



SOS: Do Not Let ISS Go Overboard

Nov 4, 2015

Reading Time : **2 min**

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Now, to be fair, ISS's 2015 survey, which was sent to, and completed by, investor respondents, showed that 52 percent of those investor respondents believe that four to five is a good number. Query, however, why that survey was not distributed to directors, members of the C-Suite or Board counsel, people who are actually in the boardroom and witness firsthand who adds value, and why or why not.

I am not alone in my concern that both the survey and the resulting proposal are flawed. In the *National Law Review* earlier this week, Keith Paul Bishop, Esq. wrote:

“What is entirely missing from ISS’ proposal is any analysis, much less empirical evidence, that service on multiple boards affects firm value either positively or negatively. This illustrates the fundamental and pervasive flaw in most corporate governance “reforms”: they are all prescription and no diagnosis.” To read more, [click here](#).

Do not get me wrong: members of boards very much need to spend significant time on board work, including reading and digesting not only the material provided by management, but also doing independent homework on the company, and continuously educating themselves on relevant governance. That said, not all companies require the same attention, and not all board members are created in the same mold. Each member of the board will have his or her own experience, skills and aptitude to bring to the table. So long as each director is actively participating in constructive discussions, is it anyone’s business what he or she is doing outside of the boardroom?

There are plenty of ways that directors can be more effective, but a hardline rule that implies no person has the time, or the intellectual capacity, to sit on more than four or five public boards is just nonsensical. Luckily, the ISS “overboarding” proposal is just that, a proposal. ISS is accepting feedback. So, throw ISS a life preserver. Submit your comments via email to policy@issgovernance.com no later than 6 p.m. ET on November 9, 2015, especially if it is your boat—er, board—that you want to keep afloat.

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