

THE DEVELOPMENTAL ROLE OF BOARDS AND CHAIRPERSONS

Accountable and responsible as the chairperson of a board is and must be, he or she cannot operate as an island and must both seek and obtain the guidance of and consensus with others. If this happens, and happens not just in one corporation, but across corporates across the length and breadth of our nation, where we have strong boards and strong chairpersons, we will then be able to say that corporate Botswana has come into its own, and local corporations will then be ready to play a bigger and better role in the development of our nation, as, in fact, they can and should writes RIZWAN DESAI.

With the ever increasing rigour in the regulatory environment and the stringent requirements placed upon directors by the Companies Act, the landscape of the corporate world in Botswana in general has undergone a needed and rightful monumental shift – a turn, if you will, towards better governance.

I remember, when I first joined the board of a corporation in 2002, there

were certain board members (whom of course I shall not name) who would come to board meetings and only seconds before the meeting, tear open the envelope containing the documents for the meeting (clearly not having read the board papers) or who would then, during the course of the board meetings, promptly fall asleep. I have to say I was not one of them! It was a time when it appeared we had board members who were appointed out of patronage, who



Sefalana Headquarters in Gaborone

seemed only to be appointed because they were “connected” or on other boards, without appreciation of any skill or talent they could bring to a particular board.

It was, perhaps, not such a good time from a governance perspective. Those days, thankfully, are clearly gone and I feel that the lengthy and detailed appointment processes relating to board and executive appointments presently applicable are very much for the better, as increased quality of board members and executives and an adherence to good governance, is making, or beginning to make, a difference within the corporate sector in Botswana.

This is important not just from a compliance point of view, but, and this is the key point, from the perspective that, 51 years on in the life of this great nation, it is time for Botswana to recognize that we can indeed be world class in relation to the conduct of our boards, that we can be seen to be leading the way in terms of fresh blood, fresh ideas and that those who have served long must voluntarily and consistently give way to newcomers who can revitalize our institutions and take them to the next level. We cannot have board members for “life”. We must be content in other words, to have done our bit and to move on gracefully.

It is in that, and from that, approach, that we can say that we are ready and prepared to be ranked in the first order of governance, the first order of best

practice. Many board members are part of companies or institutions which are subsidiaries of regional or international corporations. We need, as Botswana, to show such parent companies that we have matured as a nation, that our corporate and financial sectors are beyond reproach, that the standards that apply in London, or New York, or Singapore, or Tokyo, or indeed Johannesburg and Cape Town, can and do apply here in Botswana.

This ability to change after all lays the foundation of good leadership and allows for the possibility of looking back to assess whether one has actively and positively contributed to the development of the institution one has served. What I can say is that, leaving aside differences in styles of leadership, which of course are necessary for energy and vitality in any given workspace, what is necessary to do, as a board member, is to lead from the front.

This is even more so for a board chairperson. That is to say, a chairperson has to face challenges head on, to not shirk from the difficult task, to take accountability and responsibility for decisions, for, even against the backdrop of collective board responsibility, the world at large, stakeholders, employees, regulators and shareholders, all of these constituencies, want to look to the one individual, the chairperson, to be the face of the institution and to be accountable and responsible for it.

That is a heavy burden to discharge and those who have held or hold the



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Batshe Dambe-Groth was appointed to the BIHL Board as an Independent Non-Executive Director and Chairperson of the HR Committee



Rizwan Desai former longstanding Chairman of Barclays Bank of Botswana and the Botswana Stock Exchange



H.E. Festus Gontebanye Mogae, former President of Botswana is a Non-Executive Chairman for Choppies Enterprises Limited and also Chairman for The Far Property Company Limited

position of a chairperson will know what I mean. It can be a lonely job at times, it can be a most demanding job, it can even be a frustrating job. But, you know what, it absolutely needs to be, for no one can or should take the role of chairperson lightly, whether one is the chairperson of a corporation or a bank or chairperson of a committee or chairperson of a local association of any sort – being chairman means, simply, that the buck stops with you.

And so, you may ask, how does one tackle such a role? The answer is

that there is no single answer, as each individual appointed to such a role will have his or her own way of doing things. There is however a set of common principles or themes that I have drawn upon during my time on boards, and these involve:

- a consultative and non-dictatorial approach toward fellow board members and senior executives;
- an open and transparent approach to customers, shareholders, employees and other stakeholders, such as regulators;

- a deep knowledge of the business environment within which one operates and, of course;

- respect for competitors.

These, and many other principles, provide a much needed framework for the discharge of the role of chairperson, or board member, but there is one overriding factor that ultimately must be harnessed, in my view, for success in the role, and that is one of being ready, being prepared, being available, for that uncertain and unexpected corporate or financial event or occurrence. You can

mark my words, it is in the handling of that kind of event or occurrence that you will be judged. So, be ready, be prepared, be available, for the unexpected.

This brings me to the last point of my thoughts, which is that an effective board is one whose members operate as a team, where each member contributes to the development and well-being of another member and, together, all of the members of the board, contribute to the well-being of the organization they direct.

Put another way, accountable and responsible as the chairperson of a board is and must be, he or she cannot operate as an island and must both seek and obtain the guidance of and consensus with others.

If this happens, and happens not just in one corporation, but across corporates across the length and breadth of our nation, where we have strong boards and strong chairpersons, we will then be able to say that corporate Botswana has come into its own, and local corporations will then be ready to play a bigger and better role in the development of our nation, as, in fact, they can and should.

Rizwan Desai, is founding and Managing Partner at Desai Law Group. He is also former Chairman of Barclays Bank of Botswana and the Botswana Stock Exchange. The views of the author are his own and may not reflect those of any of the above institutions. The article below is an amended version of the speech given by the author at a dinner event on 27 July 2017.

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