

Board Effectiveness: A Strategic Reset for Modern Boards



Navnit Singh
*Chairman & Regional
Managing Director
Korn Ferry India*

When SEBI mandated board evaluation through the LODR Regulations in 2015, it brought board effectiveness into the formal governance agenda. For many years thereafter, board evaluations provided a structured opportunity to review how the board was operating and reinforce good governance practices.

Today, leading boards are approaching this exercise very differently. What began as a governance mechanism is evolving into a broader conversation on board effectiveness. Done well, it becomes one of the few structured moments in the year when the board pauses to ask itself a more fundamental question: Are we truly adding the value the organization needs from us at this stage of its journey?

From Review to Readiness

While oversight, risk management and governance remain foundational responsibilities, today's boards operate in an environment shaped by technological disruption, evolving stakeholder expectations, capital volatility and geopolitical uncertainty. Growth itself has become more complex, requiring boards to engage not only with performance but with resilience, capability and long-term competitiveness.

As a result, board effectiveness assessments are evolving into exercises in strategic readiness. They provide an opportunity to examine whether the board is directing its attention, expertise and influence toward the issues that will matter most in the years

ahead.

This distinction matters. A board may be compliant and still not be effective. It may receive detailed information and still not focus on the most consequential issues. It may have highly experienced directors and still not fully leverage their expertise. It may maintain a constructive relationship with management and still not create sufficient challenge. It may discuss strategy and still struggle to shape critical choices.

Ultimately, board effectiveness is not simply about how well the board functions. It is about the value it creates.

The most effective assessments therefore focus on four dimensions that shape the board's ability to create value: purpose, people, process and partnership.

Purpose: Ensuring the Board Focuses on What Matters Most

Every board operates under the same constraint: time.

Yet the demands on that time continue to expand. Financial performance, risk, succession, technology, sustainability, stakeholder expectations and growth all compete for attention. In such an environment, the board agenda becomes more than a schedule. It becomes a signal of what the board truly values.

A strong board effectiveness exercise therefore prompts more fundamental questions: Is the board spending sufficient time on the issues that will shape the organization's future? Is it anticipating shifts in markets, technology and customer behavior? Is it engaging deeply enough on long-term competitiveness, capital allocation, leadership readiness and strategic risk?

If future-oriented topics consistently receive insufficient airtime, the board risks becoming highly efficient at managing the present while underprepared for the future.

This is a critical shift. It encourages boards to move beyond oversight to foresight. The Chair plays a particularly important role in this regard. Through agenda-setting and prioritization, the Chair helps ensure that the board's limited time is directed toward the issues that will have the greatest impact on the organization's future.

People: Moving from Credentials to Contribution

Board composition has traditionally been discussed in terms of experience, independence, stature, domain knowledge and governance credibility. These remain important. But the effectiveness lens pushes the conversation further. It asks not only who sits at the table, but how effectively the table operates.

The exercise brings attention to the dynamics within the boardroom: Are all directors contributing meaningfully? Are some voices more dominant than others? Is expertise being used only within committees, or is it shaping broader strategic discussion? Are new directors being onboarded deeply enough to contribute early? Does the board have sufficient exposure to future-facing capabilities such as AI, cybersecurity, new business models or emerging market shifts? This is where board effectiveness becomes a capability conversation.

The future-ready board does not need every director to be an expert in every emerging topic. But it must have access to the right perspectives through board refreshment, external advisors, structured learning, business immersion and deeper engagement with management.

The effectiveness exercise often uncovers capability gaps and contribution patterns that traditional governance reviews overlook. The objective is not to identify these gaps after disruption arrives, but to surface them early enough for the board to adapt. The shift is from viewing board capability as static to something that must continually evolve

alongside the organization.

The most effective boards are learning boards. They do not rely solely on accumulated experience. They continuously renew their understanding of the markets, technologies and leadership challenges shaping the future.

Process: Designing for Better Decisions

Board processes - agendas, pre-reads, meeting cadence, information flow and decision protocols - are often treated as procedural elements. In practice, they shape how effectively the board can think, debate, and decide.

If materials arrive too late, directors cannot reflect deeply. If presentations consume most of the meeting, discussion is compressed. If committee insights do not flow into the full board, it loses an integrated view. If strategic discussions are always placed after statutory items, the future is discussed when energy is lowest. If decision rights are unclear, management either over-escalates or under-engages.

A strong board effectiveness exercise brings these elements under scrutiny. It asks whether current processes enable meaningful engagement or constrain it. Ultimately, the objective is not better administration. It is better judgment.

Most importantly, it helps boards distinguish between information, discussion and decision. Not everything requires equal attention. Some items require noting, others debate, alignment or decision.

The best boards are disciplined about where they spend their cognitive energy. The Chair plays an important role in shaping the quality of board process — ensuring that meetings create sufficient space for discussion, that strategic issues receive appropriate attention and that the board's time is deployed where it can create the greatest value. They recognize that the quality of board time is one of the strongest predictors of its impact.

Partnership: Trust Is the Foundation, Challenge Is the Multiplier

The relationship between the board and management is one of the most important determinants of board effectiveness. Yet it is also one of the most difficult to calibrate.

Too little trust can create defensiveness and limit transparency. Too much comfort can reduce challenges. Excessive distance can prevent meaningful insight, while excessive involvement can blur the distinction between governance and management.

A strong board effectiveness exercise helps assess whether the balance is right.

It examines whether management is comfortable bringing early-stage ideas, strategic dilemmas and trade-offs to the board, or whether only polished proposals are presented. It also asks whether directors are able to challenge assumptions without creating friction, and whether engagement is broad enough beyond the Chair and CEO.

The best board-management partnerships are not merely cordial. They are candid. They allow disagreement without loss of trust. They encourage management to use the board as a sounding body. They allow directors to ask persistent questions while respecting management's role. They create enough chemistry for openness, and enough independence for objectivity.

This is especially important in moments of transition: rapid growth, listing readiness, portfolio shifts, succession, technology disruption, international expansion or regulatory change. In such moments, management needs more than oversight. It needs a board that can challenge, advise, connect patterns and help accelerate decisions.

Trust creates access. Challenge creates value. The effectiveness exercise helps boards strengthen both.

The Chair as the Orchestrator of Board Effectiveness

No board effectiveness journey can succeed without the Chair.

The Chair plays a unique role in shaping the board's tone, agenda, rhythm and quality of conversation. An effective Chair does more than orchestrate governance; they orchestrate board energy. They ensure the board does not become trapped in operational detail, encourage management to bring sharper strategic choices forward, broaden engagement beyond the Chair-CEO axis and help the board increase pace without compromising rigor.

This is why board effectiveness often becomes a Chair effectiveness conversation — not in a personal sense, but in an institutional one.

The Measure of Board Effectiveness

The real output of a board effectiveness exercise is not an evaluation report. It is a better board.

The board should emerge with a practical action plan. What will change in the next meeting? What will change in the next quarter? What will become part of the annual rhythm?

The answers may include a sharper annual board calendar, dedicated strategy deep-dives, clearer agenda-setting principles, better pre-read discipline, more focused succession reviews, structured exposure to business heads, informal director interactions, learning sessions and a clear follow-through mechanism.

The true measure of this exercise is the shift it creates. Has the board become more focused on the issues that matter most? Has it improved the quality of strategic debate and decision-making? Has it strengthened its ability to challenge and support management effectively? Has it increased its contribution to long-term enterprise value?

Without meaningful change, board effectiveness remains reflective. With it, it is transformative.