

RSLSA Conference 2017 Special Edition

BUILDING AND RENEWING STRENGTH ON CLUB BOARDS

Key Insights to Help Leaders Succeed in a
Rapidly Changing World



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THE BIG SIGH

Two club directors sat down together at the bar, and sighed...

Every club in the club industry was once a major contributor to this fabulous and exciting growth industry. But their club was now very much in the shadow of decline.

A victim of early success, in almost every case the reason the club's growth was threatened or slowed was not because the market was no longer there. It was because there had been a failure of the board to notice the big changes outside the club's window.

The club directors knew that they were part of the problem; one director had left school at a young age and wasn't able to 'read the numbers', and the other felt he was just 'getting a bit on'.

Yet, as directors of the club for 9 years and 22 years respectively, they also knew they were part of the solution. All that club knowledge. Still, it was hard to talk about it.

It... board succession.

But something had to change on their board where every bloke looked like each other while outside the club the community had transformed.

Board succession is a process which takes time, planning, financial resources and, in some cases, transformative culture change. Board succession planning is an opportunity to critically review governance and leadership at board level.

The process provides an opportunity to succeed yourself. We discuss this in Part 1; your personal readiness and making an agreement with yourself. Learning about your value and the true value of other directors on your board.

This naturally progresses into looking at the *moments of truth* in the boardroom in Part 2; the board meeting is where the consistency and quality of your governance tools and training mixed with your value and other directors' value to the board come to the fore.

With the groundwork laid, the excitement of board recruitment in action is covered in Part 3. Events, marketing, and networking are shaped by the culture of your board and your strategy. It's time to open the doors of your club to interested members and people from the community.

After the elections; induction and training become paramount for your new director or directors. It's what we cover in Part 4.

The final part, Part 5, is the Integrated Governance framework for board succession. It summarises almost everything in the book into a 12-month program.

There is a tendency for boards whose members are elected rather than appointed to be somewhat fatalistic about succession planning. It's regarded as a waste of time because matters appear beyond their influence. Succession planning is perhaps even more important when boards are elected and directors need to show excellent leadership and faith in new perspectives in the board succession process. In clubs where elections tend to be a popularity contest it is easy to end up with a board that lacks the wherewithal to be fit for 2020.

A final word in this opening.

The best motive for board succession is bringing together a group of competent individuals who can make informed decisions in the best interest of the company.

**“SOME PEOPLE RUNNING
THE RSL HAVE BEEN
MORE FOCUSED ON
PROVIDING FOR
THEMSELVES”.**

Daily Telegraph, 20 May 2017

**“AN ORGANISATION
COMPLETELY BROKEN
FROM A GOVERNANCE
PERSPECTIVE”.**

Bevan Slattery, Internet Australia

**CPA'S REMAINING
DIRECTORS TO QUIT IN
WAKE OF GOVERNANCE
SCANDAL**

ABC News, 4 Aug 2017

**AUSTRALIAN OLYMPIC
COMMITTEE TO HOLD
CRISIS BOARD MEETING
AMID CONTROVERSY
OVER CULTURE**

ABC News, 24 April 2017

PART 1 - PERSONAL READINESS

1. BOARD SUCCESSION STARTS HERE

Do you want to know a secret?

It is perfectly OK to want to stay on the board. Board succession isn't necessarily about you giving up your seat.

To remain on the board, there's an agreement with yourself that you need to make; that you will succeed yourself from the person you are today. That means in 2020, you will be a better director than you are today through learning, leadership, and a longing to leave an inspirational legacy.

Here's another secret.

On of a board of nine people, there could be up to 6 of you who think someone shouldn't be there¹. Someone who is not contributing value or, as we put it colloquially, 'warming the seat'.

Status symbols like the blazer, the joy of attending the annual conference, and the identity of a club directorship become a risky liability for a club that needs to take calculated risks and broaden the group's competencies and perspectives.

Often, it is these directors that oppose new learning, new styles of leadership, and leaving an inspirational legacy.



¹ Up to 64% of leaders are not satisfied with their board's combination of skills, backgrounds, and experiences. Harbison, A. KPMG Report, 30 June 2016

DIFFERENT PATHWAYS

Here is the first pathway.

While you are reading this book, keep *yourself* in mind for how you will improve.

- How will you learn to become the director that your club needs?
- What will you do differently in your leadership?
- What will be your legacy when it is time to leave?

The second pathway is this.

Board succession isn't about scaring or threatening your fellow directors.

I have seen and experienced board succession planning being used to try and force people to leave, and it does not create a good result. In fact, it can create another set of problems.

If one of your unspoken agendas is to remove an underperforming or disruptive director from the board, then there is another way.



THE CHANGE STARTS WITH ME



To get set for board succession planning, you must first be the change you wish to see in the world. In this case, the world is your boardroom.



Before changing others, we check our personal learning, leadership, and decide what kind of legacy we will leave.

You see, to lift the standard on the board, we must hold ourselves to those standards we want to see in others. Standards in technical competencies and leadership, confidence in applying learning, and the courage to call fellow directors 'out' for poor behaviour.

"I'm perfect!" you exclaim. Great! Then you'll have no problems with these next steps.

When people see the change in you, they are going to want to join in, or get off the bus.

2. WHERE AM I AT?



COMPETENCY MATRIX

Eventually, you're going to ask your board to complete these activities too. Reviewing the competency of current board members will help the board know what hidden firepower they possess and areas that need extra learning.

You can use a simple framework like a list of qualifications and dates achieved. I've also designed this detailed look at competencies a director may possess;

- [Download an example competencies matrix here.](#)

WHAT IS THE DIFFERENCE BETWEEN COMPETENCY AND SKILL?

A competency is a skill plus behaviour plus knowledge.

I can play the piano, sing, and compose music – these are skills I have. I am not competent in piano, but I was competent in singing, and am highly competent at composing. What is the difference?

- I hardly ever practice the piano (behaviour) and I didn't go past 4th grade AMEB (knowledge).
- I practiced singing and performed on stage in lead roles locally (behaviour), although I never took lessons (knowledge) and this probably prevented me from pursuing a successful singing career.
- I practiced composition and wrote many pieces that were performed (behaviour), and I completed a Bachelor of Music and a Masters of Music in Composition at the Sydney Conservatorium (knowledge). Skill, behaviour, and knowledge. Trifecta!

If I don't continue to practice my skills and keep learning from a good teacher, what do you think will happen to my competency over time?



WHO HAS THE BEST LIST OF COMPETENCIES FOR A BOARD TO HAVE?

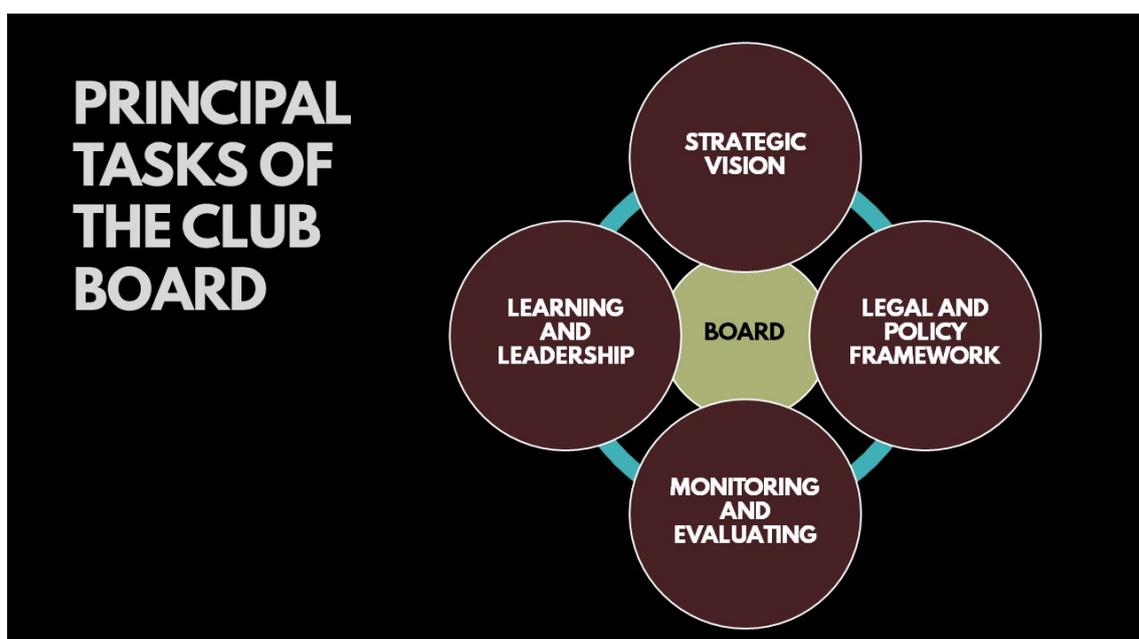
There is no absolute list of competencies which apply to all boards. Each board must review its own special requirements.

There will be some board members who will be fabulous in one competency and struggle in another. Remember, the law doesn't necessarily care about that, so all directors need to be competent in all competencies... and that includes financial literacy.

Directors need to have the skill, practice the skill, and keep learning about the skill.

We need boards where competencies are spread evenly. A board full of accountants will struggle just as much as a board full of marketing people. That's why one of the first questions we answer is, 'What are the highly competent skills we have on the board already?'

I break down the competencies using the four principal tasks of the Board. These are; 1. Strategic vision, 2. Legal and policy framework, 3. Monitoring and evaluating, and 4. Learning and leadership.



Turning Up is not 80% of the Role

Each principal task of the board is as important as each other. It used to be that 80% of a club directorship was 'turning up' to the board meeting and drinks after the board meeting in the bar.

Turning up is now 20% of the role. The other 80% includes improving and applying your competencies, or learning new skills.

Let's briefly review each of these elements.

Strategic Vision

The strategic process includes research, setting vision, values and objectives, strategies to achieve those objectives and determining reporting standards to ensure the CEO is implementing the strategy on behalf of the board.

Legal and Policy Framework

Control of the club is achieved through abiding by the legal framework of the club, which includes appropriate legislation, the constitution, bylaws and board policy, and the recruitment, contracting and governance of the CEO.

Monitoring and Evaluating

Quality reporting provided by the CEO at board meetings allows the board to ensure the effectiveness of strategy and monitor the CEO's performance. This is achieved through judging actual results compared to targets, and making decisions regarding the strategy moving forward. Evaluating board and CEO performance is via an annual review conducted internally or via an external third party.

Learning and Leadership

Prior to and after their election or appointment, board members and the CEO need to commit to ongoing learning and development relevant to their position. Ensuring excellence in leadership and maintaining a positive dynamic in a board role involve learning about behaviour, culture, performance, communication, contribution to strategy development, and decision-making.

Employability Framework

Add to the four principal tasks of the board are competencies which are described in the Employability Framework.

Communication	that contributes to engaged, productive and harmonious relations, negotiates responsibly and represents the views of all members equally
Initiative and enterprise	that contributes to innovative outcomes by developing a strategic, creative, long term vision, generates options and ensures follow-through on strategic actions
Learning	that contributes to ongoing improvement and expansion in company operations and outcomes by managing own learning, participates in group learning and open to new ideas and techniques
Planning and organising	that contributes to long term strategic planning with commitment to the time required, assesses risk and participates in continuous improvement.
Problem solving	that contributes to productive outcomes by demonstrating independence of mind, using financial measures and superior decision-making skills.
Self-management	that contributes to growth by taking responsibility and evaluating own performance, and recognising personal accountability for decisions
Team work	that contributes to productive working relationships and outcomes with committed leadership, and puts forward contrary views in a reasoned and balanced manner
Technology	that contributes to effective execution of tasks including applying IT as a management tool and being willing to learn new IT skills



WHERE DO ATTRIBUTES FIT IN?

Working together

Attributes are quality or feature regarded as a characteristic or inherent part of someone or something. Great boards aspire to work together like this:



You can see that one half of the puzzle is made up of attributes; dynamics and relationships, and integrity and motivation. Dominant attributes are central to a board's *leadership style* and *culture*.

Relationships

It is good to understand the networks of incumbent directors and where new networks may need to be built. For example, you may need a director who has networks into your local council, or a director who has many contacts in the building industry.

What does the Australian Institute of Company Directors think?

The Australian Institute of Company Directors states there are personal qualities that are desirable in all directors:

Integrity	Fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests, acting ethically.
Curiosity and courage	A director must have the curiosity to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary.
Interpersonal skills	A director must work well in a group, listen well, be tactful but able to communicate their point of view frankly.
Genuine interest	In the organisation and its business without attempting to manage.
Instinct	Good business instincts and acumen, ability to get to the crux of the issue quickly.
An active contributor	There is no room on boards today for those who do not contribute.
Time	A director must ensure they have adequate time to devote to the organisation's affairs, and dedicate their time appropriately.

Leadership

What distinguishes exemplary boards is that they are robust, effective social systems with a virtuous cycle of respect, trust, and candour in which one good quality builds on another.

Leadership and how it effects boardroom (and club) culture are critical reviews. Studies show that homogenous boards, that is, boards who have all the directors looking like and thinking the same as each other, exhibit *in-group bias*.

In-group bias can be a barrier for welcoming new perspectives on the board as incumbent directors (and even the members who vote) tend to prefer individuals with characteristics that resemble themselves.

In-group biases also perpetuate prejudices about what constitutes competence and leadership, and what is 'right' per their experience, demographic, upbringing, and personal preferences. Too much of one default trait in a group and you will find

yourselves nodding that you are the best because you feel like you belong. That's groupthink. That's very dangerous.

I have also seen a woman accepted into the group as they have three university degrees. But the men are accepted as they possess a unifying appearance and trait. That's unfair.

Club boards who argue and debate, innovate and take risks are going to have a better chance of being fit for 2020 than boards who believe that their number-one focus is the price of their favourite beverage product.

A leadership review will assist in uncovering in-group bias and put policies in place that will alert the board to groupthink and its inherent risks. Plus, identify the types of leadership you may need to recruit, and prepare the boardroom for diverse perspectives.

Everything DiSC

I approach leadership using the Everything DiSC method from Integro (Keith E. Ayres). Everything DiSC is a personal development assessment that measures an individual's behavioural style.

It's designed to help you understand behaviour in the workplace, understand the behaviour of others and how to use this knowledge in different decision-making situations.

This will assist with identifying people who could become new board members; to ensure they possess the right personal qualities, and the minimum skills required such as financial literacy.

We will combine a director's role and responsibilities, and competencies and attributes into an example position description in Chapter 4.

3. PURPOSE, PACE, PERSPECTIVE, AND CULTURE – CRUSHING THE MYTHS

STRATEGIC PURPOSE

Confusing core purpose with strategic purpose is a real problem for some CEOs and board members.

Merriam-Webster dictionary defines purpose as *the reason something is done or used: the aim or intention of something.*

In mandatory director training, we learn about a club's core purpose. Your club's core purpose is described in your constitutional objects; it was often the original reason the club was granted a liquor licence. Your registered club's core purpose may be returned services league, golf, league, or music.

For many clubs, the core purpose remains a central part of the club's *raison d'être* and may inappropriately take up significant board discussion and decision making.

The club's core purpose needs to be considered strategically in line with the club's ability to continue to raise adequate funds to support the core purpose. While the core purpose is often the first object in the constitution, it does not give leave for the board to put the company into financial jeopardy in the pursuit of the core purpose.

CEOs and directors have informed me challenges arise in similar situations as these:

1. The core purpose is pursued to the detriment of other business areas, such as little or no investment in revenue-generating facilities and maintenance
2. Capital expenditure and maintenance decisions relating to the core purpose significantly depletes equity and may put pressure on future earnings through borrowings
3. The core purpose is intangible (i.e. not a physical asset) and the philosophy behind the core purpose has been 'lost' over the years
4. The core purpose is valued over a comprehensive strategic vision.

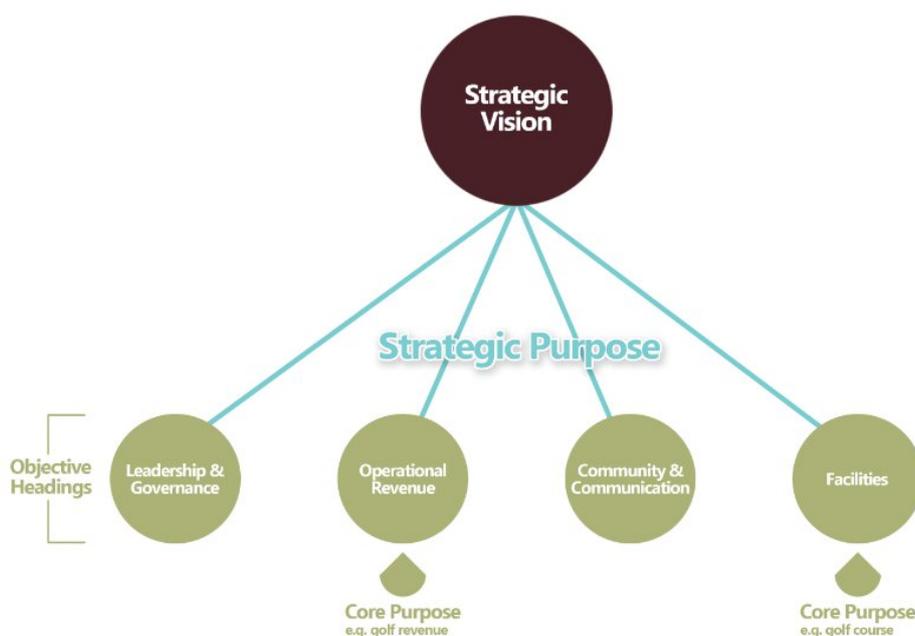
A high-performance board will balance the core purpose within the overall strategy. As part of strategic planning, to achieve the strategic vision the board and CEO agree on the strategic purpose of their actions, including the strategy of the core purpose.

Strategic purpose is defined here as the actions that lead you to your strategic vision.

For example, a bowling club's core purpose may include 'promote the game of lawn bowls'. However, the strategic vision of the club would not only be to promote lawn bowls as, in my experience, most clubs don't make a profit from their bowls operation. To pursue the single vision of promoting lawn bowls could be unwise and possibly place the organisation into financial jeopardy.

The strategic vision is beyond the four walls of the clubhouse, beyond the grass of the playing fields and into the community beyond. The strategic vision may be about connecting to other membership groups, such as social members, and the wider community, or may be about developing assets like land and buildings to generate diverse incomes. The strategic purposes are the intended actions or decisions that lead the club to the strategic vision.

Sometimes it will be something to do with the core purpose. Other times, it won't.



Solving the Challenge

To solve this challenge facing many CEOs and boards, the first questions to ask when undertaking any action or decision, are:

- *What is the strategic purpose of this action or decision?*
- *How is this action or decision helping me/us achieve our strategic vision?*

The answer may be:

- *Fantastic!* - The action or decision helps us achieve our strategic vision by... Therefore, the strategic purpose of this action or decision is...
- *Re-calibrate* - The action or decision does not help us achieve our strategic vision... so what is the strategic purpose of this action or decision... why are we doing it... what should we be doing instead?
- *Get planning* - We have not defined our strategic vision... so we may not have a strategic purpose for doing anything.

Check

- How do we assess the quality of our strategic planning and ensure it is best practice and contemporary?
- Do we view strategic planning and evaluations as part of organisational learning?
- How is the diversity of the community reflected in our vision and values, and, hence, our governance and visible leadership?
- Do we include governance and leadership as a key strategic focus area?
- How do we measure our progress in rolling out our nominations and elections education program (or similar program)?
- How are we resourcing the program through funding and the right expertise?

PACE OF GOVERNANCE (VERSUS THE PACE OF MANAGING)

Getting the pace right at the governance level compared to the business level is a challenge for many CEOs and directors.

The pace of governance is the tortoise while business and day-to-day activities is the hare.

Often, I am faced with a board who wants to 'help' the CEO. The directors believe helping means rolling up their sleeves and helping the CEO manage the operation of the business. Doing work and being busy at the club or in the office feels good, so isn't it the right thing to do? No. It isn't.

The board's role is much slower in pace, and while the CEO needs the board's support, generally they don't need directors' operational 'help'.

Because the manager is busy managing, directors can do a lot more *thinking*. It is this pace that confuses some directors; thinking and decision-making is slower. Research and fact-finding is slower. Learning to view the world from a new perspective is slower.

Governance is the tortoise in a world that celebrates the busy-ness of hares, but the tortoise is the symbol boards ought to embrace. Maintaining a pace as the tortoise is equally valuable as the manager's requirement to make much faster decisions within a strategic backdrop.

The Board meet monthly to make decisions and monitor the results of those decisions. Their key tools are the strategic plan and board policy. The strategic plan is reviewed at least annually to consider key changes in the environment while robust board policy may be rarely altered.

The CEO activates the board's strategic plan and reports of the results of those actions. Their key tools are their business plan, marketing strategy and workforce development strategy. Plans, marketing tactics and the needs of the labour force changes much more rapidly. Responding to change and preparing for change take up much of the CEO's headspace.

This is a key difference between governing and managing. Both governance and management activities move at their own pace by their own route to arrive at the same destination. The destination is the strategic vision of the organisation.

Without the stability of strategy and policy, CEOs response to change could be unsupported, a futile toil on barren ground, or a repetition of old tactics that no longer yield results (e.g. we've always responded in this 'safe' way).

The language of the tortoise - governance language - is different to the language of the hare - management language. If we improve our ability to speak and think in a governance mindset, the better we can appreciate the difference between the role of director and manager.

One key aspect to note, though, is the tortoise does not stand still. The tortoise is forever moving steadily along. Avoid using the analogy of the hare and the tortoise to argue for *not* making decisions or slowing the organisational pace down to barely breathing. The tortoise is not in a coma! It wants to get somewhere.

Further, the tortoise and the hare need to work together, not compete.

Solving the Challenge

What are some activities that directors can do to add value to the organisation?

Example activities that directors can engage in to add value include;

- Scanning the macroeconomic environment to understand changes in the landscape – political, economic, social, and technological – and writing a white paper for the board's information and discussion
- Critically reviewing the board pack and asking the question, what is the strategic purpose of the information I am given, and can I request better
- Analyse historical annual reports from similar organisations and learn the financial narrative of different ratios
- Attending networking events to build relationships and increase the value of the organisation's social capital. Networking is a long game
- Conduct extra research and planning on a difficult yet high-impact strategy
- Learn about risk reporting at the governance level and recommend changes to the board

There are many more tasks I could add to this list. The point is that there is so much more to do at the governance level than carpet, complaints, and raffles (the most common director-distractors in clubs in my experience!).

If you think, “I’m a director and I don’t want to do anything like the stuff in your list!” then I would strongly recommend you consider why you are on a board in the first place.

I’m not being disrespectful, yet, speaking plainly, governance is a thinking-person’s role. You need the desire to think beyond the four walls of your organisation, entertain different scenarios in your considerations and see yourself as part of a dynamic economy.

Learning, implementing strategically, monitoring, and seeing the results takes time.



PERSPECTIVE

Research shows that boards need directors of different ages, capabilities, experiences, and outlooks to remain competitive and minimise risk in decision-making. More than just attracting women to the board, boards should aim for diversity of perspective.

What is perspective? Your perspective is the way you see something – pick up an object and look at it from different angles. As you move the object, your perspective changes.

However, placing diverse perspectives on your board will fail if other governance issues are not addressed. We talk about this further in Part 2: Moment of Truth.

A large body of academic work details evidence that people more readily consider Anglo men to have leadership ability. This produces artificial constraints on the ‘pipeline’ for director (as well as CEO) appointments.

Perspectives at the Management Table

At the management table, there is often a finance manager who sees the organisation’s activities from a financial perspective. The human resources manager may see the same activity from a workforce perspective, while the marketer looks at the activity from a customer’s perspective. CEOs prefer to hire managers with an *experienced* perspective.

Managers’ perspective changes when a new process, supplier or product enters the market. To be a good manager, you are expected to be an expert in your field. That means keeping up with changes and trends and considering impacts changes may have on the club. Managers will go to seminars, read trade magazines and blogs, attend conferences, or complete formal education like a university degree.

Imagine if your marketer refused to broaden their perspective on the contemporary role of digital communication or the human resources manager refused to alter their perspective on hiring older workers and inspiring ‘millennials’.

Perspectives at the Board Table

The perspective that directors bring to the board is meant to be much wider and broader than a manager’s perspective. The sum total of diverse perspectives is to create a ‘table of (competent) wisdom’.

However, many directors confuse their personal experience of life as the only perspective they will need in their board role. They accept the perspective of the CEO, and only challenge through the perspective of their experiential experience.

This is fine if you are well-educated, successful in business, a competent leader and have travelled... and continue to learn about new ideas.

A narrow perspective is where a board member has come to the table with knowledge of the club's core purpose (e.g. bowling or golf), and doesn't offer new perspectives on any other topic. A narrow perspective is celebrating attendance at the University of Life, and avoiding attending any further education. A narrow perspective is reading the daily press and not reading any technical literature on challenging subjects.

A narrow perspective is not knowing your local area; the population shape, changes in housing, economic cycles, commuting patterns and community needs. A narrow perspective is not understanding how your organisation fits within the current and future local market, and as part of a dynamic economy.

How wide or narrow your collective board perspective is today will affect your strategic legacy; that is the story those in the future will tell about your board's achievements... or poor decisions.

Why do we need a board that has a breadth of perspective?

Boards operate at the strategic level. Having multiple views on the possible outcomes of any strategic action makes for a decision-making process that is more likely to consider the various risks, consequences, and implications of possible actions.

Boards need directors that will consider risk from many angles because you don't know where risk is going to arise.

Further, a board, such as a registered club board, needs to take into consideration all its members (not just the voting members or drinking friends). Directors with diverse perspectives can better anticipate and consider the concerns and perspectives of all members.

Solving the Challenge

You can widen your perspective at any age.

As a director, it is crucial as we live in a world where industry barriers are breaking down, global events affect us locally, the effects of technology are accelerating, and risk presents itself in new ways. Perspective is influenced by a combination of three different sets of attributes:

1. **Experiential attributes**, such as functional experience, industry experience, accomplishments, and education
2. **Demographic attributes**, including gender, race, region, and generational cohort
3. **Personal attributes**, including personality, interests, and values.

The concurrent nature of these attributes shapes how each individual approach a situation and responds. As you can see, two out of the three are largely beyond our control. We can, however, influence our experiential perspective.



The research shows that a board composed of directors representing a range of perspectives leads to an environment of **collaborative tension** that is the essence of good governance.

With different perspectives, combined with the opportunity for robust discussion, there are fewer unspoken assumptions, less “we’ve always done it this way” and irrational escalation bias, and a greater likelihood of developing winning strategies.



Perspective in pictures

What others see...



...might not be what you see.



DEFINING OUR UNIQUE CULTURE AND ADAPTING TO NEW PEOPLE

There is nothing fulfilling about being the sole diverse perspective on the board if you are not shown respect for your contribution.

Ask any woman on the board who is constantly asked to represent the 'women's perspective' to a group of eight men (and then usually ignored).

Discuss the board's commitment to diversity and the belief it will improve your organisation's ability to make good decisions. The board's commitment will be reflected in the qualified people who respond to your public relations and member engagement program.

If you hold a successful Free Governance Session described later in this book, one thought you may have as you talked to people was, "Will these people fit in?"

A Governance Culture Check is Two-Fold

The first part is reviewing the way the board meets its governance obligations. For example, the culture of preparing for board meetings, adhering to policy, and meeting compliance, which we will discuss in Part 2 of this book.

The second part can be more difficult. That's reviewing the culture of such things as language used during meetings, dress codes, attitudes to learning and development, and the social environment of the board.

This is the hardest part of successful board succession planning; adjusting your current governance culture to a culture that is fit for the future, and adjusting your behaviours to welcome newcomers.

This is especially so for boards that may have been together for an extended period, or have grown stagnant over time.

A key question is: How may tasks unique to your organisation affect how well 'outsiders' can adapt to your board? For example, having to work on the raffle, clearing machines in the morning, or attending board meetings at 3pm?

Conflict of Interest

We've established that the culture of a club will be influenced by the conduct and actions of the board and individual directors. One area of focus has been to put in place arrangements aimed at having potential conflicts of interest dealt with appropriately, including policies and procedures concerning the identification, declaration, and management of conflicts.

Every decision made by a board must be impartial and in the best interests of the company (club), not the members.

If a decision is likely to benefit a director in some way, or benefit someone close to a director, that director is no longer able to make an impartial decision; he or she has a conflict of interest.

The principles of managing conflicts are clear: if a conflict has been identified, it must be disclosed and from the moment it is disclosed, that director is no longer invited to exercise judgement on how it should be resolved. The other members of the board should then decide the best course of action. The director with the conflict may be excluded from any further discussion or be allowed to be present, but not permitted to vote. The board may also tailor the papers provided so that the conflicted director receives no information on the issue.

Having clear codes around potential conflicts and other conduct and ethical standards sends a message to the organisation and all those who have dealings with it that the board is committed to upholding certain standards, and is transparent about what it believes is appropriate behaviour.

Adapting to Outsiders

While new board members need to be properly inducted, long-tenured directors need to be inducted to new perspectives and the energy new people may bring to governing. To receive immediate impact from your talented new board member, the existing board members benefit from understanding how their language and behaviour will build confidence in the new director. This will increase the speed of realising the overall benefits of your board succession plan.

Read: [Boardroom Culture versus Best Practice](#)

4. ROLE AND RESPONSIBILITIES OF A DIRECTOR - A POSITION DESCRIPTION

Strategic planning

- Participate in the formation and monitoring of strategy
- Participate in and support the annual strategic reviews
- Ensure strategic results are monitored each month in the board meeting as a priority
- Provide advice to the CEO in strategy implementation in board meetings

Legal and Policy Framework

- Act in the interest of the company
- Abide by the Code of Conduct
- Competent applied knowledge of By-Laws and Policy
- Participate in appropriate committees
- Ensure they are effectively inducted and trained in governance
- Ensure they abide by the one voice principle
- Ensure they behave consistently within their moral and legal duties

CEO

- Maintain an effective working relationship with the CEO
- Follow documented grievances policy for any issues with the CEO
- Consult with the Chair to deliver information to the CEO outside board meetings
- Participate and contribute effectively in the annual review of the CEO

Monitor: Board Meetings and Other Meetings

- Directors are required to prepare for board meetings. Board papers are usually provided to each director at least 48 hours before each meeting. Preparation may include reading material circulated, reading the minutes of the previous meeting and consideration of matters to be discussed.
- Directors are required to attend the annual general meeting, general meetings, extra meetings to discuss strategy, committee meetings or to receive specialist training.

- **Decision-making:** Directors are required to make complex decisions in the best interests of the company.
- Directors make decisions at the governance level, not at the management level of business.
- **Confidentiality:** Directors recognise it is essential that information relating to any business and operational aspects of our organisation is treated confidentially. Directors must not;
 - Disclose or offer to supply confidential or private records or information, except when authorised
 - Access or use information, including information on electronic systems and hard copy files, other than for an authorised purpose
 - Keep minutes or any other confidential information relating to board meetings on unsecured portable electronic devices and removable storage media, or hard copies in unsecure locations
 - Destroy or authorise the destruction of organisational records other than in accordance with policy and relevant legislation.

Evaluation: Board

- Participate in and support the annual independent review of individual director's and the Board's performance
- Participate in implementing action points for board and individual director improvements
- Ensure Directors engage in ongoing professional development relevant to their position, and current skills, competencies, and attributes based on evaluations.

Learning and Leadership

- Represent the board at events and meetings in a professional manner
- Participate in induction and mandatory director training, and other training as required
- Increase the awareness of the benefits of diversity on boards
- Commitment to continuous learning and implementing new ideas
- Learning and leadership to leaves an inspirational legacy.

5. QUESTIONS AND TO-DO LIST

- What training have I done or am I planning to do, to challenge & improve myself to ensure I am adding value in my role
- The number one barrier to succession planning may be...
- What would I lose today if I gave up my position?
- How many questions do I ask about the future leadership of the club?
- What's my approach to change?
- Have I been honest with myself about my ongoing capability to add value?
- What will be my legacy?

- Conduct a *competencies* audit – look at the framework example I have provided.
- Commission a board and executive management leadership review
- Take time for a facilitated self-reflection workshop and to create a personal plan for learning
- Ask yourself;
 - Do I know what kind of strategic leadership is needed on my board?
 - Do I have biases as to what the 'right' kind of leadership-look is required on the board?



6. START WITH A NEW DIRECTION

I trust that this discussion on beginning board succession planning with a review of, first, your intentions and outcomes and, second, ensuring you are the change you seek has made you think that it is important to devote a good deal of thought to ensuring your personal readiness. For as you can gather from the information, board succession planning does more than seek something different outside ourselves. It creates confidence in others to follow your example.

By your example and living the standards you seek, the argument for board succession planning lends a feeling of plausibility. It establishes your attitude to the board as a considerate one of wanting the board to strive for high standards in competencies and attributes.

To emphasise the theory behind Personal Readiness;

1. *Link with realistic outcomes.* This may require questioning yourself as to your motive for boards succession. The best motive for board succession is bringing together a group of competent individuals who can make decisions in the best interest of the company.
2. *Start with yourself.* Check your competencies and attributes, your board's competencies, and attributes, and discuss the gaps.
3. *Crush the myths.* Get the right information rather than the mythology.
4. *Review the roles and responsibilities and write it down.* The example position description is a great start in checking the sum-total of your competencies, attributes, crushing the myths, and getting to the actual function of governance.

Be prepared to alter some of your perceptions you have today. Be prepared for push-back from directors who balk at change; your fellow directors who appear to love their title, benefits, and identity as a board member more than they like doing the work.

Now we move into the moment of truth. For boards, the moment of truth is the board meeting. It is where the hard-work defining competencies, attributes, and perfecting the tools of governance come to the fore.

PART 2: THE MOMENT OF TRUTH – IN THE BOARDROOM

7. LEGAL AND POLICY FRAMEWORK

If you are a tradesperson, you'll know what happens when you buy cheap tools, or old tools that are past their use-by-date... or the wrong tool for the job. Or book a poor tradesperson for that matter. We don't end with a good result... In fact, we can put ourselves in danger.

We need to make sure our governance tools are high quality if we are looking to attract quality people to our board.

Every aspect of the four principle tasks of the board effect your governance culture. The moment of truth is bound in the quality of all the sub-components of your four principal tasks. This includes your agenda, the quality of your management reporting, the quality of your board policy, the quality of the discussion, and the quality of the leadership.

To ensure a successful succession plan, your boardroom operations and culture may need to undergo a transformation.

CONSTITUTION

While Commonwealth and State Law hold precedence, nothing is more important in our club as the Constitution.

For many club boards, early discussions into succession planning will begin with reviewing the appropriateness of the constitution, specifically the nominations and election clauses. A constitution review needs to start early as it takes time to deliberate and agree on changes, then comply with the necessary laws to pass resolutions.

You may find yourself reviewing these three key areas, and these may be titled differently on your constitution:

1. Board of Directors
2. Election of the Board
3. Vacancies on the Board

Survey

I put forward a survey of questions for current directors to consider. Some questions include;

- Is the board of a size that is sufficient to enable it to have the necessary competencies (skills, behaviour, and knowledge) for the club, but small enough to enable effective discussion and decision-making?
- Have circumstances changed such that the current size of the board should be reassessed?
- What is an appropriate term length in the club's circumstances? For example, voted annually, biennially, or the triennial rule?
- Are there nomination restrictions, such as minimum membership term, a special class of membership that can only nominate or other, and do these restrictions need to be adjusted?
- Do the classes of positions need to be altered (e.g. do we need a treasurer)?
- Who votes for the chair – the board or the members? Who should vote for the chair?
- Should directors be remunerated?
- Who is retiring from the board and when? Should there be a clause relating to the retirement or removal (e.g. circumstances in which this can occur) of board members?
- What is the size of the quorum for making prompt decisions?
- Does the board have directors capable of assessing both financial and non-financial performance?
- Do we have any constitutional method of dealing with underperforming or obstructive directors?

Special Board Meeting

After current directors have had time to consider the questions, hold a special board meeting and explore some of the responses.

Results and Recommendations

Summarise the key results of the special meeting, then prepare recommendations to be moved and seconded.

Changes

Contact your solicitor to begin to affect the changes. Changes need to be put to members. Therefore, this is done very early in the project. You'll get a good sense of the barriers you may need to navigate over the coming months and the ability to put fact sheets together explaining the changes.

Other important things to check on your constitution

While the above discusses the constitution in the future, for the upcoming election you'll need to follow the rules already prescribed. Key things to note include... but not limited to:

- What date is the Annual General Meeting?
- Is an election held every year, biennially, triennially, or other?
- Will there be an election this year?
- When do nominations for board positions open and close?
- Do people nominate for specific positions?
- How is the order of the ballot paper decided?
- Does a notice of election need to be posted, and if so, when?

How can I help?

Starting a succession conversation benefits from being introduced by a third party, like me. Framing the conversation in best practice, success stories and barriers to success from an expert point of view means that you continue to be seen in a positive manner. Ask me, today, about facilitating your boardroom conversation.



BOARDROOM OPERATIONS

To ensure a successful succession plan and incorporating several different perspectives, your boardroom operations and culture may need to undergo a transformation. I suggest to my clients to evaluate the agenda, board pack, policy, and leadership review conducted by an external party.

Agenda and Board Pack

The board pack is the key source of information for directors prior to a board meeting. The content and quality of board packs are often highlighted as a key area for improvement in board evaluations.

The agenda can show me the board's culture of prioritising. The board pack shows me the general skill level of the board, the quality of the strategy, how financial understanding is valued, and the impact of learning and leadership on decision-making.

The board pack coupled with an interview shows me any barriers the CEO is experiencing, whether it is access to working capital, the need to improve monthly financial reporting, or boardroom issues (e.g. a director who makes life very hard for the CEO).

Policy

It is amazing how many boards do not operate with robust policy. Policy is the rule book to how things are done on your board.

I have written an easy-to-read policy book called 49 Board Policies which we cover extensively in my Applied Director Training. The most well-thumbed policies include:

- Director's Code of Conduct
- Board Meeting Agenda
- Conflict of Interest
- Confidentiality
- CEO Dispute or Grievance Resolution

Integrated Governance Applied Director Training and 49 Board Policies



The Big Five Issues – and see I've added a sixth in the next section



The sixth big issue... Financial Literacy

If you don't know your asset from your income, your gross profit from your net profit, your EBIT% from your operational profitability %... then that's OK, because I've written a book for you!



Called *Improving your Board Financial Reporting*, it's the product of years of research in helping the board and CEO understand what boards should really want to know and a way of structuring the CEO's financial reports to make sense.

One of the biggest problems facing organisations is the standard of financial literacy on boards and in management teams.

A lack of financial literacy is a barrier to business improvement. I'm not talking about accounting knowledge. Rather, I'm referring to understanding what business levers we need to pull achieve our financial goal.

What can we do to improve our board and management team's financial literacy and achieve our financial goals? We improve the way we report our financial performance every month.

Improvement starts with the way we design our strategy, and that's what we consider in the first part of the book. We will connect the strategic plan to the structure of the financial cash flow statement. Part 2 is exploring the questions that the board should want to know, and where to find that information in your financial statements. Part 3 is a suggested template to capture the financial and strategic narrative.

I've read many books on strategy, and designed quite a few strategic plans. Plus, I've studied many financial reports that find their way into the monthly board papers. There are some terrific CEO reports out there, and the book isn't about totally changing what you may be doing today.

We're looking at ways that you can adapt what you're doing now. We're looking at a way to achieve more control over what you're prioritising today, and the financial impact of your actions in the future.

Download the book from my website; www.integratedgovernance.com.au.

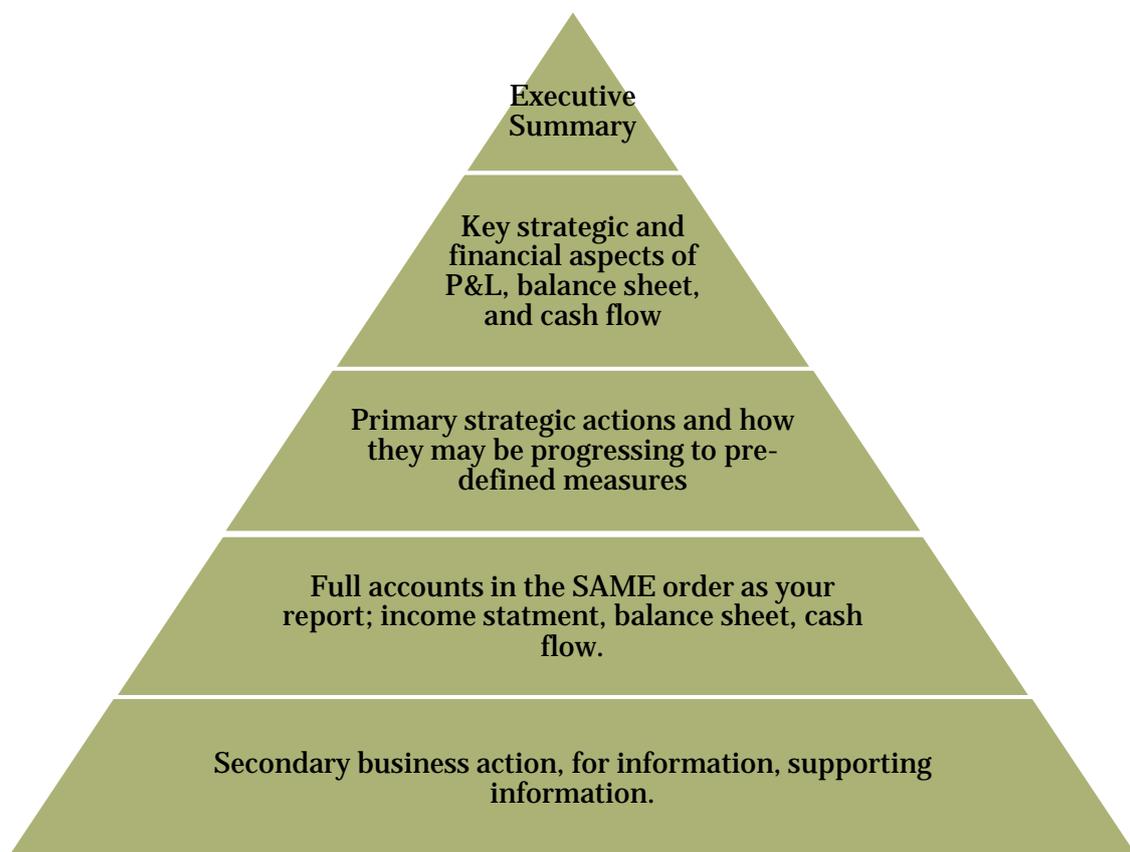
Basic principles of good reporting

Three timeframes;

• Past	Context, and where we are up to in the strategic journey
• Present	What happened this month and is happening now
• Future	What is planned to happen next month or near future

Three rules to structure;

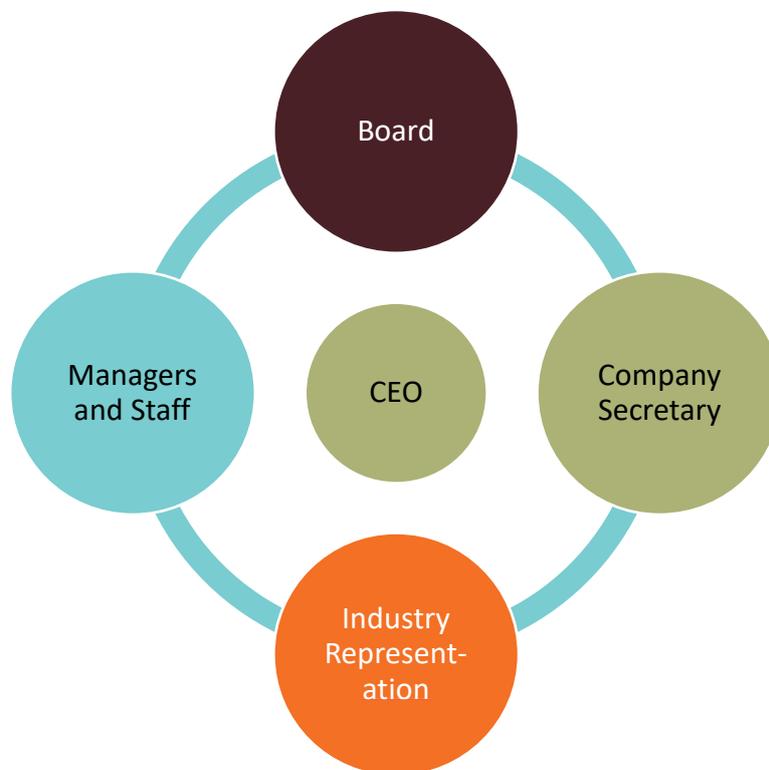
• Less is more	Clear writing and specific results, not information overload
• Top down	Pyramid structure; big picture to detail
• Backward to forwards	Start with the past, then to the present, then the future; or issue, recommendation, then impact



QUALITY OF THE CEO

A CEO is not at the top of the organisational chart. The CEO is in another middle. A CEO reports up to the board (the employers) and down to management. Add to this reporting sideways as a company secretary, and being the 'face' to your industry and the community.

This is the hardest aspect of being a CEO; it is critical to know how to manage people, know your personal leadership style, and understand situational leadership to problem-solve.



A-player CEOs are rare. The registered club industry has some terrifically talented CEOs... and its fair share of not-so-talented managers.

A-players possess the rare combination of drive, intelligence and pride in their work that is beyond the norm. The best of the best are those with the lethal combination of natural talent coupled with the drive to learn new skills and the courage to apply their new-found techniques.

CEO Recruitment

It's what I look for when I recruit CEOs – the A-Player.

By refusing to adopt A-player recruitment practices, you are guaranteeing that you will miss the innovative CEOs and managers. A-players are necessary to deal with an environment that is volatile, uncertain, complex, and ambiguous -VUCA.

Hiring a person with twenty years' experience in the same position does not necessarily mean twenty years of accumulated knowledge. It could just as well mean one year repeated twenty times.

The Integrated Governance Recruitment Process

Strategy

Start with your strategy. If you have no strategy, bring in a consultant to create it or start with the template I've already written. It's far cheaper than the costs associated with termination pay outs, missed opportunities, in-fighting, and slow strategic execution.

Tender Process

At this stage, the Board should select the consultant who will carry responsibility for recruitment. The tender process is a great model for recruitment of a CEO. The central question you need answered is, *Can the applicant deliver your strategy?* Not their previous employers' strategies. Yours.

Application Process

Whether people are invited to apply for a position or the net is cast to the open market, there needs to be quality documentation to respond to. Just like in a building tender, how can Boards and CEOs expect to have quality responses if the information for an applicant to respond is poor?

Here is what we suggest for a quality recruitment document for a CEO position;

- About the Club
- Technical skills required
- Personal attributes required
- Leadership skills required
- Specific challenges of the role

- Selection criteria to which the applicant responds directly
- Other selection criteria which may be used in the decision-making process
- Information on the process including closing date for applications, interview dates and the date a final decision on the position is to be made.

Point 6, Selection criteria to which the applicant responds directly, should be created in such a manner so that responses are received in a format which can be scored numerically.

The applications are in - now what?

Beware the Trickster. This is the character that has presented a perfect response sheet, answers each interview question smoothly and appears too good to be true. To wheedle out the Trickster requires a five-pronged interrogation of the short list.

Selection Criteria and Resume

Just as in a tender process, applications should be assessed by people who are free of any conflict of interest that might undermine the objectivity of the assessment. Applications should be assessed in a consistent fashion against the selection criteria contained in the recruitment documents. If the applicant cannot follow the instructions in the application or demonstrates poor literacy then already there is a problem. Need we say more?

Profile Search

Research your candidates using the good old web and telephone. For example, check to see that the resume matches with what they have said on LinkedIn. Check that their online and verbal reputation stack up against the responses they have given. Perhaps their cover letter reads flawlessly, but a distinct lack of grammatical knowledge is displayed on their profile.

Testing

This is not very popular in Australia, but with hiring the wrong CEO becoming an increasingly expensive mistake, business has turned to testing. Tests could include literacy and numeracy, psychometric (if the budget allows), and cognition.

360 Degree References

If you want a great leader, then ask people what it was to be led by your applicant. That means asking subordinates, peers, same-level colleagues as well as previous employers.

Interviews

Know what your purpose is before the interview. Pace your interviews so that only your top three choices are sent to testing. If those three flops, then recheck your interview technique! And start again. Don't select second best. Select a star performer!



QUALITY OF THE CHAIR

This is the policy from Integrated Governance's *49 Board Policies (2017 edition)*. It gives a very good idea what your Chair should be aspiring to achieve. It's the reason constitutions should be changed so the board nominates the Chair, not hold a 'popularity contest'.

Boardroom Leadership

Our board recognises that our chairperson strongly influences the behaviour of directors and boardroom culture. Our chairperson leads by example and ensures our boardroom culture is respectful and inclusive, and they ensure constructive relations between the board and the CEO.

Our board meetings are managed by our chairperson in a manner designed to encourage diversity of opinion, ensuring that all directors are given an opportunity to contribute to discussion and decision making.

Our chairperson is bound by our board's policies and decisions and thus has no authority to alter, amend, or ignore these. Except where stated otherwise, our board has not delegated to the chairperson the right to independent decision making.

Role and Responsibilities

Our chairperson's role and responsibilities include:

- Representing the board
- Abiding by our Code of Conduct and ensuring other directors do the same
- Setting the agenda and ensuring board members receive timely and clear information
- Managing board meetings
- Liaising with the CEO and managing an effective working relationship
- Support of the strategic planning process
- Board member development and encouragement
- Induction and training for newly-elected directors
- Performance assessment and evaluation
- Increasing the awareness of the benefits of diversity on boards.

Characteristics of a Competent Chair

- Upholds the vision and values of the organisation
- Listens and communicates well, encourages all to participate and is willing to listen to ways in which meetings can be improved
- Impartial and flexible
- Achieves the aims of the meeting
- Summarises fairly and succinctly
- Exerts authority and positive leadership when necessary
- Gains consensus and avoids undue conflict
- Ensures follow-through on actions identified.

Specific Activities of the Chair

Board Policy

- Ensuring that the Board behaves consistently within their moral and legal duties according to legislative, constitutional, industrial and administrative requirements and effectively coordinating strategic planning, policy formation and monitoring of the CEO's results (including compliance)
- Ensuring that they personally abide by the organisation's Code of Conduct and providing leadership to Directors
- Ensuring that the Board abides by the one voice principle and disciplining Directors who breach this principle
- Ensuring newly-elected Board members are effectively inducted and trained in governance according to Board Policy.

Board Meetings

- Ensuring Board Meetings are governed and chaired competently, ethically, transparently, and according to *Board Policy* including;
 - The establishment of the agenda and timely distribution of Board Papers to Board members
 - Ensuring discussion content is on those issues that, according to *Board Policy*, clearly belong to the Board to decide or monitor
 - Ensuring that information that is neither for monitoring performance nor for Board decisions will be avoided or minimised and noted as such

- Ensuring that deliberation is fair, open and thorough but also timely, orderly and kept to the point
- Ensuring that third party input is appropriate for the expertise and experience of Board members.

Strategic Planning

- Ensuring Board effectiveness in realising its strategic imperatives through the formation of and adherence to Board Policy and monitoring results
- Ensuring that third party input is appropriate for the expertise and experience of Board members and in realising the organisation's strategic plan.

Appraising Performance

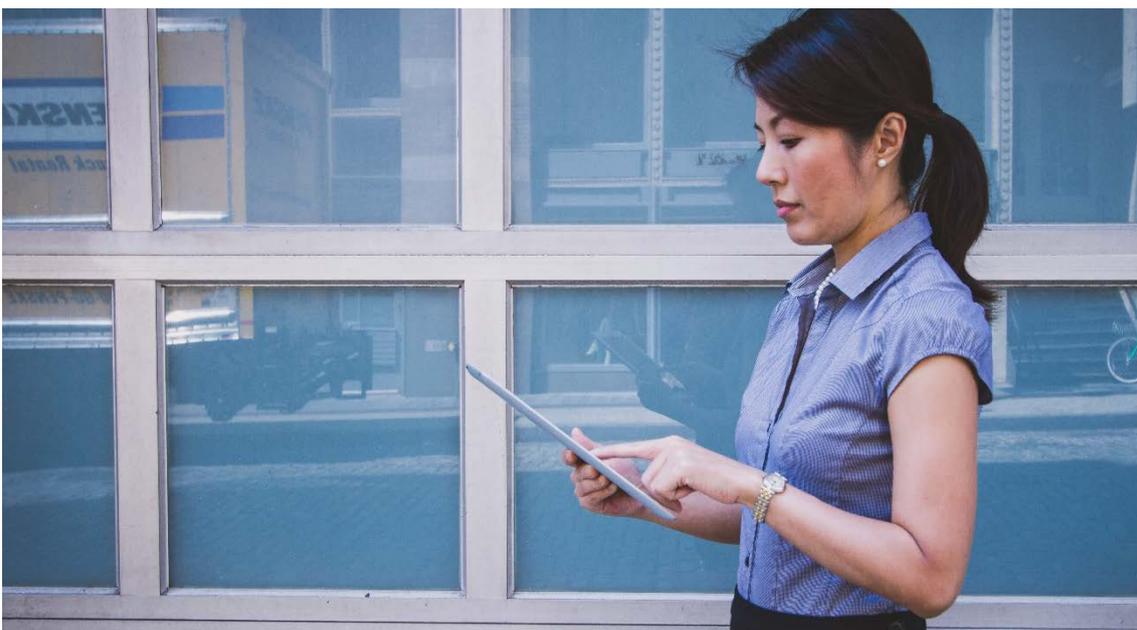
- Leading the review of the Board's performance and the review of the CEO's performance according to Board Policy.

Professional Development

- Ensuring Directors engage in ongoing professional development relevant to their position and Board Policy.

Representation

- Represent the Board to outside parties in announcing Board-stated positions (this function may be delegated but accountability remains with the Chair).



8. QUESTIONS AND TO-DO LIST

- Review the constitution and any limitations or barriers for new people nominating
- Commission an evaluation of the agenda, board pack, policy
- How do your findings identify improvements required in strategy, policy, and management reporting?
- Hold a CEO evaluation

Quick Governance Check and Action

- Do I have a position description for my board role?
- Have I checked the constitutional requirements for nominating for a board position?
- Do I need to recommend changes to the club's constitution?
- Am I on the right sized board? (...too big or too small)
- Have I participated in a board evaluation?
- Have I made changes to the way I govern because of a board evaluation?
- Do I have a book of the club's board policy... and have I read it?



9. STRATEGY

Strategy is critical for success.

A recent report from the Australian Institute of Company Directors (AICD) found that, although most directors recognise the importance of strategy, many reported that they focused too much on short-term or operational issues.

Research has shown that many club boards struggle to engage during the research phase and maintain a strategic focus throughout the year. In addition, maintaining a focus on, not only financial results, but which financial results are important to your club and why they are important (hint... it's not just about EBITDA).

It makes perfect sense as to why we need to review the strategy to understand the type of leaders we need on the board, whether it is a competency, attribute, or leadership style.

FOUR PILLARS OF PLANNING

I use quite a few models when approaching strategic planning. The first is the Four Pillars of Planning.



LINK WITH FINANCIAL REPORTING

Strategic goals that link to cash flow, operational, financing, and investing, which assist the board in understanding the implications of decision making and setting measurable performance indicators.



LINK WITH KEY ACTION OBJECTIVES

Sitting underneath each cash flow area, the plan is delivered through four key objectives; Leadership and Governance, Operational Profitability, Community and Communication, and Facilities and Investment.

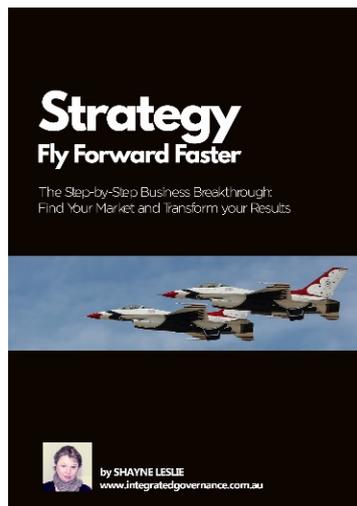


RESEARCH THROUGH THE FOUR QUADRANTS OF FOCUS

As part of the preparation for Strategic Planning and Applied Director Training, we apply the Four Quadrants of Focus. There are several depths we can investigate, depending on your systems' ability to provide reports and the board and CEO insight.



I've written several e-books describing my method which you can download at www.integratedgovernance.com.au.



Strategic Review Matrix

Download this [strategic review matrix](#).

10. A NEW STANDARD OF TRUTH

I trust that this discussion on reviewing the activities of the boardroom has made you think that it is important to devote a good deal of thought to ensuring your boardroom is a safe, lawful, and innovative space. For as you can gather from the information, new board members won't engage to their full ability or stay for long board if they are made to feel they don't belong, or other directors behave unethically.

A new standard of truth will go a long way to ensure your boardroom is a safe, lawful, and innovative space.

To emphasise the theory behind The Moment of Truth;

1. *Constitutional update.* This may require a survey, a discussion with your solicitor, and the creation of fact sheets for members.
2. *Evaluation of boardroom operations.* Have an independent party, like Integrated Governance, review your agenda and board pack, policy, and leadership. Have Integrated Governance check your group's in-bias risks.
3. *Review the qualities of the Chair.* The person who leads your club will make or break your club, and it isn't any higher than the Chair.

Be prepared to alter some of your boardroom habits. Again, be prepared for push-back from directors who balk at change; you may even get push-back from CEOs who have grown comfortable with the current arrangements.

Now we move into board recruitment in action. For boards, board recruitment in action is the activities you undertake to get the message out to members and the public that you're ready to diversify.

PART 3: BOARD RECRUITMENT IN ACTION

11. PUBLIC RELATIONS AND MEMBER ENGAGEMENT

We've talked about you... learning, leadership and longing to leave and inspirational legacy. We've talked about being an example to inspire the board. We've talked about your moment of truth in the boardroom, your governance culture, and creating a new, better standard of truth.

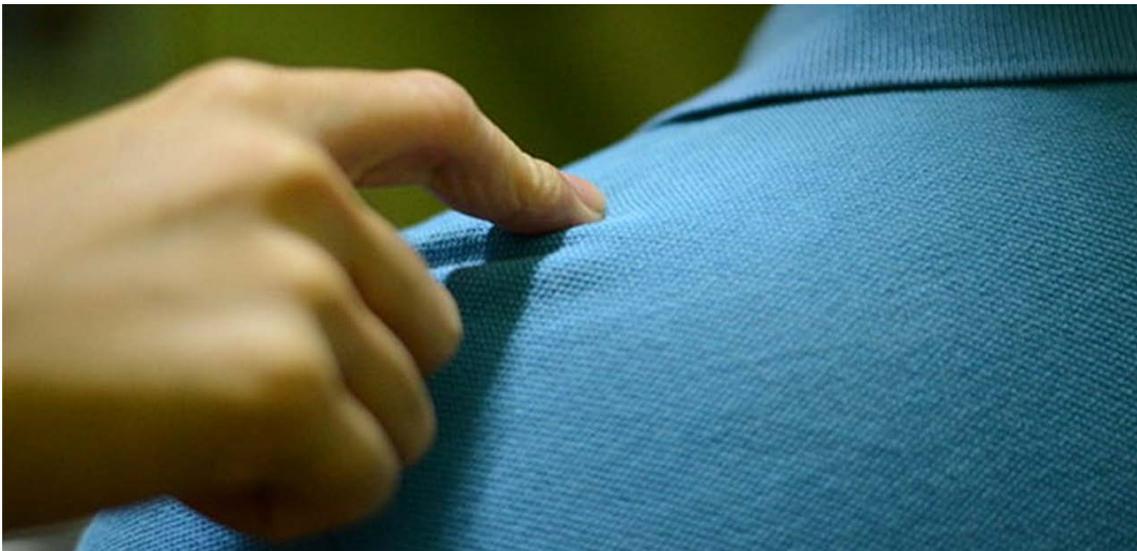
We now have a much better chance of increasing the pool of candidates who have a desire to join your board. Now we talk about *engagement*.

THE MATHEMATICAL REALITY

A board succession program targets a small group of members in its first year. If your current board is of a culture and standard that is attractive only to white males between aged over 60, then that fraction shrinks even further. It's a long program, which is why you need to start today.

INCREASING THE POOL OF CANDIDATES

You are competing for a **rare resource**. In Part 1 and 2 of this book, we discussed ways to increase the pool of candidates who have a *desire* to join your board. In a membership organisation, the aim is to increase the percentage of members who believe that the board is a place where their contribution would be valued and respected.



BOARD RECRUITMENT IN ACTION

Tapping on shoulders

For the first few years of your board succession program, there will be lots of tapping on shoulders and pitching to individual people. When pitching for potential board members, the evaluation process undertaken Part 1 and 2 should provide the guidelines to the ideal competencies and leadership style of your targets.

Always remember that you may not necessarily need someone who is 'just like you'. Your board may need someone quite different to promote diversity and difference.

A suitable place to start tapping on the shoulder is with people who are already involved in boards or committees. Many clubs have a ready-to-go list of organisations to which they donate either money or meeting rooms. Start networking here. Offer a free governance education program with an information night built in and solicit potential board members.



Encouragement for Women to Apply

Generally, females are more likely to apply for board positions when encouraged and supported in the process. If the board has historically been male dominated, then actively seek appropriate women to apply for directorships.

Provide opportunities for women to band together, such as a special presentation. Consider holding an exclusive information evening for women on boards (aspiring or current)?



Generation X and Y

It is also important to note that Generation X (born roughly between 1963-1980) are more likely to be looking for fulfilling roles that add value to their careers. They want technology, e-driven communications and decision making, flexibility and strategic focus.

Many Gen-X and some Gen-Y (born between 1981-1994) are looking for volunteering that builds their resume and opens networking opportunities.

Communication strategy

Communication should break down barriers of understanding. For example, did you know that many members believe the board of directors of a registered club either get paid very well or share in the profits on the club? This perception comes from corporate directors who DO get paid or share in the profits.

Over the year, your education program may be communicated in small monthly topics. For example;

- Regular news on strategic outcomes to build interest
- Profile skills and backgrounds of ‘avatar’ members who embody your ideal so your ideal people can ‘see’ themselves on your board
- Ask the question of your members with a well-designed advertising strategy; “Have you considered joining our board?”

Make your resources easily available including details on director training, required time commitment, networking opportunities and a basic skills test (especially numeracy).

Recruitment Methods

Consider a range of advertising methods to attract a wide range of candidates, such as advertising on director search websites. Work with your marketing manager or agent to create compelling in-house marketing collateral and a digital campaign.



12. RECRUITING EVENTS

SHOW YOUR FAITH

Show your confidence in the proposed recruitment events and demonstrate to members that you are willing to trust these interested people to join your board. If a preferred successor or successors are selected, ensure everyone knows how excited you are for them to take a part in developing the club. Let them be accepted for their own learning and leadership style.



EVENT 1 | GOVERNANCE TRAINING SESSION

When looking to build some interest in your board succession plan, open the doors to community representatives, members, and other local people to receive free professional governance training, care of your organisation.

Establish who in your membership or community may possess the attributes and skills you're looking for. Reach out with a letter inviting them to learn valuable information that will enhance their career. Build their confidence to nominate.

It's important to note that the free governance session needs to be real training, not just a sales pitch for your organisation. It's worth engaging a professional trainer, like me, to do a high-impact 3-hour session that leaves participants with useful knowledge.

Integrated Governance's High Impact 3-Hour Governance Training Program

1. Welcome and introduction
2. Legal framework
3. Role of the board
4. Role of the director
5. Importance of strategy
6. Basics of financial literacy
7. Monitoring and boardroom operations

After the educational event, prepare a list of candidates to continue building the relationship. Look for qualifications and knowledge, communication skills, and diversity in gender and age to reflect your strategic requirements. Meet with the ideal candidates, and begin an exciting mutually-beneficial conversation.



EVENT 2 | NETWORKING SESSION

Design a networking event where directors and the CEO can move around the room and get to know people. Invite people from different cultural backgrounds and ages. Invite a fantastic key speaker who will educate and entertain the guests.

Integrated Governance's High Impact 2-Hour Free Networking Session

Organise canapes and beverages

1. Guests mingle with name cards and a get-to-know-you activity
2. Formal welcome and introduce CEO and directors
3. Another get-to-know-you and talk-to-people activity
4. Feature speaker - someone professional and comedic (and not the president!)
5. Informal mingling and exchanging of cards
6. Fill in further interest forms or similar

As with the Free Governance Session, after the event, prepare a list of candidates to continue the conversation. Look for qualifications and knowledge, communication skills, and diversity in gender and age to reflect your strategic requirements. Meet with the ideal candidates, and begin an exciting mutually-beneficial conversation. You might like to follow up with another free governance session with interested candidates.



13. CONSIDERING YOUNGER PEOPLE AND PEOPLE DIFFERENT TO YOU

FIVE REASONS YOU MIGHT CONSIDER A YOUNG PERSON

1. Perspective and Energy

Young people can bring a new injection of energy or views to a meeting. They often ask questions that can invigorate a debate and stimulate discussion. They bring a new perspective, and may raise suggestions not considered by other members of the board.

2. Future Leadership

Young people are the future custodians of the community and participation on your board will help them with the skills for this role. Experience with complex decision-making, as well as the confidence to contribute, means they can take their place as community leaders sooner.

3. Teach Them Skills

Young people can gain many skills from being involved with decision-making and governance. Exposing young people to this process will provide them with a sense of ownership, responsibility, and commitment to their decisions.

4. Teach You Skills

Don't underestimate young people's skills. Working life is very different, and many have started non-profits and fundraising, worked in start-ups, or otherwise been exposed to skills a non-profit director needs, at a much younger age than in past generations.

5. Keep up-to-date

Having young people on board means that your governance processes will have to undertake a revision, which is great news for stagnant boards. For example, if you're still communicating by conference calls and paper documents, you need a tech upgrade with video conferencing, SMS and emails. Plus, they'll want a good pace of meeting, and discuss strategy, not correspondence.

FIVE THINGS YOU NEED TO DO TO GET READY FOR YOUNG PEOPLE (OR ANYONE WHO IS DIFFERENT TO YOU)

1. Remove the blinkers

Embrace the diversity of young people. Having a blinkered approach to the 'type' of young person you wish to engage will limit your board's ability to connect with the broader youth community about the issues important to them. Your new member could potentially represent people from different cultural or socio-economic backgrounds or may come with green hair, facial piercings, or tattoos.

2. Expand traditional board meeting times

If you're looking to recruit younger members it's important to consider the possibility their time commitments are different than the average, older board member. For example, if you are looking to recruit younger members, you must keep in mind that they may have young families and jobs with demanding time frames.

If your board meeting has always been the first Wednesday of the month at 5 PM, you might need to consider changing that to a different day or time to accommodate the lifestyle needs of your younger board members.

3. Bring young people on in pairs

If your board doesn't have any young people now, and especially if your average director is aged 50 or above, have more than one young person on your board at once. They will feel more comfortable, and you'll get a better sense of the range of skills young people can offer.

Like you, they want to be on your board to serve, not fill a quota. Like recruiting any director, you need to ask yourself what skills your youthful candidates are bringing to your board and which of will serve you best.

4. Update the agenda and board room operations

Young people will have a keen sense of 'best practice' and standards. If they don't know, they'll look it up. I can help your board prepare for that.

5. Learn how to listen and talk with young people

I get that young people may seem strange, but so do you to them. They truly are the most educated and connected generations who are living through a technological revolution, not the industrial revolution. However, you have stories and insights to share as well.



Officer Cadet Satbir Singh Kahlon



Lieutenant Kate Munari in Afghanistan



Ali Muhamad



Captain Chloe Dray, of Norforce, is a descendant of the Gungurri people of Western Queensland and is a third-generation servicewoman

14. NOMINATIONS AND ELECTIONS MANAGEMENT

WHEN TO START GETTING SUPER EXCITED

You have looked in the mirror and got your board ready through personal readiness, established your competency and leadership matrix, and solved some of the challenges with purpose, pace, and perspective.

You've reviewed your moment of truths in the boardroom, checking the constitution, policy framework, strategy, and evaluated the quality of the Chair and CEO.

You have held some fabulous events with free governance training and governance networking. You've been genuinely surprised how you've enjoyed meeting people from different backgrounds and can see how they would add value to your club board.

Now, it's time to prepare the nominations pack and manage the election.

NOMINATIONS PACK

The great news is I already have a Nominations Pack written ready for your club's information. Nominations Pack provides the following documents to assist potential candidates understand the role of the board and directors. It includes:

- Role of the Board of Directors
- Position Description | Role of a Director
- Description of the Strategic Plan
- Directors Code of Conduct (from Integrated Governance's *49 Board Policies*)
- Learning and Development expectations
- Nomination Form for Directorship
- Board Curriculum Vitae template
- Statutory Declaration

The contents image following illustrates a book I wrote for a club in 2016.

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INFORMATION AND TRAINING EVENING

To ensure all candidates understand their roles and responsibilities as well as the expectations of a director of your club, an information evening is held. Again, I have this already prepared for your club. Topics covered include:

- Principal tasks of the club board
- Legal framework of clubs
- What is the “authority of the board”?
- Decision making and ‘one voice’
- What is the director’s role?
- What are the key things I should know about duties of a director and Code of Conduct?
- What is CEO’s role?
- Level of decision making
- What you need to understand about financial governance



**MUNMORAH
BOWLO**

**BE A PART OF YOUR
CLUB'S VIBRANT GROWTH**
Become a Club Director

GOVERNANCE BASICS & INFORMATION NIGHT

Applying for a Directorship | 2pm or 5pm Tuesday 12 July

Covered

- Role of the Board
- Duties of a Director
- Nomination Process
- Board Education
- Company Structure
- Strategic Plan

Download

Applying for a Directorship guide
at www.munmorahbowling.com.au

Presented by

Integrated Governance



Candidate Profile

A Candidate Profile, which is addition to the official nomination form, ensures members understand the skills, leadership and impact of the people who have nominated are the right people to govern and lead the Club. Information is provided by the candidate, and formatted to include:

- From the candidate's Board Curriculum Vitae; Summary, Board and Executive Career and Education (formal learning only)
- Profiles will be displayed throughout the voting period in the same order as the candidates on the ballot paper.
- Candidate photos can be displayed

See the example on the following page.



EXAMPLE CANDIDATE PROFILE



Candidate Profile | 2018 Biennial Election of the Board of Directors

CANDIDATE DETAILS

SURNAME LESLIE GIVEN NAME(S) SHAYNE
 POSITION NOMINATING FOR ORDINARY DIRECTOR

In support of my candidature:

<p>Summary: Expert in governance frameworks including ASX and sports, contemporary strategy formation and director training. Accomplished marketing and communication professional, particularly in digital and disruptive technologies as well as membership organisations across the hospitality, tourism, university, corporate and government sectors. Skilled in orientating operationally-focused boards to strategic thinking through improved policy, research-based planning, education and networking. Participated on high-level government advisory councils including Service Skills Australia and IPART (for director training).</p>	
<p>Core Skills Areas of Specialty:</p> <ul style="list-style-type: none"> • Strategic planning and change leadership • Club governance and policy • Marketing and digital technologies 	
<p>Education:</p> <p>2011-2015 Masters of Music (Composition), Conservatorium of Music, Sydney University 2010 DiSC Leadership Facilitator Accreditation 2009 – 2010 Graduate Diploma in Vocational Education and Training including Certificate IV in Training and Assessment, Charles Sturt University 2000 – 2007 Bachelor of Business (Business Management & Psychology), Charles Sturt University 1992– 1995 Bachelor of Music (Composition), Conservatorium of Music, Sydney University Responsible Service of Alcohol Certificate and Responsible Conduct of Gaming Certificate</p>	
<p>Previous directorships and/or executive career:</p> <ul style="list-style-type: none"> • 2011 – current: Principal Consultant, Integrated Governance to boards and CEOs in clubs and not-for-profits including organisations with \$30mill+ revenue and 30,000 members • 2007 – 2011: Membership (Learning and Development) Manager, ClubsNSW including manager of Club Directors Institute with \$2.5mill budget responsibility and 4,000 members 	

15. NEW PROFESSIONALISM IN PUBLIC RELATIONS

I trust that this discussion on board recruitment in action has made you think that it is important to devote a good deal of planning to ensuring your recruitment yields the appropriate people to nominate for your board. For as you can gather from the information, people won't engage if they don't know about your offers, the marketing does not resonate with them, or the information is incomplete and does not build confidence.

To emphasise the theory behind Board Recruitment in Action;

1. *Build your list.* This may require tapping on shoulders, reaching out with a well-planned communication strategy to members on your database who you believe would be interested in adding to their career, and holding successful and engaging events.
2. *Be open to working with younger people and people different to you.* Having a blinkered approach to the 'type' of person you wish to engage will limit your board's ability to connect with the broader community.
3. *Produce a professional and complete nominations pack.* Integrated Governance have a template ready for your club's information.

Be prepared to alter some of your networking habits. Instead of talking to your regular group of friends, be ready to expand your conversation and show faith in the process.

After the board recruitment process and elections, we may have some new directors. It is time to make sure that the dream you have sold matches the reality.

PART 4: ONBOARDING

16. INDUCTIONS AND ONGOING DEVELOPMENT

PUTTING OUT THE WELCOME MAT

A director's liabilities begin the day they are appointed. The induction process provides newly appointed directors with information about the company, its operations, governance systems, their duties and responsibilities in relationship to the club and all other details necessary to enable the director to perform their role.

You have sold your candidates the dream. Now that they are a director, it is time to match the dream with reality. Effective and robust on-boarding processes serve many different purposes including:

- Making directors feel engaged and motivated
- Clarifying expectations
- Accelerating director effectiveness and productivity
- Ensuring learning and development plans are appropriate.

When on-boarding is haphazard or non-existent there is a chance that directors will be less engaged and more likely to leave after their tenure. When you have spent all this time, effort, and money getting a talented director onto your board, you want them to stay for at least two 3-year terms.

To ensure a maximum return on investment and a high performing director, your club must approach on-boarding of new directors in a manner that positively supports their productivity and potential, and ensures they are adequately resourced and trained.

While some of this is covered in the Information and Training Evening, the on-boarding should reinforce the following:

- Clearly communicate the club's strategic vision, culture, values, and purpose
- Provide insight into what to expect during their tenure, and the difference between the role of the manager (who is the busy day-to-day person) and a director (who is not)
- Provide an opportunity to interact with other directors and the CEO
- A tour of the club, and where a director can and cannot access
- Provide new directors with an information kit, which details role expectations, director benefits, learning and development plans, and access to resources.

TRAINING NEW DIRECTORS

Long on-boarding programs have the best success rate so directors are resourced and knowledgeable enough to be able to do the job. Shorter on-boarding programs often make it more difficult to build the capability, knowledge, and confidence to contribute.

When the Chair has a clear understanding of the new director's strengths, weaknesses, preferences, and interests they are far better placed to adjust their leadership style. The Chair can effectively engage with the new director helping to build confidence and ensuring the new director's voice is heard.

Research about what motivates directors concludes that it is the challenge of the job they are doing, and being able to contribute to strategic decision-making.

Minimum requirements

Under the Registered Clubs Amendment (Training) Regulation 2013, minimum club director training requirements is the completion of online training.

From here, *Applied Director Training* through Integrated Governance is highly recommended. The mandatory aspects of the Directors Training are covered as well as a critical investigation into your club's membership and strategic planning status.



The Confident Director – now it's time to make 2018 your best year yet!

2-day Intensive | Applied Director Training



THE CONFIDENT DIRECTOR

MAKE 2017 YOUR BEST BOARD YEAR YET



Eleven key topics delivered over two days at your venue.

ONE. <i>Governing and Managing</i>	FOUR. <i>Strategic Planning</i>	SEVEN. <i>Financial Governance</i>	NINE. <i>Board and CEO Succession</i>
TWO. <i>Role of a Director, Role of the Board</i>	FIVE. <i>Board Meetings Best Practice</i>	EIGHT. <i>Analysing your Annual Report</i>	TEN. <i>Board and CEO Evaluations</i>
THREE. <i>Role of the CEO</i>	SIX. <i>Making Good Decisions</i>	Three NEW TOPICS.	ELEVEN. <i>Recruiting a CEO</i>

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1300 76 22 38 shayne@integratedgovernance.com.au

DIRECTOR INDUCTION PROGRAM | EXAMPLE

Prior to the Induction Meeting

The new director is provided with a copy of the following documents to peruse before their first meeting:

- Confidentiality notice
- Company structure
- Previous Annual Report
- Constitution, by-laws, and policies
- Code of conduct
- Guideline for Operation of Board Meetings
- Most recent annual report and half-year report
- Recent set of Board Papers and Minutes
- Current strategic plan
- Governance calendar
- Board contact list
- Organisational structure and names of senior management team.

Induction Meeting

The induction meeting is to review the information provided, discuss cultural aspects of the board, and get a working knowledge of the staff and facilities. This meeting may extend over several days.

Governance Level

- The club, board, and individual director
 - Ethics, values, culture and history of the club and the Board
 - Confidentiality
 - Conflict of interest policy and procedure
 - Role and responsibilities of the board and CEO
 - Process of communicating with the CEO outside board meetings
 - Workload, time, and commitment
 - Schedule any training or other information required
 - Board committees and what responsibilities have been delegated
 - Key relationships (e.g. council, community bodies, liquor accord, etc.)
- Other significant bodies, such as local council, organisations the club's supports, liquor accord, Club Directors Institute, and so forth.

Strategy

- Strategy, and an overview of the current matters before the board
- Expectations at strategic meetings
- Strategic Planning Process

Governance Calendar

- Performance evaluation of the Board
- Budgets
- Key dates (e.g. strategic planning, policy review, scheduled group training)

Board Procedures

- Circulation of documents prior to meetings
- Where meetings are held and frequency of board meetings
- Representation of a type of member not prohibited
- Communication via email
- Holiday commitments

Board Meeting

- Agenda for next meeting, and how to nominate a topic for the agenda
- Go through previous meeting's minutes, executive summary, financial papers, and strategic reports
- Expectation that directors will read the papers
- Language used on the board is inclusive and safe; zero tolerance for racism, sexism, prejudice, or other forms of discrimination
- How decisions are made
- Preparation and participation expectations
- Optional dinner afterwards

Financial Information

- Remuneration, honorariums, and bank details
- What expenses can be reclaimed and the procedure
- Insurances in place, including any directors' and officers' liability insurance

Business Level

- Executive Management organisational chart
- Committee organisational chart and how it relates to management
- Difference between a management decision and a board (strategic) decision
- Professional advisers and how they work with the board
- Key policies and procedures: e.g. health and safety, environmental management, disaster recovery (may use established WHS induction program).

Operational Level

- Tour of the premises, any issues and plans for development
- Current Operational Plans and Objectives
- Key operational staff, roles, and responsibilities
- Current Policies in Place
- Reiterate operational expectations (e.g. reporting any WHS issues to the manager) and limitations (can't instruct staff, RSA)
- Issue of any company phone number and email address
- Parking, uniform, and other director benefits.



17. ON-BOARD AND READY TO FLY

I trust that this discussion on induction has made you think that it is important to devote a good deal of time and effort to ensuring your new director is engaged and productive from their first day. For as you can gather from the information, new board members won't engage to their full ability if they are not confident.

To emphasise the theory behind Inductions and Ongoing Development;

1. *Induction Process.* Review the example provided and make sure your new director has the information and a great feeling for the role.
2. *Training new directors.* Get high-quality training with the whole board to make certain the group is cohesive. Don't let your new director flounder with the bare basics.

The induction is a great mini-evaluation for your board as well. Be prepared to alter some of your boardroom habits based on some of your findings.

Now we move into a suggested 12-month fitness program. This is where everything we've discussed in this book is summarised into a timeline.

PART 5: YOUR 2020 FITNESS PROGRAM

18. TWELVE MONTHS TO BOARD FITNESS

Month	Topic
1	Timeline and roadmap
2	Constitution review and discussion
3	Competencies and leadership matrix
4	Book a professional Returning Officer
5	Strategic plan presentation
6	Hold your event - Free governance training session
7	Boardroom culture check
8	Board committee review
9	Hold your event - Governance networking event
10	Review board position descriptions
11	Nominations pack and elections management
12	Induct, inform, and review

MONTH 1: TIMELINE AND ROADMAP

First it is decided who will be the main contact at the club; the CEO or Chair. We create a timeline working backwards from when your club or organisation's nominations close for board elections. We add in the important dates, such as when you need to put up the notice of election, voting times and the Annual General Meeting.

Other key dates include review due-dates for the constitution, assessment of and completion of the competencies and leadership matrix, strategic review and re-engineering into the Integrated Governance framework if necessary, or creating the plan from first-principles, marketing activities and event dates, and all the other aspects we need to consider over the next 12 to 18 months.

By the end of the month, we have a road map for achieving our board succession plan. We can mark out decisions that may be more difficult than others and will probably take more time, such as discussing the constitution and culture checks.

To do:

- Book Integrated Governance and conduct a planning session for key dates
- Decide who will be the main contact for the club

MONTH 2: CONSTITUTION REVIEW AND DISCUSSION

We start the constitution review in month 2 knowing it will take longer than 4 weeks to gain consensus as well as ensure legal protocol is followed. Consider forming a sub-committee that will perform the review of your current document.

Contact your club solicitor in the first instance to get expert advice on the process you should follow. Your current constitution will detail the process required to amend or change the constitution. This generally requires approval by a large percentage of your membership at the Annual General Meeting (AGM) or a Special General Meeting (SGM).

Your constitution should outline the requirements for a SGM, including how far ahead of the meeting to notify members of the meeting. By selecting a date for the meeting at which the membership is expected to ratify the constitutional changes you can set out some timelines back from that date and add these into the roadmap we began in the previous month.

Consultation with members, answering questions, and explaining the need for change, will take time. Allow sufficient time for this phase as it is likely to make the acceptance of and transition to the new constitution a smoother process. Members usually respond more favourably to changes if they are informed and involved in the process of change, and may minimise opposition to the changes.

You may want to consider the following member engagement process:

1. Inform the membership of your intention to undertake constitutional review and give indicative timelines and milestones
2. Prepare and distribute information rationalising the reasons for change
3. Set milestones for the project and report to members regularly on progress
4. Be open to answering questions; to ensure everyone is giving the same answer, we will write a 'key messages and responses' script and a 'frequently asked questions' document
5. Make the draft document available for reading either through email, your website, copies at certain places or even provide copies to each member
6. Encourage members to vote

There are several questions for consideration by the board in the first instance, as we discussed in Chapter 7;

- Is our constitution modern – that is, been reviewed in the previous 3 years?
- Are our objects clear?
- Is the board of a size that is sufficient to enable it to have the necessary knowledge, skills, and experience for the organisation, but small enough to enable effective discussion and decision-making?
- Have circumstances changed such that the current size of the board should be reassessed?
- What is an appropriate term length in the organisation's circumstances? For example, voted annually, biannually or the triennial rule?
- Are there nomination restrictions, such as minimum membership term, a special class of membership that can only nominate or other, and do these restrictions need to be adjusted?
- Do the classes of positions need to be altered (e.g. do we need a treasurer)?
- Who votes for the chair – the board or the members?
- Should directors be remunerated?
- Who is retiring from the board and when? Should there be a clause relating to the retirement or removal (e.g. circumstances in which this can occur) of board members?
- What is the size of the quorum for making prompt decisions?
- Does the board have directors capable of assessing both financial and non-financial performance?
- Do we have any constitutional method of dealing with underperforming or obstructive directors?
- Is there any other constitutional matter our club solicitor is advising us to address?

To do:

- Book a meeting with your club solicitor
- Decide on AGM or SGM
- Create a constitutional committee
- Discuss the suggested member engagement process and board survey questions

MONTH 3: COMPETENCIES AND LEADERSHIP MATRIX

Reviewing the competencies and leadership of current board members will help the organisation know who, specifically, to seek.

This can be an in-depth electronic survey (e.g. DiSC Leadership) or a framework like the one we discussed in Chapter 2. This will assist with selecting new board members; to ensure they possess the right personal qualities, and the minimum skills required, such as financial literacy.

It is also good to understand the networks of incumbent directors and where new networks may need to be built. For example, you may need a director who has networks into your local council, or a director who has many contacts in the building industry.

To do:

- Conduct the competency reviews with Integrated Governance
- Incumbent directors complete the online DiSC leadership review
- Integrated Governance analyse results

MONTH 4: BOOK A PROFESSIONAL RETURNING OFFICER

We offer Returning Officer services at Integrated Governance. Since many clubs have AGMs at similar times, it is good to book in early.

I have some horror stories of boards who have tried to skimp on running a professional election. Because of poor practices and confusion, it cost these boards extra time, effort, and money with a range of problems after the election, including having to run the whole thing again.

Integrated Governance have a professional set-up with ballot box, voting booth, and secure tagging system. Check out Nick at The Beach Club, and you can see the Candidate Profiles as well.



Nick Chettle, Returning Officer for Integrated Governance

Following on from month 3, this month is a good opportunity to show the results of the competencies and leadership matrix to the board.

To do:

- Book Returning Officer – 1300 76 22 38
- Show results of competencies and leadership matrix

MONTH 5: STRATEGIC PLAN PRESENTATION

After the results of the competencies and leadership matrix have been understood and discussed by board members, it's time to review the competencies needed into the future based on the club's strategy.

If your board hasn't designed documented a robust strategy, this is the month where the strategy is presented to your board (since we would have booked it during Month 1 into our roadmap). Your strategy will go a long way into determining any specific competencies needed.

For example, a club looking to expand into new sectors, for example acquiring a social enterprise, may want someone with experience in mergers and acquisitions. Another club looking to move into property development may need extra financial literacy power on the board and someone with a keen understanding of how joint ventures and development partnerships work.

While remembering a highly-detailed knowledge of the club's business is not a requirement at the outset, strong conceptual thinking competencies are important.

Other competencies sought may include; strategic expertise and/or specific industry knowledge, accounting and finance, legal and managing risk, marketing and digital disruption, and managing people and achieving change.

It's also good to think about appointing independent people to your committees if they don't have the time to commit to a full board role (and a great way to 'on-board' interested people for future positions). Talk to your club solicitor about appointing directors under the Registered Clubs Act.

To do:

- Hold the strategic planning presentation session or retreat
- Factor findings into competencies and leadership matrix

MONTH 6: HOLD YOUR FREE GOVERNANCE TRAINING SESSION

It's time to open the doors to community representatives, members, and other local people to receive free professional governance training, care of your club.

Many people who are interested in a board position are already working in similar positions within the community; for example, the organisations to which you provide donations. Further, establish who in the membership has the attributes and skills you're looking for, and we'll reach out with a letter inviting them to learn valuable information that will enhance their career. Build their confidence to nominate by offering free training.

We'll make sure we talk about the strategic direction of the club to whet the attendees' appetite for your board.

After the educational event, we prepare a list of candidates to engage further. We look for qualifications and knowledge, communication skills, and diversity in gender and age to reflect the members.

We determine who on the board will meet with the candidates, how they will record the meeting and report back to the board.

To do:

- Hold the training session with Shayne - 3 to 4 hours a session
- Ensure incumbent directors participate and engage with attendees

MONTH 7: BOARD CULTURE CHECK

The culture check is reviewing the way the board meets its governance obligations. For example, the culture of preparing for board meetings, language used during meetings, dress codes, attitudes to learning and development, running the raffle, and the social environment of the board.

Some questions to explore include:

- Do board meetings keep to schedule, starting and finishing on time?
- Are meeting agendas sufficiently focused?
- Is enough time provided for reading of materials prior to each meeting and for board discussion?
- Are comments invited by the chair from all board members?
- Is respect and collegiality maintained throughout and between all board meetings?
- Is there zero tolerance of racism, sexism, and other forms of discrimination?
- Where there is disagreement on issues, how is this resolved?
- Does the board evaluate and review the performance of its board members?
- What is the board's attitude to continuing professional development needs?
- What steps does the board take to promote a cohesive board team?
- How does the board plan its annual calendar of events and training sessions?
- Are there appropriate policies and procedures in place to enable effective oversight and management of risks?
- How might tasks unique to your board affect how well 'outsiders' can adapt?
- What is the culture of prioritisation
- What may the business need to keep, or do differently?
- How does historical financial understanding inform future considerations?
- What part of the business is being ignored that has more upside potential?

To do:

- This is one of the more difficult conversations that the board may have for, what is ordinary to many incumbent directors, might be quite unappealing to outsiders. But it is also one of the most important ones. Save the date.

MONTH 8: BOARD COMMITTEE REVIEW

This month, we review what may be the appropriate number and type of board committees based on your size, complexity of operations, the club's constitution, and regulatory requirements.

Common board committees include, but are not limited to;

- Nominations and Elections
- Remuneration
- Audit and Risk
- Investment and Building
- Sports or Special Purpose

We check that existing board committees have clear terms of reference or charter and there is a process by which the chair of each board committee reports back to the full board.

To do:

- Evaluate the committees and committee membership
- Finalise the terms of reference and charters for committees
- Incorporate into Board Policy book

MONTH 9: HOLD YOUR FREE GOVERNANCE NETWORKING NIGHT

Once again, this is where you open the doors to community representatives, interested members, and other local people.

Create a networking event where directors and the CEO can move around the room and get to know people. By now, you'll have a great idea on how to be aware of cultural differences (e.g. the way younger people or people different to you talk and think), and how to talk-up your strategy and constitutional review.

Invite diverse people from cultural backgrounds and different ages. Invite a fantastic key speaker who will educate and entertain the guests. Laughter is a great barrier-crusher.

After the event, we once again prepare a list of candidates to talk further engage. We'll make sure it is a list of well qualified people and this may be followed up with another free governance session with key people.

To do:

- Book the champagne and canapes, it's time to get social!
- Ensure your speaker can tell a humorous story, and is right for your target market

MONTH 10: REVIEW BOARD POSITION DESCRIPTIONS

Each director position should have a position description; the president, vice-president, treasurer, ordinary director, and any other constitutional positions you may have. This month we review or begin to write these.

Have a look at the example position description in Chapter 4.

To do:

- Review or write position descriptions
- Include in your Board Policy book

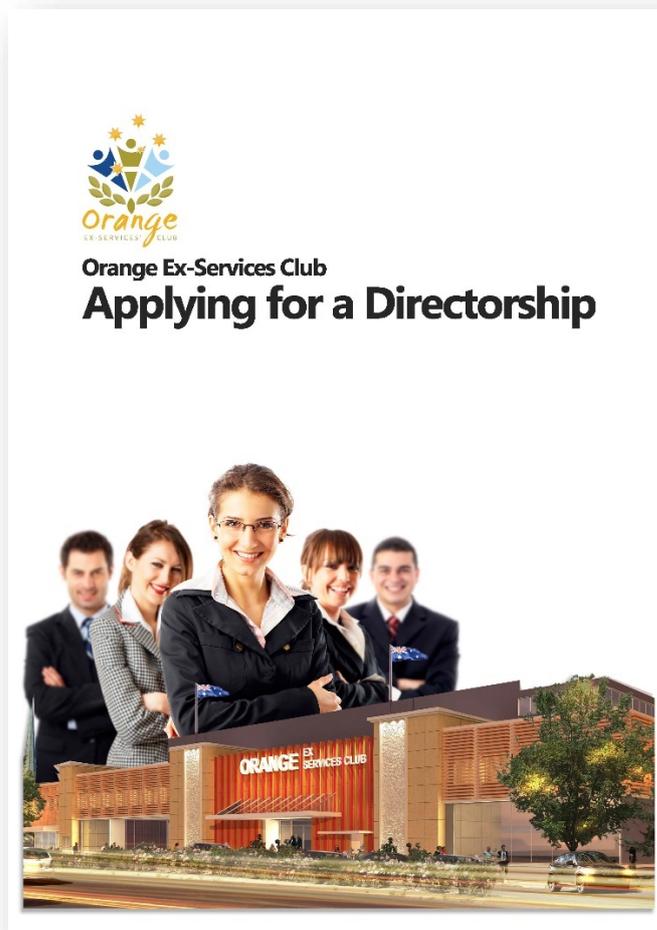
MONTH 11: NOMINATIONS PACK AND ELECTIONS MANAGEMENT

In time for your elections, the nominations pack for candidates is ready. We produce this as a downloadable document complete with an in-house poster for you to print and any digital artwork.

Hold your information evening and proceed with the elections in a professional manner.

To do:

- Finalise the nominations pack
- Print and make available on the website and at reception
- Email your interested people from your events
- Let your members know nominations are open, and then voting is open



MONTH 12: INDUCT, INFORM, AND REVIEW

Once the elections are over, it is time to induct all new directors and hold board training. In-house board training will get the best results rather than let new directors try and absorb any basic online training in one hit.

Let members know the result of the election via a media release.

If any of your nominees who came through your succession planning process were not voted onto the board, organise a time to sit and chat with them to maintain their interest. Keep up the communication in case there is a sudden vacancy. Solicit their feedback on the board succession planning process.

After rolling out the program, and after elections are held, hold a discussion on what worked, what didn't and what to do differently next time. Any stage that wasn't completed to your satisfaction, revisit and improve.

To do:

- Hold your Applied Director Training session with Integrated Governance
- Media release on election outcomes
- Talk to unsuccessful nominees and solicit feedback on the process
- Review the board succession planning process and improve for next time

19. COMMON PITFALLS TO BOARD SUCCESSION

According to research, and what I have seen, these are the common pitfalls to board succession;

- Placing too little emphasis on developing the current board, and hoping to attract required skill sets rather than individuals taking responsibility to continually learn
- Not adequately planning for and considering the time required to create a new program and for the current board to approve changes (especially where incumbent board members may feel threatened)
- Letting the program run out of steam, especially where achieving buy-in is challenging
- Poor standard of governance tools, such as a poor strategic plan, poor reporting (especially strategic and financial reports), no board policy, and a poor understanding of the club's legal framework
- Confidentiality and conflict of interest issues
- Failing to consider the culture of the existing board and how new perspectives will fit in
- Trying to 'save' costs by not engaging in professional nominations and elections management
- No or poor induction
- Not having a fabulous marketing and media strategy
- Too many committees
- Thinking that board succession planning is about someone else, and not about 'me'
- Individual directors valuing their benefits over their value to the board and club

MEET SHAYNE LESLIE



Shayne is an expert in governance frameworks including ASX and sports governance, contemporary strategy formation and director training. She is an accomplished marketing and communication professional, particularly in digital and disruptive technologies as well as membership organisations across the hospitality, tourism, university, corporate and government sectors. She has participated on high-level government advisory councils including Service Skills Australia and IPART (for director training).

Shayne's passion is orientating operationally-focused boards to strategic thinking through improved policy, research-based planning, education, and networking. She is a strategic, forward-thinking, and generous leader with superior problem-solving skills that ensure short term objectives and process are delivered to high standards.

With an academic background, Shayne is focused and productive, and unafraid to challenge the status quo; presenting new ideas and ensuring their execution to a high standard. Shayne is a confident presenter and highly competent with technology.

Shayne was involved in Clubs NSW's submission into IPART's 2007 Review of the Registered Clubs Industry in relation to director and manager training. After consulting experts and writing content for the Certificate IV in Governance course for ClubsNSW, she created an online learning version to increase its accessibility to directors and CEOs in country NSW. The program was so successful, the NSW Government legislated, through the Registered Clubs Amendment (Training) Regulation 2013, that the online course is the minimum educational requirement for directors of a registered club.

Integrated Governance was founded in 2011. Shayne's governance and strategy work has been specific to membership-based not-for-profit organisations working directly with Boards and CEOs. As part of her work, she wrote a new and practically-focused Mandatory Director Training course successfully delivering this to hundreds of directors.

The breadth of Shayne's knowledge is demonstrated through writing tirelessly on the topic since 2007. Supported by a Post-Graduate Diploma of Vocational Education and Learning, Shayne's writing possesses an educational focus seeking to enrich the practice of directorship and build the capability of her readers.

Presenting at an executive level and offering flexible and broad services has led to a deep and thorough understanding of contemporary governance, strategy, and marketing processes in the digital age. It has also given her the opportunity to witness the capability of the teams that need to deliver governance practice; their strengths, limitations, and barriers.

Thank you!

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