



# Onboarding insights for new directors

KPMG Board insights podcast



**Announcer:** This is the KPMG Board Insights podcast, and this episode is about onboarding insights for new board members.

Hello, everyone, and thanks for joining us. This series is brought to you by the KPMG Board Leadership Center. The KPMG Board Insights podcast features conversations with directors, luminaries, and business leaders exploring the emerging issues and pressing challenges facing boards today.

In this episode, BLC Senior Advisor Susan Angele and Better Boards Initiative Co-founder Cate Goethals discuss the initiative's recent publication containing onboarding insights for new board members based on interviews with experienced directors.

**Susan Angele:** Welcome to the podcast. I'm Susan Angele, a senior advisor at the KPMG Board Leadership Center, and I'm joined by Cate Goethals, who's a long-time business professor at the University of Washington Foster School of Business, also a founder of the Better Boards Initiative, and author of the report "[Advice to New Board Members: Onboarding Insights From More Than 100 Sitting Corporate Directors.](#)"

Welcome, Cate.

**Cate Goethals:** Thank you, Susan. It's such a pleasure to be here.

**Susan:** And it's a pleasure to talk to you. So let's start with ... first give us some background on the work of the Better Boards Initiative. Why was it created? How was the research that formed the basis for the report conducted?

**Cate:** Well, my partner, Joanna Lohkamp, and I believe that boards have real power to make the world a better place, and diverse boards, in particular, can contribute to that because companies can do good. So we're like, "How do diverse boards work?" We wanted to speak with directors who

have sat on diverse boards. So we interviewed 103 of them. All had sat on at least two diverse boards. Half of them were men, half of them were women, 40 percent [were] BIPOC [Black, Indigenous, and People of Color] in line with the U.S. census. And we asked them a number of questions.

They were hour-long interviews, but this first report is focused on advice to new board members. And of course, new board members joining a diverse board have a different experience than those joining a board where everybody else is different from them. And so we sort of formed this with them in mind, but as boards diversify, there are more and more new board members. And so, there's more and more need for new more members to come in and navigate the boardroom. As one of our interviewees said, "Boy, I wished I had a decoder ring for how things really worked in the boardroom," because it wasn't what she expected at all. What was important wasn't what she expected at all. And so, in a way, we're hoping this first report is a decoder ring for new board members.

**Susan:** I love that—the decoder ring for the boardroom. I love the fact that you asked the interviewees what they wished they'd understood when they joined their first board. And one of the phrases that came out that I just found so fascinating was this concept of the hidden rules of board culture. Talk a little bit more about what you found and ... some of the insights that came through on that topic.

**Cate:** Well, first off we were really surprised ... It was just overwhelming. What is it that you wish you knew? And it was this idea of these hidden dimensions of board culture. And so, it wasn't about board rules or governance or whatever. It was all about culture. So, what happens in between meetings? How are decisions made? What are the long-held values of the board? What are the sacred cows? Who knows who? How? There's sort of all of

these cultural aspects that are important to get to know, and of course each board is different. And so, there's sort of initiation time. You have to really spend dedicated time thinking about these hidden dimensions.

**Susan:** And, one of the other things that came up on your second question ... you said one of the topics is "getting to the right altitude." So, I know from my own experience talking to aspiring board members, new board members, that the culture piece absolutely resonated with what I've heard and spoken to, and also this concept of getting to the right altitude. You're no longer management. You're in a different role as the board. So, what does getting to the right altitude mean? And how did people think about that?

**Cate:** Well, I think a newbie board director wants to do a great job. And so, if they're coming from an operating background, they want to solve management problems ... And of course that's not the role of a board member. There's no way a board member coming in four times a year or six times a year knows the business better than management does. And in fact, they're there to actually have that strategic distance. So, a newbie board director might want to say, "Why didn't you do X? Why didn't you do it this way?" or want to be directive in some way, when in fact, the role of the board is to open the aperture for management and to say, "What alternatives did you consider? What made you choose that path?" and ... to open up the discussion and ... help management see even more broadly, but it's done from a position of respect.

Also, what to bring up in a board meeting. There's ... 10 of you in the room or 8 of you in the room, and you're there for eight hours and management is presenting for a chunk of that time. So, you have to get a sense of what to bring up, what to leave for later, and what not to talk about at all—to say, "Okay, that's a management issue. They can just go off and deal with that." And it takes getting some sea legs to [get] all of that right.

**Susan:** And, to hear about what the experienced board members went through and their advice on doing that to new ... board members—it's so ... important. And it can be very challenging. There were a couple of other things that you touched on that I want to get your view of also—building relationships and this whole concept that you raised ... of knowing how and when to contribute. Obviously, those are challenging for any board member, but there's really particular resonance in the context of boards becoming more diverse. So, your thoughts on these and what you heard from the research?

**Cate:** So, on building relationships, I think the advice is get to know everyone. Get to know

everyone on the board. You can ... set up meetings with everyone, ... but it's better to do it in person because you want to know people at a deeper level, more social level. I think that's a surprise for new board members, where really ... you want to know ... about the kids and the interests and the extra stuff so you can get a real sense of who you're dealing with, because in a crisis situation, you have to know who you're dealing with.

The advice is to build bridges. There's a lot of one-on-one conversations surrounding board work. And as one director said, "If you're not in that loop, I don't know how you can be effective." You have to know what people are saying. Different boards make decisions different ways. Sometimes decisions can come into the boardroom baked because of all the conversations surrounding them that have occurred. And you want to be a part of that ecosystem. And so, when to contribute is an interesting question.

A lot of board members ... that I spoke with, they just had vastly different ideas on this. They're like, "Wait until you're completely up to speed. Wait for a full year." Other people say, "Don't do that. It'll be too late. People will think you're not holding your weight."

And so, I think really the best ... median advice is ... be prepared to contribute. Set yourself up—overprepare so that you know, within yourself, you have done everything you can to be able to contribute. Have a point of view. Formulate your views before the meeting. You don't have to share them, but have a point of view. It's your job as a board member to actually have a point of view, but express it only where it's additive. You don't want to be doing it out of insecurity. You don't want to be taking other people's airtime. You want to be adding a little bit and, and in the beginning, you may not want to overdo it. But as one board member said, ... "You get one free pass ... You get one meeting where you're ... not quite there, but after that, you've got to be contributing at the right level."

There's the other issue of how much to conform. As a board member, you have to be comfortable expressing an opinion that is different from the rest of the group. And in fact, one board member said that was really hard for him—to realize that really, he ... had to be himself. He really had to express views that were different. And ... in fact, one chair said he will actually take a board member aside if they're not doing that. He said, "If we wanted six more people like what we've got, we would've gotten six more people like what we've got." You know, you have to ... be yourself, but you also have to be congenial. You have to realize that that your viewpoint might not win out. One board member put it this way. He said, "Fit in just enough so you're not thrown out."

**Susan:** I love that one. Great advice for any—not only aspiring director or new director—but even an experienced director to ... look at themselves in that light. So, I know that as you talked to your 103 board members, there were many more questions that you asked and ... hours and hours of insights. So what's ... next for Better Boards Initiative?

**Cate:** Well, we've loosely planned two more reports. One is how does diversity work in a boardroom? You know, if you think of boards as traditionally white and male and basically CFO, finance-oriented, what has diversity done to boards? How are they different with women and people of color and directors with ... different backgrounds? How does that work in the boardroom?

All the statistical public company research says boards are more effective if they're more diverse. How does that work? So, that's the next report. And then, we really aimed to look at best practices for diverse boards. How do you integrate all the voices? How do you pull people together to come up with these better decisions? And that is the final report. That one actually may be a series of reports because there's so much there.

**Susan:** I think it'll be fascinating. And again ... boards are becoming more and more diverse. The new and up-and-coming board members, so many have learned so much about board service before

they join boards that they are probably better prepared than any board members in history. And so, it's fascinating to see how those dynamics are working and how that is, as we know and as you said, adding to richer discussions and overall better decision-making.

**Cate:** I think the interviewees said that the new board members coming in were far better prepared than they had been. Far better prepared.

**Susan:** Exactly. I just want to thank you again for joining me. It's really been a pleasure to talk to you. And I know that the insights are going to prove ... invaluable as people listen to this podcast and reflect on "What does that mean for me as an individual board member?"—again, whether a new board member or an experienced board member. So, thanks again, Cate, and I look forward to having you back as future papers come out of the initiative.

**Cate:** Thank you, Susan. It's such an honor to be here.

**Announcer:** Thank you for listening to this episode of the KPMG Board Insights podcast. Be sure to visit the Board Leadership Center website at [kpmg.com/us/blc](http://kpmg.com/us/blc) for more resources and information for board members and business leaders, and be sure to subscribe to the series to be notified of new episodes.

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KPMG Board Insights, brought to you by the KPMG Board Leadership Center, features conversations with directors, business leaders, and governance luminaries to explore the emerging issues and pressing challenges facing boards today. The episodes are designed to be conversations with experts focusing on critical priorities for board and corporate leaders.

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