

Food for thought on director feedback

Director and board evaluation involves board members undertaking a constructive but critical review of their own performance, identifying strengths, weaknesses and then implementing plans for further professional development. Director evaluation is essential for good governance says **Iain McCormick**.



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Director evaluation can take many forms – from a simple board table discussion to web-based questionnaires based on well-developed governance frameworks and a fully facilitated session run by a trusted advisor.

Giving feedback to fellow directors isn't always easy, but receiving feedback from other directors can be very difficult. I recall conducting a board evaluation for a professional service firm where this was a major issue. We had used a web-based questionnaire to gather opinions on both the overall performance of the board and the individual performance of each director. Evaluation reports had been produced and distributed to all directors. I arrived at a meeting to review the findings with the board and to write a board development plan – that, at least, was the intent.

The directors entered the room and took their seats at the board table. Most of the directors clustered around one end of the large table where the chairman and I were sitting. The exception was an immaculately dressed director who sat at the other end of the table. He looked grey and stern.

The chairman opened the meeting saying that he had asked me to join the meeting to discuss the evaluation and to assist the board with a development plan. The moment the chairman stopped speaking the remotely seated director said in a very loud firm voice: "If this is what you think of me, I resign from the board," throwing his evaluation report on the table.

The grandiose gesture came as a shock to both the chairman and me. I had a sinking feeling that a great project was about to slip away! The chairman, however, had the presence of mind to gently explore the issue with the disgruntled director and to reassure him that he had indeed made a valuable contribution over the year. I spent some time talking about the overall board results and I facilitated a discussion on areas for board development.

After the meeting the chairman and I talked about the situation. The chair then spent time with the disgruntled director to settle the situation.

Almost everyone has, I'm sure, had some difficult experience with negative feedback. No one welcomes criticism but, it is essential for building an effective board culture and for ensuring decisions

are subject to robust debate. Criticism is important because humans seemingly learn more from their mistakes than their successes. When we succeed we usually just feel good and move on. When we err, we are more likely to initially feel smug but then look carefully at the situation and learn from it. Negative feedback may not make us feel good but it is essential for our development as directors.

We may be trained in a wide range of financial analysis or strategic planning areas, but we are seldom trained in giving or receiving criticism. Many of us are blind to how we affect others when giving criticism.

Psychological research suggests that the separate neurological circuits in our brains handle negative and positive information differently. Our negative receptors are more sensitive than the circuits that handle positive feedback. Our innate 'negativity bias' apparently sees flaws as more important than positive attributes when forming initial impressions.

And responses to loss are, apparently, more powerful and potent than responses to gains in many areas including financial risk-taking behaviour. John Cacioppo, a neuroscientist at the University of Chicago, reported in the magazine *Psychology Today* that electrical activity in the brain spikes more strongly in response to negative stimuli than to equally potent positive ones. "Most people respond more to the bad than to the good," he said.

Our sensitivity to the negative can cause us to exaggerate the importance of this type of feedback and even to see criticism where none exists. Our dislike of criticism is based on a fear of exclusion says Peter Gray, a research

psychologist at Boston College. The criticism in a board evaluation is obviously not life threatening, but human responses evolved in circumstances where individuals couldn't survive outside of their cooperative hunter-gatherer groups. To be excluded was potentially fatal; sometime it feels as if it still is.

Understanding this reality can help directors frame more constructive criticism. Dealing with the fear of exclusion before making criticism can also help. Stating that "You are a valuable member of the board, but we would like you to be better prepared for meetings" is likely to be accepted as constructive by a sensitive director. Starting by asking questions such as: "How do you think you are doing?" is also useful. The comment suggests joint ownership of the issue.

People never want unsolicited negative feedback. So board agreement on the evaluation's purpose and process is important. It's designed to provide context for feedback. Proceed with an evaluation only when everyone is comfortable about giving and receiving feedback.

No matter how criticism is delivered, the recipient will feel defensive. When getting feedback, take a deep breath before responding. And don't expect the other person to welcome your comments when giving negative feedback.

Director evaluation is a key to good governance; make sure it includes both constructive positive and negative feedback. ●

Iain McCormick runs DirectorEvaluation.com and provides feedback for boards in New Zealand and Hong Kong.

• Reference: www.psychologytoday.com/articles/201103/how-take-feedback

Effective feedback

Karen Wright, a writer in *Psychology Today*, suggests some rules for conducting feedback discussions

- Always start with questions such as: "How do you think you're doing?" It gives the other person a sense of joint ownership of the problem and helps the individual feel included, not excluded.
- Only give criticism when the process has been mutually agreed; unsolicited negative feedback is unwanted.
- Make sure you are seen as having the authority to give corrective feedback. Criticism from the chairman is easier to take than from fellow directors.
- Never give feedback when you're angry – anger alienates the listener. Expressing disappointment is more productive than criticism stated in anger.
- Know the personality of the person you are talking to – some individuals will take any criticism as a personal attack.
- Know yourself. If you are relatively insensitive to criticism, watch your tendency to be heavy-handed when delivering it.
- Expect defensiveness as a first response to criticism; a change in performance may come later.

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