

**O’Keeffe, Joe, 2001, *Improving Boardroom Leadership: The Role, Selection and Training of Non-Executive Directors (NED) in Irish Software Companies.***

## **ABSTRACT OF DISSERTATION**

This dissertation involves a study of the roles, selection and training of non-executive directors (NEDs) in software companies in Ireland. Seventeen of the top Information Technology (IT) companies were studied with a view to learning how ‘boardroom leadership’, sometimes referred to as ‘corporate governance’, might be improved. Chief Executive Officers (CEOs) and NEDs completed questionnaires. Interviews (mostly by phone) were also conducted in a search to discover best practice, particularly from a training perspective. The results were compared with findings from literature and other studies conducted in the UK during the 1990s.

The results show a wide variation in practice. This is a young, male-dominated sector. Many boards are ‘minimalist’: they meet less than six times per year and have either too many or too few NEDs to facilitate robust discussions of company strategy. NEDs appointed were mostly known to the CEO or Chairman. Findings on the training of NEDs were in sharp contrast to a previous major study, which had found a very strong interest in training for NEDs. The present study found only 40% of CEOs and 31% of NEDs in favour of training for NEDs. It appears that it would be difficult to organise credible trainers. Almost universal agreement was found for the idea that board performance should be assessed. The idea of an annual Board Development Day was widely supported.

Further study of the dynamics of the relationship between the CEO and the Chairman is advocated. The image of the ideal board is developed as consisting of four Executive Directors (EDs) and three NEDs. The importance of trust is the main learning from the research. Trusted NEDs can be a valuable source of support and challenge to develop the CEO. They can also help to balance the tensions between venture capitalists, who may have concerns about EDs’ ability to execute, and entrepreneurial EDs, who do not relish having their performance monitored. Emerging is a perception that NEDs, properly selected and engaged, can provide a robust contribution to establishing strategic ‘direction’, which EDs then execute.