

CEOs: Your Board Doesn't Want A Dog And Pony Show



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I write about leadership and the changing role of corporate directors. [FULL BIO](#) ▾

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Tero Vesalainen

Directors would rather engage on problems than be told, "Everything's great."

For the next installment of my interview series on the changing nature of corporate boards, "The New Director's Chair," I sat down with Linda Lang, the former chairman and CEO of Jack in the Box who now serves as chairman of WD-40 and is a Goldman Sachs trustee. Lang shared her insights on how CEOs should manage boards, how directors can best mentor each other, and

the most powerful leadership lessons she has learned over her career. This conversation was edited for space.

Bryant: What has changed about being a director? What's different now compared to ten years ago?

Lang: There is a lot more scrutiny. Shareholders know who the board directors are. They know your background, and a lot of them, if something goes wrong, want access to the directors. That's all changed because of scandals at some companies, and because of those instances where the compensation package has no relation to performance.

You can't take a board director position lightly, and you have to do your due diligence before you decide to accept a board position. You have to interview the management team, you have to read the disclosures, you have to read the proxy, you have to understand who the other board members are and make sure that you feel like you would be a good fit and that you respect the company and its business practices.



Linda Lang (Image courtesy of the subject)

Bryant: What questions should a prospective director ask a CEO during that process?

Lang: I would ask them to describe their culture. “Tell me what motivates and inspires the people who work for you. Tell me how they would describe you. Tell me your concerns about the business. Who do you spend time with? How often are you out in the field? Where do you go?” You can also learn a lot about how they describe their board.

Bryant: What were some early lessons you learned about the art of being a director?

Lang: I had a steep learning curve to understand the industry when I joined the WD-40 board. It was a global company in a product category that I really didn't know. I had to get to know the management team, learn the culture, do a lot of listening, and build those relationships with my co-directors.

It was about finding my voice, and finding my unique areas of expertise and where I could add the most value. My early feedback when we did peer evaluations was that I needed to speak up more – “When you have something to say, it's pretty impactful, but we want to hear more.”

It's really about understanding your role as a director -- how much do you get involved, how much do you step back, how much do you need to influence and guide, and how much do you need to just understand? It's nuanced. It's different at every board.

With the boards I've been on, we evaluate each other, and a third party compiles that feedback and then the chair of the nominating and governance committee meets with each director and goes through the feedback with that person about being engaged, and being challenging enough to the management team without being combative or disruptive or pushing so hard that you shut down the conversation. You have to make sure the management team feels comfortable enough that they could come to the board with any issue.

Bryant: If you were speaking to room full of 100 newly minted CEOs, what

advice would you give them about managing a board?

Lang: The more you engage the board on real issues at the company — real strategy, real issues, real decisions — the better it's going to be for your relationship with the board. If they are good board members with experience, they are there to provide guidance and insight to a new CEO who doesn't have the experience.

The most critical thing for a CEO is to make sure that each board member they bring on is about as perfect a fit as they can possibly get in terms of skills, experience, chemistry, ability to work with the other board members, knowledge of the business, and their skills.

Bryant: That's a lot of work for CEOs, who already have a ton on their plate.

Lang: It's a ton of work. My successor at Jack in the Box knew everything about operations and marketing, and he was solid on finance. The one area that I worked with him the most was the board.

Over the five years I worked with him to develop him as my successor, I kept saying, "You need to gain that experience with the board and earn their confidence. Because if they are confident in you, it will be so much easier. If they begin to question your ability to lead, then you're just going to be spending so much time on managing the board that you won't have time to manage the business." Every quarter, he would spend a full day with a board member out in the field, building a relationship.

Bryant: You mentioned a five-year plan to groom your successor. That seems like an unusually long hand-off.

Lang: Probably. It takes a long time to get someone ready to become CEO, and I selfishly knew when I wanted to leave, because I had been with the company for 30 years and I wanted to travel and spend time with my family.

So I needed to make sure that I felt really comfortable with my successor and that the board felt comfortable, because that's their role. It didn't matter who I wanted. The board ultimately made the decision.

Bryant: What percentage of their time should CEOs be spending on managing the board and working with directors.

Lang: I'd say 20%.

Bryant: That's a big number.

Lang: Mind you, I was chairman and CEO. It's probably less if you didn't have the chairman role. Then it would be 10 to 15%.

Bryant: One of the lessons that I heard from many CEOs I've interviewed is that they learned not to just present polished decks to the board but to engage them in helping solve problems. Is that something you've seen?

Lang: That's true. The board doesn't want a dog and pony show. In fact, we're constantly pushing back on how much board material we're sent. Directors often get hundreds of pages and it's just overwhelming. I made a rule that each presentation can't be more than 15 pages, and the rest has to be discussion. That has really helped.

It's very boring for the directors if you're just sitting there. We can read the pages. We want a discussion. Tell us what the top issues are, tell us what your plans are. We have the strategy, we have these goals, and tell us how you're really going to get there. What are you worried about? What keeps you up at night?

Bryant: What has been your experience around the board getting involved in leadership development?

Lang: Each quarter, we have a conversation in our executive session with just the CEO on exactly that issue. What does the bench look like? Let's go through the succession plan again. How are you developing this person? It really has to engage the whole board. It's probably one of the top topics that a board really needs to address and think about and spend time on.

Bryant: What are some aspects of the role that have been a challenge for directors?

Lang: Some directors have trouble really understanding the boundaries of what their duties are. Because so many directors come from high-level positions within their own organization, there's a tendency to want to continue getting in the weeds and the tactical issues. That's probably one of the biggest mistakes that board members can make -- trying to influence at a tactical level instead of at a strategic level.

I have had many conversations with directors to say, that is not our role. We don't have to design the next product, but we have to make sure that we have enough talent and that we feel confident in the research going into how we develop new products. But we don't need to say it should be mayo instead of mustard on the product.

To help get people up to speed, we have a mentorship program. We assign another board member to someone to be their mentor for a year. And after a meeting, I might give them some advice, but always starting with the positive: "We love having you on the board. Here's a couple of questions that you asked that made the management team defensive or were phrased in a certain way that sort of shut down conversation or maybe it was too tactical." I'm constantly having those kinds of conversations. It's a steep learning curve.

Bryant: I'm sure you faced some headwinds as a woman rising through the ranks. How did you deal with them?

Lang: When I first became an officer of the company, there were no other women at that level. But I grew up with three brothers, so I was really used to hanging out with the guys. So it wasn't about gender. It wasn't about me proving that I was an equal to them. It was about earning their respect, and I worked really hard and they knew it and they trusted me. So it didn't take long.

And I had the reputation that I was someone who was there to help others and that I was not about self-promotion. I put my ego to the side. When I was CEO, I didn't get offended when people would come into a meeting and they would shake hands with the CFO and just assume that I was his assistant. I couldn't let that bother me, and it wasn't important enough, because I knew that within my team, they knew who I was and they felt like I deserved the

position.

Bryant: What have been the top leadership lessons for you?

Lang: Creating a cohesive team is the most important thing. You can have really smart technical people, but if they don't collaborate as a team and drive the performance of the organization and align against those goals, you're not going to make any progress. As a leader, you have to build individual loyalty and connect with each person as an individual. And then you have to work through the issues together, as a group. I was very fortunate in that I had an amazing team, and everyone could be really honest with each other. They knew I trusted them 100%.

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