Review of the Potential and Practice of Professional Roles and Responsibilities of Executive Directors on Boards

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ABSTRACT

The roles and responsibilities of executive directors on boards are given scant literature attention in comparison to their non-executive counterparts, and potential professional roles and responsibilities receive minimal review or mention even in the light of a growing focus on ethical behaviour and advocacy for directors to take personal responsibility. The professional roles and responsibilities of human resource and marketing directors are the focus of investigation in this paper. Could these roles and responsibilities lead these directors to become representative of other stakeholder groups or, indeed, are they relevant? A mix of desk and empirical research is used to explore these questions and implications for practice developed. The roles and responsibilities would appear relevant but are at a nascent stage of development and the likely pressure for adoption would appear to be external to the board.

INTRODUCTION AND BACKGROUND

The board of directors is a key focus of governance research and of regulatory attention. The research and regulatory focus tends to be on the independence of boards, role of CEO/Chair, executive pay and audit. All the major governance reports (from Cadbury, 1992, to Higgs, 2003) examine aspects of these issues which are critical to the

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control of corporations. By its nature, corporate control is driven by financial accountability for shareholder interests and thus regulation, practice and research is concentrated in this arena. While most commentators accept that boards have a wider accountability remit than just those of the shareholder, it is difficult to prioritise these issues unless they directly affect the accumulation of wealth to the shareholder. Wider accountability pressure on boards is, perhaps, coming from the general public and other interested groups, given the employment and global impact of large public companies. While boards have always been under scrutiny and this lens tended to be financial, in the light of the 'Enron effect' in the US and the political pressure for social responsibility brought on by global operational difference in MNCs and the anti-globalisation movement, ethical conduct is now seen by some as a means of ensuring boards function effectively while not being overtly regulatory or mandating in detail the roles and responsibility of each director.

The conduct of individual board members is of course culture-bound to some extent. However, Higgs (2003) and others have identified clear roles for non-executive directors and the broad role of the board has been specified. Indeed, aspects of the role of inside directors or executive directors have been delimited. However, professional roles and responsibilities of executive directors have been largely ignored. This paper focuses on human resource and marketing directors but it would appear that beyond fairly limited parameters financial directors' professional roles may also be very scantly outlined.

Professional roles and responsibilities are important from an internal and external context. There is a sense that managers' self-interests are well catered for on boards and there have been many controversial reports, especially in the popular media, about supposed excessive executive remuneration and pay-outs after the sale or purchase of companies. Externally, pressure for recognition and the activism of individual stakeholders puts further pressure on the executive director because, as a professional, he or she may have wider employee or consumer responsibilities not inherent in his or her executive role.

This paper will explore the potential use of professional roles and responsibilities of executive directors, especially human resources and marketing, on the boards of public companies to represent wider stakeholder interests. In the case of human resources and marketing, employee welfare and rights and consumer/buyer relationships could be represented at board level by executive directors. Professional roles and responsibilities are inherent in the profession of the executive if not in his/her job. The explicit use of these roles is outside the current remit of unitary boards and may prove controversial if codified in regulation given the current single and shareholder focus of public companies.

The paper will review the current state of corporate governance literature in relation to its objective, use a mix of desk research and interviews to explore professional roles and responsibilities and examine the potential of these for the professional practice of certain executive members of boards, and report any potential contribution and conflict to the conduct of boards.

STAKEHOLDER VIEWS OF THE COMPANY

The governance of a company is a particularly loaded concept and the questions of 'how to govern' and 'for whom' can quickly reveal the analyst's or academic's hand. Most commentators will agree that the governance of public companies is of major concern as they are core economic entities in terms of wealth measures and are also part of the fabric of the social system as individuals are dependent on these companies for employment and indirectly through investment funds for pension growth. This paper views the corporation in its wider context and takes a stakeholder view (Agle et al., 1999 and Korac-Kakabadse et al., 2001). Whilst boards have a primary accountability to shareholders there is a wider set of responsibilities that cannot be ignored at board level. Indeed, the Department of Trade and Industry in the UK, while emphasising 'light touch' regulation, is examining ways to deal with international labour issues and wider stakeholder concerns.

The Hampel Report (1988) states that 'the directors as a board are responsible for relations with stakeholders; but they are accountable to the shareholders' (p. 12). This accountability quotient has meant in practice that little effective attention, measured by prioritising in key decisions, has been paid to the protection of stakeholders that do not have a financial stake in the company such as banks, creditors or perhaps employees through stockholding. Public companies are owned by shareholders. These shareholders appoint boards on their behalf to maximise their return on capital and act in their interests. The directors are the agents of the shareholders and are entrusted as such. This one-step-removed risk is one of agency and its management ensures and unpins a functioning market for corporate control. The agency risks and monitoring safeguards provide the rationale for many stock market rules and legislative efforts. It is to deal with agency abuses that other than market forces have had to intervene. In a perfect market there would be full transparency and disclosure and companies' asset values would align to market valuations at a point in time. The vision of shareholder as capitalist only becomes slightly blurred when one considers who these one-step removed entities are.

Aside from the one dominant, family type, shareholder and its implications for the other shareholders, institutions own/manage much of corporate wealth. According to The Conference Board (2003), institutional ownership of the top 1,000 US companies in 2000 was 61.4 per cent. These institutions represent people at one remove, for example, individual workers through pension funds. Therefore, arguments about how these individual interests are best protected have gained ground in the governance debate. The AFL-CIO (American Federation of Labor and Congress of Industrial Organisations, www.afl-cio.org) union in the US, for example, has urged fund managers to vote according to union client recommendation (OECD, 2000). Short-term needs for gains are now seen, even in the traditional economic models, as being balanced by the need to ensure the protection of the long-term value of the assets. This view has led to more complex theoretical contributions but to few answers (Biggart and Delbridge, 2004).

The OECD's (Organisation for Economic Co-operation and Development) Governance Principles (1999) (known as the Principles) rank the role of stakeholders as one of the Principles with the rationale that their interests are in the long-term interests of the corporation. The Principles see stakeholders as secondary even though they are strong on the wider obligations of companies. This is a view shared by the Conference Board (2003): 'Although most state corporation laws establish that corporations should be run to enhance that corporation's economic interests, and therefore the interests of its shareowners, corporations are also expected to fulfill their legal and ethical obligations to other constituencies'(p. 17). This view that behaving responsibly is in the economic interests of the firm is the major force behind the current dominant view of regulators and policy makers. Claessens (2004) argues that there have been few empirical studies to document these effects. The latter's research concluded that there was mixed evidence or no relationship between corporate social responsibility and financial performance. The case for wider sets of responsibilities is one that is, in part, theoretically supported but may be only alluded to in most government and industry commissioned reports. The wider stakeholder responsibility can be justified in the narrow, self-interested, corporate view especially as, for example, the effect on corporate reputation of an action by a company can be deleterious and enduring. Of course, professional responsibility goes beyond self interest and is also an internalised view. Even though a push for responsibility should be coming from within the board and this paper is suggesting a route for this through the professional roles and responsibilities of executive directors, why has most pressure come from forces external to the board? For example, there are many international and domestic initiatives led by government and non-governmental organisations (NGOs) such as the OECD's governance fora, Sarbanes-Oxley in the US, the World Council for Corporate Governance (www.wcfcg.net), the global reporting initiative (www.globalreporting.org), the International Accounting Standards Board (IASB – www.iasb.org.uk), stock exchange rules and pension fund activism, and self regulation and industry specific regulation (for example, the Irish Financial Services Regulatory Authority is now advocating board level metrics for ethical consumer dealing in response to overcharging by a bank(s)). Perhaps, as alluded to earlier, the stakeholders that matter are to a large degree satisfied with the current model.

ROLES AND RESPONSIBILITY OF BOARD MEMBERS

The roles and responsibilities of board members are set out in many reports and indeed in legislation. All board members share a common set of duties in a unitary board. Adrian Cadbury (1992) summarises the dominant view of the role of the board:

> Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. (p. 15)

Freeman and Reed (1983) take a more socio-political view and assert that the role of stakeholder is determined by the degree of influence or power stake that they have, and this approach may explain why certain stakeholders such as managers have a more prominent role than would appear in an exogenous definition. Even taking this into account, the debate about what the board should do does not extend to the professional remit of individuals (Johnson et al., 1996). This is the case even though directors' personal responsibility has become more important, as has the ethical dimension to the work of the board.

The generic role of chairman, CEO, and secretary have been well covered as has the role of the independent director (Coulson-Thomas, 1993; Dulewicz et al., 1995; McNulty et al., 2003; The Conference Board, 2003) but even these roles do not extend to professional roles and responsibilities and therefore are managerial and shareholder focused. O'Neal and Thomas (1996), in a study of roles, found that '…maximising shareholder wealth, CEO succession planning, evaluating management performance and determining top management compensation as the board's most important responsibilities. This is consistent with the commonly held perception that the board's primary role is one of control – ensuring that management is diligent in its responsibility to the firm's owners' (p. 315). This type of commonly held view may lead to increasing regulation as the boundaries of these roles are clearly limited and are not regulated by a professional ethic and duty that impacts on decision making. The lack of a professional input or the simple neglect of the background and profession of the executives involved on the board is a feature of the development of the governance debate from its origins in an economic school of thought (Licht, 2003). Added to the conventional wisdom on the role of the board is that lack of general attention given to the role of executive directors as illustrated in Johnson et al. (1996): '...Rather, the clear focus is on "outside directors", more specifically non-management directors. With few exceptions, the role of the insider director has received little attention, although agency theorists' advocacy of inside directors as monitors of the CEO has received preliminary, but indirect, support' (p. 432).

The background of the shareholder has been shown to have an impact, yet this has not led to a focus on the professional remit of members of the board (Johnson and Greehing, 1999). For example, pension fund equity may contribute to an equality focus in the assessment of the corporate social responsibility by these funds, given their owners. In general, human resource and marketing functional issues have become of increasing importance to boards, yet this is not represented by these functions being on boards. Perhaps, these functions' concerns are dealt with at executive committee or at strategy sessions on boards. The issues surrounding employees as a stakeholder are even more difficult to examine from a corporate governance perspective, in part because of the complexity of such arrangements. One area where the legal rights of stakeholders need improvement is in the area of 'whistleblower' protection, which is also important in implementing anti-bribery measures (OECD, 2003). Using OECD (2003) statistics, it would appear that both employee participation in works councils and employees share option schemes (ESOPs) have positive effects on corporate governance. Yet there are calls for further legal protection of employee and other stakeholder rights, which may in part be explained by a lack of trust in boards. If professional representation was taken more seriously then this may not be such a concern.

Customers and suppliers are sometimes identified as stakeholders if they make costly and specific commitments to the company and are closely involved in contributing to its success. This limited view of their importance as stakeholders comes from an agency view of their actual legal role. In practice, their role goes far beyond the transaction and is core to the long-term success of any enterprise. However, their interests are often handled outside of the framework of corporate governance via private contractual arrangements and other market mechanisms. Moreover, as many contracts are ongoing, third party instruments, such as conciliation, both formal and informal, have evolved to meet the need for reducing the perceived risk associated with this mode of conducting business. In short, in all advanced market economies relational transactions are more the norm than the exception with arrangements depending on trust and on an efficient method of contract enforcement, including a framework for conciliation and arbitration. This suggests that the governance mechanism needs to evolve to include such stakeholders in corporate decision-making, as the relationship is one of temporal duration and interdependence.

Roles and responsibilities are not merely box ticking, that is making sure one is covered from a legal point of view, but are systemic in values often personal but certainly capable of being articulated at board level. Generic ethical problems revolve around issues such as worker rights and some metrics are being developed for these in an accounting sense. This type of ethical perspective is illustrated by the following quote from the OECD (2003):

> National principles often call for a code of company ethics to be developed and disclosed by the board which includes compliance (e.g. NYSE listing requirements). In a number of cases there is also a call for an ethics committee of the board to be established or for a board member to take responsibility for overseeing the code. It appears that many companies see ethical codes or company codes of conduct as a way to prevent abuses of market power and behaviour that approaches too closely to the point of committing illegal conduct, and to act as ethical guidelines in the decision making process...Most company codes include provisions on environmental policies, labour management, bribery and corruption prohibitions, consumer protection, scientific and technological advancement and disclosure.
>
> (p. 69)

However, these issues go deeper than the negative protectionist stance inherent in the OECD quote, into functions and roles expected of executive directors who have direct ethical and professional responsibilities for other stakeholders.

PROFESSIONAL ROLES AND RESPONSIBILITIES OF EXECUTIVE BOARD MEMBERS

Hempel (1998) describes the general role of executive directors as being akin to that of the non-executive, independent:

> As well as speaking for the business area or function for which he or she is directly responsible, an executive director should exercise individual judgement on every issue coming before the board, in the overall interest of the company. In particular, an executive director other than the chief executive officer needs to be able to express views to the board which are different from those of the chief executive officer.
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> (p. 24).

Higgs (2003) outlines in some detail the role and responsibilities of non-executive directors and these general roles are also applicable to executive directors but do not address the professional part of their role. Some of the research for the Higgs' review (McNulty et al., 2003) casts a sharp light on the underperformance of executive directors in their generic role:

> The executive directors of boards have very little awareness of their responsibilities under company law or any other law, and the reason for that is quite understandable; they owe their jobs, careers and futures to the chief executive...It is the job of the executives to bring not merely routine figures and the annual business plan and budget to the table, but to bring issues that they believe, with their much greater knowledge, are important issues for the company on which they expect non-executives to have a view: it is a duty.
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> (pp. 11-12)

The Conference Board's (2003) report advocates directors taking personal responsibility. One of the aspects of personal responsibility is the broader professional responsibility to stakeholders. Professional representation runs against the unitary board as the dominant model but is not contrary to it. Bringing a professional hat to the board may enhance its operation. Indeed, the finance function, usually represented on boards, is accepted to play a professional as well as a unitary role, as it is expected that it retain its independence of the board and executive for the financial reporting of the company. These same roles are not expected of the human resources and marketing functions, as the two other functions likely to have executives on the board. These functions are expected to bring their expertise to the board but not to act as independent professionals. That is, to have an independence that is represented by professional codes of practice, or by the history of the profession, that is acted upon at board level. These functions are therefore more likely to represent company interests rather than, for example, those of the employees or customers, as a case in point. Perhaps part of the reason that these roles have not developed is the deregulated entry routes for professionals in these areas making sanctions by professional bodies or other bodies difficult to enforce.

Given the dynamics of the board (consensus making and collegiate), the relationship to the CEO and, in many cases, the remuneration incentives, it is understandable if executive directors do not act as professional independents (Forbes and Milliken, 1999). Professional bodies should perhaps be directing and leading this challenge for an independent role for their members. It would certainly help to reduce the information deficit many non-executive directors find when on the board (Cohan, 2002).

Given that there is very little written on what exactly the professional role might be for HR and marketing directors on boards, one can be guided by the external and internal stakeholder concerns of consumers and employees, about which much has been written. HR is seen as the cultural steward of the organisation and deemed responsible for the protection of cultural values in a company (Boyd and Begley, 2002). The OECD (2003) points to further roles:

> In a study of 100 multinational enterprises prepared by the OECD in 2003 around 95 of them had made policy statements on the environment and health and safety, 80 on labour relations and 45 on anti-corruption, integrity and transparency. An important development is that the demand for broader reporting has been accompanied by suggestions about how company reporting can be verified.
>
> (p. 61)

On the negative side, from a professional roles and responsibility perspective, Kelly and Gennard (1996) demonstrated, through their access to HR directors, that these directors saw their primary role as addressing corporate and business objectives rather than those particular to the professional HR practitioner. In some respects this study found that HR directors want to be like every other director instead of assessing the potentially unique contribution that a different role could bring to the operation of the board.

Marketing has, for good or ill, been placed firmly in the company's pocket rather than as custodian of brand and product values. 'Convince the consumer to buy' has been the unfair maxim given to marketers. There are many areas where the marketer could act as professional representative as well as the company person. *Caveat emptor* has led the board's position on its customer – the market will decide rather than the marketer acting as arbiter between company and market. In tandem with HR, marketing has the possibility of becoming representative of a wider world. Two examples illustrate the distance marketing has to travel before it is considered an independent voice of consumers. Fournier et al. (1998) questioned the use or non-use of consumer information by companies. Company-held customer records may be sold on by companies without their consent, which makes consumers feel frustrated, but they seem powerless to do anything about it. The authors argued for the need to regain trust through honest dealing and by being up-front about motives. LaBerge and Svendsen (2000) described how a forest products company rebuilt its relationships after the discovery by consumers and other interest groups of its intention to log old-growth forests. The company was forced by its stakeholders to change via the activism of these groups. The company's turnaround was based on ethical values and led to the signing of a memorandum of understanding with interest groups six years after the problem surfaced.

Professional values and competence are secondary in the toolkit used by current marketing and HR functions. These functions seem content to be part of the team and see their role as bringing marketing and HR concerns to the board but from a company's perspective only. This complements the dominant view of the role of the board as an independent actor managing the risks associated with its expected return from its investment.

These risks are somehow external, atomised and don't impinge on other stakeholders interests in any negative way. The assumption of a stakeholder position in this research, and thus an interdependent world-view, implies that the development and delimitation of a wider set of roles and responsibilities might have positive effects for the marketing and HR professions and for individual companies.

RESEARCH METHOD

A mix of methods was used in order to begin to scope the issues and assess their potential importance. The source material for the findings originates from the following: one hour long interviews with a human resource and marketing director with a combined experience of, at least, twenty years in the boardrooms of different companies; personal observation on reported events on board room activities of major Irish companies, which has been the motivation for the research in the first place; an examination of the relevance of the current work through the annual reports and web sites of the top ten Irish companies by market value; reflections on the ethical codes of three professional bodies – one accountancy, one marketing and one human resource. Finally, the contribution of experts, fellow researchers, who come from the financial and auditing position on corporate governance matters, was necessary to complete the paper. These mixed sources provide for the opinions and facts presented in the results.

RESULTS

Table 6.1 presents the analysis of the representation of executives on boards of the top 10 Irish companies by market value. The average number of executives on boards is towards the UK average (4.5 executive directors) and the majority on the board in all cases is non-executive. When it comes to marketing and HR, the position is of no representation and a four out of ten on executive committees. There may be an industry effect here. Employee and consumer rights cited in governance standards were a feature of four out of ten of the companies. Again, this may be expected in banking/insurance given the effects of, for example, 'churning' in the insurance industry. Ethical codes were strongly represented in six out of ten companies. The sources of information may have biased the results.

Table 6.1: Representation on boards and professional responsibilities

	Number of executive directors	HR or Mk director on board	HR or Mk chiefs on executive committee	Employee/consumer rights other than obligations/ compliance mentioned in governance standards	Codes of conduct/ ethical codes
Allied Irish Banks	4	No	Yes	Yes	Yes
Bank of Ireland	3	No	No	Yes	Yes
CRH	6	No	Yes	Yes	Yes
Elan Corporation	2	No	Yes	No	Yes
Anglo Irish Bank	5	No	No	No	Statement
Irish Life and Permanent	5	No	Yes	Yes	Yes
Ryanair	1	No	No	Yes	None found
Kerry Group	5	No	No	No	None found
Galen Holdings	3	No	No	No	Yes
Independent News and Media	7	No	No	No	None found

Notes to table:

a. Top ten taken from market capitalization in May 2004 (www.finfacts.com/stockmarketcap.htm). Company websites and annual reports used for data. Errors and omissions accepted by author.

b. Average number of executives on boards is 4.1 which is similar to the UK (FTSE 100, 4.5 with 11.5 average number of directors).

c. There is a majority of non-executives on all boards.

d. Employee/consumer rights mentioned in governance framework is a beyond fiduciary obligation test of commitment.

No representation on the board does not indicate that the particular functions would not contribute to the work of the board and have substantial proportions of meetings devoted to issues from their function. Lack of representation on the board may not be the trend in a larger sample size, or may be due to the small relative size of Irish companies as UK participation rates are higher among general company samples. For example, the Chartered Institute of Marketing in the UK claims that eight of the FTSE 100 companies have marketing directors on boards, which would imply a higher percentage on executive committees. The lack of representation of human resource and marketing directors on boards does make it difficult to promote a professional role. However, this professional role may need to be developed for all executive directors, and perhaps all directors, when one considers current trends, lack of research in the area, and the low status of the issue in the bodies representing the business professions.

An example of a code of practice going beyond legal obligations was as follows: 'we also strive to create a workplace which inspires, challenges, develops and rewards employees to achieve success whilst maintaining an effective work-life balance'; 'our code of business conduct sets out our standards in dealing with customers and other stakeholders' (company in the financial services sector). Obviously this kind of statement would have to be followed through to examine its implementation, that is, do employees' work-life balance choices impact on promotions, are standards of fair customer dealing given priority when a marginal sale/no sale opportunity arises?

The professional bodies do not appear to go into roles and responsibilities of their members on boards in any great depth. For example, in one accountancy body's ethical guide, there does not appear to be even a sentence relating specifically to board level. The same would appear to be true for marketing and human resources. The main issue for these latter groups is getting on to the board in the first place. However, some of the general principles of these bodies' codes of conduct would relate to work on a board, for example, the Chartered Institute for Personnel and Development (CIPD) emphasises general principles of a professional that would seem to encourage members to act independently of their function – 'must promote and themselves seek to exercise employment practices that remove unfair discrimination'. This, taken to its logical conclusion, might infer that a HR executive director would use his/her position to promote equality. There does appear to be an opportunity for professional bodies to develop codes in this area.

The marketing and human resource directors interviewed for this research both felt that functional directors needed to assert their independence at board level and, if necessary, to take opposing views to that of the chair. Obviously, many of the executive conflicts can be overcome outside the board and with the chief executive. Perhaps because of the experience of those interviewed, they both saw the role as getting more independent. Marketing and human resources have important inputs to make to board level decisions but not to the extent that these functions should become activists in their own right. The roles and responsibilities, therefore, were managerial (from the perspective of the company) rather than determined by the profession from which both executives emerged. It is important to note that both of the executive directors have impeccable credentials in their field and did not come to their roles from other backgrounds. People and market risks are the key responsibilities of these directors in addition to generic board roles. For example, the HR director had a major role in succession planning, the marketing director in sustaining brand equity. The protection of a company's assets was the limit to how far a director should go as independent actor: the HR director should ensure that employee risks do not become a major issue, for example, evaluating HR risks and cultural compatibility in a merger, and the marketing director should ensure that the brand equity is maintained even if pressure on margins is high. The more general role as advocate for particular stakeholders that might come from their profession was not seen as a dominant preoccupation or one that needed increasing emphasis. Yet both directors felt that the HR and Marketing functions should be the ones to represent their respective stakeholders rather than these groups being represented at board or subsidiary board level.

Both directors had been through periods and could cite instances where their functions became core to boardroom considerations, for example, when a retailer decided to move out of town and in a major brand extension policy decision. These issues, while seen as good for both businesses, have core HR/marketing risks and decisions would not have been made in these cases if assessment that the equity of either group would have been undermined – the employee loyalty that the company traditionally had or the esteem in which the brand was held by its customer. Given the fact that both directors did not consider the advocacy dimension as being important, it was not measured. However, a range of metrics are used by the respective boards, but more especially at executive committees, to assess employee attitudes including the use of a climate survey and focus groups, and consumer research. Key performance indicators that might result from such research are more a feature of the executive committee. Both boards spend considerable time on the two sets of stakeholders and, in the case of the HR director, the current company spent two thirds of two meetings addressing HR issues. Indeed, for example, gender and diversity are now systematically measured. Both directors agreed that regular assessment of metrics in these areas was relatively new.

Both directors' current companies had codes of conduct for directors and general ethical codes. The development of these was in response to changes in company strategy rather than by governance issues and does not address the roles and responsibilities of executive directors as outlined in this paper. The main professional bodies in the two director's areas did come in for some criticism and both felt that they were more operational than strategic and did not address board level issues. The company view was the core vantage point for any director rather than an 'outside' professional stance. Interestingly, one director felt that the strain of being a company director in the current climate might persuade company executives to stay off the board especially due to the disclosure requirements.

IMPLICATIONS AND CONCLUSIONS

There are many aspects to the wearing of a professional hat by an executive board member. The dimension focused on in this paper is independence with a particular focus on representational independence of the HR and Marketing directors to employees and customers. Clearly, there is outside pressure from these groups but within the board no one person has yet taken on these roles in the sense implied in this paper. Within the definitions of both marketing and HR, there is space for being in the best interests of these groups, the advocate, the guardian of values, the arbiter between dominant shareholder concerns and other stakeholders. This role has not been developed by the main professional bodies in these areas as of yet but if they wish to promote their functions onto the board, then it would seem a logical place to progress. The downside of this development would be to introduce a more value-laden executive to the board, but as most management is culture-bound then this may not necessarily be a bad thing. Corporate social responsibility will lead to an inevitable push for more regulation and reporting but this will not be embedded without a change in the mindset of members of the board. Such change would be copper-fastened by strong executive directors representing functional concerns but also representing wider values and issues emerging from their general professional responsibilities.

If the argument is building, and this might be a big 'if', then what professional roles and responsibilities should be represented by HR and Marketing directors? Table 6.2 presents the space within which individual responsibilities could be fleshed out. The first three roles are roles normally attributed to directors and detailed in a review by Johnson et al. (1996). These roles would remain in a professional consideration with the control role, expanded to include responsibility for other stakeholders. Two additional roles are added here based on the literature and empirical analysis – ethical and relational. These are fundamental in a professional consideration and involve values and social structures.

Roles	**Responsibilities**
Control	Monitoring management* *Proxy for stakeholders*
Service	Professional input into decision making and strategy
Resource dependency	Conduit for resources
Ethical	*Professional ethical dimension*
Relationship	*Communication and dialogue with stake-*

*One step removed role of all directors on a board

The responsibilities italicised in Table 6.2 represent the wider professional independence not yet well developed on boards by functional executives. The non-italicised responsibilities would appear to be the current set attributed to functional directors. However, in terms of control it appears difficult for executive directors to act independently and meet the traditional monitoring management responsibility. Indeed, their input to the service role also tends to be biased by the management view and the view from their function rather than as an independent professional. In practice much more thought needs to be given to the roles and responsibilities of executive directors including those argued for in this paper. In terms of the italicised set, leadership could be provided by individuals and professional bodies in these arenas. There is a continuum of these responsibilities ranging from the radical-activist end of behaviours to extending accountability in a real sense to groups on the outside but central to the success of any enterprise.

Changing roles and responsibilities require shifts in the dynamics of boards. CEOs would have to become more accommodating of divergent views and of executive director conflict on the board as a necessary but positive process. Without this, the tendency to support a managerialist perspective will be difficult to dissuade and the reward of a board seat returned with loyalty and consensus to existing board policy.

Education and research have a major role to play in extending the professional roles and responsibilities of executive directors on boards. This may be quite challenging given that roles for non-executives have received much attention but amount to 'tests of independence' rather than a set of specific actionable professional roles and responsibilities. Education for the marketing and HR professional needs to develop the professional practice of an individual's remit even further than is current. Functional roles are well developed but this tends to be within the company's interest rather than in the interests of stakeholders. These latter interests need specific space on the curriculum. They need to be added to the current syllabi but also developed into separate modules on developing professionals for work and life. This implies that such a development is not just about adding a module on ethics, although this may be part of the overall module set on professional practice, but is about how future professionals practice and how their responsibility in carrying out their function is corporate, managerial but also representative and value-bound.

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