



# The Work of a Board Director

## Your Responsibilities as a Director



### Noses In, Fingers Out

There's a bright line between governing and managing. The concept of '*Noses in, Fingers out*' can help you navigate that line.

**Noses in** means you're entitled to know what's going on - to understand risks, trends, and issues; to know about the organization's environment, its stakeholders, and capabilities; and to get a handle on what's working and what isn't.

**Fingers out** means don't try to run the business yourself. That's management's job – don't interfere, second guess decisions, or try to control every move.

### A Director's Mindset

Your business expertise, professional skills, and life experience have served you well and laid the foundation for board work. They're what made you stand out as a candidate for your board.

As a director, you'll need a different mindset than the one you bring to your life as a manager, professional, or entrepreneur. You won't be focused on operational details or day-to-day management, but instead on overseeing, questioning, advising, and taking a long-term view.

A director's work requires accepting the distinction between the role of the board and that of management. Directors must be informed and engaged, but they're not there to run the show.





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## Your Role

### Your Fiduciary Duty

The board's primary role is that of a fiduciary, meaning that directors must always act honourably and in good faith, placing the interest of the organization ahead of their own..

### Your Duty of Care

The board has a duty of care, meaning that every director must exercise the same care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

### Your Stewardship Responsibilities

As a director, your personal insight adds value to the board as it fulfills its stewardship responsibilities, including oversight of strategy, risk, finances, internal controls, management effectiveness, succession planning, and stakeholder engagement.

## One more thing ...

You bring your individual knowledge, skills, and judgment to your role as a director. Once at the board table, you are part of the whole - a collective unit that leads the organization.

To be effective at this, you must find the right balance between being a good team player and thinking independently. In other words, be collegial without being a doormat!



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## Four Lines of Sight

A powerful way to think about your director role is through four lines of sight – oversight, insight, foresight, and hindsight. Each line of sight involves a different thinking style. You can play an important part when you recognize what line of sight is called for, and ask questions that engage the board's best thinking style for that purpose.



### Oversight

The board provides oversight by monitoring performance and ensuring compliance with policies, laws, regulations, and ethical standards.

In its fiduciary role, the board must ensure that the organization is doing what it's supposed to do and getting the desired results. As a director, your fiduciary role is your most important one, so your ability to provide oversight is vital.

It's all about protecting the organization. Oversight requires an attitude of 'trust but verify' - casting a critical eye on the information you receive, looking for weaknesses, variances, and anomalies.

### Insight

In this role, you're called on to challenge the status quo and think about new ideas and proposed changes. Your insight brings fresh perspectives to areas where management is looking for advice and counsel.

Insight is about gathering a deep understanding of something or someone. It requires open dialogue and probing assumptions - inspiring innovation and uncovering issues.





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## Four Lines of Sight

### Foresight

Foresight is about trying to predict the future. It involves understanding big picture trends, knowing what threats are emerging, and contemplating distant opportunities.

This role requires you to think strategically about the environment, opportunities, risks, possible scenarios, and future outcomes. With foresight, your wisdom and judgment help the board understand how to position the organization for success.



### Hindsight

Hindsight is about reflecting on the past and learning from experience. It requires reflective thinking to understand an event or situation after it has happened.

As a director, it's important to bring your neutral curiosity to bear when things have gone badly. Resist the temptation to look for someone to blame. Instead focus on what can be learned and how the organization can improve going forward.



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