

Managing boards in a hybrid environment

Carmichael's CEO, Diarmaid Ó Corrbuí was a guest on the Diligent- BoardEffect Board Governance webinar series speaking to host Mark Wilson, Governance Advisor with BoardEffect on the topic of "Managing boards in a hybrid environment" on the 31st of March. This is an edited transcript of the discussion.

Mark Wilson: What impact did the pandemic have on your board's work?

Diarmaid Ó Corrbuí: We are still figuring out what the new normal is. The sudden switch to having board meetings virtually was a major shock to the system that required some adjustments. While technically we were able to have virtual meetings via Zoom or Teams, but it took a while for board members to adjust to the new format. Initially, those meetings tended to be shorter than normal with fewer contributions from participants. The first year was spent trying to figure out what is the best way of conducting and engaging in virtual meetings. It certainly added to the already significantly challenging job of the chairperson to chair these meetings. Over time, people got more familiar and comfortable with the format and we got better at making good use of the technology and its many features. But as we now start to move out of a Covid restricted environment, we are seeing the emergence of the hybrid board meeting with some of the board members attending in-person while others connect in virtually. This is creating new challenges. There is a danger that the meeting dynamic and the level of engagement will be different for those in-person and those joining remotely. This is something that needs to be worked on.

Mark Wilson: What trends have emerged in terms of the ways your board is working?

Diarmaid Ó Corrbuí: We have seen an increased focus on risk assessment and management, particularly, on cyber security.

One of the things that the Covid pandemic experience has taught us is that we have the ability to quickly change, adapt and innovate and this has led to an increased focus on looking at other ways where we can be innovative and be more ambitious in our plans and targets.

Boards are looking at how to design and implement new hybrid or blended working models that recognises both the needs of the charity in servicing its beneficiaries and the needs of its staff and volunteers. We are also revisiting our organisation's purpose, ethical principles and looking at how they are applied in practice.

Resilience and sustainability is another topic that is getting more board time. The near death experience of the charity that was felt at the onset of the pandemic where our worlds were turned upside down, where we were closing our offices, working from home cancelling all but the essential in-person activities, we were worried about losses of income. This led to the board to consider what they need to do to strengthen our future resilience and sustainability. This has added to the already critical imperative of taking appropriate actions in response to climate change and now we have the terrible war in the Ukraine and one of the impacts of which is the massive hike on energy prices. These are making boards look at the actions they need to take and investment the need to make to become more sustainable.

Equality, Diversity & Inclusion is another hot topic. Also I think that the pandemic has given an added boost to looking at the requirements of succession planning, board development and talent management.

Mark Wilson: What do you think are likely to be the long-term impacts of this experience for your board?

Diarmaid Ó Corrbuí: We need to embed the learnings, the innovations and improvements in how we operate that occurred over the last 2 years and build from them. There is enhanced recognition of the fact that major shocks to the business model and the wider environment do happen, so boards need to continually look at its organisation's resilience and capacity. Also going back to basics and getting a deeper and collective understanding of your purpose, value and impact. There is a greater appreciation of the importance and benefits of;

- Diversity
- Adaptability and
- Capability

Mark Wilson: What is the likelihood that your board will always hold a certain proportion of its meetings virtually from now on?

Diarmaid Ó Corrbuí: Definitely, I see the continued use of virtual meetings for sub-committee meetings. Having virtual meetings can help in increasing the diversity of board composition as it increases accessibility, making it easier for some to attend who may not have been able to if the meeting is in-person. However, one thing that we really appreciated during the pandemic is that we are social beings and we recognise the importance of connectivity. We have missed those informal moments, those "water-cooler" chats that helps to build bonds and connectivity, that esprit de corps. These have been made more difficult when we are only engaging with each other via a screen. There has been a particular challenge for new board members who have joined during the pandemic to get to know their fellow board members and the charities they have joined.

Hybrid board meetings are creating new challenges. It is more difficult for the chairperson and it can lead to a different type of engagement experience. My personal preference would be for the meeting to be either fully virtual or in-person. But I understand that there are times when a hybrid meeting might be required. But hybrid meetings need more work to get the dynamics right.

Mark Wilson: How has having a board software solution for board meetings in place pre-pandemic allowed your board to adapt? What do you think things would have looked like without having something in place?

Diarmaid Ó Corrbuí: Having a system like BoardEffect was a huge plus for us and it really helped in keeping board members engaged and it provided them with ready access to board papers and supporting documents. It was also a great help to the Company Secretary who could with ease, send and receive papers, keep track of feedback and edits. Not having the software in a time of virtual board meetings, would have been one big headache. It is very easy to envisage scenarios where there is a disconnect in discussions where some board members cannot find the relevant board papers if we were relying on hardcopy based papers or email attachments. The portal is also great for keeping all our Governance Code Compliance documentation in the one place that is easily accessible to all board members on a cloud based system that can be accessed from a laptop, smart phone or tablet device.

Mark Wilson: Boards are dealing with a wide array of new pressures and challenges. What are some of the ways your boards are changing to meet these?

Carmichael.

Diarmaid Ó Corrbuí: Many of the challenges and pressures pre-date Covid and in some cases, they have become more acute. These include; deciphering what the “new normal” actual means and how the new hybrid or blended working model will impact service delivery, staff engagement, wellness and organisational culture. Sustainability, resilience, diversity, digital transformation, cyber security, are just some of the many pressures facing boards. To meet these challenges, some boards are going back to revisit, reflect and re-invigorate their core purpose and ethical principles. Asking big questions such as; What is their purpose? Is it still valid? What difference or impact do we make and should we be making? What changes do we need to make to our strategy, our business model, our capacity and composition to achieve this? What new or enhanced skills & competencies do we need to develop and or acquire?

Mark Wilson: Is your board now finding it needs different expertise and more diverse perspectives than in the past?

Diarmaid Ó Corrbuí: Board diversity has always been critical. Recent events have under pinned this. Think about the richness of the evaluation and the quality of the decisions that are enhanced when there is a more diverse board involved. By diversity I mean it in its widest sense, in terms of gender, ethnic background, social background, experience, thinking styles. It is something that needs to be constantly reviewed and requires proactive measures. Good intentions alone won't hack it. You need to set key metrics and targets and report on progress in achieving them. In the charity sector, recruiting new board members is always challenging. The temptation is to go for the easy route. Ensuring that you have a diverse and effective board requires more work. You need to identify what a diverse and effective board looks like for your charity and develop a plan with specific targets to achieve it. Your board will be much better for it.

Mark Wilson: How is your board involved in new conversations taking place – such as changes to your workforce and/or in-office work, the mental health/well-being of the workforce, and/or executive succession planning issues?

Diarmaid Ó Corrbuí: There is an increased awareness and appreciation of the importance of these issues. There is a recognition that the board needs to be better informed and that the only channel of communication to the board should not be through the CEO. The first area our Board looked at last year was around CEO succession planning. Looking at the scenario of what if the CEO for example, had to take a period of absence for several months due to illness; who would step into the role of interim CEO and would they be able to do it. This involved;

- Comprehensive updating and detail documenting of the CEO's duties and activities – the creation a handover manual
- Identification of a panel of potential interim CEO candidates from the existing staff
- Conducting a series of one-to-one meetings with the candidates and the Board Chair
- Preparing a customised development plan for each of the candidates to help them to be ready to take on the role if required.

A second initiative that the Board has kicked off is a series of board development sessions aimed at deepening their understanding of the different parts of the charity's operations and of those involved in managing and delivering them.