

Corporate
Governance
Institute

The 10 best ways to improve your board

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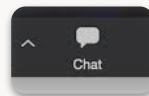
**Board
Benchmarking**

CGI Webinar

Before we get started



Today's webinar is scheduled to last **1 hour** inclusive of Q&A.



The slides will be shared and can be accessed in the **chat box**.

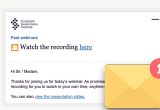


The presentation will last approximately **25 - 35 minutes**. So we will have plenty of time for your questions.

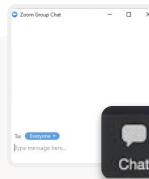
Watch webinar

Download slides

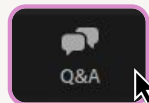
The webinar recording and slides will be available on **The Corporate Governance Institute website** tomorrow.



This webinar is being recorded and will be sent out in tomorrow's newsletter. → Please note that the slides will not be sent out today and therefore **you should access them now**.



We have a global network of members and followers. Say hello and tell us your **name and where you are** tuning in from in the **chat box**.



Have a question?

Pop it into the Q&A box, so that we can dive straight into the questions when we get to our dedicated Q&A.



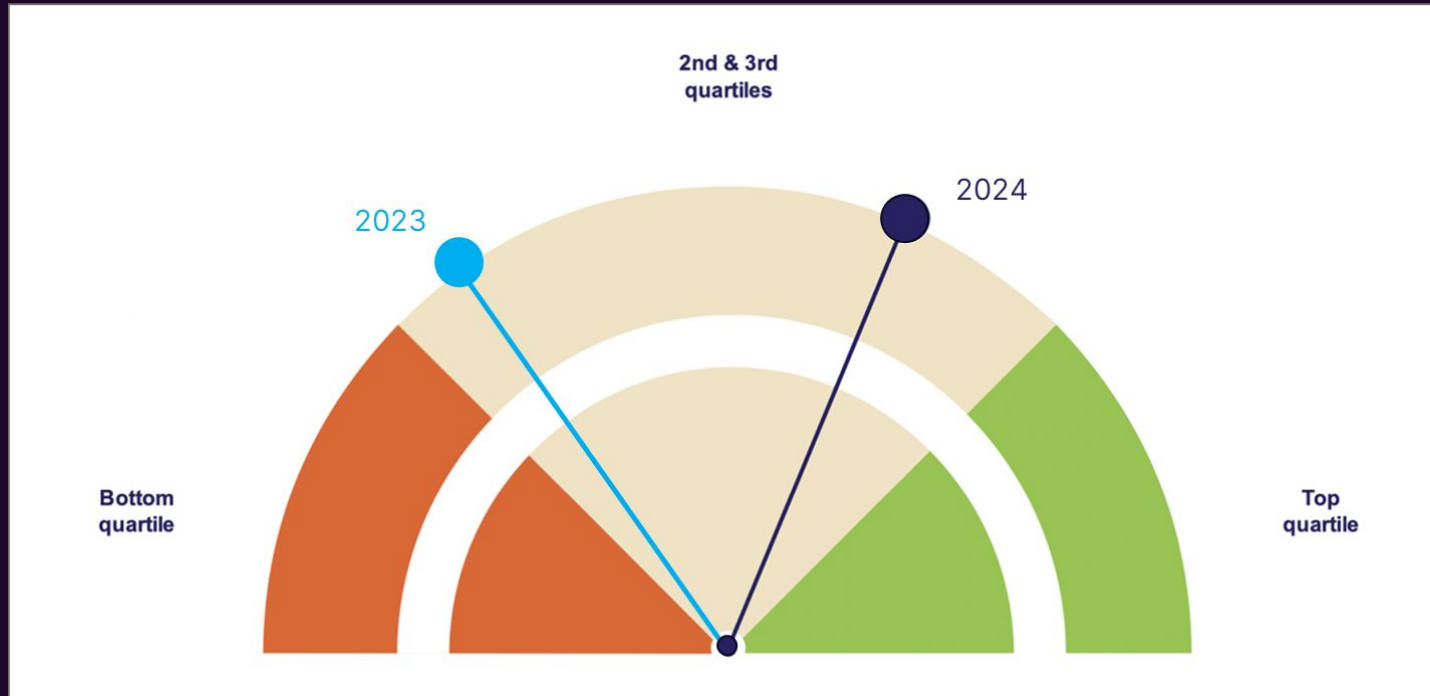
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Board
Benchmarking

Why improve your board?

Better Boards: Better Organisations

Measure - determine gap - improve



The 20 most important categories of a board's effectiveness





Board Benchmarking

Over 500 boards of all shapes and sizes are included in our comprehensive benchmark



1. Right composition and renewal

- Right skills and experiences
- Right Chair
- Appropriate diversity
- Transparent – whole board
- Open minded search and selection
- Comprehensive induction
- Long term approach
- Ongoing renewal





Right skills and diversity

	Survey item	Responses	
2.3	Directors, as a whole, have the abilities, expertise and experience that match the current and future strategic needs of the organisation.	Directors	14% 19% 67%
		Execs/ Others	14% 26% 60%
2.1	The Board ensures that it has appropriate diversity (e.g., gender, ethnicity, educational background, life experience, age, tenure, etc.).	Directors	12% 17% 71%
		Execs/ Others	7% 31% 62%

● **Disagree:** Strongly disagree (1), Disagree (2), Slightly disagree (3) ● **Neutral:** Neither agree nor disagree, (4) Slightly agree (5) ● **Agree:** Agree (6), Strongly agree (7)

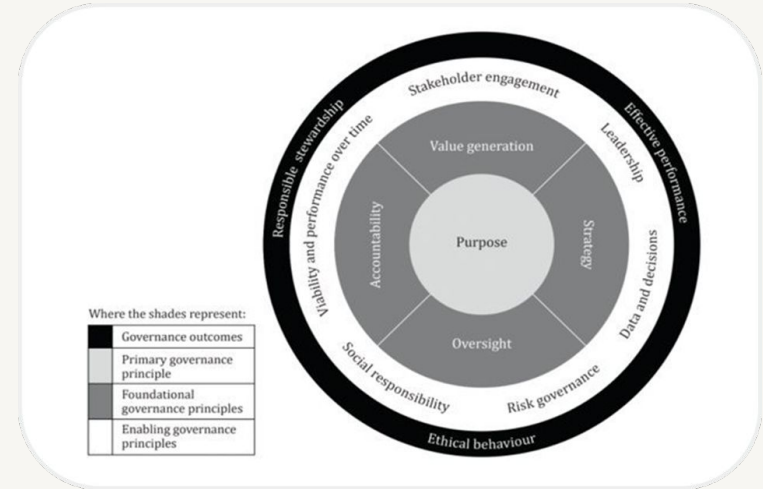
Commentary:

- “Invest in diversity to select members from a larger pool of talent and avoid groupthink...” – Director response
- “Bring skills to the organisation which might not be in house” – Executive/Other response
- “The Board needs more diversity” – Director response
- “Greater diversity and mix of capabilities needed on the board” – Executive response
- “... Increase in number of younger people on the board” – Director response

2. Look beyond profit to purpose

ISO 37000 was released in 2021

- First global standard
- Purpose at the centre
- Bigger focus on
 - ethics
 - stakeholders
 - sustainability





3. Be strategic and add value

- Board engaged and input to strategy
- Understand key drivers of success
- Rigorous review of plan
- Understand steps to execute plan
- Aligned on 3 big rocks and risks
- Priorities drive agenda
- Align committee priorities
- Deep dives



Most important matters

Survey item		Responses			
7.1	The Board carves out time during the year to 'deep dive' into the most important issues.	Directors	17%	22%	61%
		Execs/ Others	15%	30%	55%
7.2	The Board ensures that its meetings have an appropriate balance between strategic, performance and compliance matters.	Directors	12%	19%	69%
		Execs/ Others	14%	31%	55%

● **Disagree:** Strongly disagree (1), Disagree (2), Slightly disagree (3)
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 ● **Agree:** Agree (6), Strongly agree (7)

Commentary:

- “Directors should spend more time on strategic issues rather than on operational matters.” – Director response
- “More time given to Board meetings to allow for deeper discussions.” – Executive response
- “...we need to spend time for reflection and 'deep dives' on the issues that actually matter and are impacted by the potential direction the organisation might take.” – Director response
- “Clearer line of sight to strategic objectives” – Executive response

4. Set a high “Tone from the Top”

- Model and champion PVV
- Address any director issues
- Set a high bar for
 - Performance
 - Integrity, ethics and culture
 - Risk management and compliance
 - Sustainability
- Embrace negative capability
- Embed continuous improvement



High tone - culture and integrity

	Survey item	Responses	
8.1	Our Board sets a high tone from the top in relation to the organisation's culture, ethics and integrity.	Directors	
		Execs/ Others	
8.2	The Board takes an appropriate role in shaping the organisation's culture (i.e., by understanding the culture, the impact of what is rewarded and punished and overseeing and cultural change required.)	Directors	
		Execs/ Others	
8.3	The Board ensures that the organisation's relationships with its main stakeholders are managed well (including receiving appropriate information in relation to its employees, members, customers, suppliers, and the local community).	Directors	
		Execs/ Others	

5. Distinguish between the role of the board and management

- Shared agreement on roles
- Appropriate delegations
- Strategic – not operational
- Regular reminders/intervention



Board vs Management role

	Survey item	Responses			
1.1	All Directors demonstrate a clear understanding of their role (including how it differs from the role of management).	Directors	17%	24%	59%
		Execs/ Others	26%	26%	48%

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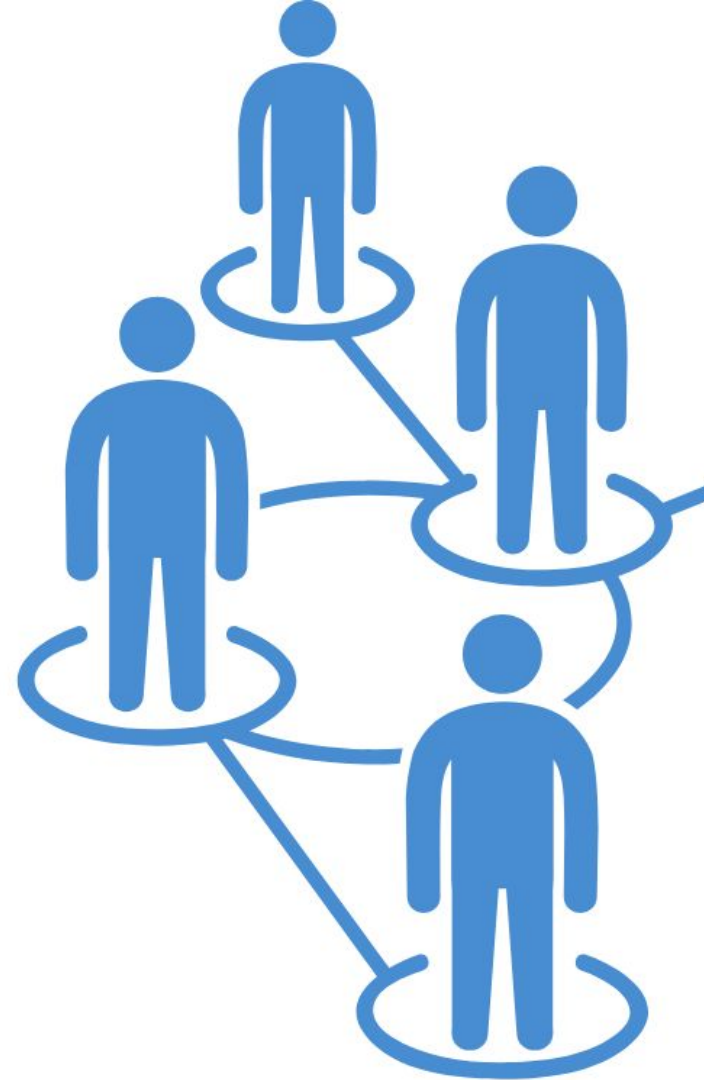
Commentary:

- “...we have a high calibre set of individual directors; however roles and responsibilities are assumed not clearly stated.” – Director response
- “Clear roles between the board and CEO Board training” – Director response
- “The on-boarding and training of new NEDs definitely needs work for a more effective introduction to the business.” – Executive response
- “Education on their role/s and how to carry out their duties” – Executive response
- “Really clear definition of their roles and responsibilities” – Executive response



6. Right committees to support the boards work

- Right committees
- Add value
- No duplication or gaps
- Right composition
- Committee Chair leadership
- Clear recommendations and reporting
- Constructive management relationships






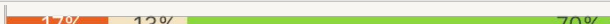

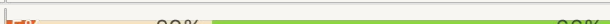

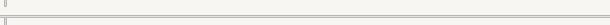



7. Invest in good relationships and dynamics

- Relationships, trust and rapport
 - Board and directors
 - Chair/CEO – Board/CEO
 - Committee Chair/ management
 - Board/management
- Promptly identify and resolve conflict
- External help can be a circuit breaker



Relationship and dynamics

		Survey item	Responses	
Board/CEO relationship	4.1	The Chair has a constructive working relationship with the CEO (i.e., supportive and collaborative, yet independent).	Directors	 2% 20% 78%
			Execs/ Others	 2% 31% 67%
Board/CEO relationship	4.2	The Board displays confidence in the overall performance of the CEO.	Directors	 7% 17% 76%
			Execs/ Others	 7% 12% 81%
Board/Management relationship	5.1	The Board provides clarity of direction to Management (i.e., does not send mixed messages).	Directors	 5% 33% 62%
			Execs/ Others	 21% 31% 48%
Board/Management relationship	5.2	Management promptly communicates bad news to the Board (including 'red flags' and warning signals).	Directors	 17% 13% 70%
			Execs/ Others	 12% 15% 73%
Boardroom dynamics	3.1	The Board works constructively as a team (i.e., through collegial, productive working relationships that foster trust and respect).	Directors	 5% 29% 66%
			Execs/ Others	 12% 36% 52%
Boardroom dynamics	3.2	Directors feel free to speak out openly and honestly without fear of criticism, even when voicing a minority position.	Directors	 10% 17% 73%
			Execs/ Others	 17% 19% 64%

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8. Effective board reporting and meeting management

- Context – paint a picture
- Not just data
- Relevant, concise, forward looking
- Adequate time for reflection
- Balanced scorecard
- Handle requests well
- Maximise discussion time
- Effective in-camera sessions



Right information

	Survey item	Responses			
6.1	The Board receives the information it needs (i.e., relevant, concise, insightful, timely, forward looking and in an appropriate format).	Directors	19%	22%	59%
		Execs/ Others	21%	19%	60%
6.2	Strategic issues are presented to the Board with adequate time for reflective thought.	Directors	12%	31%	57%
		Execs/ Others	15%	22%	63%
6.3	The Board receives appropriate information on the organisation's performance (including financial and non-financial indicators and insights into the drivers of performance).	Directors	10%	10%	80%
		Execs/ Others	7%	22%	71%

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9. Talent management and succession planning

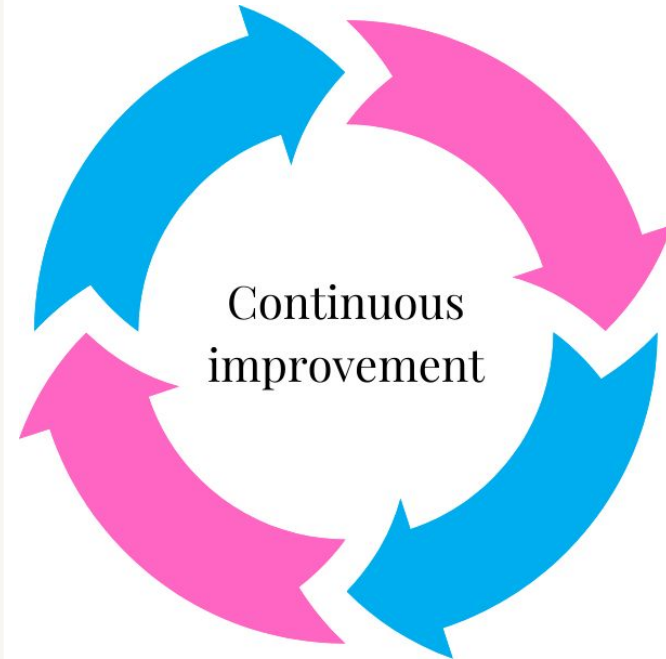
- Lowest rated area
- Dedicated time
- Right capability in right areas
- Align to purpose and strategy
- Long-term approach
- Open minded





10. Embed continuous improvement

- Start with the board
- Embed director feedback loop
- Robust CEO performance management
- Ongoing learning/development
- Listen – open mindedness
- Make it a way of life



Read our most popular insights and research

Visit boardbenchmarking.com/insights



Benchmarking board performance: 500 board reviews later

Board Benchmarking has reached a milestone of conducting more than 500 board reviews. To celebrate, we have put together this report to share our research, learnings and insights into what makes a highly effective board.



Golf Club Governance in Australia: 4 steps to better outcomes

This comprehensive study provides an in-depth analysis of the current state of governance across Australian golf clubs and offers practical recommendations for enhancing board performance and club sustainability.

Discover our additional survey offerings

Board Benchmarking has developed other surveys and reports to help boards achieve organisational success. The surveys have been designed to assist boards, CEOs and executive teams to improve their performance and effectiveness.

The surveys and related reports include:



Board
Effectiveness
Surveys



Director
Effectiveness
Surveys



CEO
Effectiveness
Survey



Leadership Team
Effectiveness
Survey



Strategy
Effectiveness
Survey



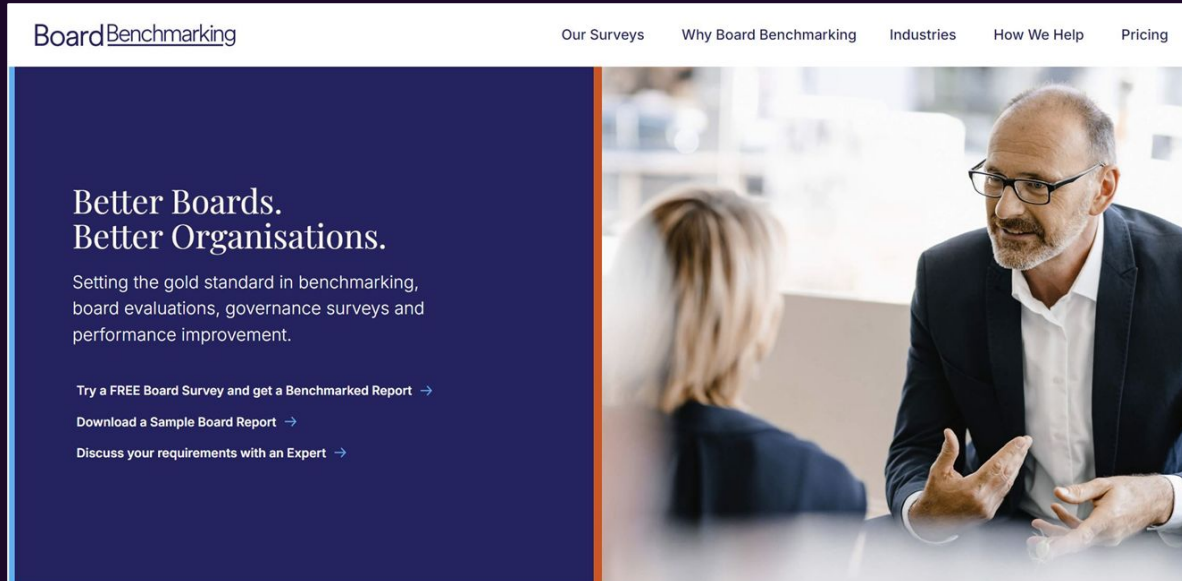
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Free single-user 4-minute board survey to see how your board compares



The screenshot shows the homepage of Board Benchmarking. The header includes the logo and navigation links: Our Surveys, Why Board Benchmarking, Industries, How We Help, and Pricing. The main content area features a dark blue background on the left with white text and a photograph of a man in a suit talking to a woman on the right.

BoardBenchmarking Our Surveys Why Board Benchmarking Industries How We Help Pricing

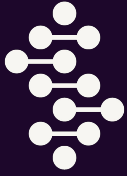
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Thank you
Any Questions?

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