

**MINORITY SHAREHOLDERS WATCH GROUP**  
**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia – Company No. 200001022382 (524989-M))

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## Innovation and digitalisation top of boardroom priorities

**PETALING JAYA:** Innovation and digitalisation have been identified as top boardroom priorities despite the uncertainty in the business environment, says Institute of Corporate Directors Malaysia chairman Tan Sri Zarinah Anwar.

“Boards in the Asean region are sharpening their focus on risk oversight and acknowledging that these skill sets are essential in the boardroom composition.

“This requires boards to develop the courage to take advantage of change, which is precisely the insight that underlined the theme of this year’s summit, the B Factor (Bold + Brave) Boards,” she said in her opening address at the International Directors Summit 2022, held virtually yesterday.

Serving as a regional platform, this year’s summit brought together about 30 renowned global speakers to discuss and navigate emerging trends and threats affecting boards and organisations.

Zarinah said factors like the Covid-19 pandemic, geopolitical tensions, supply chain disruptions, rising inflation, climate change

and talent uprising have added to the uncertainty and complexity of the business environment.

“Boards need to embody both qualities to be equipped with the capability to make the necessary changes to achieve growth and build resilience amid today’s volatile environment,” she said.

This entails companies having to reimagine their workforce and talent proposition in a post-Covid-19 environment as well as making adjustments to long-standing board practices to ensure it is still capable of making progress.

“We need to seize opportunities for transformation amid disruptions to the business, offer new solutions that will yield positive impact and drive the necessary change to build and protect value in the longer term,” said Zarinah.

Securities Commission chairman Datuk Seri Dr Awang Adek Hussin said some independent directors are not well prepared when they attend board meetings and tend to be over-reliant on the management.

“First and foremost, the role of an inde-

pendent director is to provide a check and balance to the executive director,” he said.

An independent director must take audit findings seriously and pay attention to risk assessments to better manage possible disruptions to one’s business, he added.

On this note, Minority Shareholders Watchdog Group chief executive officer Devanesan Evanson said what is required of independent directors is to constructively challenge the management.

“In the Asian (and Malaysian) context, many find that challenging the management is something alien and uncomfortable.

“However, that is not an excuse not to do so when the need arises. In fact, the fiduciary duty of a director demands as such,” he told *StarBiz*.

Devanesan said more often than not, the CEO and senior management would have been in the company much longer than the independent directors.

As such, there is a tendency for independent directors to “give the benefit of the doubt” to the management when no such benefit

may be warranted, he said.

Awang Adek said boards need to have diversity in terms of age, experience, ethnicity and gender to take on new challenges, stay competitive and meet investors’ expectations.

“In 2011, only 7.7% of board positions were held by women and more than half of the listed companies had an all-male board. Now, 80% of listed companies have at least one female director on the board,” he said.

Devanesan said women comprised about 50% of Malaysia’s population and therefore, one cannot mention good corporate governance by ignoring women representation on boards.

“Different perspectives provide for better deliberations, out of which comes better decisions.

“If we start on the premise that men and women are generally wired differently, and therefore think differently, then it becomes easy to appreciate why having more women on board can result in better decisions.

“After all, companies should strive for better decision-making,” he said.