



How Committees Can Effectively Tackle the ‘Nitty-Gritty’ of Board Agendas

In July 2023, Egon Zehnder held a new session of its Directors Development Program series, this one examining board committees. The discussion was moderated by Egon Zehnder consultant Darpan Kalra and featured two distinguished speakers: **Neelam Dhawan**, a board member of Hindustan Unilever, ICICI Bank, Capita, and Yatra Online, and **Kewal Handa**, who serves on the boards of BharatPe, Heubach Colorants India, Mukta Arts, Borosil, and others. They spoke on committees’ unique responsibilities, and how they can be constructed to maximize productive discussions that can benefit the larger board and organization.

How Committees should Function in Relation to the Board

Committees may look like smaller models of the larger board they are a part of, but they should function very differently. The

most fundamental aspect of this is how they come to decisions on issues facing the organization.

The full board will often look at issues from a high-level view. They may look at the available evidence or data and discuss the issue further. But it’s a committee’s responsibility to gather that data in the first place—the “nitty-gritty,” as Dhawan put it—and use it to come to a preliminary recommendation to present to the full board.

The specifics of a committee’s agenda and subsequent discussion should dovetail with the overall strategy that the board and organization are trying to pursue. Those larger entities will often have a quarterly strategy meeting where they will decide what goals they should set for the next year or longer. But it will be smaller groups, like committees, who must figure out how to actually reach those goals. “It falls to some committee

or the other to take it as part of the agenda and to see we execute on it,” said Dhawan.

There are many types of committees that can operate in specialized arenas: auditing, risk, and IT, to name a few.

Dhawan suggests the committees construct a calendar that lays out when each issue in their arena will be addressed. For instance, in an IT committee, define when you will do a cybersecurity review, a data center review, and so on.

But beyond those schedules, committees can be a place where more forward-thinking and provocative issues are discussed, rather than strictly just governance issues like at full board meetings. Dhawan brought up generative AI as an example: “We are going to use generative AI more and more, but it has risks. We need to look at how we safeguard against those risks as we use new technology. That’s definitely something the IT strategy committee should sit down and review with their IT teams and then think about it.”

Assigning Board Members to Committees

One of the most important considerations to make in forming board committees is deciding who should sit on which. Across an entire board, members should have a diversity of skills, so leaders must think carefully about where to assign people with certain areas of expertise. “If you do not have the right composition at the board level, then your representation at

the committee level also becomes very poor,” said Handa.

Some of those allocations will be obvious. Dhawan explained that the chair of the audit committee should have spent most of their career in accounting or finance, for example. The same tenet holds for other committees, such as risk or IT committees: “You need to have someone who has exposure or domain expertise in some of these areas,” said Dhawan.

Assigning members to committees brings up another important consideration: the size of each committee. Dhawan recommends keeping them small.

“Large committees are completely unproductive,” she said. “There are too many people, you have less time, you can’t get into depth.”

Having time for such in-depth conversations is key for committees, which often focus much more on discussion and debate than the larger board meetings. This also means that any one individual member should not serve on too many committees, so they’re not spread too thin across multiple committees that require their intense focus.

The Role of the Committee Chair

Just like the chair of the overall board, the chair of each committee plays a pivotal role in setting the groundwork and leading discussions during meetings.

In many instances, the committee chair’s first job will be to compose the committee

itself, including which board members will serve on it and who else from across the company might provide valuable insight. Next is defining the charter, or scope, of what specific issues the committee will grapple with inside of its core function, which naturally leads to the chair setting the agenda and strategy for each meeting. And again, much like the board chair, it's the responsibility of the committee chair to ensure that the meeting discussion is active and productive, with all voices being heard and considered.

Once the time comes for the larger board meeting, Handa said that committee chairs must represent their committee. "It should be the responsibility of the chairman to summarize the findings of the committee to the board and be a real link between the board and the committee."

Part of this responsibility of being the "link" to the board also requires chairs to

strive for clear decision-making in their committees—the end goal of a productive discussion in which all members can come to an agreement.

"So you drive a consensus on many of the topics in the committee, and that's the role of the chair," said Dhawan. "You can't have a committee split on matters which you need to then put up to the board. When you're not decisive as a small group, how do you expect the board not to have a discussion around it?"

That's not to say that there shouldn't be disagreements or debates over committee topics. But Dhawan said after allowing each member to speak their opinion, chairs that have gained the trust of their members can still work to build a consensus. Still, she cautioned, this is much more difficult in committees with too many members, and again recommended smaller committees for this reason.

For more information, contact:



Rahul Rana
New Delhi
rahul.rana@egonzehnder.com



Darpan Kalra
New Delhi
darpan.kalra@egonzehnder.com



Namrita Jhangiani
Mumbai
namrita.jhangiani@egonzehnder.com



Vineet Hemrajani
Mumbai
vineet.hemrajani@egonzehnder.com

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