



Governance: To infinity and beyond

26 November 2020
COMSURE 2020

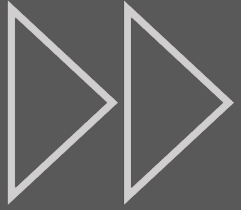
Perrin Carey

.our journey



governance.
humanising.
modelling.
measuring.

.a thought to start

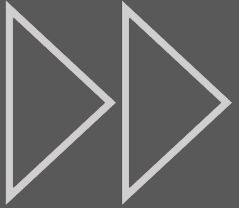


“to move things forward,
to make progress towards better,

we need to be open to imagine what the truth might be.”

Pauline Boss, Ph.D^[1].

.to infinity



Toy Story

A tale of culture,
of fear, of leadership

A lesson about
contribution,
collaboration and
emotional intelligence

.our first survey

In one or two words,
what is governance
for you?

.our second survey

what is the most common
reason, in your view,
for governance failings
around the World?

Policy failure
Control failure

Procedure failure
Human failure

.governance



it's troublesome.
definitions are long-winded.
it's become codified.

it's been dehumanised.

it's become another problem
rather than the solution.



.governance



good governance
is not an outcome of itself.

it is forged deep inside organisations.

it has an almost primitive connection
with both culture^[2] and purpose^[3].

.governance



governance is perhaps,
simply the answer to this question.

.governance



"how well are both your organisation,
and the people within your organisation,
'being steered'?"



and how well are they 'steering'?"

.our third survey

in one or two words,
what is an organisation
for you?

.humanising



organisations are just a bunch of human beings.

a collection, centred around a common purpose.

purpose creates a sense of belonging^[4].

Belonging...

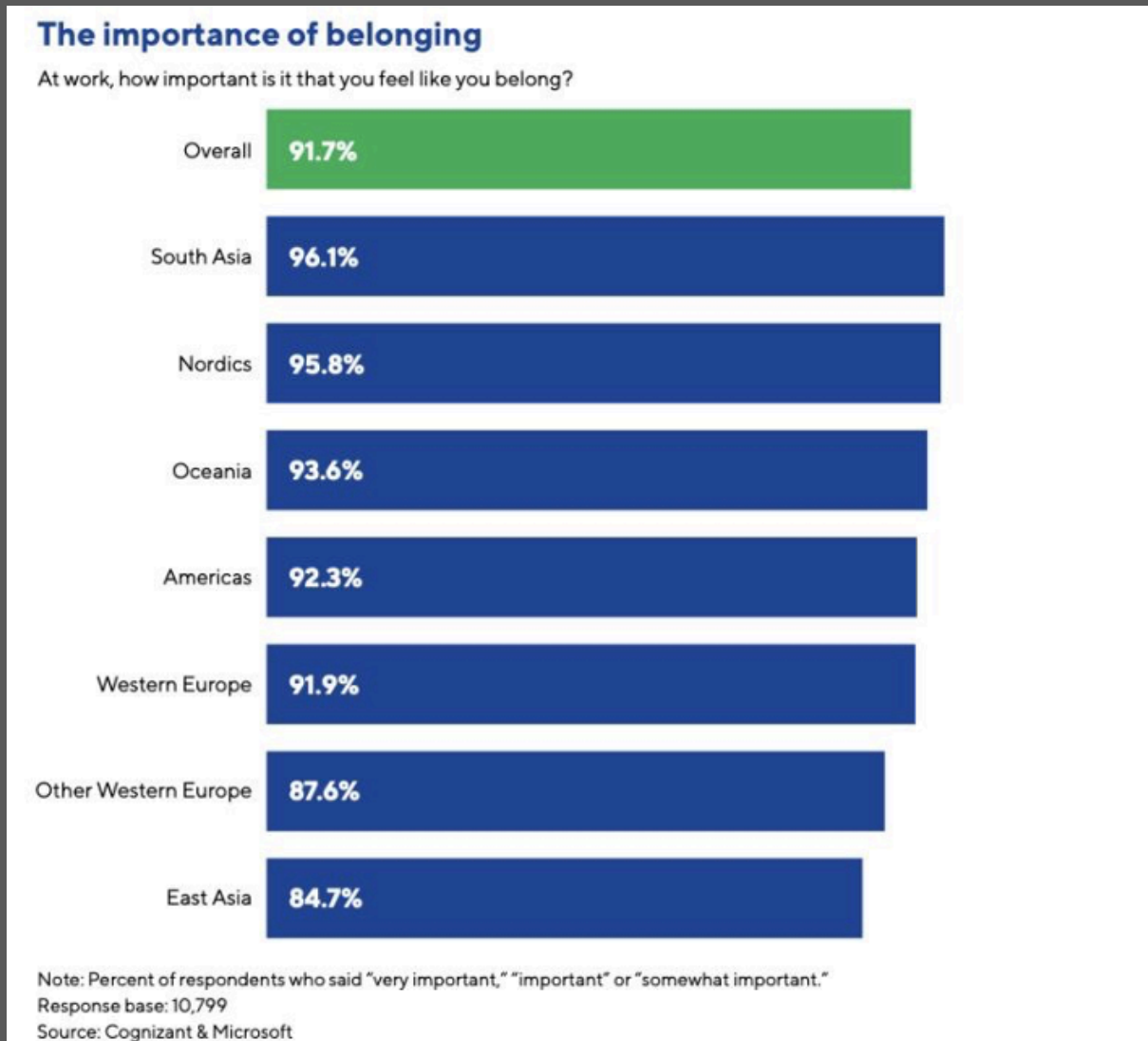
.humanising



belonging is now at the bottom
of Maslow's Hierarchy^[5].



.the importance of Belonging



92% said

"It was important to feel like you are appreciated for who you are and what you can contribute."

.the importance of Belonging



Brené Brown said

“belonging doesn’t require us to
change who we are,

It requires us to be who we are”



.humanising



high belonging is linked to

56% increase in job performance

50% drop in turnover risk

75% reduction in sick days^[6].

belonging is good for business.

.humanising



high belonging is linked to

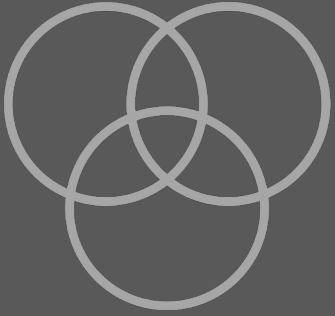
56% increase in job performance

50% drop in turnover risk

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belonging is good for business.

.modelling

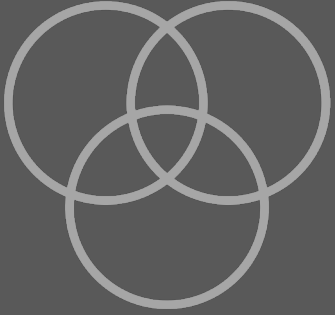


there are many models of governance.
there are many theories.

agency theory^[7].
stewardship theory^[8].
stakeholder theory^[9].

whilst important, they lack pragmatism, and
the challenges within decision-making.

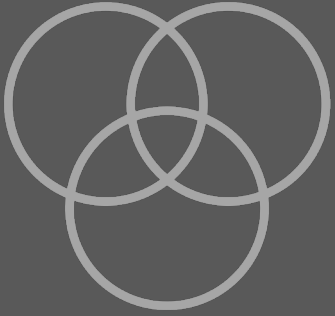
.modelling



the research in social sciences,
evolutionary psychology,
neuroscience and behavioural science,

they all say,

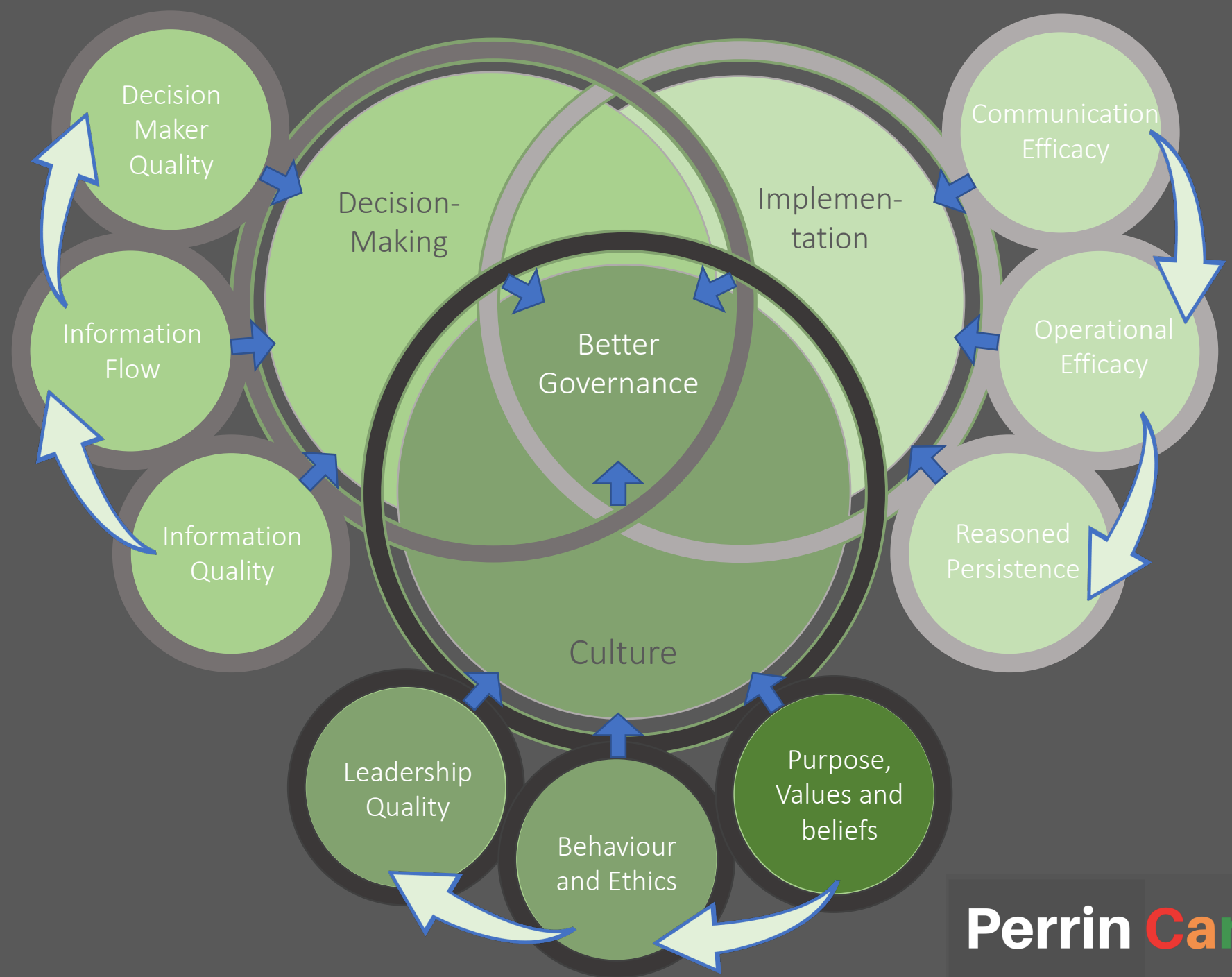
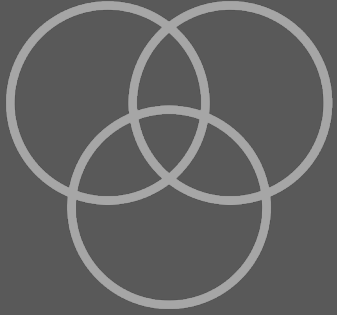
.modelling



“You cannot disconnect decision-making from the cultural, behavioural and evolutionary needs of human beings.”



.modelling



Gov indicia™

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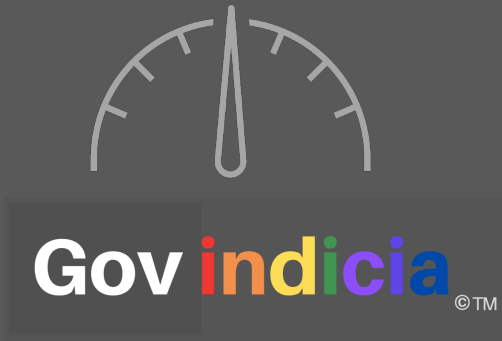
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.our fourth survey

How do you measure
your governance?

External Audit
Internal Monitoring
Board Evaluation
Other

.measuring



most attempts to measure the quality of corporate governance focus on compliance related issues.

researchers^{[10][11]} are clear,

“These measures do not pay sufficient attention to the quality of information, decision-making processes, nor link the effectiveness of governance to output measures.”

.measuring



Gov **indicia**™

GOVIndicia™

produces outcomes for each of the elements.
provides a quantitative view governance within your
organisation.

a view driven by the people within your organisation.

How well are you steering and being steered?

.measuring

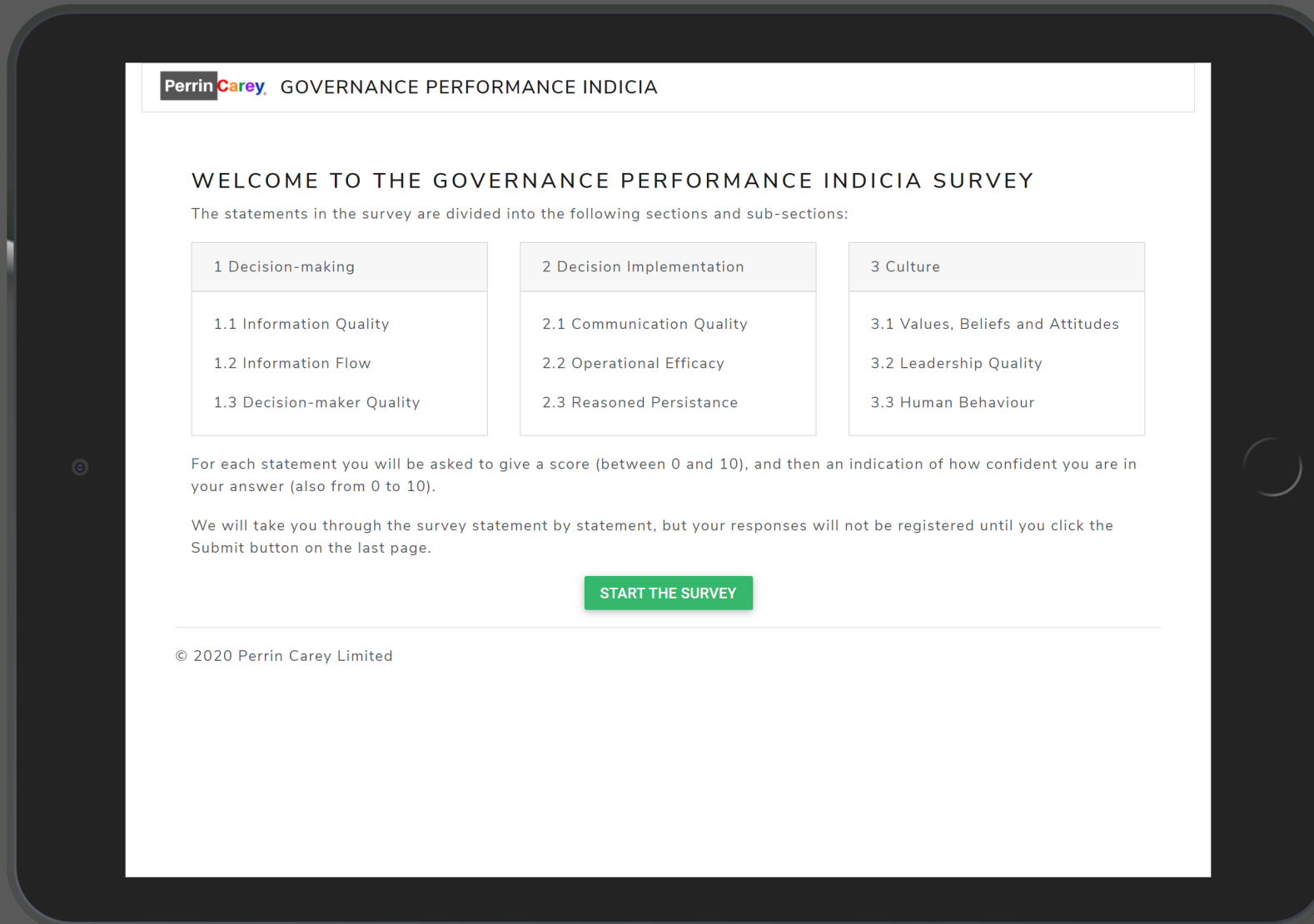


Gov **indicia**™

GOVIndicia™

there are 36 statements.
sliding scale response.
confidence rating.
internally validated.

.measuring



.measuring

PerrinCarey GOVERNANCE PERFORMANCE INDICIA

1 DECISION-MAKING

1.2 INFORMATION FLOW

i When considering these questions, consider the way all information moves and flows around your organisation, specifically its availability and timing.

1.2.1 The information we need is consistently available.

Do you agree?

Strongly disagree 0 1 2 3 4 5 6 7 8 9 10 Strongly agree

How confident are you in your answer?

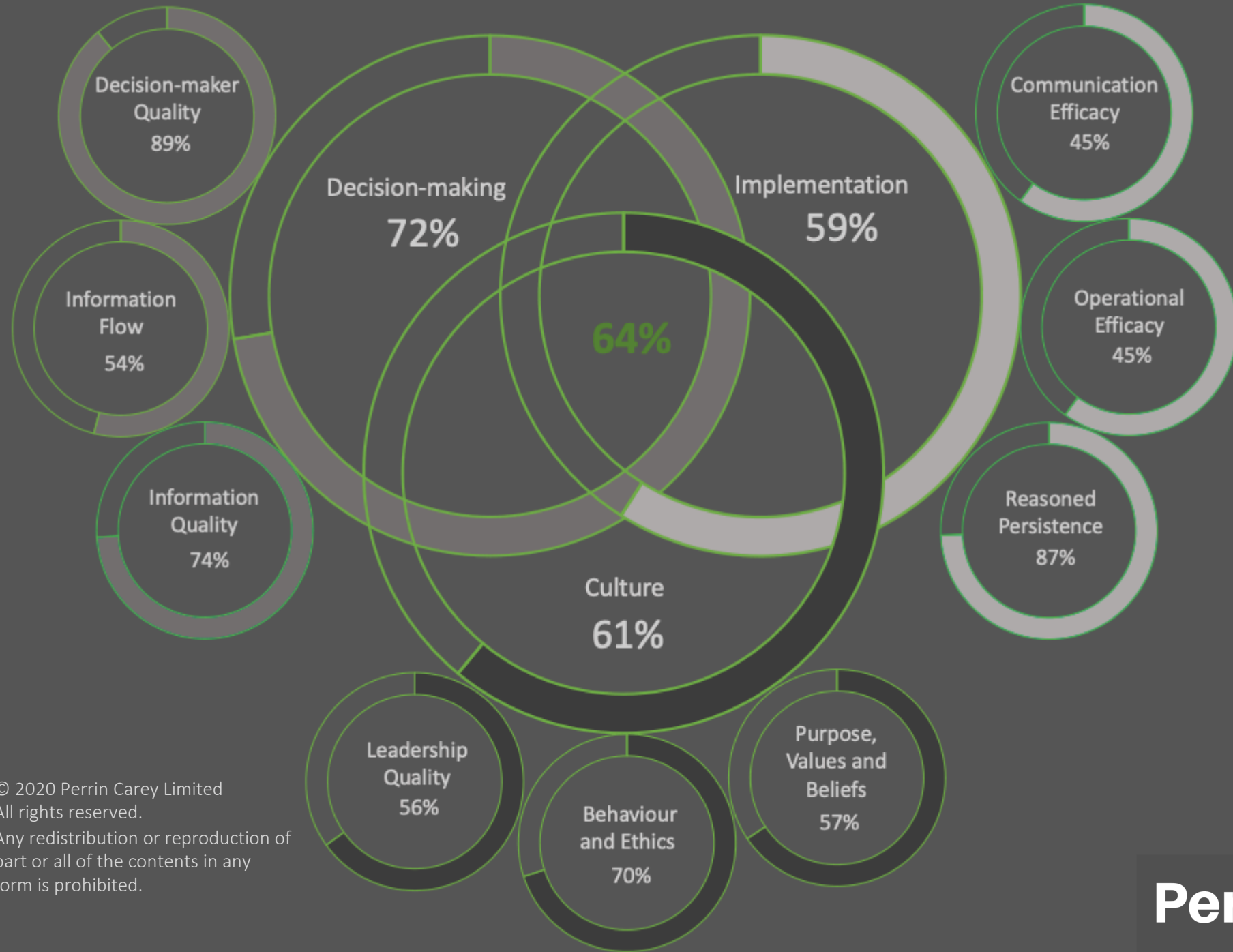
Not confident 0 1 2 3 4 5 6 7 8 9 10 Very confident

PREVIOUS

NEXT

13%

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.measuring



Summary report.

With confidence
score.



.measuring



Perrin Carey		
UK Corporate Governance Code	Components of GPI	GPI Indicia Scores
Board Leadership and Company Purpose		
A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	Leadership Quality	
	Decision-maker Quality	
	Human Behaviour	
The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	Values and Beliefs	
	Leadership Quality	
	Human Behaviour	
The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Operational Efficacy	
	Reasoned Persistence	
In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	Communication Quality	
	Leadership Quality	
	Values and Beliefs	
The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Human Behaviour	
Division of Responsibilities		
The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	Leadership Quality	
	Decision-maker Quality	
	Values and Beliefs	
	Information Quality	
	Information Flow	
	Communication Quality	
	Decision-maker Quality	
The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	Human Behaviour	
	Leadership Quality	
Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Information Flow	
	Decision-maker Quality	
	Leadership Quality	
The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Operational Efficacy	
	Reasoned Persistence	
Composition, Succession and Evaluation		
Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Decision-maker Quality	
	Values and Beliefs	
	Leadership Quality	

Aligned against
Corporate
Governance
Codes.

.what can you do now?

Revisit your organisation's purpose

Reflect on the values that frame your purpose and people

Create a list of behaviours that allow your people to understand what's expected of everyone

Create a development programme that supports the 'living' of these behaviours

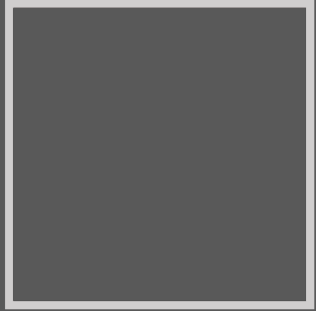
.our destination



governance.
humanising.
modelling.
measuring.

towards purpose.

.a thought to finish



“those that are open to uncertainty,
who are willing to be courageous and brave,
They are the pathfinders for the rest of us”

Seth Godin.

.gratitude

Thank you.

Questions, thoughts and comments

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