



## **How Board Chairs Can Embrace a Convergence of Transformations**

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How do board chairs engage and guide in a rapidly changing world? That is the question we contemplated at the World Economic Forum's Community of Chairpersons meeting—the first held in person since 2019. The conversation was reflective and sobering, and it highlighted the changing roles of boards in a rapidly evolving, multifaceted environment.

With their permissions, I wanted to include the very wise perspectives of two guests we were privileged to have join our group: Klaus Schwab, founder and chairman of the WEF, and Mark Gorenberg, the just-elected chair of the MIT Corporation and longtime AI venture capitalist.

### **Focusing on Six Key Topics**

Klaus opened the meeting with his own reflections from being a chair himself and from conversations he's had with so many leaders globally. He shared that he sees us facing four transformations at once: an economic transformation, including the dramatic decarbonization of the global economy; a technological transformation, where we merge the digital and physical worlds and embed AI; a shift from a unipolar to multipolar geopolitical

environment that increases fragility and conflict risk; and a social transformation, as citizens cope with massive change and conflicting values.

Against this backdrop, he highlighted six areas for chairs to focus on, all of which came up multiple times in the conversations that followed:

- Responding to disruptions
- Operating in a multistakeholder landscape
- Addressing the shifts in geopolitics and geoeconomics
- Strengthening risk management and resilience
- Demonstrating global citizenship that goes beyond the organization's self-interest
- Embedding purpose, pride, and stability into the organization

As the meeting continued, I was struck by the attention many leaders paid to the need to change the skills, agendas, and clock-speed of boards to address these topics. Boards will need to demonstrate more flexibility, invest more time in strategy in partnership with management teams, and demonstrate more boldness in responding to opportunities and risks.

This puts a premium on board chairs, in partnership with CEOs or lead directors, to create a learning environment in the boardroom. It means navigating more uncomfortable conversations, where the pathways for the management team are less predetermined and evolve faster. Asking the right questions becomes far more important than having the answers.

## **Boards and the AI Revolution**

Day two began with Mark describing the unbelievable pace of change on the generative AI front. He and several participants described big opportunities we are seeing emerge in biomedical research and operations, energy management, and the optimization of enterprise performance. We also discussed the risks that this technology will force us to steer through: business risks (e.g., cyber and reputational), societal risks (e.g., jobs, bias, and misinformation), and existential risks (e.g., biological weapons and automated warfare).

Mark concluded with five calls to action for boards:

- Place a greater emphasis on risk and cybersecurity committees
- Add more AI capabilities into board membership
- Invest in the entire board to make its members more AI literate
- Ensure investment levels in AI and related technologies are sufficient
- Get closer to the entrepreneurial community, where investment has ramped up more than ten times so far this year

### **Fostering the Board-Management Relationship**

In closing, I would highlight that helping boards succeed in the current context should be a high priority for senior leaders and the CEO. Engagement models vary across companies and geographies based on leadership styles and corporate cultures. But in periods of greater change, with higher uncertainty and bigger new bets required, collaboration takes on more importance. If companies are to emerge from this period in a strong position, it is incumbent on their CEOs and board chairs to work together to build the right dialogues, creating room for learning and challenges and building a spirit of teamwork and risk taking.

Thanks to Paul Bulcke of Nestlé and Olivier Schwab of the WEF, leaders of this community, for creating such a thought-provoking conversation among a great set of business leaders.

Until next week,

A handwritten signature in dark ink, appearing to read "Rich", with a stylized flourish at the end.

Rich Lesser  
Global Chair

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## Further Reading



### **The Board-CEO Partnership in a Transformation**

The real-world experiences of a business leader who has seen change efforts up close—while serving as CEO, board chair, and director at multiple organizations—point to five key priorities.

[Read more](#)



### **Directors Can Up Their Game on Environmental, Social, and Governance Issues**

Board members at companies across geographies and industries understand that competitive advantage increasingly demands sustainability. And that is rapidly pushing ESG issues higher on board agendas.

[Read more](#)



### **Socially Transformative Business Is Smart Business**

Done right, ESG can drive positive social impact that reinforces a business's competitive advantage and contributes to a better world.

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