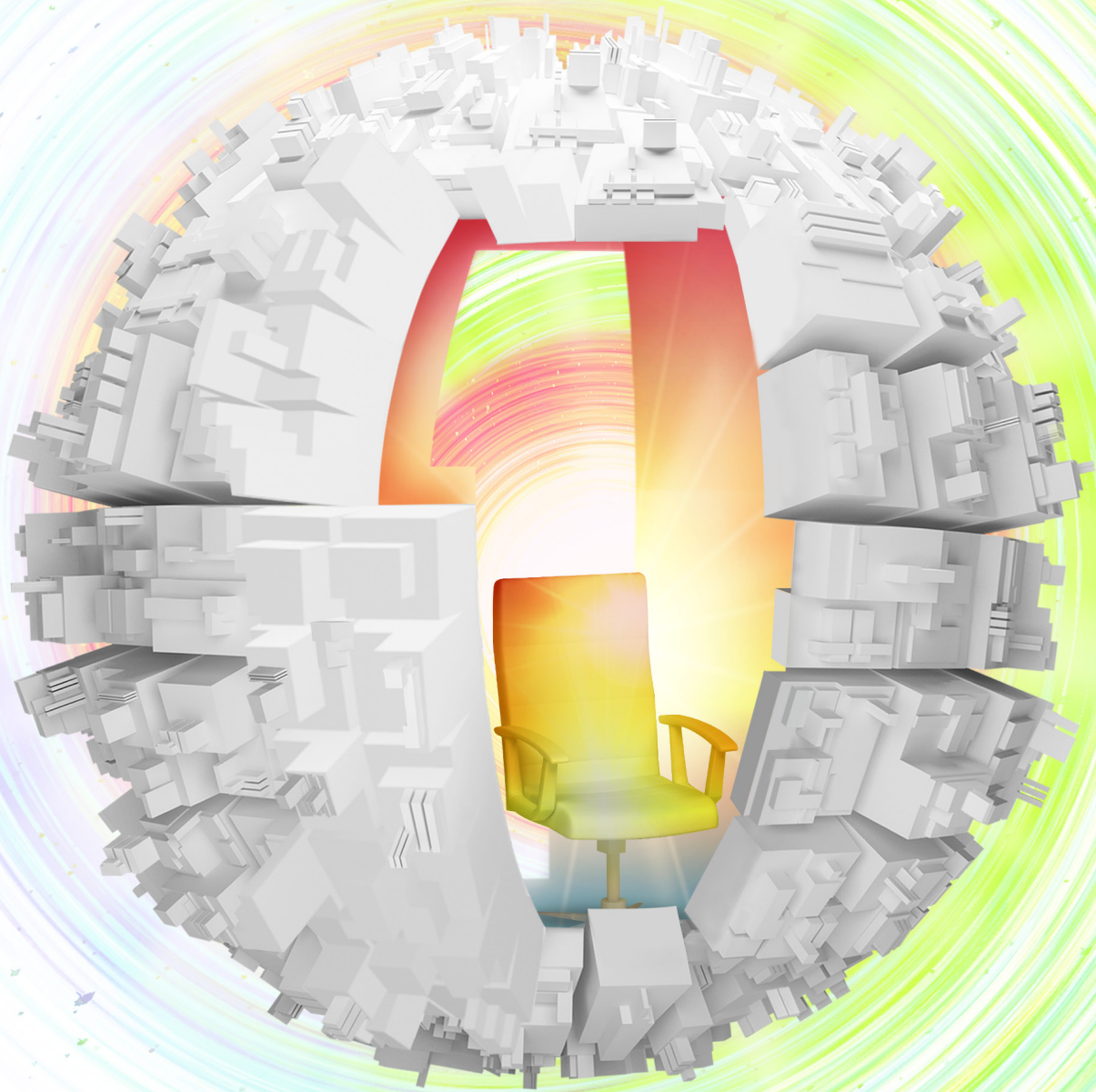


Deloitte.



Chair of the
future—India
perspective

September 2022



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Foreword

As part of Deloitte’s commitment to support the next generation of corporate governance, we are pleased to present “Chair of the future—The India perspective”, our review of the Board Chair’s adaptation to future challenges. This is the latest in a series of global Deloitte reports based on interviews with the Chairs of leading organisations worldwide.

The first “Chair of the future” report was published in the UK in 2017. To say that the world has changed since then would be an understatement. We continue to experience wave after wave of global events—a pandemic, global political and geopolitical uncertainty, the menacing threat of climate change, demands for societal, racial, and political justice, and evolving talent and work models. The strongest and seemingly unbreakable systems are giving away, uncertainties are inducing deep anxieties, and things are evolving at such a pace that predicting and comprehending a pattern is becoming impossible. Over the last couple of years, we have seen the world transition from a Volatile, Uncertain, Complex, and Ambiguous (VUCA¹) world to what is now being referred to as the Brittle, Anxious, Non-linear, and Incomprehensible (BANI²) world.

Global developments over the last few years have challenged the status quo with an increasingly widespread belief that corporations cannot and should not ignore the world around them, but rather, engage members of the society and act to address the challenges we face. Now, more than ever, stakeholders expect organisations to do the right thing and do them well. These expectations range from action on environmental and social issues and trusting an organisation to safeguard private data, to requiring organisations to have strong governance mechanisms, amongst others. In short, stakeholders are holding organisations accountable for being trustworthy. Thus, trust must evolve from being merely a chance outcome to a strategic priority for the management and the Board, alike.

It is clear that CEOs and business leaders face challenging headwinds, and primarily, shoulder the responsibility of steering organisations to meet the many expectations as

listed above. The Chairs and Boards that they lead, have to increasingly take on the role of the stewardship, in addition to the supervisory role that they are expected to play. Finding the right balance is the biggest responsibility of the Chair and Board; however, our interactions with the Chairs of Indian corporations give us a sense of optimism. We interviewed 35 Chairs of Indian corporations with an almost equal mix of executive and non-executive Chairs. It was promising to see that these Chairs steadily focussed on the future and are actively seeking new solutions. They are taking on a wide range of issues that modern Boards should address, with passion and purpose.

We will remember this time as the beginning of a new cycle in corporate history. Let us ensure that when the story of this period is written, the role of corporate governance embellishes the success that the world will relish. History is witness to true leaders emerging from a crisis, and that such leaders can be trusted. I strongly believe that the Chairs of the future will lead by example, to create Boards of the future—Boards that will be forward-looking, agile, adaptable, trustworthy, and resilient.

We are grateful to the Chairs who gave us their time to talk about their experiences. We hope you find value in this playback from your peers and insights from our shared journey.



Atul Dhawan
Chairperson, Deloitte India

1. “What VUCA really means for you”, Harvard Business Review, Jan–Feb 2014, p.27

2. <https://medium.com/@cascio/facing-the-age-of-chaos-b00687b1f51d>

COVID-19 may be the first, but not the last of the crises that Boards of India Inc. face

For decades, business leaders and the Boards that govern them, have been operating through what we believed were uncertain times. Global shifts, such as digitisation, technology transformation, evolving business models, terror actions, geopolitical situations, and the changing world order, et. al, have been challenging the very notion of corporate decision making, and governance for years. However, the onset of COVID-19 changed our collective calculus of uncertainty.³

When we started our interviews a few months ago, the COVID-19 pandemic was still the biggest threat faced by global businesses. However, over the course of the year, Monkeypox has been declared to be a global health emergency, while COVID-19 is yet to be termed an “epidemic”, Europe is waging a war that threatens food and energy security, major economies are preparing for a recession, supply chains have not yet restored completely, and chip shortage is once again rearing its head.

The world is now faced with crisis after crisis, in rapid succession.

Since March 2020, when the pandemic encapsulated the world, we witnessed the power of leadership. Business leaders, political leaders, community leaders, Board members, academicians, scientists, leaned into their knowledge and experiences to make deeply impactful choices. Business leaders and Boards across the globe were constantly tested as they steered their organisations through multiple challenges, relying on speed over elegance and making critical choices based on an uncertain future. However, we need to understand that the uncertainty of the current environment guarantees that the next crisis will not be any more predictable than those during the past 20 years. A primary stewardship responsibility of the Boards will be in helping the organisations they govern build resilience in the face of uncertainty.

3. COVID-19: Confronting uncertainty through & beyond the crisis



We reached out to the Chairs from some of India's leading organisations to discuss the impact of the string of crises on their organisations, their Boards, their role as Chair, and the lessons in crisis management that they can take from this. The Chairs spoke about the impact on organisational strategy, purpose, and governance, and how some key learning can be carried forward for a more positive, resilient, and prosperous future.

Address stakeholders: The focus of Boards during a crisis should not just be about the shareholders, but a broader ecosystem of employees, customers, and the community.

All Chairs agreed that over the past two years, their primary focus was on supporting their employees, partners, vendor communities, and in taking care of their customers. This focus was at the forefront of every decision, as they responded to the crisis.

For us, people and safety were high priority. Board members were personally involved in understanding the safety of our people, whether it be at the factory, the office, or retail stores.



The pandemic brought about the realisation that a crisis is, and will many times be, a human event—human beings are the ones most affected by it and will be at the forefront of managing it. When operating under pressure, organisations tend to focus on one or two stakeholder groups, who may have the loudest voices, at the expense of others. Boards will play a critical role in ensuring that the organisation's crisis response is focussed on all stakeholders and their diverse needs. The Chairs acknowledged that moving forward, both, impact on community through the lens of purpose and values and achieving sustainable profitability, will be a permanent feature on the Board agenda.

Manage cashflows: Strengthening the balance sheet and liquidity positions becomes an immediate Board priority during a crisis.

During the early days, Boards were involved in addressing immediate liquidity risk and stabilisation challenges. Cost reduction and managing cashflows became top priorities for the management and Boards of India Inc. In a separate study by Deloitte, 82 of the respondent companies from India had taken up cost reduction targets greater than 10 percent, post the pandemic.⁴ When it came to the

questions of liquidity arrangements, some Chairs faced questions around drawdowns, pay-cuts, reductions in staff hours, stand-downs, and ultimately, redundancies.

Boards started taking a closer look at their strategy, people and financial resources, ability and willingness to take risks.

Managing costs was a bigger focus during the pandemic, including overall cash management due to revenue being uncertain. Capex came under focus, by both senior executives and the Board, to ensure that we were spending judiciously.

In any crisis, what helps you steer through is the buck in your wallet and the strength in your heart. The Chairs we spoke with, reiterated that maintaining cashflows was one of the key problem statements that they were concerned about. The oversight of corporate financials to ensure healthy cashflows has always been a key agenda for the Boards, and will continue to be a focus in managing future crisis scenarios.

4. Save-to-thrive: Enterprise transformation and performance improvement strategies amidst the pandemic

Get ahead: Increased Board scrutiny and focus on business performance and future strategies during a crisis should be key priorities.

According to several respondent Chairs, their organisations responses fared considerably well against demands; Chairs were positive about the unfolding crisis management plans, business continuity approaches, workforce responses, and technology reliance. Chairs shared that they increased their focus on organisational strategy and business performance. They spent a greater portion of Board meetings assessing the drivers of underlying business performance, such as the impact of the crisis on short-to-medium term profitability, given the changing customer, market, and competitive dynamics.

“**As the Board, we did a lot more work on strategy and reworked existing strategies with changing circumstances.**”

What we heard the Chairs take from this scenario was that while the focus on the present is important, amidst a crisis, the Boards will have to help their executive teams stay ahead of uncertainties. While executives are focussed on handling the current crisis, Boards would want to maintain their focus on the long term, look around the corner for subsequent effects



on other areas of the business, particularly if a crisis extends to a longer term. There may be an impact on other business relationships, supply chains, workforce morale, and job security; getting ahead of these can help them emerge stronger from a crisis.

Increase collaboration: A crisis presents an opportunity to deepen the relationship and trust between the Chair and the CEO, driven by frequent catch ups.

COVID-19 provided an opportunity for the CEO and the C-Suite to work more closely with the Chair and the Board and tap into their experiences. Chairs supported CEOs by anchoring decision making in mission and values amidst uncertainty. Boards supported C-suites by stepping into critical operations, including crisis committees, command centres, and communications.

“**The pandemic helped us look at operations more closely, and we also got closer to the management. A lot of wisdom was shared between senior members.**”

Leadership in a crisis is not the same as in business-as-usual: Demands become exponentially greater, and it becomes harder for leaders to execute their dynamic

roles. Different ways of working must be adopted, processes simplified, authority delegated. We find that Boards add the most value by providing critical oversight, long-term planning, and strategic support, and help engage key stakeholders, such as the government and business partners. The ability of the Boards to fulfil this role will always rely on the strength of the relationship between the Chair and the CEO, and the Board's interactions with its executive teams.

Digital is the way: There is a clear focus and bias for action amongst Boards and the executive leadership in accelerating the digital transformation agenda.

In a separate study undertaken by Deloitte to understand the enterprise transformation and performance improvement strategies amidst the pandemic,⁴ automation and digitisation of operations were rated as the most likely transformation actions to be implemented by global business leaders.

The crisis accelerated the digital agenda for a majority of global organisations, along with investments in tech-assets and behavioural changes around technology adoption across the organisational value chain. Boards also pivoted quickly to tech-driven ways of governing, some of which will be here to stay.

4. Save-to-thrive: Enterprise transformation and performance improvement strategies amidst the pandemic

In managing future crisis scenarios, digital will be the way to reduce human dependence and provide businesses the cushioning to decouple from human interventions to the extent possible and ensure business continuity.

Not surprisingly, digital acceleration was a key component in the future strategy agendas for a majority of the Chairs in a post-pandemic world. A significant number of Chairs called attention to accelerating investments in digital, data, cloud, cyber, and IT transformation, as part of their response and recovery strategies.

🪑 Boardroom impact: Boards had to adapt their governing styles by shifting to virtual Board meetings effectively, while maintaining strong communication with other Board members. Boardroom dynamics saw a clear shift as well—Here are some lessons that the Chairs highlighted as guiding principles for the Boards during future crises.

- Crisis requires more frequent conversations and touchpoints between the management and the Board.
- In certain situations, the Chairs and Boards will have to be prepared to “step-in” to support the management.
- Setting up temporary sub committees to deal with “business as usual”, which

may allow more time during Board meetings to focus on critical issues and strategy.

- The Chair is in a unique position during a crisis: They have to understand the mood and dynamics of the other Board members and be quick to respond when needed.
- The Chair has to ensure that the Board and its committees continue to meet at a cadence that corresponds to the gravity of the crisis.
- Boardroom dynamics alter amidst a crisis. Reading a virtual room and guiding discussions, debates, and making decisions can become a challenge. Times like these may require more frequent Chair-Board member check-ins.

There is now, I believe, a need for Boards to continue to exercise more active stewardship of their organisations to ensure that they continue the lessons learnt and maintain meaningful oversight of management and business operations.

“ I think ‘Boards of the future’ will emerge with more role clarity, recognising strengths they have built during the crisis, and reinforcing the belief to overcome existing gaps. Overall communications have improved; they are faster, better, and clearer. ”





The Board reshape: Building the Board of the future

In a world reshaped by the pandemic, the way that Board of directors operate, collaborate, think, and govern is changing. Beyond regulation and compliance, Board members must be able to detect risk and opportunity like never before. Their remit is growing, but so is the interest in the art of leading Boardrooms and corporate governance. Amidst greater accountability and governance reforms, Boards, and the Chairs who lead them, have to be more flexible, agile, and responsive. As the Board agendas evolve and expand beyond the traditional realms of performance and compliance, Chairs will have to look at how Board compositions need to evolve to be relevant.

“I believe there are three types of Boards: Boards that partner, Boards that monitor, and Boards that take charge. All Boards need to have the skills and the agility to take up any of these roles as the situations demand.”

The Chairs that we interacted with, spoke about various factors that will impact and reshape how Boards of the future will look. Chairs believe that one of the biggest changes to Board governance over the next few years will be in Board composition. Boards of the future will be younger, non-traditional, diverse, and much more agile. Boards of the future will be designed on the basis of “what you know” and not “who do you know”.

“Over the years, Boards will increasingly become domain agnostic and skill specific. The diversity of skill and experience is more important. We need people from a mix of backgrounds, such as auditors, consultants, entrepreneurs, and start-up and corporate professionals.”

📌 Demand for digital understanding will shape Board compositions and operations

The pace at which humans and organisations interact with technology across formats has increased manifold, and the introduction of 5G will accelerate it further as more machines are tethered to the internet. Technology and data-driven intelligence are proving to be both, enablers and disrupters, providing a platform for various operating models, leading to the emergence of new competitors, and changing how customers interact with organisations and how organisations interact with their customers. The challenge is to anticipate, rather than merely react to the speed of change. It is not surprising that an understanding of tech and digital came up as a necessary skill for the Board. An understanding of, and interest in, technology and innovation are important characteristics of Chairs alike. The Chairs of today have to stay current if they wish to be Chairs of the future. They need to understand technology-induced risks and their impact on corporate resilience. Digital risk is growing along with developments in technology, with cyber-risk emerging as a clear and present threat. With concepts such as the metaverse evolving, organisations and their Boards will need to understand them and manage a range of associated complexities and risks. Boards of the future will demand that a majority,

if not all, directors understand operations through a digital lens and also have a few specialist “digital directors” on the Board. Boards of the future will need to be digital native, just as the Boards currently are required to be finance literate.

We need to put technology to good use, such as keeping track of competition. There is a wealth of information available in the public domain, which can be put together for value addition. We need to move from data to information—rather meaningful and actionable information.

Digital and technology will also drive how Boards of the future operate. Moving beyond the traditional Board apps and virtual communication platforms for hosting meetings and data sharing, Boards of the future will expect to be more data and information driven. The Chairs we interviewed, expect that rather than an information overload at the end of the quarter, the need of the future will be to bring more real-time and actionable insights through the efficient use of technology and digital means. The pandemic shifted Boardrooms to tech-platforms, and this hybrid Boardroom model is likely to stay in the long-run as well. In fact, the times are not far when we will witness Boardrooms moving to the metaverse.

“ We need to think beyond apps. Can digital lead to custom-made dashboards for directors? If yes, this can enrich the debate in Board meetings once everyone starts using these dashboards. ”

📌 Supporters of the sustainability agenda

Sustainability and social issues are rising on the Board agenda, and the questions from shareholders on Environment, Social and Governance (ESG) matters are gaining prominence. Boards need to have a clear oversight on the notion of sustainability and long-term value creation. They should be able to ask questions around the organisation’s ability to transition to lower carbon initiatives, the removal of waste from supply chains, the climate impact on and of the business, and its social and community impact across the value chain and supply systems, amongst others.

“ Purpose will now drive profits, rather than the other way around. ”

The current decade will see a profound, seismic shift in the makeup of Boards, specifically when it comes to ESG and sustainability. Chairs that we spoke with, emphasised on having members, who may not necessarily be sustainability experts, but who are open to bringing the new agenda into the heart of the business, on the Board.



👤 Diversity continues to be a challenge

A Board's role is to provide strategic guidance and oversight, and directors must bring the appropriate skills to address the organisation's specific business needs and circumstances. Diversity of experience and perspectives in the Boardroom is crucial for Boards to do their job. Monitoring the organisation's relationships with its stakeholders, assessing strategy, overseeing risk, reviewing societal engagement, assessing compensation practices, and overseeing the management's diversity and inclusion efforts are a few standard Board tasks where the insights of directors from varying racial, ethnic, gender, and geographical groups would appear to be essential inputs.

“
Designing a Board should be like multiple algorithms arranged together, so that you are able to address a wide array of problems and challenges. The Board must have multiple and diverse skills with people coming in from different backgrounds. It is extremely important to think through the competency of the people you need on the Board. With a dynamically changing world, one needs to constantly think about 'what does my company need?'
 ”

Now more than ever, Boards that have not done so, will want to review their director skill matrices and their Board succession plans to enhance diversity, in a way that is consistent with the company's strategy and future needs. For many Boards, it will be necessary to develop new channels for identifying talent, new approaches to onboarding directors, and more deliberate processes for building Board cohesion to achieve organisational goals and realise the benefits of having a Board with a diverse membership.

“
Boards must be diverse in age, gender, knowledge, and background. We need to actively seek and place women on Boards, and not just to meet the regulatory mandate.
 ”

👤 Boards to get younger

Millennials today are the largest generation in the world's workforce, and a significant portion of consumers are young adults. With the global start-up boom, we are witnessing a spurt in the number of young CXOs. However, this has not yet reflected on corporate Boards, where key decisions around the workforce, consumers, and other stakeholder groups are made. Deloitte's 2022 Women in the Boardroom report suggests that the average age of a global Board member is upwards of 56 years.⁵ But as the work, workforce, and workplace evolve in this post-pandemic era, there is a growing need to also relook at the age diversity on Indian Boards.

The opinion on having a younger voice on the Boards was split amongst the Chairs we interacted with. While all of them highly valued the wisdom that senior directors bring on the Board, some shared the view that a better mix is required when it

comes to age diversity on the Boards of the future, and it is only fair for younger people to have a seat on corporate Boards. Chairs of the future will have to not only bring the right voices to the table, but also play the balancing act between generationally different opinions.

“
It is important to listen to younger voices and challenge the status quo. To engage better with the youth, Board members should have an open state of mind and be in a position to relate with any age group.
 ”

“
One can have younger professionals take the executive director role and go back to business after a period; this will be useful for the company/ business as well.
 ”



Performance and not personality-driven Boards

Historically, Board positions were generally taken up by professionals from accounting and law backgrounds, and by ex-bureaucrats, academicians, and retired CXOs. The selection processes have been largely informal, relying on mutual connections and network of the leadership and/or the promoter group. Headhunting firms were not actively engaged in finding Board members. This is gradually changing, as Boards get a more contemporary makeover and new agenda items arise on the Board's table. Professional networks and skills, both within and outside the country, will need to be tapped into. Further, the criteria for evaluating the success of the Boards will move beyond the traditional financial performance and compliance behaviour of the organisation.

We need to get away from the old-boys-club system of Board composition. With stricter rules and regulations, changing business demands and increased liabilities, these Boards won't be relevant.

The Chairs that we spoke with, emphasised the changes they want to bring about in

how Boards are evaluated, appraised, and members are selected for renominations. The traditional indicator of a Board's success—company profit—will continue to be the most effective performance measure, but other indicators, such as company values, responsible business practices, brand value, and the quality of leadership, are becoming increasingly important. In addition to the collective evaluations of the Board, as the individual accountability of Board directors is increasing, there will be greater focus on the performance of individual Board members.

Honest Board evaluation is critical—the results can be used for further development. The Chair should communicate areas of improvement too, as and when required.

As Board agendas evolve, Chairs will have to begin the process of recalibrating their Boards and assess if their executive management members are equipped to tackle these challenges head-on, and if, their Boards have the adequate skills and experience to help the management in these endeavours.



Board agenda reframe

At an operating level, setting the Board calendar and driving agenda for each meeting is squarely the Chair's responsibility. The Board agenda has always been chock-full, and now, with unpredictable geo-political situations and business landscapes, there are more layers of complexity. The Chairs we interviewed believe that while Boards remain responsible for overseeing business fundamentals, they must also focus on a host of new and additional issues that will occupy more time in the Boardroom. The Board agenda is witnessing seismic shifts and Boards of the future will have to balance their oversight on a myriad of emerging issues.



Digital, data, cyber, and technology

Technology, including digital, is both an enabler and a disrupter, providing a platform for various operating models and new competitors to quickly establish their market presence. It also shapes how customers interact with organisations, and vice versa. The challenge is to anticipate, rather than react to, the speed of change. As we speak, organisations are making large capital investments on technology and digitisation. Not surprisingly, the understanding of “digital” on the Board was highly valued in our discussions with Board Chairs.

The millennial workforce is also largely digital native, and the senior leadership is growing increasingly digital savvy. Boards have to be at least digital immigrants to be relevant and discuss the wide-ranging impact of technology on businesses. The demand for digital skills on the Board is rising, apropos to the appearance of technology investments and digital strategy on the Board’s agenda. Over the next decade, technology and digital will continue to keep a high mindshare on Boards, along with the rising risk factors around cyber and data security. Technology and data-specific risk and compliance matters will find a permanent spot on the agendas for the future Boards.

“Technology, digital, data, etc., will keep changing dramatically with time; thus, the Board needs to be prepared for their uptake every few months or years.”

The elephant in the room gets a slot on the agenda - Environment, Social and Governance (ESG)

Sustainability; climate change; ESG; environmental impact; community—these buzzwords have been gaining more mindshare during Board meetings, owing to the recent regulatory requirements around ESG risks and sustainability reporting requirements.

But fundamentally, the subject of ESG and climate risk has been the elephant in the room, which is now fighting for the top spot on the Board’s agenda. ESG is a big transition risk, with its impact being felt on long-term strategy, as well as short term compliance as newer regulations are introduced. To tackle climate change, and other ESG issues, a long-term, outward-looking focus will be required at the Board and executive level. This will expect Boards to look beyond the quarterly and annual performance and review the risks from a climate, environmental, and social standpoint, which may impact the sustainability of the organisation. Chairs will have to ensure that these subjects

get the due attention of the Board, and the right questions are asked of the management on their ESG strategy.



Risk and compliance will continue to keep their mindshare

The Board and risk management committee have the ultimate oversight over the company's risk-management practices towards value preservation and creation. Risk, compliance, and regulation is an integral part of the Board agenda and will continue to be so. The Chairs we interviewed cautioned against a risk-management approach that focusses too heavily on compliance "box ticking" at the expense of creating value. The focus of Boards must move towards strategic risk-management, aligned with the risk appetite of the organisation, while evaluating key business decisions. Boards will now be looking at mechanisms to provide early warning indicators towards emerging external, macro, and systemic risks. Crisis management and business continuity will emerge as topics that Boards of the future will be concerned about, as questions on business sustainability are raised.



Future of work, workplace, and workforce

The pandemic accelerated the pace of digitisation, and in many ways, irreversibly changed the meaning of work, workforce, and the workplace. Workforce strategies such as maintaining employee health, wellness, and rights have become critical components of business strategies, and thus, are emerging to be crucial on the Board agenda. A focus on diversity across the workforce—and in the Boardroom—in addition to an inclusive culture, is critical for achieving equity as an outcome. Boards are constantly focussing on matters of diversity and inclusion at the organisational, executive, and the Board levels. As the pandemic wades out, and the world begins to open up, workplace and workforce strategies will continue to form a part of the Board's agenda for the foreseeable future.



How the future demands of the role will change the current definition of the Chair

The Chairs we interviewed, unanimously agreed that traditional descriptions of the role and the responsibilities of the Chair underestimate the demands and complexities of the job. With changing business scenarios, emerging risks and crises, and increasing rigour around corporate governance, there is strong recognition that the role of the Chair has evolved over the years and will continue to evolve in the future. Chairs today are less ceremonial and increasingly, their focus is moving from process and supervision, towards strategy, rigour, reputation, and integrity, especially when it comes to Board composition and decision making.

Based on the outcomes from our research and interviews, we believe that the Chairs and Boards of the future will be a combination of five dimensions, which will be key in building stronger relationships with executive Board members, enhancing

Board performance, and creating and leading exceptional organisations. You may find that these avatars reflect some elements of the role as it stands today; we believe that the areas outlined below will significantly grow in relevance over the next 5-10 years.





Vision provocateur

- Provokes and challenges the CEO and executive team to develop a long-term strategy with appropriate horizon scanning for longevity of the company.
- Applies periodic reviews of both strategic and tactical plans to respond to the pace of change and new disruptors.
- Ensures alignment between the Board and executives.



Guardian

- Ultimate guardian of long-term performance, reputation, value, and success of the organisation.
- Guards stakeholder interests by protecting the organisation's reputation, performance, and shareholder value. Ensures a leadership culture that upholds a high standard of ethics and complies with good governance practices.



Culture and talent cultivator

- Ensures the organisation is led by a strong CEO and executive team by providing support and challenge.
- Keeps a pulse on organisational culture across the workforce, while providing deliberate support to leadership development and succession planning.



Crisis compass

- Acts as the compass for the CEO and executive team in times of crisis.
- Supports the management in near-term actions by thinking through the mid- and long-term impact of the decisions made during crises.
- Takes charge of the organisation in case of a CEO-level crisis.



Trust torchbearer

- Represents the organisation in society and engages with shareholders and stakeholders, including political and regulatory. Key messages include the need to adopt a narrative of responsible value creation for multiple stakeholders.



♟ Vision provocateur

Reflecting the pace and intensity of change and market disruptions, organisational vision, and strategies need to be regularly reviewed and adjusted to ensure that the organisation remains on course to achieve its purpose. The Chairs we spoke with, expressed a collective aspiration to focus on the long-term stewardship element of the Board’s responsibilities, particularly ensuring that the Board retains its focus on informed, long-term strategic discussions.

..... “
The Chair’s focus should be 30 percent on the past and 70 percent towards the future.
 ”

In the avatar of the vision provocateur, the Chair’s responsibility will be towards enhancing the longer-term performance and stewardship of the company. The Chairs will need to be more challenging of the CEO/management’s proposed strategy, encouraging a faster pace of innovation, and be bolder in ensuring that investor and stakeholder needs are met with.

..... “
Of regular Board meetings, one-third of the time needs to be spent on strategy. Boards need to evolve and become far more strategy focussed. Boards have a critical role in challenging the strategy of management.
 ”

♟ Guardian

The Board has the responsibility of protecting the company’s reputation, addressing changing business models, and an increasingly complex external environment. That said, Chairs are the ultimate guardians of long-term performance, reputation, value, and success of the company.

It will be imperative that Chairs have the right understanding of the business and the competitive landscape the organisation operates in, combining technical domain knowledge with the organisations’ business and its broader environment, to guard against blind spots and build resilience.

..... “
The Chair has a very important role to ensure that Boards spend adequate time on corporate governance, strategy, financial results, and internal and external stakeholder communication. The Chair needs to balance their time between these three important functions.
 ”



♟ Culture and talent cultivator

COVID-19 has changed how we look at the future of work, workforce, and the workplace. Chairs and Boards, at large, are responsible for having clear visibility on emerging leadership talent, bench-strengths, and succession plans. Their responsibilities also include keeping a check on the culture of the organisation, by seeking a combination of formal structured process inputs and also informal conversations to test the reality of both operational and cultural issues.

Now more than ever, the involvement of the Chairs in the workforce and workplace conversations will grow beyond the stamp of approval. Choosing the right executive leadership that aligns with the purpose of the organisation, will be the most important role of the Chair as a culture and talent cultivator, as these decisions will define the talent strategy and culture of the organisation.

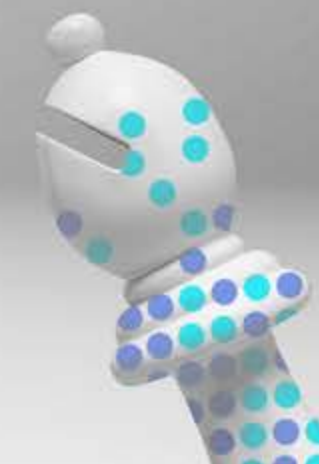
..... “
The most important responsibility of the Chair is to choose the right CEO.
 ”

♟ Trust torchbearer

The responsibilities of Boards of directors continue to evolve and increase, particularly, given the events of the past two years. The Board, arguably, should govern and influence the strategic direction that the organisation needs to develop and maintain high levels of trust in everything that it does. Directors have a critical role to play in this regard; they serve as linchpins between the management and stakeholder groups. The management may be responsible for trust, by building it from the inside, but it is the Board that has the responsibility of oversight.

..... “
The Chair has the broad responsibility for the ‘trust in business’ agenda.
 ”

As the torchbearer of trust for the organisation, Chairs will have the role of maintaining dialogue with shareholders, whilst collaborating with executives to manage the complex and conflicting needs of multiple stakeholders, assessing risks, opportunities, and trade-offs, setting priorities, and measuring purpose-based decisions.



📌 Crisis compass

A crisis scenario for a business creates the need for CEOs and their teams to utilise the foresight and seasoned judgment that a well-functioning Board of directors can provide. The Chair's priority should be to ensure that the Board supports the management team's crisis response without encroaching on its operating role, while also safeguarding longer-term shareholder and stakeholder interests. As a crisis compass, the Chair will need to act as both, a sparring partner and an empathetic counsellor to its management team, providing candid advice and support.

Chairs will have to carefully balance providing support to management teams operating in highly stressful conditions with challenging them so they make the best decisions amidst a crisis.

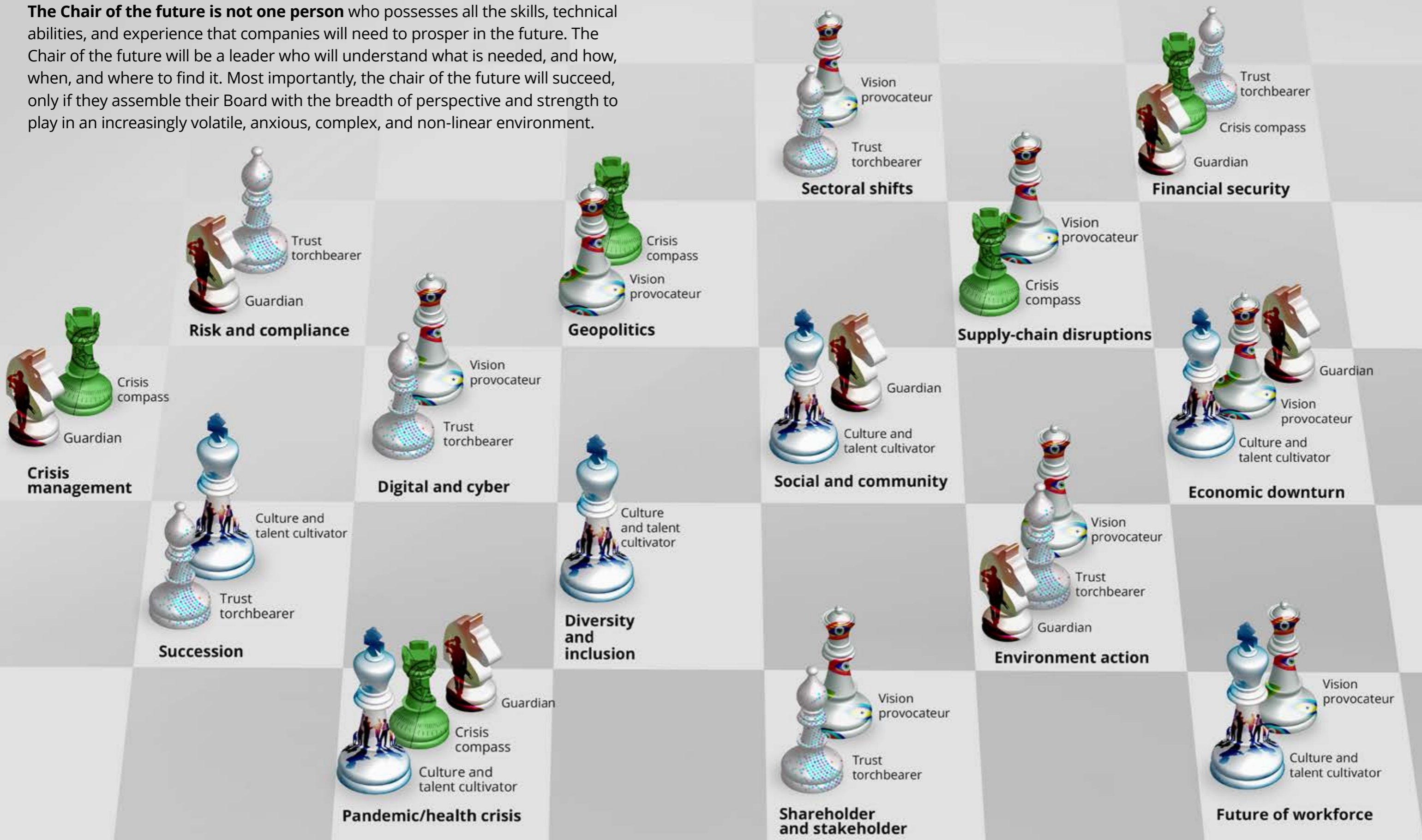
“Stepping in might feel uncomfortable but stepping aside may not be an option. Paying attention to the possible blurring of lines, while talking openly about risks and opportunities arising for a crisis, will not only help executives but also the Board.”⁶

There may arise times when the Chair and the Board may need to play a greater role in a crisis, when the management is unable to provide the necessary leadership. In situations involving corporate misconduct or specific governance issues, the Board sometimes must take steps that the management cannot. As a crisis compass for their organisations, Chairs will have to plan for such events and earmark their roles and responsibilities in advance.



6. Stepping-in: The Board's role in the COVID-19 crisis

The Chair of the future is not one person who possesses all the skills, technical abilities, and experience that companies will need to prosper in the future. The Chair of the future will be a leader who will understand what is needed, and how, when, and where to find it. Most importantly, the chair of the future will succeed, only if they assemble their Board with the breadth of perspective and strength to play in an increasingly volatile, anxious, complex, and non-linear environment.



Advice for future Chairs



Boards should have more skin in the game than they have today.



As we go forward, now and beyond, Chairs must be 'polymaths' – they need to have a wide range of interests and knowledge across subjects. It is a critical quality for Chairs of the future.



Never underestimate the role of the Chair in a transition process at the leadership level. It is important to have the right people taking over at the right time, without making noise.



The equation between the Chair and the CEO is important for the success of any organisation or the Board.



It is essential for Board members to invest time, money, and energy to get newer skills.



The Chair must be an 'information curator'.



As organisational maturity grows, 'professionalising' the Board is as important as professionalising the business.



We think the Chair hits the ground running, regrettably that is not true. Extracting value from colleagues on Board is an important attribute required from the chair.



The Chair of the future must ask themselves; do I have the basic attributes to be the Chair? If the answer is no, they shouldn't take the position. If the answer is yes, they should ask, how can I do the job better?



You cannot stop learning. Intellectual curiosity is a must for a Chair.



You don't want clones on the Board. It is not just about getting them to the party, but about making them dance.



Lay out 4-5 things where you want to make an impact in the coming days—clearly define and focus on these areas, rather than trying to do too many things.

About Deloitte's "Chair of the future" project

Given the critical role of the Board Chair as a change agent, Deloitte launched a global programme in 2017 to understand the roles, responsibilities, and attributes of the Chair of the future. The programme entails interviews, conducted by Deloitte country Chairs, of a number of leading independent Board Chairs in their respective countries. When completed in 2022, the programme will have resulted in interviews of more than 100 Chairs across 16 countries. While these interviews may yield differences across geographies, they have demonstrated common trends as well.

For the India component of the project, Atul Dhawan, Chairperson, Deloitte India, interviewed 35 Chairs of Indian corporations (17 executive Chairs and 18 non-executive Chairs). They provided great insights, not limited to their views on what the Boards of today are currently addressing, but also on the role of the Chair itself, and how it can elevate the Board to the next level—to become the Board of the future.



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