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Chair of the Future
Supporting the next
generation of business leaders

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Introduction

As part of our broader commitment to supporting the next generation of business leaders, we are pleased to present our review into how the role of the Chair will evolve.

What will the 'Chair of the Future' look like? What skills, capabilities and experiences will be required to be a successful Chair in 10-20 years' time? How will boards operate and what will be their priorities?

These are the fundamental questions we posed through a series of in-depth interviews in 2018 with experienced Chairs, who together lead the boards of over half of the FTSE100 across all sectors and industries.

Although many recurring themes emerged from these conversations, from every interview we took away at least one thought-provoking and decisive new idea or perspective. This has confirmed our supposition – that every individual in the role of Chair brings a unique perspective, that there is great power in dialogue, and the collective wisdom of this experienced group.

We thank those who participated in the research – your contributions and insights will undoubtedly support the next generation of Chairs.

Our aim with this report is to trigger further debate as we seek to continue to support the next generation of business leaders. We look forward to your participation in a future Deloitte Academy event.

Nick Owen
Chairman

Executive summary

Much has been written about the development of the role and responsibilities of the CEO and their executive team. However, there has been less debate around one of the other most influential roles driving the impact and future success of business: the Chair.

Through a series of personal interviews with some of the most experienced Chairs within British business, we explore both how the role has evolved to reflect the current demands of the boardroom and how some of the shifting responsibilities of boards may redefine the expectations and skills required for the Chairs of the future.

One of the Chair's roles appears to be to navigate a greater pace of change and uncertainty. There is a clear consensus that the impact of change today is less predictable and exacerbated by unrestrained transparency.

The legacy of corporate business models, current business structures and an increasing mountain of regulation make it challenging for businesses to be nimble when responding to change. This pressure is intensified by the demands for more disclosure from a myriad of stakeholders, not least, broader society.

There is a strong argument presented by interviewees that listed companies are at the pinnacle of that mounting public pressure. It is challenging the corporate model and driving the trend from public to private capital, which in turn is demanding a clearer articulation around the transparency, role and impact of big business.

These pressures are challenging traditional thinking around how the board operates and consequently the role of the Chair. Whilst some Chairs may now appear 'prima-facie' to be less formal and more accessible, operationally there has been a fundamental shift towards the professionalisation of boards. Chairs of today find themselves in a significantly more demanding role.

In this report, we introduce our five-dimensions framework which seeks to define and challenge traditional descriptors of the role of the Chair. The framework reflects a profound shift underway in the boardroom, that is reflective of the changing role of the corporation in society. It describes the Chair as: company ambassador; strategy provocateur; culture and talent cultivator; guardian and board conductor. Underpinning this is the over-arching concept of the Chair, which one interviewee so eloquently described as "The Chief Reputation Officer".

"The framework further reflects the demands predicted for Chairs of the future, including adopting as their core mission, the role of the 'Chief Reputation Officer' (carefully orchestrated together with the CEO), supported by a clear articulation of 'organisational purpose'. The skills demanded in the future will require an even more emotionally intelligent Chair who displays agility, curiosity, humility and resilience as well as, the depth and breadth of understanding of the business to continually transform and operate effectively."

Key themes: Has the pace of change accelerated?

The period since 1982 has presented, in the round, a relatively predictable environment for organisations to operate and flourish in. However, **more recent years have witnessed seismic shifts with the geo-political and business landscape becoming increasingly unpredictable**.

Navigating uncertainty and change was cited almost without exception as a key theme in the Chair interviews. Although not all subscribed to the assertion that there is now much more change compared to the past, **there is a clear consensus that the pace and impact of change today is more significant, exacerbated by unrestrained transparency** in instant media and social media coverage.

"Today many companies face pressing issues that are existential and super urgent."

Furthermore, Chairs believe the confluence of mobile computing with emerging technologies such as artificial intelligence (AI), robotic process automation (RPA) and nanotechnology, the 'Fourth Industrial Revolution'[1] as presented to the 2016 World Economic Forum, has profound socio-economic implications. The impact of the innovative disruption that ensues among competitive business models and specifically the workforce – dislocation, agile and mobile talent are recurring themes in business conversations.

- What will be the impact of the approaching inflection point not only on businesses themselves, but also more broadly on a socio-economic and political level?

- How is business, and how are company Chairs and their boards, preparing to navigate these impending changes?

To help frame the debate, we have summarised the **five key themes, which interviewees noted as the factors driving the pace of change and in turn influencing the board agenda today**.

1. The rise of inclusive capitalism and the need to become a purpose led organisation
Whilst Chairs agreed that shareholder wealth creation is still seen as a primary focus and responsibility, well over half firmly held that business ought to play an active role in society: As a minimum, business must repeatedly articulate its broader societal purpose; ideally, business should be involved in political discourse, shaping the society of the future. This sentiment reflects the findings of the Deloitte *2018 Global Human Capital Trends*[2] and our discussions with Chairs reveal that "**profound and fast-moving technological and societal shifts are putting organisations under pressure to move from the inside out to the outside in**."

Today, business is expected to be 'a force for good', as one Chair described, and further engage with all stakeholders, especially customers, employees and the broader society. This expectation, reflected in the Companies Act since 2006 and in emerging reporting by public companies is demanded by the next generation – with 86% of millennials believing business success should be measured by more than just financial performance.[3]

However, the role of companies and their broader purpose is shaped in part by societal demands and the role that government and other bodies will play.[4] Businesses with a global footprint in particular will need to be mindful that a core purpose will need to transcend geographies and reflect the demands of local markets. **Chairs will increasingly have to deal with complex responsibilities driven by divergent regulation and compliance, the impact of investor and societal activism, increasing nationalism and the mounting demands for greater corporate citizenship.**

"What might be different compared to the past is that more companies are exposed to disrupters, and of course, there are many things that we haven't quite understood with regards to long-term implications of technologies such as AI."

"Do we serve our social purpose? We can't just make money and not address social purpose."

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"Boards should not withdraw into an ivory tower: in the future there will be more dialogue and input from external stakeholder groups such as customers and employees."

2. New technologies and new ideas: managing disruption

Advances in technology such as automation, blockchain, robotics and AI are fundamentally altering and shaping the competitive landscape. Capital is readily available, enabling entrepreneurs and organisations to seize opportunities and disrupt existing business models.

Many Chairs expressed views that it is more difficult to respond to and invest in disruptive opportunities as an incumbent and as a public company. Indeed the Deloitte *2017 Global Human Capital Trends*[5] already highlighted the time lag for take up as individuals, big business and public policy catch up with the leaders in any technology revolution. People adapt quicker than businesses, and businesses tend to adapt more quickly than public policy. **Some business commentators have said that half of companies included in Standard & Poor's 500 will be replaced over the next ten years[6].** What might have taken decades previously, is now concentrated in a flash.

"Digital revolution – every business needs to be ready for it; if you are not, you will lose out."

Interestingly, **managing internal disruption such as digital transformation, changes to operating models and addressing cultural changes was less prominent in Chair commentary, compared to external disruption either triggered by growing demands from customers or changes in the competitive landscape.** Perhaps this reflects knowledge and a degree of comfort with change that is visible and predictable within the organisation. This reflection also corroborates the findings of the Deloitte *Digital Disruption Index 2018*[7], which revealed that executives overwhelmingly expect digital to have the greatest impact on how they create unique customer experiences.

A vast majority of respondents also cited getting on top of cyber and other security-related issues as a key priority. This is no longer a nice to have differentiator of trust: cyber-security technology is now considered essential in the *Digital Disruption Index*.

Beyond the implications of disruption on businesses, respondents also identified the unpredictable impact of change more broadly on society, politics and common values as well as regulation and legislation.

"Disruption is not just in the form of technology, but also different business models. A disruptor might look at the situation and come up with a completely different risk and pricing approach and a completely different business model."

3. An upsurge in stakeholder management and balancing conflicting dynamics

The breadth and depth of stakeholder engagement activities is already impressive: board members mentor up-and-coming management talent; shadow boards or board councils are composed of younger managers and members of the workforce; walk-in clinics open for employee groups to share their concerns; and stakeholder forums might involve not only shareholders and other investors, but also customers, suppliers and service providers, communities, government and non-government organisations.

Concerning stakeholders, it was natural that the dialogue with shareholders and investors featured most strongly in interview commentary. This was followed by experiences with customers, the workforce and local communities at equal measure. The rise of activist shareholders and the elevation of AGMs into political events are clearly concerning and have injected a degree of caution and highlighted the need for specific training and preparation for Chairs.

An upsurge in stakeholder management was a commonly cited factor contributing to an increase in the Chair and board's workload. For some interviewees, activist investors 'provided just a different type of capital and they want differential reward for it', others shared the view that a more nuanced perspective on shareholders is now required: established assumptions on shareholder responses must be tested, as shareholders themselves are experiencing shifting societal and regulatory pressures, and a more open dialogue must be sought on both sides. Against this picture of increased societal demands, it is not just the rise of activist investors, but the increasingly unpredictable casting of votes which has underlined the need to ensure a relentless focus on performance.

"What is different today is the increased public scrutiny, especially in the UK, where we have this dangerous concoction of anti-business sentiment amongst some political commentators, news-seeking media, and regulators who feel obliged to react by issuing increasingly more complex rules."

"Cyber will not go away! It is not like Y2K, once you got past the date you were fine. Cyber risk is a constant worry."

"Boards have to learn how to manage activist shareholders. It is another chapter in shareholder management."

"A more recent trend is proxy advisers. They can be potentially very influential and it is easy to underestimate them."

4. The mounting burden of regulation

There is a commonly held view among Chairs that if something has gone wrong, instead of holding the responsible organisation accountable, all businesses are penalised by having to deal with new layers of regulation or compliance.

Responding to regulation and working through compliance was a predominant concern of Chairs in regulated industries, such as financial services, life sciences, utilities and telecommunications. In some instances, Chairs reported being inundated with requests, and having to deal with disproportionate and unrealistic demands. Some respondents offered the view that increasingly complex regulation and compliance was the greatest threat to the attractiveness of the UK as a global location to headquarter businesses.

"Last month I spent about 90% of my time dealing with regulatory issues dating back many years and this will continue to be my focus in the foreseeable future."

There were serious concerns expressed about regulatory bodies and legislation struggling to keep up with new developments, either putting large incumbent businesses at a disadvan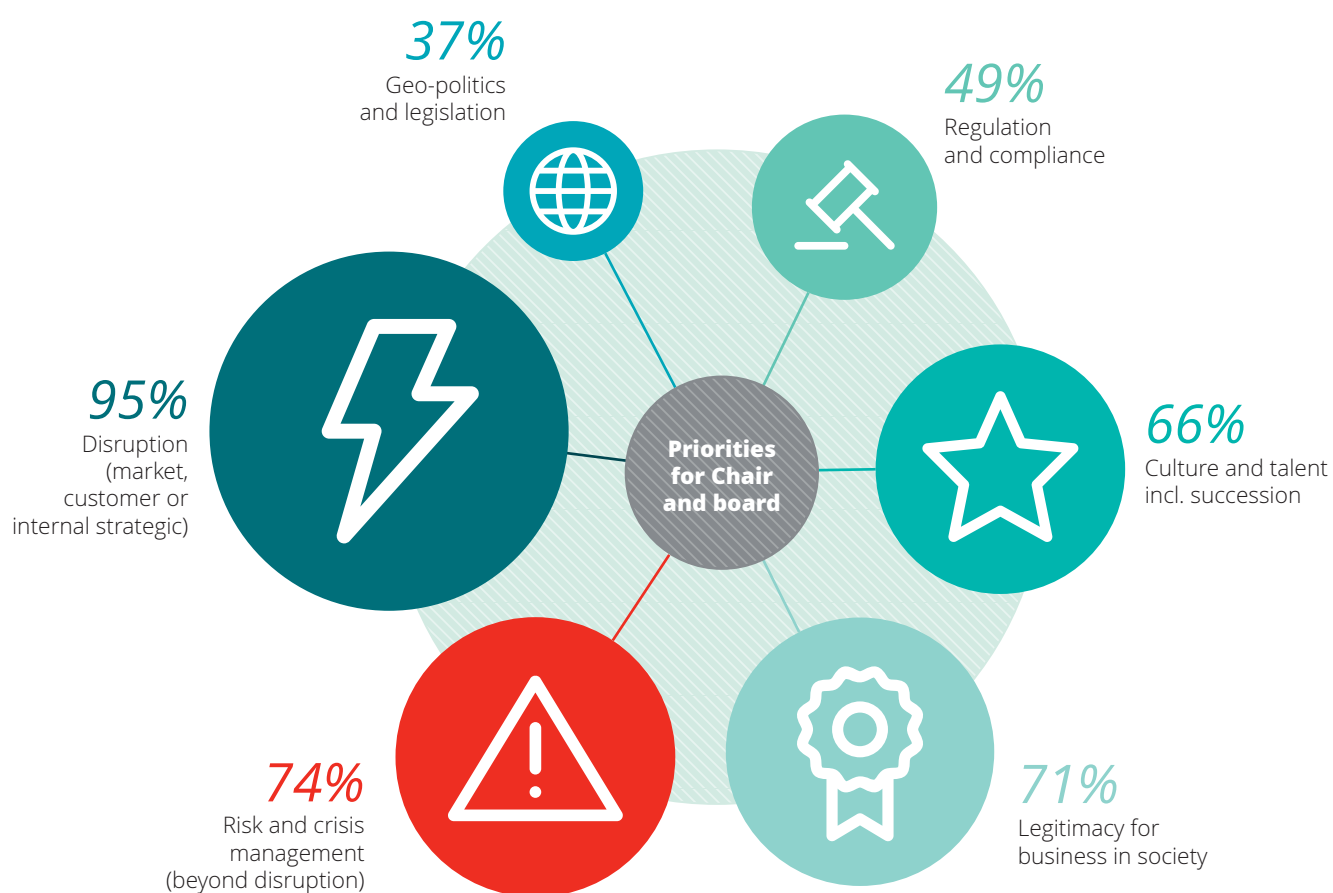tage and/or leading to regulatory vacuums. Effective regulation and compliance should be grounded and predictable, as well as embracing and addressing the interests of all stakeholder groups.

5. Capital shifts from West to East and increasingly from public to private

In 2005, just 18 companies in the Fortune 500 were headquartered in China, while 189 were in the United States of America.[8] In 2017, it was 115 and 132, respectively.[9] In parallel, there has been an increasing trend for public companies in the West to turn private: private equity investment in European companies reached a €71.7bn ten-year high in 2017, a 29% increase year-on-year.[10] Chairs raised questions concerning the understanding and belief in capitalism and, with that, the future of shareholder owned publicly listed companies.

"Where the UK is going with the increased regulation and rules-based governance may be a bigger threat to the attractiveness of the UK as a place to list your business than Brexit."

With these five themes influencing the board agenda today, the participating **Chairs listed the following priorities that will require Board attention in the near and most likely longer term future**:

37%
Geo-politics
and legislation

49%
Regulation
and compliance

95%
Disruption
(market,
customer or
internal strategic)

**Priorities
for Chair
and board**

66%
Culture and talent
incl. succession

74%
Risk and crisis
management
(beyond disruption)

71%
Legitimacy for
business in society

Are the demands of the role challenging the current definition of the Chair?

The Chairs we interviewed confirmed that the more traditional descriptions of the role and responsibilities of the Chair considerably underestimate the demands and complexities of the job. With the evolution and professionalisation of boards, there is strong recognition that the role of the Chair has changed over the years.

"Over time boards have become more professional, more systematic and more thorough. We will continue to see this development."

Overall, there was a strong consensus that the role of the Chair (and to a certain degree the board) is shaped and determined by:

- The overarching organisational legacy and culture;

- The particular stage an organisation and its leadership finds itself with regards to the state of the business;

- The personal preferences and styles of both Chair and CEO.

"Private equity doesn't survive without the liquidity of the public market. PLCs are at a competitive disadvantage because of the spotlight."
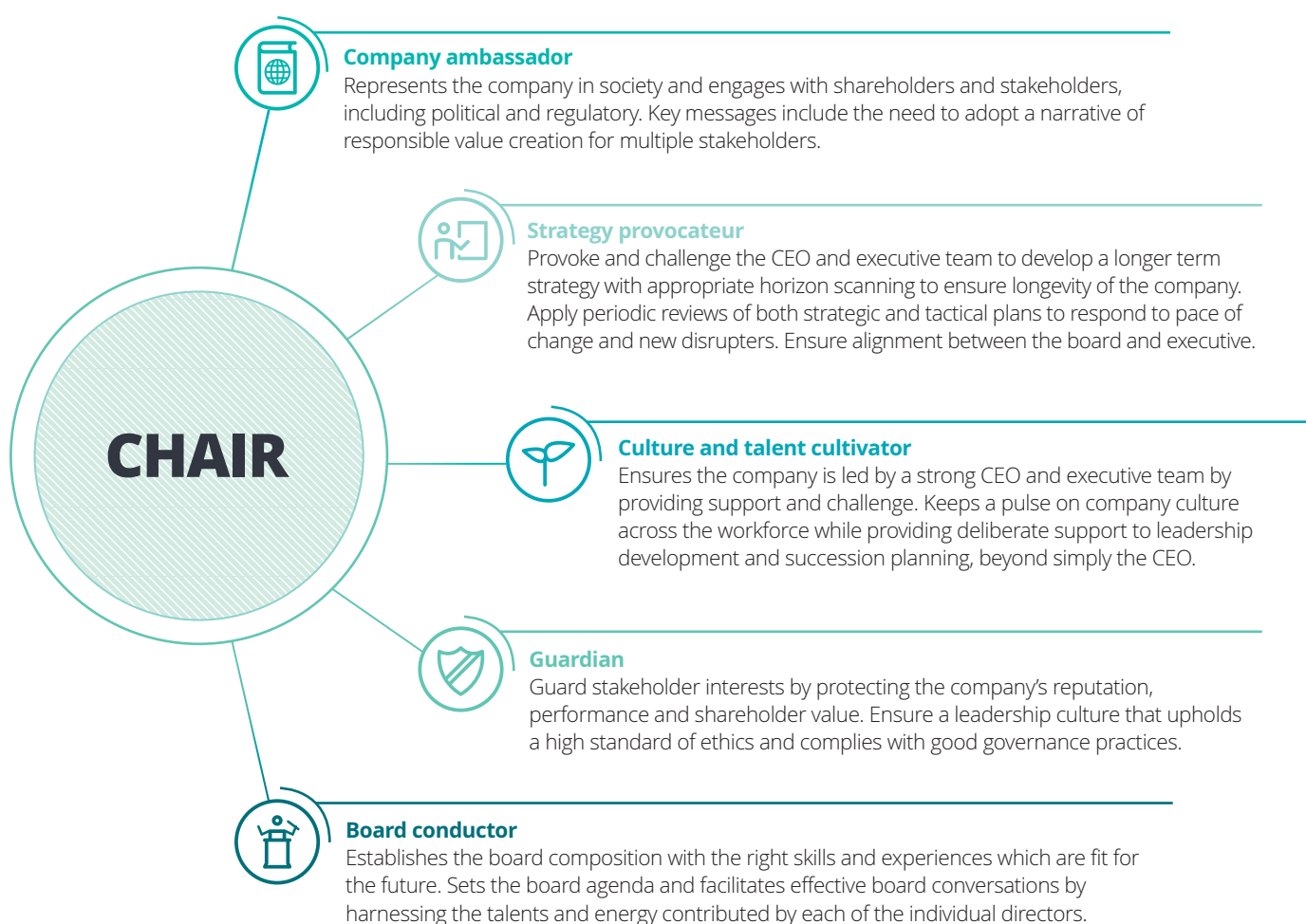
Numerous Chairs indicated that compared to past experiences, today's successful Chairs are 'less formal and ceremonial' compared to their predecessors; there is reportedly less focus on process and supervision, and more focus on strategy, rigour, reputation and integrity, especially when it comes to board composition and decision-making.

As our conversations turned towards looking to the 'Chair of the Future', some reflected that the frame of reference for Chairs has changed.

In response, based on this research, we have designed a new framework for thinking about the role of the Chair, redefining the terms of reference for the Chair of the Future. Whilst **they reflect elements of the role as it stands today, we believe the areas outlined will significantly grow in importance over the next five to ten years**.

The five dimensions of the Chair of the Future:

Company ambassador
Represents the company in society and engages with shareholders and stakeholders, including political and regulatory. Key messages include the need to adopt a narrative of responsible value creation for multiple stakeholders.

Strategy provocateur
Provoke and challenge the CEO and executive team to develop a longer term strategy with appropriate horizon scanning to ensure longevity of the company. Apply periodic reviews of both strategic and tactical plans to respond to pace of change and new disrupters. Ensure alignment between the board and executive.

CHAIR

Culture and talent cultivator
Ensures the company is led by a strong CEO and executive team by providing support and challenge. Keeps a pulse on company culture across the workforce while providing deliberate support to leadership development and succession planning, beyond simply the CEO.

Guardian
Guard stakeholder interests by protecting the company's reputation, performance and shareholder value. Ensure a leadership culture that upholds a high standard of ethics and complies with good governance practices.

Board conductor
Establishes the board composition with the right skills and experiences which are fit for the future. Sets the board agenda and facilitates effective board conversations by harnessing the talents and energy contributed by each of the individual directors.

"There is more interaction between the Chair and the CEO. In the past, I would get a call from the CEO once a week. Now I get five to ten emails or calls a day."

Company ambassador

A number of Chairs seem to be quite comfortable in dividing responsibilities with the CEO and taking on an ambassadorial role. Equally, a substantial number of interviewees indicated they either 'ought to' or would prefer to stay in the background supporting the CEO and executive members. The extent to which a Chair takes on an active and externally visible role in managing stakeholder activities, in addition to being the point of contact for shareholders and investors, appears to be largely determined by company circumstances, external demand, personal preferences and arrangements made between CEO and Chair.

"You could see the role of the Chair as the 'Chief Reputation Officer' across all fronts – from performance to ethics and stakeholder engagement."

However, interviewees did express the opinion that with an increasing focus on responsible capitalism and the need to redefine the purpose of the business, **the Chair has the obligation to lead debates of a critical nature to the company's broader responsibilities**.

Some offered a bolder opinion, in that **Chairs should be increasingly seeking to 'lift their head above the parapet' and be willing to have a more impactful voice on key issues**, in particular those areas influencing public perception on the role of big business. In other words, **the Chair has the broad responsibility for the 'trust in business' agenda**.

Ultimately, there is no escaping the increasing demand on Chairs to act; one chair described his role as the **'Chief Reputation Officer'**; another described the need to have meticulous planning when agreeing activities around communications with the CEO, both internally and externally, and deciding who would do what. The public affairs agenda requires a strong communication director to ensure alignment of messages and to ensure platforms are never shared, but strategically selected to ensure appropriate and sufficient reach to the different stakeholder groups. Others were less prescriptive, reflecting that their personal style and that of the CEO dictated the extent to which the Chair also became a public voice.

Whatever the current approach, Chairs have the obligation and opportunity to invoke a greater response from the executive team to stakeholder engagement. Further, there was an unequivocal recognition of the need for the Chair to have a clear and purposeful public voice on the issues which matter, which in turn requires Chairs of the future to act as an ambassador.

"All companies should have a public purpose and responsibility to society. I think we don't talk about it enough."

"A Chair ought to be able to stand up and say what the strategy of the company is, they also ought to be able to say what is the purpose and how does it deliver to its stakeholders. And that's all stakeholders, including the government, regulators, our customers and shareholders."

Strategy provocateur

Chairs spoke of a collective aspiration to focus more on the long-term stewardship element of the board's responsibilities, particularly ensuring the board retains a focus on informed long-term strategic discussion. Reflecting the pace and intensity of change and market disruptions, strategies need to be regularly reviewed and potentially adjusted to ensure the organisation remains on course. In addition to making sure strategic debate is included in regular board meetings, many Chairs rely on away days or explorative visits to help the board focus on relevant new trends and challenges. Another frequent technique recounted by Chairs to create space for strategic discussions is to move less critical and value-adding supervisory tasks into committees for thorough debate therefore using the main board to reach a consensus on defined proposals.

A number of Chairs admitted balancing supervisory and stewardship responsibilities can be challenging and plans for strategic and innovation-driven board discussions often have to yield to ever expanding regulatory demands. To mitigate the risk of time spent on strategy being squeezed within the formal board agenda, Chairs are seeking alternative ways and forums to engage both executives and non-executives around the strategic agenda.

This was thought particularly important within the context of two market trends: first, we see the average tenure of listed companies' CEOs getting shorter, and, second, interviewees reflected that longer term strategies need to be more agile and reflective of the pace of change of market trends and customer preferences. We heard an emerging view around the need for Chairs to be more challenging of the CEO's proposed strategy, encouraging a faster pace of innovation, reflecting the shorter tenure of CEOs perhaps and the Chair's responsibility for enhancing longer term performance and stewardship, and to be bolder in ensuring the needs of investors and other stakeholders are reflected. In contrast, management may sometimes be risk averse and focused on short-term performance.

"As management information improves, unless the business is in crisis, the board will need to spend less time on performance reviews and more time on reflecting and discussing strategy."

"To keep organisations on track and moving forward, key is a 10-year vision supported by an agile one-year strategy. In other words, a clear strategic view on the destination, with a pragmatic and agile approach on how do we get there."
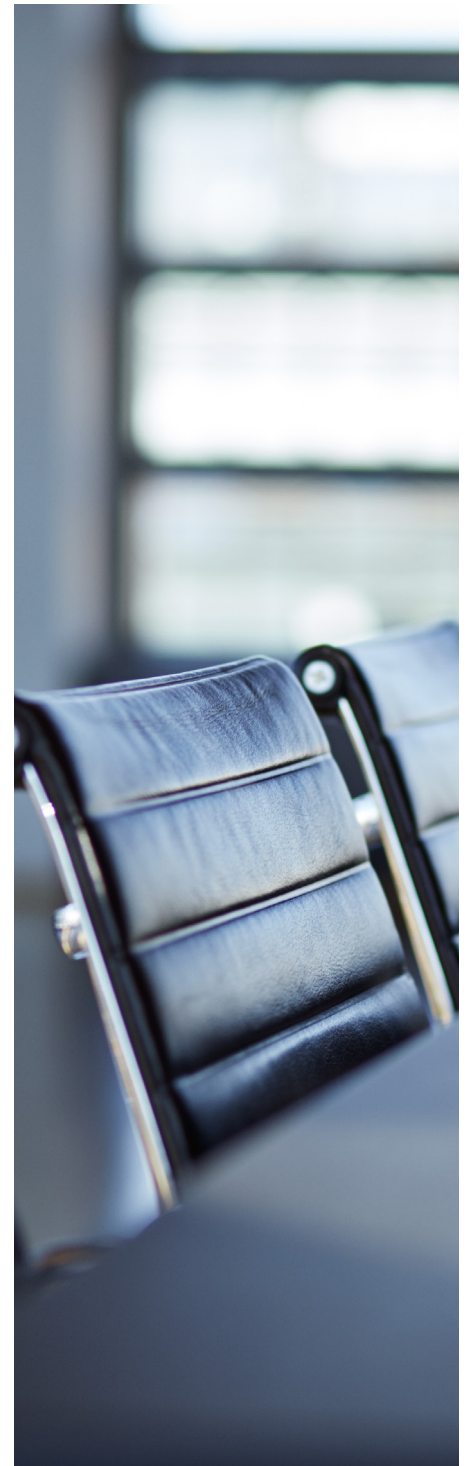
Culture and talent cultivator

While traditional thinking would describe the Chair role as being focused on and supporting the CEO with succession in relation to other key roles within the executive team, actually our Chairs described a frequent and involved dialogue with internal stakeholders encompassing not only the most senior executives, but also middle management, and a range of employee groups. A number of participants mentioned that they pro-actively develop the direct reports of the C-suite, either through inviting presentations to the board, or attendance at board dinners or through mentoring arrangements, to enable the board to gain visibility of emerging leadership talent and bench-strength. Beyond the top talent pool, Chairs also recognised that their responsibilities include keeping a temperature check on the culture of the organisation, by seeking a combination of more formal structured process inputs but also from informal conversations to test the reality of both operational and cultural issues.

Managing the relationship between the Chair and CEO is a critical component of the role. Here, Chairs reported a much closer and more frequent dialogue compared to a few years ago. A substantial number of Chairs commented on their CEOs reaching out, sometimes on several occasions throughout the day, to seek a second opinion on a decision, or just to talk to share their thoughts and concerns with their confidant. The Chair is the CEO's partner, mentor and critical friend.

Guardian

Chairs were described as being the ultimate guardian of long-term performance, reputation, value and success of the company. This of course stretches far beyond the requirement to uphold both ethical and governance best practices.

While getting a firm grip on technology related risks, including cyber, is seen as the new normal, the board has to protect the company's reputation, addressing changing business models and an increasingly complex engagement agenda. The risk register has to be live and dynamic, reflecting attack vectors and disrupters to their business.

With the rise of social media and the broader engagement demands from society and stakeholders, the reputation of the business is constantly under pressure.

"The board has regular dinners with the rising stars – they are the lifeblood of the company."

"The Chair and CEO, you look to them to ensure the culture is right. They carry the weight in attracting the right people."

"If a CEO can't go to a particular event and meet stakeholders, then yes the Chair should step in, but it should be at the request of the CEO."

Board conductor

Chairs are challenging the construct and frequency of board meetings, preferring to reduce the number of board meetings and supplementing these with more committee work, as well as offsite meetings and workshops that will expose the whole board to new insights and technologies to promote more education and debate.

Whatever the construct, the Chair will need to orchestrate the agenda to ensure it responds to both the complexity and prioritisation of the challenges the board will need to address. Interviewees reflected that effective use of board committees is an important lever, which Chairs can use to ensure that the main board has the necessary time to focus on strategic issues rather than be overwhelmed by governance and regulatory deadlines.

"There are quite a few ad hoc meetings in between board meetings and due to rapid change there is a heightened need to stay connected and respond to developments. You can't wait until the next board meeting."

According to the interviewees, historically, company Chairs would spend a relatively small amount of time reviewing and contemplating board composition. Today, board composition is clearly at the forefront and Chairs reported that they spend a considerable proportion of their time on contemplating, building and growing their boards.

In many of our conversations, we debated the balance of specialists versus generalists within the skills matrix. While the predominant view recognised the need to bring relevant expertise into boardroom discussions, the consistent view was that board members should above all be able to contribute towards the range of topics reaching the board agenda. Interviewees did recognise that boards have to nurture **'a culture of curiosity'**. Members should be investing time in their continuous development by gathering insight from both within the company and via external sources and forums to continuously inform their thinking, bringing ideas and constructive challenge to the table.

While many Chairs focused on building a productive and to a degree harmonious boardroom atmosphere, chemistry between board members was cited as being hugely important. However, a handful of Chairs questioned this approach and challenged themselves to embrace and welcome some board members with the potential for 'disruptiveness', presenting a very different perspective as their contribution to boardroom discussions.

"Today Chairs pause and think about board composition carefully. They know it is important to have the right skills and experiences at the Board table."

"I believe we need to take diversity one step further – even with the help of quotas, it's about having people with diverse skills, thoughts and backgrounds on company boards."

Impact for the Chair of the Future

When interviewees turned their attention to the expectations on future Chairs, we saw three key themes arising:

The attractiveness of the non-executive career and Chair role – more capital leads to more career paths
Several Chairs commented on the fact that former executive peers have opted to pursue executive and non-executive roles in less public, less regulated but rewarding sectors and companies.

A considerable number of interviewed Chairs expressed concerns about the growing workload, regulatory constraints and regulatory requirements being placed on Chairs of listed companies. The increasing responsibilities and associated pressures as well as risks, are not, for many respondents, matched by the financial and intrinsic personal rewards provided.

The financial crisis and company specific scandals have dented the reputation of some executive leaders and non-executives, which has reduced the pool of potential non-executive Chairs and board members. Will there be a shortage of qualified and available talent in the medium to long-term?

So where could or should the Chairs of the future come from?
Our Chairs indicated that there is not necessarily a defined career path for the Chair of a FTSE100 or another listed company. Many of the participating Chairs personally held a number of non-executive board roles before being appointed Chair to one of the boards. A few acted as external advisors to boards before moving into a non-executive role. However, the majority held senior executive roles in the same or adjacent industries or sectors. Of those interviewed, roughly a third held the role of senior independent director elsewhere before taking on their first role as Chair. According to a recent Russell Reynolds report, 41% of the FTSE100 Chairs previously held a CEO role in a publicaly listed company and 18% a CFO role, keeping in mind that many CEOs progressed via a CFO assignment.[11] Interviewees reflected that CEOs or CFOs, who have some relevant non-executive experience, generally encompass the appropriate proficiency and gravitas to successfully transition into the Chair role.

However, some did question if the time is right to throw the net wider and consider new or different talent pools with different professional backgrounds.

"There is an over-dominance of finance function or competence which determine how companies are run. Companies tend to promote CFOs to CEOs, a lot of Chairs are former CEOs or CFOs. All this leads to a focus on financial reporting and playing to the sometimes short-term demands of the City."

"There is a constant awareness of the risk responsibility ratio. I am quite worried about the best people not wanting to be on PLC boards for £50k a year. The fee isn't material if you look at the risk associated. You could have a 30-year stellar career and then a decision could be taken which could ruin your reputation."

With millennials transforming the workforce and increasingly occupying senior leadership positions, how will this affect the next generation of executive talent in the future?

Changing expectations around work-life balance and the heightened proportion of millennials in the workforce was one aspect mentioned by Chairs. Millennials at work seek to break down functional hierarchies and build a more networked, team-based organisation. The Deloitte *2018 Global Human Capital Trends* shows this trend has reached the C-suite. Senior leaders now realise they must move beyond their functional roles, placing more emphasis on operating together as a team. In this new construct, 'symphonic C-suite' executives will have to combine business unit and functional ownership with cross-functional teaming to run the organisation as an agile network. One respondent speculated, over time, it should become more acceptable for senior executives to reduce their involvement to a part-time arrangement and, with that, freeing up capacity to take on non-executive commitments.

Attributes required for boards of the future

The view was widely held that there will not be significant changes in how boards will discharge their duties in the next five to ten years. Many expect a continued gradual evolution and for major noticeable changes to come into effect or be fully evident over a longer period. However, Chairs pointed to a number of areas for further board development:

- **Boards must be more agile and responsive** and quickly adapt to changes in the competitive landscape as well as the general socio-economic and political context the organisations are part of.

- Boards must **actively lead the articulation of the broader purpose, role and impact of the business** to established structures, norms and values.

- Boards must **fully embrace diversity of thought, including disruption in the business and the boardroom**, calling on Chairs to bring relevant and topical perspectives and expertise into the debate and decision-making.

- **Continuous education** of Chairs and non-executive directors is exceptionally important to keep abreast of the newest developments across a range of topics including technology and other innovations.

- Boards must **demonstrate genuine value add to senior management as well as other stakeholders** and with that be an active contributing component to the wider ecosystem the organisation operates in. Almost all participating Chairs welcomed independent board evaluations as a means of gauging individual board and individual director's performance.
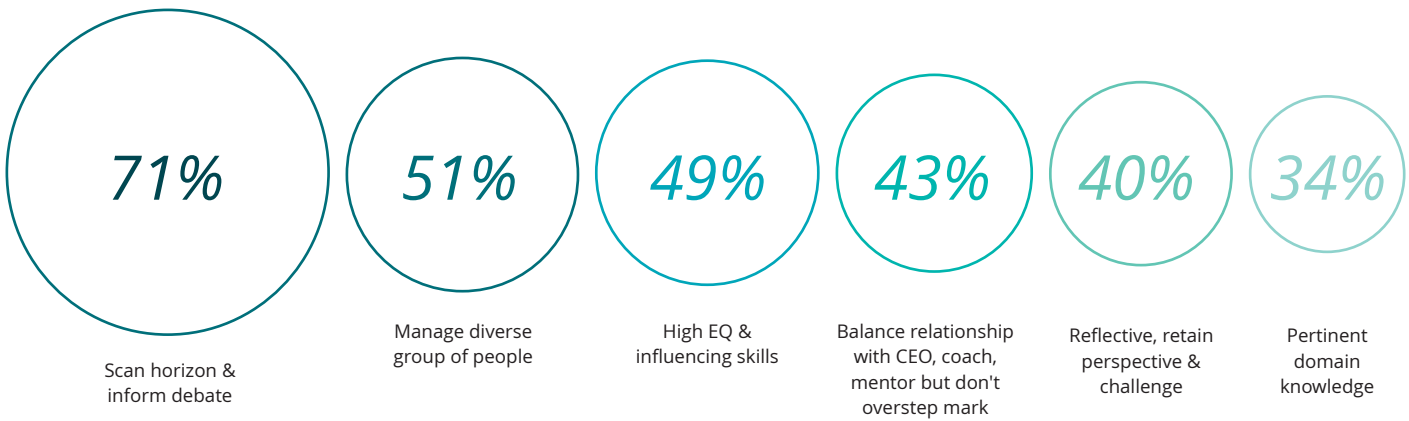
Attributes required for Chairs of the future

With all these demands to orchestrate an effective board, Chairs of the future will need to be increasingly willing to flex their behaviours and personal style. This study identified a number of vital skills, characteristics and key success factors which will continue to be relevant, regardless of circumstances, including:

1. **An even greater emphasis on strong emotional intelligence and influencing skills**, including the ability to simply listen and observe, to manage a group of diverse individuals and bring out the best in each, as well as the skills to manage increasingly complex and vocal stakeholder communities.

2. **An agile and curious mind-set with the propensity to scan the horizon** for relevant developments and monitor for possible disruptors – innate natural curiosity is helpful.

3. **A healthy degree of humility, being considerate and creating the space for reflection** are useful characteristics, combined with being able to partner with the CEO and challenge constructively, in private, without stifling leadership creativity and drive.

4. **The right breadth and depth of understanding** of the business and competitive landscape the organisation operates in, combining necessary technical domain knowledge with the organisations' business and the broader evolving environment.

"What won't change is to be a successful Chair you need high EQ, know the industry, attract people and understand regulation."

This reflects the most consistent key success factors mentioned by interviewees which are summarised below:

71%

Scan horizon & inform debate

51%

Manage diverse group of people

49%

High EQ & influencing skills

43%

Balance relationship with CEO, coach, mentor but don't overstep mark

40%

Reflective, retain perspective & challenge

34%

Pertinent domain knowledge

12 top tips for aspiring Chairs

Through our conversations with interviewees, we asked them to offer three pieces of advice for aspiring Chairs. We hope readers considering their future career move will find this advice both practical and encouraging.

1 Keep an open mind and be willing to absorb things around you. Executives often operate heads down. So it is the Chair and board that need to have heads up, continuously scanning the wider environment and looking ahead.

2 Develop your own personal style and techniques to raise self-awareness. Improve your EQ and make yourself aware of your own impact on others, and mould your behaviour to achieve the outcomes you wish for.

3 Don't be in a rush: listen and learn from people; watch board and Chair behaviour in particular; build in your mind different scenarios and learn from them. Try to gain the maximum experience you can manage, either through your own roles, from observation or through business qualifications and experience.

4 Accumulate a range of experiences and start early. Pursue executive and non-executive roles in a range of business models and sectors, including private, family owned or public sector. They are often less regulated and can offer rewarding and attractive career opportunities.

5 Follow your calling – only Chair boards of businesses that you feel a personal affinity for. Be focused and selective in the businesses you want to be in and be realistic where you can be successful.

6 Be curious about the company, the sector, its customers and suppliers. Invest time to get to know them, understand the issues. There is no good induction programme, you need to make it happen.

7 The Chairman runs the board, the CEO runs the business and they avoid doing each other's jobs. You want to have a good relationship with the CEO, but you need to keep an intellectual distance and the necessary integrity to be able make a call and challenge the CEO.

8 Maintain independence of thought. Come to your own conclusions, don't be afraid to speak up and state your view. Say it, but be careful how you say it, as that can have a strong bearing.

9 Thinking about your contribution to the business, take an interest in a particular part or angle of the business and see if you can bring that to bear.

10 One thing to be sure of, Chairs in the future will be more tech savvy. Get yourself up to speed and comfortable with technology.

11 Be mindful of the guidance around 'overboarding': avoid taking on too much too early, particularly if you still hold an executive level role.

12 Chairs also need a sounding board. Use your senior independent director as a confidant and build your peer network, particularly as you prepare to take on your first Chair role.

Contact us

William Touche
Vice Chairman

Sabine Benz
Director, Deloitte Executive and
Board Programmes

For more information about this research or our supporting events at The Deloitte Academy, please contact us at:
enquiries@deloitteacademy.co.uk

Endnotes

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