



*Prof. Colin Coulson-Thomas

Ensuring Relevant Board Agendas and Papers

Board meeting agendas and the papers that directors receive relating to them can determine how effectively they discharge their legal and other duties and responsibilities and influence the areas which they may address and impact. How a board deals with climate change, digital transformation and/or other challenges and opportunities can reflect the extent to which, when, where and how they appear on board agendas, are covered in board papers and are dealt with in other information and support provided to board members.

Board agendas and related papers can be a source of power, or a cause of marginalisation and an indicator of irrelevance. They often shape outcomes and on some occasions they may determine success or failure. Directors should review, critique and question their relevance and adequacy. Newly appointed board members should seek to understand how items are put onto meeting agendas, any guidance that is given on the content and structure of board papers, and how directors collectively ensure their responsibilities are covered and discussed.

Initiating and Enabling Transition & Transformation

Determined innovators, revolutionaries and both advocates and blockers of change often recognise the importance of controlling an agenda, timing and prioritisation. Windows of opportunity and possibility can be missed. Digital transformation sometimes appears on board agendas when it is too late for a company to be proactive and become a pioneer.

The related information and support directors receive may also be insufficient to enable them to initiate and/or authorise effective responses to the moves of old and new competitors.

Board agendas and papers create an opportunity for particular areas to be considered. They may also exclude the discussion of other topics, unless their absence is questioned and remedied. Whether or not the potential they create will be realised can depend upon their relevance, whether directors have the time and inclination to register, read and think about them and how board members deal with them during their meetings. There may be some busy, lazy or over-loaded directors who barely glance at them before board meetings.

Executives who resent the effort they put into drafting papers that are not read should reflect on whether there could be better ways of getting certain messages across. While some directors might just accept what they are given, other board members may be more critical and proactive. They may call for changes and suggest further items for discussion. Situations and circumstances evolve, developments occur and events happen. Directors should take little for granted if board practices are to remain relevant and support effective decision making.

Setting Board Agendas

There might be multiple views of what items should be on the agenda for a particular board meeting. The CEO and other executive directors and/or chief officers and/or independent

THE FUTURE OF THE ENVIRONMENT

Arsenic-laced drinking water, lead-contaminated soils and choking air pollution are sadly just the start in some of the world's dirtiest places. Continued emissions of greenhouse gases will lead to further climate changes.



It's not too late to reverse the damage

LET'S SAVE THE PLANET

**WORLD
ENVIRONMENT
FOUNDATION**



E: info@wefonline.in | W: www.wefonline.in

directors may all have matters they feel ought to be discussed by a board, if board awareness, approval or oversight is required or thought desirable. Their inputs may reflect awareness of stakeholder concerns. A company secretary might be expected to ensure that directors are involved and collective decisions taken at minimum to the extent required for the discharge of their formal duties and responsibilities and other legal and/or regulatory requirements.

Items of business mandated by legal, financial and regulatory requirements may account for much of available board time. When requests for board involvement exceed whatever time is available, choices may have to be made. Directors should ensure urgent items do not drive out what is more important. They should be concerned with strategic issues rather than operational matters. The scheduling and ordering of items should reflect their significance. After appropriate consultation and reflection a board chair usually decides what to include.

Getting something onto the board agenda and arranging relevant papers can start to make something happen. The information and support which directors require to discharge their legal, regulatory and ethical responsibilities should not be assumed or taken for granted. A good working relationship with a company secretary can help a board and its chair to understand what these are and the assurance required to fulfil them. Directors should be able to request and/or commission whatever additional information, support and independent advice they consider necessary.

Taking the Collective Temperature

Board Chairs, CEOs and Company Secretaries should be sensitive to the mood of directors, which can change as issues arise. Some directors become frustrated if they feel they are being excluded, kept in the dark, taken for granted, treated as rubber stamps or being used. They may welcome more opportunity to influence what they receive and are able to discuss. The choice of what to provide and talk about should reflect what is considered strategically significant and relevant to a company's situation, circumstances and stage of development.

Directors should be alert to any signs that those charged with supporting them are going automatic and sending out a predetermined set of standard papers updated with the latest month's figures according to a calendar of agenda items determined towards the end of the previous financial year. Are they current and relevant in relation to what is happening in the business environment and the particular challenges and opportunities a company is facing? Are there elephants in the room that are being ignored?

Some companies and public bodies send out and/or email board members with so much material for board meetings that much of it might not be read. There may also be little time to

think about what has been received and/or seek clarification or have informal discussions with fellow board members ahead of a meeting. Should updates be provided in rapidly evolving situations? Some busy directors give up even attempting to properly prepare for board meetings. They may access what they receive shortly before they start.

Inter-relationship of Agendas and Papers

Board agendas and papers should not be considered in isolation, as each will have consequences for the other and differing requirements for them may need to be balanced. It might be necessary to postpone an agenda item until sufficient information is assembled to enable a board to understand and discuss the issues involved. On occasion, responsible pragmatism and realism may be required. When items cannot be delayed, the related papers that are presented may need to reflect the time available to prepare them. Board members will need to reflect and exercise judgement in relation to what is done in the circumstances.

Easily and quickly updated electronic information and support may enable intelligent steering in dynamic situations and contexts. Making it available 24/7 on-line can enable more flexibility in scheduling regular and additional meetings and altering agendas. This might also reduce workload pressures prior to meetings and other collective discussions. Policies relating to the retention, storage, archiving and disposal of board papers should embrace it.

The provision of additional and/or different information and support often comes at a cost. Views on whether the right balance between adequacy, availability and effort has been struck and what is justified may vary. Certain directors might prefer earlier or later scheduling of an agenda item, the allocation of more or less time for discussion, or extending or limiting the volume of supporting papers. Board members who are unhappy may keep quiet or raise their concerns, depending upon their commitment, courage and what they feel might be at stake.

Recognising and Addressing Boardroom Games

Directors should be alert to attempts to influence and even manipulate a board and secure its approval. Strategies used include inundating directors with a mass of data they will not have time to digest and leaving out qualifications, contrary views, risks or downsides. An item might be scheduled late in a meeting, with minimum time for discussion and when some board members may have had enough or already left. Supporting papers could be limited, one-sided or purposely obtuse, complex or otherwise difficult to understand.

There are many ploys that those introducing agenda topics and items for decision can use to obtain ascent and limit questioning, such as allegedly "to save the time of busy board

JOIN IOD

NETWORKING OVER 31,000 LEADERS

AN OPPORTUNITY TO CONNECT WITH **BUSINESS LEADERS & BOARD EXPERTS** BY BECOMING A **MEMBER OF IOD, INDIA**

IOD engages company Directors and Boards to develop latest skills and qualities through various professional networking and development programmes:

- Meet and network with like-minded directors & senior executives.
- Develop your professional acumen.
- Widen your Corporate Professional network and connections.
- Keep abreast of latest developments in Corporate Governance laws, Policies & Practices, CSR, Risk Management, Sustainability, etc.
- Share your good corporate practices with others and build in your business status.

31,000
MEMBERS & CONNECTIONS
ACROSS
THE GLOBE

Life Member Benefits

- National & Global Events
- Networking
- Joining the celebration of achievers of Golden Peacock Awards
- Handbook Set
- Memento
- Educational Sessions
- Speaking Opportunity
- Publications

ADDITIONAL BENEFITS FOR LIFE MEMBERS

- Life Members shall enjoy all benefits as entitled to an annual Member.
- Life Members receive a special Welcome Memento and also a complimentary set of IOD Director Handbooks.
- Life Members are entitled for Exclusive Complimentary Registration in all our conferences, workshops and lectures on a diverse range of subjects (as decided from time to time) in India & abroad both.
- Life Members Profile with photograph (Individual & Institutional and their nominated executives) get published in "Director Today" (maximum 100 words), for each director in any one issue, and Life Members also get listed on IOD website.
- Complimentary registration in IOD's specially designed portal - Organisation for Non-Executive Independent Directors (ONEID) to enhance your Directorship opportunities
- Institutional Life Members (per Institution /Company) can download upto 50 Cvs (Free of charge) per year for short listing candidates as IDs on their respective Boards.
- Life Member (Individual and Institutional) can share their recent achievements in our members column in Director's Today
- Special 20% Discount on Board & Director's Performance Evaluation and Corporate Governance Compliance services rendered by IOD's Board Research and Advisory.
- Preferential Discount (30% for Life Members) on all Training and Professional Development programmes of IOD.
- Life Members may contribute articles for 'Director Today' and for Conference Proceedings Books (when published), subject to acceptance of the Editorial Board.
- Special 25% Discount on purchase of all IOD Publications (Director's Handbooks, Winners' Digest, Conference Proceedings and Souvenirs etc.).
- Any Existing Member converting into Life Member would be entitled to avail 10% discount on Life Membership fee.
- Special 25% Discount for Senior Citizens (over 60 years) and all Women enrolling for Life Membership (either of two or one to a max of 25% discount).(PS.: Membership Fee as laid down is statutory by the IOD Governing Council & MoA ; One of the above discounts only will be applicable. Incremental discounts are not offered as per standard IOD policy.)

members” or “avoid distractions”. A phrase along the lines of “as board members will be aware or know” can deter directors who might not want to appear foolish or unaware in front of their colleagues. Lining up one or two people to quickly speak in support can ensure favourable momentum and inhibit counter views when a board is susceptible to groupthink.

Even when they suspect they have been appointed and are well paid to go along with the views of certain key players, some directors may resent being treated with what they might perceive as a lack of respect or being used to nod certain business through with a minimum of discussion. While they should always exercise independent judgement, in crisis situations it can be especially important that board members intervene and speak up, whether on an agenda topic, or in order to get another item discussed that might not be addressed elsewhere.

Origin and Purpose of Board Papers

On occasion, board members may be reminded of the importance of document analysis. They might need to consider the purpose of a board paper and understand why it was produced, by whom and when in order to assess how much weight to put upon it. A motivation or driver could be self-interest or a particular perspective. One-off board papers are often drafted to secure board support for a course of action an executive team or particular people consider desirable in advance of a wider discussion. Whether conscious of bias or not, many people instinctively play up the advantages and leave out drawbacks of what they advocate.

The presence of a 'supportive' CEO at a board meeting may encourage executive directors to toe the line and adjust their drafting of papers and any comments they make accordingly. Their concerns may be put to one side and risk factors downplayed. If challenged as to why certain aspects of a proposal have been omitted or glossed over, use may be made of ploys such as suggesting a paper was kept short to “protect the valuable time of board members”, “just focus on essentials” and/or “avoid a discussion going off at tangents”.

If time allows, it might be worth seeking additional and independent opinions ahead of the further discussion of an issue. A combination of briefings, visits, demonstrations and information services might be required to ensure directors fully understand the implications and potential of a change or development that is expected to be strategically significant. On occasion, directors should be proactive in seeking the support they require to be comfortable and confident in their understanding and/or appreciation of an issue and readiness to decide.

Information on Unexpected Events and Existential Crises

Keeping up to date with unexpected events, evolving crises, and rapidly changing developments, situations and circumstances can be challenging for directors and contemporary boards, particularly when matters are complex and also unfamiliar to many members of an executive team. Board chairs and directors themselves should ensure that board members are able to continue to discharge their duties and responsibilities and have the information they need to do what is responsible, legal and ethical as situations unfold. Normal arrangements may need to be supplemented with crisis meetings, interactive briefings and other forms of decision support to ensure that directors are aware, current and informed.

Executive teams may have limited bandwidth when an extreme weather event or a disaster such as a war occurs, particularly at busy and/or inconvenient times. Senior executives are unlikely to be sitting around waiting for something to happen or looking for extra work. Directors may need to take the initiative, especially in areas in which stakeholders may have concerns and strategic risks such as to reputation are involved. Critical and sensitive information could include details of negative externalities of corporate activities relating to climate change, or of dealings, whether as customer, supplier or partner, with an aggressor.

A healthy degree of scepticism may be desirable when reading some board papers in normal times, let alone when a black swan event occurs. Directors should critique them to distinguish between explanation, clarification, justification, rationalisation and obfuscation. When pressured to quickly take decisions in uncertain or unfamiliar situations, board members should avoid being railroaded and be prepared to question what is not understood. Rather than succumb to cynicism or jump to conclusions, concerned directors may need to probe, identify and challenge motivations, drivers, root causes and timescales.

Completing the Picture

Directors should endeavour to secure the inputs they feel they need to discharge their responsibilities, pursue lines of enquiry and address any concerns they might have, rather than what others who may have vested interests and different objectives feel they should receive. Having a hazy appreciation of an issue or not really understanding what is going on can be unsettling and disastrous for both board members and company. What directors are provided with may be biased and incomplete. Certain risk factors may be overlooked or purposely excluded. Opportunity costs and negative externalities are often ignored.

Asking the right questions and perhaps those that others are reluctant to ask is often the key to 'completing the picture' and a

litmus test of an effective director. Many transformation programmes are doomed to fail from the moment boards agree to them because vital 'pieces of the jigsaw puzzle' are missing, or they are in conflict with other corporate activities, policies or practices. For example, people in organisations often imitate behaviours that secure promotions and are incentivised, rather than those advocated as corporate values.

When proposals for new initiatives are discussed, rather than take it for granted that executives would not suggest something that a company might not be able to achieve, directors could explore what else might be needed to secure desired outcomes, or what the impact on other corporate initiatives of going ahead might be. In some companies, considerable effort and resource may be devoted to activities that do not affect customers and are not differentiators or a source of competitive or collaborative advantage.

Uncovering Information and Concerns

What is not on board agendas and in board papers can sometimes be as significant for the future prospects and reputation of a business as that which does appear. All directors should be aware of their duties and responsibilities and the growing concern that many company employees and other stakeholders may have about the negative impacts of some corporate activities. They should exercise a degree of caution and wariness that reflects their knowledge and experience of human nature and not assume that all is well.

In some jurisdictions, people within certain organisations and stakeholder groups appear increasingly willing to be overtly critical of corporate activities they believe to be in breach of laws and regulations, damaging and undesirable. A board that is unaware of concerns or ignores them may face internal opposition, external challenge and the loss of valued people and relationships. Those wishing to speak up may face a variety of barriers from bureaucratic impediments, groupthink and suspicion to inertia, resistance and vested interests.

Some executives feel under pressure from a CEO or CMD to 'toe the line' or not to 'rock the boat'. Independent directors can have a role to play in uncovering evidence, tackling hindrances and blockages to information flows, and ensuring robust whistleblowing arrangements are in place. Indicating openness to receiving concerns, observance of confidentiality and the building of trust, may enable directors to head off legal action. Ignoring issues and disquiet might lead to public dissent, reputational damage and the greater politicisation of companies.

Accessing and Engaging Key Decision Makers

Excessive, expensive and distracting requests for unnecessary information should be avoided. A responsible and realistic

balance needs to be struck between the information directors and boards demand and that which others feel they ought to have. Directors who are busy often create gatekeepers to protect them from a surfeit of information. They erect screens to filter out what they consider or imagine may be irrelevant or insignificant. In doing so they might cut themselves off from intelligence they ought to receive.

Within corporate bureaucracies there may also be those concerned with feeding directors with messages they would like them to hear or which exaggerate their contributions. Weak personalities may be reluctant to provide what they might consider to be unwelcome information. At the same time, there may be other executives who struggle to access, engage and support more generalist, preoccupied and usually very busy top decision makers with the information, knowledge and understanding these specialists feel they should have.

Papers a concerned executive considers urgent and vital included in a board pack as an item 'for information' rather than 'for decision' might never be read. When companies fail, investigators often find that within organisational structures there were people who were aware of problems that did not reach the board. Getting past gatekeepers and penetrating screens that prioritise what is urgent rather than strategically more important can require persistence and sometimes guile. Establishing credibility and building trust can take time.

Supporting the Board and Key Stakeholders

When directors engage with executives, either formally during board and committee meetings or informally, they could discuss the support they receive and ask about what else they should know. Too often board papers are provided largely to satisfy an administrative, legal or regulatory requirement and/or justify an executive job role, rather than to engage directors, be accessed, examined and understood by them and enable them to take more informed and responsible decisions. Suppliers of information should ensure it is structured and delivered in a form and way that will ensure it is digested and enables appropriate responses.

Humankind faces multiple and shared existential challenges and mega risks. Their likely or possible consequences suggest an uncertain and possibly dire future. It is vital that issues relating to them are on board agendas and are addressed. Directors should use the freedom and opportunity they have to influence, determine and shape agendas and the information and support they need to take the decisions required to enable and support collective action and initiate transition and transformation journeys towards sustainable operations and lifestyles.



Building[®]
Tomorrow's
Boards

ORGANIZATION FOR **NON EXECUTIVE INDEPENDENT DIRECTORS**

ARE YOU
LOOKING FOR
**SKILLED &
QUALIFIED**

INDEPENDENT DIRECTORS?

WHY ONEID?

- Easily access the pool of good candidates empanelled by the Expert Committee of ONEID
- Post vacancies with detailed description
- Ability to search profiles with keywords like Industry, Specialization, Job Category, Location, Experience, etc.
- Download CVs submitted
- Cost effective & time saving
- Identification of the right candidate
- Update Company profile at any time
- 24*7 availability
- Get to know the applicants just as they would want to know you, and to determine if there is a fit
- Personalized mail, forwarding suitable candidates' profiles on request.

HOW TO GET EMPANELMENT / REGISTERED

For registering with ONEID as an employer, please consider the following steps:

- Login to <https://iodglobal.com/certifiedcorporatedirectors/>
- Click on Sign up, Select Independent Director / Employer, create your User ID.
- Enter all the requisite details.
- Post verification, password shall be sent via registered mail.

OBJECTIVES

To implement its mission, ONEID has prescribed the following set of objectives for servicing its members:

- To prescribe the criteria, norms and standards for qualified Independent Directors, in conformity with legal requirements.
- To maintain a panel of qualified, eligible and willing - to - be independent directors, who meet the criteria, laid down by the Institute Of Directors, in addition to those specifically prescribed by the Ministry of Corporate Affairs.
- To obtain the requirements of companies and other organizations, and match them with the aspirants available in the qualified panel of ONEID's database of independent directors.
- To provide professional and non-partisan advice to the companies as well as to the independent directors.
- To provide all other services, including networking of independent directors, and keep them acquainted with changes in the law, the concerned rules and the best boardroom practices.



INSTITUTE OF DIRECTORS

M-56 A, Greater Kailash Part- II (Market), New Delhi- 110048, INDIA

Tel: +91-11-41636294 / 717, 41008704 | Fax: +91-11-41008705 | Email: info@iodglobal.com

follow us on



@iodglobal

Effective directors look beyond their own requirements. They seek assurance that stakeholders also have the information and support they need to act responsibly. The intelligence key executives and workgroups receive can impact their relevance, contribution and advice to a board. It could be as significant as that which reaches directors directly. Board members should ensure a company's people and its business and value chain partners are open, receptive and receive what they need to

remain current and aware of what is happening in relation to corporate activities, stakeholder priorities and its operating context.

***Prof. Colin Coulson-Thomas** holds a portfolio of leadership roles and is IOD India's Director-General, UK and Europe. He has advised directors and boards in over 40 countries. ■

Institute of Directors, India



BRINGING A SILENT REVOLUTION THROUGH BOARDROOM

Membership



Conferences



Training

Masterclass for Directors
leading to 'Certified Corporate Director'

Board Research & Advisory



Golden Peacock Awards



MSME Division



Organization for Non-Executive Independent Directors



Publications



S H A R E • L E A R N • N E T W O R K

www.iodglobal.com

INSTITUTE OF DIRECTORS

M-56 A, Greater Kailash, Part - II (Market), New Delhi - 110048, India
Board Nos.: +91- 11- 41636294, 41636717, 41008704
Fax: +91- 11- 41008705 • Email: info@iodglobal.com

follow us on



@iodglobal