

On Board: The Insider's Guide to Surviving Life in the Boardroom

2021: Refresh the Agenda
POWER TALK GLOBAL SERIES

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INTRODUCTION

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This special PowerTalk Global Series provides boards and directors a head start on their priorities to chart a new course for the coming year. It gathers great minds from around the globe to unpack the shifting business trends and what you can do to give your companies an upswing in 2021. From oversight to foresight, boards are expected to refresh their agenda and explore new value drivers that can move their companies beyond current frontiers.

There is no difference between a commercial board and the non-profit board. Both boards need to understand their distinctive roles and responsibilities and should not cause disruptions to the management of the organisation. As the saying goes, "Governance is governance and management is management." To fulfill the board's responsibilities accordingly, the board members need to know the necessary and adequate information from the management to make decisions. A good board should consist of a good Chairman and genuine board members with diverse skills and knowledge. The role of the Chairman is utmost important. The Chairman should create collegiality between the diverse board members and to have a close relationship and partnership with the CEO that is based on trust. Both roles should complement each other to create checks and balance.

This executive summary captures the salient points presented by the speaker at the PowerTalk Global Series #4.

KEY INSIGHTS & DISCUSSIONS

1 The board needs to play their roles as 'sounding board' without interfering with the management in managing the organisation whilst being **aware of the ongoing situation**. A good board member needs to be **modest** and **diligent** in learning the ways the organisation works. They need to spend a generous amount of time **supervising** and **scrutinising** proposals before coming to a decision.

2 There are **four antitheses of governance** that need to be balanced by both corporate and non-profit boards:

- **Responsibility & Power** - the board has the ultimate responsibility but needs to act within the powers given
- **Accountability & Interference** - the executive is accountable to the board, but the board should not interfere
- **Cheerleader & Complacent** - the board is the cheerleader, but should not be complacent
- **Regulation & Speculation** - the organisation needs to obey to all rules but to also be imaginative

3 The board needs to scrutinise governance to enable **discussions of bigger ideas and future strategies**. To do so, the board needs to only **know what it needs to know**. The board should resist the swamp of papers, information, and numbers given by the management in exercising its duty. There needs to be **trust between the board and management**.

4 **Characteristics of a good Chairman:**

- Maintains good relationship and has absolute trust with the CEO
- Modest and is willing to learn about the organisation and its rule of thumb
- Does not stand out from the organisation with the media
- Able to create collegiality on the board

5 The nature of the board needs to be **aligned with the organisation's growth and strategy**. The board needs to be **more diverse and have a broader range of skills**. This diverse board needs to have an **equal voice** and equal right to ask questions, give insight, and to **challenge each other** in the boardroom.

6 To be a good board member, the individual needs to **be themselves**. The board member needs to be **genuine, adopts simplicity, and directness** when discussing and making decisions with the other board members. The individual should not behave in an uncharacteristic way after becoming a board member.


7 The board needs a good communication channel. **Vital information should only be communicated through the Chairman and/or the CEO**. The board needs to be aware of the statement given by the organisation regarding any arising issues and any issues heard by the board members should be referred to the Chairman. The Chairman should handle the matter with the CEO before cascading down the decisions.


8 **What a board needs to consider and do in the next 12 months:**


- **Protect** - what is good and what you have now
- **Retrench** - this is inevitable so you will need to think of how you will do this
- **Innovate** - what you are going to do next that is different


ACTIONABLE OUTCOMES

MOVING FORWARD


 **1** Be diligent to fulfil the board's role and responsibilities and continue to learn and equip with current skills and knowledge.


 **2** Socialise and build a strong interpersonal relationship with other board members to be able to collaborate and make effective decisions.

 **3** Identify the value add by the board members to ensure that the board dynamics are able to produce strong outcomes.

 **4** Embrace social media platforms as a tool for boards and understand the impact of its digital footprint on the board and the organisation.

 **5** Invest in scenario developments to identify different scenarios that will impact the organisation and develop strategies to mitigate the risks.

 **6** Reconsider the number of boards to serve on and be very sensitive to the possibility of a conflict of interest.

 **7** Speak out and inform the Chairman if the supervisory board is overstepping its limit to ensure the boundaries of roles and responsibilities are being maintained.

“The ultimate responsibility of an organisation is theirs, meaning the board member. But they should not interfere in the way it is managed. This is the central paradox of the activity of governance.”

Sir John Tusa

*Board Member, British Arts Administrator, Author,
Journalist & Former Presenter of BBC's Newsnight*