Overboarding: Opportunity or Oversight Risk?

Rethinking Board Effectiveness in a Multi-Boardroom Era

"Governance is not just about presence—it's about preparedness and purpose."

In an era where governance failures attract national attention and investor scrutiny, the evolving role of Independent Directors (IDs) has never been more critical. Recent corporate episodes have exposed a new form of vulnerability—**overboarding**. This phenomenon, where directors hold too many simultaneous board positions, may seem like a mark of prestige, but increasingly poses real risks to oversight, integrity, and accountability.

While many directors manage multiple roles with excellence, structural pressures may limit even the most capable individuals from bringing full value to every board.

Can a director, serving on multiple boards, truly discharge fiduciary responsibilities with depth, continuity, and contextual engagement?

This article is intended to enrich ongoing governance conversations and is based on publicly available patterns, not on inside information or individual judgment.

The Regulatory Landscape – Are Limits Enough?

India's corporate regulations prescribe caps on board roles across listed and unlisted entities. However:

These are **quantitative**, not **qualitative** caps.

A director might legally serve on several complex, crisis-prone boards and still be "within limits," yet lack the cognitive and time resources to contribute meaningfully. Mere compliance doesn't ensure governance excellence. Qualitative engagement, time investment, and contextual understanding must accompany numeric compliance.

Why Overboarding Matters – Risks & Red Flags

1. **Cognitive & Time Constraints**

   Directors juggling multiple board positions often find it difficult to dedicate focused time for each role. This reduces their ability to prepare adequately, participate in depth, and remain available during critical developments. It may also impair their capacity to understand unique business models or rapidly evolving sectoral risks.

2. **Reputational Spillovers**

   A governance lapse in one company can damage the perceived reliability and judgment of a director across other boards. The scrutiny expands beyond the specific incident, questioning the director's judgment, availability, and awareness across all engagements.

3. **Conflicts of Interest**

   When directors are active in boards with overlapping business verticals, strategic priorities, or investor bases, it creates ambiguity and tension. Conflicting loyalties may compromise decision-making, particularly in mergers, ESG disclosures, or competitive tenders.

4. **Strategic Disengagement**

   In recent years, various sectors—such as digital education, media, and infrastructure—have witnessed director exits during periods of distress. These departures often followed prolonged phases of subdued board activity, signalling limited engagement or insufficient foresight by busy board members.

The Root Cause Grid

Cause	Explanation
Prestige & network value	In some cases, board roles are pursued due to their perceived prestige or network value, occasionally without a structured assessment of bandwidth.
Lack of oversight mechanisms	Most organisations do not independently assess the director's actual time or effectiveness across boards.
Nomination committee bias	Selection often favours reputation and past titles over future availability and sectoral focus.
Workload opacity	There's minimal transparency about time devoted to unscheduled meetings, crises, or background preparation.

Sectoral Learnings: Patterns Across Challenging Contexts :

Across a range of industries—especially those undergoing rapid scale, complex restructuring, or heightened scrutiny—certain **governance stress points** have emerged. These instances do not reflect on the integrity of any individual director but highlight structural challenges that can affect even the most capable boards:

- **Digital-first enterprises during hypergrowth phases** have seen independent directors resign amid evolving governance expectations and time demands.
- **Media and entertainment sector mergers** have occasionally surfaced concerns regarding the timing and visibility of board-level risk escalation.
- **Conglomerates operating in high-capital sectors** have faced intense public and regulatory scrutiny, prompting reflection on how board preparedness and communication agility influence stakeholder confidence.

The Practical ID Toolkit: Proactive Fixes

1. **Independent Time & Contribution Audit**
   Boards should seek honest disclosures on hours invested in each board role during the past year, including crisis support. This helps set realistic expectations and assess if a director can bring strategic continuity.
2. **Contextual Board Fit Matrix**
   Before appointments, directors' existing board involvements should be reviewed for overlap in sectoral focus, regulatory burden, and strategic direction. This prevents cognitive overload and ensures relevant expertise is applied efficiently.
3. **Board Composition Health Check (Annual)**
   Beyond attendance, boards should evaluate quality of engagement. This includes inputs during key deliberations, willingness to challenge consensus when needed, and support during unplanned events or escalations.
4. **Evidence-Based Feedback Mechanism**
   Board Chairs and NRCs should maintain structured feedback on director participation. This internal reflection ensures course correction without reliance on external monitoring.

The Role of IICA and MCA – Stewarding Smarter Governance

IICA and MCA are well-positioned to *consider supporting*:

- Introduce an "Overboarding Stress Index" to provide a visual cue of director stretch based on industry, board type, and role load.
- Encourage inclusion of time allocation estimates in director databank profiles.
- Launch education modules on governance load management and prioritisation.
- Recommending boards provide rationale for selecting directors with heavy portfolios.
- Promoting narrative-based disclosures in reports on board effectiveness and director capacity.

Positioning these as evolving practices, not mandates, can drive natural adoption and create market-led governance standards.

Global Intelligence Snapshot

Jurisdiction	Policy Focus
Global asset managers	Encourage manageable directorship limits to preserve effectiveness.
Institutional investors	Prefer board members with focused commitments and available capacity.
Governance codes	Emphasise quality of participation over tenure or quantity.

A Conscious Governance Culture – What's Needed?

Stakeholder	Strategic focus
Boards & NRCS	Consider actual availability, complexity of companies, and expected demands before appointment.
Independent directors	Share estimated hours available per role and regularly reflect on ability to stay effective.
IICA & MCA	Support research and training that improve understanding of governance load management.

Conclusion: From Compliance to Consciousness

Overboarding is no longer a secondary risk—it's a core governance vulnerability in a time of reputational fragility, rising ESG scrutiny, and stakeholder activism.

The future of boardroom excellence will not be shaped by how many boards a director sits on, but how meaningfully they show up. The boardroom of tomorrow will reward **depth over breadth**, **commitment over convenience**, and **purpose over prestige**.

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Disclaimer: The views expressed in this article are personal and intended to provoke thoughtful discussion. They do not represent the official position of any institution, regulatory body, or board on which the author serves. These observations are drawn from publicly reported patterns and are intended solely to foster constructive dialogue on board dynamics—not to critique any specific institution or individual.