Theme Paper

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Theme:

Emerging Trends & Building Inclusive Boards

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Boards operate in a global business ecosystem which is replete with challenges, risks and existential threats as well as pressing requirements, new possibilities and unprecedented opportunities, especially for those willing to collaborate with others in assembling the capabilities needed to address them (Coulson-Thomas, 2024d; WEF, 2024b). Pressures upon boards, and concerns they might have, are likely to be shared by others, including those who may have very different perspectives, philosophies, ideologies and values (Coker, 2019). Within the global ecosystem among various international agreements, an 'external' treaty such as the Paris Agreement to curb carbon emissions may have a critical role to play when and where internal governance is not effective (Khatri, 2024). Some boards might also be encouraged by active international investors to catch up with governance arrangements and other reforms sought and adopted elsewhere (Fauver et al, 2024). Certain governance changes have been found to stimulate the production and use of renewable energy (Makpotche et al, 2024). Which trends will most affect corporate boards? What represents 'good corporate governance'? Is living and more focused, relevant and responsible governance now required?

What has been termed a "Global ESG Stewardship Ecosystem" has emerged composed of UN agencies, NGOs, institutional investors, activist and investor networks, and others concerned with environmental, social and governance (ESG) issues from a stewardship perspective (Bowley and Hill, 2024). There are questions relating to ESG that directors may wish to consider (Coulson-Thomas, 2023j). Despite the growth of interest in ESG issues, its detractors and certain studies suggest a risk of over investment in ESG. For example, a study of global equity real estate investment trusts (REITs) has found that REITs with higher ESG performance scores have lower firm value, lower operating cash flow, and exhibit higher firm risk (Chacon, 2024). While there may be disagreement over the value of ESG activities and some who consider them detrimental to shareholder value, one study using particular ESG ratings and assessments of senior managers, found that high-ability managers allocate resources to ESG projects in ways that enhance shareholder value (Welch and Yoon, 2023).

What is fashionable might not necessarily be beneficial. How might boards ensure the separate but inter-related elements of ESG are aligned (Coulson-Thomas, 2023b)? Much will depend upon adoption and implementation, including how, where, when, upon what, by whom and for what purpose. Directors may want to ask questions, for example about the involvement of senior managers in the allocation of resources to ESG projects (Welch and Yoon, 2023). The purpose of this Theme Paper is to explore areas for discussion at the 2024 Annual Directors' Conclave. It suggests issues and questions that directors, speakers and other participants might wish to consider ahead of the event and discuss in New Delhi. The paper includes references to recent investigations and studies related to the conclave's agenda. When thinking about the relevance of their findings for a particular board, the study situation and context, and where, when and from whom data was collected should be considered. Evidence collected may be selected to support a certain viewpoint and be subject to confirmation bias (Edmans, 2024a & b). Directors should address issues faced or raised and reflect on the relevance and applicability of the findings of studies, advice received, and questions posed to companies and the contexts and issues that concern them.

Ensuring Quality and Good Corporate Governance

Whether as citizens, consumers or other stakeholders, assessments of quality are made in areas as diverse as the quality of life, experience, management or governance, water or of care, a course, job or audit. Expectations of quality can depend upon many factors. For example, when faced with identical products might consumers express a preference for those of larger companies in the case of high-tech products, because they might have larger R & D budgets, and those of smaller businesses when low-tech offerings are considered (Woolley et al, 2023)? Perceptions of relative quality and changes of quality may influence decisions to purchase or use. For example, a significant number of people may be prepared to pay more for improved access and a higher quality of care (Milte et al, 2024). In the current business context, should factors such as sustainability, minimising negative externalities, reducing energy consumption and claims on scarce natural resources, and widening accessibility feature more highly in assessments of quality? There may be areas in which boards can themselves act to improve quality. For example, improving the quality of an internal audit function may increase investment efficiency (Abbott et al, 2024). In what areas is there the greatest potential for increasing quality, differentiation and competitive advantage?

In an era and context of relative uncertainty and fluidity, changes and disruptions and corporate and collective responses to them, may have unexpected impacts upon the quality of what is provided. Board oversight could explore or monitor whether changes of approach, business model, funding, policy, strategy, staffing or structure has a positive or negative impact on quality, or an aspect of quality such as the consumer experience. When significant changes are introduced, it may be necessary to review the criteria used to assess quality from a delivery and customer perspective. In the case of radical changes, a new quality assurance framework and set of indicators for designing, delivering and monitoring offerings and activities may be required (Sebbaq and El Faddouli, 2024). Across supply and value chains, policies, contractual arrangements and the nature of relationships with competing suppliers may have an impact on the relative willingness of different parties to invest in quality improvements (Yang et al, 2024). What factors help or hinder the quality of what is delivered to end customers, and how might certain business partners be encouraged to do more?

Is the monitoring undertaken by a board alert and sensitive to changes of quality? When were the criteria used to assess the quality of key corporate activities, and/or corporate governance, last reviewed? The perceived relationship between quality and value, and whether the perceptions of quality held by people within a company are aligned with customer and user perceptions of value, is often especially important. Does the customer's assessment of value depend upon the situation, circumstances and context in which an offering is encountered and consumed or used (Bettinson et al, 2024)? Stakeholder assessment of the quality of corporate governance can also reflect the value it creates in terms of impacts and outcomes, in relation to current, emerging and new challenges and opportunities. Are more inclusive and diverse boards required to ensure greater resilience and effective responses in the face of multiple challenges, risks and threats, and their related and varied opportunities?

Shaping Corporate Governance for effective Value Creation and Growth

While reflecting legal, regulatory, investor and other stakeholder expectations and requirements, the governance arrangements of a particular company and corporate conduct and activities can be shaped by the priorities of its board. Should the latter include planetary and eco-system health and our collective survival in the face of multiple existential threats? Should these affect and/or constrain the value companies seek to create and require that future developments and growth be responsible and sustainable (Zakus, 2023; Coulson-Thomas, 2023h & 2024a)? The quality of growth can be more important than its quantity (WEF, 2024a). Owners and boards can sometimes overlook practical things they might be able to do, including together with others, to enhance the creation of value (Massa et al, 2023). This includes the use of knowledge and intellectual capital for innovation, value creation, cultural change and organisational transformation (Rice and Reeves, 2023; Ijjasz-Vasquez et al, 2024). They can often be the key to sustainable development, transition and growth, when in response to existential threats it is necessary to do things differently.

Views may differ among and within boards, investor communities, other stakeholder groups and jurisdictions about the desirability and priority of different forms of value that should be sought, how inclusive they should be and the extent to which aspirations are responsible. How might boards best handle such varying perspectives (Coulson-Thomas, 2024e)? Routes to value creation using artificial intelligence (AI) applications whose future development trajectories are uncertain can also involve serious risks, create ethical dilemmas and result in differences of opinion that may be difficult to address (DSIT, 2024; Shadbolt and Hampson, 2024). If corporate governance focuses on creating value for stakeholders, should all those who contribute to the resulting value benefit as well as those with a legal right to a share of income (Jhunjhunwala, 2023)? Does each stakeholder group benefit from the value created? Can they exercise choice and put their case for more, an alternative or different options?

Should corporate governance arrangements and practices aim to help individuals to maximise their collective welfare rather than the interests of one particular group, and would this be a more efficient way of governing contemporary global and knowledge-based companies (Stoelhorst and Vishwanathan, 2024)? How might boards embrace sustainability through corporate governance (Coulson-Thomas, 2023h)? Given the possibilities for creating new ventures and various routes to value creation through responses to global risks and existential threats, will the composition of stakeholders be shaped by the entrepreneurs who initiate and pursue them (Brown and Bylund, 2023). Do boards get the stakeholders their actions and conduct deserve? What can and should boards do to attract stakeholders who are supportive of more responsible, sustainable and inclusive outcomes? Where resources and natural capital are limited and/or being rapidly used up should boards and corporate governance focus more upon responsible prioritisation and increasing productivity, effectiveness and efficiency?

Influencing the Desirability and Nature of Global Growth

Global growth has gained some momentum but varies in different parts of the world (IMF, 2024). The relative contributions of fiscal and monetary policy can also vary by country and between developed and emerging economies (Baumann et al, 2024). Given the speed with which the earth's natural resources are being used up, the negative externalities of human activities and current corporation operations, and population projections, how responsible, inclusive and sustainable are widespread growth aspirations? Many decision makers appear unaware of the fragility of the conditions on earth that support our contemporary lifestyles and business activities, and the narrow range of variability within which they remain viable (Mann, 2023). Many boards seem reluctant to change direction, shut down ecologically damaging activities, curb negative externalities, and advocate simpler and less materialistic, resource consuming and stressful lifestyles. What needs to be done and by whom to ensure that any further growth is sustainable? How might the costs and benefits of future developments be more equitably shared? Should board effectiveness be redefined in terms of achieving responsible, sustainable and inclusive outcomes (Coulson-Thomas, 2024a)?

What might a next generation of leadership and future boards for a more resilient, sustainable and inclusive global economy, and their functionality look like? How might we build more future-proof and diverse leadership teams, and boards that are better able to address existential threats and ensure that future growth is sustainable (Coulson-Thomas, 2023a & c)? What could the impact of artificial intelligence and the drive for sustainability mean for the future of work and the prospects of young and marginalised people (Coulson-Thomas, 2024a & c)? Given ecological and natural capital constraints, can growth lead to more inclusive as well as sustainable outcomes without accompanying social policies? Transparency and accountability are inter-related and core components of effective corporate governance (Solomon, 2021). With what is at stake, and growing stakeholder interest, how can they be enhanced in the functioning of boards? Some board members may feel that when difficult issues are discussed, increased transparency and disclosure might impact board decision making (Canace et al, 2023). How might justifiable confidentiality be achieved?

IOD India has long championed board engagement with stakeholders and concern with the aspirations, requirements and interests of a wider range of affected parties beyond investors and contractual commitments. This is encouraged by responsible leadership and governance (Coulson-Thomas, 2023m; Saks, 2023). How should the ambit of corporate governance be expanded to include newer and further categories of stakeholder? The informational environment in which interaction with stakeholders occurs may shape stakeholder evaluations of firms (Dorobantu et al, 2024). What do boards need to do differently in how they engage and communicate with stakeholders, particularly in relation to ESG concerns, existential threats and the growing global risks and reality of misinformation and disinformation (WEF, 2024b)? Is there a role that independent or non-executive directors could play in building mutually beneficial understanding between companies and their stakeholders?

The Role of Independent Directors and the Global Business Ecosystem

Independent directors who think for themselves and exercise independent judgement can bring an outsider view to a board. They may monitor the extent to which managers consider the interests of broader stakeholder groups when taking decisions that (Islam et al, 2023). With many executive directors focused on internal and corporate issues, independent directors can contribute balance through their engagement with, and experience of, the external and international context within which companies operate. They may offer awareness of geopolitical developments and be alert to the fracturing of the international system, and the emergence of polarised views, new confrontations and contending positions, and potential great power rivalry between the US and China (WEF, 2024; Niblett, 2024; Sangar, 2024). How could existing and aspiring directors and senior executives be better prepared for contemporary international operation (Coulson-Thomas, 2024f)? Might a board also benefit from one or two new members with experience of science and technology challenges, direction and governance (Coulson-Thomas, 2023o)?

In view of what they may contribute, how might independent directors become more engaged in board deliberations? Where their experience and expertise are pertinent, how could they be encouraged to be more ‘centre stage’ during boardroom discussions? For example, could they be charged to be aware of and monitor warning signs or potential risks, such as a threat to openness and democracy, or the possibility of greater connectivity leading to conflict? Authoritarian leaders with dictatorial leanings can be a threat to democracy (Rachman, 2022). Given the emergence of contending visions of the future and the neo-imperialist ambitions of certain authoritarian regimes, what alert mechanisms could boards put in place? Connectivity can lead to dependency, which if exploited may lead to conflict (Leonard, 2021). What role could independent directors play in assessing risks, monitoring the emergence of existential threats, determining when and in what form collaboration and alerting stakeholders might be appropriate, and curating an effective mechanism for accountability and transparency?

Given the prevalence of negative externalities, conflicts and disputes, the lengths to which many companies go avoid or exploit sanctions regimes aimed at illegal activities, and widespread willingness to find ways of trading with perpetrators of aggression, some may wonder what if any role ethics plays in contemporary business relations. In place of absolutes, standards and corporate statements of values, might more future boards ‘put business first’ and display greater fluidity and more openness to variety according to the requirements of a project, customer requirements or individual case? Opinion polling suggests a degree of pragmatism and flexibility, with a willingness to cooperate across ideological divisions on an issue-by-issue basis, according to situation and circumstances (Garton Ash et al, 2023). What role might independent directors play in relation to monitoring corporate conduct and values, and acceptable, ethical, and/or moral behaviours? How might one assess the value possible independent directors may add to the work of a board, and their potential value addition to a business?

Newly appointed independent directors may be less effective at controlling management, including real-earnings management (REM) and manipulation to improve apparent performance, than more experienced colleagues (Asad et al, 2024). Within the cohort of independent directors there should be sufficient experience of a company and its board to hold executive directors to account. The appointments of independent directors should ideally be planned to ensure a mix of more and less experienced directors, as those who have served longer and on multiple boards, without being over boarded, may be better able to control management and certain REM practices (Asad et al, 2024). How should they be trained or otherwise prepared for futuristic boards? What coaching, development and support might be appropriate for the leadership of future-ready organisations (Coulson-Thomas, 2023d)? Prudent, responsible and caring leaders might prepare for possible emotional and behavioural responses certain events and existential threats. Should they think about both their own roles, and the help and support that key executives and others might require in crisis situations?

ESG and Sustainability Compliance

Some boards feel obliged to adopt economic, social and governance (ESG) initiatives because of ESG criteria being used by investors and other sources of funding. However, ESG has its detractors because of ‘greenwashing’ and questions raised about the evidence used to support claims made about its impact and value (Edmans, 2024a). How might ESG strategies and initiatives tackle negative externalities, ensure growth is sustainable and value added is desirable, and help people, organisations and communities to cope with existential threats? As windows of opportunity to address an existential threat such global warming and climate change narroew, doing things differently and innovation are increasingly required. How might ESG, responsible business, green growth and innovation strategies be better aligned? A study of Spanish companies found that ESG-driven companies exhibit a better future innovation performance than non-ESG driven companies in terms of labour productivity, exporting, and survival (Cabaleiro-Cerviño, Goretti and Mendi, 2024). Their performance was never inferior to that of innovative firms that are not ESG-drive. What needs to happen for more boards to understand, accept, observe and comply with sustainability constraints?

Boards should ensure that ESG strategies are appropriate for the operations of a company, threats it face, and what its directors are seeking to achieve. The impact of ESG ratings on news and stock prices can reflect the extent to which there is a consensus in the ratings (Serafeim and Yoon, 2023). However, obsession with ESG ratings and news reports should not detract from required actions and desirable outcomes. Urgent action on global warming and radical decarbonisation are now required (UNEP, 2023; UNFCCC, 2023). Global surface air temperatures continue to be at record levels (Copernicus, 2024a & b). The global average temperature for the twelve months to April 2024 was 1.61 degrees C above the 1850-1900 pre-industrial average. Extreme heat threatens humans and many other life forms and ecosystems (Goodell, 2023). Extreme weather events such as heatwaves, floods, droughts, wildfires result in significant disruption, damaged eco-systems, and economic losses, and they undermine food security and socio-economic development (WMO, 2024a). Increasingly, people, organisations, communities and their infrastructures will feel the effects of global warming and climate change. How might boards and ESG accelerate decarbonisation?

WMO forecasts highlight the urgent need for climate action (WMO, 2024b). Hitherto, whatever their individual achievements and ESG rhetoric and claims, collectively boards and the business community have not done enough, either to phase out and stop damaging activities, or to provide more sustainable alternative options. Climate scientists are pessimistic. A poll of 380 lead authors or review editors of IPCC reports has found almost 80% of them expect a global temperature rise of at least 2.5 degrees C this century leading to a “semi-dystopian” era of famines, conflicts, mass migrations, heatwaves and floods, wildfires and storms of an intensity and frequency far beyond what's been seen before (Carrington, 2024). Only 6% believe the agreed target of limiting increases to 1.5 degrees C above pre-industrial levels will be met. What more can and should individual directors do to encourage procrastinating board colleagues to take urgent and tough decisions needed for our collective survival? Boards may have to make choices and decide what to give up, and whose interests to ignore or override to achieve better collective outcomes (Head, 2022).

Inculcating the idea of Green Business through Boards

The full negative and impacts of human activities such as climate change are likely to be under-estimated (Royal Society, 2023). Given the momentum and self and vested interests behind existing operations and practices, changes our collective survival requires are unlikely to occur without imposition by external events or action by boards. How might boards and corporate governance better embrace sustainability (Coulson-Thomas, 2023h)? What questions should directors ask about sustainable application of transformative technologies (Coulson-Thomas, 2023p)? If boards are to give a lead in achieving sustainable development and enabling a smoother transition to less damaging and more responsible business models, should more directors become educators and advocate and champion green business and more sustainable operations and lifestyles? How many directors and boards are 'the problem' and responsible for undesirable activities and practices, rather than part of a solution? Overall, collective required actions are inadequate (IPCC, 2023; UNFCCC, 2023). Given the number of requirements and related opportunities for innovation, transition or transformation, how might boards ensure their urgent prioritisation (Coulson-Thomas, 2023k)?

Damaging activities continue as if there is no tomorrow. The picture is murky and mixed. Evidence from China suggests academic independent directors might promote green investment by alleviating corporate financing constraints and encouraging related corporate R&D investment and reducing management myopia (Zhang et al, 2023). Evidence from France suggests independent directors may have a conservative approach to innovation that requires lengthy investigations with uncertain outcomes and the disclosure of information about R&D, technological progress and innovation to protect intellectual property (Lahyani and Ayadi, 2024). What more could and should responsible nomination committees and active investors do to ensure that while exercising independent judgement directors and boards are instigators of desirable changes, rather than obstacles to them? Should innovation also be risk led and balance current and longer-term requirements (Coulson-Thomas, 2023n)?

Commitment to green business should involve efforts to limit global warming by speeding up decarbonisation and transition to renewable energy. The communique of meeting 287 of the IEA governing board at Ministerial level follows pledges to strengthen energy security and accelerate green transitions to bring average global temperatures back below the Paris limit of 1.52°C above the pre-industrial average level (IEA, 2024). Air pollution from fossil fuels has been estimated to already kill over five million people per year (Lelieveld et al, 2023). How could corporate governance better support energy transition? A 45-country study of 3,896 firms found that governance arrangements, and factors such as: a sustainability committee; environmental, social and governance-based compensation policy; financial performance-based compensation; sustainability external audit; transparency; board gender diversity; and board independence can positively impact the consumption of renewable energy (Makpotche et al, 2024). What more can and should boards do to phase out the use of fossil fuels and accelerate the transition to renewables and adopt less energy and resource intensive practices?

Demonstrating ESG Commitment and Progress

Investors and other stakeholders may be uncertain about a board's commitment to responsible ESG objectives. How might ESG strategies, initiatives, and disclosures of the outcomes they achieve, be better synced with the financial language of responsible business? A study of Thai listed companies has found that hard disclosure of environmental and social activities tends to reflect their actual performance, but soft ESG disclosures may lack reliability (Katisart et al, 2024). Hard data could include applications of technology. A study of A-share listed Chinese enterprises has found a positive relationship between ESG ratings and green technology innovation (Zhao et al, 2024). How could technology be used to support and/or evidence ESG compliant green business objectives and progress? Aspirations for green growth and a desire for progress towards a sustainable future may lead to innovations and breakthroughs that could also be used by bad actors (GOS, 2023). How do boards ensure that innovation and uses of emerging technologies are responsible (Medhat, 2023)?

Against a background of widespread greenwashing and exaggeration of ESG achievements, is an independent ESG audit the way forward for green compliance? If so, what should the terms of reference be? How might a board determine whether it has spent too much or too little on activities labelled as ESG, as opposed to what a board considers needs to be done to address the challenges and opportunities a company faces? A study of Korean family firms suggests there may be an optimum level of ESG investment in relation to firm value, and that depending upon the level of family ownership and other factors, investment or disinvestment in ESG activities might be appropriate (Nam et al, 2024). How might an independent audit differ from an assessment undertaken by an ESG rating agency, in relation to internal guidance and external impact? Overall, external ESG assessments in the form of ESG ratings can predict future news and proxy for market expectations of future news if there is a consensus among ratings agencies (Serafeim and Yoon, 2023).

AI in the Boardroom: Challenges and Opportunities

AI concerns executive and board leadership, and our collective future (Coulson-Thomas, 2023a). The energy demands of data centres that support digital developments are voracious. Corporate AI adoption presents boards with challenges and opportunities, and there are also safety and security risks to consider (HM Government, 2023). Where affordable and justifiable, autonomous AI applications could potentially perform various roles undertaken by directors, while augmented intelligence applications might also offer the opportunity for board members to work with AI without supplanting human input (Ahdadou et al, 2023). Areas in which AI applications might be useful for boards include decision-making and governance support, information and data analysis, consolidation and/or presentation, improving efficiency and monitoring, and risk analysis and management (Chapman, 2023). How ready are boards to explore the possibilities? What precautions should be undertaken to protect IP and price sensitive and other information, and avoid various risks (GOS, 2023)?

AI adoption in boardrooms and elsewhere also involves risk. It presents practical, ethical and compliance issues that require responsible consideration (Blackman, 2023). For example, what is generated needs to be fact-checked as errors, misinformation and disinformation are widespread, and there may well be compliance and data and cybersecurity considerations and applicable regulations to consider (Chapman, 2023). What are the implications of AI for board and corporate responsibilities relating to future work (Coulson-Thomas, 2024a & c)? How might boards ensure that new technologies do not just benefit a few at the expense of 'the many' (Acemoglu and Johnson, 2023)? Encounters with the unfamiliar or unknown can sometimes result in discomfort, concern and instinctive prejudice. Within boards, some members may display an unconscious bias against AI and reliance upon algorithms, but early aversion may later become acceptance once they learn more and have experience of applications (Turel and Kalhan, 2023). To whom should boards turn for objective advice on AI developments, digital technologies and related cyber security issues (HM Government, 2023; Wuillamie, 2023; DSIT, 2024)? Who on a board is qualified to provide AI oversight?

Enhancing Diversity and Representation in Boardrooms

Boardroom diversity can help to limit the dangers of 'groupthink' (Janis, 1972). It also combats complacency and encourages challenge, creativity and innovation (Coulson-Thomas, 2023c & g). Evidence from the UK suggests it may also reduce carbon emissions (Khatri, 2024). In China, it has been found to increase the financial stability of listed companies and reduce risk (Ning et al, 2024). When searching for and selecting candidates for board appointments, diversity could be sought in the age, culture, gender, ethnicity, nationality, educational and social backgrounds, experience, skills, personal qualities, interests, perspectives, relationships, priorities, strategies, challenges, opportunities, disability, or other factors. Might future boards have to be more open to diversity of beliefs, perspectives, ambitions, relationships and timescales, as certain countries operate according to different principles (Coker, 2019)? Could a concentration on only certain factors such as gender inhibit wider diversity? Will boards encourage the openness and freethinking that encourages enquiry, creativity and enterprise, and offers hope (Bakewell, (2023)?

Institutional investors may encourage board diversity and companies can also experience improved valuations because of compliance with changes they favour and value-enhancing governance reforms (Fauver, 2024). In accordance with the literature on the relationship between board gender diversity and accounting and market-based performance, an increasing proportion of women on listed company boards across five European countries has been found to have a significant positive association with corporate performance (Darmawan, 2024; Omri and Alfaleh, 2024). There is some evidence that racial diversity on boards may be quickly increased in response to high-profile events. A wave of appointments of black directors to US S&P 500 index boards followed Black Lives Matter protests, with many companies increasing board size to accommodate new directors (Pajuste et al, 2024). Diversity of background, experience and thought can sometimes be especially helpful. What other diversity factors should be prioritised? How might more boards overcome obstacles and barriers that exist primarily in the imaginations of their members?

Building Diverse, Ethical and Inclusive Future Boards

Future boards should be appropriately diverse, ethical and inclusive to cope with greater fluidity, uncertainty, instability and volatility, and the need for more dramatic and radical corporate and collective action in response to common challenges and shared and inter-related existential threats such as global warming and climate change (Coulson-Thomas, 2023i & 2024d). Diversity may mitigate the consequences of tackling issues in isolation. A Spanish study suggests that independent directors may have a negative effect upon innovation as measured by the number of firm patents, but that this might be mitigated by greater gender and nationality diversity (Sierra-Moran et al, 2024). Rather than address discrete problems, future leaders will be required to handle a succession of evolving and inter-related issues and maintain commitment and collaborative relationships during transition and transformation journeys (Coulson-Thomas, 2023k). What needs to change for boards to handle multiple inter-connected and complex issues simultaneously rather than sequentially?

If boards fail to adapt, cope, and tackle negative externalities and existential threats, Governments might intervene (Rönnegard and Smith, 2023). Consequently, variety, enterprise and entrepreneurship to match differing requirements, situations and circumstances might be lost. Challenging misinformation, understanding impacts and pursuing possibilities may become more important activities for directors and future boards (Coulson-Thomas, 2024b). People, organisations and communities, and the infrastructures upon which they depend need to become more resilient and better able to cope with uncertainty and external interventions and shocks (Coulson-Thomas, 2023f & l). What can boards do to increase corporate and collective resilience? For example, a study of Italian listed companies found that putting non-executive board members on remuneration and audit committees may enhance a firm's financial stability (Lagasio, 2023). Are environmental and contextual developments taken into account during annual and independent reviews of board composition and performance?

Coping with emerging threats and unexpected crises, the governance of environmental, contextual and existential risks, and prioritisation, collaboration and reporting are likely to feature on future board agendas (Coulson-Thomas, 2023e & i, & 2024d). With an enhanced requirement for cooperation, co-creation and innovation, future leaders of creative ventures, collaborations, communities and companies ought to be in demand. How should they be selected, developed and supported? How might boards maintain value-adding oversight of a greater diversity of creative activities? In what areas should future boards play a more significant role in the global business ecosystem? What else could they do to enable and support collective, community and societal responses to global risks and existential threats? The Annual Directors' Conclave represents an opportunity for responsible directors to reflect, take stock and discuss issues and options for enhancing board contributions with their peers.

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Further information

Details of the 2024 Annual Directors' Conclave, including the agenda, can be obtained from the website of the organiser: India's Institute of Directors (www.iodglobal.com)

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