



**SIX WAYS TO  
GAIN RESPECT  
IN THE  
BOARDROOM**

**SANELA OSMIC**

**Copyright © 2016**

All rights reserved by Ethical Governance Pty Ltd. No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, without the prior written permission of the publisher.

## TABLE OF CONTENTS

INTRODUCTION .....	iv
<b>CHAPTER 1</b> .....	6
EQUALITY .....	6
Ways of Changing mind-sets .....	13
Assessing the Business Case for Gender Diversity .....	16
<b>CHAPTER 2</b> .....	18
TRUSTWORTHINESS .....	18
Start with listening .....	18
Board members and the Chief Executive: Building and Maintaining Trust .....	21
Different mechanisms for building trust .....	24
<b>CHAPTER 3</b> .....	27
HUMILITY .....	27
<b>CHAPTER 4</b> .....	31
INTEGRITY .....	31
The principle of Integrity in the Boardroom .....	34
<b>CHAPTER 5</b> .....	38
COMPASSION .....	38
Characteristics of a Compassionate Director .....	41
Learning how to be compassionate .....	45
<b>CHAPTER 6</b> .....	50
SERVANTHOOD .....	50
Essential keys of servanthood to gain respect in organizations and boardrooms .....	54

## **INTRODUCTION**

The best reward a director can get in the boardroom is respect from his/her peers. But it is earned! People rarely respect negative personalities and often ridicule them behind their backs. Negativity could convey a message that you are careless as a person, even though you are not, if proper care is not taken. However, “Six ways to gain respect in the boardroom” is a book compiled into six chapters, with each chapter reflecting on different ways by which directors can gain respect in the boardroom. The following “Equality, Trustworthiness, Humility, Integrity, Compassion and Servanthood” have been earmarked as the concepts of gaining respect in the boardroom. As the organization evolves to become more ethical, collaborative and

mindful of its board members' needs - The board of directors governing the affairs of companies must be equally diligent to earn respect from their colleagues. We are to understand that being a director does not necessarily mean that you have earned respect but the concepts illustrated in this book would guide towards earning the respect that you deserve. Directors are expected to understand principle of ethics and must become more engaged by rolling-up their sleeves and getting their hands soiled, rather than expecting others to always carry out the duty for them. Board members need to focus on ways of earning respect which will help them make better decisions.

## **CHAPTER 1**

### **EQUALITY**

The extent to which equality as a value improves board performance and respect in management teams and boards has been examined. It is suggested that organizations that respect and value the diversity brought by board members of different backgrounds are better able to attract and retain high performers and improve operational performance. People of different cultural backgrounds are expected to interact with each other in the boardroom. These interactions may lead to strong relationships that help build diverse communities capable of achieving substantial goals. For instance, when equality is maintained in the board, it makes it possible to work effectively with

people from divergent races or with those who speak a different language to promote board development and respect. While it is important to learn about the cultures of other people to succeed in working together, one must first understand his own culture before he can appreciate any other. This understanding starts with recognition of the values, customs and world views passed down from parents and ancestors or those acquired from personal experiences while growing up in a given society. One can learn about culture by meeting people of other cultures, evaluating any biases towards other cultures, asking questions and reading. All these are necessary in order to establish a cordial relationship with other board members and to earn respect. Respect is earned especially when respect is shown to

other people which is the basis for equality. Every social group, such as a board, constructs a culture over time that drives their behaviour and brings them together through shared learning and understanding. It is important to know that while diversity is fundamental, equality is paramount.

Equality is achieved when people are able to access and enjoy the same rewards, resources and opportunities regardless of whether they have different backgrounds. Equality is one of the ethics of the board and it is absolutely achievable. The aim is to achieve broadly equal outcomes for all members of the board, not exactly the same outcome for all individuals. Getting people with different cultural backgrounds and experience, different age groups and gender on board is not a number's game or about



equality's rights. Rather, it is about what organizations are losing out by not tapping on these potentials. It is also about ensuring that decisions taken by the board reflect the realities of the society. Solving complex business challenges require the widest spectrum of views, personalities, strengths and opinions in boardrooms and in senior decision-making positions.

Some barriers to equality that occur in the boardroom are largely influenced by cultural, religious and social norms that date back centuries but remain deeply ingrained in all regions.

Organizations that aim to deliver the highest standards of governance are those that the members of the board have a diversity of

thought, skills, experience, working style and talent capability that each member explore. This fosters respect in the boardroom because every member's opinion would be valued while discussing sensitive issues within the board. It is increasingly being recognized that by bringing together men and women from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives; the corporates are able to deliver the best solutions to challenges and sustainable value to their stakeholders. The boardroom is where strategic decisions are made, governance applied and risk overseen. It is therefore imperative that boards are made up of competent high calibre individuals who together offer a mix of skills,

experiences and backgrounds without any sense of biasness.

**Equality also brings about the following:**

- Increased board effectiveness.
- Improved governance and strategic leadership.
- Improved board decision making as a result of unique perspectives, increased creativity, and non-traditional innovative approaches.
- Full responsibility of Board members.
- Improved information provided by the board to managers due to special skill sets, experience and complementary knowledge held by diverse directors.
- Revealing and tapping into the unknown potential of the board.
- Improved collaborative working.
- Meaningful performance measures for the board.

## **Ways of Changing mind-sets**

Mindsets can be influenced and changed through awareness workshops and training on the concept that women, like men, are not a homogeneous group; that cultural and background diversity, as well as gender equality, can contribute to more creativity and innovation as well as harmonious work teams. Furthermore, diversity is not just about physical appearances and preferences. There is also the evolving concept of “diversity of thinking” stemming from appointment of board members from different backgrounds and life experiences. It is considered by an increasing number of companies that this concept provides new and more effective approaches to problem-solving and innovation that a homogenous group may not produce.

In the case of gender equality, women constitute half the world's population, they have much to contribute, but given that their gender role assigned by society is primarily as care givers, perceptions in the workplace of their potential and capability as members of the board can be limited. As a result, efforts may not be made to invest in measures to balance work and family demands.

Overcoming the mindset that women cannot be members of the board; giving opinions pertaining to the growth of the company because their main role is seen as a reproductive entity, is one of the principal challenges of governance and basically unethical; directorship is expected to be treated fairly and void of biasness. The

presence of this egalitarian value makes both genders' voices heard in the boardroom which consequently helps command respect for one another. However, many argue that women who manage families and household budgets make excellent managers in companies, as they are often experts in time and financial management, multitasking and priority setting. On the flip side, a common mindset of both men and women to be overcome is that being a board member are positions meant for men. This is due to men being perceived as the primary breadwinner (which is less the case in today's labor market) and having the innate attributes required to lead and manage. The latter is also evolving according to what is considered successful directorship styles with attributes commonly identified with

women and men both being required to be competent board members. When equality is maintained in the boardroom, respect would be earned and the company would be a better place.

### **Assessing the Business Case for Gender Diversity**

Recent studies help explain why and how it might be worthwhile for a company to pay more attention to promoting women. Above all, despite high levels of unemployment and underemployment in many countries, there are skills and talent shortages as economies depend increasingly on technology and knowledge to generate growth. With females being half of the population; girls and women receive almost half of educational resources and so represent a significant proportion of



the available talent pool. Therefore, company investment in attracting, retaining and promoting skilled women is likely to bring advantages to the board. Attaining gender balance in the company boards reap respect and economic dividends; this is not mystical, it is achievable when “perceived equality” is paramount.

## **CHAPTER 2**

### **TRUSTWORTHINESS**

#### **Start with listening**

If effective governance is a matter of effective communication and directors wish to create trustworthy organizations, then effective listening is the first step.

Effective listening is an individual trait and one of the main principles of governance, it shows that the director is benevolent and has his peers' interests at heart. People generally consider face-to-face communication to be more reliable than written communication because it is 'information rich', i.e. we pick up clues as to honesty and openness more easily. Honesty and openness are two key drives of trust. These two drives are expected to be inherent

traits of each board member so that they can be respected, and treat each other with high esteem.

A board is a continuous entity — so members of the board are not considered permanent. Term limits continually test group dynamics. Under these circumstances, a board has a challenge to create a culture of trust and loyalty that survives the flux of membership to ensure proper atmosphere of respect in the board. New members need to be incorporated in the team from the first meeting on. This may mean that they are taking an active approach to board participation in order to become fully integrated. By accepting assignments and following through, new members build their own reputation as a trustworthy peer.

This culture of trust is present when board members feel free to debate, question, openly examine, and even argue with each other's points of view without turning the discussion into — or perceiving it as — a personal attack. Differing opinions should be a welcomed tool to get to the heart of the matter under consideration. Respect for each other's contributions is the true foundation for professional reliance and interdependence.

Trust in the boardroom also assumes that appropriate confidential issues may remain classified. Without that basic principle, the reputation of the board may be endangered, openness of deliberation may be compromised, and individual board members may worry about what not to say

rather than participate in a free exchange of ideas.

### **Board members and the Chief Executive: Building and Maintaining Trust**

The board and the chief executive are connected by the need to support each other in their respective roles. Board decisions are deficient without the inside professional perspective that the staff leader provides. The board must be able to trust that information it receives is timely, accurate, unfiltered, and includes all the elements that allow it to make educated and wise decisions. The board has the fiduciary duty to oversee the activities in the organization. In that capacity, it needs a healthy dose of constructive skepticism that is reasonably balanced with trust in the integrity and

competence of the chief executive to avoid intrusiveness and micromanagement.

The chief executive needs to feel empowered and trusted as he or she engages in accomplishing the mutually accepted goals without the board needing to second guess management actions. Equally, the chief executive must be able to count on the board's support with confidence. He or she must be able to go to the board for guidance, direction, or protection if a situation so demands without losing face. Unhindered communication builds trust between the board and the chief executive, and that trust must be earned.

There are a number of behaviors in the boardroom that destroy trust such as broken

promises (lack of integrity and predictability), actions not matching words (integrity again), disregarding feelings and emotions (lack of benevolence or goodwill towards others) and lack of openness and honesty (key factors to building trust). However, there are roles that explanations and apologies play in repairing trust; this should always be present in the board - Being open, forthright and honest, treating audience as adults (not hiding the truth or sugar coating the message) demonstrates respect and benevolence in audience in the boardroom; allowing them to better evaluate the sincerity of the message and trustworthiness of the individual. In all communication, directors must demonstrate their ability, transparency, benevolence, and

integrity as these factors are considered the four ‘pillars of trust’.

### **Different mechanisms for building trust**

As the board incorporates trust in its role as the organization’s representative, in its own methods of operating and in its relationship with the chief executive, it should keep the following in mind:

- Disclosing and making access easy to organizational documents describing financial and programmatic achievements are essential to gaining the public’s trust.
- Transparency of processes for appointments for board positions and hiring the chief executive eliminate concerns about unfair treatment or discrimination.



- Incorporating a culture of positive dissent in the boardroom encourages board members to share opinions and accept counter-comments without turning issues into personal conflicts.
- Regularity of in-camera sessions removes secrecy from these meetings that allow board members to openly and in confidence discuss internal issues without staff present.
- Annual chief executive performance evaluations allow for honest feedback and assessment of achievements under fair conditions if they are based on mutually agreed upon goals.
- Board self-assessment builds trust and confidence among board members as a

collective effort to judge how the team is working together.

## **CHAPTER 3**

### **HUMILITY**

When organizational humility emanates from the board, it has the potential to permeate the organization which consequently commands respect from people. This is an important ethic of good governance; humility can be achieved and is not in any way mystical for a good director. The presence of humility gets to the essence of an organization. Humility conveys confidence and enables innovation as directors seek and accept input from others. It can be maintained in the boardroom when there is proper understanding amongst the board members and the CEO. However, the Chair is the leader of the board, so he or she should lead by example when it comes to humility.

He/ she can gain more respect by:

- Admitting mistakes.
- Learning from criticism and different points of view.
- Acknowledging and seeking contributions of others to overcome one's limitations.

On the basis of humility, the following are important to note:

- Actions speak louder than words. Nothing demonstrates humility more than actually acting humble.
- Notice how humility empowers others. One of the best outcomes for acts or attitudes of humility by a business

leader is that it encourages peers or charges to assert themselves more.

- Differentiate between personal and corporate humility.
- Don't confuse humility with something else.

Humility is one of the most significant indicators, after empowerment, of altruistic leadership. It is also quite possibly one of the altruistic leadership attributes that is most antithetical to common notions of leadership; therefore because of all these features that humility entail in leadership, it makes the leader earn respect from his followers and subordinates. Hence, leaders with strong altruistic characteristics have a potential to be better directors.

## Humility:

- Demonstrates a compelling modesty, shunning public adulation; never boastful.
- Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate.
- Channels ambition into the organization, not the self; sets up successors for even more greatness in the next generation.
- Sets the standard of building an enduring great organization.

## **CHAPTER 4**

### **INTEGRITY**

Integrity is a principle and righteous conduct essential to the board's sustained reputation and results. It is a trait expected to be sustained by each board member to gain each other's respect. It is also a requirement for dynamics in the boardroom. Wider society domestically and globally, is calling for greater integrity and morality to be a more important part of corporate governance. It reflects an authentic belief that moral behavior is essential because it is the right thing to do. To others, the call is less genuine. It just sounds pleasing to the ear, or faddish, and we all know the extent to which board members are interested in fads. An example of this is when CEOs give public speeches extolling the virtues of integrity

while their actions and company policies are inconsistent with high ethical standards. To yet others, the call for ethical behavior is thought to be associated with desirable organizational outcomes. The integrity strategy in the boardroom is characterized by a conception of ethics as the driving force of an organization.

An effective board is concerned about integrity present on the inside and outside of boardroom. It leads by example. The board plays a role in working with the CEO to help set the ethical tenor for the organization. It also promotes and monitors compliance with laws, regulations, and organizational policies. Integrity in the boardroom is based on factors such as organizational values, the need to uphold the board's fiduciary



responsibilities, and a willingness to be accountable. When the Chair is characterized with an unstained integrity, he or she would definitely earn the respect of the rest of the board members. A commitment to performance with integrity is widely recognized as expedient in organizations, yet many people and organizations struggle to put this idea into practice.

Organizational governance structures and practices should promote a corporate culture of integrity and ethics, coupled with corporate, environmental, and social responsibility that would serve as a model for others to imitate. Also, the board should help to build trust and long-term relationships with shareholders, customers, and

regulators which in turn enable the board to earn respect from them. The duty of the board in maintaining integrity includes good partnership with the Chief Executive Officer (CEO) to establish excellent administration, understanding compliance requirements that would foster the board's project development, and establishing expectations for senior management, which in turn channels to the entire organization, perhaps by default. The board holds the CEO accountable for meeting such expectations; they expect more from the CEO, so that due respect can be maintained in return.

### **The principle of Integrity in the Boardroom**

It is essential to understand that the culture of an organization is the responsibility of the

board. There should be an ethics policy or a code of conduct that is reviewed with each board member annually. These policies should also be made clear when new members are on board so that integrity can be maintained and respect does not diminish amongst the board members. It is recommended that company representatives at all levels affirm that they understand the ethical guidelines, are fully compliant, and are committed to reporting known violations. Highly effective organizations evaluate and compensate executives, including the CEO, based on part of their roles in proactively promoting integrity.

The board should confirm that integrity policies transcend and are established. Also, appropriate messaging should be in place so

that proper respect would be maintained within the board.

**Evaluation of integrity performance in the organization include the following:**

- Conducting ethical surveys and evaluating employee responses.
- Evaluating board ethics by using peer review or other specially designed tools.
- Monitoring and evaluating public scrutiny from the media, shareholders, customers, and external agencies.
- Establishing ethics hotlines and safe whistle-blower policies and procedures.

- Reviewing reports to the ethics hotline, and trend analyses.
- Benchmarking against peer, industry, country, and corruption indexes.

## **CHAPTER 5**

### **COMPASSION**

Compassion comes from a private place deep within us, and there is a perception that there aren't many opportunities to express it inside the boardroom. A simple definition of compassion is putting others' needs before your own, or being sympathetic to their needs. A results-driven director who is accustomed to making rational decisions based solely on facts and numbers may feel isolated on the journey into this relatively unknown territory called compassion. On the other hand, compassion is the ability to experience and relate to the thoughts, emotions, or experience of others. Compassion is more than simple sympathy, which is being able to understand and support others with empathy or sensitivity.

The importance of creating a context where board members have flexibility to express pain and provide compassion in a way that is unique to the needs of the individuals and situation involved. Definitely, a compassionate leader; for instance, the Chair will always be respected. Directors can encourage/enable the use of existing networks (formal and informal links between people inside and outside the organizations) and routines (established and well-used ways of accomplishing tasks) to craft compassionate responses that build on the board's current competence. Established networks and routines are part of the board's tools that can be applied to how it coordinates and delivers compassion. Much of this compassion will emerge from the initiatives of groups and individuals who are

outside the formal hierarchy of the organization or are in less powerful positions. Often, these individuals or groups have expertise and networks that enable effective compassionate action.

Directors should expect and encourage emergent, bottom-up compassion-organizing efforts. Early actions matter, symbolically and instrumentally. They send important signals about the values; the efficacy and the possibilities for future action. There are important amplifier mechanisms that expedite extraction of resources and coordination of care from the boardroom to the organizational system.



Two important amplifiers include:

a) Compassion stories that inspire others to act and which carry wisdom and hope about what is possible within the board.

b) The power of positive spirals that happen when people help each other, watch helping, and are inspired, unleashing human resourcefulness and more caring.

## **Characteristics of a Compassionate Director**

### **1. Flexibility**

The director who is willing to set aside rules and procedures for the greater good demonstrates his or her human side and would certainly be valued by the society. We

are all given choices in our professional lives. When you take the high road with a colleague in the board, they never forget, and as a result, you develop more loyal board members, people would want to work with you because you care and you will also earn their respect. You don't just pay lip service to a cause; you make a promise and keep it. By doing so, you show that you genuinely care about their well-being.

## **2. Ability to express emotions**

We are conditioned to believe that if we show our emotions in a business environment, people will think we are weak. This perception ought to change. It is apparent that the director who is not afraid to show emotion has greater depth of character and

is not swayed by public opinion of what is -  
“politically correct” behavior.

### **3. Ability to lead by example**

The actions of a director who tries to be compassionate on the outside but does it more for winning votes or stroking his or her constituents is disingenuous. Nothing does more to build a person’s character than getting down into the trenches in an hour of need. The organization and society have been challenged to re-examine the true meaning of the word “hero.” We have learned that a hero is not someone who we idolize because of position, status or income but rather someone who genuinely, and humbly, puts others first. Essentially, when leaders of the board take full responsibilities of being true

heroes at work, they would ultimately be respected and valued in all sense of life.

#### **4. Ability to openly communicate**

We are expected to openly talk and share our thoughts and feelings with each other. On the same basis, directors should encourage an open dialogue among teams as well as the board members in order to understand everyone's thoughts and feeling about a particular issue; when this value is upheld, it clearly shows that the board members have compassion for each other and would consequently foster respect in the boardroom.

## **Learning how to be compassionate**

To improve their performance, respect and effectiveness, directors may need to develop the capability to demonstrate compassion. Some people naturally exude compassion and have an advantage over their peers who have difficulty expressing compassion. Most people fall in the middle and are sometimes or somewhat compassionate. The Chair can encourage a more compassionate culture and help the CEO and board members improve their compassion to gain respect of each other in a number of simple ways:

- **Talk about compassion**

Let the CEO know that compassion matters. Though task-oriented skills like monitoring, planning, controlling and commanding

performance or “making the numbers” are important, understanding, caring, and developing others is just as important, if not more important, particularly in today’s workforce. Giving time and attention to others fosters compassion, which in turn, enhances your performance and improves your perceived effectiveness.

- **Teach listening skills**

To understand others and sense what they are feeling, directors must be good listeners in the boardroom. Skilled listeners let others know that they are being heard, and they express understanding of concerns and problems. When a director is a good listener, people feel respected and trust can grow. Specific listening skills include:

- Listen to hear the meaning behind what others are saying. Pay particular attention to nonverbal cues. Emotion expressed nonverbally may be more telling than the words people speak. Focus on tone of voice, pace of speech, facial expressions, and gestures.
- Be an active listener. Active listening is a person's willingness and ability to hear and understand someone else. Active listeners are able to reflect the feelings expressed and summarize what they are hearing. There are several key skills all active listeners share:
  - ✓ They pay attention to others.
  - ✓ They hold judgment.
  - ✓ They reflect by paraphrasing information. They may say

something like “What I hear you saying is . . .”

- ✓ They clarify if they don’t understand what was said, like “What are your thoughts on . . .” or “I don’t quite understand what you are saying, could you repeat that . . .”
- ✓ They summarize, giving a brief restatement on what they just heard.
- ✓ They share. They are active participants in the dialogue in the boardroom by saying, for example, “That sounds like something I went through.”

When directors increase their awareness and understanding of compassion, they can



identify behaviors they can improve, and situations where showing their compassion could make a difference. As directors hone their compassion skills through listening, perspective taking, and compassion, they are equally improving their leadership effectiveness, respect and increasing the chances of success when making decisions in the boardroom.

## **CHAPTER 6**

### **SERVANTHOOD**

Servanthood is an expression of the desire to serve other people in an organization; which can also be expressed in the boardroom. Governance cannot be viewed as a single concrete piece of science with well-conceived problems and well thought of solutions. When we consider this one concept of governance, a variety of factors come into our minds like individuals, skills, performance, relationships, morality, integrity, inter personal dynamics, power, many other aspects of individuals and groups. The act of helping people perform at high levels is a vital strategy for long-term success which can be practiced in the boardroom. When individual board members grow, their productive capacity increases. When their

productive capacity increases, ultimately the activeness of the board increases—things can be done in a better way. That means that the board can better serve, and is therefore more likely to succeed. Practicing servanthood is essential in all organizations as it is a standard for each board member who deems it fit to grow, the organization that increases its capacity, and the customer who is better served. This is the idea behind servanthood! Servanthood is a phenomenon based on the value of service that considers growth and respect amongst each board member to be a fundamental priority.

**Servanthood deals with:**

- The focus on serving followers for their own good, as well as the good of the

organization. Servanthood expressed by the Chair in the boardroom forms long-term relationships with other board members, encouraging their growth so that they may reach their fullest potential.

- The moral element. Respected directors serve people instead of using people. They establish a climate in which people can raise and address moral issues.
- Concern for all board members, stakeholders, business partners, shareholders, creditors, and communities, including those who are least privileged.
- Self-reflection, as a counter to the individual's hubris. This is about humility. Respected directors know

that it is not about them; however, it is about meeting the needs of others.

The ultimate goal of organizational servanthood is to make the world a better place. That will happen if board regarded as the leaders help their organizations to become servant-institutions. By focusing on serving each other, customers, and communities, servant-institutions can improve the quality of our lives. Our societies will become more just, caring, prosperous, and sustainable. Essentially, each board members would develop a natural aired respect for each other due to this value of servanthood.

## **Essential keys of servanthood to gain respect in organizations and boardrooms**

**1. Self-Awareness:** We are the instrument through which we lead. If we want to be effective directors, we need to be aware of who we are and how we impact others.

**2. Foresight of directors:** If you aren't exercising foresight, you really aren't leading, you are just reacting. And if you are just reacting, you may run out of options, and start making bad decisions— including unethical ones. A failure of foresight can put an organization in a bad situation that might have been avoided.

**3. Changing the Pyramid:** The traditional hierarchy—the pyramid—makes it hard to

listen well. People may look up at their superiors and not out at their customers. The Chair has no colleagues, only subordinates, and may not get good information or be able to test ideas. The solution is to create a team at the top which brings about the board members with effective communication without prejudice.

**4. Developing board members:** Developing board members includes education, training, new experiences, and new responsibilities. Also, individual development plans can be used to make sure that each director's development is supported and accomplished.

**5. Coaching, not Controlling in the Boardroom:** A good way to develop people is

through coaching and mentoring. Every organization needs rules and regulations, but you don't bring out the best in people by focusing on control. You bring out the best in people by engaging, inspiring, coaching, and mentoring them.

**6. Unleashing the Energy and Intelligence of Board members:** Once board members are developed and coached, they can be unleashed to make their fullest contribution to the organization by decisions made in the boardroom.

**7. Listening:** By listening, Chairs are able to identify the needs of their board members as well as the rest of the organization including customers. That puts them in a good position to meet those needs. When they do,



their organizations are successful and they earn respect in the boardroom.