

# Energy Boards Can Help Their CEOs Shine

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By Steve Goodman



The challenges posed by the epic turbulence in the price of oil will highlight how effective the boards of directors of different companies are in providing meaningful guidance and counsel to their CEOs. The advisory role of the board is all the more essential because three decades ago, during the last upheaval of this magnitude, the current cohort of CEOs were only junior or middle managers.

Little of what was successful for them then will help now that they must lead entire companies rather than merely manage a team as they did when they were more junior. Most CEOs thus find themselves in uncharted territory. Based on my experience working with hundreds of boards and CEOs in a range of market environments, there are three essential things boards can do to help their CEOs in this uncertain time. And because many CEOs may not know to ask for them, boards need to take the lead and provide them proactively.

***Increase interaction between Chairman and CEO.*** Boards should be sensitive to the fact that CEOs may subconsciously view the current environment as a “test” of their leadership ability, with any calls for help to be interpreted as weakness. Of course, the exact opposite is true: Even in the C-Suite and boardroom, surviving downturns are team efforts. Let the CEO know that if there is a test, it is of his or her readiness to draw on the experience and perspective of the board to find the best solution.

***Hold up the mirror.*** Even the best leaders are human and can take on unflattering characteristics during periods of extended volatility. Watch for common CEO derailers: leading by decree, having unrealistic performance expectations or only taking a short-term view. Provide empathetic but firm feedback to help the CEO continue to be his or her best self.

***Don't let the crisis go to waste.*** It's been said that experience is a harsh teacher because it gives the test first and the lesson afterward. In the same way, the current turbulence serves as an unforgiving but highly effective finishing school for future CEO candidates. Both the board and the CEO have a vested interest in leveraging this reality. Make sure the CEO draws upon his or her team, letting them hash out possible approaches. The CEO's job isn't to solve the problems solo, but create the environment of discussion and creative tension that lead to innovative solutions. Every person involved will become a better leader because of it.

Energy company boards have their own challenges, from activist investors to ongoing regulatory scrutiny. In the current environment, however, the board's number one priority needs to be giving their CEO the guidance and care he or she needs to be the leader this dynamic period demands.

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