

# NIMBLE DECISION- MAKING:

## An Unfolding Board Competence

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*Facing shrinking “runways” for making important corporate decisions, Boards need to innovate away from sluggish toward higher kinetic review and approval processes.*

Historically, one salient function of the Board of Directors has been to ward off hasty or ill-considered material decisions by Management.

The idea is *not* that Boards should reflexively block or delay proposed corporate actions that appear too novel or ambitious, though more timid Boards sometimes tend in this direction.

Instead, the notion is that a Board may have to decelerate the approval process when information is incomplete or potential risks are not fully understood. As with regenerative brakes in electric vehicles, the art lies in applying just enough pressure to slow down but not halt the momentum. This may be the case when the company, for example, is seeking to expand into an unprecedented business area and the Board feels it needs more time to properly weigh all factors.

For many Boards this tempering role has been a comfortable one. It fits with the image of the Board as a deliberative and reflective body which takes the time to take the long-term view and make discerning decisions. Yet this Board role, while fundamental, is coming under growing tension.

The tension is not emerging from regulators. On the contrary, authorities - who tilt toward risk averseness - continue to expect Boards to be the safety backstop against any ill-advised Management proposals.

The pressure for *accelerated decisions* instead stems from the rapidly changing dynamics in the local and global marketplace, shorter innovation cycles, and a more volatile international arena.

For example, customer and other stakeholder expectations can now shift unexpectedly, hastened by the currents of social media. A competitor can put a new product out in months, not years. Geopolitical tensions can upend supply chains and investor confidence from one day to the other. A war can - as has

happened with airlines in the current environment - shut out profitable routes and force on the spot pivoting by Management. Aided by AI, due diligence for contemplated transactions can be completed much faster than before, expediting the path to Board approval.

On top of all the foregoing, CEO tenures are shrinking.<sup>[1]</sup> This is forcing Boards in some cases to scramble to appoint a new CEO on short notice, throwing a wrench into traditional succession planning.

In each of the above examples, Boards today are under pressure to rethink their decisional processes. *What can we change as a Board to better keep pace with the quicker rhythms which Management is confronting in the market and the investor community?*

To be sure, Boards are *not* being called to skip or reduce the quality of their oversight. Rather, they are expected to exercise this duty *more swiftly and efficiently*.

Four techniques can augment a Board's ability to prepare for and take more timely decisions on enterprise-critical matters.<sup>[2]</sup>

## 1. Hone a Board Decisional Mindset

A first step is cultural. When Boards think about improving their culture as a body, they typically focus on what they do or should do, but less so on *how quickly* they do it.

For example, Boards rarely measure the time that elapses between major Management proposals and Board decisions. Yet this can be a helpful indicator in a world where the interval between a market opportunity arising and disappearing is compressing.

To respond, Boards can make it a priority to cultivate a decisional mindset, one where the goal is to curtail as much as is prudently safe the time from analysis to decision.

In Board assessments, for example, the Board's progress in this area can be tested. Questions like these help identify what may be encumbering the Board in taking decisions:<sup>[3]</sup>

- *Do we engage in overdeliberation?*
- *Are there any specific matters (e.g., joint ventures, closing less promising business lines, making key executive appointments, etc.) where we exhibit decision-taking inertia or hesitation?*
- *Has there been any specific instance of the Board, or one of its committees, displaying in effect analysis-paralysis or decidophobia?<sup>[4]</sup>*
- *Are we committed, as a matter of our Board culture, not to be the obstacle that unduly delays needed corporate decisions?*
- *Are there any Board members who tend to sit on the fence in the face of tough decisions or show more eagerness to debate and critique than to decide?*

## 2. Re-examine and Lubricate Board Processes

A second step starts by reviewing the Board's foundational documents.

A Board charter serves well the purpose of setting out a Board's mandate and responsibilities. But, alone, it is usually insufficient to address how the Board and its committees carry out their work.

If part of the goal is to make the Board's work fitter for today's higher-paced environment, then a Board *operational book or similar* can serve this purpose. Such a document, when aptly designed, allows capturing the essential work processes and methods of the Board.





Many Boards already are guided by such an operational document. But typically, it has not been reviewed critically from the angle of *how well it supports time-sensitive decision-making*. For example, the Board could ask:

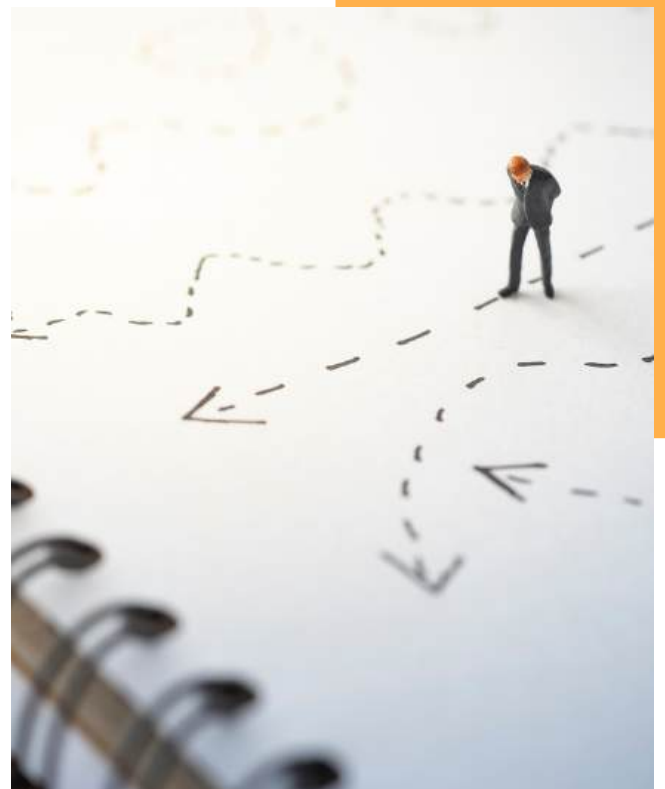
- *Does the operational book prescribe any processes that are unwieldy?*
- *Are there any which, while on their face adequate, could benefit from streamlining so as to speed up outcomes?*
- *Are there any that in practice already are being sidestepped or ignored in the face of new time realities?* <sup>[5]</sup>

If any of the above are true, then the Board has an excellent opportunity to retire non-value creating processes and “lubricate” the remaining ones to reduce process friction.

This may include reviewing the authority tables that sometimes are included in the Board’s operational book. Such tables typically set out for which kind of matters a Board has the right to

- simply be informed in advance by Management
- provide input
- decide.

Without compromising its ability to exercise oversight, a Board can re-examine the authority tables and make adjustments that serve the goal of decisional efficiency.



For example, is any prescribed spending or other threshold (above which Board approval is required) no longer fit-for-purpose? Is there any matter that could be shifted from the “Board decides” column to the column the “Board gives input” or simply “is informed”, without thereby weakening checks-and-balances?

### 3. Design Fluid Board Cycles and Decision-Prone Agendas

A Board of a long-standing company has usually developed over the years patterns of when it meets, for how long, and what matters come before it at which meetings.<sup>[6]</sup> Known sometimes as the Board workplan or Board cycle, such procedural habits bring a degree of order and help Management and Board members know when to expect what.

But in an environment where velocity is paramount, some of these practices may be unduly time-consuming or promote rigidity. Consequently, it is of value to re-assess periodically these practices through the lens of fostering adaptability and rapid response capacity.

A start is to identify what practices are remnants of the past and may no longer be serving timely decisional needs.<sup>[7]</sup> Next the Board can review meeting agendas from recent years. *What priorities do such agendas reflect? How can the agenda topics be reordered going forward to reflect the company's shifting strategic priorities?*

Typically, the above exercise triggers some resistance. It requires Board members (and Management) to accept changes to the traditional sequence of topics at Board meetings throughout the year.

But for true nimbleness, better planning is not enough. Board members also need to embrace *improvisational agility*. For example, as new risks or opportunities unfold, the Board may need to alter meeting topics or meeting dates, even on short notice. Less dynamic Boards perceive this as disruptive. Nimble Boards see it as indispensable for navigating the twists-and-turns of the external environment.

In addition to fluidity in the cadence and topics of Board meetings, another area where pliability is called for is *the length* of meetings.

For example, rather than planning for all Board meetings to be X number of hours, a more adaptive approach contemplates meetings of varying durations, depending on the agenda items. This approach also accepts *impromptu time adjustments* as needed.<sup>[8]</sup> For, in an accelerated world, a Board cannot postpone to the next Board meeting a matter requiring resolution simply because time ran out at the present meeting.

The *structure* of Board meeting agendas can also be reengineered to promote decisional energy. For example, rather than putting housekeeping and other routine items early on the agenda, a decision-focused approach places these at the end, permitting the Board to tackle up front matters requiring a Board decision.



In shaping decision-prone Board agendas, Management also has a role to play. Some CEOs and other senior managers do not always signal clearly enough in the documentation they submit to the Board what the “ask” is. Do they simply want to inform the Board of something? Get an indirect “no objection” to do something? Or are they looking for an unequivocal yes or no?

Further, Management does not always “tee-up” a matter in a way that facilitates the Board decision. For example, when seeking approval for a new company strategic alliance, senior managers may be so eager to secure the Board’s support that they emphasize only the advantages of the deal. But for a Board to feel comfortable deciding quickly, it needs to see upfront a balanced account of the risks and trade-offs.<sup>[9]</sup>

#### 4. Use Decision Accelerators

A Board’s decisional agility can be further enhanced with targeted actions designed to step up the tempo. These can be applied during three phases.

##### a. Pre-Meeting Phase

By crafting a decision-prone agenda, as discussed earlier, a Board signals to its members that the upcoming meeting’s time will be largely devoted to applying judgement and reaching key decisions, not going over Board materials. The presumption will be that each Board member will have studied the materials before the meeting and will not divert meeting time with peripheral questions.

Management too can help during the pre-meeting phase by making itself available to take on specific Board member questions. More advanced is the practice where Management gives the Board access to the project reporting platform or dashboard that Management itself uses to track, for example, progress on a proposed transaction.

Boards in companies subject to particular market time pressures or volatility may also innovate by establishing a Board *Fast-Track Standing Committee* or similar. Such body or working group is given pre-approved authority parameters and springs into action whenever certain decisions become necessary before the full Board can meet.



For example, while a Board ultimately may need to approve material finance transactions, the *Fast-Track Standing Committee* may be given the authority to green-light urgent letters of intent for such transactions or narrow down the specific decision that the full Board will later need to make.

Instead of creating a new body, the Board could give carefully delegated authorities to one or more of its existing committees. For example, the Audit Committee may be given the authority to sign off on emergency communications to a regulator when the full Board or the Board Chair is not available.

##### b. Meeting Phase

Once the day for the Board meeting has arrived, the Board Chair plays a pivotal role. His or her leadership will be essential in ensuring the Board acts with alacrity and reaches the necessary decisions before adjourning.

This may require conventional techniques such as setting time limits for questions and briskly steering debate toward the decisions to take.

With eyes on the clock, the skilled Board Chair might make on the spot decisions to cut off unproductive exchanges. Or the Chair may force accountability by going around the table and polling each Board member directly: “if you had to vote now, would you vote yes or no on the proposed transaction?”.



But when complex matters are at hand, the traditional methods may not suffice. Some topics require deeper dives than is possible within a scheduled Board meeting time. In such a case, a Chair may borrow from other disciplines and apply the technique of *concurrent decision making*.<sup>[10]</sup>

Under this practice the Chair breaks up the full Board meeting and directs the Board committees to sit in parallel and each tackle separately one aspect of, for instance, a proposed acquisition. At an appointed hour, the committees' members return to meet again as one Board and report on their recommendations for the assigned part. The Board Chair then calls for consideration of the recommendations and lines up the matter for a final, unified Board vote.<sup>[11]</sup>

Another technique also calls for strong Board Chair leadership. If during the Board meeting tensions arise between the Board and Management (or among Board members) that could put at risk the Board coming to a timely

decision, the Chair makes *an instant call* and orders that the Board meet briefly in private session (i.e., without any executives present). This approach helps diffuse the tension and permits Board members to align right away on a common view.

A final decision accelerator involves revisiting the notion of consensus. Many Boards, as a matter of culture, prefer to act based on the consent of all Board members. But this principle can stand in the way of swift decisions or lead to compromises that might not be in the interest of the company.

Where a Board is not culturally ready to accept simple majority vote,<sup>[12]</sup> it can innovate by, in effect, *redefining consensus*. For example, it might agree that quasi-consensus, such as a three-quarters supermajority, is also an acceptable Board norm which, even those who dissent, are willing to embrace for the sake of Board unity.

### c. Post-Meeting Phase

When the Board has been unable to reach a major decision at the scheduled Board meeting, it can decide to promptly meet again or, alternatively, use written procedures to finalize soon thereafter the desired decision.

Where legally permitted, so-called circular resolutions allow the Board to document the decision by simply having each Board member confirm by email or otherwise in writing his or her support for it.

But perhaps the most practical post-meeting step Boards can take is to get ready for further decisions ahead. The Chair may keep track of the *decisional pipeline* of expected or potential - even if not necessarily likely - decisions the Board may need to take over the next months. Such a pipeline increases the Board's forward thinking and decisional readiness.

## Conclusion

In a business environment of increasing time compression, Boards cannot escape having to take weighty decisions at a higher tempo and under severe time constraints.

Boards cannot render their judgement at their own rhythm, such as waiting until the next scheduled Board meeting. They need to decide when the opportunity or risk presents itself.

Since delaying or abstaining from deciding could be as value destroying as making the wrong decision, Boards need to step up to the challenge.



This includes reviewing the Board's internal processes to make them more pliable as well as holding *smarter, higher kinetic, decision-prone meetings*. But it also involves being more accepting of taking decisions with incomplete or evolving information.

In the end decisional nimbleness is not about skipping any duties as a Board. It is about learning to carry out these duties with a sense of urgency. Rapidly moving markets do not allow the luxury of time. Boards need to act responsibly without taking the business out of the fast lane.

### Endnote

[1] On the topic of CEO tenures, see studies referenced in G.S. Varges "5 Step-Ups for Boosting Board Performance Self-Awareness", Asia School of Business, November 2025.

[2] The question is not how Boards can agree more often with Management or approve their proposals at a higher rate. The issue is how Boards can bring to bear their decisional authority with higher velocity and clarity. In the author's work with companies, the more common complaint by Management is not that the Board outrightly stops Management proposals but "slow walks them". For some CEOs this may reflect hesitancy by Board members to accept the accountability that comes with a prompt and clear approval or disapproval. Whatever the reason, when a Board lingers on decisions it leaves the company in limbo and delays a repositioning toward new directions and opportunities.

[3] The questions can be asked with regard to the entire Board or any of its committees.

[4] Decidophobia is the acute fear of making a wrong choice. Some individuals deliberately delay or avoid taking a clear position, until having no choice. They tend to prefer the perceived safety of non-commitment. For how this phenomenon applies in a management context, see M. Sostar, "Decidophobia as a Limiting Factor of Management", Interdisciplinary Management Research VII Conference, May, 2011.

[5] One example is where the operational book prescribes for Management to submit materials to the Board no later than, for instance, 10 business days of a Board meeting. While the Board certainly benefits from having advance time to review materials for its meeting, inflexible deadlines such as these can work against the need for decisional vigor.

[6] This article does not address the phenomenon of many Boards and committees finding more meetings necessary. On that topic see, for example, G.S. Varges "The Adoptive Borders of the Compensation Committee", Journal of the Network of Innovative Corporate Governance, December, 2023.

[7] One Board, for example, had as a rule of thumb that presentations from control functions should be twice yearly and not exceed 30 minutes. The consequence of this inflexibility was that the risk officer felt he could not timely inform the Board about emerging risks or had enough time—in rushed presentations - to truly sensitize the Board to these risks. The result was a Board that did not always recognize on time when it needed to act.

[8] One practice is to build in a time buffer in the schedule of all Board meetings. This way each Board member knows in advance that the meeting could be X, less than X, or X + the time buffer.

[9] Another practice is for Management to list the alternatives it considered and why it chose instead the option it is presenting to the Board for approval. For some CEOs more problematic, but for Boards useful, is the practice of disclosing to the Board any strong minority views among Management. Do any members of Management have serious reservations about a proposed alliance or favor another alternative? Which of their concerns could be relevant for the Board in forming its decision?

[10] The notion of parallel decision-making processes can be found in concurrent engineering and agile project management frameworks.

[11] For this approach to work and not rekindle time-consuming fresh debate, the Board has to agree to give deference or at least the benefit of the doubt to the recommendations made by each committee.

[12] Legally, in most governance systems a Board can of course act using simple majority vote. In practice, however, many Boards seek a degree of harmony by striving for consensus where possible.



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