and skills. It is incumbent upon the Chair to ensure all of these views get aired.

9. *Communicate with People:* Chairs are good communicators. The CEO and fellow directors cannot read the Chair's mind! If the Chair has an expectation of the board they must communicate it. Clarity of expectations and rules of order are integral to effective meetings. It is the job of the Chair to set the expectation. People will rise to the expectations placed on them. The higher a Chair sets the bar – the higher degree of meeting effectiveness there will be. The more effective the meeting – the more effective the board. The more effective the board – the more effective the organization! And, often it is part of the Chair's role to make presentations to, and to hold meetings with, key stakeholders and shareholders.
10. *Keep Your Commitments to People:* Chairs can be counted on. People expect to be able to take the Chair at their word. Chairs should never make a promise they cannot keep and they should not be afraid to admit it when they don't have the answer. If the Chair breaks a commitment people lose trust not only in the Chair, but also in the organization.