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Directors Should Challenge In The Boardroom, But Also Offer Solutions

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Paola Bonomo, a veteran business leader and board director, shared key leadership with my colleague Adam Bryant, managing director of The ExCo Group, and me in our latest "Leading Through Disruption" interview. Subscribe [here](#) to receive future interviews.

Lauterbach: What are some key lessons that that you've learned about serving on boards?

Bonomo: One of my mentors shared with me his framework for the responsibilities of the independent director — what he calls the five Cs: control, compliance, challenge, coach, and contribute. Of course, you have to focus on control and compliance, but you're going to have more fun and more impact if there is time and space to move down that list to coach and contribute. And challenging has to be constructive challenge. Many people, especially if they come from consulting, will challenge, but it's really only helpful in a board context if you can offer potential solutions.

Serving on a board is a team effort. In our careers as executives, we can feel that we are acting alone because we have to make decisions where the buck stops with us. But the board is more of a collegial environment and it is responsible as a group for its decisions. So that requires more of a collaborative mindset, and you have to come to a resolution that as a best practice should be unanimous.

But you have to balance that teamwork with independence, because you don't want to fall into the trap of groupthink. The board is richer if each of us brings a different perspective and a different type of challenge to what the CEO is doing or what management proposes.

Bryant: What are boardroom discussions today as they relate to younger workers?

Bonomo: In terms of Generation Z, there are two major topics that have come up recently in terms of their expectations. The first one is that they want to be continuously trained and they expect to continuously learn new skills. So the opportunities you offer them to learn, to rotate jobs, is an integral part of your value proposition as a company to employees.

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The second issue is hybrid work and everything that led to the Great Resignation. My sense is that there's no one-size-fits-all solution, because even among young people, some want to come to the office five days a week and others will want to never come to the office. If you have rigid solutions, you risk making everybody unhappy.

The biggest expectation right now is for personalization of the employee experience. You see this in things like flexible benefits

— you have a pool of benefits, but everybody can compose whatever mosaic best fits their needs and their preferences in life. Therefore, HR managers are particularly challenged to make their companies more flexible in addressing employee needs and preferences and desires. The risk is that if you don't provide that flexibility, you will lose them, which can quickly put you at a competitive disadvantage.

Lauterbach: What are the X factors that you look for in CEO candidates?

Bonomo: What gives certain candidates an edge these days is their ability to manage scenarios that can be radically different over time. If they have experience leading through disruption and discontinuity, that will give them an advantage over people who have had a more linear career with more common parameters.

The other thing I try to keep in mind is that CEO candidates are typically, as we used to say in consulting, including about ourselves, “insecure overachievers.” They want to shine. They want to make sure that they have an impact. They want to make sure that they're recognized. But the more they are also able to show that they have empathy for their frontline workers — and they're able to really create a connection across the company as opposed to focusing on themselves — I think that will also create an edge for them.

Bryant: There's a saying that innovation happens “where the crazy people have stature.” Do you agree?

Bonomo: On average, I think that we don't have enough crazy people with stature, especially in large corporates, which is the bulk of my experience, both as a manager and as a director. For some reason, crazy people tend to get selected out at some point and we don't have enough of them.

One thing that Silicon Valley companies do well is that they often find roles for very senior engineers who just want to think crazy ideas and not manage people. I haven't seen this done enough in Europe. I haven't seen many of those roles that are very close to the CEO and still with no people to manage. Perhaps that's a good practice that we should adopt more.

Lauterbach: Over all of your years of coaching and mentoring other senior executives, what are the most common themes that come up?

Bonomo: One topic is digital disruption and innovation. Senior executives have to make sure that they gather more perspectives about how to do innovation well in the company, even when a multi-year transformation program has already been set in motion.

Sometimes I've also had to take a step toward — always with a lot of caution and a lot of respect of roles — giving the CEO some guidance on how to better relate with the board. But CEOs, especially first-time CEOs, may enter into a bit of an adversarial relationship with their board, especially in large public companies where many of the directors are selected by investors. The CEO may tend to get defensive.

The important thing for the CEO to understand is that we're all working for the sustainable success of the company. There shouldn't be misalignment. There's a natural alignment of interests and objectives, and if the CEO feels that we as directors have different objectives, then we ought to sit down and talk about it. That sometimes has helped in making sure that the relationship between the board and the CEO, especially in the early days, is collaborative, and grows from there.

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