



## THE BOARD MASTERCLASS 2021

**Theme:** *Inculcating long term strategies that drive positive board culture and effective leadership skills for modern-day Boards*


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The Leadership Group Limited

# The Leadership Group: How to reach us




## Our Contacts

## Our Services

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# The Leadership Group.....Our Services

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Governance

Board  
Practice

# Diverse topics in Board Leadership



September 2, 2021: 9am – 10.30am

## Session Objective

This Session is aimed at enhancing the participants' knowledge and skills around a diverse range of topics for effectively discharging their duties as directors.

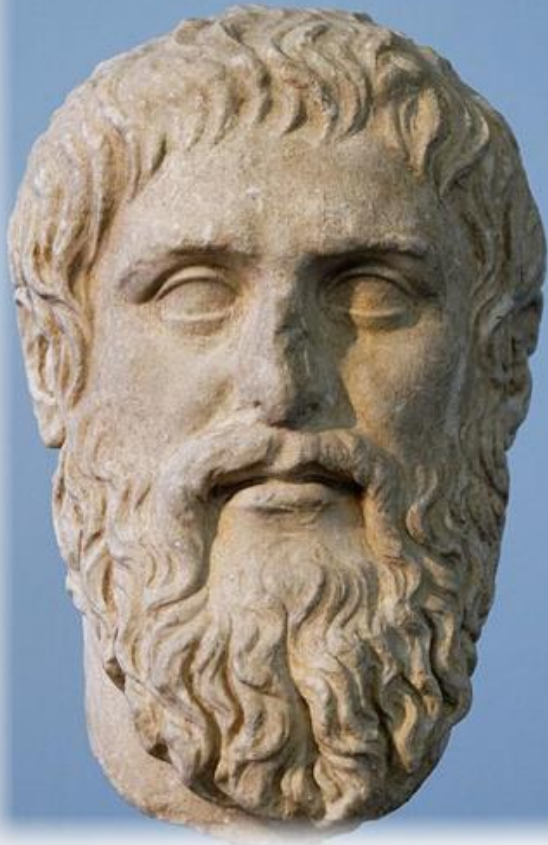
By participating in this session, you will broaden your perspectives in order to become an effective director.

## Topics Covered

Item	Timing
○ Critical Self-Leadership skills for Board Members	20 Mins
○ Managing diverse board relations	20 Mins
○ Competitive advantage for Boards	15 Mins
○ Reputation Management & Corporate Citizenship	15 Mins
○ Navigating Board Politics	20 Mins

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# Self Leadership in the Boardroom

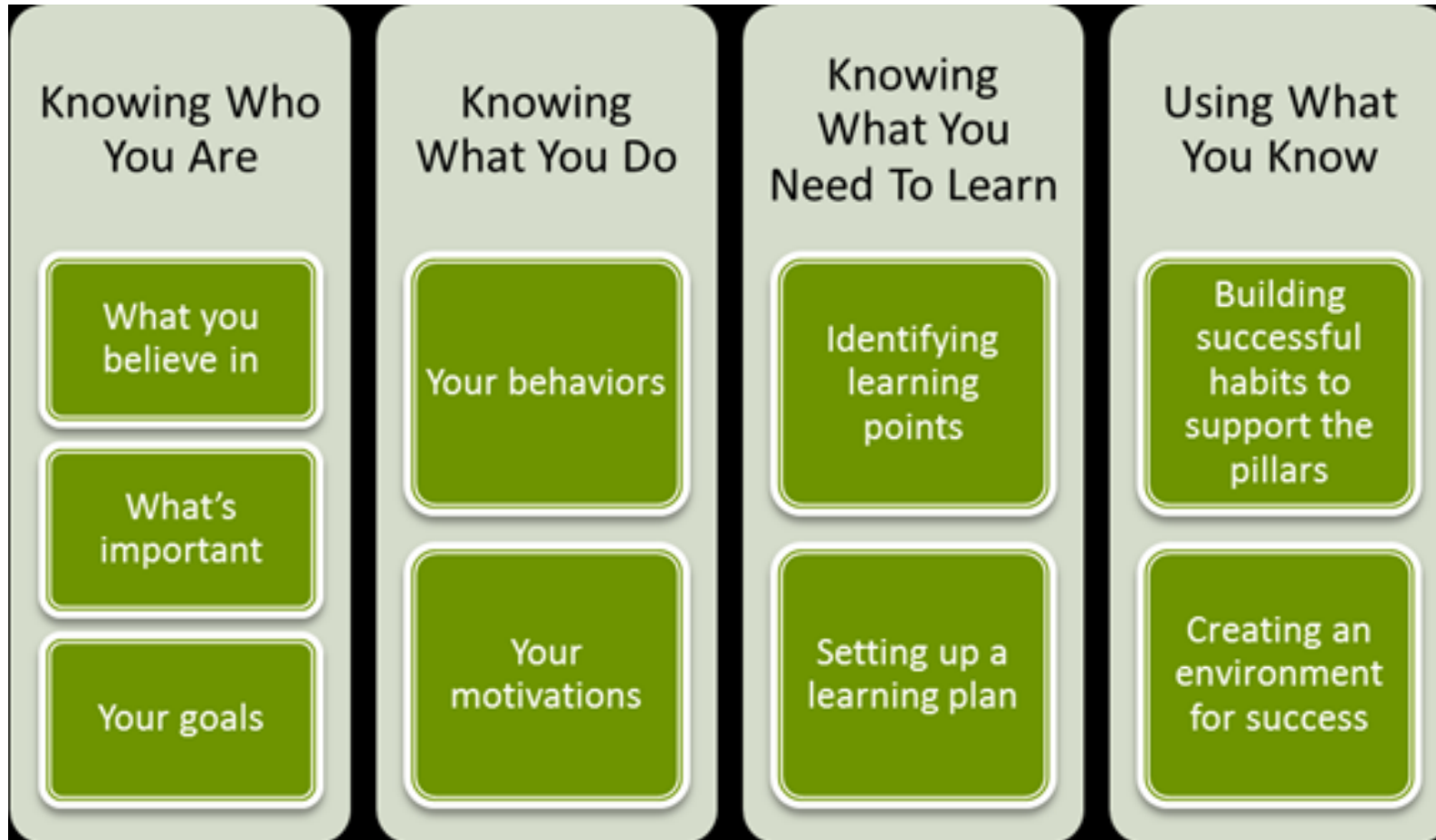


“The first and best victory is  
to conquer self.”

**Plato -  
Greek philosopher**

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# Self Leadership Requires You to Examine Yourself



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# Video Clip

## Perspectives on Self Leadership



### **Steps to Self-Leadership**

# Skills for Self Leadership...



## Self-awareness

- Understanding who you are, what you believe in, what your goals are, what your strengths are and areas where the opportunities for improvement may be.

## Motivation

- The purpose that provides energy to push personal limits and continue to work when challenges arise.

## Decision-making

- **Creating a Personal Strategy** - Identify what you want to do and make a plan for success.

## Accountability

- Accountability is taking responsibility for your own thoughts, decisions, emotions and actions.

# Skills for Self Leadership...



## Dedication:

- Dedication is a commitment to a specific task or purpose.

## Influence:

- Ability to inspire others.

## Empathy:

- The ability to understand and respond to the emotions and feelings of others

## Social skills:

- Ability to build rapport, make strong connections with others and to maintain those relationships.

## Self-regulation:

- The ability to regulate your own emotions, thoughts and behaviors, in a way that is socially acceptable

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# An Effective Board Member is.....



**1.** Dedicated and Committed

**3.** Straightforward and impartial

**5.** Values discretion and confidentiality

**2.** Able to lead and influence others

**4.** Knowledgeable and an insatiable learner

# Emotional Intelligence in Boards



**Reflect often and skillfully**

- this can improve self-awareness, which is the cornerstone of emotional intelligence.

**Learn to control your assertiveness**

- in either direction. Knowing when to dial up or down on this skill is a key aspect of emotional intelligence.

**Show and practice curiosity**

- this will help you with building your empathy.

**Find out about your own emotional intelligence:**

- Seek out a coach or an independent assessment tool

**Recognise the importance of EQ on board composition**

- Emotional intelligence and relationship building skills are important to vet



**“Poor team dynamics fracture boards and lead to power struggles. Like any effective working group, a board should be comprised of professional peers who respect and work well with each other.”**

**-HBR, 2012**

# Board Dynamics & Board Behaviours



***Adapted from: Russell Reynolds Associates  
- Global Board Culture Survey 2016***

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○ Reputation Management & Corporate Citizenship	15 Mins
○ Navigating Board Politics	20 Mins

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# How to Build Boards for Competitive Advantage



**Build a future-focused board**

**Recruit directors for strategic challenges**

**Mine the collective intelligence of your board**

**Create CEO and board alignment**

**Provide real compensation**

*From: A Board Built for 21st Century Competitive Advantage*



- As organisations wrestle with the challenges of **digital, business process and cultural transformation**, their priorities are **increasing efficiency, boosting productivity** and creating a fertile environment for **innovation**.
- While competitive advantages are sought at all levels of the organisation, businesses are increasingly **starting at the top**, scrutinising the **performance and composition of the board** of directors as a potential source of **differentiation and success**.

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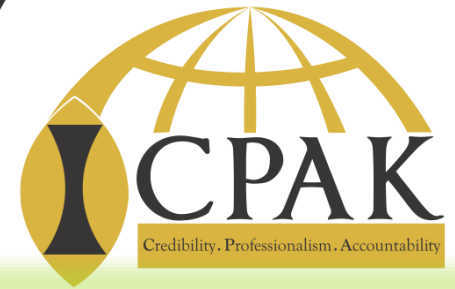
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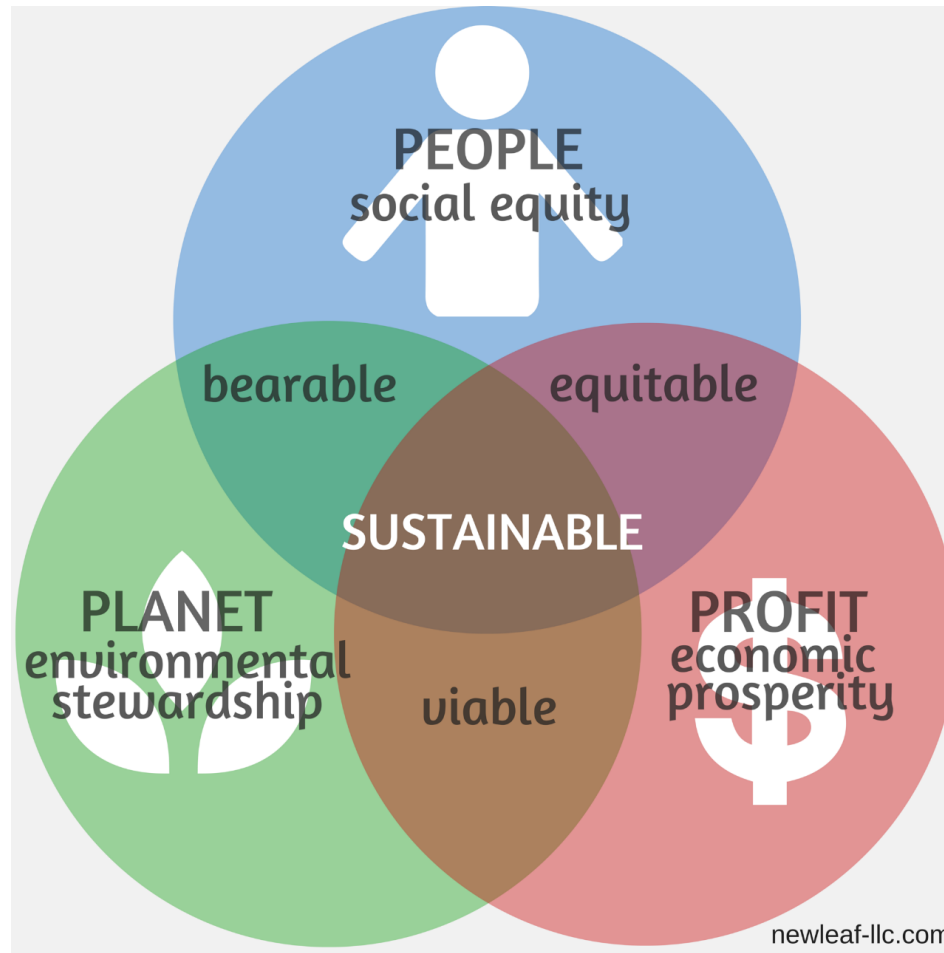
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- *“Board members serve as a link between the organization and its members, stakeholders, constituents, or clients. They should think of themselves as the organization’s ambassadors and advocates.”*

**( Ten Basic Responsibilities of Nonprofit Board Members, BoardSource)**

# CSR: The Triple Bottom Line...

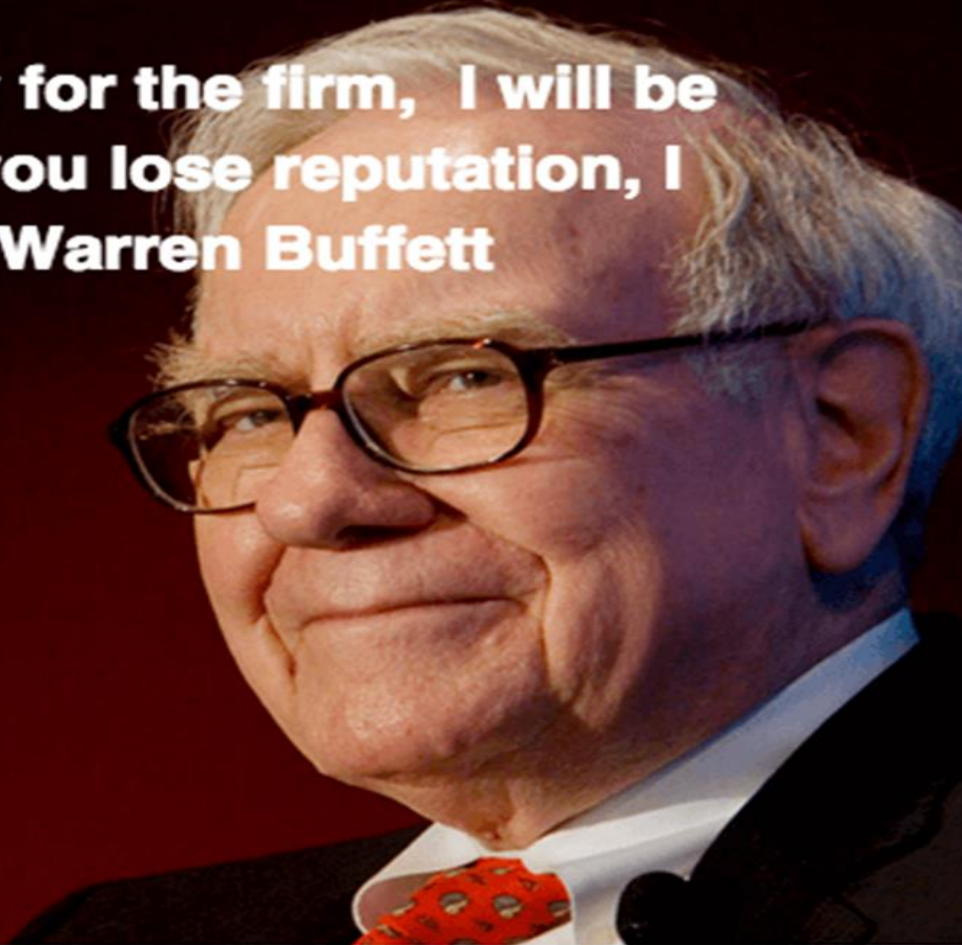


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# Reputation Is Serious Business

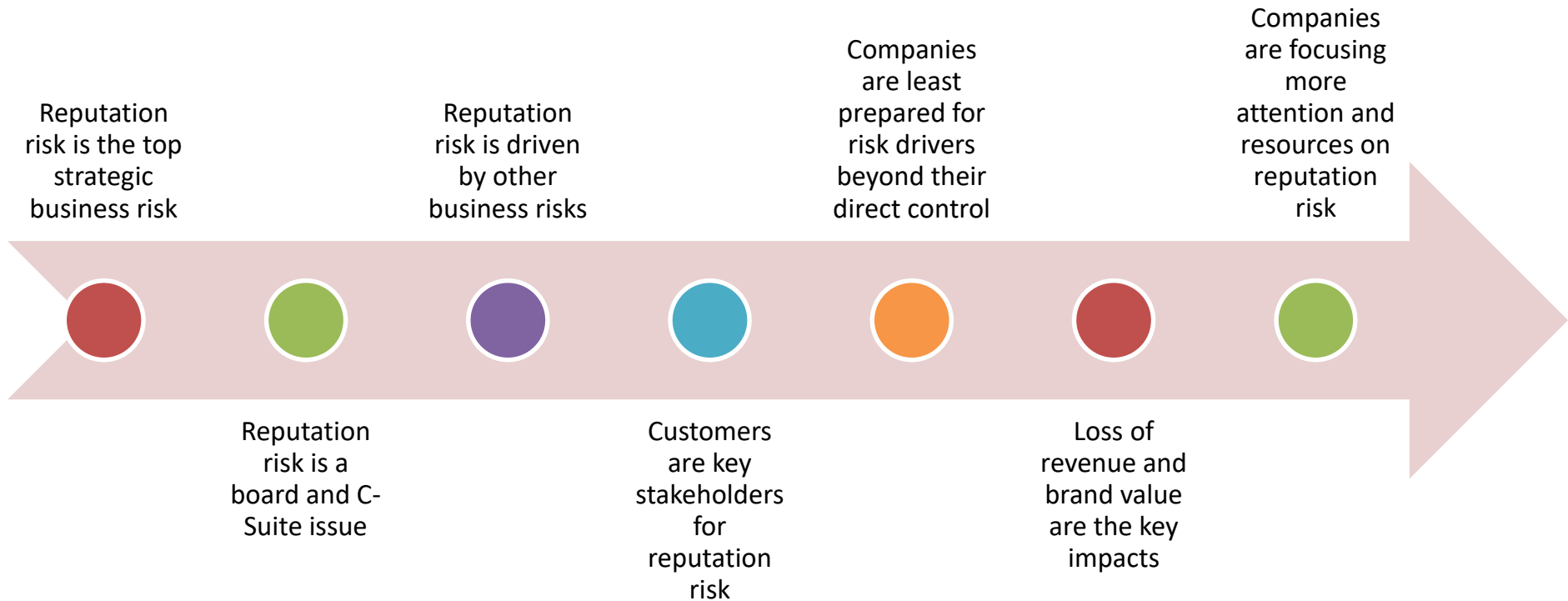


**"If you lose money for the firm, I will be understanding. If you lose reputation, I will be ruthless." - Warren Buffett**



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# Deloitte 2018 RR Survey... Key Headlines



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# Global Trends Predicted for 2020



Greater focus on the E&S of ESG

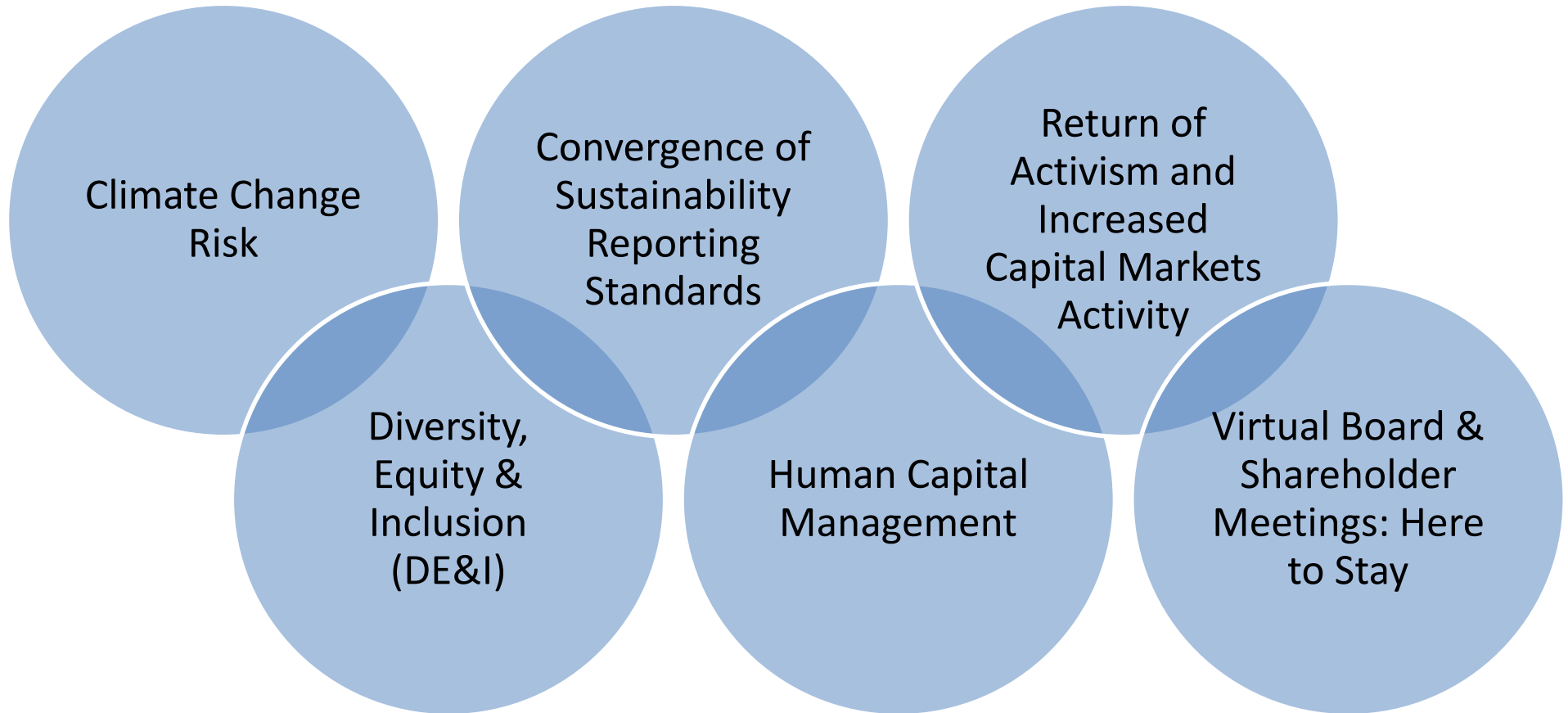
Increasing importance of corporate purpose

Better board oversight of corporate culture and HCM

More expansive view of board diversity that includes ethnicity and race

Companies facing wider forms of activism

# Global Trends Predicted for 2021



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# Politics .....definition (Wikipedia)

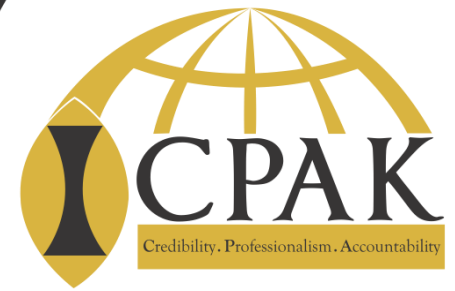


The set of activities that are associated with making decisions in groups, or other forms of power relations between individuals, such as distribution of resources or status



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# Open Discussion...



Is Board politics necessary in a modern-day boardroom?

How can the Chair and individual Directors keep bad politics out of the business of the Board?



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# End of Session Discussion...



Thank you! Any comments? Questions?



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# Board role in Digital transformation



## Board's Role in Technology & Automation – September 2, 2021: 2pm to 4pm

### Session Objective

This Session is aimed at enhancing the participants' understanding of the board's role in providing oversight on digital transformation

By participating in this session, you will broaden your perspectives and knowledge on technological responsibilities and leadership role of the board.

### Topics Covered

Item	Timing
○ Board's Role in Digital transformation	20 Mins
○ Becoming a Digital Savvy Board	20 Mins
○ Some case studies	60 Mins

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# Digital Transformation – is your Board involved?



## Key board roles for digital

How effectively does your board deal with these issues?

(1=not at all to 9=very effectively)

### Strategy

Business-model issues of digital disruption and opportunity

### Oversight

Major IT/digital transformation projects and spending

### Defense

Cyber risk, data privacy, outages, and regulation



Source: MIT CISR 2016 Annual Sponsors Research Forums Total N=176: Boston N=78, Melbourne Australia N=49, European Forum, Warsaw, N=27; MIT CISR 2015 CIO Summit, N=22.

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# Board Technology Engagement



FIGURE 3

## The three dimensions of technology–board engagement

### PERFORMANCE

**Financial performance.** Impact of technology investments on financial measures such as earnings per share, profitability, margins, revenue.

**Business operations.** The role of technology in transformation, automation, and enhancement of current business operations.

**Talent.** Attracting, curating, and engaging talent from inside and outside the organization to deliver tech-enabled business capabilities.



### STRATEGY

**Growth and innovation.** Technology capabilities (digital) to deliver business growth.

**Data and insights.** Using data for better business decisions and ability to monetize it.

**Customer experience.** Enabling better customer experience and engagement.

**Ecosystem engagement.** Leveraging ecosystems to deliver higher business value.

### RISK

**Cyber risk.** Clarity on risk appetite; protection and preservation of information assets; capability to respond to threats and incidents; and resilience.

**Regulatory matters.** Use of technology to stay ahead of regulations and compliance and implications of current and future regulations on data and information.

**Industry disruption.** Technologies, platforms, and strategies disrupting existing businesses and industries.

Source: Deloitte US CIO Program.

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)

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# Open Discussion...



What role does your board play in the digitization of your organization?



Do you believe your board plays an adequate role in the oversight of digital transformations?



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# Why Boards Struggle with Digitization



## Most boards spend more time focussing on short-term results

i.e the current strategy and short-term results at the expense of riskier initiatives and re-inventing the business.

## Insufficient time

The number of times (and duration of meetings) the board meets in a year is too limiting to discuss innovation

???

## Lack of expertise

Most boards lack the required level of industry expertise to make well-informed risk-reward assessments of board papers or proposals

## Ineffective board/management interactions

Boards playing the “ratification” role only is inadequate

# Board role in Digital transformation



September 2, 2021: 2pm to 4pm



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## Topics Covered

Item	Timing
○ <b>Becoming a Digital Savvy Board</b>	<b>45 Mins</b>
○ <b>Some case studies</b>	<b>30 Mins</b>

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## Become a digital-savvy board:

- capture information from different and diverse sources
- be more involved in strategy and innovation - balance between less defence and oversight, to more strategic
- embrace agility and long-term value creation

# How Boards Can Contribute to Digitization



## Board's critical role:

- to help the company create a long-term sustainable competitive advantage. This should include an understanding of the benefits and risks associated with digital transformation....

**.... including the risks of inaction.**



# Board role in Digital transformation



Case Studies: September 2, 2021: 2pm to 4pm



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## Topics Covered

Item	Timing
○ Some case studies	<b>30 Mins</b>

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## Case Studies

- 5 questions boards should be asking about digital transformation
- 6 questions to help you build the next generation enterprise
- Board Leadership and Performance in a Crisis

# End of Day Discussion...



- Thank you! Any comments? Questions?



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# The Board and Values and Ethical Leadership



September 3, 2021: 9.00am – 10.30am



## Session Objective

This Session is aimed at enhancing the participants' desire and capacity to embrace values and ethical leadership.

By participating in this session, you will broaden your knowledge and understanding of the role of values and ethical leadership in effective governance oversight..

## Topics Covered

Item	Timing
<input type="radio"/> Values-based leadership	30 Mins
<input type="radio"/> Culture & Values	20 Mins
<input type="radio"/> Ethical Leadership	30 Mins
<input type="radio"/> Ethical Decision-making	10 Mins

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# Values-based Leadership



## CORE VALUES



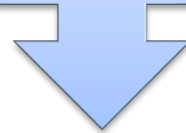
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**Values,**  
in the **moral and relational** sense of the word,  
can be understood as  
**aspirational beliefs about human behaviours.**  
Our values determine  
**how we prefer to live and relate**  
and therefore as well  
**our sense of what is right or wrong**  
in a particular context  
and, therefore, **the decisions we make as a result.**

# Open Discussion...



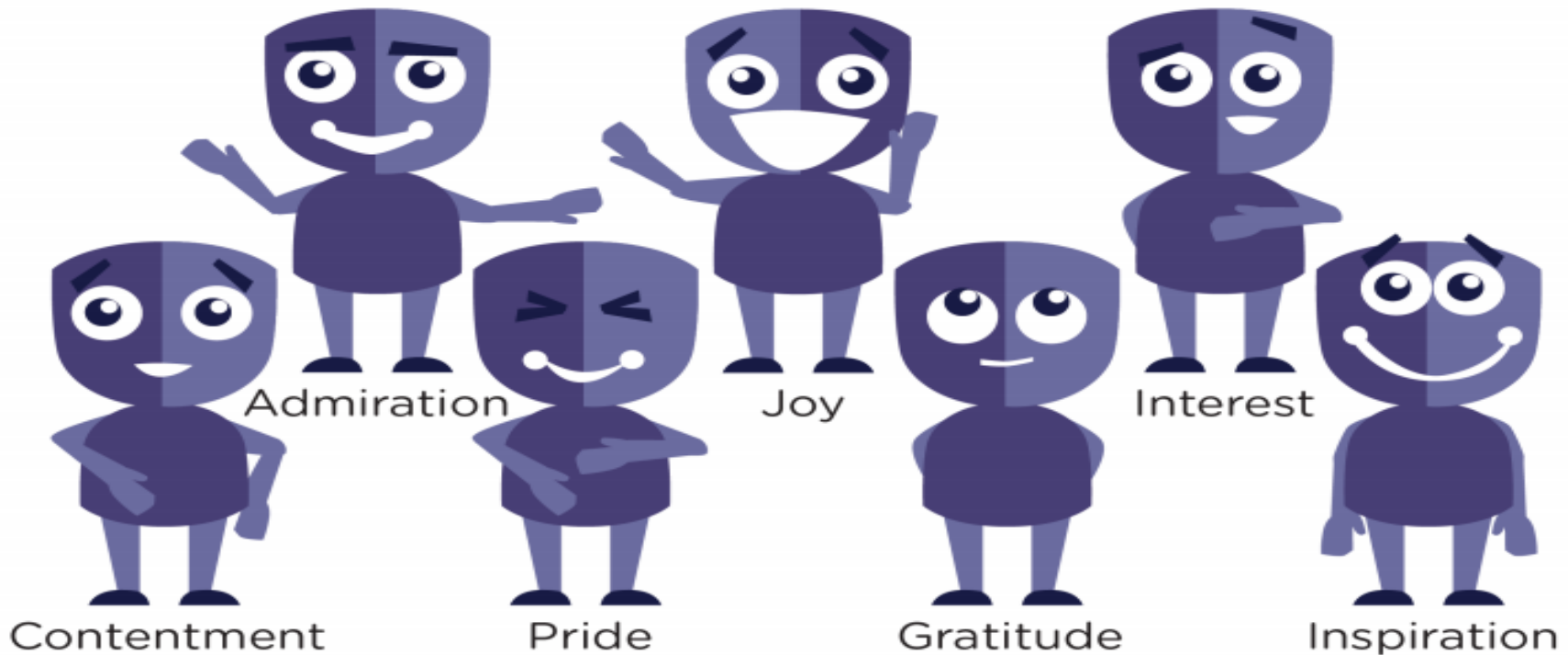
With every organization crafting eye-catching corporate values and proclaiming to be living those values, why are there still businesses struggling with lack of integrity and ethical leadership?



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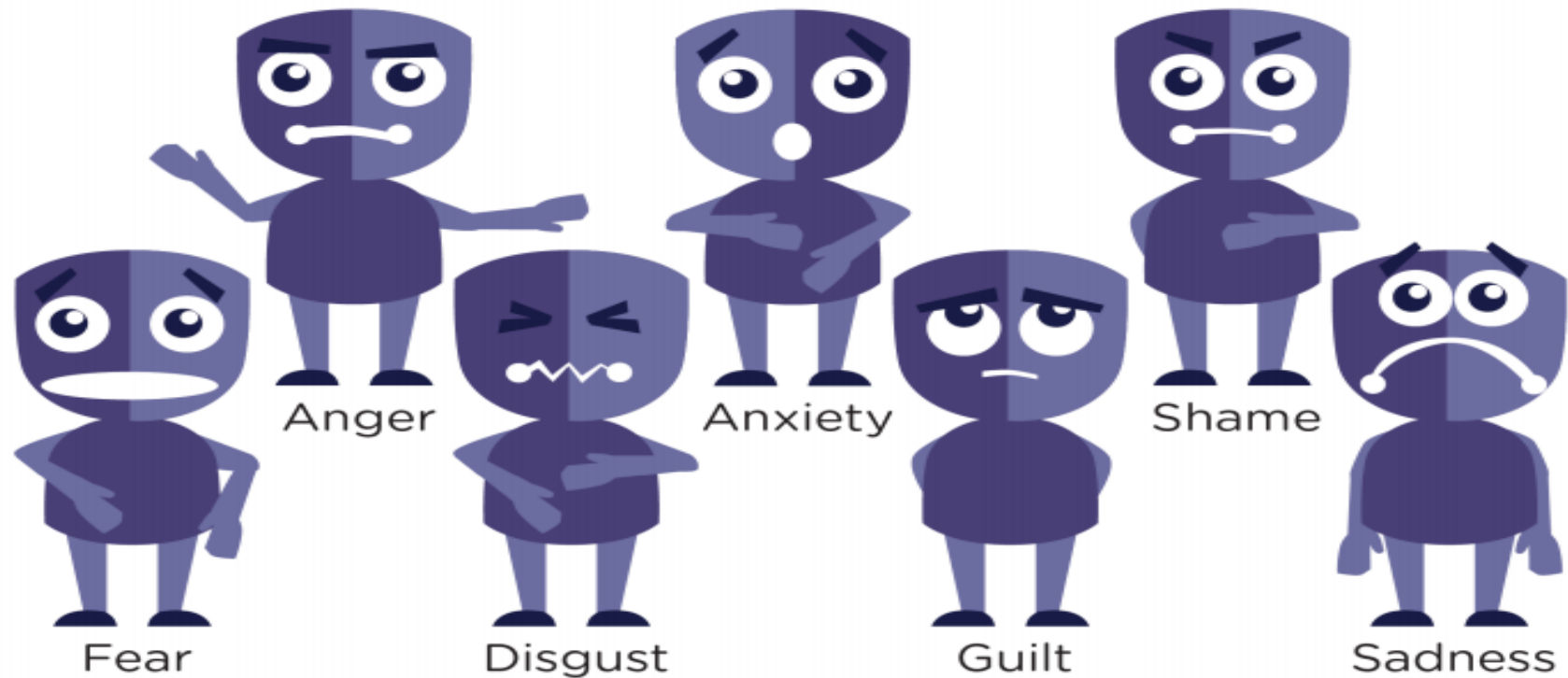
## Emotions

What do I/we feel about this situation?



## Emotions

What do I/we feel about this situation?



## Values

Which of the following values do I/we experience to be challenged or violated?



Honesty



Respect



Responsibility



Fairness



Compassion



# Values in daily practice

	What does it mean for us in practice?	What difference does it make when present?	What difference does it make when absent/ violated?
Honesty			
Respect			
Responsibility			
Fairness			
Compassion			

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# The Changing Board Agenda



## Scenario 1:

Recall a time in your work experience when your values conflicted with what you were expected to do in a particular, nontrivial management decision, and you spoke up and acted to resolve the conflict.

For reflection	Comment
What did you do, and what was the impact?	
What motivated you to speak up and act?	
How satisfied are you? How would you have liked to respond?	
What would have made it easier for you to speak or act? Things within your own control? Things within the control of others?	

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# The Changing Board Agenda



## Scenario 2:

Recall a time in your work experience when your values conflicted with what you were expected to do in a particular, nontrivial management decision, and you did not speak up or act to resolve the conflict.

For reflection	Comment
What happened?	
Why didn't you speak up or act? What would have motivated you to do so?	
How satisfied are you? How would you have liked to respond?	
What would have made it easier for you to speak/act? Things within your own control? Things within the control of others?	

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# Video: Leading with Integrity...



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Item	Timing
<input type="radio"/> Culture & Values	20 Mins
<input type="radio"/> Ethical Leadership	30 Mins
<input type="radio"/> Ethical Decision-making	10 Mins

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# Culture: Board members must act the part...



MICHAEL KOULY

**“When boards of directors and top management **complain** to me about the **culture** of their companies and the **attitude** of their staff, my **comment** is usually, ‘**Have you been looking in the mirror lately?**’”**

*-Michael Kouly*



## When Corporate Culture is Built on the Right Values...

### Example of Right Values

- Integrity
- Humility
- Compassion
- Purpose-driven
- Courage
- Self-discipline
- Gratitude

### Corporate Behaviors

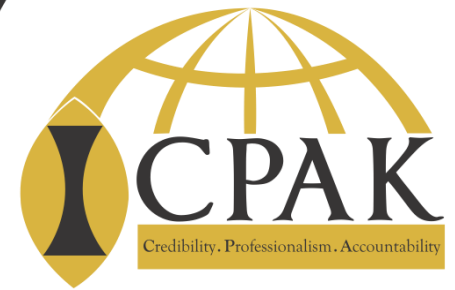
- Ethical behavior
- Employee engagement
- Serving customers/employee needs
- Motivation/encouraging performance
- Embracing diversity
- Clear direction/common goals
- Aligned on mission and vision
- Innovation/creativity
- Risk taking/freedom to make mistakes
- Productivity gains
- “A great place to work”

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# The Board and Values and Ethical Leadership



Ethical Leadership: September 3, 2021: 9.00am – 10.30am

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<input type="radio"/> Ethical Decision-making	10 Mins

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# Ethical Leadership...



- Ethics and values are critical for today's leaders. Ethical behaviour may mean doing that which is inconvenient, unpopular, and even temporarily unprofitable in the service of long-term health and value.

Ethical leadership allows leaders to:

- Put aside egos and personal interests for the sake of the organization they lead, the people they serve, and/or the greater good of the community or the world.
- Encourage leadership in others.
- Maintain and expand the competence that they owe those who trust them to lead the organization in the right direction and by the best and most effective methods.
- Accept responsibility and be accountable.
- Perhaps most important, understanding the power of leadership and using it well.

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# Ethical Leaders...



Make difficult decisions to reach good results for employees and the organization

Can build trust and be trustworthy

Focus on the organization's purpose

Work to develop their employees and care authentically about their success

Hold themselves accountable for behaving ethically

Behave with integrity and in a way that clearly aligns with the values of the organization

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Taryn Oesch, 2017

# What it Means...



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Courtesy: Northhouse, 2013

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Item	Timing
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# Ethical Decision-Making



Courtesy: Prof A. Smit – USB-ED

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## Ethical dilemmas

- An ethical dilemma comes about:
  - when values are or may be confronted/violated
  - when a stakeholder or a group of stakeholders are or may be harmed
  - when known problems go unattended for too long
- To act or not to act...



# The Changing Board Agenda



In your experience, how competent and effective are boards and their committees in supporting companies in building ethical cultures and dealing with ethical dilemmas?

# Recommendations to Boards...



**Demonstrate Leadership:**

Boards have a responsibility to act where leaders do not deliver.

**Recognize The Value of Culture:**

Directors should not wait for a crisis before they focus on company culture.

**Be Open and Accountable:**

This involves respecting a wide range of stakeholder interests.

**Embed and Integrate:** The values of the company need to inform the behaviors which are expected of all employees and suppliers.

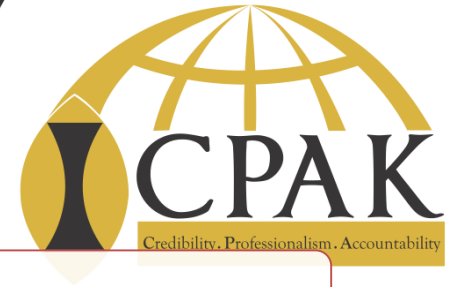
**Assess, Measure and Engage:** Boards should devote sufficient resource to evaluating culture and consider how they report on it.

**Align Values and Incentives:** The board is responsible for explaining this alignment clearly to shareholders, employees and other stakeholders.

**Exercise Stewardship:** Effective stewardship should include engagement about culture and encourage better reporting.

(UK FRC 2018)

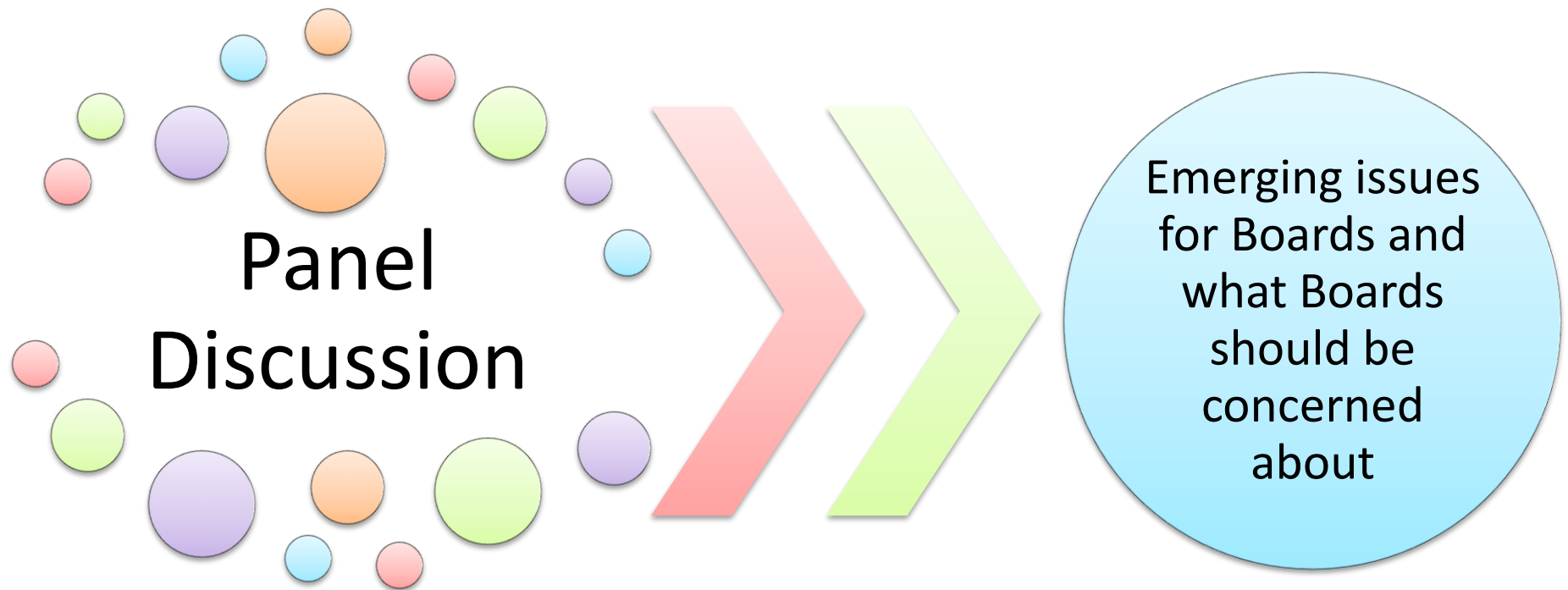
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# Closing Discussion...



- Thank you! Any comments? Questions?



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