

# AUTHENTIC LEADERSHIP ON BOARDS (THE PERSON IN THE MIRROR)

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## WHAT IS AUTHENTIC LEADERSHIP

Much has been written over the years about authentic leadership but not much has been said in the context of Boards of Directors or Advisory Boards. Before diving deeper into authentic leadership's impact on boards, let's first define exactly what the term means. In an expert paper for the American Psychological Association called *Unlocking the Mask*, the author-researchers describe authentic leaders as (i) **self-aware** individuals who interact transparently with others, (ii) persons who are aware of the decision-making context, and (iii) who still stand up for their convictions in spite of social pressure to do otherwise.<sup>1</sup> [Forbes magazine](#) says that authentic leaders take decision-making seriously, even when the stakes seem unimportant. They understand that seemingly small choices can have a big impact on an individual, team, or organisation. Authentic leaders reflect on what they are trying to accomplish, who

will be affected, what consequences may occur and how their decisions align with their mission and values. Authentic leaders are true to who they are, while insincere leaders often make decisions that are inconsistent with, or contradictory to, their own beliefs. According to Shefaly Yogendra (NED of Temple Bar Investment Trust, London Metropolitan University and JP Morgan US Smaller Companies Investment Trust), authenticity means being whole, regardless of the situation, and not being performative. It is, however, important to point out here that achieving authenticity can be a struggle over time; specifically, when leaders striving to be authentic come up against larger forces such as entrenched corporate interests or traditions that are not conducive to authentic leadership practices.

<sup>1</sup> Avolio, Gardner, Walumbwa, Luthans and May, 2004

### About VAB

The Virtual Advisory Board (VAB) community was created to connect top talented senior professionals across the globe to engage with CEO's/Chairpersons of different industries and sectors to address their business challenges. Our community value proposition is to have a personalized, exclusive boutique platform for our advisors and clients, where they can connect, learn and network. For more information please contact [david@virtualadvisoryboard.co.uk](mailto:david@virtualadvisoryboard.co.uk).

## AUTHENTICITY'S IMPORTANCE ON BOARDS

Authenticity starts at the top! Board-level decision-making is the shared responsibility of all board members. We are well aware there have been ongoing scandals in corporations (Enron, Volkswagen, BP, Lehman Brothers, Wirecard, etc.) so **trust** is needed in board leadership. According to the [Edelman Trust Barometer 2021](#), faith in business has gained 2 points compared to 2020; becoming the most highly-trusted institution (ranking higher than NGOs, government and media). However, with a rating of 56 points, business still has a less than satisfactory score that needs ongoing attention and focus from businesses and their boards. Plus, it's important to add here that a small dose of skepticism should be applied to figures and statistics on authenticity and trust, while encouraging both business leaders and consumers to also examine corporate accountability. Accountability fosters greater trust in, and credibility of, leadership authenticity: by encouraging company directors, boards and other such groups to live their promises of authentic behaviour.

Impacting trust, however, is the fact that both the general public, as well as growing numbers of employees, do not like buying from or working for corporations. Although **employee engagement** has been on the rise since the start of the pandemic<sup>2</sup>, many people still find their work alienating, frustrating and unpleasant. We all know, however, that people who enjoy their work are more productive. So this is a crisis that companies are keen to address.

Trust comes from **genuine, authentic** leaders

who in turn are followed by people and employees who want to work for an organisation that really stands for something. Authenticity is needed in order to attract the best talent.

Authenticity is also a form of spontaneity and, when translated as "I voice credibly, consistently, and authentically the feelings that other people are also feeling", it can help address the danger of groupthink, i.e. cases where companies and their board members may fail to evaluate critically different points of view or courses of action thus leading to ineffective decision-making and disasters.

We spoke to a number of members of the Virtual Advisory Board, a network of talented senior professionals and advisors across the globe. None of the persons we interviewed saw a difference between authenticity for Execs vs. Non-Execs, nor for listed or family-owned businesses. Jerry Gamez (NED at Fafa's and Menu Technologies and Board Advisor at 7shifts) described authenticity as being empathetic and transparent. However, he pointed out that the dynamics in VC/PE-backed businesses may be different: if everyone at the table has invested in the business, the commitment is equal and you can tell each other the truth. If you are at the table as an independent NED, you need to know why you are there so that you can remain transparent.

<sup>2</sup> Josh Bersin, podcast September 2020, and Gallup 2020

## THE ROLE OF THE AUTHENTIC BOARD CHAIR

Chairs with an authentic leadership style favour motivation and commitment. To develop these traits in their teams, they promote the emergence of a participative, (psychologically) safe climate based on transparency and the sharing of ideas.

For reference, Amy Edmondson did an interesting [TED talk](#) on the topic of psychological safety in the context of Authenticity. Stakeholders are less tolerant of inconsistencies between what leaders say and what they do, but if a Board Chair operates with higher levels of integrity (as authentic leaders do),

(s)he meets higher expectations of accountability from corporate boards. Because this creates a deeper sense of moral values and expresses honesty and integrity, authentic leaders set an example for their followers who will then likely identify more strongly with them.

Authentic leaders are committed to developing authenticity in their followers. This, in turn, promotes exchanges and facilitates the pursuit of shared complementary goals. Board Chairs often lead a team of peer-equals: both as concerns status and

expertise. As board members they are leaders; and the Chair’s mission is to create a board environment in which individual leaders do their utmost to contribute knowledge and resources.

Board Chairs should develop non-executives’ attitudes and behaviours as concerns their work on the board. This includes cultivating pro-organisational motivation and effective organisational commitment. When confronted with challenging, sensitive decision-making, as is often the case on Boards, authentic leaders are able to steer discussions toward achieving goals and objectives that benefit the common good. According to Jaime Graña (board member at Nodos Digital), there needs to be full clarity from the start on how to win collectively so that everyone acts in the interest of the company in its entirety. It’s not only the responsibility of the shareholders and Board Chairs to keep everyone aware of this bigger picture.

A **PWC study** dating from February 2021 shows the importance of **group dynamics** and their impact on authenticity as each director brings his/her own habits, preferences, past experiences and individual **biases** to the board room. All of the latter impact the **board’s culture**. Authority bias, groupthink, status quo bias and confirmation bias are always present and can have an impact on the board’s decision-making: sometimes with disastrous consequences. In Shefaly’s view, various types of situations can arise. Two of the most common are that a) in some boards, the chairperson drives the agenda; or b) in other cases, the whole board drives and shapes the agenda. The latter culture encourages broader ownership and hence more authenticity. The former culture, where the power rests with the chairperson and others feel pressure to conform, encourages more performative behaviours.

## ALIGNING WITH COMPANY VALUES AND PURPOSE

Over the last few years, more organisations have become focussed on purpose. A **purpose-driven company** stands for, and takes action on, something bigger than its products and services. **Purpose** can be both an organisational strategy and a roadmap for remaining competitive in a fast-changing economy. According to PWC, 79 percent of **business** leaders believe that **purpose** is central to success.

The qualities of a truly **authentic organisation** can be summed up with the mnemonic, DREAMS, as per Robert Goffee and Gareth Jones:

- Difference – "I want to work in a place where I can be myself."
- Radical honesty – "I want to know what’s really going on."
- Extra value – "I want to work in an organisation that makes me more valuable."
- Authenticity – "I want to work in an organisation that truly stands for something."
- Meaning – "I want my day-to-day work to be meaningful."
- Simple rules – "I do not want to be hindered by stupid rules."

Board members and employees alike will relate to these qualities. However, board directors must live their own values rooted in their professionalism, breadth of vision, experience, empathy, character, and personal sense of courage. Otherwise, there will be a board of clones without diversity of thought. The idea that successful companies must have a **strong** culture and values in which individuals either do or do not fit is no longer valid. Instead, organisations must adapt to the individuals they hope to encourage and instil shared values in their teams. Authenticity is about more than being yourself; success is based on much more than conformity.

# TIPS ON HOW TO STAY AUTHENTIC

**1** Ask yourself at the end of each board meeting: what did I do well and what could I have done better? Authenticity and self-awareness require life-long learning.

**2** Look in the mirror every morning and ask yourself whether you can look yourself in the eye – "Just go to the mirror and look at yourself; and see what that man has to say." (Peter Dale Wimbrow Sr.).

**3** Set up your own Advisory Board that is critical towards you and gives you honest feedback.

**4** Stay curious about yourself, others and developments in your company and the world.

**5** Stay connected to your moral compass: sleep on your decisions and make sure you can stand behind them (or not!).

**6** Walk the talk, be a role model. According to Ali Khanbhai (partner & co-founder of Trimountain Partners), you can change people by being who you truly are. People will mirror your behaviour and, in this way, you can create collectively the authentic organisational culture you wish to develop.

**7** Listen to your gut and discuss issues openly when something doesn't feel right.

**8** Speak up! Or as Jaime says "Don't keep quiet; stand up for what you believe is right but be aware it is just one point of view and is not automatically correct: ensure that your view supports the "game to win" plan.

**9** Be yourself, everyone else is taken... (Oscar Wilde).

## ==== The Man in the Glass (Peter Dale Wimbrow Sr.) =====

*When you get what you want in your struggle for self  
And the world makes you king for a day  
Just go to the mirror and look at yourself  
And see what that man has to say.*

*For it isn't your father, or mother, or wife  
Whose judgment upon you must pass  
The fellow whose verdict counts most in your life  
Is the one staring back from the glass.*

*He's the fellow to please – never mind all the rest  
For he's with you, clear to the end  
And you've passed your most difficult, dangerous test  
If the man in the glass is your friend.*

*You may fool the whole world down the pathway of years  
And get pats on the back as you pass  
But your final reward will be heartache and tears  
If you've cheated the man in the glass.*