



Dambisa Moyo



The New Director's Chair

Conversations with business leaders about changing board dynamics in an age of disruption.

"The Dynamic Within the Board Can Change Dramatically Over Time."

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***Dambisa Moyo**, a director at Chevron and 3M, and CEO of*

*Mildstorm LLC, a financial and economics firm, shared smart insights about the director's role with with me and **David Reimer**, the CEO of The ExCo Group.*

Reimer: What are some key lessons you've learned from your experience serving on boards?

Moyo: Directors all show up with different experiences and understandings of how global businesses may work. What has been an important insight for me is to shelve all my models and paradigms of how things should work when I join a new board. Clearly, there are some guidelines and guideposts, but most of the scenarios you face are highly unanticipated. Whether it's hiring the CEO or making strategic decisions or dealing with issues related to culture, you have to move away from non-negotiable, structured ways of thinking to a much more flexible and open-minded approach.

Reimer: Given that, what are the guidelines and guideposts that you use when you join a new board?

Moyo: As tempting as it is to go into the onboarding that the company offers to help you understand how the company's structured, I postpone that for six months after I join the board. I find it more effective to attend a couple of meetings and get a sense of who's who. I also find that the audit committee is a great place to learn about a company. A lot of people resist joining the audit committee because there is a tremendous amount of work, but it really is ground zero in terms of learning how a company functions.

Bryant: How important have you found the culture within the boardroom itself to be?

Moyo: The dynamic within the board can change dramatically over time. I've been on a board where things were very collegial, and then there was a bid for the company. All of a sudden, the dynamics changed. People had significantly divergent views on what price would be acceptable. Some people were adamant that we should not sell. Others thought it was the right time to sell. That created a lasting friction. Picking a new CEO can also create lasting friction if there are differences of opinion on who should get the job. If not managed well, these lasting tensions can be incredibly damaging for a company.

Bryant: What are the qualities of effective chairmen and lead directors?

Moyo: Directors have different personalities. Some people speak up a lot, and some people don't say much. Effective lead directors do two things. One is forcing everybody to speak. Especially when there's a vote on an important issue like hiring a new CEO or selling the company, it's important to go around the table and require everyone to share their opinion. Otherwise, you might assume that there's consensus when there might not be any.

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I also think that the best lead directors vote last. They've given opportunities for people to share their views without being influenced by what the lead director or the chairman might think. That's incredibly effective, especially when things are just not obvious, which is generally the case. By the time something's in front of the board, it's a very complicated issue, even though to the outside eye it might seem obvious.

Reimer: What role do you typically play on a board?

Moyo: In many ways I am a nonconventional director, as I have not worked in the C-suite of a corporation, but there's also the question of who is going to call people like me from the management team. I want to be called for my expertise in macro-economics, financial markets and risk analysis. I have a PhD in economics. I want people to ask me what I think about global forecasts on certain topics. That's why the chairman can be quite influential in making sure that the company and the board taps into the expertise of all the directors.

Reimer: You mentioned that you've been part of boards that had to replace the CEO. What are your early warning signs in their behavior that suggests there may be a problem.

Moyo: An unwillingness to learn. The logical question then is, how come you didn't see that during an interview before the board hired them? During the interview, everybody says the right things. They're keen to learn, they want to be challenged. But when they're in the seat, and if I see a tendency to shut down peers or disregard comments from

directors or treat the board as a rubber-stamping exercise, I know we've got a problem in the making.

Bryant: What were the early influences in your life that gave you your drive?

Moyo: I was born and raised in a small country in Africa, Zambia, which most people will struggle to find on a map. I've been extremely fortunate because at every step of the way, whether it was my parents or others, I've had tremendous support. More and more I realize that success and failure are very dependent on the people you surround yourself with, and the people advising you.

I'm very conscious of making sure that I get critical feedback. It might seem obvious, but people, especially those who are not black and/or female, might be less inclined to give critical feedback. That's so desperately needed for us to try and improve and to compete. I've had a lot of mentors and colleagues and friends, many of them white males, who have taken a flier and given me sometimes very harsh feedback that was hard to swallow in the moment, but I would not have been able to excel without it. I'm very grateful for that.

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On a broader scale, I've been really grateful because people have given me a chance. I remember when I was on the board of SAB Miller, the beer company that we sold for \$100 billion in 2016. The chairman of the board barely knew me, as I'd been on the board for about eight months, but he asked me to be the chairman of the risk committee.

It was my first large board. I said, "What are you talking about? I don't know anything about this." He said, "I have faith in you. We're going to support you, but you can do this." The thing about taking fliers on people is that they may not always work, but we just need to have a little bit more faith in people and give them opportunities. What was the worst thing that could have happened? I could have done a bad job and another director would have taken my place. But he gave me that chance, and I served as that board member but also chairman of the risk committee for eight years, until we sold the company.

Bryant: What were other lessons that you learned early on in life that shaped your leadership style?

Moyo: My early lessons come from my parents. As I said, not only was I born in a small country, but I was a girl in a small country, so there were many things that were working against me. My parents grew up in the colonial era, and I don't have a birth certificate because birth certificates weren't issued to blacks in Zambia until 1974.

My parents could have framed my whole narrative around that, but I didn't learn that I didn't have a birth certificate until I went to university, when they asked me for mine. I called my mother and said,

“Mom, I need my birth certificate.” And she said, “Maybe now’s a good time to tell you...”

The point is that they chose a narrative that was very constructive and was incredibly helpful. We all know that those first decades are so critical in forming people’s thinking and mindset. My parents never clouded my vision with the forces that could have worked against me. The best leaders do that. They look for the upside.