BECOMING AN EFFECTIVE BOARD MEMBER

An interview with "the Governor", Karl George MBE

Karl George

This interview features Karl George MBE, known as "the Governor", founder of The Governance Forum and creator of the Effective Board Member programme, now accredited and delivered in 11 countries. We sat with him to talk about what separates a director who fills a seat from one who earns it, and what that means for family businesses across Dubai and the wider Gulf. His answers draw on the eight modules of the Effective Board Member programme and the TGF Governance Framework. The lens here is the family business, but the principles hold for any board, listed, private or public.

Q1

PEOPLE USE THE PHRASE "EFFECTIVE BOARD MEMBER" LOOSELY. IN YOUR PROGRAMME, WHAT DOES IT ACTUALLY MEAN?

Effectiveness is a discipline. And you can learn it.

I teach directors to look at it through two lenses. First, the compliance drivers: resources, competence and execution. Are the right structures and information in place? Is the board capable? Does it actually convert decisions into outcomes? Then the performance drivers: transparency, impact and behaviour. How the board conducts itself when the cameras are off.

An effective board member masters both. You can be technically correct and still useless in a boardroom if you can't ask the right question at the right moment, or if you go quiet when the room needs you to speak.

Think of Carillion. The board had the documents, the papers, the committees. All the machinery looked right. But the papers didn't surface the risk that mattered, and nobody pushed hard enough to find it. Compliance was present. Performance wasn't. That gap is where boards fail.

Q2

FAMILY BUSINESSES ARE THE BACKBONE OF THE GULF ECONOMY. WHAT MAKES THEIR BOARDROOMS DIFFERENT, AND WHERE DO DIRECTORS GET IT WRONG?

Family businesses contribute around 60% of the UAE's GDP and more than 80% of its employment, so when we talk about boards here, we're usually talking about family boards. And that boardroom is harder, because relationships sit underneath every decision.

The founder is often still in the chair. The next generation is often around the table. So three risks show up again and again.

The first is blurred lines between ownership, management and the board. People wear three hats and forget which one they have on. The second is succession that everyone can see coming and nobody wants to name. The third is the absence of real challenge, because few people will contradict the patriarch in open session.

An effective director in a family firm holds the line between the family's interest and the company's interest. That is the whole job. It's why bringing in genuinely independent non-executives is one of the smartest moves a Gulf family business can make. They can say the thing the family can't.

Q3

YOU TALK A LOT ABOUT BOARD BEHAVIOUR. HOW DO YOU HELP DIRECTORS RECOGNISE DYSFUNCTION IN THE ROOM?

I give boards a shared language for it, using animal archetypes. They sound light, but they cut deep.

The Shark interrupts and dominates, and quietly kills psychological safety. The Sheep conforms. The Parrot echoes whatever was just said. The Peacock performs for attention. The Snail delays the hard decision. The Rabbit withdraws under pressure. The Crab moves sideways and avoids the point.

In a lot of family boards you get a Shark at the head of the table and a room of Sheep around it. That's groupthink, and it's where good companies make catastrophic decisions while everyone nods.

And these archetypes aren't a family business problem. They show up on every board I've ever evaluated, from listed companies to charities. The dominant voice and the silent majority are universal.

The effective director breaks the pattern without breaking the relationship. You challenge the idea, not the person. You make it safe to disagree. Get that right and the quiet people in the room start talking, which is usually where the best judgement was hiding all along.

Q4

YOUR PROGRAMME STUDIES FAMOUS GOVERNANCE FAILURES. WHAT ARE THE WARNING SIGNS A BOARD SHOULD NEVER IGNORE?

I built a whole module on this, because failure teaches faster than success. Enron, Wirecard, Theranos, the Post Office, Nissan. Different sectors, same skeleton.

It's rarely a single act of fraud. More often it's concentration of power, weak challenge, optimistic bias, and a culture too proud to ask the obvious question.

Look at Nissan. A dominant figure, deep deference around him, and a board that stopped probing. Family businesses are not immune to that. The same loyalty that makes them strong can make them blind.

The clearest warning sign is simple. When the board stops asking uncomfortable questions, the clock has already started. Comfort in the boardroom is often the first symptom of trouble.

Q5

CONFLICTS OF INTEREST ARE SENSITIVE IN A FAMILY BUSINESS. HOW SHOULD AN EFFECTIVE BOARD MEMBER HANDLE THEM?

In a family firm, conflicts are constant. They're the weather. The test is whether the conflict gets declared and managed in the open.

My rule is plain: nobody sits in judgement of their own interest. When a matter touches a director personally, they declare it and step out of that decision.

Practically, I teach boards to use sub-committees made up of people who don't have a conflict of interest to handle exactly those matters. A related-party contract, a family member's appointment, a buy-out. The conflicted director recuses, a clean group decides, and the whole thing is documented.

Independent directors earn their fee right here. They give the family a way to do the right thing without it becoming personal.

Q6

BOARDS ARE DECIDING UNDER MORE PRESSURE THAN EVER. HOW DO YOU TRAIN DIRECTORS TO MAKE GOOD DECISIONS WHEN THE FUTURE IS UNCLEAR?

I start with VUCA: volatility, uncertainty, complexity, ambiguity. Then I flip it into what a board should produce in response: vision, understanding, clarity and agility.

I also get directors to name their threats properly. The Black Swan is the genuine shock nobody could foresee. The Grey Rhino is the obvious danger charging at you that everyone chose to ignore. The White Elephant is the problem you've acknowledged and still done nothing about.

Here's the truth. Most boards don't die from the Black Swan. They die from the Grey Rhino. In a family business, succession is the classic Grey Rhino. Everyone sees it coming and the meeting keeps moving on.

Effective directors build the debate into the process. Evidence before opinion. A devil's advocate on the big calls. Structured challenge, so the loudest voice doesn't become the only voice.

Q7

FINALLY, HOW DOES A BOARD MEMBER ACTUALLY KNOW WHETHER THEY'RE EFFECTIVE?

You measure it.

I use a ladder I call Comfort, Confidence and Conviction. Comfort is "we think we're fine". Confidence is "we've checked". Conviction is "we have the evidence and we'd stake our name on it". Most boards live in comfort and call it confidence.

That's what a proper board evaluation is for. A look at the documents and delegations, observation of the board in session, and an honest appraisal of the whole board supported by interviews and a skills audit. For a family business, I'd bring in an external evaluation every couple of years. You can't mark your own homework.

If a director wants to act on one thing after reading this, do three. Insist on a real induction for every new member. Commission an honest board evaluation. And have the succession conversation you've been avoiding. Do those, and you move from filling a seat to earning it.

And none of that is unique to family firms. A bank board, a hospital trust, a tech startup, they all live or die on the same discipline. The family business just feels it more sharply, because the people around the table go home together.