



## Center for Board Effectiveness

### On the board's agenda | US

Business not as usual: How the Breakthrough Manifesto and Business Chemistry<sup>®</sup> can help boards navigate uncertainty

#### Introduction

Just as we all were ready to shelve terms like “unprecedented times,” the human-centered world is seemingly shifting on its axis again. Continued pandemic hurdles, an increasingly hybrid workforce, and the increasing complexity of the board's role all mean boardroom dynamics are more critical than ever. As they grapple with ongoing uncertainty, some boards are challenged by tensions with management, or even factions within the boardroom, while others are looking to achieve greater effectiveness by better tapping into their diverse viewpoints and styles. When thorny problems arise,

a few principles from the Deloitte Greenhouse may help boards prevail, offering some key tools that could be differentiators for the enterprise.

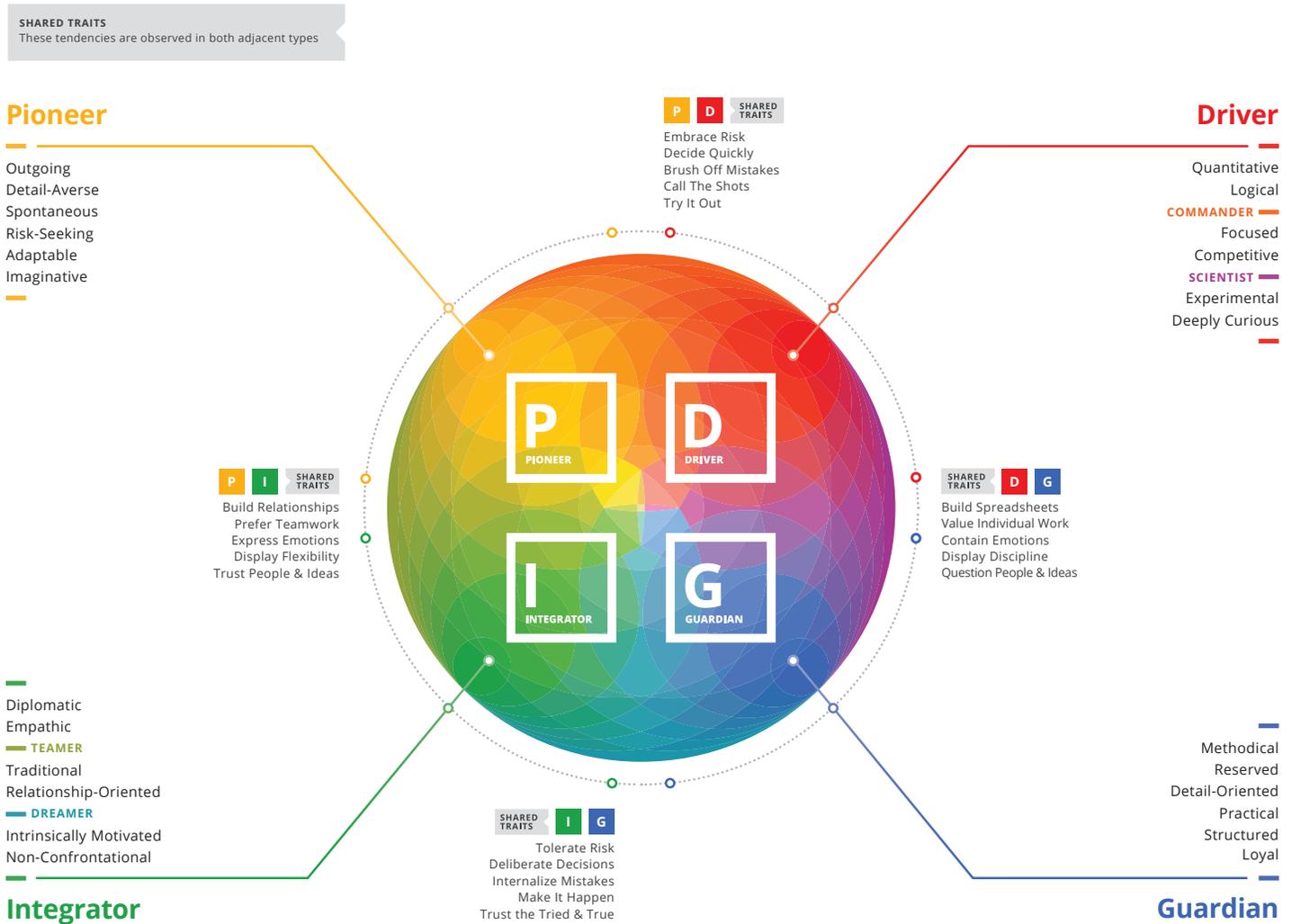
One of those tools is the Deloitte Greenhouse [Breakthrough Manifesto](#), a set of 10 guiding principles for creative problem-solving. When times and challenges are unprecedented, the same old ways of searching for solutions are likely not sufficient. Teams and boards can accommodate people who hone in on problems as well as those who are more focused on potential solutions. Applying the principles >

of the Breakthrough Manifesto can help boards approach problems from different angles. And since the role of oversight and insight is not tackled by one sole member, but rather as a whole board or committee, pairing these principles with Business Chemistry® can make them even more powerful. Understanding people's Business Chemistry types and their approaches to problem-solving can help boards to collectively meet these challenges.

We highlighted Business Chemistry in the [June 2019 On the board's agenda](#). The way board members connect, question, and trust each other is critical to the success of the board and the success of the enterprise. Business Chemistry can help individual members better understand and adapt to one another's styles, building trust that can allow them to solve problems more creatively together. As the 2019 piece discusses, "Business Chemistry is relevant for and can impact such wide-ranging matters as the composition of the board and its committees, the board's risk posture, decision-making, potential biases, and friction points. In other words, a board's Business Chemistry can greatly affect its effectiveness and have an impact on the performance of the company." Before diving into how pairing Business Chemistry with the principles of the

Breakthrough Manifesto can turn the tables on boardroom dynamics and governance, it may be helpful to offer a quick [refresher](#):

- [Pioneers value possibilities, and they spark energy and imagination.](#) They're outgoing, spontaneous, and adaptable. They're creative thinkers who believe big risks can bring great things.
- [Guardians value stability, and they bring order and rigor.](#) They're practical, detail-oriented, and reserved. They're deliberate decision-makers apt to stick with the status quo.
- [Drivers value challenge, and they generate momentum.](#) They're technical, quantitative, and logical. They're direct in their approach to people and problems. The two Driver subtypes are Commanders, who are more extroverted, and Scientists, who are more introverted.
- [Integrators value connection, and they draw teams together.](#) They're empathic, diplomatic, and relationship-oriented. They're attuned to nuance, seeing shades of grey rather than black and white. The two Integrator subtypes are Teamers, who are more extroverted, and Dreamers, who are more introverted. ➔



To discover which of the Business Chemistry types are influencing working dynamics around your boardroom table (whether virtual or in person), you can leverage these questions as you don that detective hat:

- Is there a board member who seems to respond to information immediately and somewhat spontaneously based on gut feeling? They might be a Pioneer.
- Is there a board member who has little affection for small talk and is not afraid to ruffle the feathers of other board members? They might be a Driver.
- Is there a board member who desires significant detail and time to process before deciding? They might be a Guardian.
- Is there a board member who frequently seeks consensus or interested in hearing all potential opinions? They might be an Integrator.

A board member does not govern on their own, and the effectiveness of any board can be limited by how well members govern together. Deloitte developed Business Chemistry to help increase the empathy and understanding that can lead to more powerful business relationships and more effective interactions in all kinds of business settings, from the boardroom to the manufacturing floor.

Now let's turn our attention to how Business Chemistry and the Breakthrough Manifesto can help boards tackle the increasingly complex, risk-laden, global challenges presented in both times of "crisis" and on "a clear day." With the market uncertainty from 2020 and continued considerations around disruption, talent, risk, and innovation, two Breakthrough Manifesto principles seem most applicable to boards today: *strip away everything* and *don't play "nice."*



### "Strip away everything"

From the first draft of your board bio, you've likely thought about your unique expertise and experiences as what makes you especially qualified to serve on a particular board. While this

can be helpful as you continue to take on new board and committee roles and leadership, your expertise just may hold you back when it comes to providing oversight and insight on the toughest challenges.

Orthodoxies are beliefs, tightly held, about what is true, how things should be done, or why they should be done that way. They are often based in established knowledge and can serve as important guides when the road ahead is uncertain, but they can also be wrong. For example, remember when some thought virtual work could never work? Expertise can make people closed-minded (a phenomenon known as the earned dogmatism effect), and what you "know" can be a limiting factor if it interferes with creativity and prevents you from seeing new possibilities. Relying solely on the core skills and expertise meticulously outlined in a board's proxy statement or skills matrix could stifle potential solutions, both "on a clear day" and in "crisis."

Instead of assuming that everything you have known to be true in the past remains true today, it can be a powerful exercise to set aside your expertise and challenge your orthodoxies to leave room for other perspectives and solutions to complex problems, especially those you've not grappled with in the past, like a global pandemic.

Putting hard-earned expertise aside may be easier for some Business Chemistry types and harder for others. Drivers and Guardians tend to be more invested in being experts and therefore may hold more tightly to the orthodoxies associated with their expertise. Members of diverse boards can help each other strip away everything they think they know to open up possibilities.



How to bring this principle into action with your board:

- Identify the core orthodoxies with which your board is governed. What are the norms on trust, agendas, and risk evaluation? As the [January 2021 On the board's agenda](#) detailed, "boardroom agendas in 2021 are likely to include a renewed focus on how to survive a crisis. This focus may include looking backward by conducting postmortems to assess how the business addressed the pandemic, as well as looking forward to determine where existing plans need improvement, updating playbooks to address a broader variety of crises, and engaging in wargaming exercises."
- Engage in an exercise of flipping your orthodoxies, assuming, just for a moment, that their opposite is true. How might that open up the possibilities for solutions? Ask Pioneers to help paint this vivid picture of the art of the possible.
- As you strip away everything and challenge orthodoxies, encourage Integrators, who thrive by making connections and establishing context, to anchor their thoughts within the new truths that can provide a different "take" on reality. That anchor can help them identify new connections and spark trust in the potential solutions.
- Assure Guardians and Drivers that the request to put aside their expertise is temporary, and give them a solutions-oriented structure within which to brainstorm and experiment. ➔



## Don't play "nice"

The past 16 months of meeting, selecting, and onboarding new board members and executives virtually, all while navigating challenging new crises, have likely shown many that building connection, trust, and empathy needs

to be ever more intentional. As the workplace and workforce continue to evolve toward hybrid models that combine in-person and virtual work, "walking the floor" with management will need to operate differently as well. When crises take hold and paradigms shift beyond what's recognizable, it's more important than ever that boards are seeing and communicating clearly about what's happening. It can be tempting to ignore the elephant in the room, but as author Karen Joy Fowler astutely noted in her 2013 novel, *We Are All Completely Besides Ourselves*, "When there is an invisible elephant in the room, one is from time to time bound to trip over a trunk."

Despite the importance of calling out elephants, not everyone is equally comfortable speaking up. Author Kim Scott's *Radical Candor* model illustrates two forms such silence can take, to paraphrase: *Ruinous empathy* is holding your tongue because you're afraid of hurting someone's feelings, while *manipulative insincerity* is keeping quiet out of a desire to fit in. In either case, keeping your thoughts to yourself can hurt the board's efforts. And yet, as powerful as speaking the truth can be, not playing "nice" is not a license to be a jerk, what Scott calls *obnoxious aggression*. The goal isn't to create an environment where people feel at risk of being attacked. The ideal tone, from Scott's perspective, is *radical candor*, challenging directly and showing that you care personally at the same time. Think about how to acknowledge the elephant, validate others' views of that elephant (it is rather large), and move the discourse to a common goal.

While it is important to be respectful and courteous in the boardroom, playing "nice" can sometimes lead to dire consequences if true challenges, or elephants, are not faced efficiently and effectively. Within the context of Business Chemistry, "playing nice" may show up in different ways. Here are a few ways it could play out in your boardroom:

- An Integrator might sometimes be hesitant to immediately call out an issue. To avoid direct conflict, they'd often rather gauge the temperature of what others think first.
- A Guardian might not mention an issue if they are trying to gather more information. Perhaps there is more they can learn about how the issue arose and what precedent exists for providing oversight on such an issue.
- A Pioneer may not even notice an issue if they're focusing on what's next, as they often are.
- A Driver is perhaps the least likely to play "nice," but they may not pay sufficient attention to how a message is delivered or received when calling out an issue.

Consider these actions for encouraging your board to bring *radical candor* and stop "playing nice":

- People are more likely to speak up when they feel a high level of commitment to a group. Raise commitment by building trust, empathy, and focused purpose.
- People are also more likely to speak up when they think it will make a difference. Encourage everyone to raise difficult issues, then respond with gratitude, taking (and attributing) appropriate action whenever possible.
- Share information so people feel in control and there are no surprises. As Colin Powell once said, "Bad news isn't wine. It doesn't get better with time."
- Set the tone by practicing and teaching the techniques of *radical candor*, delivering honest feedback and insight while not sacrificing empathy and connection.
- Consider creative vehicles to make speaking up easier, like even bringing an elephant figurine to call out the elephant in the room.

## Conclusion

Your board may consistently look to the past for ideas on how to tackle the toughest problems, or it may already be thinking about testing new solutions and creative approaches. Either way, how your board navigates the murky waters ahead could benefit from thinking through the lens of Business Chemistry and the principles of the Breakthrough Manifesto. Even in this hybrid environment, connecting is essential. Business Chemistry is about more than how you can be more effective in one-on-one interactions with fellow board members, committees, and teams; it is also about getting the best out of committees and boards and how to draw out strengths, trust, empathy, and top performance. Implementing just a few of the Breakthrough Manifesto principles may also allow the board additional opportunities to be leveraged as the strategic asset that it should be to management, the company's shareholders, and other stakeholders. As boards think about their continually more demanding and complex role, harnessing the power of Business Chemistry, stripping away everything, and not playing "nice" can lead to fast breakthroughs on the toughest problems ahead. ➔



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### About Business Chemistry®

Expressly designed for use in a business context, Business Chemistry draws upon the latest analytics technologies to reveal four scientifically based patterns of behavior. The system is designed to provide insights about individuals and teams based on observable traits and preferences. To learn more about Business Chemistry, visit [www.deloitte.com/us/businesschemistry](http://www.deloitte.com/us/businesschemistry) or read the book *Business Chemistry: Practical Magic for Crafting Powerful Work Relationships*.

For general Business Chemistry questions, please contact [chiefchemist@deloitte.com](mailto:chiefchemist@deloitte.com).

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