



## The Non-Executive Director

# Rolling with the changes: the future of NEDs

Navigating change is already one of the pillars of a non-exec's life. In many ways, what their future looks like will be guided by the speed of change. The list of required skills for a non-executive director is already an extensive one – and it's only growing.

As we pass through a decade of rapidly changing technology and legislation, NEDs are going to need curiosity and an open mindset. They won't be able to rely on their current bank of experience, and they'll have to be prepared to listen and learn in order to issue a true challenge to the executive board. And more than ever, they'll need to do this in regard to their organisation's purpose, people and the planet.

### Non-execs will need to stay one step ahead of change

One aspect of the coming shifts will be at a government level. Legislation and restrictions are changing all the time, especially on the level of governance in companies. With the additional catalyst of the UN's sustainable development goals and a countdown to net zero, the shifts are only going to become more challenging for non-execs to navigate.



The other side of the coin is technology. From generative AI to cybersecurity, almost every development has the potential to disrupt how businesses should operate. The NED of the future needs to have the agility and appetite to learn about each new development as it comes. And as technology starts to outstrip their current knowledge, they need to be willing to invest more and more time to research.

In the past, companies could get away with having a spread of general knowledge on their NED board. But with new legal and technological developments coming so quickly, I believe that non-exec's of the future will have to split their attention, with different members specialising in different subjects. Otherwise, it will be impossible for them to properly devote time to understanding all the changes.

### Companies will need a greater scrutiny of the facts

A CEO I know once said that what they look for most in a prospective board member is academic capacity. They weren't talking about a NED's grades or qualifications, but rather their ability to ask questions, examine new perspectives and – most importantly – be critical of the information presented to them.

Fact checking might not always be the first trait that's mentioned when discussing a non-exec's skill set. But I would argue its importance is often overlooked, particularly in an age when information is so readily available. When an NED's role is to help make sense of complex challenges with potentially major implications for the business, they have to be able to discern whether their "facts" and sources are as trustworthy as they seem.

The development of technology will almost certainly bring this skill into light. Take the rise of ChatGPT and other AI writing tools, for example. While they can be of great help for generating text quickly, they can't be relied on to deliver accurate information. Their data sets aren't up to date, and such tools often fill gaps in their knowledge with guesses. If you use them, you will still need a diligent human who can verify everything they produce.



In particular I often see that younger candidates are too fast to draw conclusions here, and they don't always take the time to question what they've read. Although there is certainly value in being able to reach decisions quickly, the next generation of NEDs can't afford to let speed cloud their academic and business sense.

### Boards will measure purpose against profit

One other challenge that the NED of the future will face is that they won't just have to advise boards from a business perspective. They will also have to test boards on their leadership, holding organisations responsible for their impact on the world around them.

This is something one of my former Amrop colleagues, Willem Ledebor, explores in his whitepaper, '[Purposeful Leadership](#)'. As the issues of sustainability, diversity and culture come ever more into the spotlight, non-executive boards will need to keep them in perspective as they challenge how their executive counterparts stand in society.

Naturally, a business still needs to make a profit if it's going to pay its employees and suppliers. But purposeful leadership is about achieving this without losing sight of your long term responsibility to your people, the environment and the communities that touch your company.

It's increasingly a concern for shareholders, too. We recently did some research with private equity firms in the Netherlands, and found that more and more of them are pushing their portfolio companies to focus on purpose, people and planet.



In essence, the responsibility on the shoulders of NEDs is becoming ever broader, and new challenges are arriving in ever faster succession. More than ever, it's clear that a company can't afford to have the wrong members or dynamic. A non-executive's role now impacts more than just the company's bottom line, and the search for the NEDs of the future has to be taken seriously.

Looking to find your next non-executive director? Get in touch with me to start bringing your way forward into focus.

Eelco van Eijck  
Managing Partner Amrop

 [Eelco.van.eijck@amrop.nl](mailto:Eelco.van.eijck@amrop.nl)

 +31 20 347 3240

 [www.amrop.nl](http://www.amrop.nl)

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