



Boards of the Future: Corporate Governance to Collegiate Governance

An effective board member is well prepared, scrupulously honest, in possession of the right mindset and well-versed in the responsibilities of the position. Such an individual would be an asset for any company, no matter the industry or sector.

A few years ago, one rarely heard of board members accepting serious legal consequences for their actions, or lack thereof. Today, directors' fiduciary duties are a key component of their accountability matrix.

While the trend is growing, there is a long way to go in professionalising the selection of board members, a task for which executive search firms are appointed.

A collegiate board is not so much "governance by the best", as it is governance by those who have the best sight of what is happening in the company. Its collegiate nature means that more eyes are focused on what is happening in the business. It is important for those eyes to not be blinkered: complete, accurate and timely information must be able to reach the peak of the organization.

The role of the Chairman of the Board is essential, not just for making decisions, but also for coordinating, planning and ensuring that the board works as a group and encourages initiative.

Directors' fiduciary duties are a key component of their accountability matrix.

Decisions must be based on this collegiate approach, which must attempt to achieve maximum consensus. Once there is a resolution, by consensus or majority vote, it must be owned by everyone.

If necessary and possible, decisions should be postponed to allow for deeper reflection and to try and achieve a shared belief.

If a board member cannot accept a decision and is not disposed to continue debating an issue, depending on the importance of the subject, that member's resignation should be considered.

The board is a body of joint action. It must show unity, even though internally there could be differing opinions. Its collegiate nature attempts to bring out the best in everyone and encourages internal debate.

The board must allow for an independent assessment of how it is functioning. This review is conducted by a professional third party, which will deploy methodology aimed at highlighting areas of risk and opportunities for improvement, as well as helping to prevent complacency and atrophy.

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Author



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As an executive search practitioner, David applies his expertise across a range of industries with an emphasis on technology, engineering, and general consultancy.

David began his career in IT and telecommunications with Alcatel and France Telecom, where he held a number of positions in project management and business development.

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