

SCENARIO

The Director's Dilemma

You are a board member at Speciality Services Canada (SSC), a government crown corporation providing a wide range of advisory services to Canadian citizens. With a mission to assist Canadians enter into and operate businesses in Canada and worldwide, SSC provides services which are of a sophisticated financial nature involving complex transactions. Knowledgeable, experienced and specially trained personnel – most with undergraduate and graduate degrees – are required to be up-to-date on ever evolving market trends, regulations, and domestic and global risks. Management and staff are expected to plan and carry on the business of SSC in a manner promoting client success and minimizing client and government risk.



In addition to its oversight and stewardship duties, the board of directors maintains open and current communications with the minister and senior deputies of the responsible government department to ensure ongoing support of the ministry and government for the ambitions and work of SSC.

Along with you, your fellow board members are selected and appointed by the Crown, a common practice for crown corporations and agencies. Vacancies (about one-third of the board) have existed for some time with the government moving slowly in addressing the board's request to make appointments to fill the vacancies. In making appointments, a broader agenda of government has been applied in the process. The desire to increase diversity, equity, and inclusion (DEI) in board appointments has resulted in your board receiving a short list of preferred new appointees whom the government intends to put forward for appointment. All have been selected with DEI in mind. The list has been provided to your board chair, in confidence as a courtesy, and the chair has shared it with the current board members, in confidence.

Upon reviewing the backgrounds of the individuals, you realize that none of them possess the knowledge, experience, and characteristics that the board governance committee provided to the government stressing the current voids and needs of the board. You consider this a significant shortcoming as the demands of the board in an increasingly challenging environment require a solid blend of related capabilities.

As a current director of SSC,

- what do you do about this?
- what would be your main arguments for and against the appointments?
- what options do you and existing fellow board members consider?
- do you challenge the government on making the appointments?
- what risks would you identify if you challenge the appointments?

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For centuries, mariners have relied upon various elements of assistance to guide their journeys through sometimes dark and troubled waters beyond their former experiences. Assistance has been provided in two general forms.



Aid to Navigation

A device or structure external to the ship, designed to assist in determination of position, to define a safe course, or to warn of dangers or obstructions.



Navigational Aid

An onboard instrument, device, chart, method, etc., intended to assist in navigation.

In dealing with challenging dilemmas, directors can call upon various aids to navigation and navigational aids. It is always beneficial when addressing a dilemma to begin by understanding what aids can and should be drawn upon in deciding why and how to deal with a situation. Below are some examples of the guides that can and will be important, if not critical, in considering options and taking decisions. They will help to find your North Star, spot the warning lighthouse, set your compass direction, and use your sextant skillfully.

GOVERNANCE AIDS

- Roles and Duties of the Board and its Members
- The Purpose, Mission, Ambitions, and Values of the organization.
- Laws & Regulation
- By-laws, Codes of Ethics & Conflicts of Interests
- Precedents & Practiced Principles
- Risk assessments, 3rd party effects, and possible unintended consequences

In developing rationale for considering options, making recommendations, and taking decisions, a board member should feel confident that a solid and rational basis exists for recommending or taking an action. Anchoring a decision on a strong foundation based upon guidance from sound aids is important to securing a high degree of confidence that a recommendation or decision is the right one.