

THE BORED OF DIRECTORS

When the appeal of Board membership is more social than corporate . . . more flattering than utilizing . . . more effete than effective . . . the business agenda is exposed to perfunctory address and company direction to inadequate oversight. It is not farfetched to suggest that “social directors” are frequently bored with “minutes, reports and resolutions.” They enthuse when their egos are fanned by regular fellowship with other prominent individuals. Conversations at “social time” give as much weight to golf, politics and gossip as to budgets, markets and forecasts. It is a culture so in-bred that there is little room for customer-centered dialogue, or questioning of the corporate approach to an ever-changing market dynamic.

While Board memberships often comprise the most coveted segment of their professional biographies, “social directors” struggle to find the opportunity for meaningful contributions to a corporate agenda. CEOs are often to blame, allowing their Boards to divide themselves between a “chosen few” and an “accommodating rest” where the latter is effectively isolated from the inner circle and allowed to establish its own culture. The professionally bored exacerbate their isolation, often injecting into meeting discussion poorly considered opinions on matters where appropriate scholarship is conspicuously wanting. Collegiality among Board members was once the “sizzle” which made it sing with confidence, energy, and pride. That fellowship is now overwhelmed by the frustrations and pressures of a new business technocracy where “spreadsheet management” replaces personalities as the primary force in shaping corporate strategy . . . indeed in determining its destiny.

Well meaning but ineffective “social directors” who once defined the personality factor in Board composition now find themselves further abandoned by the “new agenda” which is too often more concerned with liability than collegiality; with potential suitors than potential customers . . . with right sizing than bright innovating . . . with a future controlled by external forces and directed by strangers.

Chief Executive Officers are uniquely caught up in this swirl of change which erodes their capacity to lead, as control of the corporate destiny is surrendered to outside money and power. Loyalty to company history, image, and reputation, once anchored in customers and employees, is now vested in this very hour’s calculation of shareholder value.

But shareholders are not the ultimate directors. Customers alone determine corporate destiny. While shareholders score management’s effectiveness in the marketplace and efficiency in the workplace, customers are scoring product and service, giving their highest marks to style, ethics, commitment and involvement, the use of corporate strength for that something “extra.” It is here where boardroom boredom is extinguished and “social directors” can be re-born. They must become a fresh and coveted resource for the enlightened CEO as he directs their personal leverage to such community projects where sustaining corporate involvement is the key to sustained corporate prosperity.