

The Changing Role Of The Chairperson – And The Skills Needed For Success

The chairperson (or chairman/chairwoman) of a board is a key leadership position within the governance structure of a company. In this article, we'll look at how the duties and responsibilities associated with chairing a board of directors are changing in today's boardroom, and the skills needed to succeed in the role.

How is the role of the chairperson changing?

Changing external pressures, emerging trends, and evolving stakeholder expectations have all affected how the role of today's chairperson is viewed. We'll look at five areas of change affecting many businesses in the Middle East which require strong leadership from the chairperson to ensure success.

Environmental, Social, and Governance (ESG) Issues

ESG has continued to gain importance as stakeholders demand that the organizations they are involved in show accountability and leadership in their efforts toward these goals. The chairperson's role must be to ensure that ESG is a key topic discussed in the boardroom, and considered in line with corporate strategy – as well as considering ESG-related risks and opportunities.

Rapid Technological Advancements

Emerging technologies such as machine learning and artificial intelligence are evolving fast, and have the potential to disrupt or completely revolutionize a wide range of industries. An effective chairperson needs to stay abreast of relevant technological developments and understand their current and future impact on the business. They should ensure the board has access to the information and advice needed to leverage new technology to its strategic advantage and facilitate discussions to ensure the business doesn't fall behind its rivals.

Promoting Diversity and Inclusion

In recent years, there has been an increased emphasis on diversity and inclusion in corporate leadership. Chairpersons are expected to lead the way in terms of promoting diversity within the boardroom and ensuring that boards reflect a range of perspectives, skillsets, and backgrounds. They must play a central role in fostering a culture of inclusion – ensuring diverse voices are not simply present, but engaged with and listened to, with the understanding that diverse boards are more able to make strategic decisions, respond effectively to change, and drive innovation.

Embracing Boardroom Activism

Boardroom activism is a growing trend, with shareholders increasingly looking to companies to take a stance on social and political issues. Chairpersons need to provide

leadership in engaging with shareholders and other activist groups, providing support to them to exercise their rights and allow them to express their interest to influence the business, and advocating for action on issues relevant to the business, its employees, or its wider community – influencing corporate behavior beyond financial performance.

What are the key skills required in the role of chairperson?

Successful chairpersons combine a range of different skills and experiences to fulfil their duties effectively and drive company success. The exact mix of qualities required will vary according to the specific needs of individual companies, but in general, the chairperson should demonstrate the following:

Communication:

A chairperson must have strong communication skills across a range of channels, whether delivering speeches and presentations, composing memos, preparing contracts, or leading meetings.

Empathy:

Chairpersons need to work with a range of different colleagues and stakeholders, often under significant pressure. Active listening, conflict resolution, persuasion, and trust-building skills are key to succeeding in this.

Partnership:

The relationship between the chairperson and CEO is of particular importance, and requires an effective balance of good chemistry for collaborative discussion with the objective distance required to assess strengths and weaknesses.

Organization:

Time and project management skills are an important quality for a chairperson, ensuring that they can effectively coordinate and oversee the board activities for which they are responsible.

Consensus-building:

As a chairperson, it's important to be able to facilitate consensus in the boardroom, allowing the board to make prompt business-critical decisions without procrastinating, delaying or falling into unproductive conflict.

Leadership:

The ability to inspire and engage fellow board members and other stakeholders and “lead from the front” is a vital skill for a chairperson, as much of their role revolves around leadership in one form or another.

Conclusion

The role of the chairperson is a multi-faceted one, requiring the ability to build and maintain excellent working relationships at all levels of the organization, and with a diverse range of external stakeholders.

Successful chairpersons are able to achieve this through open communication, effective engagement, and a commitment to corporate responsibility, and in doing so can foster trust, strengthen the organization's reputation, and ensure the long-term success of the company.

To find out more about how MEIoD can help you in developing your skills as a chairperson through consultancy, capacity-building workshops, and access to role-specific resources, visit MEIoD website or contact info@meiod.org

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