

SPECIAL MESSAGE

The Value of an Independent Director

*Mr. Colin Low



The value of independent directors is a crucial ingredient for modern corporate governance. However, the journey to becoming an Independent Director may not be easy. Yet, the starting point is for a prospective independent director (ID) to perhaps join non-profit organizations (NGO) and then understand the complexity of the role as well as understanding how the various committees work. From there, one can then start the process of looking for a first public ID role. Independent directors however should understand that training cannot be overemphasized for their success in the role. This could be an on-the-job training, regulatory training and perhaps the board themselves bringing on third parties to educate the IDs. Independent directors need to educate themselves in the face of regulatory changes and an ever-changing global business landscape to understand their fiduciary duties.

Independent directors bring various skillset to the board. Depending the needs of the board such as MA, accounting, talent developing pertaining to the company, but mostly, their role on the board may depend a lot on the overall function of the board. Every inclusive director ideally can add that potential value. In today's complex business models, financial operations, and challenges that the world is going through such as the Russian/Ukraine war for example, it has shown that we live in a volatile world. Having a director that can provide a strategical direction, to help deliver on their business model is very critical.

Across Asia, 60% of boards are family-owned business, when an independent director wants to be on a board, it is much on the onus on the ID to be prepared for the role. When an independent director feels that his or her voice is not being heard, they should get their points raised and documented and then rally the support of the other IDs to ensure that it is not an isolated situation and that other board members also feel the need to support. An independent director brings objectivity to the board, and it is what I can call a lifetime job. However, it mostly would depend on the earnestness of the director to make a difference and to bring dedication to the role. The dedication of the board director to serve is key to the role. ■

Mr. Colin Low

Global Independent Board Director
across geographies; &
former Board Chair,
Advisory Board Member, The Diligent Institute
(the author is based in Singapore)