

# Corporate Governance Assessment Surveys



Corporate governance in a competitive marketplace is like a jungle. Imagine recognising, amidst a cacophony of sound, that distinctive crack of a stepped-on twig that signals something out of the ordinary – perhaps danger, perhaps opportunity, certainly something new.

You're at risk if you don't act quickly and deftly – to comply, to innovate, to learn, enhance your reputation, connect with the right partner.

***Good corporate governance means having a finger on the pulse at all times, being ready, willing and able to act immediately and to good effect.***

## CORPORATE GOVERNANCE: STATE OF PLAY

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Corporate governance is a key function that supports the health of the organisation, the society it serves, and the economy and environment of which it is a part. The earth is more fragile than ever before – ecologically, socially, economically, politically, and spiritually. The system is fraught with interlinked tensions, discontent, dis-ease, risk, and unravelling values.

By and large employees are not engaged. Customers have lost trust. Stakeholders are disenchanted. Societal pressure is mounting. Focus on management and leadership is making way for a new and greater focus on corporate governance. “Whereas the 20th century might be viewed as the age of management, the early 21st century is predicted to be more focused on governance”. (McRitchie<sup>1</sup>)

Journeying through the jungle of corporate governance is complex, even chaotic. Boards are expected to navigate numerous demands and challenges - sustainability, employment equity, information protection, corporate social responsibility and increased compliance, continuous learning and innovation. Boards are expected to do this surely and without hesitation.

In South Africa, a new world-class guideline for corporate governance and sustainability has been released – King IV™<sup>2</sup>. With it comes far-reaching implications for all organisations - large and small, NGOs, SOEs, Municipalities, Pension funds and listed and private companies. Other guideline resources are emerging around the World. We can and must also go beyond local guidelines and draw on the best practices and findings emerging from other countries.

***Organisations need to make serious strategic choices.***

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1 McRitchie, J. (1999) *Corporate Governance Defined: not so easily* Corporate Governance August 1999  
<http://www.corpgov.net/library/corporate-governance-defined/>

2 The King IV Report on Corporate Governance for South Africa 2016, The Institute of Directors in Southern Africa

## MAKING STRATEGIC CHOICES

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<b>Governing – Sustaining</b>	Long term overview coupled with short-term oversight, appreciation of interconnectedness, purpose, meaning and direction, guiding parameters for achieving value-generation and high-level objectives (people, process, technology) and temporal, cognitive, emotive and ethical orientations.
<b>Leading - Inspiring</b>	Vision & Values, strategies, innovation and alignment, developing capacities and execution – virtues, processes, enabling technology, agility and resilience, communications.
<b>Managing - Producing</b>	Ensuring smooth, harmonious efficient execution of plans, operations and management of people.

Ask first, do you intend to lead or follow (Moore<sup>3</sup>) - lead through innovating, adopting new approaches, follow the vanguard closely or lag? Then decide how do you wish to position your organisation and how large an initiative are you prepared to take - do you intend to comply and survive, go big, embed sound governance throughout your culture and thrive?

## ASSESSING GOVERNANCE COMPETENCE & CULTURE

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Governing, leading and managing are mutually supporting aspects. Together they make up the intrinsic value of the enterprise, nurture its culture and people, ensure the organisation takes its rightful place in society, and assure its longevity. There is considerable overlap between the economic, social and environmental challenges and opportunities facing every organisation.



With respect to the economy a shift from linear to circular thinking – to stop waste, recycle, re-use, clean up all along the business chain. Escape the traditional cowboy economic system (open, romantic, exploitative and destructive). Instead opt for the spaceman economic system – closed, finite, and needing to be sustained. (Boulding<sup>4</sup>)



With respect to society we have in many ways forgotten how to view it as a sustainable, cohesive community. Do we instead see society as a market, as state-owned? (Rasmussen<sup>5</sup>) Vices in our societies, including in the world of business, appear to significantly outweigh virtues. Divisiveness overshadows harmony. Whether because of overwhelm or ignorance, we have become desensitised to what is happening around us and to us.



With respect to the environment we tend towards anthropocentricity – man as superior being has dominion and entitlement, and not (as we should) towards eco-centricity - where all live and habitats are valued intrinsically and not according to their importance to man. We practice responsible, sensitive, rewarding stewardship.

3 Moore, Geoffrey A *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers* Harper Collins 2006

4 Boulding, K *The Economics of the Coming Spaceship Earth* (1966) [www.ub.edu/prometheus21/articulos/obsprometheus/BOULDING.pdf](http://www.ub.edu/prometheus21/articulos/obsprometheus/BOULDING.pdf)

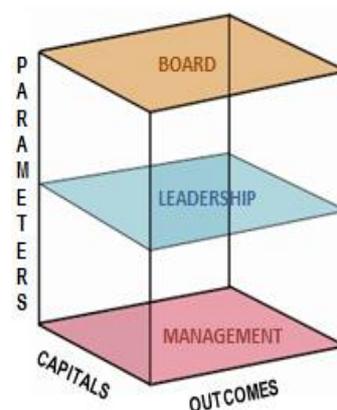
5 Rasmussen, Larry L *Earth Community Earth Ethics* Orbis Books, Markknoll, New York 2000

## A READY RESOURCE

Storytelling.co.za, Graham Williams and Candor Governance Specialists have combined their expertise to design, develop and offer services that incorporate a governance competence and culture assessment and various tools to support corrective and improvement actions.

The package is results-oriented and uses comprehensive, confidential, and easy-to-participate on-line surveys. These are 360° assessments involving the Board, leadership, management and employees.

**For each of the three organisational levels, the survey addresses parameters, capitals and outcomes:**



<b>PARAMETERS</b>	The purpose, virtues (enacted values), roles, strategies, policies, processes, controls and measures employed to ensure sound governance and value creation.
<b>CAPITALS</b>	<p><b>Human Capital</b> – The needs of the 7.3 billion people on Earth, and the employment, development and deployment of the human capital within the enterprise</p> <p><b>Social Capital</b> – the reputation of the enterprise, shaped by their purpose and their impact on stakeholders</p> <p><b>Intellectual Capital</b> – the human ability to create with learnt and sought knowledge, placing one “ahead” in the race to becoming the most sustainable and soundly governed organisation</p> <p><b>Manufactured Capital</b> – the result of creation and development activities and investment</p> <p><b>Natural Capital</b> – the natural resources and processes enabling our very existence</p> <p><b>Financial Capital</b> – the monetary resources providing incentives and enabling trade (IIRC<sup>6</sup>)</p>
<b>OUTCOMES</b>	Are interconnected and impacted at every organisational level: Outcomes include: Value Creation, Performance, Reputation and Culture

## COMPREHENSIVE, BALANCED, RELEVANT AND TIMELY

**Expert Analysis** – Our on-line surveys enable unique positioning for the next level of suitable expert analysis. The TWIGS assessment package addresses international and national best practices such as: King IV™, OCEG®, ISO standards and other authoritative practices and standards.

**Collaborative View** – all levels of the organisation are presented with useful feedback around the issues hampering or stimulating sound, sustainable governance. Gaps that are unearthed between the levels are often where gold is found.

**Building on Strengths** – organisations are placed in a position to correct weaknesses, nurture and operate from strengths, nudging positioning and approach for sustainable growth.

**Entrenching Change and Spreading Knowledge** – constructive conversations are conducted using anecdote circle method. The insights and understanding gained can be reinforced as required to facilitate long-term, enduring change.

**Tailored Reminders** – cultural shifts are best maintained through reinforcement campaigns which can be in the form of posters, stories, guides and booklets.

**Continual Improvement** – coming alongside your identified promoters and cultural shifters, we assist with the development of deep skills for navigating sustainability and stimulating culture change through conversation, behavioural economics, specific governance training (not of the teacher-tell variety) and awareness-raising interventions. Our experience has been that simply being exposed to the survey questions triggers ideas on how to positively move forward, excitement at cooperating across what could be internal silos, and ushers in a deliberate practice and discipline that allows organisations to thrive. Respondents form a picture of the organisation they aspire to belong to, and shift from a compliance/ survival mind-set to an adventure/ thrive mind-set.

These convenient and advanced surveys (and supporting resources and methods) are brought to you as a result of a collaboration between:



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### Sound Corporate Governance: 360° Assessments

