



Magazine Article / Leadership

The Skills Board Chairs Need Now

They must juggle competing stakeholder priorities, adapt as new technologies upend strategies, and help a diverse group of directors find common ground.
by Pedro Fontes Falcão and Randall S. Peterson

From the Magazine (March–April 2026) / Reprint [R2602H](#)



Jacqueline Hassink; courtesy of the estate of Jacqueline Hassink and Benrubi Gallery

Being an effective board chair is harder than ever. Today chairs have to manage a growing and increasingly diverse group of stakeholders whose demands often conflict, while the environment their firms operate in has become more and more chaotic. With new risks emerging from climate change, technologies like artificial intelligence, and political instability, the number and complexity of problems their companies face have risen dramatically. Meanwhile, the directors that chairs must work with have become more diverse too. All these developments

have made the chair's job not only more difficult but also more time-consuming than it was just a decade ago.

An ongoing research project that the Leadership Institute at London Business School began in 2021 confirms that the demands of the role have changed substantially. Interviews with more than 100 FTSE-listed directors, including 30-plus chairs, revealed that classic strengths, such as deep executive experience and a track record of setting and executing strategy, have become less critical to chairs' success than the ability to synthesize massive amounts of information, identify patterns in complex data, listen to and reconcile competing perspectives, and manage apparent contradictions.

In the decades we've spent working with and studying more than 1,000 directors, including hundreds of chairs, and serving as directors ourselves, we have similarly seen board requirements change. Just like companies, boards now have to be more agile and much more skilled at dealing with complexity and conflict. The most effective chairs address that challenge by creating a culture of learning and modeling ways to monitor a wide variety of stakeholder voices and collectively solve problems. They also engage more intensely with their CEOs, to help them manage the greater—sometimes overwhelming—demands that boards are making on them. In this article we'll share our insights into how some chairs—especially nonexecutive chairs—are successfully playing this role.

Creating a Culture of Learning

Boards now confront a world where there are very few right and wrong answers, where better and worse answers can change overnight, and where strategy can be upended by the events of a single day. To thrive in this environment, they must be able to pivot quickly, and to do that they need to get all their members to contribute fully and

collaborate in a positive, respectful way. As a result, chairs need to establish a psychologically safe environment, orchestrate constructive debates where directors feel free to express different points of view and challenge one another, and at the end of discussions, synthesize everyone's input and get the board to make a collective decision. Here's how effective chairs do that.

They facilitate feedback. All directors (including the chair) need to get meaningful feedback about their boardroom behaviors. Most directors know this should happen, but in practice it rarely does. Smart chairs tackle this task in several ways. They get together informally and privately with individual directors to give and gather feedback and help them reflect on how to add more value to discussions. At the end of board meetings, they immediately conduct a general debrief with the whole board. Last, they commission formal assessments: For instance, some have an external professional interview all directors, analyze their responses, and then hold a discussion with the directors about how to improve boardroom interactions and culture. And a few boards have even begun using AI to gain additional insight into how they operate. (See "[How Pioneering Boards Are Using AI](#)," HBR, July–August 2025.)

They embrace contradictory views. Effective chairs understand that multiple, even conflicting, perspectives can be useful for unpacking complex issues. At the same time they strive to achieve a consensus on decisions rather than resorting to a vote where the majority prevails. The chair of an energy company told us he always leaves time at the end of board meetings to return to agenda items for which no consensus emerged during discussions. He said that allows tempers to cool a bit and rigid positions to soften. However, if the directors still can't reach consensus on an issue, and it's not urgent, he'll propose that the board postpone a decision on it. Though chairs that do this may be perceived to be avoiding difficult choices, they also avoid the negative impact

on the board's culture that dividing the directors with a vote on a contentious proposal can produce.

They influence but do not manipulate. A robust culture of learning cannot take hold if chairs position themselves as the boss and try to impose their ideas on the board, whether aggressively or subtly. This can be tempting to do when they have more information than the other directors do, which tends to be the case because they have more conversations with the CEO and more individual discussions with directors than anyone else on the board. The best chairs encourage all directors to voice their thoughts in meetings and know how to share their own ideas without making others feel manipulated. One chair we interviewed realized how important that was after serving on a board where after some time she started feeling like a puppet whose strings were being pulled by the chair. She then quit.

Effective chairs offer their perspective without making it seem as if it's the default answer. They express it in a manner that invites additional viewpoints—or they wait until other perspectives are aired first. One chair told us that he used to be the first to present on each topic but started getting the feeling he was biasing the boards' decisions, since his opinions tended to “win” on most occasions. So he focused on facilitating the discussion instead and presented his views only near the end of it—and only if similar ideas had not yet been offered. His board's discussions then began to flow better, with more and richer contributions from all directors, and ended up producing better decisions.

Managing Diverse Kinds of Knowledge

As increasing complexity drives a need for a wider range of knowledge in the boardroom, boards are becoming more diverse, both demographically and in terms of functional expertise. Chairs need

to ensure that diversity on the board is relevant—not just tokenism—and foster an inclusive culture that challenges assumptions about what directors look like, the experience they bring, and where they come from. (See [“Is Your Board Inclusive—or Just Diverse?”](#) HBR.org, September 28, 2022.) Here’s how the effective chairs we’ve studied accomplish that.

They do skill audits. The best chairs regularly assess the current directors’ capabilities, experience, industries, and views to ensure that as a whole they align with the company’s culture, strategy, and competitive position. The results of those audits then inform the nomination committee’s work recruiting and selecting new directors. The chair should play a major role in establishing a process for filling nonexecutive board roles with needed skills and diverse perspectives. Despite recent public pushback, most directors we interviewed still felt strongly that diversity was important, in part because nonstatutory board committees have grown in number and now include committees on subjects that require more-specialized knowledge, such as sustainability.

That said, a variety of backgrounds and perspectives can be difficult to manage. Understanding who directors are, including their personalities, values, and functional backgrounds, is vital to dealing effectively with them individually and as a group and getting them to work well collectively. (See [“6 Kinds of Board Members—and How to Influence Them,”](#) HBR.org, December 23, 2023.) One chair we interviewed noted: “It’s like managing a stock portfolio, where you have to ensure all stocks have some general key characteristics while having diversity. But the goal is not diversity for its sake because in the end the portfolio as a whole must have high performance.”

There will probably be desirable skills and knowledge that the board will lack; inviting external experts to advise the directors can address those gaps. Such experts can help board members understand the increasing number and types of risks that don't get covered by corporate auditors, owing to time pressure or lack of know-how.

They ask directors with expertise to teach others. Directors historically have been generalists with broad experience as executives, but as we've noted, boards are increasingly adding specialists in areas such as cybersecurity, the use of AI, and other advanced technologies. The temptation is for other directors to defer to those experts whenever they discuss a topic in the experts' domains. The problem is, board decisions are never isolated; there are always trade-offs to be made about resources, competing demands from other projects, and so on. One director told us that when his board deferred to a director who was a cybersecurity expert about a major purchase, it resulted in serious underinvestment in the rest of the business over the next three years. The company had the best cybersecurity money could buy, but it lost ground because it had underfunded the core business.



Jacqueline Hassink's *Table of Power* series explores power and authority in images of the boardroom tables of major European multinational corporations.

A better approach is for chairs to encourage their boards' experts to share key insights, observations, and information about risks with the other directors before board meetings at which an issue will be addressed. This should be done in the form of briefings or reading materials. Then the meetings themselves can be devoted to value-added discussions of trade-offs and challenges involving the proposals related to the issue.

They promote curiosity. Asking good questions has long been an important part of the directors' role, of course. In the past decade it has become even more essential. That's why board meetings should leave plenty of time for directors to raise questions that might unearth diverse insights. Because of this chairs need to see that most information is shared far enough in advance of meetings that directors can review and reflect on it. That allows meeting presentations to be kept short (with no long PowerPoint decks). Chairs should also make sure that any

novel points of view raised are taken seriously—that good ideas are not overlooked because only one person initially advocates for them.

After supplying papers by internal and external experts to the nonexecutive directors in their meeting-preparation packages, chairs can use side conversations before the meeting to figure out questions that the whole group should discuss. (See “[Back Channels in the Boardroom](#),” HBR, September–October 2019.) To minimize the risk of being surprised by a director’s opinion during the meeting and to anticipate potential conflicting views among directors, one exemplary chair we observed contacts all board members two to three days before each meeting to ensure they’re prepared and find out if anything makes them uncomfortable. That helps the chair plan and manage the board’s discussions.

Managing Trade-Offs Among Stakeholders

Issues such as diversity, sustainability, the use of AI, and maximizing profits present complicated trade-offs for boards. The fact that stakeholders often hold strong and contradictory positions on them makes this challenge a paramount one to address.

Consider water companies in the United Kingdom. A nonexecutive director of one told us that in that sector boards have to contend with shareholders looking to maximize profits, ratepayers seeking lower bills, and environmentalists wanting fewer sewage leaks. Many boards have chosen to prioritize the demands of one group over those of the others, mostly favoring shareholders, he said. But because they never worked through the trade-offs that would have been required to address stakeholder groups’ different demands, regulators are now doing it for the companies, and they face a raft of new regulations protecting customers and the environment.

To avoid similar predicaments, effective chairs do two things:

They explore stakeholders' conflicting interests. Consider Paul, who has chaired several boards and currently heads one at a large utility company. He told us that he gathers key stakeholders' perceptions of and expectations for their relationship with the company. "This not only gives me a better understanding of stakeholder views but also makes stakeholders feel heard and valued even if board decisions are not as they would wish," he said. Then he asks the risk committee to map the different demands and expectations of these stakeholders and organize a discussion with the full board to analyze them in the context of the company's culture and strategy.

They assess stakeholders' potential to harm the company. While boards should try to maximize value for all stakeholders, it obviously is impossible to please all of them all the time. Consequently, chairs should ensure that boards evaluate the damage that any one stakeholder group could inflict on the company if a decision goes against its wishes or interests and consider how to mitigate the potential fallout. Paul and the CEO of the utility formulate a plan for how and when to engage with strategic stakeholders and, if possible, how those who get the short end of the stick might be compensated in some way.

Easing the CEO's Workload

Boards now make greater demands on CEOs and senior executives than ever before. They're asking for more and more information—for instance, on geopolitical risk and technical matters like AI and cybersecurity. Because of this, chairs need to serve as an intermediary between CEOs and directors. And the chair's job now entails more than being an executive coach or adviser; the chair must actively share some responsibilities with the CEO (and top executives)—and as a result

needs to be aligned with the CEO on how to approach them. Here's how exemplary chairs work closely with CEOs.

They manage boards' demands. The growing number of board committees, which now include those that focus on specific areas such as innovation, sustainability, and science and technology, has increased the chief executive's workload over the past decade. It's important for the chair to make sure the committees' output doesn't impose too much on the CEO and other executives. Ideally, the chair and the CEO will coordinate on managing the workload, with the chair helping to limit board requests for information and the CEO making sure that the volume of board work doesn't distract the firm's executives from running the business.

This new way of working is somewhat at odds with the traditional notion that a nonexecutive chair should be independent from the CEO. One remedy is for the chair to appoint a lead, or senior, independent director to be a liaison between the nonexecutive directors and the chair. That director would also typically oversee the processes for assessing the CEO and for finding successors to the CEO and the chair, replacing the chair on the nomination and remuneration committees.



Jacqueline Hassink; courtesy of the estate of Jacqueline Hassink and Benrubi Gallery

Some chairs have even extended this model and asked other nonexecutive directors to serve as stewards for other members of the management team. A good example is Sophia, the chair of a large U.S. clothing retailer's board. When the company hired a new executive whose responsibilities included e-commerce, Sophia and the CEO promoted meetings between the executive and a female board member who had considerable e-commerce experience. The director offered to discuss key issues whenever the executive wished. At first the executive only occasionally asked to meet with her. But over time, after he realized that she could help him gain the board's approval for e-commerce initiatives, he increased his interactions with her.

They coordinate stakeholder management with the CEO. As stakeholder groups grow in number and power, the job of dealing with them has become bigger and more complex. It now spans the boardroom and the C-suite, and the chair must partner with the CEO (or with the senior or lead independent director if the chair is also the CEO) and the CFO to manage it. One chair we interviewed named Sarah meets regularly with her CEO to discuss how to tag-team some of the more-difficult stakeholders and when she might fill in for the CEO if his schedule doesn't allow him to meet with them. However, she consciously avoids situations where she would be meddling in more-operational issues.

Tensions may arise when the chair meets with stakeholders besides shareholders, especially if the CEO believes the chair is intruding into the responsibilities of the management team. To minimize this risk, the relationship between them needs to be open and based on trust and cooperation.

Consider Anne, who chairs the board of a large financial services company. As soon as she was elected, she met with the CEO and told

him she had no intention of stealing the limelight from him. She said she wanted them to have an open, win-win relationship. In practice, that would mean always being available to him, informing him of any meeting she'd like to have with any executives, talking to the media only when the CEO believed it made sense, and meeting with stakeholders only to address corporate governance issues—and always letting him know beforehand.

Another chair one of us worked with goes even further to maintain trust between the CEO and the board. He allows the CEO to clarify issues with the directors in meetings but intervenes if the CEO seems to be heading into an argument with any nonexecutive director. By ensuring that no harsh words are exchanged, he reduces the risk that the relationship between the CEO and the directors will be damaged, which would affect his ability to successfully manage the board in the future. “I, not the CEO, do the arguing with directors, if needed,” he told us.

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Today being an effective chair demands more work than ever. Chairs must manage a more diverse team, have closer relationships with CEOs, and balance often-conflicting interests of stakeholder groups. They also have to contend with complex risks such as climate change, political instability, and the disruption caused by new technologies like AI. But when the right person is in the job, filling the larger role we have just described, a board can increase the odds that a company will succeed.

*A version of this article appeared in the [March–April 2026](#) issue of *Harvard Business Review*.*



Pedro Fontes Falcão is a board member and a professor at Iscte-Instituto Universitário de Lisboa, the deputy director of its Business Research Unit, and the executive MBA director of Iscte Executive Education.



Randall S. Peterson is the founding director of the Leadership Institute and a professor of organizational behavior at London Business School. He is a coauthor (with Gerry Brown) of *Disaster in the Boardroom: Six Dysfunctions Everyone Should Understand* (Palgrave Macmillan, 2022).