

The Board's Looking Glass 2025

ISB Executive Education
Corporate Governance Report

Authors

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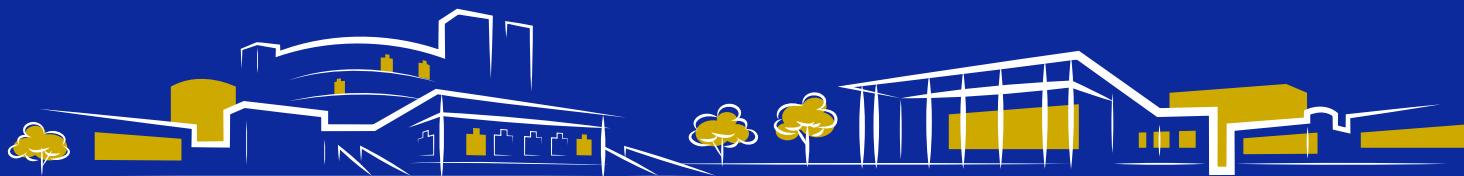
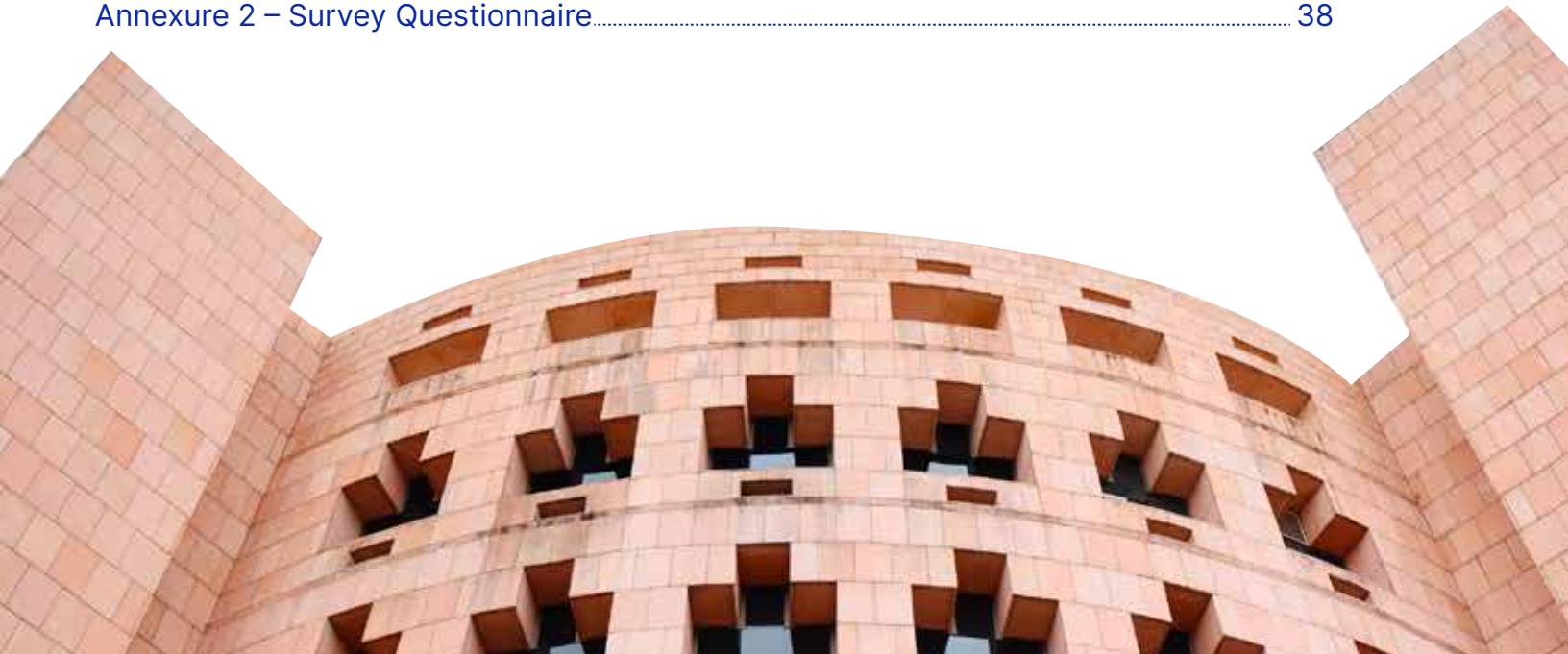


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ISB Overview

Our Vision

The Indian School of Business (ISB) was established with a vision to become an internationally top-ranked, research-driven, independent management institution that grooms future leaders for India and the world.

Shape the Future

At ISB, we empower business leaders with knowledge and character to shape tomorrow, today.

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About the authors



Professor Sanjay Kallapur

The founding editor-in-chief of Accounting Theory and Practice, a journal focused on India, Professor Sanjay Kallapur is a professor of accounting at the Indian School of Business. He teaches and researches financial and managerial accounting, auditing, corporate governance, and risk management. The American Accounting Association recently published his monograph on scientific inference in accounting research. He started the PhD-equivalent Fellow Programme at ISB and has placed his students in faculty positions at prestigious schools such as the London School of Economics, IESEG School of Management Paris, Aalto University, Rochester Institute of Technology (USA), and the Universities of Queensland and Western Australia.

He was the first person from outside North America to be appointed as editor of the prestigious Accounting Review (2008-2011). He is a part-time member of the National Financial Reporting Authority (NFRA), the regulatory body overseeing the accounting and auditing of listed companies in India. He is an independent director on the Board of IDBI Bank and has previously served on the Board of LIC of India.



Professor Nirmalya Kumar

One of the world's leading thinkers on strategy and marketing, Nirmalya Kumar is a visiting faculty member at the Indian School of Business. Earlier, besides heading strategy as a member of the Group Executive Council at the Tata group, he has been professor of Marketing at IMD, London Business School, and Singapore Management University. He has also taught at Harvard Business School, Northwestern University (Kellogg), INSEAD, and Columbia University.

As a consultant and coach, Nirmalya has worked with over 50 Fortune 500 companies in 60 countries. He has served on several boards of directors, including ACC, Bata India, Tata Chemicals, UltraTech Cement, and Zensar. He is a widely cited author of ten acclaimed books and several articles in Harvard Business Review and other leading academic journals.



Harish Raichandani

A business coach, Organisational Development (OD) catalyst, and corporate governance steward, Harish is an adjunct faculty at ISB. He is the Chairman and founder of Potentia (www.potentia.in), works with upper echelons to catalyse organisational transformations, and steers Board Evaluations (www.fidemboards.com). He strives to improve Boardroom chemistry and coaches organisational leaders. As a catalyst for and architect of OD interventions, he is sought after for elevating business performance, shaping an enabling culture, and strategic HR.

He teaches Corporate Governance and Business Ethics courses to MBA students. In executive education, he teaches leadership courses such as Emotional Intelligence, Positive Psychology, Achievement Orientation, Growth Mindset, Leading Change, Stakeholder Management, Conflict Resolution, and Negotiation.

Foreword

In a world marked by unprecedented change and heightened scrutiny, the role of corporate boards continues to evolve. As new business models emerge and stakeholder expectations rise, governance must shift from being reactive and procedural to becoming proactive and value-creating. This year's edition of The Board's Looking Glass highlights the need for boards to demonstrate not just competence, but conviction and foresight.



Professor Madan Pillutla
Dean, ISB

The 2025 study goes beyond cataloguing data. It shines a light on patterns of behaviour, decision-making, and leadership that determine whether boards merely comply or truly govern. Drawing on the voices of over 200 directors across India's leading companies, it reveals both areas of strength and blind spots that demand attention. From committee effectiveness to cultural undercurrents, it offers a roadmap for boards aspiring to be future-ready.

At the Indian School of Business, our mission is to create and disseminate research-based knowledge that influences practice and policy. This study reflects that mission by combining research rigour with real-world insights. It also shows the value of collaboration between academics, business leaders, and policymakers to improve governance.

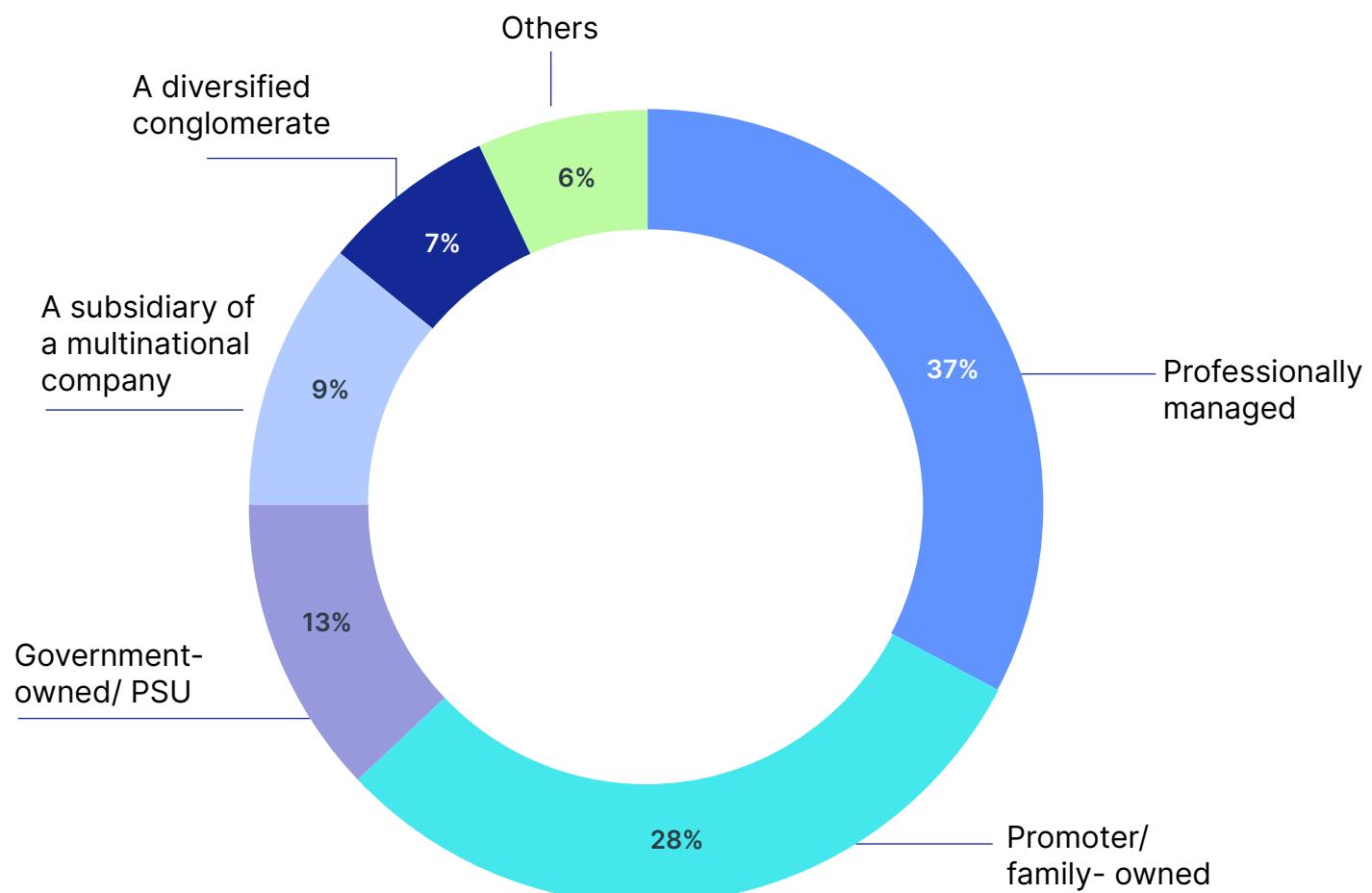
This report is not only a mirror for introspection. It is also a compass for action. It invites board members and governance leaders to ask difficult questions, revisit long-held assumptions, and embrace their responsibility to build resilient, ethical, and high-performing institutions.

We hope this report inspires boards to lead with integrity, inclusiveness, and impact.

Overview of 2025 study

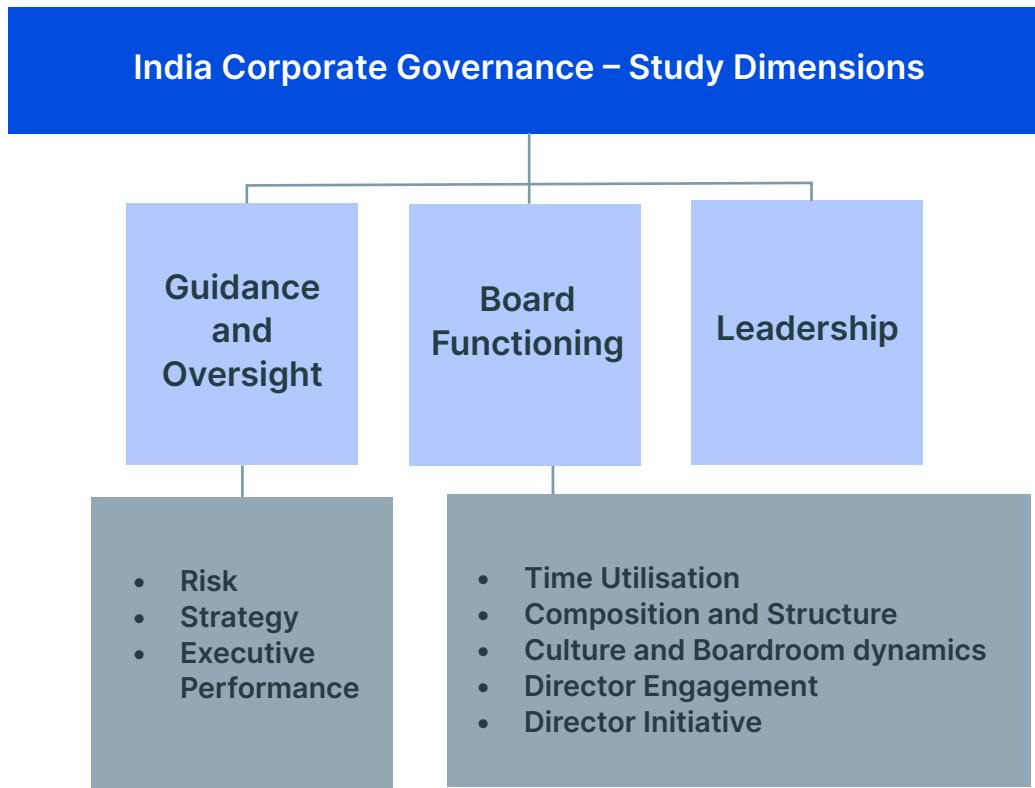
The Board's Looking Glass, now in its second edition (2025), offers insights about India's corporate boards amidst accelerating economic changes and geopolitical shifts. This year, the study looks into the functioning of board committees, offering a more granular view of corporate governance in action.

Drawing on responses from over 200 directors on boards across BSE 500 companies, the study captures the evolving pulse of governance in boardrooms across India. It provides a data-driven lens on the dynamics shaping governance maturity across sectors.



Survey Architecture Key Governance Dimensions

The 2025 survey was structured around 62 carefully crafted questions, assessing governance effectiveness across three core dimensions: Guidance and Oversight, Board Functioning, and Leadership. These dimensions reflect critical levers of governance maturity and form a comprehensive framework for evaluating how boards guide, operate, and lead.



The framework depicted in the accompanying diagram illustrates the areas explored in this study. **Guidance and Oversight** dimension evaluates the board's role in shaping strategy, overseeing risk, and assessing executive performance. **Board Functioning** examines time utilisation, adequacy and appropriateness of board and committee composition, nuances of boardroom culture and dynamics, and director engagement. The **Leadership** dimension examines individual and collective leadership, the tone set by the chairperson, and the alignment between the board and management.



To dive deeper into the board's structural efficacy, this year's study invited participating directors to evaluate the functioning of key committees — Audit, Risk, and Nomination and Remuneration—yielding insights into their operational effectiveness. It thereby provides pointers for improving the efficacy of the committees' functioning.

Directors widely appreciated the comprehensiveness of the survey, reinforcing ISB's commitment to staying relevant and rigorous.

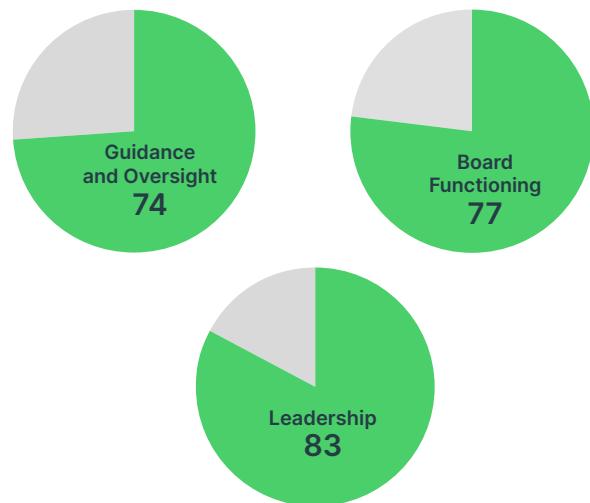
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In my opinion the audit committee as well as the nomination and remuneration committee play very important roles in upholding corporate governance standards. A close scrutiny of the functioning of these two committees will reveal the broader picture.
-A board director's perspective

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The survey is comprehensive. All important areas have been covered.
-A board director's perspective

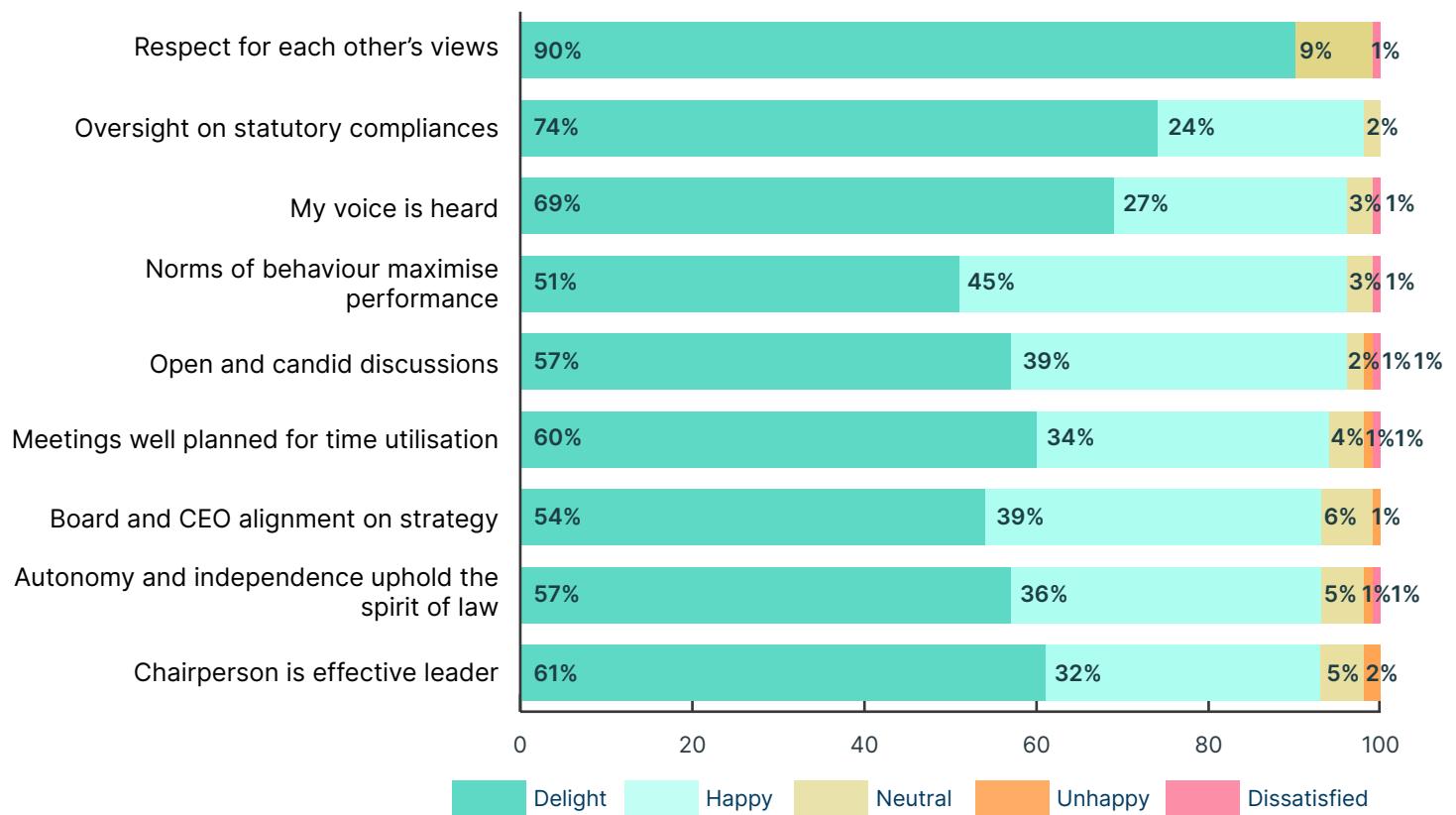
Signs of strength, room for stretch

All three dimensions, Leadership (83), Board Functioning (77), and Guidance and Oversight (74), show encouraging levels of governance maturity. Notwithstanding, the tendency of directors to portray their boards and functioning in a positive light, the scores here represent a healthy governance maturity.

Effectiveness Scores 2025



Strong Consensus



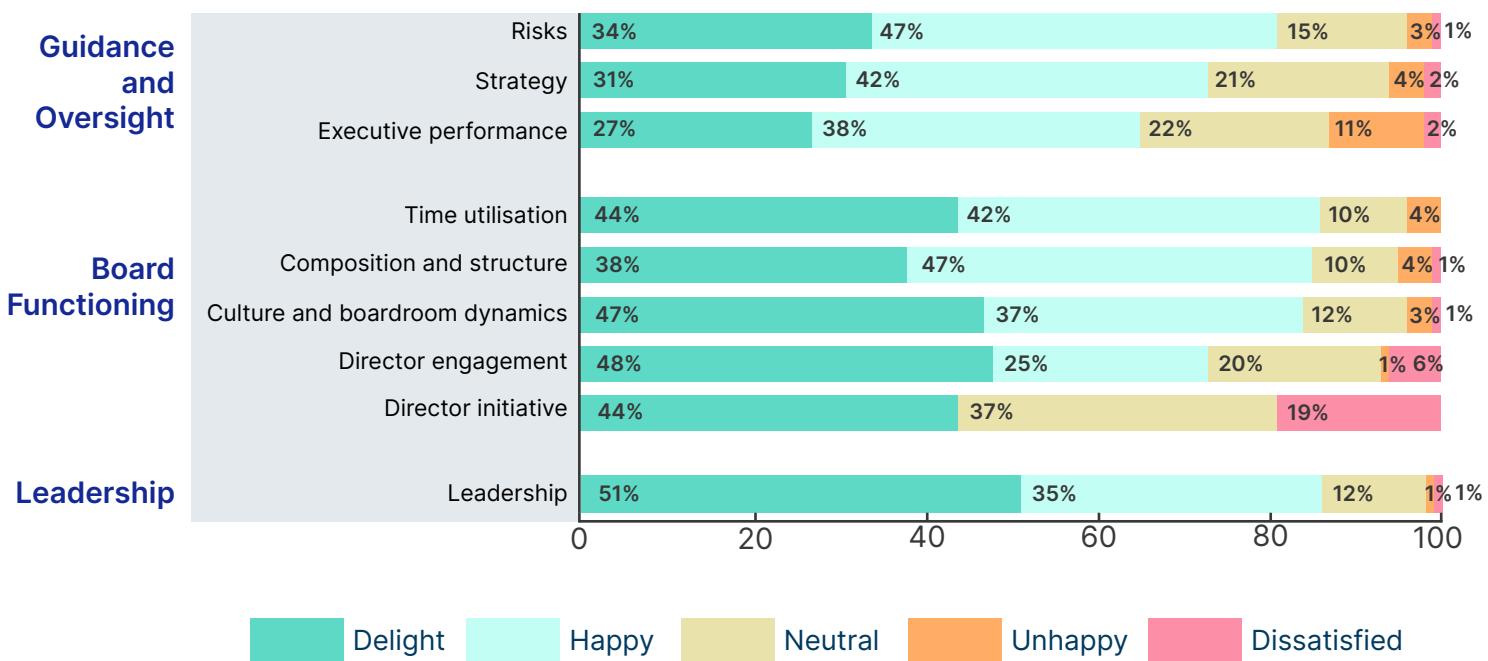
The chairperson's role (under the Leadership dimension) is a clear strength. It suggests that boards are truly benefiting from experienced leaders who bring direction and help shape a positive board culture, as reflected in the strong scores across other statements. Several softer aspects of culture (open and candid discussions, meeting planning and time utilisation norms) that impact boardroom dynamics have strong approval from directors. These suggest boards are strengthening psychological safety and increasing the inclusiveness of board members. Notably, 90% of directors felt their views were respected, and 96% agreed that their voices were heard—clear signals that boards are fostering an environment that welcomes individual views, leading to more thoughtful deliberations. Perhaps this increase in trust, openness, and mutual respect is paving the way for the exercise of independence and autonomy.

In other words, boards appear to be transitioning from being compliance-driven to becoming culture-conscious. Boards recognise that better governance is not just a function of structure and skills, but intangibles such as trust, openness, and mutual respect.



Beneath the surface Realities of Governance

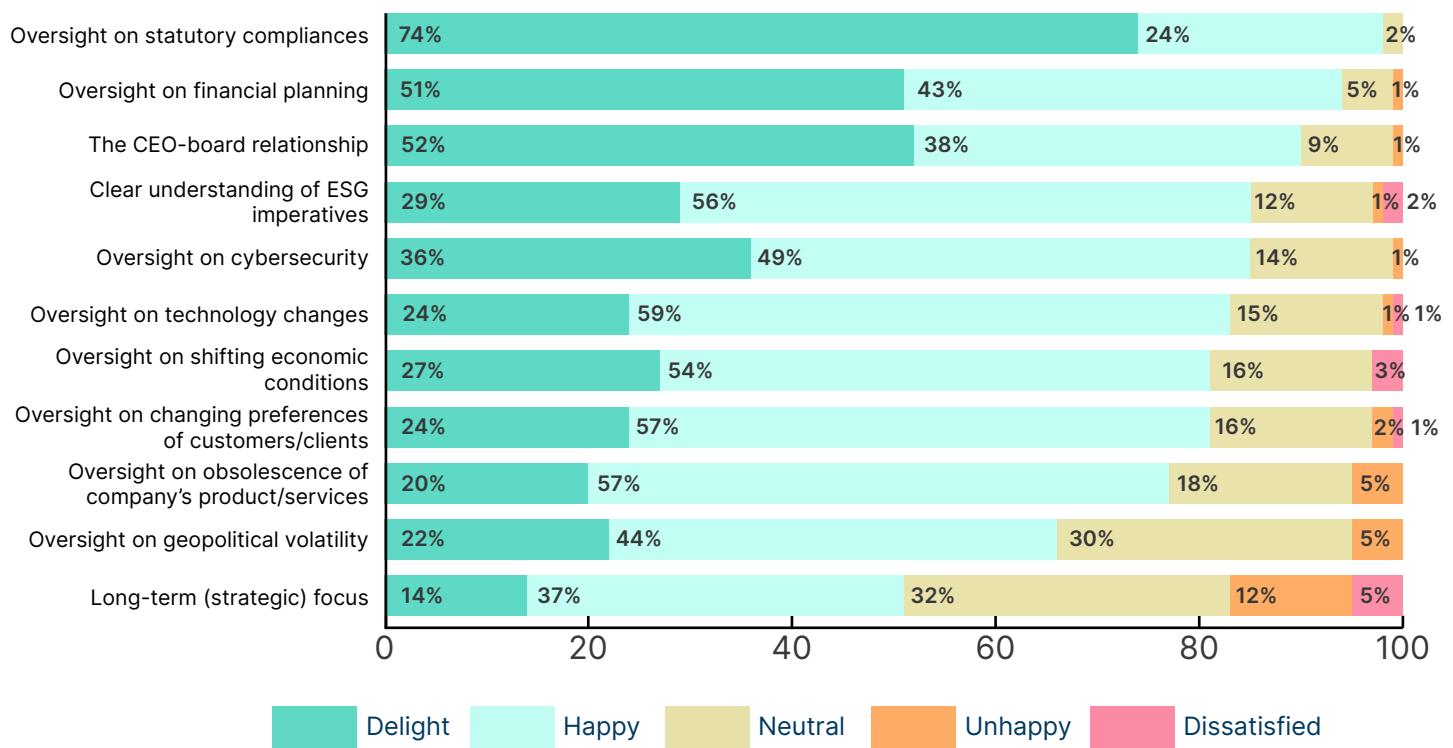
The visual dominance of green in certain areas may imply broad satisfaction, but a closer look reveals that many critical governance levers show substantial areas of pink and orange.



Missing long-term orientation

For instance, under the dimension of Guidance and Oversight, while Risk oversight shows a reasonably strong 81% positive response, the examination of the Risk oversight statements indicates a wide range from 51% to 98%. There are clear gaps in some critical areas.

Guidance and Oversight – Risk



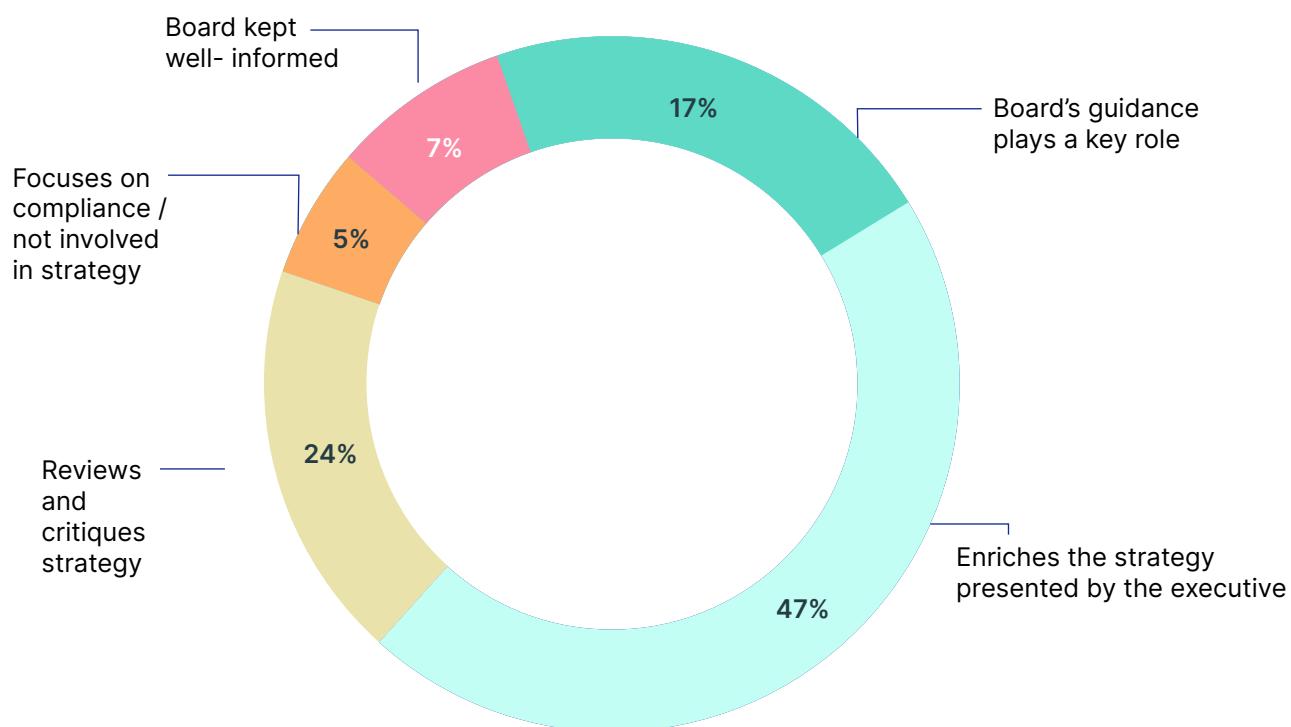
What underlies the healthy green of 81% is that traditional domains, such as statutory compliance (98% positive) and financial planning (94% positive), lift the score. It is also understandable that a measure such as geopolitical volatility may have a lower score. However, lower scores on obsolescence of the company's products/ services, innovation, and technology/ cybersecurity may be attributed to a lack of long-term (strategic) focus by the board, as is evident from the score of a mere 51% green, with the dark green "delighted" box scoring only 14%.

Strategy: Opportunity to move from alignment to influence

Although the Boards' involvement in the Company Strategy graph appears quite green and gives the impression that the Board and Management are co-pilots of direction-setting, only 17% of boards currently play a key role in shaping strategy, the true hallmark of direction-setting by the boards. While 47% of directors believe that they are enriching the strategy, more than one in three (36%, sum of yellow, orange and pink colours) indicate limited or no value addition to the strategy prepared by the executive.

The reality, perhaps, is closer to the voice of a director: "Are strategic matters brought to the board presented as a fait accompli or as work in progress?" From our experience of interacting with boards, we know that in an overwhelmingly large number of companies, the boards are kept well-informed by the management, but their role in actual direction setting is quite minimal. This suggests that although independent directors are present at the table, they may not be truly steering the direction of the company.

Board's Involvement in Company Strategy



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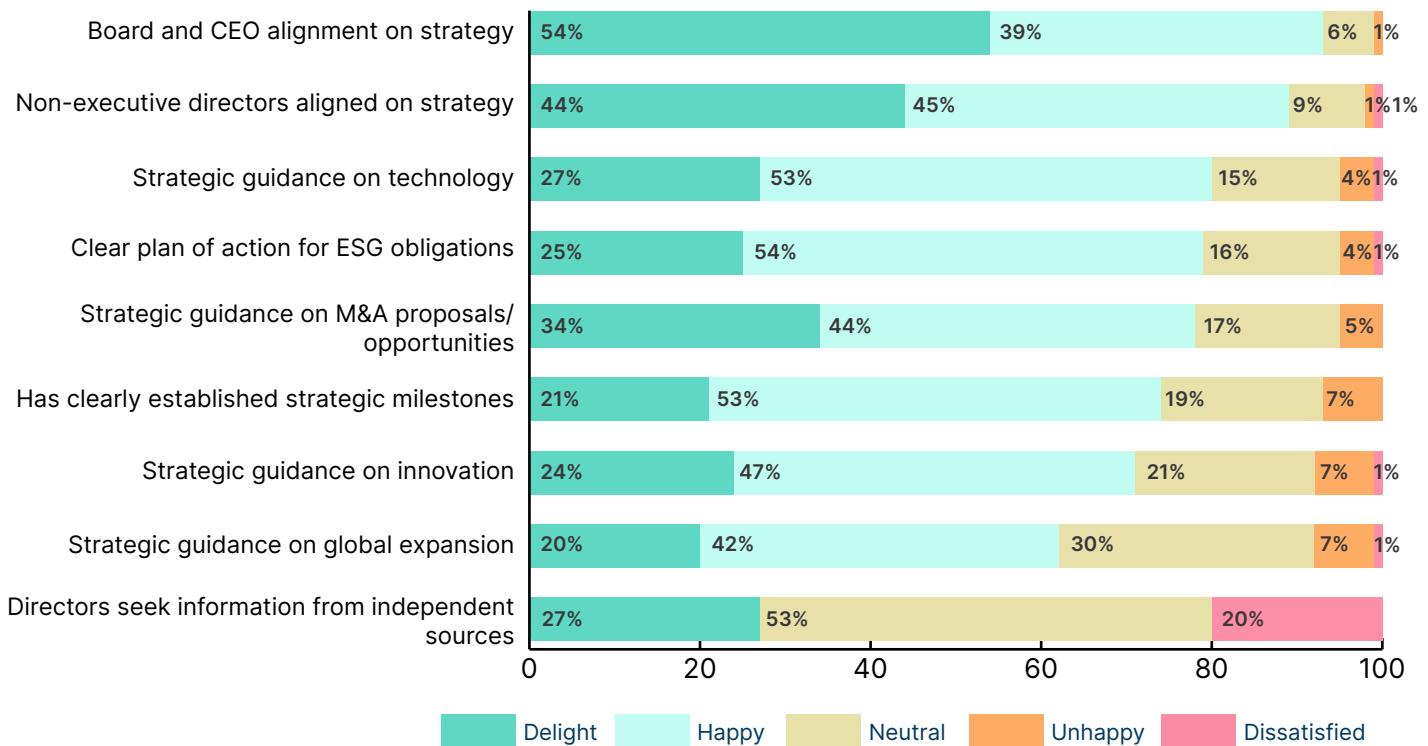
The role of compliance creeps into board time. Because of the high stakes of non-compliance, many board and committee members, particularly the audit committee, are necessarily dedicated to ensuring or addressing compliance issues, which in turn squeezes out time for business and strategic decisions.

A board director's perspective

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Guidance and Oversight – Strategy



Ordinarily, a high alignment on strategy between the executive and board should indicate a clear strength; however, the foregoing discussion on the board's role in strategy formulation leaves one wondering whether this strong alignment is truly a strength or an indicator of groupthink. The noticeable dip when it comes to oversight on forward-looking areas such as technology, Environmental, Social, and Governance (ESG) and Mergers and Acquisitions (M&A), and innovation suggests that it is the latter. Only 27% directors rely on independent sources of information; this triangulates the voices that have questioned the board's contribution to strategy formulation and risk mitigation areas. Boards could benefit from structured briefings by independent experts or stakeholder consultations to widen perspectives.

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“Most boards don't create a plan to visit markets and manufacturing units for ensuring first-hand knowledge”.

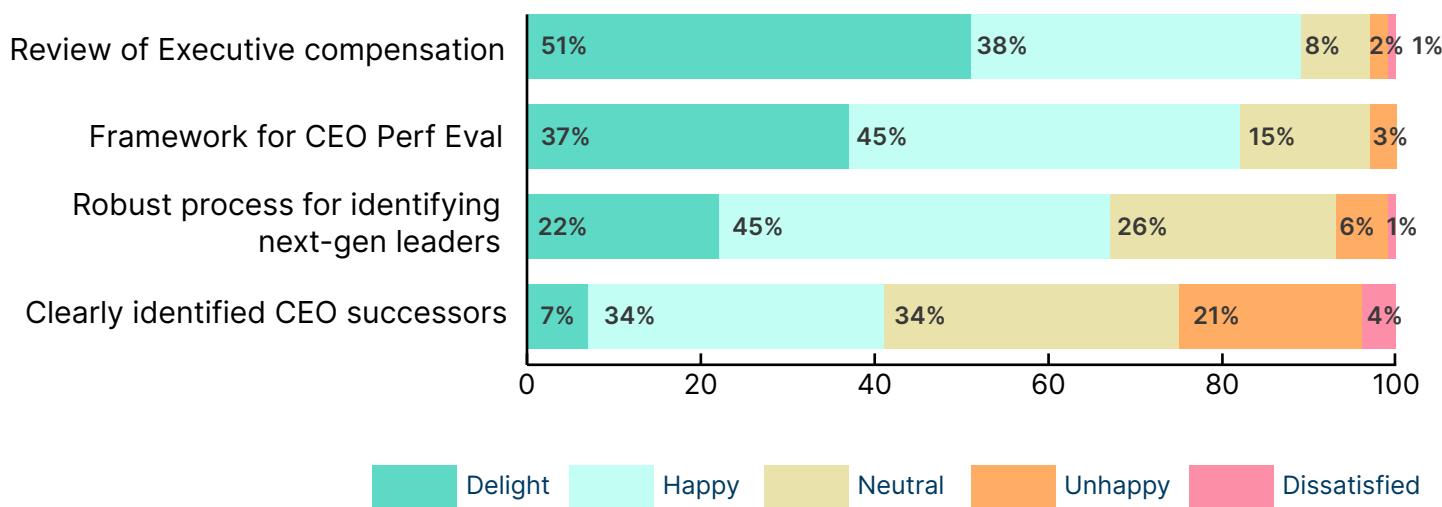
Indicating Director readiness and preparedness impacting contributions to Risk and Strategy
-A director's perspective

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Missing depth in executive oversight

Guidance and oversight of executive performance shows that board members are comfortable with their handling of the tangible, transactional elements of executive compensation, but are not so comfortable with progressively fuzzier areas such as performance evaluation, talent pipeline, and succession.

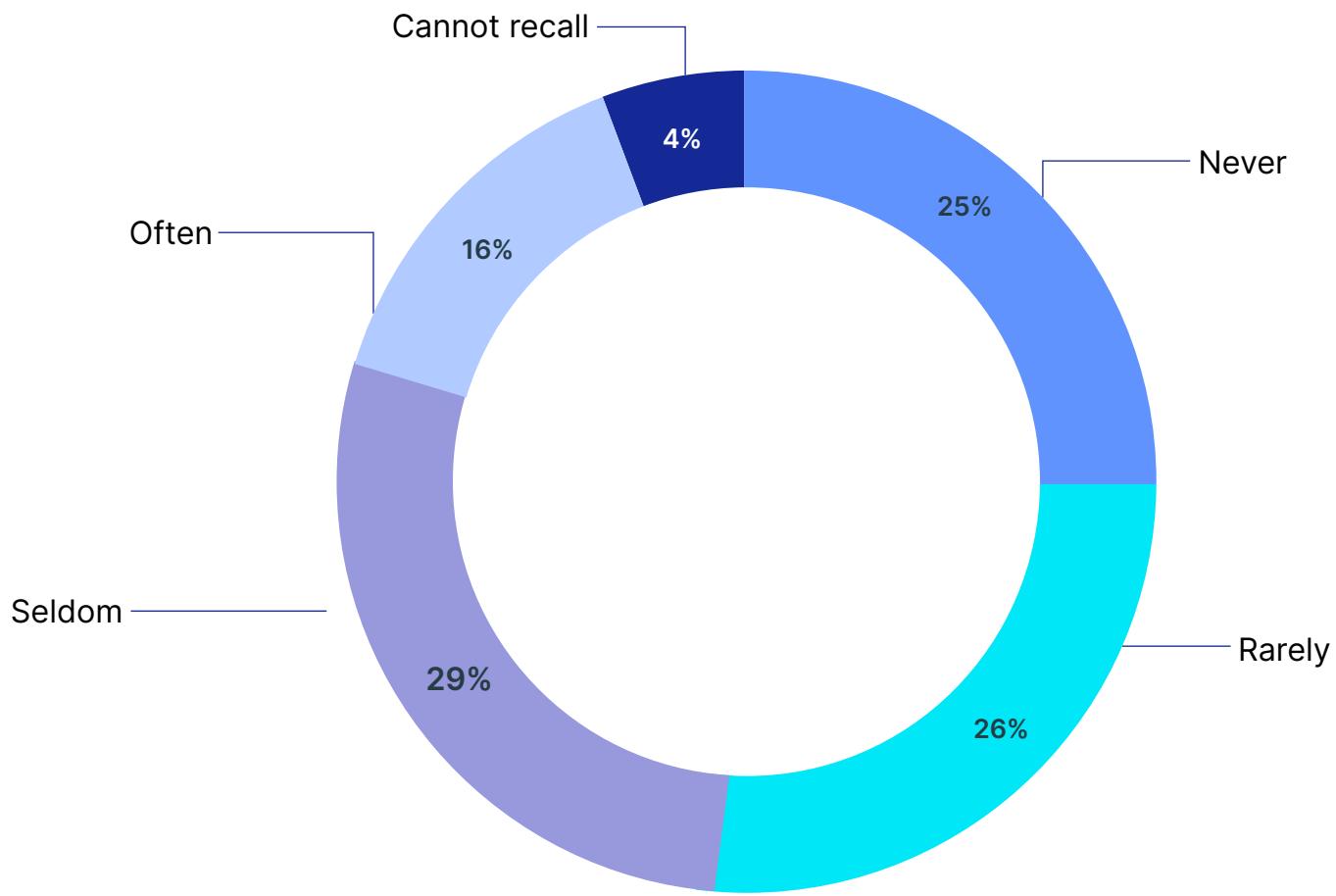
Guidance and Oversight - Executive Performance



Another aspect of executive oversight is the board's ability to guide, supervise, and collaborate with the chief executive. This often includes cognitive conflict, course corrections, and critical feedback when warranted. To explore this, we posed a question on how often CEOs receive performance evaluations that may be perceived as unfavourable.

Unfavourable CEO Evaluation

How often has the CEO been provided what may be perceived as an unfavourable performance evaluation



The findings reveal a significant gap in the board oversight role, a reluctance to provide CEOs with candid, unfavourable feedback. It suggests a widespread reluctance to engage in uncomfortable but necessary conversations—possibly driven by cultural discomfort with dissent, over-familiarity with the CEO, or the absence of a structured and objective evaluation process. This reflects a culture where oversight is procedurally sound but behaviourally restrained—reducing evaluations to a formality rather than a tool for leadership accountability.

Authors' take

What stands out from this data is not just where boards are strong, but where they hesitate. The data tells a story of competent oversight in conventional domains, but also of critical underinvestment in long-term and forward-looking areas. This signals a deeper cultural pattern: many boards still operate as reviewers of the known, not explorers of the unknown.

As boardrooms face increasing complexity, it's time they challenged assumptions, anticipated risks, and navigated uncertainties. Towards that, directors must ask themselves - Are we truly:

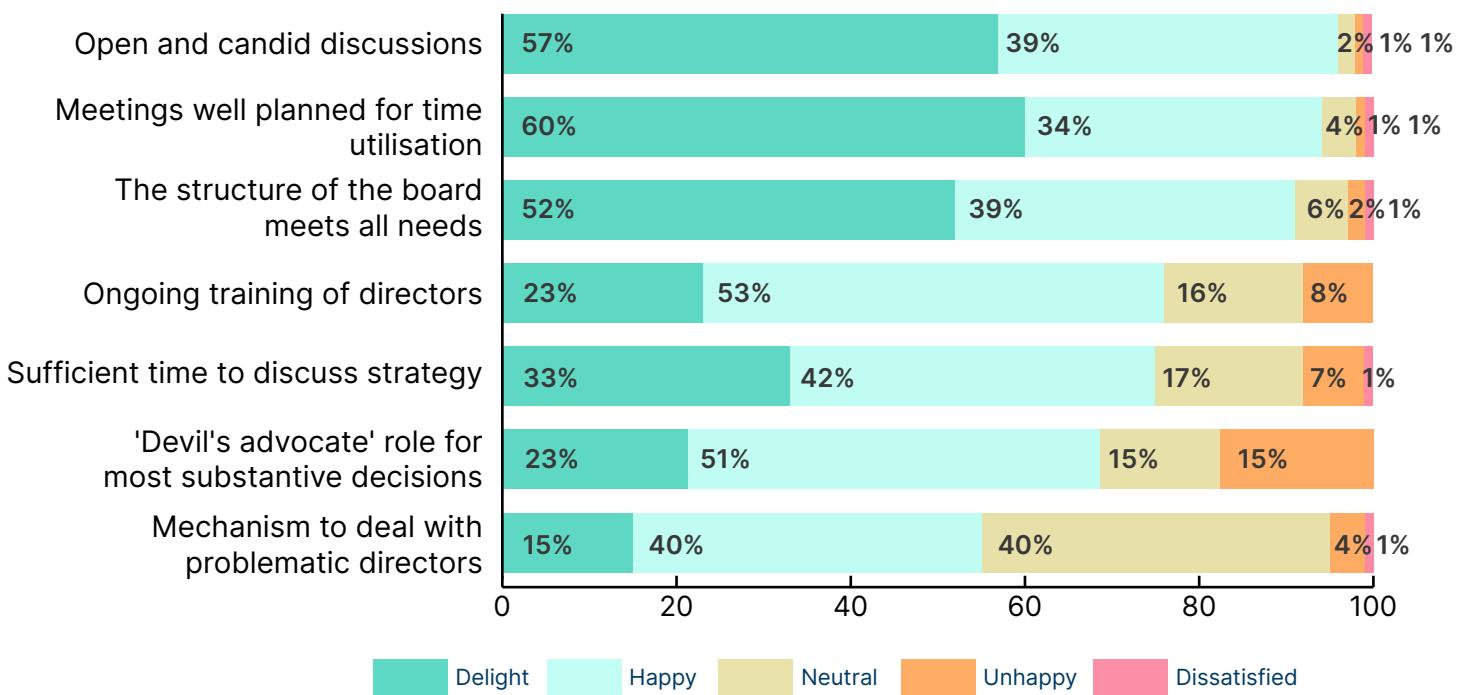
- Enabling foresight
- Drawing information, knowledge, and wisdom from diverse sources
- Surfacing uncomfortable questions
- Stretching our strategic muscle beyond alignment with the executive,
- Making decisions that require more foresight and intuition rather than interpretation of well-packaged information
- Bringing candour and courage to CEO performance conversations

We are not suggesting making board agendas more expansive, rather recommending a recalibration for the boards to revisit their core roles. They must go beyond procedural formalities to embrace strategic priorities and inculcate dynamic capabilities, thereby equipping themselves to be much less vulnerable during the phases of change and transition.



Culture gaps in sound structure

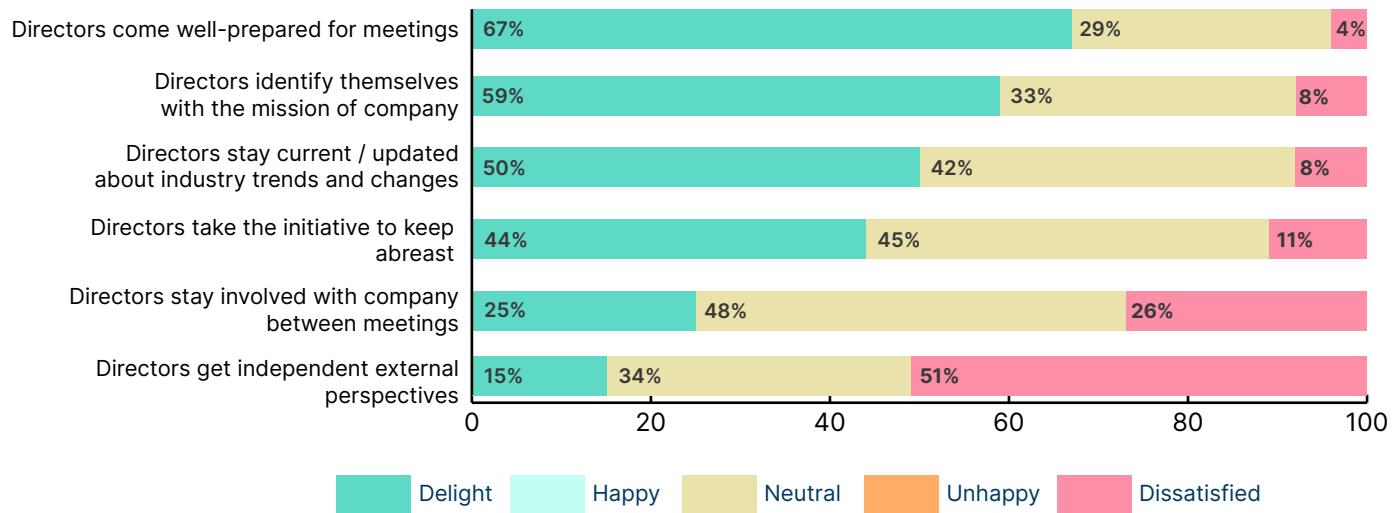
Board Functioning



Directors' responses to the Board Functioning statements (refer to Annexure 1 for details) reflect robust structural mechanisms and processes for board functioning. However, despite open and candid discussions (96% of respondents satisfied), effective time utilisation (94%), and a sound structure (91%), the time devoted to discussing strategy appears inadequate. Further, the mechanisms for training directors and dealing with problematic directors point to an aversion to peer-level accountability. We examined whether boards deploy a 'devil's advocate' to take substantive decisions, i.e., whether they have a mechanism that encourages dissent. As can be seen from the graph above, such a mechanism or cultural orientation is not experienced by at least one in four directors. In rapidly transforming industries, passive governance may hinder long-term competitiveness and erode stakeholder trust.

Need to improve directors' work ethic

Board Functioning



Directors' responses indicate that two in three (67%) directors come well-prepared for meetings. That shows there is room for improvement. There is even more room for improvement on other selected behaviours of director work ethic. These findings underscore that while directors may be performing well within their formal arenas, they are missing an opportunity to set higher governance standards characterised by higher engagement, self-driven learning, and outward focus. Failure to cultivate these qualities could lead Boards to struggle to stay ahead in a fast-evolving landscape.



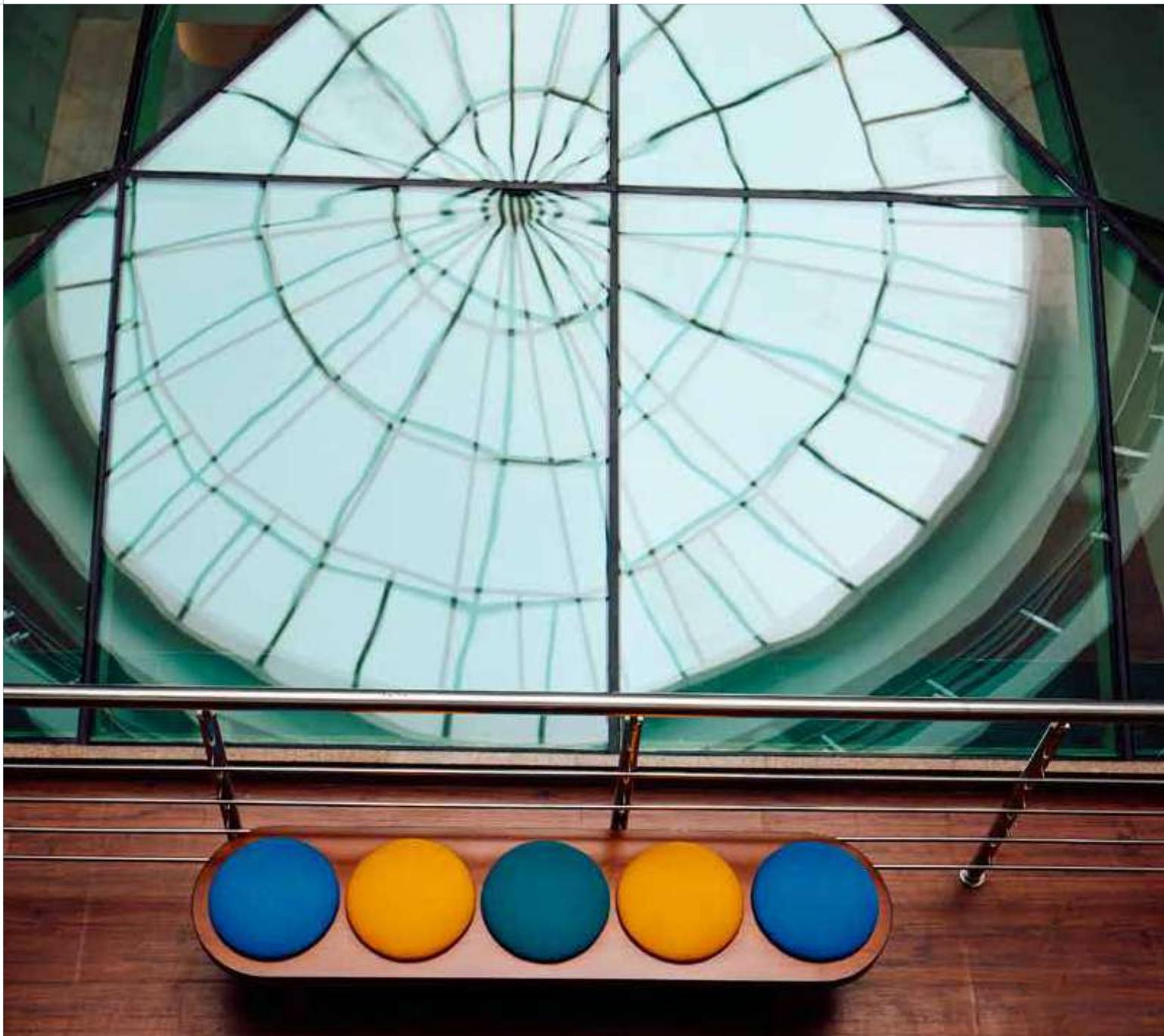
Authors' take

In our view, the current-day director's role cannot be confined to episodic participation or passive oversight. They must consciously nurture a culture that fills directors and their followers with pride. A greater initiative on the part of directors to keep abreast with current trends, voice the inconvenience, and stay engaged can strengthen the cultural fabric of their boards. Combined with this, an outside-in (external) perspective can mitigate the risks of internally focused and reactive boards that do not look beyond agendas and perspectives offered (sometimes selectively) by the executive.

To steer their companies through volatility and equip their management to successfully transform, boards must move from compliance-driven governance to a value creation role. To stay intellectually and strategically engaged, directors must seek external inputs, learn continuously, and offer diverse perspectives during their committee and board meetings. The boardroom must evolve into a space for challenge, foresight, and strategic dialogue—not just updates and approvals. Without such a cultural shift, the boards risk continuing to operate in an echo chamber, missing the broader market signals and stakeholder sentiment.

Given that the boards display structural soundness and process discipline but show gaps on behavioural enablers of effective governance constructive challenge, dissent, and strategic foresight—it is time for a deliberate effort to begin a multi-step journey, including:

- Removing the discomfort of addressing problematic directors
- Introducing an ongoing director training programme that provides expanded perspectives and deeper insights
- Embedding behavioural norms that foster greater psychological safety
- Ensuring that the Chair actively facilitates dissent and prevents groupthink
- Creating structured opportunities for cross-learning from other boards and governance models
- Using board evaluations as tools for real feedback and course correction, and do not stop at tick-the-box compliance.



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Generally, board proceedings are dominated by a couple of directors. Others may not display much initiative or may contribute occasionally if specific issues of their interest are discussed.

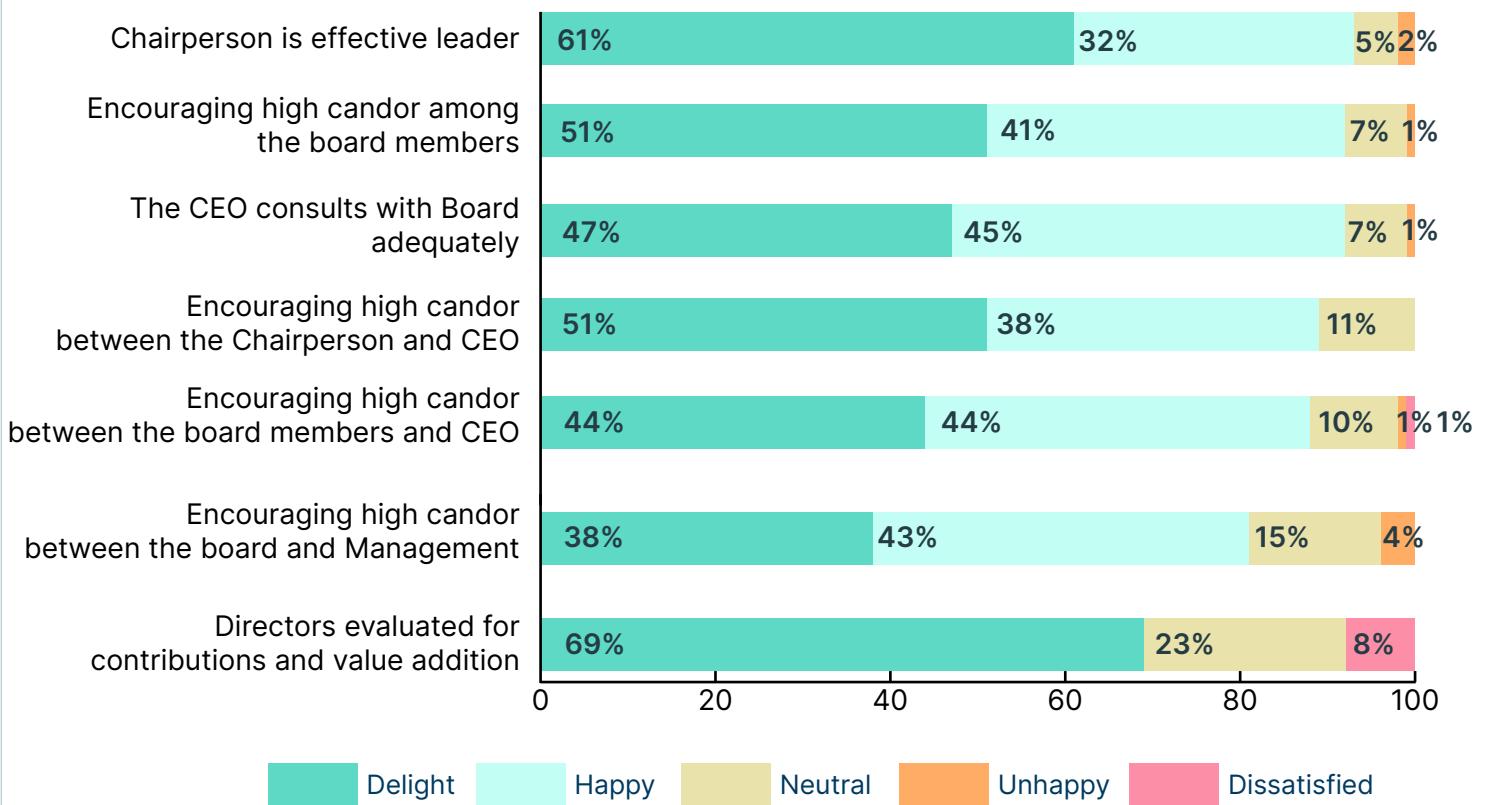
-A director's perspective

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Leadership: A lived behaviour, not a checklist

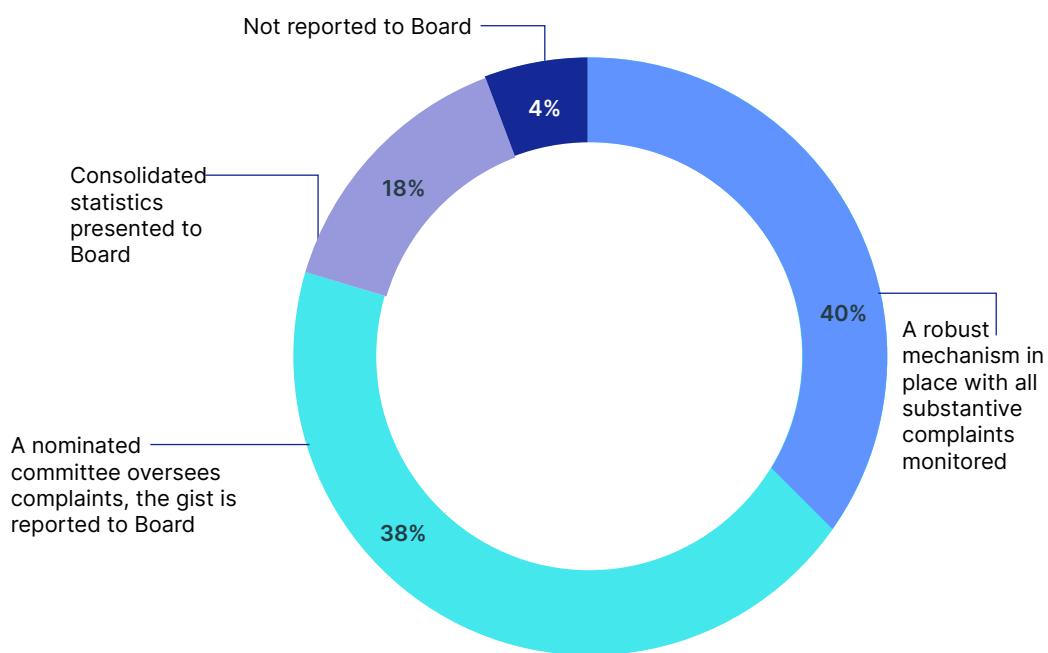
While leadership at the top appears largely effective—with 93% expressing satisfaction with the chairperson's role—deeper behavioural gaps emerge around candour and mutual challenge. The data suggests that while board members are comfortable engaging with one another, levels of candour drop as interactions extend outward: from chair-CEO exchanges to Board-CEO, and notably, to Board-management dialogues. Only 38% of respondents expressed strong satisfaction with candour between the board and management, indicating a growing hesitancy to surface difficult truths down the chain. This layered dilution of openness risks insulating leadership from critical feedback. When evaluation becomes a formality, it not only weakens performance feedback but also signals a larger issue: a reluctance to use governance tools as catalysts for change.

Leadership



That same pattern emerges in how boards engage with whistleblower mechanisms. Despite their potential to strengthen ethical culture and transparency, these systems are often handled as tick-box exercises, not strategic enablers. In nearly one in five cases (22% lilac and dark blue), boards remain disengaged from how such concerns are surfaced or addressed. Together, these gaps reflect a deeper challenge—not one of structure, but of mindset. For governance to be truly effective, boards must view tools like evaluations and whistleblower systems not as obligations, but as opportunities to build trust, reinforce values, and lead with courage.

Whistle-blower mechanism



Authors' take

Boards set the tone for governance, but that tone must travel beyond the boardroom. While many boards take pride in fostering openness among themselves, this culture cannot stop at the top. True governance maturity lies in enabling transparency, candour, and accountability across the entire organisation.

In our view, a board's responsibility extends beyond formal oversight—it includes modelling the courage to engage in difficult conversations, challenging leadership constructively, and ensuring that mechanisms like CEO evaluation or whistleblower frameworks are not merely procedural but lived realities.

When directors hesitate to offer feedback, sidestep tension, or fall short in overseeing whistleblower mechanisms, it signals—intentionally or not—that discomfort will be avoided. This erodes psychological safety across the system, creating blind spots in risk, culture, and leadership effectiveness.

To lead in today's complex environment, boards must champion a culture where challenge is welcomed, not feared—and where trust is built not just on relationships, but on the willingness to speak up, listen deeply, and act decisively.



Committees effectiveness

Committees form the engine room of board functioning, translating governance intent into focused oversight, deeper analysis, and decision rubrics for the Board. This year's study dived into the functioning of three committees, viz., Audit, Risk Management, and Nomination and Remuneration Committee.

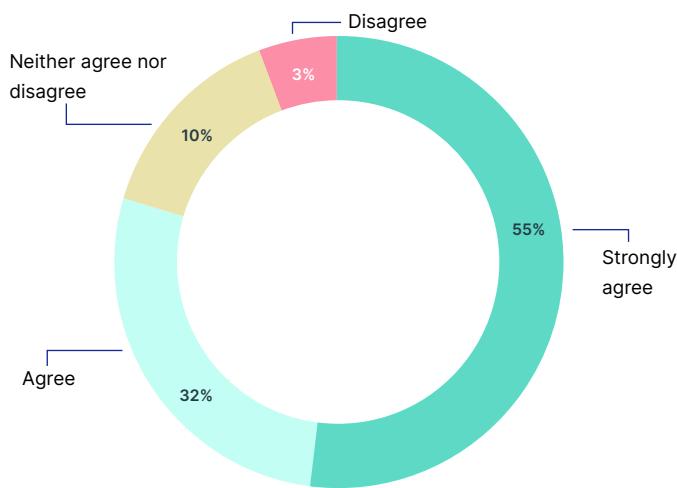
It reveals that committees appear to be focused on core deliverables; however, tangible agenda items appear to be far easier to govern (e.g., Audit committee core) than the less quantifiable agenda items of other committees. Let's take a pulse check on each of these to which a few directors chose to respond (Audit - 78 respondents, Risk – 45 respondents, NRC - 47 respondents):



Audit committee: Strengths and Emerging Priorities

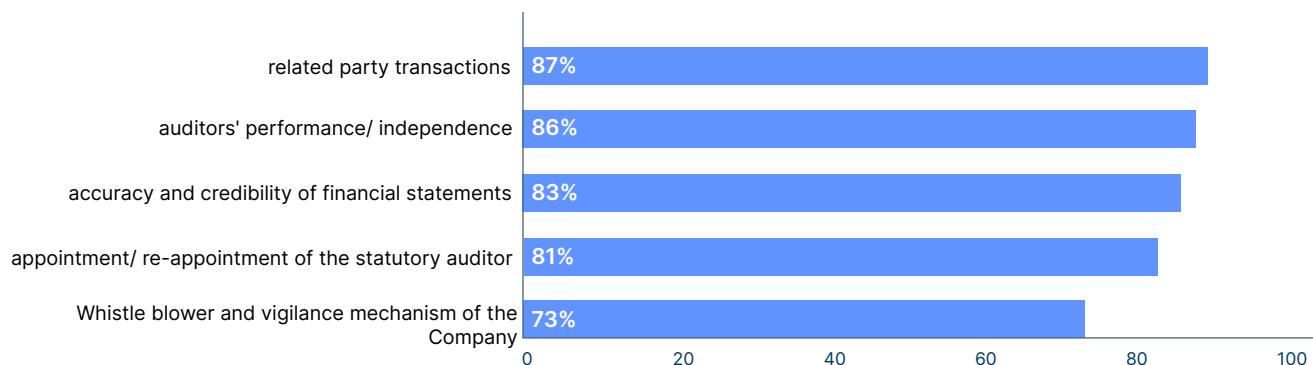
The Audit Committee is seen as highly effective in fulfilling its core responsibilities. Internal audit, a key oversight function, is widely regarded as independent, with respondents expressing confidence in the competence and professionalism of the audit team.

The internal audit function is truly independent and staffed with competent professionals who maintain high audit standards.



The committee appears to exercise robust oversight across critical areas like related party transactions, auditor performance, and financial accuracy. However, whistleblower and vigilance oversight appears less robust—highlighting a chance to deepen focus on cultural and behavioural risks. Strengthening this area could help early risk detection. Overall, the Audit Committee shows strong structural maturity. The next step to its maturity could be to combine control with sensitivity to ethical signals, enabling a more resilient governance.

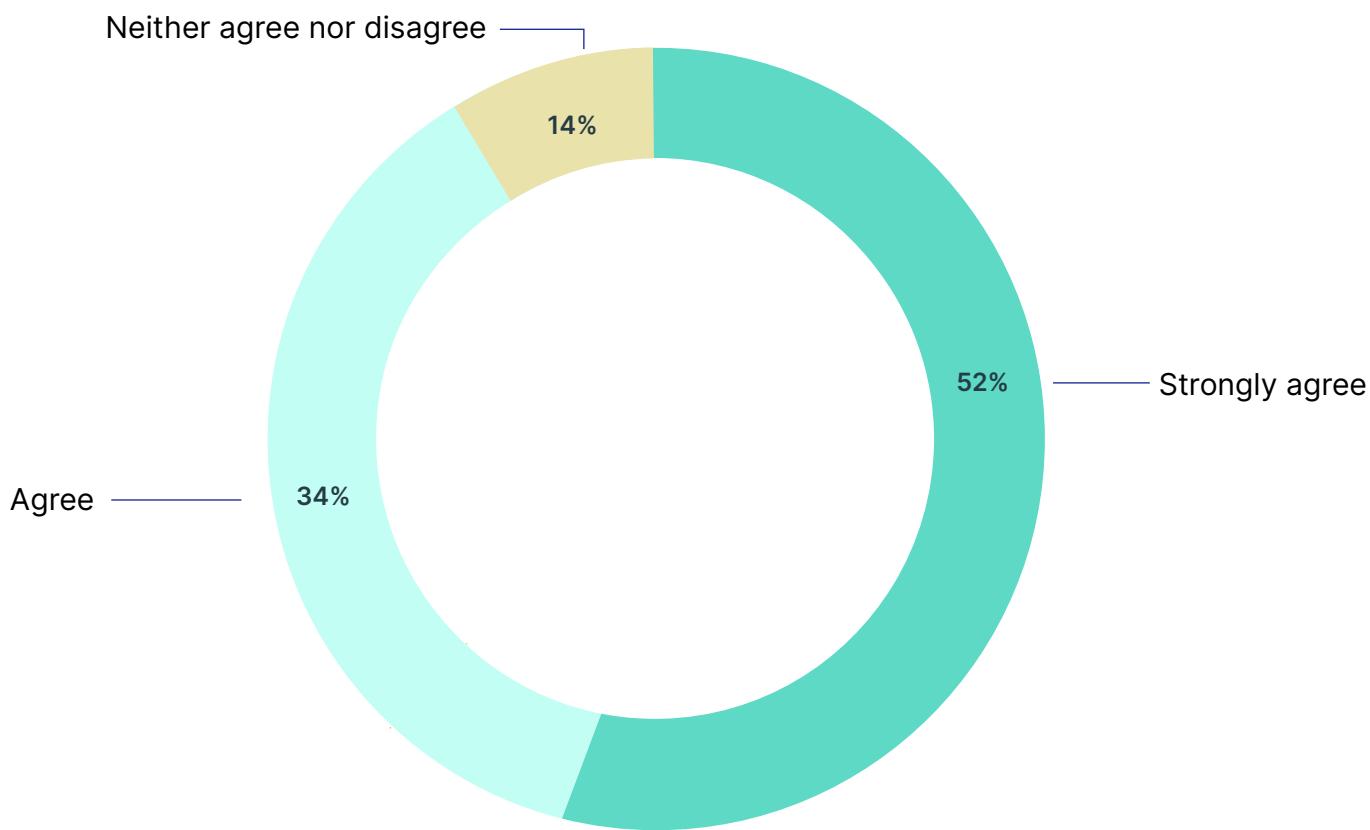
Audit committee reviews, monitors and has a strong oversight on



Risk management committee: Building maturity in risk governance

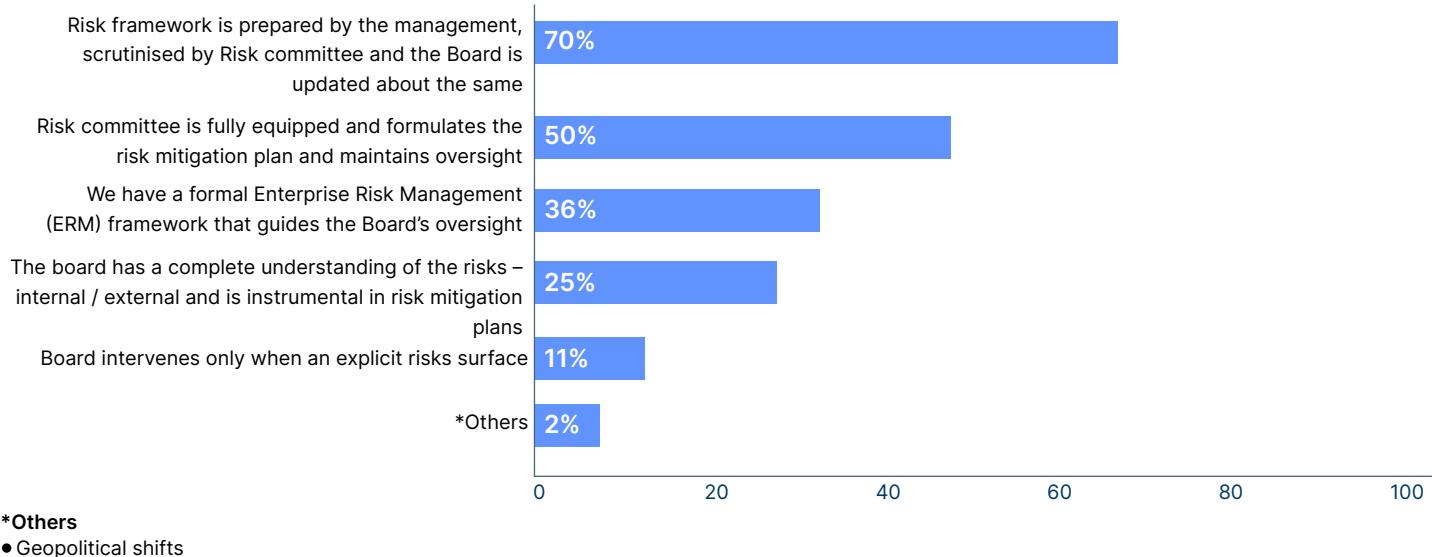
The responses indicate encouraging practices in risk governance, with 86% of participants affirming that the Risk Management Committee ensures major risks are surfaced and accompanied by mitigation plans.

Committee ensures management brings forward major risks and presents mitigation plans for review



Despite the presence of foundational risk processes, overall preparedness for internal and external risks remains inconsistent. Many boards review risk frameworks developed by management, yet few have formalised ERM (Enterprise-Wide Risk Management) systems. Board-level understanding of key risks—and active engagement in mitigation planning—varies significantly, underscoring the need for deeper strategic engagement in risk oversight.

Risk preparedness for internal and external risks



*Others

• Geopolitical shifts

One in ten (11%) boards are reported to intervene only when explicit risks arise, however, we believe that the true percentage of 'reactive boards' may be much higher than this statistic indicates.



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Risk management committee should look at bcp (business continuity plan), risk identification and review on a regular basis.

-A board director's perspective

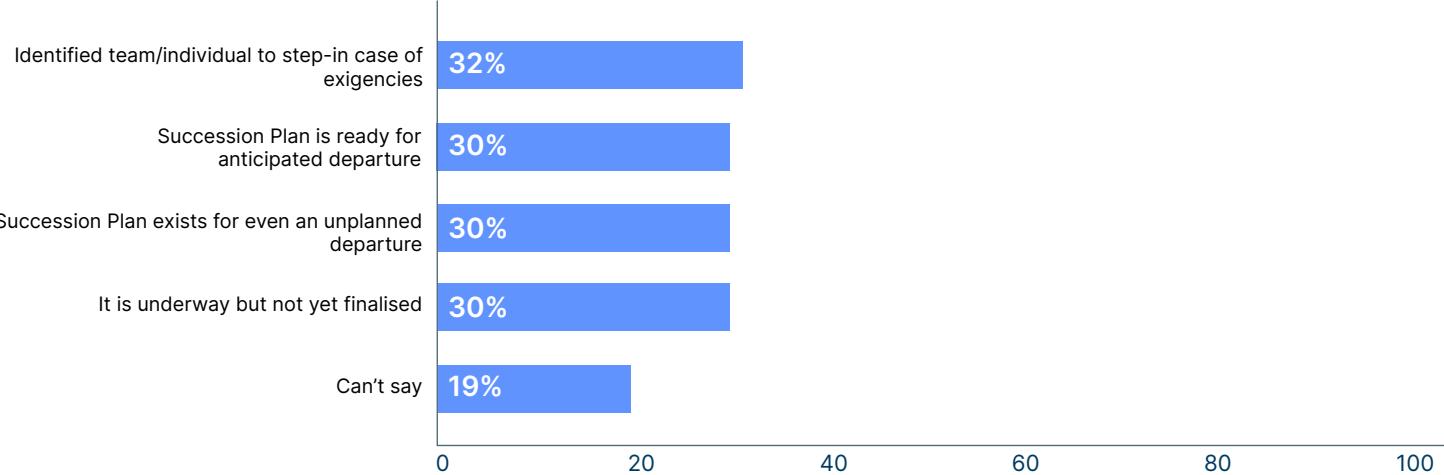
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NRC effectiveness



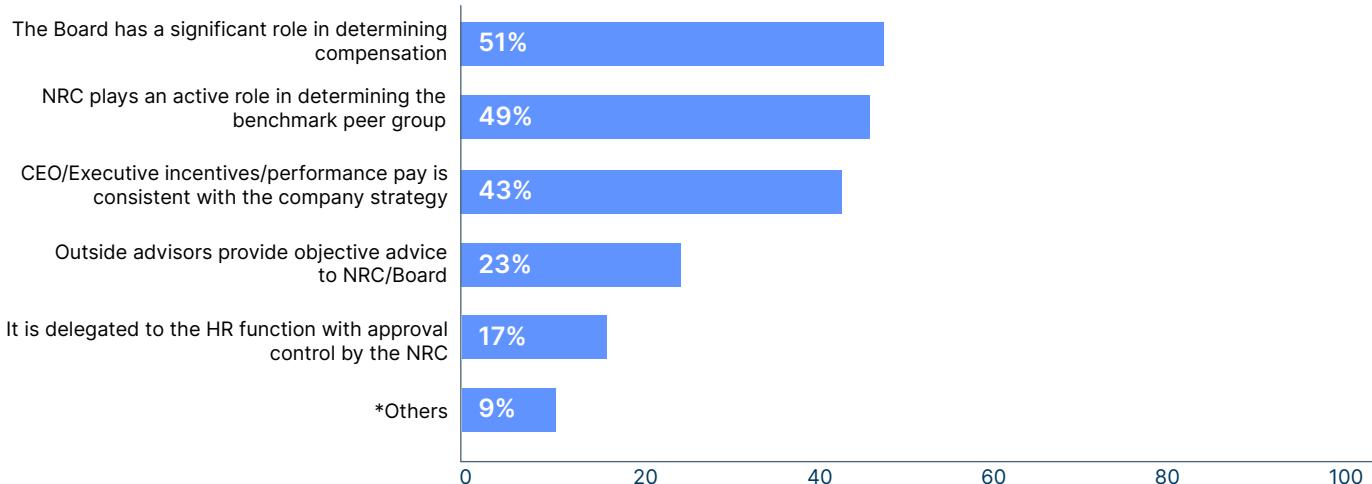
Executive compensation and CEO succession are central to the NRC's mandate. While executive pay decisions see board involvement, fewer NRCs ensure alignment with strategy or external benchmarks. CEO succession planning also shows inconsistency—revealing critical gaps in future leadership readiness.

CEO succession planning



CEO succession remains a persistent weak spot in board preparedness, often approached reactively rather than as a deliberate, forward-looking process. This signals a critical vulnerability—boards are not consistently future-proofing leadership continuity, despite CEO succession being one of the NRC's most high-stakes responsibilities.

Board's oversight on Executive Pay



*Others

- Largely driven by HR under CEOs oversight.
- In PSUs NRC has no control over decision making. It is only a rubber stamp.
- Partly the parent company plan. Board has full discretion on the amounts though.
- Gol

Authors' take

As stakeholder expectations grow and external complexity increases, committee effectiveness can no longer be viewed as a governance hygiene factor. It is a key differentiator of board impact. Committees must elevate their role: shaping leadership pipelines, embedding risk in strategy, and linking pay to long-term value. This calls for a mindset shift—from passive oversight to active stewardship. Boards that empower their committees to lead with foresight, courage, and clarity will be better positioned to drive resilience, performance, and sustained enterprise value.

“

I have seen a reluctance to give the committee a free hand in making appointments or discussing openly about succession planning etc.
-A board director's perspective

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2025 study conclusion

A governance tipping point

The findings of the 2025 ISB Board Survey reveal a pivotal moment for Indian corporate governance. Boards across India are structurally sound, increasingly inclusive, and demonstrably committed to stewardship. Encouragingly, leadership tone, boardroom culture, and committee maturity are showing improvement. Yet beneath this surface of structural adequacy lie deeper behavioural and strategic gaps that must be addressed if boards are to be future-ready.

The data signals a clear inflection point: governance maturity is no longer just about compliance or even alignment, it is about foresight, courage, and conviction. Long-term orientation remains underdeveloped, strategic direction-setting is still often management-led, and behavioural indicators such as dissent, candour, and independent thought are not yet deeply embedded. Boards that appear aligned may in fact be echo chambers unless challenged deliberately.

To progress, boards must expand their role from being evaluators of performance to being enablers of transformation. This means rethinking how directors are selected, supported, and sensitised; how committees are empowered and held accountable; and how boardrooms become safe spaces for principled dissent, foresight-driven conversations, and values-based leadership.

The path forward demands a blend of structural diligence and behavioural agility. Boards must embrace governance not as a formality, but as a force for enterprise resilience and societal trust. The opportunity is clear: directors who stretch beyond status quo thinking, invest in their own effectiveness, and hold space for challenge and growth will not only steer their boards and companies through volatility—they will shape the future of governance in India.

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Policy makers should review the trend in regulation and compliance and seek to rationalise accountability and responsibility in this area with the purpose/ materiality of the regulation (instead of holding directors liable as the default mode for all regulations irrespective of scope/ materiality).

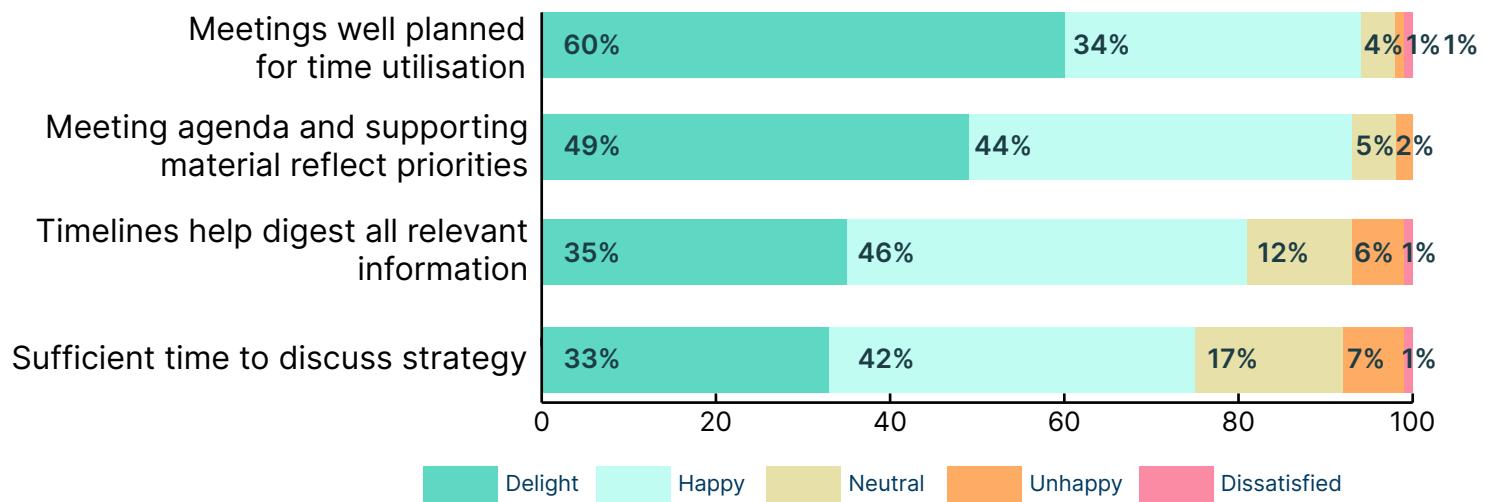
-A director's perspective

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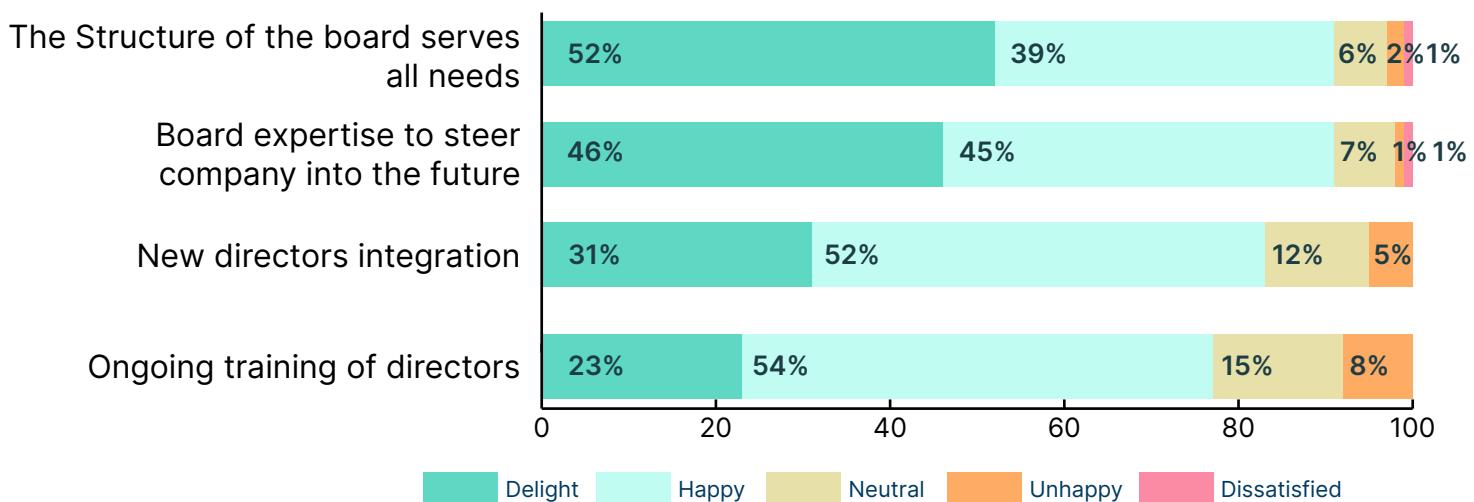
Annexure 1

Directors' responses to the Board Functioning statements

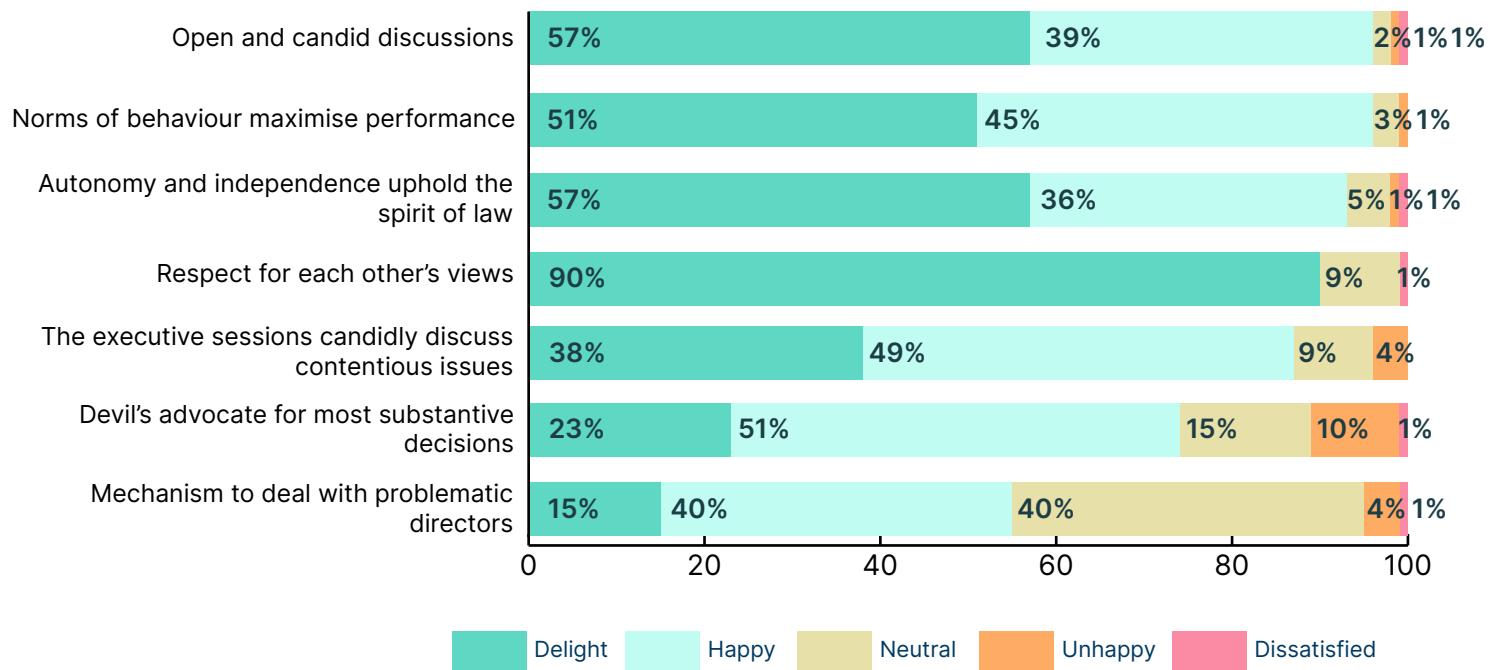
Time Utilisation



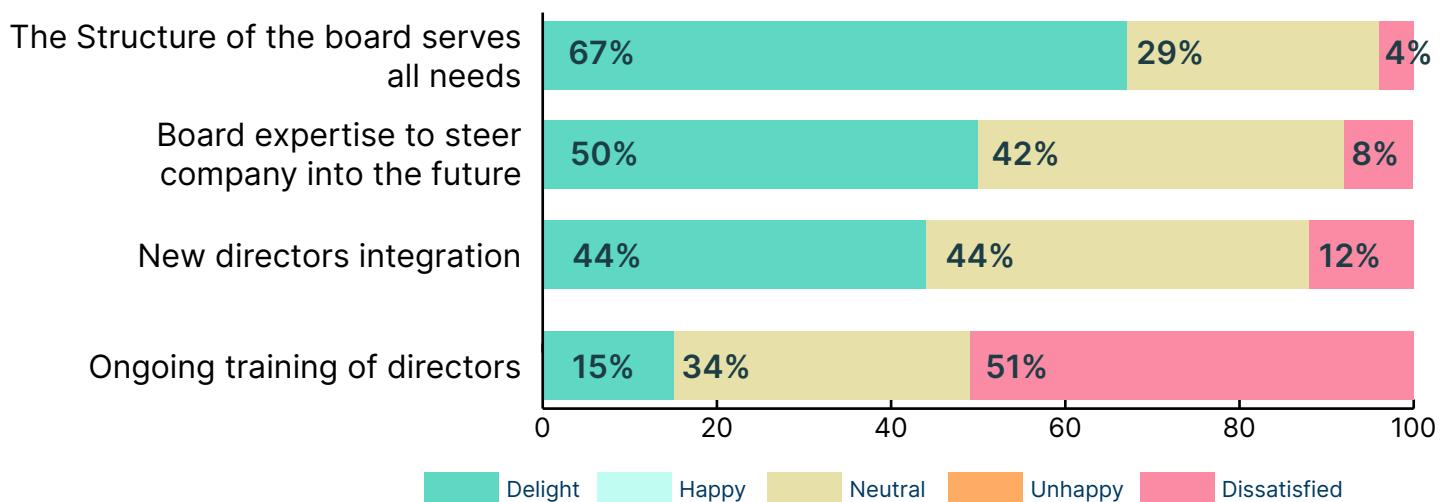
Composition and Structure



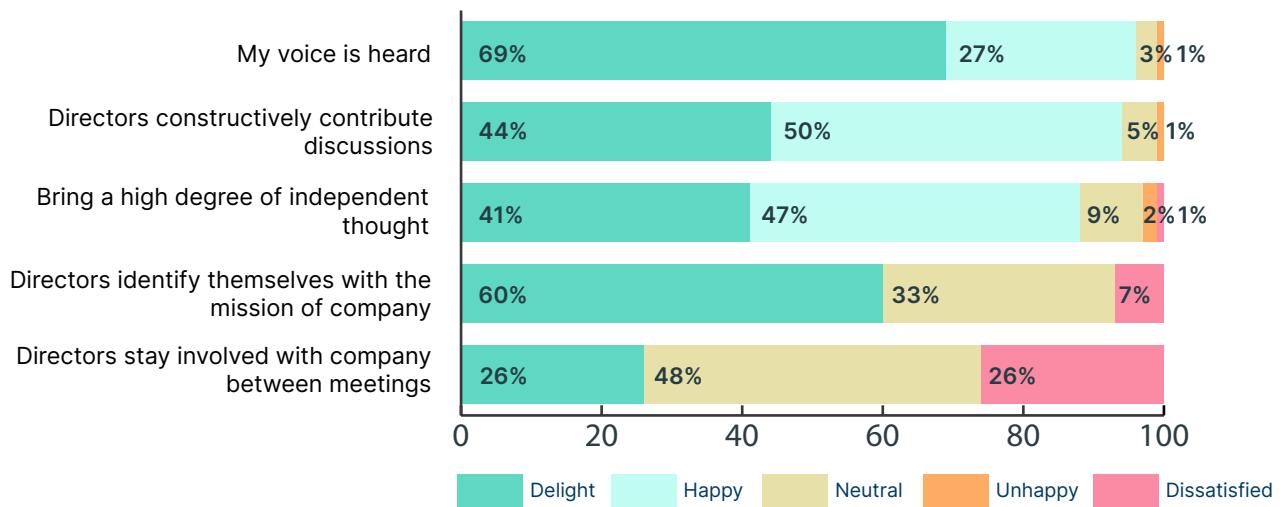
Culture and Boardroom Dynamics



Director Initiative



Director Engagement



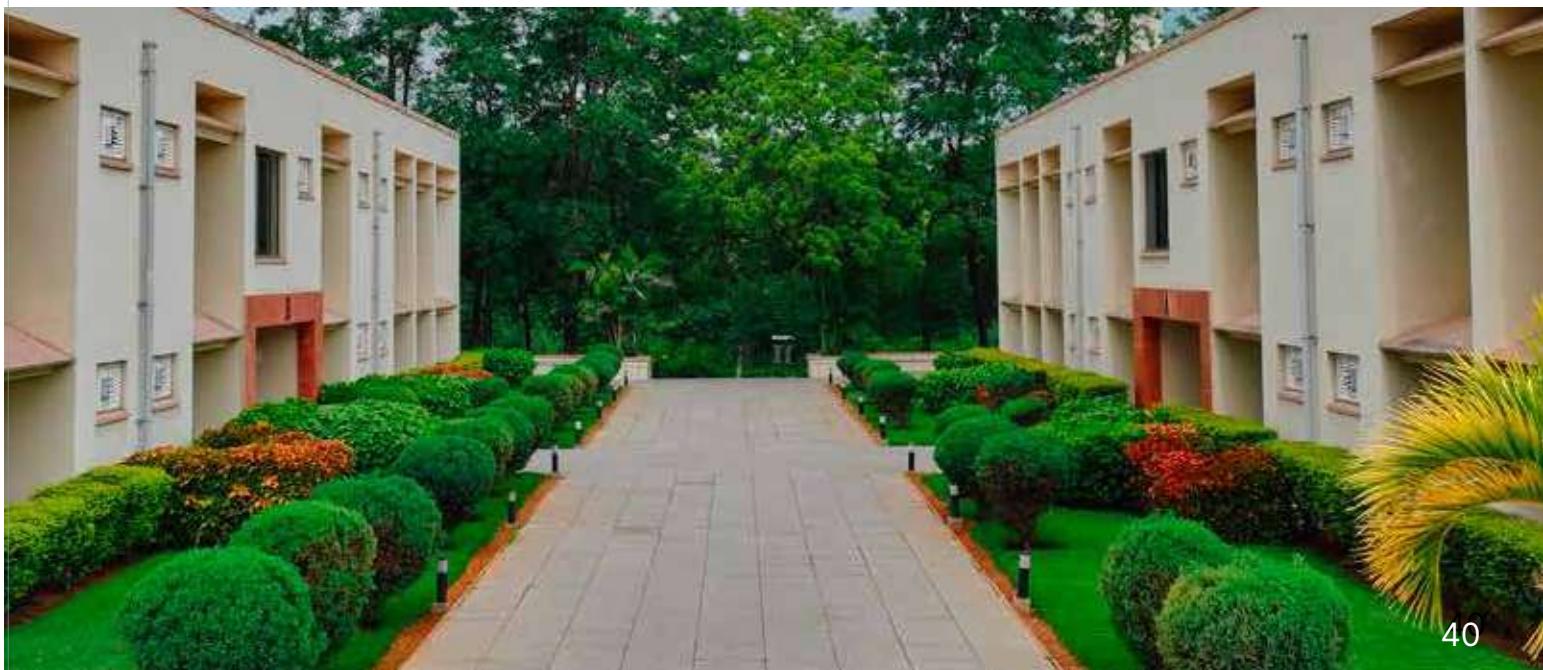
Annexure 2

Survey questionnaire

| S.no | Survey Question | Effectiveness Index* |
|------|---|--|
| 1 | Board meetings are well planned and organised for effective time utilisation | 88 |
| 2 | Discussions in board meetings are open and candid | 88 |
| 3 | The agenda topics and materials accurately reflect board priorities | 85 |
| 4 | Timelines followed by this board allow time to digest all relevant information for thoughtful deliberations | 78 |
| 5 | The board allocates sufficient time to discuss strategy | 75 |
| 6 | The board has clearly established milestones to track strategic accomplishments | 73 |
| 7 | The board provides strategic guidance on: a. M&A proposals/ opportunities b. Global expansion c. Innovation d. Technology | 78 68 73 75 |
| 8 | How would you evaluate the time horizon focus of your Board | 60 |
| 9 | Our board's risk management oversight for the below areas is effective: a. Obsolescence of company's product/services b. Changing preferences of customers/clients c. Technology changes d. Statutory compliances e. Cybersecurity f. Financial planning g. Geopolitical volatility h. Shifting economic conditions | 73 75 75 93 80 85 70 75 |
| 10 | Our board's composition is a testimony of diverse expertise equipped to steer the company into the future | 83 |
| 11 | The structure of the board (committee and leadership) fulfils the full scope of board work | 85 |
| 12 | The board Chairperson is an effective leader | 88 |
| 13 | The board and CEO are aligned on strategy | 85 |
| 14 | The board's nonexecutive directors are aligned on strategy | 83 |
| 15 | Which of the following is an apt description of the board's involvement in company strategy | SQ** |
| 16 | The directors contribute constructively to board discussions | 85 |

| S.no | Survey Question | Effectiveness Index* |
|------|---|----------------------|
| 17 | The board's leadership is effective in drawing out the views, ideas and concerns encouraging high candor a. among the board members b. between the Chairperson and CEO c. between the board members and CEO d. between the board and management | 85 85 83 78 |
| 18 | The acceptable norms of behaviour on our board support maximising our performance | 88 |
| 19 | Board members respect each other's views | 95 |
| 20 | Directors come well-prepared and informed for the board / committee meeting(s) | 83 |
| 21 | Directors on this board stay current/ updated about industry trends and changes in the landscape | 70 |
| 22 | Directors stay involved with the company between meetings | 50 |
| 23 | At least one of the directors plays a "devil's advocate" role for most substantive decisions/ choices exercised by the board | 73 |
| 24 | How would you describe the working synergy or relationship between executive directors and independent directors? | SQ |
| 25 | The exercise of autonomy and the role played by independent directors uphold the spirit of law | 88 |
| 26 | The integration process for new directors is comprehensive and effective | 78 |
| 27 | Our board takes steps to educate/ train directors and keep them updated on risks and regulatory/ industry changes | 73 |
| 28 | Our Board directors are evaluated for their contributions and value addition towards Board's effectiveness | 80 |
| 29 | My fellow directors take the initiative to keep abreast of industry trends, best governance practices, and changing stakeholder preferences | 68 |
| 30 | Our Board has a clear understanding of ESG imperatives for the company | 78 |
| 31 | We have a clear plan of action to meet/ exceed ESG obligations | 75 |
| 32 | The executive sessions of this board candidly discuss all the contentious issues | 80 |
| 33 | The whistle-blower mechanism can be described as? | SQ |
| 34 | My colleagues on the board bring a high degree of independent thought (independent from management as well as fellow directors) | 83 |
| 35 | The board has a mechanism to effectively deal with problematic directors (e.g. domineering, disruptive, asserting personal agenda, or freeloaders) | 68 |
| 36 | My fellow directors seek information from independent sources to aid in their deliberations on agendas proposed by the executive management | 53 |
| 37 | The CEO-board relationship sets the right tone for the company | 85 |
| 38 | The CEO communicates and consults with the board in an appropriate and effective manner | 85 |
| 39 | CEO/ Executive compensation mechanism is reviewed and approved by the board/ board's committee comprising of independent directors | 85 |

| S.no | Survey Question | Effectiveness Index* |
|------|--|----------------------|
| 40 | The board ensures that the company has a robust process for identifying next-generations leaders | 70 |
| 41 | We have a good framework for the CEO's performance evaluation | 78 |
| 42 | Over your term, how often has the CEO been provided what may be perceived as an unfavourable performance evaluation | SQ |
| 43 | The board has a clearly identified pool of possible CEO successors (internal/external) | 55 |
| 44 | Directors of this company identify themselves with the mission of the company and display personal alignment | 75 |
| 45 | My fellow directors get independent external perspectives by directly contacting stakeholders | 33 |
| 46 | My voice is heard by this board | 90 |
| 47 | Which of the following, if addressed, would further increase our board's effectiveness | SQ |
| 48 | To reflect the true picture of corporate governance in India for aiding the directors/ policymakers, which other theme should we be asking about/ researching (optional) | Open-ended |
| 49 | Audit committee - Audit committee reviews, monitors and has a strong oversight on: | SQ |
| 50 | Audit committee - The internal audit function is truly independent and staffed with competent professionals who maintain high audit standards | 85 |
| 51 | RMC committee - The following holds good for the company in respect of CEO succession planning | SQ |
| 52 | RMC Committee - The committee ensures that management brings forward all the major risks, prioritises those and presents mitigation plans for committee's review | 85 |
| 53 | NRC committee - The following holds good for the company in respect of CEO succession planning | SQ |
| 54 | NRC committee - I can say the following about our Board's oversight on executive pay | SQ |



** SQ - Special Question - these do not follow a Likert scale; they are probing questions. Index is not applicable here.

***Effectiveness Index:** A tricky part of a qualitative survey with Likert scales is computing a composite score that can help a reader infer the survey results. We adopted the following methodology.

A single number provides a measure of the Governance Effective Index (EI) ranging between 0-100, conveying the degree of satisfaction against each statement. Zero (0) would indicate all the directors evaluating the statement at the least desired choice, and 100 would indicate all directors evaluating that statement at the most desired choice. To arrive at this, we took cognisance of 4 (four) intervals in our 5-point Likert and used the following formula to yield the index values.

$$\text{Effectiveness Index} = \frac{\text{Weighted average} - 1}{4} \times 100$$

Examples are given below

| Statement | No. of respondents for different response choices | | | | | Total no of respondents | Weighted Average | Values Formula | Index |
|--|---|--------------|--------------------------------|-----------|--------------------|-------------------------|------------------|--------------------------------|-------|
| | Strongly Disagree (1) | Disagree (2) | Neither agree nor disagree (3) | Agree (4) | Strongly Agree (5) | | | | |
| Board meetings are well planned and organised for effective time utilisation | 1 | 3 | 8 | 72 | 125 | 209 | 4.5 | $\frac{(4.5-1)}{4} \times 100$ | 88 |
| The corresponding graph labels → | Dissatisfied | Unhappy | Neutral | Happy | Delight | | | | |



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