



# The real magic starts when things evolve bottom-up.



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**Lauterbach:** How has your thinking about board dynamics evolved over the last three years?

**Eibl:** The last few years made me realize it is all about the right people and the right culture that makes boards and organizations thrive. We need stability, transparency as well as agency in boards' leadership more than ever. We need board members with the right skillsets and values who are purpose driven. Corporate culture has become crucial and it cascades down from the board. Executives and teams pay attention to the behaviors of individual board members. Non-executive directors can't hide behind policies and processes; they need to work on human trust.

**Lauterbach:** How do you build trust with your CEO and colleagues in the boardroom?

**Eibl:** Open and honest communication enables trust. It is easy to say and probably impossible to enforce. Hidden agendas and power games prevent balanced and equal access to information. It takes a lot of courage and independence from a board director to step up and show with individual actions that transparency makes for better teams, better decision-making processes, and more competitive businesses.

**Lauterbach:** You were CEO of an international agricultural company. What do you know now, being on the non-executive side of the table, that you wished you had known when you started as a CEO?

**Eibl:** Magic comes from building and actively maintaining a network of peers to foster diversity of thought, voices, characters, and geographies. I was overstressed back in my CEO days. Today I know that it is ok to reach out and ask for support to challenge my own assumptions. It would have helped me tremendously back then to step out of the isolation at the top and create sounding boards.

**Lauterbach:** What is the hardest part of being a board member today?

**Eibl:** The depth and breadth of challenges expanded exponentially. Ten years ago, it might have been enough to understand financial figures and matters of audit to exercise fiduciary duty. Today boards must go far beyond. They are often stewards of the long-term health of the organization and take agency in sustainability, diversity, innovation, digital and AI, while also paying attention to out-of-the-box ideas.

Part of it is the growing importance of nomination committees for enabling professional rejuvenation and growth on boards. Encouraging board members to be open about their opinions is a challenge. We need courageous and wise board chairs to facilitate an atmosphere to speak up, a safe space for good communication and information exchange to fully leverage the new diversity on boards.

**Lauterbach:** How do you hire people to join a board?

**Eibl:** Great headhunters provide a lot of value, but the nomination committee must own the hiring process. Getting a recognized expert might be tempting, but sometimes these people are already on too many boards. Bringing in new board talent is paramount. Again, it is about the right people for the business — experienced board members and fresh minds. I look for the human characteristics behind a CV. Is this person aligned with the company's purpose? Can this person listen? Is the person a good learner? Does he have an active interest in the company? Can he communicate? Can we give this person a safe space to speak up and promote a culture of openness as a board?

**Lauterbach:** What role do boards play in culture?

**Eibl:** Boards are the main drivers of culture, as their main task is to appoint the CEO, a lighthouse figure for the business.

Besides, boards need to understand why people join their organizations. People make or break companies; nothing is black or white regarding founders and their teams. I am very interested in corporate culture from the board level to ensure that diverse people can provide their unique viewpoints, based on underrepresented voices, social mobility, neurodiversity, etc. It is about cultivating awareness in people, as everyone has their biases and history. As a board member, I want to walk the talk and be a go-to person who is not judgmental. Large corporates might have supporting structures for people to lean on. On a small business' board, individuals often provide blueprints of processes.

**Lauterbach:** Should a small business or a startup install a professional board?

**Eibl:** I advocate for getting governance right from the very beginning. In startups, investors like venture capital firms with their investment committees form a body of accountability, but a professional board of directors provides far more — independent thinking, different knowledge, mentoring and manifold support. An experienced, critical, friendly voice in the background can ease pain and prevent pitfalls. No founder is a Swiss army knife. Besides, recent

corporate scandals create a good argument for a professional board. Take FTX in the US as an example. They did not have a sophisticated board. Such a case raises our awareness.

**Lauterbach:** How do you provide a focus on ESG for small businesses that reflects the way large investment firms approach the challenge?

**Eibl:** ESG is a holistic term. It entails the purpose, the way a business wants to operate within the world. In the end, it is all about people, the most valuable source of value in businesses. It is the role of corporate culture to embed it. People decide how they treat others. People decide how they treat the environment. Their behaviors impact not just individuals but the entire society. Society nurtures communities and the economy, which influences the environment.

For too long, business leaders tried to frame ESG as a business case. Such an approach doesn't enhance people's agency around a particular topic or product. It doesn't motivate the next generation that wants to see the purpose behind what they do.

I hope we learned from the pandemic that no one acts in isolation. We are all interconnected. Excellent governance – part of ESG – nourishes practices and behaviors contributing to comprehensive decision-making, which requires considering a topic from different points of view.

Processes alone aren't enough to create value. We all were brought up in the business environment of the '90s, where processes and top-down decision-making were king. I see, however, that real magic today starts when corporate culture allows things to evolve bottom-up. When people see meaning behind their day-to-day work, they take responsibility and implement change.