

BoardPro's Board Skills Matrix Webinar
Written responses to the 16 questions raised

The following questions were asked by webinar participants during the BoardPro webinar on 18 April 2024. As there wasn't sufficient time to respond to all the questions, a brief written response is included below.

The responses provided below are in the context of the discussions during the webinar.

Do you find that self-assessors are more conservative than peer assessors?

Yes, generally, this is the case. However, there will often be one or two on a board who rate themselves more favourably than their peers. Keep in mind that a director might have significant expertise, but that expertise may not always be well exhibited to others. Your expertise is assessed based on the extent to which you exhibit that expertise to others.

How is diversity incorporated into a skills matrix (e.g. gender, cultural, etc.)?

It's not normally incorporated into the Skills Matrix table. Boards normally articulate their desire for diversity and/or certain areas of diversity in a statement attached to their Skills Matrix. Also, refer to our response to Question 18.

If a director is rating themselves as a 2 or 3 for everything, is that a potential flag that they are self-assessing too high? Also, is there a need to consider that some people (particularly women) tend to rate themselves lower?

Yes, it can be a red flag, but not always. A very experienced director who has been on the same board for at least six or seven years may legitimately rate themselves as a 2 or 3 in most areas of expertise.

Yes, some people will rate themselves lower than a similar person with the same expertise.

Do you have any advice on calibrating the scores? Experienced can mean different things to different people.

When adopting the rating scale, it is a good idea to debate the rating descriptions with the board or relevant committee. Adding sophistication and rigour to the descriptions of each area of expertise will help achieve the desired precision.

There are several ways to add rigour and objectivity to ratings made by directors. Many were discussed during the webinar. Further perspectives are also included in the summary report provided by BoardPro and Board Benchmarking.

If the ratings are self-assessed, they may show which directors are more self-confident. Director 1 may be a narcissist.

Yes, that is true, but also see the comments to Questions 1 and 3 above.

All these skills are balanced and "equal." Would you ever suggest weighting is considered based on skills rather than all areas treated as equally important?

Yes, the areas of expertise should not be considered in the same way. Our Board and Director Skills Matrix Survey includes a measure of the importance of each area of expertise to the board.

It is also important for the board to determine for each area of expertise how many directors it desires with a rating of 3 or 2 or 3. The sample Skills Matrix we provided in our presentation demonstrated this.

Also, refer to our response to Question 7.

Where does the required competency skills quantum sit in such a graph/tool?

Not everyone on the board needs to be highly competent in all areas. The board should agree on how many it needs with a high or very high level of competency in each area of expertise. For example, the board is likely to agree that it needs more directors with a higher degree of competency in its core business than in technology and digital business models.

Is it common to describe the skill level in much more detail? I'd observe that, especially when self-rating, there is a wide variety of ratings depending on the personality of the (self) assessor. Does a more detailed description get a more accurate assessment? Should each individual skill be described in detail, or should a generic description be provided to assess all skills?

We recommend describing each area of expertise in detail and making such detail relevant to the size and complexity of the organisation. We also recommend adding details related to the description of each of the ratings. In our experience, adding that extra detail to both the description of the expertise and the ratings helps reduce the subjective nature of the assessments made.

If you are scoring, don't you also need criteria to help everyone understand what a 1, 2, or 3 is in each category?

Yes. Please refer to the response to Question 8.

Do companies ask directors to keep and submit a record of director CPD to help with director development/show commitment to professional growth?

Yes, many do that. Some organisations also fund the ongoing training, education and development of directors and document the courses, conferences and the like that they attend.

I recently came across the Victorian Health Boards - "Board Director Capability Framework" (published on the internet), which set out clear criteria for rating skills. Have you come across others from different sectors? Do they help much?

Yes, we have seen such frameworks for different industries, and they help to an extent. Most of their content, however, should be obvious to those working in the sector. The critical thing is to ensure that the areas of expertise chosen are those that are most important for your board. Those areas could be different from those adopted by a similar organisation.

But all these things, training and upskilling, inductions, and gaining experience, cost money. Where does that money come from?

For smaller organisations and not-for-profits, this can be an extra challenge. This highlights the importance of attracting and retaining well-qualified and appropriate directors.

Also, many organisations will have deep skills and experiences internally that can be used more often to help educate directors.

Technical skills (i.e. hard skills) are often easier to measure. What are your recommendations around developing a skills matrix framework for measuring lived experience, and how is lived experience measured?

A Board and Directors Skills Matrix Survey is primarily designed to measure expertise (skills, knowledge and experience). A Director Effectiveness Survey will often measure the softer skills, behaviour and attributes. Our director survey, for example, uses a framework that measures personal attributes, teamwork, leadership and oversight.

Areas of diversity, including diversity in lived experience, are often dealt with as per the response to Question 2. Also, refer to our response to Question 18.

Once you identify a gap, for example, Core Business (aged care). If there is no obvious local candidate, is there such thing as a Director Database that can make it easier to identify a potential candidate for an aged care business? Or is the only option advertising the role, making the role as attractive as possible and seeing what comes back?

This comes to the question of how your board identifies, attracts and retains the best people for its board. It is an extensive topic and a good one for another webinar.

Often, candidates won't be obvious, which makes it important to use innovative ways to extend the pool of potential candidates. While it can be an advantage to have some local directors for regional aged care boards, for example, not all directors need to be local.

It is also important to ensure that your organisation is attractive to directors, senior executives, and employees. Advertising and third parties can help you source new directors.

Please can we reflect on the brief discussion we started on diversity and lived experience? If a board sees it as critical that there be First Nations representation, should that be reflected as a skill, an essential aspect of lived experience, or something else?

If the board determines that it is important to have at least one First Nations director, it should explicitly state that and work towards achieving it.

Many boards have attracted First Nations directors but have not worked hard enough to understand, engage, and retain them.

I love extra areas of diversity, but how do you measure it? Or don't you? Is a statement of intent enough?

We encourage organisations to take diversity so seriously that seeking appropriate diversity simply becomes their organisation's way of life. For less mature organisations, explicit statements of their diversity goals at the board and senior executive levels are an important stepping stone on the journey. Those diversity goals need to be measured, and innovative ways should be sought to ensure they are achieved.