

This briefing was produced by the Institute of Directors Ireland.

IoD Ireland is a not-for-profit organisation. We are the leading membership body for directors and business leaders in Ireland, with membership across all sectors and industries.

Our Vision is for Ireland to be an exemplar of corporate governance. Our Purpose is to instil stakeholder trust and confidence in organisations by educating, informing, and supporting directors and business leaders to lead successfully.

Board Composition and Structure

Strong and effective governance begins with the right board composition. The board must collectively possess the experience, expertise, and perspective required to guide the organisation strategically, fulfil its fiduciary duties, and respond to emerging challenges.

Achieving this requires a considered approach to the selection, development, and evaluation of board members, underpinned by regular review of the board's overall structure, dynamics, and succession planning.

This document outlines the core responsibilities and practical considerations to support the board in maintaining a high-performing and appropriately balanced membership, capable of driving long-term organisational success.

KEY RESPONSIBILITIES

The board should:

- Periodically assess the composition of the board, including the chair, and identify the need for any changes or new appointments.
- Clearly define and review the roles and responsibilities of each director, ensuring clarity and coherence in how these roles interact.
- Identify any gaps in expertise or experience across the board, or instances of role duplication that may affect effectiveness.
- Take necessary steps to strengthen board capability, including recruitment, reallocation of responsibilities, or removal where appropriate.
- Oversee the appointment, onboarding, development, and, where required, departure of board members and the company secretary.
- Ensure there is a robust process for evaluating individual and collective board performance.
- Engage external advisers when specialist advice is required beyond internal resources.

GUIDING CONSIDERATIONS FOR BOARD COMPOSITION AND APPOINTMENTS

- Assess the appropriate balance and number of executive and non-executive directors to meet the organisation's governance needs.
- Evaluate the overall capability of the board in terms of experience, skills, energy, and personal attributes, both for the current context and future strategic direction.
- Ensure the board operates with cohesion, while also benefiting from constructive challenge and diversity of thought; review the effectiveness of the chair's leadership in supporting this.
- Develop and regularly review succession plans for all board roles, including the chair and company secretary.
- Take timely action to address underperformance or issues of suitability, with due regard to legal, contractual, and reputational considerations.
- Establish clear processes for electing the chair, appointing the chief executive and other directors, and agreeing appointment terms and remuneration.
- Facilitate a structured induction process for all new board members, covering governance responsibilities, organisational strategy, and board protocols.
- Implement ongoing performance evaluations for each director, considering their contribution, engagement, and alignment with the organisation's values.
- Identify development needs and support continuous learning opportunities for current and prospective board members, as well as for the company secretary.

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