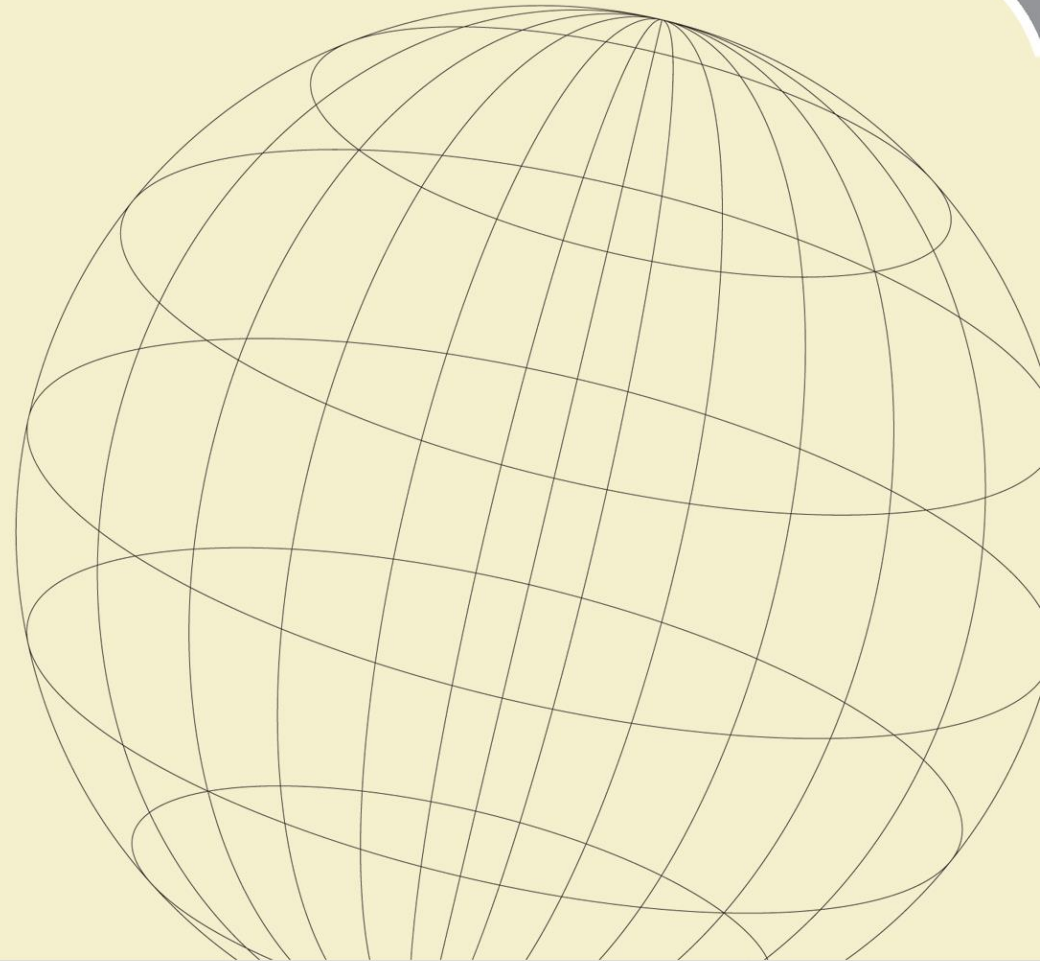


# Grower Group Alliance Annual Forum

**7 August 2015**



GERARD DANIELS

# Presenter - Alison Gaines FAICD

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- Alison is the Global Practice Leader, Board Consulting at Gerard Daniels and leads our Board performance practice.
- We have offices in Perth (head office), Sydney, London and Houston.
- Alison is Deputy Chair of the Australian Institute of Company Directors (WA division) and Deputy Chair of the International Directors Program Advisory Committee (a global club), INSEAD.
- She sits on several other NFP Boards.

# Topic is: 'High Performance & Well Functioning Boards'

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- Understanding why governance is important.
- How a well-functioning Board can really drive your organisation.
- Key elements of performing Boards including best practice guidelines.
- Common problems in Boardrooms.
- Assessing your performance.

# Features of High Performing Boards

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- Common sense of purpose.
- Skilled Directors.
- Clarity about role of Board.
- Clarity about role of Board members.
- Clarity about sub-committees.
- Good leadership.
- Decision making and accountability.
- Good culture and values (and Board dynamics).
- Energy.

# Outcomes of Good Governance

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- Enjoyable and productive Boardroom.
- Respected – by members and stakeholders.
- Attracts resources – volunteers, funding, supporters.
- Attracts future Directors and members and good staff.
- Develops own influence – becomes opinion leader, thought leader.

# Purpose and Clarity

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- **Why do we exist?:** Create a mission statement for your organisation.
- **Clarity for the Board:** Create a Board charter.
- **Clarity for Board members:**
  - Appointment or election, term and reappointment, attendance, remuneration, liability.
  - Preferred composition and skills.
  - Create a role statement that also includes workload expectations (Board and Committee meetings, events, advocacy meetings, other volunteerism).

# Purpose and Clarity (continued...)

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**Committees Charters** – purpose, reporting, meetings. Think about the committees you need – finance, research and development, commodities, communication and events.

**Code of conduct** – limits of role, conflicts of interest, interaction with staff, representing the organisation, interaction with stakeholders and media, use of resources, role of other volunteers.

**Simple meeting rules.**

# Leadership

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- Clarify the role, workload and terms of the Chair of the Board and the Chairs of Committees.
- Give thought to the type of person you want as Chair
  - especially their ability to lead and mentor a large group and enhance board dynamics, their deep understanding of strategic and operating environment and their values.
- Build Board succession, manage turnover, refresh the Board.



# Decision-making and Accountability

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- A clear strategy to ensure you're steering the organisation.
- Good agenda – making meetings count, making well informed decisions.
- Useable meeting rules.
- Good performance reporting – financial, resources, program and strategic reporting.
- Compliance – law, your constitution, grant terms, research ethics, own code of conduct.
- Reporting to members, effective AGM's.
- Responsive to stakeholders, engaging in good corporate manners.

# Board Dynamics

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- Each Board has a unique culture.
- Group behaviour has to be carefully nurtured.
- Avoid group think – Chair encourages open discussion, committees have thoughtful inputs, agenda leads to informed decision-making, expert and management input sought.
- Actively seek to be engaged and have disciplined decision makers.
- Apply your own rules.
- Be aware of poor behaviours and reflect on Board performance regularly.

# Poor Directors

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## Poor performance by Directors:

- Poor attendance.
- Poor engagement – unprepared, not participating, distracted (e.g. using mobile phones).
- Misunderstand their role (can't distinguish between management and governance).
- Wasting time – too operational, irrelevant contribution.
- Dominate, bullying or factionalised.

# Poor Directors (continued...)

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## **More serious Director behaviour:**

- Conflicts of Interest – incapable of understanding the concept; or covers up conflict.
- Does not respect confidentiality, leaking.
- Does not respect the solidarity of Board decision.
- Misuse of information.
- Misuse of resources.

# Poor Boards

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## Poor Board Performance:

- No discipline about decision-making (indecisive, over-analyses, clueless and micromanages); poor recording of decisions.
- Board makes hurried decisions based on poor data or manages time poorly.
- Not sufficiently independent.
- Stale – poor Board composition and succession.
- Poor leadership, especially weak direction of meetings, tolerating poor behaviour, overbearing direction of the Board, plays favourites.
- Poor momentum – re-visiting old decisions, too operational.

# Poor Boards

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## Poor Board Performance:

- Parliamentary rather than consensual – factional, constituency based.
- Little trust between Board and staff or volunteers.
- Disengaged or burnt out.
- Defensive attitude toward stakeholders and toward operating environment.
- Intolerant of corporate governance – impatient with formalities.
- No accountability for own performance.
- Loses support of members and stakeholders.

# Board Review

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## **A Board should reflect on its own performance using:**

- Self –reflection after each meeting – a three minute reflection by a member of the Board (not the Chair), rotational.
- Regular in-house Board survey and report by the Chair to the Board.
- Occasional independent review, reported to the whole Board.
- External feedback – complaints, plaudits, structured feedback, analysis of inclusion and exclusion from stakeholder engagement.

# Board Investment

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- The Board should take time to **develop itself**, investing time to develop simple charters, code of conduct, meeting rules, effective agenda and reports, effective performance reporting.
- The Board should invest in governance **training** to develop Board members and provide opportunities to understand the operating environment (briefings, workshops, conferences, industry information).



# Invest in the Board - Resources

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- Grower Group Alliance.
- 'Our Community' website.
- WA Department of Commerce.
- Australian Institute of Company Directors.
- Kiel, Nicholson, Tunny, Beck 'Directors at Work: A Practical Guide for Boards'.

# Questions?

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## Chatham House Rule:

‘When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.’