

SPECIAL MESSAGE

Preserving Independence on Boards

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Recent Royal Commissions in Australia have challenged the conduct of certain “independent” directors” on listed entities, citing clear failings in demonstrating an independent exercising of their judgement through an independence of behaviour and mindset.

Surely this is the high bar that independent directors all over the world have to chin – the ability to consistently demonstrate independent judgement and stewardship, along with critical thinking in order to offer greater cognitive diversity to a board and helping them to govern in today's world of perpetual discontinuity.

As a professional independent Director and Board Chair, preserving my independence is a fundamental part of my Director Value proposition. How any independent director applies their board craft to avoid group-think and positively influence decision making is of vital importance. Demonstrating active listening and constructive questioning in order to then challenge biases or conflicts of interest, simplifying complexity by sense making and then contributing to effective decision making are some aspects of “the craft” expected.

The independent director's role in positively influencing the board dynamic is equally important. Using hard earned moral and social capital to help create a psychologically safe and inclusive board room, independent directors are expected to be capable of helping to ensure individuals or factions do not dominate

discussions, that other directors and the CEO/MD are held to account and that the board sets the culture of the organisation (the tone at the top) and lives the values of the organisation.

In my own experience, it is also a board expectation that a professional independent director/chair must contribute beyond the specific skills and competencies they may have been selected for on a board skills/composition matrix .They are also expected to bring relevant insights and foresights from contemporary and emerging governance perspectives. This typically requires an independent director to maintain a portfolio of board and sub-committee roles that might enable each board to benefit from shared learnings, knowledge transfer and broader networks. ■

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