

Johannesburg
27 May 2019

BOARDS THAT PLAY THE INFINITE GAME

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Visionary leaders do not underestimate the power of the Corporate Governance Framework® in driving organisational culture. These leaders appreciate the importance of a governance framework in nurturing sustainability by driving values-based decision-making to “play the long game”.

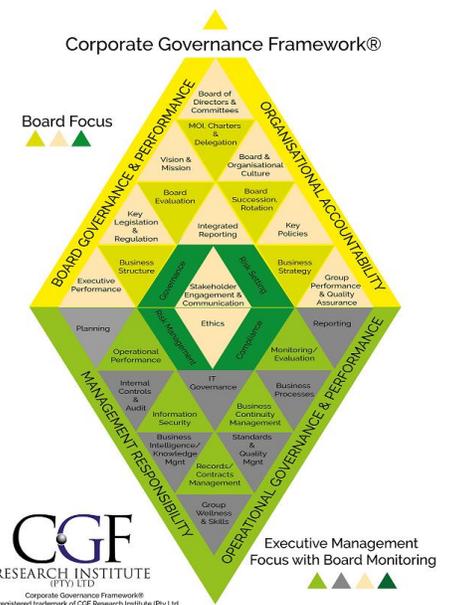
Vision

To build a sustainable business, true leaders instil a sense of purpose in the organisation. This purpose (or vision) usually underpins the organisation’s values and answers the question: *why are we in business?* Inspirational in nature, the vision sets out the desired change which the organisation aims to achieve over the long term: it is the beacon which guides goal setting and implementation. Used correctly, the Corporate Governance Framework® can help leaders ensure that organisational decision-making is aligned with the corporate vision, especially in a business world where stakeholders and their demands are constantly evolving.

Ethics

Some organisations adopt a Corporate Governance Framework® to tick the proverbial governance box. However, the real value lies in using the framework to create an environment of trust where employees are empowered and feel safe enough to use their discretion to make decisions which they believe are in the best interest of the organisation.

Ethics lies at the heart of the Corporate Governance Framework®. As such, the framework helps business leaders (management and the board) assess whether a rules-based mentality permeates the organisation or whether a culture of accountability and “speaking up” has been inculcated. Experienced leaders know that it is foolish to merely rely on rules alone to govern the organisation as it is simply impossible to establish rules to cater for every eventuality. Ensuring that the words *and* actions of middle management and senior executives support the leadership and ethical tone set by the board is preferable and proven to be more effective in building a sustainable organisation.



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Strategy

Through its scorecard, the Corporate Governance Framework® fosters transparency and can be a useful tool in building brand loyalty. Although the framework requires each critical element of the business to be regularly evaluated, rather than just focussing on the absolute assessment ratings, the organisation's leadership should also review and interpret the assessment trends being reported over time. These trends can produce deeper insights into the effectiveness of governance improvement programmes as well as internal and external stakeholder behaviour and attitudes.

Analysing benchmarks (even if these are internally established) can inform the board on the extent to which the organisation's decisions and actions are underpinning its strategic objectives. A well thought through, easy to use governance dashboard can help the board to immediately prioritise resource allocation and emphasise those areas of business which require a stronger focus.

Innovation

The business playing fields are being seismically impacted by the Fourth Industrial Revolution ('4IR'). Against this backdrop, it is important for the organisation's leaders to embed an appropriate risk and change management culture which reflects the organisation's values and drives balanced growth.

Leveraging innovation to drive resilience has become a key differentiator in the evolving game of business. However, innovation need not be limited to new technology. The Corporate Governance Framework® can act as a catalyst to identify and critically review the suitability (and if necessary, the agility) of systems, processes and business models with a view to developing and adopting novel or unorthodox approaches to improving efficiencies and effectiveness.

Talent management

Whilst the 4IR has increased the demand for "digital talent", few organisations are able to simply hire the talent they want and need, or to wait for enough graduates to be available. At this time, it is critical for leaders to leverage the outcomes of their governance framework to identify future workforce skills and experience requirements, monitor the effective performance of management and ensure that appropriate development, coaching and mentoring programmes are put in place to build a suitable workforce over time.

In this rapidly evolving and turbulent business world, achieving long-lasting success is becoming increasingly difficult. Implementing a Corporate Governance Framework® which creates value and does not simply add bureaucracy, has become a critical business imperative. Stakeholders are becoming more vocal about their demands and are quick to publicly criticise attitudes and behaviours which are contrary to their expectations – often

resulting in businesses (or their leaders) being side-lined or ultimately failing. The organisation must, therefore, have a clear view of its strategic and operational governance position which clearly separates the board's accountability from management's responsibility. Armed with this information, the board and its senior executives are empowered to exploit the organisation's competitive advantages and drive overall sustainability.

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