

Building a balanced board

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The King IV report makes this clear: It is crucial for an organisation to get the right mix and balance of people to sit on its board. The report implies there is a positive correlation between the diversity of skills present on the board and its effectiveness.



Therefore, the importance of influential board members cannot be underestimated. Through their influence, they determine the rise or fall of companies. The ability to influence is a prerequisite for any leadership role.

Alfred Ramosedi, CEO of Bayport Financial Services, couldn't agree more. He currently serves on the board of Chartered Institute of Management Accountants (Cima) South Africa, and is also chairman of the board for the Accounting Technicians South Africa AT(SA), an associated designation of the South African Institute of Chartered Accountants (Saica).

He defines three key competencies necessary to be a truly influential board member. These are: financial acumen, decisiveness and interpersonal skills. "Amongst other competencies, these three are most valuable to me. At AT(SA) we are growing a future economy by building people. Ensuring our board members have the right competencies – ones that balance us as a whole and enable us to do this job better."

"Further to just the right competencies, having one vision that we communicate consistently makes our targets easy to achieve. Having the ability to inspire people for them to adopt your vision enables tough conversations to be had further down the line, if and when they are required," explains Ramosedi.

"Interpersonal skills are often deemed to be 'soft' yet they are 'hard' to master, as they demand greater awareness." Although difficult to define, such skills are vital to fulfilling a role as a board member. They allow you to ensure that objectives and values are clear.

Decisiveness is yet another attribute which Ramosedi promotes. He believes this is a key factor for the organisation's continued success. In a world with seemingly unlimited opportunities but imposed with a scarcity of time and other resources – indecisiveness costs. "Nobody likes a board that dithers."

Relating to decisiveness is what Ramosedi believes to be his greatest life lesson. The lesson: "don't be afraid to fail" is conceptually simple but difficult to master in practice.

Learning to fail

"The quicker you learn to fail the calmer you are about your future because you know you can handle anything that's thrown at you."

It is a fear of failure that promotes indecisiveness. By learning not to be too afraid of failure board members can become more decisive. A track record of decisiveness can improve the esteem in which they are held – thus expanding their influence.

"We are all failures, people that are very successful are those that accept they are going to fail and when they do, they pick themselves up quickly and don't dwell on the failure."

To ensure the company stays in its course, the board must mitigate the risk of failure.

Ramosedi speaks about the relationship between the board and management – one which must constructively ensure the fitness of the company, "The board is there to ensure the direction and relevance of the company. Moreover, it is there to ensure that governance processes are adhered to."

He emphasises the need for a board not to spend too much time looking in the rear view mirror. This is an exercise which is counterproductive and does not serve the purpose of being positively influential.

The board's focus should be firmly on the future concludes Ramosedi, "Tomorrow is coming – are you ready? You need to have a nice balance between holding management to account and pushing them forward."

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