Excerpted from *A More Effective Board of Directors*, Ana Dutra, Harvard Business Review, November 5, 2012

My colleagues and I recently studied what makes some boards more effective than others. We found that boards tend to progress from good-to-great along a four-phase continuum: 1) foundational, 2) developed, 3) advanced, and 4) strategic. Essential to creating a high-performance board is agreement and alignment, at the outset, on where the board actually stands in this continuum and where it needs to be.

The continuum essentially represents a corporate hierarchy of needs, akin to the famous personal-development hierarchy created by psychologist Abraham Maslow. In the corporate model, you equate a "foundational board," which provides basic compliance oversight, to basic survival needs such as food and shelter in the human hierarchy. Similarly, a "strategic board," which provides prescient forward-looking insights to form a company's foundational strategy, is fully actualized and high-performing.

Foundational — survival — boards focus on compliance; they play it safe. These are the weak performers in the corporate food chain, with directors who are unwilling to take strong positions, make tough decisions, or play proactive operational roles. Strategic — actualized, in Maslow's terms — boards underpin high-performance companies, where directors take appropriate risk to make significant contributions and lasting impact on enterprise value.

So how can weak boards advance along the effectiveness continuum if they find themselves clinging to survival basics? In our study, we found five elements — "disrupters" — that tend to hinder the progression of boards toward self-actualization and high performance:

- **Lack of clarity** on the roles of individual directors and the board as a whole. Role ambiguity slows decision-making and causes unnecessary director conflicts.
- **Poor process management** hinders effective board preparation, meeting management, and communications. This results in indecisiveness and a lack of urgency on critical challenges facing the organization.
- **Lack of alignment and agreement on company strategy** causes disinterest among board members, who then simply default to tackling regulatory and compliance issues. Poor strategic alignment also hampers a board's ability to prioritize issues and set their near-term agendas. This often causes board disruption and sends damaging signals to financial markets.
- **Poor team dynamics** fracture boards and lead to power struggles. Like any effective working group, a board should be comprised of professional peers who respect and work well with each other.
- **Board composition** is a serious impediment, if not done right. Today's challenges require new perspectives and skills. But boards often lack the ability to objectively evaluate their makeup to determine if they have the right people and skills at the table.