



The New Director's Chair

Conversations with business leaders about changing board dynamics in an age of disruption.



Cammie Dunaway

CEOs Have To Seek Out Critical Feedback And Unvarnished Truths



Adam Bryant [in](#)

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March 8, 2023

***Cammie Dunaway**, a veteran board director, shared timely insights with me and my colleague, **David Reimer**, CEO of **The ExCo Group**. [Subscribe here](#) to receive all our interviews with board directors.*

Reimer: How are boards different today than they were two decades ago?

Dunaway: Boards were a bit more insular back then. There was a common dynamic of a lot of board recruitment coming from people's personal networks. There wasn't necessarily the focus on diversity. So that led, in some cases, to conversations that were more about supporting management in the work that they needed to do, and just making sure that there were no major governance glitches.

There wasn't nearly the level of activist activity at the time. Investors weren't taking such a direct stand on things like ESG.

Today, our work is very much more in the public view. That requires directors to be more robust in their discussions. It requires them to really make sure that they're thinking about all the stakeholders they represent with a truly independent mindset, because the external environment just won't allow for anything else these days.

Bryant: There's that common expression about "noses in, fingers out," to describe the role of directors. What's your framework?

Dunaway: You have to be extremely selective about the boards you join, and that starts with developing the level of trust you have with the CEO. Because as a board member, you are never going to know everything that's going on inside the company, nor should you. So you really need to trust that the CEO isn't just going to bring the good news to the board, and instead see the board as a partner in sorting through challenging issues.

I've also learned over time that you have to pick the right moments to ask questions. Sometimes a one-on-one discussion or sidebar conversation is the best way to ask about an issue.

Reimer: Can you talk more about how you make sure the CEO is trustworthy before joining a board?

Dunaway: I'll ask questions about how they like to work with the board, and to give me an example of what a really constructive experience has been with the board or with a board member. I'll also ask for an example of an experience that they felt was not helpful to them.

And certainly I'll ask for their point of view on the long-term strategy and the risks that the company faces. You can also learn a lot by talking to other board members and making sure there is alignment in what you're hearing.

Bryant: How do you assess CEO performance?

Dunaway: A best practice I've seen is to have a robust

conversation every year about the CEO's key priorities for the year. There are of course going to be some financial metrics, but in any given year there will be other priorities, such as development of the executive team. So it's really important to have that conversation about a scorecard that reflects initiatives beyond just our total shareholder return or EBITDA for the year.

Reimer: What are the most common reasons that CEOs trip themselves up or don't reach their potential?

Dunaway: One is not seeking honest feedback, and a related one is not seeing around corners, perhaps out of hubris, for how things look different than they have in the past. It's just human nature that the higher up you go in the organization, the less truth you hear from people. So you have to really take it as your responsibility to get the critical feedback.

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That's one way in which a board, particularly a strong lead director, can be really effective. I've always sought to make sure that the board composition includes someone who has been a CEO, because they know what it feels like and can act as an objective source of feedback to the CEO.

It's also critically important that a CEO has someone internally on their executive team who they trust to do that, whether it's their chief people officer or someone else. The biggest mistake is insulating yourself from hearing the ugly, unvarnished truth.

Bryant: What were early influences that shaped who you are as a leader today?

Dunaway: I grew up in a family that valued education. My dad worked at Wake Forest University for most of his career. My mom went back and got her Master's degree when I was about 12, and then she taught in a community college system. So I've always seen good examples of the value of education and lifelong learning, and I've leaned in to opportunities to stretch outside of my comfort zone.

I went to Harvard Business School, and then started at Frito

Lay in a very traditional marketing assistant brand manager path. After about four years of that, I asked to go out into the field to learn about sales, because I saw that many of the general managers within the PepsiCo system had some sales experience.

So there I was, a Harvard MBA, driving a route truck, and doing a really lousy job at it, but I was in that beautiful zone of development outside of my comfort level. That was also the first time I had a chance to lead large groups of people who knew how to do their job much better than I knew how to do their job.

I learned how to assess talent, to surround yourself with talent, and provide leadership by asking good questions and helping overcome obstacles rather than knowing how to do somebody's job and teaching them in a very direct, functional way. That helped prepare me for more general management roles, even though I ended up back in marketing as my functional home. I think that gave me a different lens on how to build and develop teams.

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