



# The Evolution of Board Communication: From Face to Face to a Global Workplace





According to an article posted on Harvard’s Law School Forum on Corporate Governance and Financial Regulation, “The board of directors is a collective body, whose members have diverse expertise in various aspects of the company’s business.” They are elected by a corporation’s shareholders to represent them and ensure that the company’s management acts on their behalf. Thus, having efficient and effective communication is considered an essential aspect of a high performing Board.

In order to maintain a high performing board, clear, efficient, and transparent communication strategies must be present in all three levels/aspects of board communication which are: intra-board communication or communication and deliberation among board members/directors, Intra-organization communication or communication between board members and company employees/ staff, and external communication or communication between the company and its external constituents.

<https://corpgov.law.harvard.edu/2014/02/25/communication-and-decision-making-in-corporate-boards/>

## Brief History

In order to understand the current situation of board communication strategies, it is important to look at how these dynamics have significantly changed over the last few decades, in particular, with the advent of modern technology.



Before the introduction of the internet in the mid 1990's, face to face meetings and phone calls were the primary means of communication between businesses and employees. The business environment was very personal and interactive. Documents were sent manually, meetings took place in a singular location, and notes or ideas were written down on a white board in the office.

In the early 1990's, the World Wide Web was born. It acted as a system or library of information that anyone on the internet could access from any point. This would pave the way for a meteoric rise in the popularity and acceptance of the Internet amongst almost all businesses and individuals. In the mid 1990's to early 2000's, near-instant communication was already possible in the form of by electronic mail providers, instant messaging platforms, voice over Internet Protocol (VoIP) telephone calls, as well as two-way interactive video calls. In fact, the Internet's takeover of the global communication landscape was almost instant in historical terms. Initially, the internet only communicated 1% of the information flowing through two-way telecommunications networks in the year 1993. After a few years, it increased to around 51%, and by 2007, it has ballooned to over 97% of the telecommunicated information.

<https://www.forbes.com/sites/unify/2013/12/10/how-technology-has-changed-workplace-communication/#7d3db3a3670b>

<http://www.history.com/topics/inventions/invention-of-the-internet>



Today the Internet continues to grow, driven by ever greater amounts of online information, commerce, entertainment, and social networking. Moreover, the World Wide Web has also allowed more avenues for discussion, such as forums, blogs, and social networking sites. Since then, it was clear that the internet had and would continue to have a revolutionary impact on the technological landscape for generations to come.

As expected, businesses were quick to adapt to these advancements in technology. However, some concerns about cyber security and confidentiality arose because of the presence of some corporate scandals in the early 2000s such as the Enron scandal in 2001 and the Worldcom and Tyco scandal in 2002. These scandals brought about deception and fraud which caused billions of dollars to be misstated and lost as well as thousands of people losing their jobs. Aside from this, there were also some new and dangerous cyber security threats like the “Melissa” and “ILOVEYOU” viruses which infected tens of millions of PCs, causing email systems around the globe to fail. Because of this, companies realized the threat that if viruses were to spread from corporate email accounts, questions about the security and integrity of the company could be brought into the public eye.

As a result, there was a need for top management to find newer, more secure ways of sharing, meeting, and storing sensitive documents. Armed with stricter and higher standards of protection, the concept of board portals was introduced in 2005, and is now considered the future of board meeting technology.

By contrasting the best practices in board communication with some of its hindrances, it should be clear how the introduction of board portals can address these concerns/problems and spearhead the transformation in boardroom communication dynamics.

<http://www.accounting-degree.org/scandals/>

<https://www.infosecurity-magazine.com/opinions/the-history-of-cybersecurity/>

## Best Practices in Board Communication

As stated earlier, in order for the board to consistently fulfill its function at a high level, effective and efficient communication is of utmost importance. Here are some of the best practices in Board Communication.



### 1. Foster openness and transparency

In today's business environment, across all industries, a certain level of commitment to openness and transparency has never been more important to having a successful business model. Having this business practice has proven to be essential in fostering employee engagement and cultivating a culture of trust within an organization.

Transparency, when implemented throughout the entire company, would now shift the focus from an individualistic perspective to a teamwork oriented behavior. This renewed culture could help prevent scandals similar to the financial scandals that rocked the US in the early 2000's which would undoubtedly hinder the progress of the firm. While it is understood that there is still a need for some information to remain confidential, this practice should only be considered the rare cases, and not act as the primary approach in communicating within a company.

In the past few years, an increasing number of companies have been taking steps in ensuring business transparency to significantly improve employee engagement across their organizations. For example, mobile payment company Square, decided to share almost everything with its 600+ employees. Notes on almost all meetings were made available, including large, 250-page reports emailed from executive board meetings.

Also, LinkedIn's CEO Jeff Weiner was recognized for running an organization focused on transparency and communication in the workplace. He would take the time to hold bi-weekly company-wide meetings to listen to suggestions from employees, proving that everyone's opinion matters.

[https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices\\_Board-Communications-2013.pdf](https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices_Board-Communications-2013.pdf)

<https://gethppy.com/company-culture/business-transparency-is-key>

<https://gethppy.com/company-culture/business-transparency-is-key>

*Ibid.*



## 2. Enable sound decision making through effective intra-board communication

In order to make sound, informed decisions, effective communication is a vital factor in any board room. According to some studies, poor communication has been a top contributor to board members not performing as expected. Furthermore, the lack of good communication is a major pain-point that creates many of the directors' complaints such as: flawed timing and the feeling of being misled, lack of information communicated, being caught by surprise, and not being listened to.

Having said this, it is of utmost importance that top management provides the board with the necessary avenues for effective communication. Each member of the board should be able to clearly communicate his or her concerns to the rest of the directors. The board should provide a conducive avenue for dialogues and exchange of ideas among all people involved in the decision making process.

Additionally, all of the necessary information and data should be communicated to the concerned parties before any deadline or meeting. Past experiences and data should be relayed appropriately as these could provide invaluable insights which would facilitate the deliberation process.

<http://blog.boardsource.org/blog/communicate-effectively-to-create-better-board-relationships>

[https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices\\_Board-Communications-2013.pdf](https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices_Board-Communications-2013.pdf)



### 3. Manage effective top-down communication and vice versa.

As mentioned earlier, aside from communication among board members/top level management, top-down communication is also important in any company . According to SHRM's 2015 Job Satisfaction and Engagement survey 52% of the participants said that, “management’s communication of organization’s goals and strategies” was of an integral part in the overall employee engagement strategy of a company. Furthermore, 64% of the respondents have stated that trust between employees and senior management is a vital element in fostering a positive culture.

In order for employees to be fully engaged, the executives of the company should be able to establish trust that they are leading the company in the right direction . Employees want to know what drives the company they are working for. They want to find out if the long term objectives of the company are in line with their personal work goals, and how they will be able to work together in achieving these objectives. In general, employees want to be kept in the loop, and shunning them from important developments would hinder the company's productivity.

[https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices\\_Board-Communications-2013.pdf](https://www.resultsmap.com/wp-content/uploads/2013/09/Best-Practices_Board-Communications-2013.pdf)

<https://gethppy.com/company-culture/business-transparency-is-key>



#### 4. Manage time wisely

It is a given that board members and top level management have really busy schedules. Some of them have seats on the boards of multiple companies, and would want to keep their meetings as short and straight to the point as possible. Research shows that an average board pack contains approximately 96.7 pages, and companies hold, on average, 7.9 board meetings each year . This means that a board member would have to go through 764 pages of documents every year for every board s/he is a part of. The sheer amount of information that an average board member has to go through might lead to information overload on his or her part which could prove detrimental in the decision making process.

Therefore, it is important to schedule the release of information to allow enough time for the digesting the data and reviewing of the important materials. In addition, some board members like to be informed of only the key points for discussion and not be bombarded by tons of information. Ideally, the bulk of the information sent to the board should come from the corporate secretary so that the same information is shared with all directors, and they are able to keep track of the trail or sources of information .

<https://eshare.net/are-companies-finally-realising-that-paper-based-board-meetings-are-inefficient-and-costly/>  
<http://www.csi.org/resources/Ten%20Guidelines%20Board%20Communication%2028Apr16.pdf>





## Hindrances/Threats in Board Communication

Given the best practices listed above, even if most companies are still trying their best in fostering an environment for effective and efficient communications, there remain significant threats that they would have to overcome. Below is a list of the major barriers that prevent the companies from achieving smooth internal communications.

### 1. Logistics

Most of the multinational companies are burdened by the various time zones they operate in, with times varying by as much as 16 hours between East Asia and the United States. As a result of these geographic and time differences board members who are not present in the actual meeting would normally have a difficult time getting access to the board packs, files, and resolutions of the meeting.

### 2. Board Diversity

Research on board diversity shows that having a more diverse board does provide certain benefits such as being more capable of brainstorming a variety of alternative courses of action, or assessing a wider spectrum of information, but there could also be some negative effects. In addition to the aforementioned physical and logistical barriers concerns about board diversity, there are also some cultural and attitudinal effects of having a more diverse board.

Increased diversity in boards can hinder effective communication because of the prevailing cultures in different countries. The prevailing social norms can raise biases that can make it more difficult for boards to communicate effectively and develop the necessary trust. Furthermore, some studies suggest that diversity on boards can make some directors more hesitant to raise important company concerns because they do not feel comfortable with the other new members due to personality conflicts or resistance to change.



### 3. Security

Another major threat to efficient communications is the security of current communication methods. Over the past few years, firms have become increasingly dependent on e-mail as their primary means of communication and file sharing. This popularity has been matched by the increasing number of hackers who target individuals and business alike. In 2016 and 2017, cybercrime was the 2nd most reported crime globally, and it accounts for more than 50% of all crimes in the UK. In a study conducted by the University of Maryland uncovered alarming information that computers are being hacked at a rate of almost one attack every 39 seconds. Most cyber criminals aren't just stealing the data for sport or justice; rather, most of them are out to extort money from the businesses in exchange for the data, if not directly stealing funds from corporate accounts. Because of this, firms have been increasingly cautious of sharing confidential information through email, and have been looking for a more secure and efficient way of sharing and storing information.

### 4. Acceptance of new technology

With a myriad of new communication technologies within arm's reach, it is important to look at some of the factors that prevent firms from accepting them. Firstly, most businesses are averse to moving out of the status quo. Evidence of this can be seen in top management still emailing each other with sensitive data and confidential information as they neglect the potential risks they subject themselves to in today's hacker laden world.



Secondly, part the hesitation in accepting new technology stems from the fact that some boards are not as knowledgeable or tech-savvy with the new communication technologies. According to a study posted on Harvard’s law school forum regarding the age diversity within boards of directors of the S&P 500 Companies, the median average age for all boards is 62.4 years with minimal variance among companies . Moreover, a study by Pew Research Center suggests that older adults face unique barriers to adoption, ranging from physical challenges to a lack of comfort and familiarity with technology. Most seniors simply lack the confidence to learn and handle the new technologies that prevail today. As studies show, only 26% of internet users ages 65 and over believe that they are very confident when using computers, smartphones and other electronic devices. Roughly one-third describe themselves as only a little (23%) or not at all (11%) confident in their ability to use electronic devices .

Lastly, some boards are concerned about the cost implications of using new technology such as board portals. Some executives believe that technology is more of a cost rather than an investment. Because the playing field moves so quickly, the stakes in investing in new tech are higher than ever before.

<https://www.fm-magazine.com/issues/2016/dec/corporate-board-oversight.html>  
<https://www.comparitech.com/vpn/cybercrime-statistics-2016-2017/>  
<https://corpgov.law.harvard.edu/2017/04/06/age-diversity-within-boards-of-directors-of-the-sp-500-companies/>  
[http://www.pewinternet.org/2017/05/17/tech-adoption-climbs-among-older-adults/pi\\_2017-05-17\\_older-americans-tech\\_2-02/](http://www.pewinternet.org/2017/05/17/tech-adoption-climbs-among-older-adults/pi_2017-05-17_older-americans-tech_2-02/)



## Effect of current technology on Board Communication

Because of the emergence of new technology, business nowadays doesn't happen face to face as often as some would like. Instead, conference calls and email chains are being used as the primary means of communication within organizations. In a study conducted by Pew Research Center, 61% of the 1,066 respondents believe that email is "very important" in doing their job, and 46% feel more productive with these tools. These technologies, coupled with the internet, allow near-instant communication with colleagues from anywhere in the world. Files can be sent, presentations can be edited, and opinions can be shared at a touch of a button.

The meeting dynamic has changed from face to face to now becoming a global workplace. The problem with this kind of technology, is that some businessmen and board directors are becoming more dissatisfied in that it makes doing business a little less personal and makes getting to know other people more difficult than before. Also, emails can never really be a substitute to personal contact since it would be difficult to ensure that one's ideas have been communicated effectively and understood properly by the recipient. Even internet chat cannot replicate the dynamics of a face-to-face conversation, which is where video calls can help.

However, the advantage of having a global workplace, despite it lessening the interpersonal aspect of work, is the fact that it improves user experience, efficiency and decision making in the workplace. According to Rick Puskar, SVP of Customer Experience & Services for Unify, by having employees in various departments working in virtual teams, they would have "a delightful experience in their hand -- a joyful experience -- all behind a single plane of glass."



Puskar also recalled a particular example wherein he himself benefited from the efficiency of modern technology. During one of his weekly leadership calls, he decided to use video calls instead of the usual conference call. He states, “By leveraging video in a collaborative work environment, I took what was normally a 90 minute call down to 60.” Also, by using video, he could see where everyone was, and that ensured that all participants were actively engaged in the call.

Another important tool in addressing some of the negative concerns regarding modern technology is the board portal. While it is a given that many business relationships in today’s world heavily depend heavily on technology, this may not seem as troublesome as some other people believe. As it turns out, according to an article written by Natalie Burg on Forbes’ website, “the answer to all of the complaints about the evolving workplace wasn’t to abandon technology for a more human way of working, but to evolve technology to make the new way of working more human.” The new wave of communications technologies, including board portals, is beginning to make waves in the worldwide business environment. The dynamic, cultural shift is transforming the global workplace to a more enjoyable, and personal experience.

<https://www.forbes.com/sites/unify/2013/12/10/how-technology-has-changed-workplace-communication/#744d68f5670b>

<http://www.pewinternet.org/2014/12/30/technologys-impact-on-workers/>

<https://www.forbes.com/sites/unify/2013/12/10/how-technology-has-changed-workplace-communication/#744d68f5670b>

*ibid*

## The Advantage of Board Portals



Being in a global workplace, board portals allow executives to send out emails, present documents and powerpoints, make comments, and communicate with other directors from the other side of the globe. This would give the executives a sense of being in the actual meeting all in the comfort of their own living room, their own time, and on their personal devices. Thus, board portals are able to further the personal aspect of modern technology, as it is able to offer something that the video and conference calls of today cannot. These advancements in mobile technology increase the firm's acceptance of the "Bring Your Own Device (BYOD)" to work philosophy. This would in turn, make the workers feel a more personal connection to their jobs because their virtual work space is in the same device as all their social media accounts and personal files.

Moreover, board portals are able to address both the aforementioned best practices and barriers in communication. The various features of the software allows its users to view and annotate their documents, have discussions, review minutes, and assign action items in real time all in one simple and intuitive user interface. By doing so, board portals are able to bridge the geographic and time differences, and enable effective communication within the organization.

Since the comments and resolutions can be viewed and reviewed anytime by any of the concerned parties, this allows the directors to be well informed of any developments well before the meeting itself. Some portals can also grant or restrict access to certain documents in order to strike a balance between confidentiality and transparency. Moreover, the next generation portals also come equipped with the latest encryption and security features that mitigates the potential risks that arise from the prevalent viruses and hackers. Additionally, board portals will also grant significant savings in printing costs, preparation time, and environmental footprint of board meetings. To conclude, board portals should not be viewed as a replacement for current communication technologies; rather, it would serve as an accessory in the today's ever-changing modern business landscape.

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## Contact Us

Email: [sales@azeusconvene.com](mailto:sales@azeusconvene.com)

US	+1 800 795 2024	AU	+61 0431 395 477
UK	+44 (0)20 8004 5936	HK	+852 2152 3666
CA	+1 800 795 2024	IN	+800 100 6862
ZA	0 800 999 371	MY	+1 800 817 240
KE	+254 0 718331583	PH	+63921 316 0339
UAE	+971 550 8368	SG	+800 852 3335

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