



ENHANCING GOVERNANCE , WORK PLACE INCLUSION AND DIVERSITY

SALLY MUKABANA
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CONTENT



- ❖ Corporate Governance
- ❖ Role of the shareholders, Board of directors and management in enhancing governance
- ❖ Diversity and inclusion at the work place

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DEFINITION GOVERNANCE



- ❖ the action or manner of governing a state or organization – oxford dictionary
- ❑ For companies referred to as **Corporate Governance (CG)**

Various Definitions

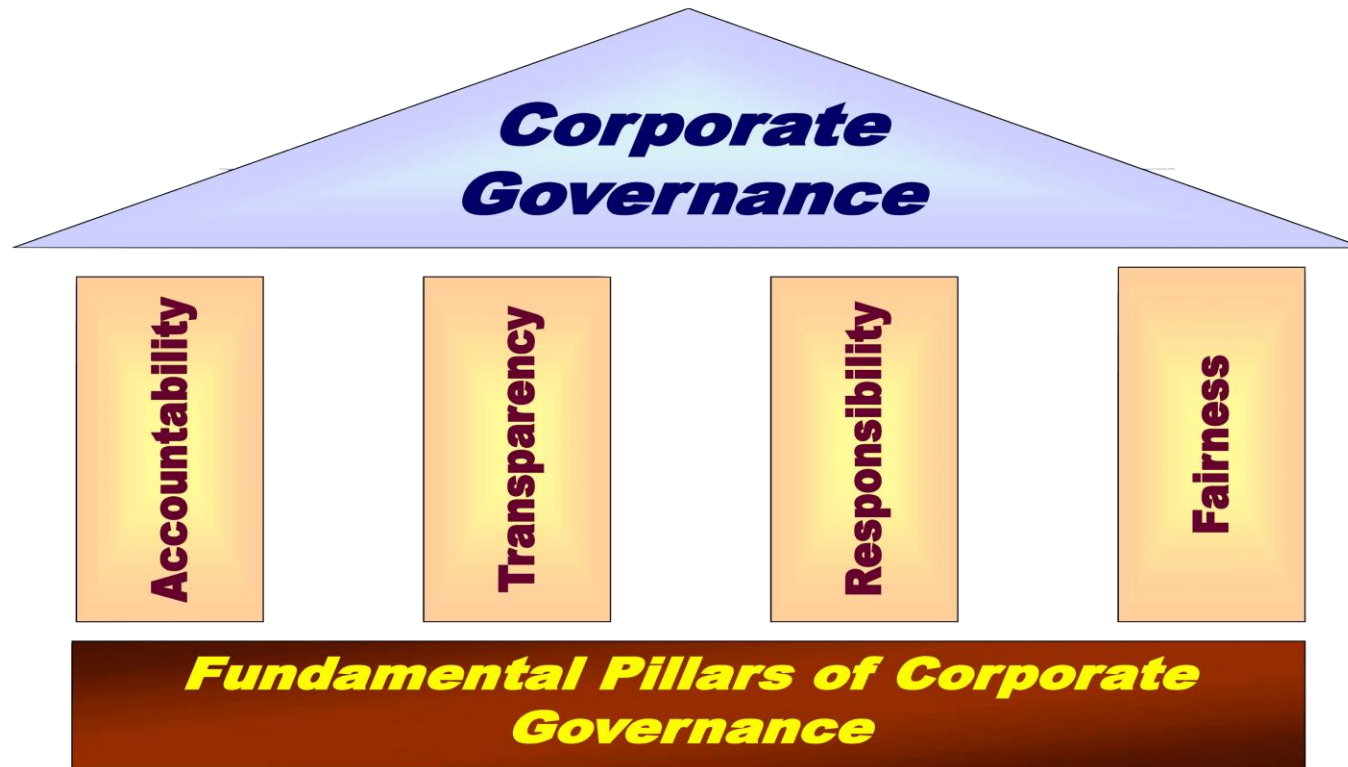
- system of policies, processes and rules that direct and control a business's behavior
- relationship between shareholders, the board of director and the senior executive team

DEFINITIONS



- ❖ system that helps hold a Co. accountable, & help steer clear of financial, legal, and ethical pitfalls.
- ❖ mechanism which the board can effectively make better decisions.
- ❖ Not static keeps evolving
- ❖ Good CG sends out a statement various stakeholders & has strong bearing on Cos reputation
- ❖ Cos run under good CG principles avoid liability & disasters

KEY PRINCIPLES OF GOOD CG



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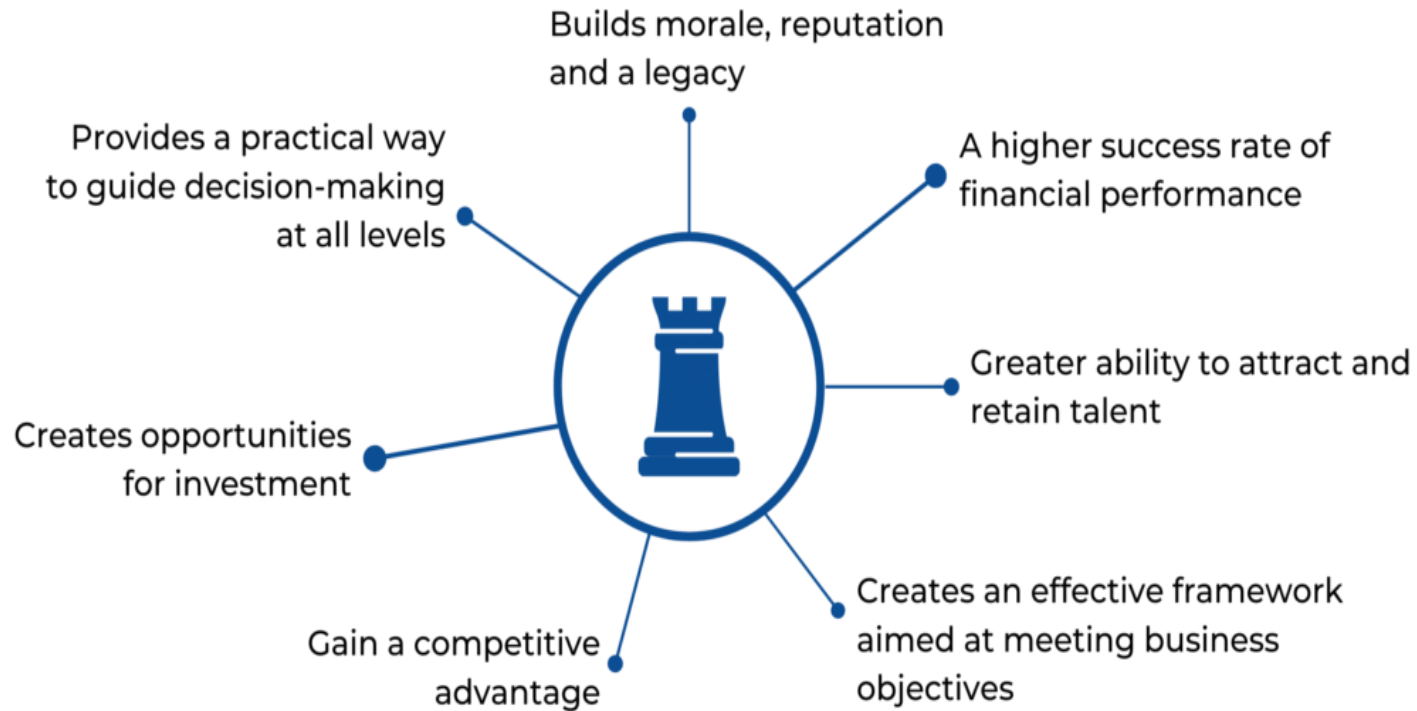
- ❖ **Fairness**- uniform and equal treatment to all shareholders
- ❖ **Accountability** – about providing an explanation for the company's actions and activities.
- ❖ **Responsibility**- BOD and CEO responsible for running the CO on behalf of the shareholders
- ❖ **Transparency** – about revealing informative data about their activities to shareholders and other stakeholders.
e.g reports should be on time and accurate

BENEFITS OF GOOD CG



- ❖ A good CG practice gives rise to a strict compliance culture- due to strict environment employees adhere to work culture
- ❖ Attracting talented directors
- ❖ Leads to access to information and great communication
- ❖ Help lift the Cos influence & reputation e.g with strict internal controls shareholders have more trust
- ❖ Good CG enables corporate social responsibilities e.g. health, environment, sanitation & other social aspects

BENEFITS OF GOOD CG



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- ❖ Enhance CG by
 - Ensure suitable board
 - Review the Board regularly
 - Build solid foundations of oversight for board and management
 - Ensure reporting integrity- have external audits
 - Provide timely and balanced information – will promote stakeholder confidence in the business

ENHANCING CG



- ❖ Prioritize risk management
- ❖ Set up good internal controls
- ❖ Ensure adequate disclosures – related parties transactions and those involving directors
- ❖ Emphasize integrity as a whole – code of ethics
- ❖ Manage stakeholder relations
- ❖ Transparency is key – disclosures help attract investors and build confidence
- ❖ Mature and grow using a corporate governance framework e.g. CMA code on CG

THE STRUCTURE OF CG



CG focuses on interactions between three important decision makers the

- ☐ Board of Directors
 - ☐ Management; and
 - ☐ Shareholders
- The above stakeholders each plays an important role to ensure proper and effective management of the company

STRUCTURE OF cg



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SHAREHOLDERS



- ❖ Investors of capital in the Co
- ❖ Responsible to ensure company is well run & managed.
- ❖ Monitor performance of the company by approving or objecting to management actions
- ❖ Voiced at AGM's

BOARD OF DIRECTORS



Key roles of the BOD

- ❖ Main role is oversight and planning
- ❖ Set Cos vision and mission & set pace for current operations
- ❖ Monitor CEO's performance & oversee succession planning
- ❖ Avoiding conflicts of Interest

BOARD OF DIRECTORS



- ❖ BOD may delegate some of their powers to Mngt or to committees of the BOD
- ❖ BOD link between the shareholders and management
- ❖ To guide the BOD in discharging their duties, the BOD has a Board Charter

BOARD CHARTER



- ❖ Cos striving for best practice in board leadership, effectiveness and governance will have in place a Board Charter
- ❖ Board Charter- policy document defining the roles and responsibilities of the BOD and management ins setting the direction and control of the company

BOARD CHARTER



- The Co's Vision, Mission and Values:
- Code of Conduct: articulating behavioral expectations
- The structure of the board
- Duties and responsibilities of Board members
- Role of the Company Secretary
- Composition of the Board
- Communication
- Performance management

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Management



- Mngt : Led By the CEO.
- Implement corporate strategy
- Operate the business under Board's oversight
- Mngt ensure operational efficiency, compliance with the laws and financial reporting accuracy

Their purpose is to ensure that the business achieves its business strategies and goals.

To help discharge their duties Mngt develop policies

COMPANY POLICIES



- ❖ Guidelines to help the organization deal with various issues
- ❖ Policies identify key activities and provide a general strategy to decision-makers on how to handle issues as they arise
- ❖ predetermined course of action, which is established to provide a guide toward accepted business strategies and objectives
- ❖ To be effective Co policies should be clear and consistent, creating standards that apply to everyone in the company.

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IMPORTANCE OF POLICIES



- ❖ Co policies are important because they help in
 - Setting expectations
 - Keeping management accountable
 - Ensuring compliance with the law
 - Assisting with fair treatment of employees

INCLUSION AND DIVERSITY



- ❖ The world is evolving and changing
- ❖ Many people want to be heard and for their opinions to count
- ❖ People want to be given equal opportunities
- ❖ Youth have different working beliefs, e.g flexi hours,

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COMPANY POLICIES



- ❖ Examples of Company Policies
 - Equal opportunity policy
 - Equal Pay
 - Occupational Health & Safety
 - Employee conduct of conduct
 - Complaint policy
 - Sexual Harassment Policy
 -

MANAGING WORKPLACE DIVERSITY



- refers to a variety of differences between individuals in an organization.
- Its not only how individuals identify themselves but also how others perceive them.
- It encompasses race, gender, ethnic groups, age, religion, sexual orientation, mental and physical conditions, & other distinct differences between people.

- ❖ Diversity can be managed by having policies that address inclusion
- ❖ Policies and procedures provide the guidance and the legal requirements for the company
- ❖ For a company that has embraced diversity they should
 - ✓ Document the policy on D&I – this is a means of communicating the Co's stand on diversity
 - ✓ Review diversity policies regularly and make sure that the company policies are in line with legal requirements



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- ❖ While policies may exist on paper, need to be intentional to operationalize them
- ❖ Create enabling structures and remove barriers e.g. women – maternity,
- ❖ Mngt should makes a concerted effort to encourage a more heterogeneous environment through
 - ❑ promoting a culture of tolerance,
 - ❑ open communication
 - ❑ creating conflict management strategies to address issues that may arise.



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BENEFITS OF DIVERSITY



- ❖ Bigger pool of talent to select when hiring
- ❖ customer satisfaction by improving how employees interact with a more diverse clientele and public
- ❖

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GENDER INCLUSIVITY



- ❖ Gender mix is one area where Kenyan organizations are to ensure that there is inclusivity
- ❖ Good CG requires a mix of the genders at the board and management level
- ❖ statistics show the gender imbalances in organizations especially at the top leadership level
- ❖ Not that women are not ambitious, but most institutions are 'paternalistic'
- ❖ To boost gender ratio it has to be intentional
- ❖

- ❖ consider the life stage of motherhood and support them
- ❑ Flexi working hours
- ❑ Nursery rooms at the work place
- ❖ Have a policy on equal pay/compensation
- ❖ monitor and focus on career advancement of women at all levels
- ❖ Design female leadership development programs specifically designed for senior and emerging leaders

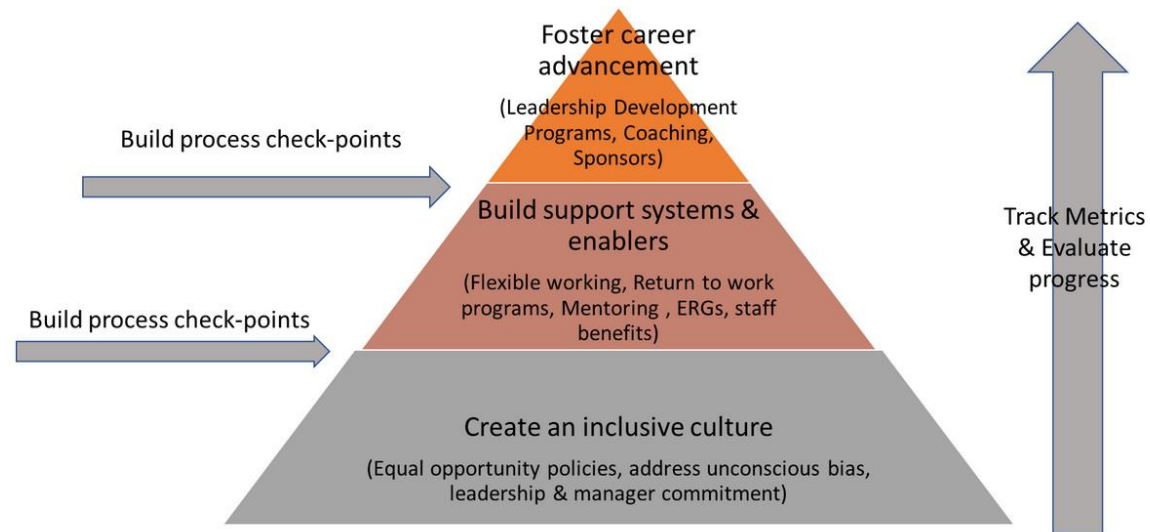
GENDER INCLUSIVITY



so that both groups are engaged with relevant learning areas, networks and idea-sharing

- ❖ focus on the leadership journey by taking a program-approach
- ❖ Include one on one coaching and mentoring

GENDER INCLUSIVITY



Graphic: A simple framework for gender inclusion

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CONCLUSION



- ❖ Its all about improving performance of the company for the benefit of the shareholders
- ❖ The Shareholders, Board of Directors and Management each has to play their role
- ❖ To achieve this important for each of the above to understand their role in bringing this about

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THE END

THANK YOU

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