

Evolving from Policeman to Navigator

BY PIYUSH GUPTA

Boards can no longer function only as guardians of compliance. In a world of rapid technological and societal change, directors must evolve from watchdogs to navigators. Corporate leaders must firmly grasp the helm to steer their organisations through complexity and create enduring value in a rapidly evolving landscape.



Are today's boards truly prepared for the complexities of the future? When I look at the current state of corporate leadership, my answer is "no".

For too long, we have allowed boards to be pushed into the role of policeman. Today, corporate boards are focused almost exclusively on compliance and risk mitigation. To remain relevant, directors must reclaim our roles as navigators, shepherds and stewards. This evolution requires a deep commitment to the four pillars of transformational directorship: Purpose, Practice, Performance and Progress (see box).

My priorities for directors can be summarised:

- Solve the time-frame question: Determine if you are maximising value for the next quarter or the next 20 years.
- Move beyond policing: Shift your focus from pure governance to strategy, culture and values.
- Institutionalise purpose: Use it as a tool to build board alignment and focus against market pressures.

The path to becoming a transformative board is not easy. It requires stepping out of the safety of the "policeman" role and into the higher-stakes arena of

Four Pillars of Transformational Directorship



Purpose – the *Why* question

One of the most critical functions of a board is to establish a clear sense of purpose. Milton Friedman famously said the only purpose of a company is to make a profit for shareholders. However, increasingly society expects companies to assume other responsibilities, commensurate with the legal rights they have been given. Employees want to feel that they are part of something bigger than just economic returns.

A clear sense of purpose helps create organisational alignment, and boards often do not spend enough time teasing out this agenda. Every board must gain alignment on existential questions: Why do we deserve to exist in 20 years? You must be able to perform for the long term and stay the course even when quarterly numbers are under pressure. Alignment and clarity of the purpose by the board give confidence to take the long view.



Practice – the *How* question

Boards were originally charged with responsibility for strategy and direction. Transformational directorship is, in many ways, a move “back to the future”. We must return to the roots of directorship: taking primary responsibility for strategy, coupled with values and culture.

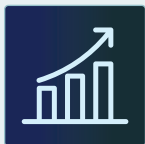
The way a company functions is defined by its values and culture. This creates the DNA. What is regarded as important and what are the policy and incentive systems? The board has an important role in defining and giving clarity around values and culture, and helping management to put in place mechanisms to make this happen.



Performance – the *What* question

Boards are expected to formulate strategy, and this continues to be a critical function for them. However, they must stay proportionate and contained in this area, because it is very easy to overreach and get into the weeds, stepping on management domain. My advice to fellow

directors is to stay high enough to navigate the strategic horizon without disenfranchising the executive team by over-reaching and getting into day-to-day operations. Calibrating this balance right is a key priority, and this will be nuanced from company to company.



Progress – the *Execution* question

Without a doubt, management should be held responsible for execution, and boards should not make the error of getting into this space. However, the board has the responsibility of helping balance between long-term and short-term outcomes. This is often seen as the tension between focus on the quarterly performance versus long-term results. If you focus only on the next quarter, objectives will compete. But if you shift to a 10, 15, 20-year horizon, the conflict squares away. To be profitable in two decades, you must address 20-year opportunities and risks, like climate change, today.

Finally, progress will also depend on our ability to execute for multi-stakeholders. Beyond the climate agenda, the societal agenda is equally core to business. All of us get a licence from the regulator, but also a licence from civil society. As such, our long-term sustainability rests on the belief that society will believe that you bring something worthwhile.

At DBS, we put \$100 million every year to give back, a volunteer programme called “People of Purpose” where 40,000 DBS people volunteer and work with the community. This should be an integral part of your profit imperative to stay relevant.

stewardship. It is a necessary shift because boards that fail to transform will find themselves irrelevant in the very future they should be protecting. ●

Piyush Gupta is the Chairman of Singapore Management University. This article is adapted from his remarks during a panel discussion at the SID Directors Conference on 12 September 2025.