



Governing During a Pandemic



If there were any doubts before, the past six months have proven that we are living in a VUCA world, one that is Volatile, Uncertain, Complex and Ambiguous. For boards of directors, whose role requires that they pay attention to the world outside of their organization and develop appropriate strategic responses, the turbulence rocking the world presents significant challenge.

“So far this year, boards have been really challenged to think about how to operate in and through this current environment,” says Leslie Hilton, Vice President of Governance/Board Development for FCC Services. “It’s critical that boards stay present and consider how they can best adapt to these outside influences, both as a board and in terms of how they can lead their organizations to adapt in effective ways.”

To lead during a time of crisis as we face today, effective boards demonstrate a different set of skills and attributes than they rely on in times of status quo: resiliency to learn from setbacks; flexibility to consider new alternatives; and adaptability to recognize and embrace better strategies and processes. Overall, boards need to become ever more able to operate in an uncertain and ambiguous environment, leading amidst the ongoing changes.

At the same time that organizations and management may need to focus on more short-term solutions to resolve immediate problems, the board should also continue to maintain a longer term strategic focus in partnership with management. Achieving these two visions will require ample communication between the board and management, which should determine the best cadence for information sharing.

The board also needs to take steps to remain effective throughout the crisis. In the current situation, this has meant shifting to virtual meetings, sometimes with fewer formal meetings but more interim updates. Many boards have also recognized that remote meetings are a vastly different experience than in-person events, and so have shortened meeting times, restructured agendas, shared additional pre-meeting materials for review to capitalize on the time together, and focused on promoting engagement during meetings in a very purposeful way using meeting technology and facilitation practices.

“Boards are figuring out how to leverage virtual meeting tools to increase engagement, trying different things and being willing to learn and evolve how they run their meetings,” says Leslie. “Many of these lessons learned during this forced time of change will help them be more efficient and more effective regardless of when they reinstate in-person meetings once the pandemic is over.”

Boards should remain focused on how to do their job as the strategic driver for the organization. This includes a focus on new risks and new opportunities presented by the current environment. The current remote environment, for example, has opened new cyber risks at the same time that it has presented the opportunity to reduce physical office space and to continue a remote work environment after the pandemic.

“The board needs to be looking outward and widely, considering things like market impacts on the availability of capital, the impact of supply chain and supply chain logistics on customers, interest rate volatility, government aid programs and disruptions in how customers do business,” says Leslie. “The board also needs to focus on its own organization, including asking management to assess products and services, talent management, technology upgrades and operational efficiency.”

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“Operating in a time of crisis requires more engagement and more communication within the board and with the CEO, to really understand how the organization is handling the short-term effects of the crisis while not losing sight of the fact that the board needs to look to the future,” says Jean Cantey Segal, Chief Learning Officer of Learning and Consulting Services for FCC Services. “With the pandemic, the immediate focus was on keeping people safe and managing the short-term financial and operational impacts. Now the board should be focused on ensuring that value continues to be delivered to customers and providing insight and perspective on how the organization can continue to grow and transform.”

To learn more about structuring your virtual board meetings or other governance initiatives, contact Leslie Hilton at leslie.hilton@fccservices.com.