Pearl Meyer

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The Board's Role in Culture: Self-Governance



Jannice Koors

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Transcript

Jan Koors: We've been talking about culture for the company. How does that play out in culture of the board?

Phyllis Campbell: Well, I think it's really important to make sure the board wrestles with, "What is the board culture?" Now, there ought to be, obviously, alignment ... board culture to company culture. And, I think the board needs to spend some time saying, "What are the principles against which the board holds itself, which hopefully, are aligned with culture? How do we, as board members, look at ourselves, our behaviors, our performance?" And, spend some time doing that. At least for me and our board, that took a little bit of time. But, we recruit against that, we evaluate ourselves against that, and in many senses, we make sure we're aligned with management and the entire organization. I think that's really important.

Jan: So, Dave, I want to bring this back to the compensation committee specifically. Can you talk about how over your experience dealing with comp committees, how you've seen committees change in terms of their scope of responsibility, and the areas that they focus on beyond just compensation? How have you seen that evolve?

Dave Swinford: Compensation committees, historically, were personnel committees. They actually talked about the level of talent that was in the organization. And, I think that what has evolved is that the board has recognized that they need to make sure that the talent within the organization is adequate to the future, and you can't rely on management, or especially just one person, like the CEO, to do that. So, I think the committees have started to ask more questions, first through the succession planning process on ... you know, "What kinds of talents are we bringing forward? Is this adequate to our needs for the future?" But, then, committees, as they've delved into that, have started to talk about, "Okay, if we need these kinds of people to be in the succession pipeline, then how do we have to train people at earlier stages in their career?" And, it's become an overall review of

the talent development process and the talent evaluation process.

About the Author

Jan brings 30+ years of executive compensation and governance experience, advising boards and management on strategic human capital decisions tied to long-term value creation.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.