ANDREWS
PARTNERSHIP

The board's geopolitical advantage is judgment, not expertise

Author: Yuelin Yang, Independent Director and Board Member

Geopolitics has become a permanent boardroom agenda item, forcing directors to navigate uncertainty that traditional risk frameworks weren't built for. But these shifts also create opportunity. Yuelin Yang, Independent Director at Verlinvest Asia and Board Member of the Asian Corporate Governance Association and the NUS Centre for Governance and Sustainability, discusses where geopolitical know-how should sit and explains why the board's competitive advantage lies in exercising better judgment.

Geopolitics has moved into the boardroom. Security concerns and economic statecraft – from supply chain chokepoints to weaponised interdependence – have upended many of the assumptions that underpinned globalisation and efficiency-driven decision-making.
Boards that once operated within a framework of shareholder capitalism must now navigate a world fragmented by national interests. This shift is also reflected in investor expectations: geopolitical and policy risks now feature in more than half of earnings calls, marking a sharp increase in analyst scrutiny over recent years.

Cybersecurity, climate, AI and now geopolitics. Boards may instinctively respond to the state of polycrisis by adding more specialists. Yet boards should be careful not to create their own complexity through an expanding network of specialist directors, committees and external advisers.

The governance challenge is not for boards to become geopolitical experts. It is to develop sufficient geopolitical fluency to exercise sound judgment, while ensuring their organisations have the capabilities needed to navigate uncertainty.

While boards grapple with this changing environment, two governance questions are important:

1. Who owns geopolitical risk?
2. Where should geopolitical expertise reside?

Who owns geopolitical risk?
Boards provide oversight, challenge and judgment, while management owns the capability to identify, assess and respond to geopolitical risks.

This distinction matters because geopolitical developments often move faster than traditional board processes. By the time an issue reaches the boardroom, the organisation may already be facing consequences if management has not identified the risk and responded appropriately.

Effective oversight therefore begins with organisational capability. Companies need mechanisms to monitor developments, conduct scenario planning, assess vulnerabilities and make timely decisions.
Larger organisations may maintain dedicated geopolitical or geoeconomic teams and engage specialist advisers. Smaller organisations may rely more heavily on management expertise and external support, but regardless of size, management owns the capability. The board's responsibility is to ensure that capability exists and is proportionate to the organisation's exposure.

Boards should ensure that management has strong government and corporate affairs capabilities that serve as an institutional "tripwire" and advance scout as corporate nationality and ownership become politicised, and as industrial policy and economic statecraft increasingly shape investment, acquisition, supply chain, partner, funding, technology stack and market decisions.

As geopolitical considerations become increasingly embedded within strategy, some organisations may create dedicated geopolitical or geoeconomic roles. Others may review these issues through a risk committee before escalating them to the board. Yet geopolitics is so intertwined with strategy, capital allocation, technology and market selection that it often belongs before the full board rather than within a standalone committee.

Research suggests that adding committees does not necessarily improve board effectiveness. The scarce resource remains the limited time directors spend together exercising their collective judgment.

Artificial intelligence may improve monitoring and analysis. It may also generate many more issues that compete for board attention. AI may help identify issues, but it cannot determine which deserve board attention. That remains a human capability.

Ultimately, management executes, but boards remain accountable for oversight and for determining how much geopolitical risk the organisation is prepared to accept.

Boards need to shift:

- from enforcer to navigator
- from certainty to curiosity from custodian of historical reporting to catalyst for strategic and risk intelligence.

Where should geopolitical expertise reside?
A common response to emerging risks is to appoint another specialist director. However, for most organisations, geopolitical expertise is best embedded within management or accessed externally when required – not concentrated around the board table.

The danger of adding a specialist director is that expertise can create authority bias. When an acknowledged specialist sits around the table, other directors may defer to that individual's views rather than challenge assumptions or explore alternatives. A board may gain expertise, but lose collective judgment if directors begin contributing only within their respective domains.

The board must ensure that the organisation has access to the right expertise, while retaining responsibility for interpreting competing perspectives and exercising judgment. This is particularly important for global businesses operating across jurisdictions shaped by different political, regulatory and economic forces.

Boards should therefore be cautious about responding to geoeconomic fragmentation through a proliferation of specialist directors or committees. Specialist expertise may be necessary in specific situations or geographies, but the long-term objective should be to strengthen organisational capability while preserving integrated decision-making.

The board's role in an age of uncertainty

Boards are not expert bodies, they are judgment bodies. This distinction is increasingly important in a world shaped by geopolitical uncertainty. Expertise informs decisions, but collective judgment integrates competing perspectives, weighs trade-offs and acts under conditions of uncertainty.

hile management is focused on navigating immediate consequences, boards should exercise judgment about what these broader shifts mean for the organisation's long-term position. Boards should focus on the forest while management remains occupied with the day-to-day trees.

This requires another mindset shift. Boards have historically relied on management reporting to explain what has happened. In a more volatile environment, directors must also develop strategic and risk intelligence about what might happen next. The goal is not forecasting accuracy, it is preparedness. As Louis Pasteur observed, "Chance favours the prepared mind."

These realities also have implications for board composition. In periods of disruption, boards often benefit less from a collection of technical specialists than from directors who have operated across jurisdictions, navigated regulatory complexity and managed uncertainty.

Diversity of experience can strengthen collective judgment by bringing broader perspectives and deeper pattern recognition. Life experiences matter too. As Winston Churchill observed, "The further backward you can look, the farther forward you are likely to see."

The next test of board leadership

In a stable, rules-based order, boards could rely more heavily on expertise and prediction. Today, geopolitics and AI are reinforcing one another and evolving faster than many board structures, processes and assumptions were designed to accommodate.

Expertise remains essential. Yet as uncertainty increases, boards will be defined by their ability to exercise collective judgment and make decisions when certainty is impossible.

Yuelin Yang, Independent Director at Verlinvest Asia and Board Member of the Asian Corporate Governance Association and the NUS Centre for Governance and Sustainability

JUICES: The six capabilities boards need in an era of geopolitical uncertainty

Boards need sufficient geopolitical fluency to navigate uncertainty while preserving their capacity for independent judgment. In a fragmented and unpredictable world, the boardroom's geopolitical "JUICES" consist of six attributes:

J – Judgment
Making sound decisions under uncertainty. Expertise can be acquired; judgment must be exercised and cannot be outsourced.

U – Uncertainty
Remaining effective when outcomes are ambiguous, information is incomplete and circumstances are rapidly changing.

I – Internal capability
Ensuring management develops the organisational capabilities needed to monitor, assess and respond to geopolitical developments.

C – Composition
Building boards whose collective experience strengthens oversight, challenge and decision-making.

E – Experience
Valuing practical experience, pattern recognition and lessons drawn from operating through uncertainty.

S – Strategic shifts
Understanding how geopolitical developments create vulnerabilities, stakeholder sensitivities and opportunities for competitive advantage.

ANDREWS PARTNERSHIP

The AP view: Reputation leaders bring the judgment boards need

Yuelin Yang argues that, in periods of disruption, boards benefit less from a collection of technical specialists and more from directors who have "operated across jurisdictions, navigated regulatory complexity and managed uncertainty." This is precisely the environment in which many reputation leaders have built their careers.

Corporate affairs and government affairs leaders have spent years interpreting external shifts, balancing competing stakeholder expectations and advising organisations through moments of uncertainty. Their experience connecting political, regulatory and societal change to business impact is increasingly relevant as boards navigate a world where geopolitics, AI, regulation and reputation are becoming more entwined.

Our 2026 Global Leadership Survey found that more than 40% of senior reputation leaders already hold board positions, reflecting the growing recognition that reputation, stakeholder relationships and external risk are strategic business issues.

We are also seeing organisations rethink how they build geopolitical capability. Government affairs functions are increasingly taking on a broader role in geopolitical analysis and strategic advice, while some standalone geopolitical teams are evolving. HSBC's decision to wind down its dedicated geopolitical risk team illustrates this shift, with organisations increasingly embedding geopolitical insight within broader strategic functions.

For reputation leaders, this represents an opportunity to deepen their influence by developing capabilities in areas such as geopolitical risk, scenario planning and regulatory analysis. These skills strengthen their ability to advise CEOs, contribute to strategic decisions and create new pathways for career progression.

As our Boardroom Pathways series has shown, the strongest case for corporate affairs leaders in the boardroom is built on the value they create: political acumen, stakeholder intelligence, crisis-tested judgment and the ability to connect global events with commercial outcomes. These are the capabilities boards increasingly need to make better decisions in an era of uncertainty.