Directors must act together for good of company: institute

SID, SMU sign deal on executive education, business research

By MICHELLE QUAN

Companies need to keep in mind that independent directors — like executive and non-executive directors — have to act together for the good of the company. They should not look on any one group of directors as being confined to a specific role, said John Lim, president of the Singapore Institute of Directors (SID), at an SID luncheon yesterday.

Referring to the recent debate over the responsibilities of independent directors (IDs), Mr Lim said it was important to remember that an entire board needs to work together in unison to protect the interests of a company. "The most important issue is that all companies have directors who are competent and capable — and independent directors are no different," Mr Lim said.

The bone of contention in recent debate — triggered by the abrupt resignation of all three independent directors from the board of retailer Robinson earlier this month — has been on whether it is the responsibility of IDs to look after the interests of minority shareholders.

Mr Lim felt the need to clarify the issue again, when asked by reporters yesterday on his views. The SID had announced its stance on the issue last week, in a letter to newspapers which said: "(We) take the view that independent directors owe the same duties and responsibilities as any other director appointed to a board. He is not merely the guardian of the minority shareholders."

Mr Lim was speaking to reporters on the sidelines of a luncheon, which saw the SID sign a memorandum of understanding with Singapore Management University (SMU) as a result of which both institutions will work together on executive education programmes and business research.

The highlight of the collaboration is a certification programme for directors in Singapore that will be run by the SMU, with contributions from the SID.

This programme is intended to start in the first quarter of next year with an initial three modules of three days each on areas such as the legal responsibility of directors and strategic business directions for boards. It will then continue with a subsequent programme of three two-day modules on areas such as strategic leadership and change management.

This will be the springboard for further collaboration with other institutions, said Associate Professor Annink Koh, dean of executive education at SMU. "The Singapore market is only the start of the journey to grow the competencies across Asia," she said. "Through such programmes, we hope we can move Singapore up the value chain in terms of corporate governance and put the trust and faith back in directors."

Prof Koh said she had roped in the help of industry leaders — such as Ernst & Young managing partner Ong Yew Hsia, and Rajah & Tann partner Kala Anandanrajah — to look through the curriculum proposed by SMU. "I might even get them to co-teach the modules, so that they can share their practical experiences," she said.

Meanwhile, SID chairman Chew Heng Ching said the institute was exploring the idea of having a chartered director programme. He said Britain’s Institute of Directors has expressed an interest in working with the SID on this. The SID will be releasing what it says will be the definitive guidelines on directors’ responsibilities in January next year.