

Webinar Transcript

The Governance Grey Zone: HR Oversight

So welcome everybody. Welcome to our webinar today titled the Governance HR or Human Resources Oversight. My name is Sean, Sean McDonald, and I shall be your moderator for the next forty odd minutes in the background. And firstly, thank you so much for attending today. We always appreciate the effort you make to be here for our live events. During the session, if you have any questions, please use the or try and use the Q and A button on your toolbar. It just enables us to keep a track of all the questions in a logical order.

And finally, if you stay through till the end, which of course we hope you will do, and as of course is customary for our webinars, we have a special treat for you by answering our really short one minute survey at the end of the webinar. You'll go into the draw to win our beautiful gift hamper worth over four hundred dollars Now, for those not too familiar with BoardPro, we are a board software provider, sometimes called a board portal.

And we serve just over thirty five thousand users now across about thirty four different countries around the world. We enable organisations to prepare for and run their board meetings more efficiently and effectively with less time and deliver more impact and value for the organisation.

And as much as we are a board software provider, part of our wider mission of BoardPro here is to make the fundamentals of governance free and easy to implement for all organisations, especially those organisations with resource constraints.

And one of the many ways we do this is by providing free access to hundreds of business templates, guides and resources, which you'll find in the resource center of our website.

And these webinars that we host each week are a great way of accessing key governance knowledge without the time commitments and costs associated with in person events.

So for the next forty odd minutes, just relax, listen and add to the discussion by asking as many questions as you would like throughout the webinar.

A full recording of the webinar along with the slide deck and the transcript will be sent to you tomorrow. So without further ado, let me hand over to the team to introduce themselves. And I am going to start today with Miranda.

So hi everybody. My name is Miranda Fleury and I own Hawkeye Strategies, is a governance consulting firm that works with organizations all over the world.

We do a number of different areas of support, including topics like we're talking about today, but under the CEO evaluation process, compensation, CEO recruitment pieces, anything to do with that, we definitely play a pretty large role. We also expanded our services beyond these pieces to strategic planning, enterprise risk management support, and a number of different other areas. And so I'm very much looking forward to being able to have this casual conversation today with Georgia and Linda. Georgia, I will hand it over to you.

Thanks Miranda. In the context of today, my professional background is more than twenty five years in local and global human resources for national organisations as well as multinational organisations. So I had a very much an internal HR role before shifting to an external role and founding Henry Reid.

Henry Reid is an organisation culture consultancy. And we specialise in working with boards and executive teams with complex culture leadership and performance issues. So it's all around the people and how boards can navigate that looking with a focus on governance, strategy and risk and really optimising outcomes through people. So this is a really great topic to join the discussion with Miranda and Linda today. Linda, I'll pass on to you.

Oh, thank you, Georgia. Kia ora. My name's Linda Carroll. I am in New Zealand, as you can probably tell.

I started out my life in HR and I ended up as a tier two general manager of people and culture before moving into governance. I've been working in governance for twenty five years and I'm a chartered fellow of the Institute of Directors. I'm also an accredited foresight practitioner through the Institute for the Future in California and CEO of Align Group. And we're a small boutique consulting company that works out of Wellington, but works internationally looking at aligning or helping organizations to align their strategy, culture, governance and performance.

I'm looking forward to hearing the gems from my fellow panelists today.

Thanks, team. Now, Miranda, would you like to share?

Yes, please.

Okay.

There we go. Okay. Let me get us started.

So we've got an agenda that I want to cover here today, starting off with what actually creates governance ambiguity.

And so why are some of these gray areas exist in governance just in general? And then we're going to dive into the topic that my fellow panelists and I are actually here to really get into, which is HR oversight as a governance gray zone. And so I have learned from presenting to multiple international audiences that the colloquialism gray zone doesn't necessarily land with everybody. So when I say gray zone, I mean it's an area in which you can interpret different

ways to be able to provide oversight as a board. And so we'll talk about that gray areas with these areas for ambiguity, and then we'll leave with some takeaways as well.

So, let's jump in and let's talk about what exactly creates ambiguity and governance to begin with. And so, off, we have evolving thought leadership. So you typically have a number of different organizations that are coming up with either new research or best practices, and sometimes they can conflict in nature. And I know because I've seen a number of the literature and I've seen the differences of opinion.

So having evolving thought leadership can in fact actually create some ambiguity and governance. For those of you that are in a heavily regulated industry, regulators typically will not be prescriptive. They're actually not going to tell you exactly what you need to do, but they will leave room for interpretation. And that can actually create a little bit of gray in terms of what you should do next.

I've often seen in my experience is that a number of boards will have inadequate policies, terms of references or charters, depending where you're from. Some of those terms will resonate. And what I mean by inadequate is you might not necessarily have all of the roles and responsibilities that are required for a particular, whether it's a committee or maybe it's the board as a whole. And oftentimes in those policies, terms of references, or charters, you will have what I'm calling verb overload. So you typically start off your responsibilities with a verb. And so it might start off with develop or participate or monitor or oversee. And all of these verbs lend you to being able to interpret it in a few different ways that responsibility.

If you were with us last week, we were talking about the gray zone in strategy, and we talked about how boards can participate in strategic planning. Well, participating in strategic planning can look a variety of different ways from participating right from the beginning to all the way to having a draft strategic plan put in front of you. And so that's what I mean by this verb overload and that's interpretation of it. And then lastly, in terms of what creates ambiguity in governance is this collective skillset on boards.

So specifically, because we're here talking about HR oversight, I don't often see a number of boards that have the skillset of HR sitting on their boards. And so not having that particular skill can create a bit of confusion in terms of what's the board's role in terms of HR oversight. So those are the pieces that create ambiguity in governance. And now I just see somebody popping up in the chat, there we go.

Okay, so I'm gonna Georgia, did you want to jump in?

No, I just see only thing on that with that collective skill sets on boards and HR not often being on boards, quite often it's not even in an executive team in some organisations. And so when we start to look at these complex issues around people, the insight and the elevation of these issues is a challenge and jumps into this creativity, sorry, this creating ambiguity space.

Yes, Georgia, you're bang on. I completely agree with you. Oftentimes I find that in smaller organisations don't necessarily have the deep level HR expertise that's required to be able to address some of the governance issues we're here to talk about today. So excellent, Thank you.

Okay. So before we actually get to the gray zone that I want to talk about today, what I want to highlight here is that context really matters and complexity of your organization in particular matters. So there's three different layers to think about. Number one is the internal complexity in your organization. So thinking about, just as Georgia just mentioned, the skill set within the organization of your executive team, the competencies that your board has to begin with, and even the governance maturity your board itself will lend to the way in which you might look at some of these questions that we're going to talk about and look at them differently.

The next layer is thinking about your external stakeholder complexity. And I can't even begin to fathom how many different external stakeholders that all of you as directors have. But one of them that comes to mind for me is your regulator as an example, and how they interpret what your roles and responsibilities are will absolutely influence the way in which you answer some of these questions. And then lastly, number three is the economic and political complexity.

I'm not going to sit here and tell you that the last year hasn't been complex enough because I think we all know that it has, but there might be specifically related to your city, your state, your province, wherever it is that you're living, that could actually influence the way in which you answer some of these questions. And so what I'm getting at is we're going to be talking about a few different ideas here today. And I'm assuming that Linda and Georgia and I are going to have differences of perspective and they can actually all be correct. It all depends on the context in which your organization is sitting.

And so I just want you to think about that, as as we go through.

I also have just a super quick disclaimer for everybody. So for those of you who come from very regulated industries, whatever your regulator is telling you is the requirement. Nothing that the three of us are here talking about today is going to override what any of your regulators are telling you. And so just keep that in mind as we go through. If you are unsure what your regulatory body demands of your industry or your organization in particular, you need to go and have a conversation with your management team, and then possibly seek legal opinion where required.

Okay, let's start getting to some of the good stuff.

So, when we're thinking about HR oversight, I want to first start, before we get into the grey zone area, I want to talk about what are some of the distinct roles between board versus management? And I've got three major topics here. This is not the only set, but these are the three major topics that I want to talk about. Culture, compensation, the CEO performance evaluation process. And so speaking about culture and thinking about what's the difference between the board's role versus management's role. The board oversees culture and its

alignment with strategy, whereas the management's responsibility is to develop and manage the right culture for the strategy itself.

Your board is going to set the tone for the leadership team. So you've heard of the concept of setting the tone from the top, that comes straight from the board, but it's also management's responsibility to set the tone for the rest of the organization.

These are some very distinct roles that I think all of us can agree to, that yes, this is the board's role versus this is management's role. Under compensation, it's the board's role to develop and approve the CEO compensation philosophy. That's pretty clear. It's management's role to be able to administer these compensation practices at the direction of the board.

Lastly, the CEO performance evaluation process. The board's role here is to develop and approve that process itself and administer the CEO evaluation process. Typically, they're delegating that to a third party, but regardless that that responsibility is theirs, whereas it's management's role to provide the information to the board as requested, things like corporate performance, updates, goals, the self evaluation that comes from a CEO, etcetera.

Those are some of the distinct roles. And I'll just quickly pause and just see if Linda would maybe like to chime in here. I just saw herself unmute.

So Linda, if you'd like to chime in, you can go for Yeah, look, I just love this because it really is so determinant by the context.

So I do a lot of work in strategy and foresight. And part of a key component that makes for strategy success is the organization's culture. And so often I'm finding that whilst you've said that maybe the management team developed the right culture, I'm I'm finding boards more and more want to actually be involved in that discussion at the start. Not necessarily to get into the deep and dirty but to set their expectations very clearly for management as to these are the risks and opportunities that they've identified in their futuring sessions. And so they need to management need to ensure that the values, the culture they come up with takes into account this future thinking. So I mean, it is that nuance, isn't it, Miranda?

It is very, very nuanced. And I think you bring up a really great point about at what point does the board become involved in the development of culture participate in it? I love it. Yep, yep, that's great.

And from my perspective, working in the culture space continually, such a variance in the maturity of understanding of what culture is, why it's important and how it actually impacts the achievement of organisational outcomes, not just sort of protecting people and being a nice thing to do.

And that it is a requirement under legislation for in many instances for culture to be part of the board's responsibility. It's an area that's evolving in understanding. Yeah, for sure.

Okay, you know what, I'm managing the chat and the Q and A that's coming in right now. And so I'm going to just quickly maybe fire out a couple of questions, and I'll happily chime in after the two of you.

So maybe first question here, we've got from Julie. Can you explain more about the difference between remuneration philosophy and remuneration design? I'm happy to chime in but I'll let one of you go first.

Whoever would like Well, Georgia, do you want to start off with that one?

Yeah, so the philosophy is really the intent.

So are we going to be do we have the philosophy that we want to be mid market in the fiftieth percentile in remuneration for like companies in our industry? Do we want to be ahead of the market? Do we want to have fixed and variable components of remuneration? The actual then design comes down to what are those components? What are we able to do within the design of a compensation package? So I think the philosophy is really the intent, which should align to our strategic position to our culture and any strategic implications that we have. And the design really is how do we make that come to life in reality?

So where does the REMS strategy fit within that?

So the REMS strategy should be part of that compensation, the remuneration strategy should be part of the, I think, the philosophy. That's setting the boundaries. The actual design then comes down to how is it set up to meet the requirements of the business to make sure it's attractive, provides competitive advantage. So I think the philosophy is around the strategy and the design is around the implementation.

Linda, I might answer your question a little bit differently in that. And by the way, Georgia, I love the way that you framed the difference between philosophy and remuneration design. I don't have anything specifically more to add on that. But speaking, Linda, to your point about how do you incorporate strategy, for me, the way that I think about it, oftentimes I have boards come to me and say, Hey, Miranda, can you please help us with our short term compensation incentive program?

Can you please help us with that? And I say, Great. So tell me about your strategy. And they say, Well, we don't have a strategy.

And I say, Do you have any metrics by which you're evaluating your CEO today? And they say, No. And so we have to start off first by saying, what is your strategy? Are you comfortable with your strategy?

How do you evaluate the success of your strategy? Typically through a balanced scorecard, depending on the organization, but I would call it a scorecard or success metrics.

And only then can I incorporate those success metrics in the remuneration design that Georgia was talking about? So I typically wouldn't necessarily have When I do up a compensation philosophy for a CEO, it's literally like, it's a half page. This is not something that's got a lot of detail. It's the high level intent.

Georgia, I love the language. High level intent. And then you wanna get into the design piece? Yeah.

I got I got pages describing it, and strategy is interwoven on the basis of the metrics by which you are evaluating your CEO against and acknowledging that we obviously evaluate CEOs beyond just simple metrics. There's a number of different pieces too, but that's my two cents, Linda.

Cool.

Okay. Okay. So I had Jan put, Not every board sets the CEO compensation or even gets to choose or hire the CEO. Jan, that is a whole other story for me.

And I feel like we could probably sit down and have a beverage of sorts and talk about that. So I'm not going to touch that one with a ten foot pole. But yes, I've seen it before, scares me, but I've seen it. And now it looks like I have, I love that, all the exclamation marks, Jen.

Thanks for adding that.

So maybe I'm going to jump to Peter in the Q and A question area here. So Peter says, Under culture, the board sets the tone for the leadership team and management sets it for the rest of the organization, which I would agree with.

Sometimes board only relates closely to the CEO, so they have very limited knowledge and influence on the tone for the rest of the organization, right? Know Linda's comments. How does the board affect culture? Okay, it's all you, Madhya. How about it?

Yeah. Well, I I'm afraid, Peter, I don't agree. The culture you've said, oh, it's just gone. Where did the did it go into answered?

Yes. There is. I've got it now. Okay. You've said that the board sets the tone for the leadership leadership team and management sets the tone for the rest of the organization.

That is completely right. However, when we're talking about organizational culture, we have one set of values that is for everyone within the organization, including the board.

So I'm not sure whether setting the tone is the same as having the same culture, and it might be that I've misinterpreted what your question is. So for me, we have one set of values in an organization, and that is for everyone involved in the organisation.

And then the question is, how does the board affect organisational culture?

By asking the right questions. And this is one of that thing about alignment. So your organizational values need to be aligned to every single facet of your organization.

And so whether that whenever the board sees a paper, that paper needs to actually have a recommendation that is aligned with the values of the organization so that it is all singing from the same song sheet. And as soon as it's not, it becomes very clear to the board that there's a disconnect. And they get information on everything in the organization at some point at some high level, you know, whether it's turnover trends, whether it's health and safety, whether it's whistleblowing, whether it's, you know, compensation performance metrics, whatever, those things will all be telling you a story around culture. So, know, training budget spend, things like that. The board gets to just have touch points everywhere, and it's about pulling the threads together.

That's good. Okay, thank you so much, Linda. And just for the sake of time, I need to move us on. And I see that there are a couple other questions, and Anna, I think we're going to get to your question, as we keep going through the presentation. And so I'm going to jump us forward.

And I want to give you an example of something I pulled directly from a Canadian regulator. I promise you I copied and pasted this in here, where the regulator said, This is the board's role and responsibility when it comes to senior management oversight. And by the way, they actually have a number of different pieces. I just pulled one of those pieces.

So this regulator told industry that it is the board's role to approve the appointment of qualified individuals to the senior management positions, monitoring their performance and approving their compensation. So I'm going to read that one more time for you. Approving the appointment of a qualified individual to senior management positions. This is not your CEO, this is your exec team.

Monitoring their performance and approving their compensation.

So I've got a poll for you that I want you to think about. And in this poll, can actually choose as many options as you'd like. When you think about approving the appointment of qualified individuals to senior management teams, what does that actually mean to you?

Is that receiving the name of the individual that the CEO plans to hire in any of the executive positions? Is that receiving the name and qualification summary? So their resume and accreditations for senior management's role, which has an oversight, which are also oversight roles. Is it receiving the name, the resume, the CEO's rationale?

Are you as directors actually participating as an observer or advisor in this election process? Are you participating as a co decision maker to the CEO? Or maybe it's none of these. So I know Sean has made that poll live, and he gets the joys of seeing everything come in while Linda, Georgia, and I patiently wait to see what the results are.

And I am super curious, Sean, how are doing? About thirty percent complete.

Okay, we'll give it maybe another fifteen seconds or so.

Okay. Awesome. Very interesting results.

I know. I'm so excited to see this, and I can't wait to see all pull three of our reactions to it.

Okay. We're at fifty percent. Do you wanna cut it off then?

Yes, please. Thank you.

Let's see.

Awesome. All right. Here we go. That is my point. That is literally my point. This is like split across the board, And that's what I mean with what creates ambiguity in governance. All I literally pulled was one line from a very large document from a regulator telling a board how to actually oversee.

I'd love, know what Georgia, maybe I'll come to you. Like, what's your reaction when you see like this is a very, very split response?

Yeah, it is. It really highlights the need for good governance frameworks in organisations, applying the context of your organisation, having policies around So for me a good policy is the company's interpretation of how they're going to apply legislation and regulations. So if you don't have a policy that says this is how our organisations interpreted this legislation or regulation and how we're going to apply it, it becomes really difficult for there to be some context for some consistency and for an understanding of the company's position if it's ever challenged. And so having policies that cover areas that are potentially ambiguous or listed in regulations and legislation is a really effective way to then be able to clearly communicate and defend the company's position on this interpretation.

Brilliant, thank you, Georgia. Linda, did you have anything to add?

Oh, I was just going to say that, I have worked with some organizations who have a one up rule.

You familiar with that? So so where they have this one up rule, it means that they actually do need to get the board, at least in a pro form a sense to sign off on their decisions. So and I suppose for me that would sit under number three. But I do agree. I mean it's like when you work for for you know, an organization, the shareholders appoint to the board rather than the chair even being involved. You you end up being held accountable for something that you don't actually have the ability to influence and you don't want to put your CE in that situation. Where the board overrides and then they, yep.

So there's those I I concur with both of you. I want to jump us to our next poll, which Sean will post here live in a second, is we've got three topics, and these are three major topics in HR oversight that tend to have quite a bit of grey or ambiguity around them. So what I'd like you to do is I'd like you to choose the topic that you are most interested in hearing about. So number

one, what is the board's role, if any, in executive team succession planning? Number two, what is the board's role, if any, to weigh in on or approve executive team compensation, including evaluations and raises? And number three, when should the board use external HR expertise instead of internal resources?

So we're playing a bit of Russian roulette here because I actually don't know the answers from my fellow panelists. I'm super curious to see where this is going to go. And also very curious to see what the audience has to say. So Sean, how are we doing in terms of poll number two?

We're at fifty five percent. Do you wanna release that?

Have at it, my dear. Thank you.

There you go.

Buy a hair. Okay. You know what? If we have time to do we'll start with number one and then we'll jump to number three if we've got time. Okay.

So what is the board's role, if any, in executive team succession planning? Okay, I got my answer. Linda, did you want to start us off this time?

Oh, okay.

Look, I always think succession planning and I think talent management, which is probably the old term from when I was a GM.

But it's the same thing. And it's, it's to me, it's the board's role to seek assurance to know that a really good robust process for succession planning or mapping out your talent within the organization is there, that it exists and it's being used properly. So it's seeking assurance in my head.

Love it. Okay. Thank you, Linda. Georgia?

Yeah, I agree. It's oversight and it's approval and it's asking the right questions because from a board perspective, the importance of succession planning is being able to ensure business continuity, to ensure stakeholder and investor confidence in times of change, making sure that the organisation has the capability and capacity to meet strategic objectives and also to mitigate risks. So looking at future risks and things. Oversight and approval of the succession planning process, what that looks like is a really key role.

Yeah, and I agree with both of you. By the way, for those of you in the audience, if you disagree with us, start putting in the chat because I'm monitoring it and I would love to start up a spicy conversation with you anytime.

So by all means, posting. So what I would say is exactly what Georgia just said in the end, is I do think it is the board's role to oversee executive team succession planning.

I think that because of the risk management piece that's associated with it. That is the main reason why I believe it's the board's role to oversee this. What's interesting is I've actually had several directors say, The CEO is my only employee, and therefore that is the only employee that I am concerned about. So I care about their succession planning as a CEO and not the rest of the executive or senior leadership team, whichever you'd like to call them. And this is where I often have to have a conversation around the risk oversight component and how this feeds in.

Now I'm just looking at the chat here. So of course, actually Some people started chatting, which is good. So Anna said the board should be actively engaged in succession planning as governance responsibility as opposed to simply being reactive when a departure occurs. I cannot agree with you more.

So yes, wholeheartedly. Board succession planning is also critical. Yeah, Craig, that's a whole other topic that I'm sure we could sit here and talk about for forty five minutes, but I agree with you on that too. And while baseline practices should be the same, it is often the board's role in smaller organizations.

Yeah, so oftentimes I see the board in certain cases getting into some of the weeds that exist, but I actually don't think that this is an operational piece. I actually think this is a board fiduciary responsibility.

Okay, so why don't we jump to the next question because it was so close, which is when should the board use external HR expertise instead of internal resources? So maybe Georgia, I'll hand it to you first.

Sure. Look, I think there's a lot of times when the board needs to look at external expertise around HR. It can be around particularly complex or sensitive issues when there's not the internal capability.

In any situation where the board doesn't feel that they have adequate knowledge and need to get specialist skills, but also when there might need to be an unbiased perspective. And I find this in the culture space a lot, having an external unbiased expert to be able to tell the real story that's not filtered or not influenced by relationships or any other sort of political type of influences is a really important time to seek external expertise. But it is around the board assessing what is the internal capability, what are the risks to the organisation of not seeking expertise, and particularly around capability or internal capacity or sensitive or complex issues is when I would say that's where the board really needs to be able to get clarity of insight, unbiased expert insight around these complex issues.

And sometimes if you don't get the external support, you're going to pay for it more in the long run. Absolutely. Linda, did you have anything to add?

No, just that in particular around investigations, you really it's much better if you're doing an investigation whether it's you know, an employment related matter or health and safety or or anything like that. It's much better to get external resource.

Yeah and and what I will say so so I agree with with both of you and you know two two areas come to mind for me specifically.

So, use external HR expertise when you're going into a CEO recruitment process. There should not be an internal HR support choosing their boss and helping to select their boss. That makes no sense to me. So that's one area.

The other area is when you're doing the CEO evaluation process and compensation pieces. As I do not think an internal HR team member, while they might be competent to do it and probably have the expertise in many cases, they should not be involved in helping with their boss's pay. And they should not be involved with helping with the evaluation of their boss themselves. That to me is black and white, don't do it, hire somebody external, don't put them in this position where they're conflicted.

That's the way in which I look at it. And so, okay, we've got Jane who has written here, I recently involved the board in the process to appoint a new director. My board members are incredibly experienced and smart.

I was aghast at how unskilled they were with respect to senior appointment processes, borderline inappropriate behavior, lack of confidentiality. Was the first time I experienced this as all other experiences were high level. How can I train my board and HR skills? Oh my, do we have enough time, Sean, to talk about this?

Maybe we'll like in thirty seconds or less, if you've got just some quick points for Jane.

Linda, I'll hand it to you Good luck.

Know, the the highest rated process for recruitment is behavioral based assessment. So, if you can do assessment, great but as an assessment exercises which has the highest validity but you probably don't so then doing behavioral based interviewing and that's basically working out the behavioral competencies and asking when somebody has done these things before because past behavior predicts future behavior. And please ask behavioral based reference questions as well.

Two seconds there.

Love it. Love it. Thanks, Linda. Georgia?

And I think this issue is way bigger than a recruitment process. Yes.

It's actually not uncommon. We have people who are elevated to board positions who don't have or who are appointed to board positions who don't have expertise in human resources, in understanding people issues or behavioural issues. And so while you can put a process in place, skill development and the understanding needs to come back to, right back to some basics in behaviour management and communication in what's appropriate and what's not appropriate. And I see this come up a lot in organisations that have culture issues. So we talked

very quickly, I'll just very quickly say at the start we talked about the board's role of influence on culture in the organisation. This is an example of where the board is going to significantly negative impact the culture of the organisation because of their practises and behaviours are probably not aligned to the rest of the organisation.

Thank you for that, Georgina. So I agree with both of you and what I will add Jane is when I do CEO recruitment processes, I do is I actually do workshops with the recruitment committee that's going to be involved. And part of that is getting them exposed to like, what are some expectations and what's the standard of conduct that we want to see. So hopefully that addresses some of that inappropriate behavior and the lack of confidentiality piece.

And I mean, I feel like there's a whole host of things that I can say, but for the sake of time, is making sure that in the moment when you're doing a new process itself, is to make sure that your directors are coached on the fly so they know what's happening. That's my super short answer.

But I am going to move us on to our last couple slides here. So I wanted to actually give you some example principles. So, Anna, this goes back to your original question about how do you draw the line between strategic oversight and micromanaging the CEO's day to day activities?

And these specific ones actually correspond to those questions that we just talked about. So, the question around, for example, executive succession planning. So I've written you out a principle here, nose in, fingers out. The board's only employee is the CEO, but executive pay, succession, and qualifications can bring risk to the organization and thus requires oversight in some way, shape, or form.

So your board can interpret that principle and how they'd like to apply it. The next one is the right authority, right level. So where possible, the board wants to empower the CEO to do the work and the board wants to apply a risk lens to review the work itself. And then lastly, this is the conflict piece, is if internal HR is required to keep a secret from the CEO, hire an external consultant to do the work, right?

Plain and simple. So you can apply these principles in the practices of HR oversight at your boards. And so, I want to just jump us to just some key takeaways. And then if we have maybe a minute, then we can look at maybe one extra question here.

So, some key takeaways being, number one, unless a regulator specifies it for you, there's a wide range in how to interpret the HR oversight in the gray zone. And we've actually talked about from things like principles to having policies, to incorporating into your terms of reference interpretation pieces of what you want to do.

Number two as a takeaway is I like to add what I call a governance day for each board and review some of these key areas of concerns, actually get started, get talking about it.

And then number three is continually develop these principles that you see here for some of the gray areas, develop these policies and processes as well. And so just before I jump to any

questions, maybe I'll just see, Georgia, was there anything that you wanted to add as a key takeaway?

No, I mean, the board's role in this is always, as far as I see, the board needs to always remain focused on governance, strategy and risk to drive their strategic outcomes and to protect people, no matter what type of organisation you're in. And if you don't have the expertise, you need to seek the expertise.

Really clearly defined roles and responsibilities is essential to make sure that it's clear.

And Linda?

No, I think that's fine. I think Georgia answered the question really well.

Good. Okay.

So, Sean, we've got a few minutes, so maybe I'm just going to tackle one question that we've got in the Q and A, which is a spicy one to boot.

Culture, whilst the board sets the tone for the CEO and leadership team, what happens when the board culture itself is dysfunctional and toxic?

So, Linda, did you wanna start us off with that one?

Well, it's always the chair's role to deal with how the board operates and the board dynamics and if the in my view, if the if the culture around the board table isn't isn't healthy and and well balanced then it's the chair's role to actually have the conversation and I find always pulling it back to the values is the way to do it because that's something. Yeah. You've all agreed to at the start.

Thank you, Linda. Georgia, anything to add?

Yeah, I absolutely agree with Linda. It comes back to the values, the behaviors that are being demonstrated.

But also, if you need to address issues around why culture needs to be addressed in the boardroom, you tie it back to the indicators that are showing the impact of toxic culture.

So I think Miranda, you mentioned before, talking about dashboards, looking at turnover, looking at impact on results, looking at elevated risks or compliance risks or incidents, complaints of bullying or harassment, all of those things are impacting the organisation and they generally stem from the greatest internal risk, which is behaviours.

And so being able to address culture by looking at the impact of culture, what's the root cause, bringing it back to behaviours aligned to values can often be a good way to start those conversations of addressing toxic culture in the board.

Thank you for that, Georgia. And just lastly, what I would add is if you're really struggling with your board and you're on the executive team side, sometimes it's super helpful to hire a third party be able to identify some of these things through your board evaluation process, through being able to coach directors and the board chair in specific and whatnot. So I know we've probably got thirty seconds left and Sean wants to say his final closing statement. So Sean, I will hand it over to you.

Thanks, Miranda. So excellent conversation today. So please, everybody, excuse me, feel free to connect with our presenters and panellists on LinkedIn. I think all their details are on screen. Yes, they are.

If you'd like to be put in touch with them, please indicate your interest at the end of the webinar as you exit.

As I said right at the beginning, you'll receive an email from myself, which will be tomorrow now, which will include a recording of today's webinar, the transcript and the presentation slides, including the resources page that Miranda has kindly put together.

So as you leave the webinar, everybody, don't forget to complete our one minute survey. It's really quick. Go in the draw for our hamper and I'll announce the winner of that tomorrow.

So thank you again everybody for attending. I hope you enjoyed the session today with Georgia, Miranda and Linda. I know I did.

Thanks guys for your time today. I look forward to seeing you all at our next webinar. Everybody have a great day.