



Competencies Shaping Boards of the Future

WITH new opportunities arising and risks waiting around every corner, often from industries unrelated to one's own, boards must be both alert to risks, and ready to seize opportunities. Achieving this balance of safety and competitiveness requires a breadth of perspectives which can only be obtained through a diverse set of competencies. The question is what to look for, and what opportunities it might yield.

Disruption in the Boardroom

Start by asking whether your board is prepared to lead the organisation through a digital transformation, with all of the changes it will bring to the status quo. This path, which we are already on, will continue to form the future.

Buzzwords such as “digitalization” and “disruption” are forcing board members and senior executives to rethink what it will take to stay competitive in the long term. It's important not to become too comfortable with established work processes and entrenched mind-sets. The playing field could fundamentally shift overnight, requiring skilled people who are agile and adaptable to a dynamic landscape.

Boards must possess the ability to manoeuvre in an unpredictable and fast-paced environment, which places bigger demands on individual members. One driver of unpredictability is the fact that technological developments are highly exponential by nature and do not typically occur in a linear fashion.

This makes it more important than ever for the boards of Danish and international organisations, to include members who understand these operating conditions and can nimbly change the organization's business model in response. Devising future strategies based on past experience is no longer an option.

Diversity in board composition is important not merely for the sake of ticking off “diversity” as a competence, but because diversity brings a breadth of perspectives sufficient to anticipate challenges, manage risks and optimise opportunities. The call for greater diversity signifies the need for new skills and chief among these are digital.

Digital competencies can heighten board members' ability to understand industry dynamics and anticipate challenges from outside the industry –such as Airbnb, a tech firm which altered the hotel industry.

Most In demand competencies

A recent international survey found Boards predict digital competencies as the most in-demand skill and expertise increasingly sought after in the future. As advancements in digital technology continue to accelerate, companies are being out-competed faster than ever before.

Board members' competencies can be rendered obsolete if they do not make an effort to stay up to date. Continuous development is needed to overcome competitive threats, and board members must invest in their professional lives by continuously educating themselves and honing their skills.

The breadth of perspectives gained by adding board members with diverse profiles generates more positive dynamics, innovative approaches to dealing with risks and opportunities, and better governance.

Companies with more diverse boards tend to be governed in a more holistic way, taking a larger number of competing interests, pitfalls and other important factors into account. To achieve this boards are increasingly recruiting international candidates as well as candidates who add diversity of gender, age and skill-set.

The inclusion of more diverse competencies on the board increases the likelihood that vital knowledge about new technologies is present. This in turn improves the odds that the board will have the ability to formulate strategies in response to a change of circumstances or new normal.

Competencies must include skill in digitalisation, C-level experience working with disruption and fast-paced environments, experience with change management, and the vision to recognize and know how to action potentially monumental opportunities as they arise.

What the future holds...

Competencies such as these have become business critical, and will become even more so moving forward. Boards must – if they do not already possess these skills – acquire digital competencies, and if necessary, search for them internationally.

Greater diversity and experience will enhance the board's composition, improve governance, and ultimately benefit the organization.



Food For Thought is a series highlighting discussions about candidates, organizations, assessments and boards. Kenneth V. Mortensen is Co-Founder and Managing Partner of Boyden Denmark. He developed a well-deserved reputation as being very client and candidate driven, with a passion for delivery and results. His success is grounded in his fundamental belief in the correlation between human behaviour and financial performance.

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