Elevating your board's performance in 2025:

600 board and 1,250 director reviews later

Board Benchmarking

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Foreword

At Board Benchmarking, we have a big vision: to set the gold standard for evidence-based measurement and improvement of board performance and effectiveness.

We continuing to build on a strong foundation. We have one of the world's largest board review databases and one of the few suites of board surveys globally that have undergone a rigorous, university-led validation process.

This has resulted in a robust and refreshed framework that includes the 20 most important categories of a board's effectiveness.

OUR PURPOSE IS CLEAR
To enhance the performance and effectiveness of thousands of boards across the globe. Every board supports a unique organisation, and helping boards, one by one, is both important and a privilege because Better Boards means Better Organisations.

Over the past year, we've continued to grow our impact and capabilities:

- We've now helped over 600 boards measure and improve their performance and effectiveness, and our momentum is accelerating. We are also doing many more Board Skills Matrix, individual director and CEO effectiveness reviews.
- Our new clients are many and varied and include organisations such as Aware Super, Chubb Insurance, Common Equity NSW, Coventry Building Society (UK), Judicial Commission of Victoria, Link Wentworth, McGrath Foundation, Metlife Insurance, Respect Victoria, Sydney Harbour Federation Trust, Ventia and WA Opera.
- We developed a new DRIVE (Direction, Relationships, Insights, Values, Execution) framework of director effectiveness that is grounded in the actual effectiveness of direcors inside the boardroom. It was developed after analysing over 24,000 comments in relation to the effectiveness of 1,276 directors as explained on page 34.
- We launched our new Entry Level Board Survey, which includes a benchmarked report and a free debrief of the Chair. Leveraging our technology and scale, we have priced this survey at only A$1,349. Based on our Free Trial Survey for an individual user, directors and company secretaries can try it before they buy.
- This new Entry Level Survey is a game changer because:
  - It is affordable and accessible for small organisations and first-time users.
  - It offers a compelling alternative to in-house board surveys and the manual, non-benchmarked report prepared by company secretaries for their board.
- We have continued our thought leadership in governance, publishing new research and articles and presenting at conferences, webinars and industry forums. Our ongoing contribution to an annual industry forum on golf club governance is just one example of how we support improved board effectiveness across sectors.
- We've grown our international presence, welcoming new Board Advisory Partners in Ghana, the Middle East, Namibia, and Singapore, which join our many existing partners listed on page 36.
- We've welcomed several new team members and plan to add more governance talent in the year ahead. Our staff profiles are included on page 38.

We look forward to the privilege of helping your board on its improvement journey.

Kind regards,

Nicholas Barnett
Executive Chair

Ensuring your board is fit for purpose in 2025

Nicholas Barnett
Executive Chair
Board Benchmarking

Board Benchmarking

Boards everywhere are facing a more challenging environment. Cyber threats, artificial intelligence, and the rise of digital business models are changing how organisations operate. A board that was fit for purpose a few years ago might not be today.

Through more than 600 board reviews, we have seen what works and what doesn't. We've worked with boards that lead with purpose and prioritisation and with those that need a course correction. We know that real improvement starts with honest reflection and practical steps.

In this article, we draw on insights from a recent Governance Institute Webinar, during which Audette Exel AO (Founder and Chair of Adara Group), Cheryl Hayman (Non-Executive Director, Silk Logistics and AI Media Technologies), and I discussed this topic. We shared the landscape that boards will navigate in 2025 and how to ensure your board is fit for purpose.

WHY BOARDS MUST EVOLVE FAST

Boards that don't adapt are putting their organisations at risk. The world is changing quickly. Global politics, the economy, and the environment all affect how organisations operate. Too many boards still think it's business as usual. But that gap between what the board focuses on and what's actually going on is getting wider. Boards need to keep up or risk falling behind.

> *"This is going to be a very, very big year for the world, and we can't hide from it."*
> Audette Exel AO

SEE THE BIG GLOBAL PICTURE AND THE REAL RISKS

Boards can't only focus on internal numbers anymore. They must look at the bigger risks like new tariffs, disrupted supply chains, climate events, new regulations, and cyberattacks. It might feel overwhelming, but that's exactly why boards need to talk about it regularly, monitor external risks and ensure relevant insights are brought to the board table.

This could include inviting expert speakers from time to time, reading widely, and discussing scenario plans to prepare for different futures. Making space on the agenda for this kind of discussion can help move the board from reactive to proactive.

> *"We're seeing a shift in the Global Power Alliance and what the impact is going to be. How's it going to impact our supply chains, for instance?"*
> Audette Exel AO

ENGAGE WITH DATA, NOT DRAMA

Boards are increasingly getting caught up in political or emotional debates. But issues like climate and diversity should be treated as serious, data-based risks, not political talking points.

Rather than allowing personal opinions to dominate, boards need to rely on credible data, independent reports, and trend analysis. If something is showing up in your insurance costs, employee engagement scores, or customer expectations, it's a real issue, not a culture war.

Keep conversations grounded by asking: What does the data tell us? What is changing in the external environment? What risks are emerging that we haven't fully understood yet?

> *"The increasing trend to polarisation and ideological views can really obscure boards from engaging with the data rather than the drama."*
> Audette Exel AO

USE PURPOSE AS YOUR COMPASS

Purpose isn't just a feel-good statement. It's the reason your organisation exists. And in tough times, it helps guide decisions.

> ***"It's not just the mission. It's the organisation's reason for being. It allows you to align your values, your vision for the future of the business and the organisation's desired impact."***
> Cheryl Hayman

When everyone knows the purpose, it's easier to decide what's worth doing and what isn't. Boards can test every major decision against their organisation's purpose. If something doesn't support your purpose, it probably doesn't deserve your time or resources. Boards should also regularly review whether the organisation's purpose is clearly defined, understood by key stakeholders, and reflected in how success is measured.

RELENTLESS PRIORITISATION TO PROTECT THE IMPORTANT WORK

Too many boards try to do too much. They fill the agenda with minor issues and run out of time for what really matters.

While I often use the analogy about putting the big rocks in the jar first, the key message is this: boards must dedicate appropriate time and energy for the few issues that will have the biggest impact.

That may mean redesigning board agendas, trimming down operational reports, or moving lesser items to committees.

It also means being disciplined about what the board says no to — not every topic needs board attention. Prioritisation isn't about ignoring things; it's about protecting space for the most important work.

> ***"You need to know what business you're in and why you're in it. That allows you to find innovative solutions during difficult economic and societal times of change while still trying to retain and create value for your organisation."***
> Cheryl Hayman

THE LEGACY YOU LEAVE BEHIND MATTERS

Board members should always be thinking about the legacy they're leaving. It's not just about past financial results. It's more likely to be about setting up the organisation's leadership, culture and operations for future success.

Your impact should extend well beyond your term. This requires board to be thoughtful about those things that are likely to make the biggest difference and add the most value over the next decade and beyond.

A great legacy isn't about personal recognition; it's about creating something that continues to benefit the organisation long after you've moved on.

> ***"Governance is not just about compliance — it's about crafting the sustainable future."***
> Cheryl Hayman

DON'T IGNORE DYSFUNCTION

Our research has found that 25% of all boards are dysfunctional. That means behaviours, relationships, or leadership issues are hurting performance. If you don't deal with it, things only get worse, which impacts the entire organisation.

Our research has found that 25% of all boards are dysfunctional. That means behaviours, relationships, or leadership issues are hurting performance.

It can be tempting to avoid conflict or hope bad behaviour will go away. But dysfunction is rarely a one-off. Left alone, it undermines trust, decision-making and accountability.

Chairs have a critical role to play in naming the problem and initiating change, but every director has a responsibility, too. External facilitators, regular performance feedback, and clear behavioural expectations can help address the real issues and build a healthier board culture.

The power of relationships, culture and behaviour Even if the rules and policies are perfect, a board won't work well without good relationships, trust and respect. Culture matters — a lot. Lots of boards comprise a team of champions, but they're not a champion team.

The way directors interact, how they listen, challenge, support and lead, shapes the board's effectiveness more than most people realise. Constructive cultures don't happen by accident.

Boards should make time for regular feedback, build relationships inside and outside the boardroom, and support the chair in managing dynamics.

Leadership starts with the right behaviours from the top, and directors need to be the first to model the values they expect from others.

THE 20 CATEGORIES OF EFFECTIVENESS EVERY BOARD MUST MASTER

With the help of Deakin University, we have identified 20 areas that matter most to a board's effectiveness, including board role clarity, performance management of the board, and board dynamics.

High performing boards are effective in all of these 20 important areas. When one or two fundamentals are weak, it can drag everything else down.

We recommend using a structured board review process that benchmarks your board against other boards in all 20 areas. Don't rely on gut feel or informal feedback. Get the data, have an honest conversation about where you're strong and where you're not, and make a clear plan to lift your performance.

The way directors interact, how they listen, challenge, support and lead, shapes the board's effectiveness more than most people realise. Constructive cultures don't happen by accident.

HOW WE HELP BOARDS STAY FIT FOR PURPOSE

At Board Benchmarking, we give boards the tools they need to improve. Our surveys help boards see what's working and what's not. We've helped over 600 boards improve their performance, effectiveness, and decision-making.

Whether your board needs a full review or just a fresh look at priorities, we can help you get on track and stay there. We work closely with boards to understand their goals, gather honest feedback, and provide clear, actionable insights. The result is a board that's better informed, more focused, and ready to lead.

Being a board director isn't easy, but it's a chance to make a real impact. Great boards lead with purpose, stay focused on what matters, and keep improving. There's no quick fix, but with the right approach and support, any board can get better. I hope this guide gives you a clear starting point.

How boards can prioritise purpose, strategy and execution

Murray Chapman
Principal
Board Benchmarking

Board Benchmarking

Few would argue that setting the organisation's strategic direction and overseeing its execution is a board's core business and main reason for existence. However, in an environment of increased regulation and societal expectations, boards often get bogged down in their other critical responsibility – actively managing corporate governance and risk.

It is necessary and right to ensure that the organisation is upholding ethical standards, legal compliance, and governance best practices, as well as identifying and mitigating risks that could threaten the organisation's future.

The problem arises when the volume of work here is so overwhelming that it crowds out the more creative and value-adding work necessary to ensure the organisation is achieving its purpose, following a strategy that adds long-term value, and making strategic pivots as the external environment changes.

Almost without exception, boards tell us that they need to recalibrate the balance between strategy and compliance, find a way to focus more on future opportunities and threats, and work out what will give the organisation its greatest advantages, make it more successful, and achieve its strategic goals.

Some boards get much closer to finding the right balance than others. It is a hard thing to achieve and comes from very deliberate thought and action.

The most successful boards do the following five things.

5 KEY PRACTICES FOR BALANCING PURPOSE, STRATEGY, AND EXECUTION

Based on insights from over 600 board reviews, here are the key practices that high-performing boards use to balance purpose, strategy, and execution.

1. Follow a carefully designed annual agenda

Successful boards structure their annual agendas with these key elements:

- Setting aside time for deep dives into strategy a few times a year, sometimes in separate strategy sessions.
- Creating space for less structured and open-ended discussions that consider the big picture and megatrends likely to impact the organisation in the next 3-5 years.
- Inviting experts who are known for big picture visionary thinking on relevant topics to join some sessions to help the board and executives imagine different scenarios for the future.
- Moving strategy to the front of the agenda of some board meetings and considering financials or compliance in the middle or latter parts of the meeting.

2. Structure board committees effectively

Boards that manage compliance and governance efficiently do so by carefully structuring their committees and ensuring a clear delegation of responsibilities. Common committees include:

- Audit committee - Oversees financial reporting, internal controls, and regulation compliance.
- Risk committee - Manages enterprise risks, cyber security, regulatory and strategic risks.

Some organisations also choose an Environmental, Social and Governance Committee and/or a Technology Committee. Generally, a board would not have more than 3-4 committees – a proliferation of committees can add complexity.

3. Ensure alignment between purpose, strategy and execution

If the board meeting is being overwhelmed with finance and compliance matters, then it would be well worth looking at the structure and functioning of its committees to see how they could improve the situation.

High-performing boards maintain a clear line of sight between these key strategic elements:

- Vision, mission and values – the long-term anchor points guiding their direction over a 5-10-year timeframe.
- Strategic plan and goals – outlining what they want to achieve and how they will achieve it (over a 3-5 year timeframe).
- Business plan and budget – which guide daily actions (updated annually).

In some organisations, there is dissonance between these levels. For example, the vision might be aspirational and humanistic, while the budget might be tough and demanding, and the link between the two might be hard to see.

In the most successful organisations, there is a clear line of sight, congruence and alignment between all of these elements.

4. Foster improved reporting and dialogue

Strong boards focus on meaningful discussions rather than repetitive reporting. They:

- Set clear and specific goals cascaded through the organisation and prioritise them rigorously so that everyone clearly understands the main objectives.
- Select a small number of key performance indicators carefully and track them regularly.
- Limit time spent on repeating what the board papers have already reported.
- Limit routine updates; they use pre-reads for operational and compliance reports so that meetings can focus on forward-looking strategy.
- Shift from reporting to dialogue.
- Move from passive listening (management presenting slide decks) to active engagement (board discussions, scenario planning).
- Ask about lead indicators of success and what early warning signs of delayed execution need to be monitored.

5. Rigorously track execution

Execution is critical, and successful boards ensure it is effectively managed by:

- Clarifying accountabilities.
- Ensuring projects have the necessary resources.
- Understanding how execution success is recognised and rewarded.
- Identifying obstacles and addressing what is not working.
- Not overly relying on management's narrative and don't take management's updates at face value without challenging assumptions.
- Recognising that people on the ground implement strategy, and engaging with frontline employees and customers to hear the story firsthand, seeing how the strategy impacts them.
- Understanding that execution fails when employees don't buy in.
- Assessing whether the organisation's culture supports the strategy and ensuring that incentives are aligned with execution.

In the most successful organisations, there is a clear line of sight, congruence and alignment between all of these elements.

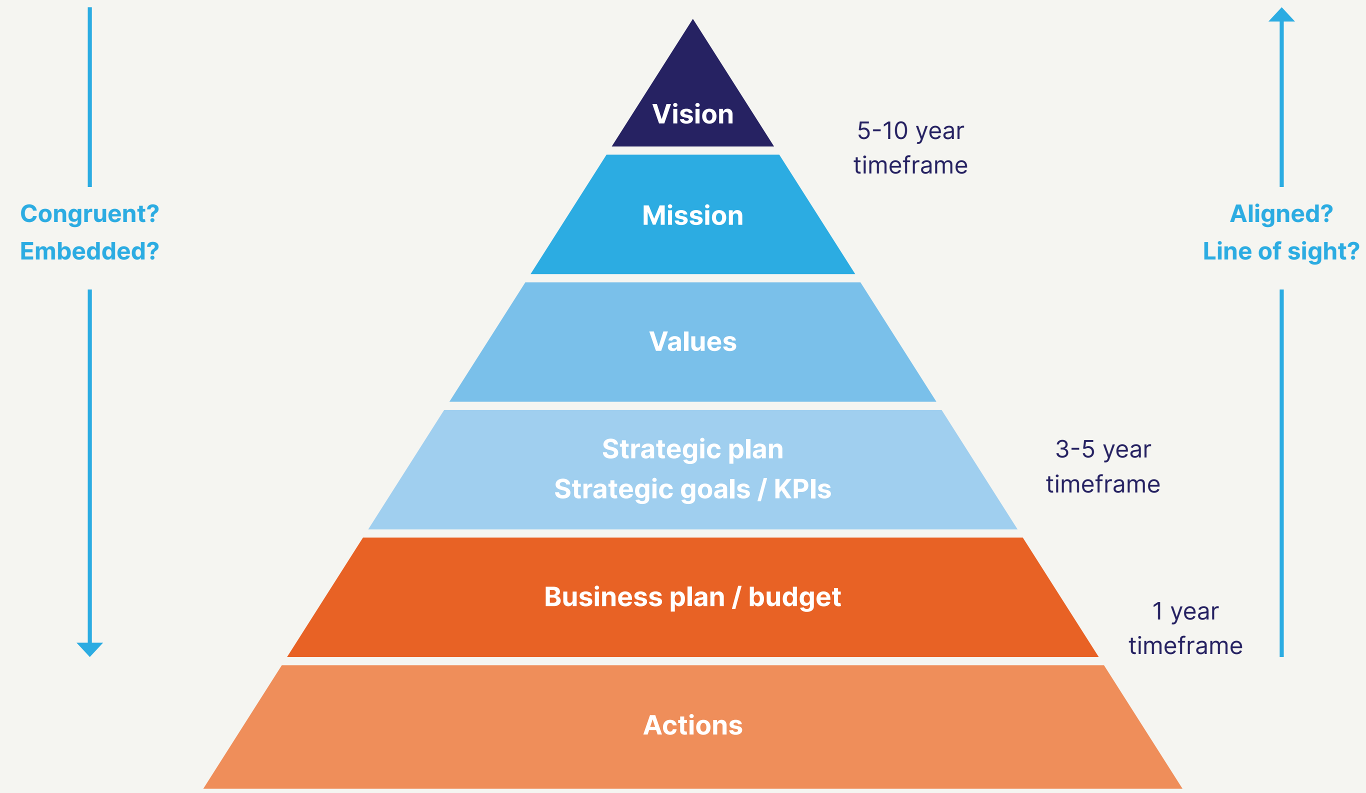
Rather than relying solely on management narratives, effective boards challenge assumptions and seek firsthand insights. They know that execution fails when employees lack buy-in, and they work to foster alignment between strategy and workplace culture.

Prioritising purpose, strategy and execution are among the most essential functions of a board. It is what gives the organisation its competitive advantage, positioning it for success far into the future.

A board can play a significant role in helping the organisation achieve this by setting the right annual agenda, effectively using its committees, aligning the different elements of purpose and strategy, fostering meaningful conversations and rigorously tracking execution.

Prioritising purpose, strategy and execution are among the most essential functions of a board.

Formulating a clear and coherent direction



Aligning board priorities with stakeholder expectations

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GOVERNANCE IN FOCUS

Stakeholders today expect boards to act not only as stewards of the organisation's financial and strategic health, but also as active custodians of purpose, ethics, and impact. While most boards acknowledge this shift, a gap in alignment between board priorities and stakeholder expectations remains in practice.

Drawing on performance data, director evaluations, and board effectiveness reviews across a wide range of organisations, several clear patterns emerge in how boards can better understand stakeholder engagement, respond to, and act on stakeholder material expectations.

STAKEHOLDER EXPECTATIONS ARE INCREASING, AND MORE VISIBLE

Across multiple reviews, directors and executives have noted a significant rise in the visibility and variety of stakeholder demands.

These range from investor calls for greater transparency and ESG performance, to customer expectations of ethical leadership, to employee desire for values-aligned decision-making.

In several evaluations, stakeholders, including shareholders and government regulators, were reported to be advocating/lobbying, withholding trust, or engage in legal recourse due to perceived gaps between what boards prioritised and what stakeholders considered urgent or material.

Across multiple reviews, directors and executives have noted a significant rise in the visibility and variety of stakeholder demands.

UNDERSTANDING BEGINS WITH LISTENING

One of the most common shortcomings observed was the absence of structured stakeholder listening. In multiple reports, feedback loops were either informal, underdeveloped, or siloed, limiting the board's ability to form a shared, strategic view of stakeholder expectations.

A lack of clarity around stakeholder needs was associated with conflicting priorities and reactive governance.

In contrast, boards that invested in robust stakeholder management plans which includes quality of engagement, effective dialogue, and transparent benefits and risks tracking had greater alignment and more stakeholder satisfaction.

STAKEHOLDER PRIORITIES MUST INFLUENCE STRATEGIC FOCUS

Categorising the salience of stakeholders and identifying their expectations are the initial steps. The more important challenge is translating those expectations into board-level strategic focus and actions.

In one case, stakeholder dissatisfaction stemmed from strategic ambiguity — the board had yet to define its post-transition direction, and key stakeholders had grown uncertain about the organisation's purpose and pathway.

Delays in responding to these concerns contributed to reputational strain, reduced investor confidence and social legitimacy.

Where boards were clear on the "big rocks," i.e., the 3–4 core priorities they would focus on over the year, alignment was stronger, and stakeholder endorsement was more durable.

This was particularly true when boards regularly reviewed and reaffirmed those priorities in light of stakeholder input.

ENGAGEMENT IS NOT JUST EXTERNAL

In some reviews, a lack of clarity about the role of stakeholder-aligned directors, such as government-appointed or investor-nominated members, confused who was responsible for carrying messages back to stakeholders.

Without an agreed framework for how these directors engage in effective dialogue with their constituents, communication channels risk being either too fragmented or overly centralised.

Strong examples involved clear protocols for stakeholder engagement at both the board and individual director levels, including agreed-upon roles for advocacy, listening, and reporting back.

Without an agreed framework for how these directors engage in effective dialogue with their constituents, communication channels risk being either too fragmented or overly centralised.

FEEDBACK NEEDS TO INFLUENCE THE BOARD'S AGENDA

Boards that perform well in aligning with stakeholder material expectations typically embed stakeholder-related items into their board calendar and track them alongside financial risk matters.

These boards view stakeholder trust and alignment as a form of strategic capital, something to be measured, managed, and reported on.

In one instance, the absence of action on previously collected stakeholder feedback led to deteriorating relationships and a perception of tone deafness. In another, the board introduced a standing item to review stakeholder sentiment, enabling earlier recognition of emerging stakeholder material expectations and quicker board-stakeholder alignment shifts.

CLARITY OF COMMUNICATION IS ESSENTIAL

Even where boards were broadly aligned with stakeholder expectations, the transparency of the benefits and risks communication was not always timely or clear.

Delays or overly curated disclosures (e.g., whitewashing and greenwashing) led stakeholders to question the authenticity of the board's intentions, especially in the context of ESG, safety, or community impact.

Boards that used plain-language summaries of priorities, published short strategic updates, or invited direct stakeholder commentary on performance were more likely to be perceived as responsive and credible.

Where these practices were absent, boards found it harder to rebuild trust following negative feedback or strategic shifts.

Effective boards do not merely respond to stakeholders; they engage with intent, prioritise salient stakeholders' material expectations, and communicate benefits and risks transparently. They recognise that stakeholder alignment is not about consensus but about transparency and accountability for the decisions they make.

The most consistent marker of success is not the absence of disagreement, but the presence of clear stakeholder management approaches through which stakeholder material expectations can shape board priorities, and actions to mitigate financial risks.

Why boards must lead the charge on talent and succession

Vijay Karkare
Managing Director
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CORNERSTONE

Talent management and succession planning are no longer optional; they are essential for an organisation's sustained success. As workforce expectations shift and technological advancements accelerate, organisations that fail to develop their leadership pipeline risk falling behind.

By 2025, companies without a strong succession strategy will face leadership voids, skill shortages, and declining competitiveness. The Board is responsible for stepping up and ensuring the organisation is future-ready.

FROM OVERSIGHT TO OWNERSHIP: THE BOARD'S ROLE IN LEADERSHIP DEVELOPMENT

Boards traditionally focused on governance and oversight, but the scope has expanded in the context of rapid market shifts. Now, Boards need to actively shape the organisation's leadership strategy to support long-term growth.

Active engagement ensures continuity at the executive level and identifies and nurtures talent across the entire leadership spectrum.

By playing an active role, the Board helps set the tone for talent development across the organisation. This role ensures the company builds the right capabilities in critical areas such as digital transformation, diversity and inclusion, agile leadership, and innovative thinking.

Boards must ensure that future leaders are technically competent and equipped with the emotional intelligence and strategic foresight necessary to navigate future business challenges.

SIX WAYS BOARDS CAN FOCUS ON LEADERSHIP DEVELOPMENT

1. ADDRESSING SKILL GAPS

With so many employers struggling to find skilled talent, the Board must champion robust upskilling and reskilling programs, including in critical areas like AI, data analytics, and cybersecurity, to ensure long-term organisational competitiveness.

2. FOSTERING AGILE LEADERSHIP

Boards must ensure leaders are prepared to navigate ambiguity and adapt quickly to change.

The Board must foster traits like resilience, innovation, and data-driven decision-making, supported by comprehensive leadership development programs.

3. PRIORITISING DIVERSITY AND INCLUSION

Boards should prioritise building diverse leadership pipelines, recognising that teams with varied backgrounds deliver better business outcomes.

Implementing inclusive hiring practices and mentorship programs can foster an environment where diverse leadership flourishes.

By playing an active role, the Board helps set the tone for talent development across the organisation

4. MAKING SUCCESSION PLANNING A STRATEGIC IMPERATIVE

Effective succession planning should not be a one-off reactive exercise but a long-term strategic imperative.

Boards must actively identify high-potential talent across the organisation and provide them with development opportunities to ensure leadership continuity at all levels.

5. LEVERAGING TECHNOLOGY FOR TALENT MANAGEMENT

Technology, especially AI and data analytics, has become critical for modern talent management.

The Board's oversight in integrating advanced tools for talent acquisition, leadership development, and performance monitoring will ensure more effective and data-driven talent strategies.

6. ENHANCING EMPLOYEE EXPERIENCE

To retain top talent, the Board must prioritise a culture that supports employee wellbeing, work-life balance, and personalised career development. A positive employee experience enhances engagement and loyalty, driving long-term success.

The future of any organisation depends on the strength of its leadership pipeline. Boards must actively ensure leadership continuity and drive organisational growth through strategic talent management.

The right leadership strategy, supported by a proactive Board, will help organisations stay competitive and prepared for the future.

The future of any organisation depends on the strength of its leadership pipeline. Boards must actively ensure leadership continuity and drive organisational growth through strategic talent management.

Board dysfunction: Why it happens and how to address it

Nicholas Barnett
Executive Chair
Board Benchmarking

Kirsten Smith
Principal
Governance in Focus

Board dysfunction can be difficult to detect but has serious consequences when left unresolved. In our review of more than 600 boards, around 25% exhibit signs of dysfunction, often unacknowledged until performance, culture, or credibility begin to erode.

While no two boards are the same, common patterns consistently emerge. This article outlines the most prevalent causes of dysfunction and practical steps boards can take to address them.

THE 9 SIGNS OF DYSFUNCTION

1. INEFFECTIVE LEADERSHIP

The chair plays a pivotal role in setting the tone, managing board dynamics, and driving performance. When leadership is weak, due to a lack of authority, poor facilitation skills, or inconsistency, the board often becomes fragmented. Directors may lose trust in the process or disengage entirely.

The cost

Directionless meetings, low engagement, unresolved tensions.

How to address it

- Provide feedback and support to the chair, including external coaching where needed.
- Ensure there are clear expectations for the chair's role and leadership behaviours.
- Consider succession if sustained underperformance is evident.

2. DOMINANT PERSONALITIES AND THE NEED TO BE RIGHT

Some of the most difficult boardroom dynamics arise not from structure but from interpersonal limitations, particularly a lack of emotional intelligence (EQ). Directors with low EQ may be unaware of the impact of their behaviour on others or struggle to listen, collaborate, or self-regulate.

This is especially problematic when combined with a strong need to be "right". It can result in some directors dominating discussions, lecturing, challenging others unconstructively, or prioritising their own influence over collective performance.

The cost

Imbalanced discussions, reduced diversity of thought, and erosion of collaboration.

How to address it

- Support the chair in managing unhelpful behaviours and encouraging emotionally intelligent leadership.
- Use peer feedback to highlight the importance of self-awareness, listening, and constructive challenge.
- Reinforce EQ as a valued attribute in board culture, director recruitment, and development.

3. UNACCEPTABLE BEHAVIOUR AND POOR CONTRIBUTION

Separate from dominance are behaviours that simply fall short of what's expected of a board director, such as disengagement, cynicism, failure to prepare, or inappropriate conduct.

These issues may not be loud, but they are just as damaging. They lower the tone of the board, discourage others, and make it harder to build a high-performance culture.

The cost
Lower trust, director frustration, and diminished standards of performance.

How to address it

- Clarify behavioural expectations and director accountabilities.
- Equip the chair to deal firmly but respectfully with poor performance, contribution or conduct.
- Use individual director feedback and development plans to prompt change or support renewal.

4. UNCLEAR ROLES AND RESPONSIBILITIES

When the boundary between governance and management is not clearly defined or respected, confusion sets in.

Boards may overstep and become too operational, blurring their oversight role, or they may defer excessively to management and fail to provide meaningful challenge or direction. In either case, accountability weakens, decision-making slows, and the board's value is diminished.

The cost
Poor strategic oversight, inefficiencies, and unproductive meetings.

How to address it

- Reaffirm and document the board's governance remit.
- Regularly review delegations and clarify the differences in the responsibilities of the board and management.
- Provide induction and refreshers for all directors on their role.

5. LACK OF ALIGNMENT ON STRATEGY AND PURPOSE

Boards are most effective when directors share a common understanding of the organisation's long-term purpose and how strategy supports it. It's even more powerful when the board and executive have that same understanding. Without alignment, directors pull in different directions, key priorities are debated rather than pursued, and executive efforts become misaligned.

The cost
Confusion, poor execution, and fractured board-management relationships.

How to address it

- Ensure alignment between the board's priorities, the strategic plan, board agendas, and committee structures.
- Dedicate time for board deep-dive sessions into the biggest strategic challenges and priorities.
- Revisit and, if necessary, update the organisation's purpose and vision at appropriate intervals.

6. DOMINANT VOICES AND DIRECTOR CLIQUES

One or more directors who dominate conversations or align too closely with particular executives can undermine open dialogue and collective accountability. Cliques often form informally, based on tenure, external affiliations, or past roles, and can significantly affect trust and board cohesion.

The cost
Reduced inclusivity, mistrust, tension, and opaque decision-making.

How to address it

- Conduct anonymous peer feedback to surface and help deal with dominant voices and/or cliques.
- Cultivate an inclusive board culture where all directors are expected to contribute and challenge constructively.
    - Rotate committee memberships and leadership roles to prevent silos.

7. INADEQUATE SUCCESSION PLANNING

Without a clear view of future leadership needs, boards risk being unprepared for change. Succession planning is often seen as a future issue until it becomes urgent, at which point the lack of planning becomes painfully apparent.

The cost
Risk exposure, leadership vacuums, and instability.

How to address it

- Establish a formal succession plan for the key board and executive roles.
- Review the plan annually and align it with a long-term strategy.
- Identify and develop future leaders internally and externally.

8. LIMITED DIVERSITY AND RENEWAL

Boards lacking in diversity, whether of background, experience, gender, or thinking style, often struggle to challenge assumptions or adapt to changing conditions. When renewal is neglected, boards may become stale, inward-looking, and resistant to new perspectives.

The cost
Groupthink, poor innovation, reputational risk.

How to address it

- Regularly assess board composition against current and future organisational needs.
- Ensure the board is being renewed at an appropriate rate. Implementing fixed terms or tenure guidelines can assist in encouraging renewal.
- Use a wide, merit-based search process to attract diverse candidates.

9. FAILURE TO REGULARLY EVALUATE PERFORMANCE

Ongoing evaluation of board and director performance is essential for continuous improvement. When this is missing, underperformance remains unaddressed, behaviours go unchecked, and opportunities for development are missed.

The cost
Stagnation, misalignment, and recurring issues.

How to address it

- Conduct deeper dive evaluations of the board, committees, and individual directors at least every three years.
- Carry out lighter touch reviews in the years between.
- Use results to inform development, succession, and renewal decisions.

Dysfunction is not inevitable, and it is rarely irreversible. With clear eyes and deliberate action, boards can realign, renew, and refocus. The first step is recognising the signs. The next is acting on them with discipline and resolve.

As with all governance matters, embedding change takes time. Maintaining a constructive board culture and acting decisively and early to protect that culture can avoid the significant cost of inaction.

> Boards lacking in diversity, whether of background, experience, gender, or thinking style, often struggle to challenge assumptions or adapt to changing conditions.

How boards can govern AI and emerging technologies effectively

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Halex Consulting

Artificial Intelligence (AI) is no longer a futuristic concept but a present-day reality shaping industries, economies, and corporate strategies worldwide. Projections indicate that by 2030, AI could contribute up to $15.7 trillion to the global economy, surpassing the current combined output of China and India.

As AI and other emerging technologies continue to evolve rapidly, the role of corporate boards in ensuring responsible governance has never been more critical. Organisations must strike a balance between leveraging AI's transformative potential and mitigating its inherent risks.

WHY AI GOVERNANCE IS DIFFERENT FROM TRADITIONAL OVERSIGHT

AI's adaptability and autonomy distinguish it from traditional IT systems, introducing unique challenges for corporate oversight. Unlike conventional software, AI can produce different outcomes from the same inputs, making its behaviour unpredictable and difficult to control.

This dual nature raises concerns about reliability, accountability, and ethical use. Boards must grapple with these complexities to safeguard their organisations against unintended consequences while fostering innovation.

BENEFITS AND RISKS: A DOUBLE-EDGED SWORD

The potential benefits of AI are extensive, spanning from improved medical diagnostics, such as enhanced breast cancer screening, to accelerating drug discovery. However, AI also presents significant risks, including cybersecurity threats, bias in decision-making, and misuse in disinformation campaigns.

A stark example of AI's darker potential was illustrated recently by the case of UK Foreign Secretary David Cameron, who was reportedly deceived through a deepfake video conference. Such incidents highlight the urgent need for rigorous oversight.

AI REGULATION: LESSONS FROM THE UK AND IMPLICATIONS FOR AUSTRALIA

Rather than introducing sweeping new legislation, the UK government has opted to regulate AI within existing frameworks, placing oversight responsibilities on sector-specific regulators.

These regulators assess AI's impact based on five core principles:

1. Safety, security, and robustness
2. Appropriate transparency and explainability
3. Fairness
4. Accountability and governance
5. Contestability and redress

Integrating these principles into corporate boards' AI governance frameworks is essential to ensuring ethical and responsible AI deployment. This proactive approach helps align corporate strategies with regulatory expectations while maintaining public trust.

While the UK has taken a sector-specific approach, Australia is still shaping its AI governance framework. The federal government has released discussion papers exploring regulatory options, signalling that boards should prepare for evolving requirements in line with global best practices.

THE BOARD'S ROLE IN AI OVERSIGHT

Effective AI governance requires a structured approach. Boards should consider adopting the following measures:

- 'Blue sky' strategic discussions: Boards must allocate dedicated time for open-ended discussions on AI and emerging technologies, free from immediate decision-making pressures. These discussions encourage long-term thinking and strategic alignment.
- Developing an AI strategy: A well-defined AI strategy should outline the organisation's approach to AI, risk appetite, and ethical considerations. Given the fast pace of AI advancements, this strategy must be reviewed regularly.
- Establishing an AI policy: Following AI strategy development, boards should implement a formal AI policy. This policy should incorporate regulatory principles, highlight key risks, document material controls, and assign clear accountability to executive management. Given AI's rapid evolution, it must be updated more frequently than other governance policies.
- Assigning oversight responsibilities: Boards should designate a specific committee, such as audit, risk, or technology, to oversee AI initiatives, ensuring focused and informed governance oversight.
- Creating an AI inventory: Create and maintain an inventory of all AI systems used within the organisation. Understanding where and how AI is being used is crucial for effective governance and risk management.
- Encouraging innovation labs: Establishing dedicated innovation labs or AI Centre of Excellence provides a controlled environment for experimenting with AI applications, minimising risks while fostering technological advancements.

As AI's influence grows, boards must ensure they possess or have access to the necessary expertise to make informed decisions.

THE NEED FOR AI EXPERTISE ON BOARDS

As AI's influence grows, boards must ensure they possess or have access to the necessary expertise to make informed decisions. Many boards lack members with deep technological knowledge, which can hinder effective oversight.

Options for addressing this gap include recruiting board members with technical backgrounds or engaging external advisors. However, boards must also avoid over-reliance on a single expert, ensuring all members receive ongoing education on AI's implications.

PRACTICAL APPLICATIONS AND ETHICAL CONSIDERATIONS

AI's role in corporate operations extends beyond strategy to practical applications, such as drafting board minutes. While AI-driven tools can streamline administrative tasks, they currently lack the nuanced understanding required for comprehensive documentation. Human oversight remains essential to ensure accuracy and legal compliance.

Moreover, ethical considerations must be at the forefront of AI governance. Certifications, such as those offered by the Chartered Institute for Securities & Investment (CISI), underscore the growing importance of ethical AI deployment. Boards must navigate the legal complexities of data privacy, intellectual property, and accountability in AI-driven decision-making.

AI governance is no longer optional; it is imperative for corporate boards seeking to navigate the evolving technological landscape responsibly. By fostering informed discussions, developing robust strategies, ensuring ethical deployment, and continuously educating themselves, boards can harness AI's potential while mitigating its risks.

As AI continues to evolve, so too must the governance frameworks that oversee its integration into corporate operations. Boards that proactively address these challenges will position their organisations for long-term success in the AI-driven economy.

Optimising board committees for strategic impact in Australia and New Zealand

Simon Rumore
Co-Founder and Managing Director
Peakstone Global

Effective corporate governance is the backbone of organisational success. In Australia and New Zealand, board committees play a crucial role in ensuring that boards operate with strategic focus and efficiency.

However, too often, committees are underutilised, leading to gaps in oversight, duplication of efforts, and missed opportunities for deeper strategic discussions. Boards must rethink how they leverage committees to sharpen decision-making, enhance governance, and drive long-term value creation.

THE ROLE OF COMMITTEES IN ENHANCING BOARD EFFECTIVENESS

Board committees help boards manage their growing responsibilities by providing detailed scrutiny on key areas such as audit, risk, remuneration, and strategy. When structured and utilised effectively, committees allow boards to make informed decisions without getting lost in operational minutiae.

Based on more than 600 board reviews, research from Board Benchmarking shows that 83% of respondents agree or strongly agree that board committees effectively support the board's work. However, this still leaves room for improvement, particularly in aligning committee structures with strategic priorities.

> Based on more than 600 board reviews, research from Board Benchmarking shows that 83% of respondents agree or strongly agree that board committees effectively support the board's work.

Simon Rumore, Managing Director of Peakstone Global and a member of the Global Policy Committee for the International Committee of Corporate Governance, stresses that "boards need to ensure committees are not just compliance-driven but are genuine enablers of strategic oversight and decision-making.

This means clarifying committee mandates, eliminating duplication, and ensuring seamless collaboration between committees and executive management."

AVOIDING GAPS AND OVERLAPS IN COMMITTEE DELEGATION

One of the most common governance pitfalls is the misalignment between committee delegation and what remains within the purview of the board or executive management. Without clear delegation, boards risk duplicating efforts or, even worse, missing critical oversight responsibilities.

Gaps in delegation lead to overlooked risks, while overlaps can cause inefficiencies and confusion.

For example, when both a board and a risk committee review the same enterprise risk category framework, accountability may be diluted rather than enhanced. The key is to define committee responsibilities clearly and ensure they operate within a well-structured governance framework.

Simon advocates for regular board evaluations and structured governance reviews to ensure alignment:
"Effective boards take a proactive approach to committee structures, ensuring they evolve in response to emerging risks, regulatory changes, and strategic imperatives."

STRATEGIC ALIGNMENT: USING COMMITTEES TO DRIVE BOARDROOM DISCUSSIONS

To truly unlock the value of committees, boards must ensure strategic priorities are aligned rather than committees operating in silos.

THE MOST EFFECTIVE COMMITTEES:

- Have charters that explicitly link their mandates to the organisation's strategy.
- Provide the board with forward-looking insights rather than just backward-looking compliance reports.
- Encourage deep-dive discussions on key risks and opportunities that impact long-term performance.
- Maintain a structured but flexible agenda that allows for responsiveness in addressing emerging issues.

A leading practice is to conduct annual committee performance assessments to determine whether committees are adding value or merely fulfilling a procedural function. This approach aligns with Peakstone Global's view that "good governance is dynamic, not static".

> To truly unlock the value of committees, boards must ensure strategic priorities are aligned rather than committees operating in silos.

MOVING FORWARD: ENHANCING COMMITTEE EFFECTIVENESS FOR BETTER BOARD DECISIONS

Boards in Australia and New Zealand need to take a disciplined approach to committee effectiveness.

THIS INCLUDES ENSURING THAT COMMITTEES:

1. **Have clear mandates**
   Avoid ambiguity in committee charters and ensure alignment with board and management responsibilities.
2. **Operate with efficiency**
   Ensure committees do not become bottlenecks but, instead, enable decision-making.
3. **Encourage diverse expertise**
   Appoint members with the right mix of skills, experience and independence.
4. **Regularly review performance**
   Conduct periodic committee evaluations to assess impact and refine focus.
5. **Facilitate cross-committee collaboration**
   Foster better communication between committees and the board to ensure seamless governance.

With corporate governance standards evolving, committees hold a critical role in supporting boards across all sectors and industries in making timely and well-informed decisions has never been more critical.

By optimising committee structures and clarifying delegation lines, boards can enhance governance effectiveness and position their organisations for long-term success.

For deeper insights into board governance and strategic leadership, visit Peakstone Global's Insights page at https://www.peakstoneglobal.com/ and connect with Simon on LinkedIn to stay informed on the latest governance trends shaping the future of board leadership.

Navigating the ESG challenge in the boardroom

Rachel Baird
Practice Director
Peakstone Global
Dr Baird is skilled in ESG strategy development, policies, and reporting outcomes.

PEAKSTONE GLOBAL

ESG—or Environment, Social, and Governance—is a wicked three-letter acronym that continues to bedevil boardrooms and management. It has been described as being used more like a vibe than a precise descriptor of corporate impact[1]

Interestingly, in Board Benchmarking's recent study, 73% of directors agreed or strongly agreed that the board has the appropriate level of expertise and experience to help drive their organisation's ESG aspirations and performance. In contrast, only 49% of management hold the same conviction.

This likely overestimation of skill or ability is not a new phenomenon on boards. Often, management, which lives and breathes the business, is a more realistic assessor of organisational resilience to risk. In a 2024 PwC survey 66% of directors agreed that "ESG means different things to different people." This raises the question: what do Directors understand as ESG when assessing their own expertise and experience of ESG?

DEI AS AN EXAMPLE

Diversity, Equity and Inclusion (DEI) is a subset of ESG. The recent ASX Corporate Governance Council split over the draft proposals for listed companies to disclose personal characteristics such as sexuality, Indigenous heritage, age and disability, saying it might make boards question their ability to navigate an uncertain stakeholder environment. This debate has led to criticism from industry leaders; Veteran fund manager John Wiley has stated of the ASX Corporate Governance Principles: "The principles have veered so far from the core purpose of companies to deliver returns to shareholders that they require a fundamental overhaul."[3]

Alongside the DEI backlash in the USA triggered by the 21 January 2025 Executive Order, which saw major companies, including Amazon, Meta, Disney, Google and Accenture, announcing the abandonment of DEI policies, it is understandable that Australian directors may question their ability to navigate the shifting DEI sands.

Yet, has anything really changed? Reporting obligations to the Workplace Gender Equality Agency remain, and the ASX Corporate Governance principles (2019) already require listed entities to "have and disclose a diversity policy." The devil is in the details.

This likely **overestimation of skill or ability is not a new phenomenon on boards**. Often, management, which lives and breathes the business, is a more realistic assessor of organisational resilience to risk.

THE BREADTH OF ESG (AND RESULTANT RISKS)

All this suggests that nuanced conversations about ESG are essential. One organisation's "ESG aspirations and performance" will vary from another's. Over the past five years, case law indicates ESG has been used in the context of greenwashing, ESG criteria, green credentials, ESG risk, ESG alignment, ESG enterprise, ESG benefits, and ESG issues.

In most cases, no context was provided to explain what the parties meant by their use. Similarly, diverse views are held among shareholders. This diversity in understanding is natural when cnsidering resolutions attributed to ESG from 2002-2019 included the breadth of such matters as reacting to climate change, gambling, corporate governance, human rights and workers' rights.[4]

[1] E Pollman, 'The Making and Meaning of ESG' (2022) University of Pennsylvania Carey Law School, Institute for Law and Economics Research Paper 22-23
[2] PricewaterhouseCoopers (PwC), 'Uncertainty and transformation in the modern Boardroom. Annual Corporate Directors Survey' (2024).
[3] P.Durkin, 'Failed diversity ush triggers call for review' Australian Financial Review 21 February 2025, 9.
[4] L Freeburn, and I Ramsay, 'An Analysis of ESG Shareholder Resolutions in Australia' (2021) University of New South Wales Law Journal 1142 -1179.

Given the massive variation in categories covered by ESG, where does this leave boards and directors who feel they are prepared to respond to ESG risk and to drive ESG aspirations? They seem none the wiser and exposed to risks such as:

- Misalignment between boards, management and stakeholders over what ESG concepts are essential to the organisation.
- Negative stakeholder feedback and litigation.
- Increased regulatory scrutiny.
- Reputational and business value impact.
- Increased difficulty or inability to obtain finance.
- Employee dissatisfaction, including difficulty in attracting/retaining staff.
- A confused strategy confounding execution.

ESG remains a complex challenge, and **misalignment between boards and management can heighten risks**.

STEPS DIRECTORS CAN TAKE

To manage the risk of uncertainty over what ESG means to the business, directors can take the following action:

- Examine core activities to determine the extent of environmental, social and governance impact, opportunities and risk.
- Determine – informed by science, data, and internal knowledge – what is material to the organisation within the environmental and social impacts and risks.
- Ensure material ESG considerations are appropriately incorporated into the organisation's strategic and business plans.
- Determine the priorities for the organisation in the short, medium, and long term.
- Craft strategic goals around these priorities.
- Resource management to execute the strategy.
- Communicate the organisational priorities and goals to stakeholders.
- Measure progress and report.

ESG remains a complex challenge, and misalignment between boards and management can heighten risks. Without clear priorities, organisations face regulatory scrutiny, reputational damage, and operational setbacks.

By defining material ESG risks, integrating them into strategy, and communicating effectively, boards can move beyond vague concepts to drive meaningful, long-term impact.

Cyber risk, board attestations, and the responsibilities of non-executive directors

Chris Burt
Principal
Halex Consulting

Cyber risk has emerged as one of modern organisations' most complex and pressing challenges. With the rise of increasingly stringent regulatory frameworks, corporate boards, and particularly non-executive directors (NEDs), must navigate an evolving landscape where accountability and governance in cyber risk management are under scrutiny.

The introduction of regulations such as the U.S. Securities and Exchange Commission's cyber disclosure rule, the European Union's NIS2 and DORA regulations, and the UK's updated Corporate Governance Code has heightened the urgency for boards to attest to the effectiveness of their organisation's cyber risk management frameworks.

In 2024, the Medusa ransomware group targeted over 300 victims across critical sectors, including medical, education, legal, insurance, technology, and manufacturing. Utilising phishing campaigns and exploiting unpatched software vulnerabilities, Medusa employed a double extortion model—encrypting data and threatening public release unless a ransom was paid. This attack underscores the escalating cyber threat landscape and the imperative for boards to safeguard their organisations proactively.

THE CHANGING REGULATORY LANDSCAPE

Regulatory authorities across the UK, the U.S., and the EU are driving a fundamental shift in cyber risk governance. In the UK, the Financial Reporting Council's revised Corporate Governance Code, particularly its Provision 29, mandates that UK-listed firms, starting from January 1, 2026, must attest—on a comply-or-explain basis—to the effectiveness of their risk management and internal control arrangements.

This requirement extends across key operational, financial, reporting, and compliance risks, making it essential for boards to establish robust mechanisms for assessing and managing cyber risk and resilience.

While these regulations apply to UK-listed firms, Australian boards should take note of the increasing global scrutiny on cyber risk governance. Although no equivalent laws are in place yet in Australia, regulatory bodies like ASIC and APRA are increasingly focusing on the need for improved cyber risk management, suggesting a growing expectation for boards to prepare for future regulations and adopt best practices from jurisdictions like the UK.

Given the inevitability of cyber incidents, firms will need to develop clear strategies to explain and manage breaches occurring post-attestation. Unlike some international regulations that carry civil and even criminal penalties, the UK's governance framework does not impose direct legal repercussions for non-compliance. However, the reputational and financial risks for organisations and their directors remain significant.

THE EXPANDING ROLE OF BOARDS IN CYBER RISK MANAGEMENT

The traditional view of cyber risk as purely an operational concern is rapidly becoming obsolete. Regulatory expectations now require boards to take an active role in assessing, challenging, and overseeing cyber risk management strategies.

ACTIONABLE STRATEGY

Actionable strategy: Boards must prioritise cyber risk as a key strategic issue. Schedule regular reviews of cyber risk management strategies at board meetings and ensure that all directors understand the potential impact of cyber threats on business continuity.

Engage with cybersecurity experts to gain a deeper understanding of emerging risks and the necessary response plans.

Although regulations primarily call for board-level expertise rather than specific requirements for NEDs, the effectiveness of governance hinges on the ability of independent directors to evaluate and challenge executive decision-making critically. This shift is expected to drive increased demand for NEDs with deep technology and cyber expertise—a challenge in a talent market where such skills are already scarce, particularly when considering board diversity objectives.

ADDRESSING OPERATIONAL CHALLENGES

Organisations must implement comprehensive cyber risk management frameworks that reflect the dynamic and unpredictable nature of cyber threats.

Key challenges include:

- **Evolving threats:** Cyber risks are inherently unpredictable, with factors such as state-sponsored cyberattacks and AI-driven threats adding complexity.
- **Continuous education:** To remain effective, boards must commit to ongoing education on emerging cyber risks and governance best practices.
- **Bridging the communication gap:** Boards must ensure that cybersecurity discussions are conducted in clear, accessible language to facilitate meaningful engagement between technical experts and directors.
- **Independent assurance:** Second-line risk management, third-line internal audit, and external cyber risk experts play a crucial role in providing independent assurance on the adequacy of cwyber resilience measures.

ACTIONABLE STRATEGY

Develop a "cyber risk playbook" to guide your organisation through various scenarios. Include clear steps for responding to cyber incidents, from detection to recovery.

Regularly test and update this playbook to ensure preparedness for evolving threats.

Given that today's cutting-edge cybersecurity measures may become obsolete within months, boards must adopt a proactive rather than reactive stance in cyber risk governance.

> Given the inevitability of cyber incidents, firms will need to develop clear strategies to explain and manage breaches occurring post-attestation.

Strategic implications and future outlook as cyber threats continue to escalate and regulatory scrutiny intensifies, boards must embrace a forward-thinking approach to governance. Proactive engagement, continuous learning, and robust oversight mechanisms will mitigate risks and ensure compliance with evolving regulations.

ACTIONABLE STRATEGY

Create a cyber risk training program for your board members and key executives. Keep them updated on emerging threats, regulatory changes, and best practices. This will ensure that your leadership is prepared to make informed decisions on cybersecurity issues.

Ultimately, cyber risk governance is no longer a matter of IT security alone - it is a boardroom imperative that demands strategic attention.

To navigate the challenges of an increasingly digital world, organisations that prioritise cyber risk management and resilience, ensure board-level expertise, and integrate independent assurance mechanisms will be best positioned.

New board survey: Most affordable, benchmarked, and with a free chair debrief

Our most affordable, world-class board survey with a benchmarked report and a free expert debrief.

INTRODUCING THE ENTRY LEVEL BOARD SURVEY

Board Benchmarking's new Entry Level Board Survey provides an affordable, streamlined way to assess board effectiveness across 10 critical governance categories.

Designed for small organisations or as a lighter-touch option for larger ones, it delivers valuable insights without the complexity or cost of a full-scale review.

A SMARTER ALTERNATIVE TO AN IN-HOUSE SURVEY

Traditional in-house surveys can be administratively time-consuming, prone to bias, and lack the benchmarking needed for meaningful insights.

The Entry Level Board Survey offers a structured, externally managed approach that ensures anonymity, reduces administrative burden, and delivers a robust, benchmarked report and a free expert debrief —all for just AUD $1,349.

MORE VALUABLE INSIGHTS WITH BENCHMARKING

We have one of the largest board review databases in the world, with more than 600 board reviews of organisations of every shape and size across all industry sectors.

This means we can provide much more reliable and valuable insights by benchmarking your board against many dozens of similar ones.

ALL BOARD SURVEYS INCLUDE A FREE EXPERT DEBRIEF WITH THE CHAIR

All our board surveys now include a complimentary 30-minute video debrief for the Chair. Along with the benchmarked report, this session provides expert interpretation and guidance to help translate results into meaningful action.

TRY BEFORE YOU BUY

The Entry Level Board Survey is the same survey as our popular FREE Entry Level Survey for individual users. This allows directors or company secretaries to experience the survey firsthand before purchasing the survey for the board.

LEVERAGING SCALE AND TECHNOLOGY

Our parent brand, Insync, sends out tens of thousands of employee, customer, and patient surveys per month.

For over twenty years, it has been using innovative research methodologies, benchmarking, and reporting technologies to provide valuable insights for its clients.

This scale and technology have been leveraged to provide a secure and user-friendly way for thousands of boards to evaluate and improve their performance.

Take the next step in strengthening your board Whether you're a small board seeking an affordable governance tool or a larger one looking for a streamlined review process, the Entry Level Board Survey offers a practical, data-driven solution.

Learn more or try our FREE Entry Level Survey at boardbenchmarking.com.

Our Board Effectiveness Framework

Our Board Effectiveness Survey uses the world-recognised WhatWhoHowDo Framework.

The dimensions of our WhatWhoHowDo Framework were refined in early 2020, following a comprehensive review with the assistance of Deakin University, Melbourne.

The review established psychometrically defensible dimensions of board functioning. That review and analysis of contemporary board literature helped create a valid world-class board survey.

The review identified 20 discrete categories as being the most important in assessing and measuring the effectiveness of a board.

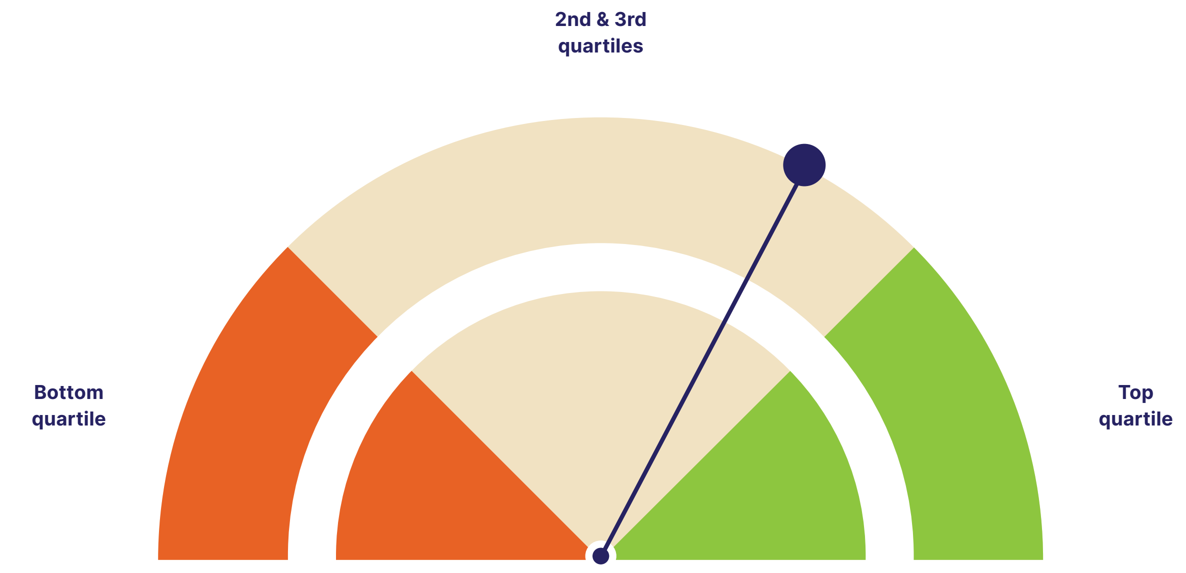
Each board's effectiveness is benchmarked against boards of comparable organisations, as shown below. For example, small not for profits are benchmarked against small not for profits and large listed companies are benchmarked against other large listed companies.

Each board is also benchmarked in relation to the 20 most important categories of a board's effectiveness, as shown on the example summary page of a report opposite.

The review identified 20 discrete categories as being the most important in assessing and measuring the effectiveness of a board.

The 20 most important categories of a board's effectiveness are explained in detail on our website. Because many of these categories manifest themselves "behind closed doors" little is known about the effectiveness of boards in some of these areas.

This is why benchmarking using a validated survey, often supplemented by interviews, can help boards more easily understand their effectiveness in each of these areas.



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A new (DRIVE) Framework for Director Effectiveness

THE NEW DRIVE FRAMEWORK

Board Benchmarking has used more than 24,000 comments in relation to strengths and suggestions for directors to develop a new and contemporary framework of director effectiveness.

The comments were made in reviews of the effectiveness of 1,276 directors carried out between 2013 and 2025. The directors assessed were from organisations of all shapes, sizes and sectors and were mostly resident in Australia.

This new DRIVE Framework (Direction, Relationships, Insight, Values, Execution) is anchored in how directors are actually perceived in practice.

It integrates both what directors do and how they behave in a unified diagnostic framework.

It recognises that a director's value extends beyond technical skills or governance know-how. It also includes how they think strategically, relate interpersonally and contribute to the culture and integrity of the board.

EFFECTIVENESS IN THE BOARDROOM, NOT JUST ON PAPER

Some directors have great skills, expertise and abilities on paper but have difficulty applying those strengths in the boardroom.

Some have multiple qualifications but lack the judgement and/or ability required to apply their skills and expertise in the boardroom. Others have the skills and experience, but their behaviors and/or lack of EQ undermine boardroom trust, cohesion and effectiveness.

The DRIVE framework helps measure the effectiveness of individuals as a director by not only assessing what they contribute but also how they go about contributing. It combines cognitive, behavioural, and structural attributes in a way that aligns with contemporary board expectations.

DRIVE provides a balanced lens through which to assess the overall impact of a director, in and outside the boardroom.

Each of the five components captures a distinct but interconnected aspect of how a director's effectiveness contributes to board performance.

Board Benchmarking has **used more than 24,000 comments** in relation to strengths and suggestions for directors to develop a new and contemporary framework of director effectiveness.

THE FIVE COMPONENTS OF DRIVE

D – DIRECTION (AND STRATEGY)

This dimension reflects a director's ability to shape and influence the long-term success of the organisation.

It includes strategic foresight, commercial acumen, and an understanding of the broader market, customer, and regulatory environment. Directors who excel here bring clarity, focus, and a forward-looking mindset that adds value to boardroom strategy. Their presence supports a disciplined focus on purpose, positioning, and performance.

R – RELATIONSHIPS (AND INFLUENCE)

Relationships and influence reflect how directors interact with their peers, the Chair, management, and stakeholders. Effective directors build trust, respect boundaries, and contribute to an inclusive, respectful and collaborative culture. They listen actively, challenge respectfully, and foster psychological safety in the boardroom.

Their influence is built on credibility, emotional intelligence, and an ability to elevate group performance without dominating or dismissing others.

I – INSIGHT (AND CONTRIBUTION)

Insight and contribution reflect a director's preparedness, thoughtfulness, and value-added input. Effective directors are curious, well-prepared, and engaged across the breadth of board topics. They ask probing questions, synthesize complex information, and bring new perspectives that sharpen debate and improve decisions.

These directors elevate the intellectual tone of the board and drive higher-quality outcomes.

V – VALUES (AND CONDUCT)

This component reflects how directors model integrity, professionalism, humility, and composure. Effective directors hold themselves to high ethical standards and behave with consistency, maturity, and self-awareness.

They act as role models of boardroom decorum and governance integrity, reinforcing the organisation's culture and building trust through their tone, reliability, and authenticity.

E – EXECUTION (OVERSIGHT)

Execution oversight refers to how directors engage with their core fiduciary duties, monitor risk, and provide performance oversight without blurring governance and management roles.

Effective directors balance scrutiny with support. They contribute meaningfully in committees, maintain a clear line between oversight and operations, and help focus the board's time on matters of material significance.

Board Benchmarking

About Board Benchmarking

Board Benchmarking aspires to set the gold standard for evidence-based measurement and improvement of board performance and effectiveness because we believe Better Boards mean Better Organisations.

We provide the following evaluations in addition to our five world-class benchmarked Board Effectiveness Surveys and board evaluations. Our website includes further details and the frameworks we use for each.

Board Benchmarking is a division of Insync, a leading Australian engagement, performance measurement and improvement firm. Our sister brand, Board Surveys, provides even more affordable board survey options by adopting more of a self-managed and streamlined process for small and medium-sized organisations.

DIRECTOR EFFECTIVENESS SURVEYS OR MODULE

Our bespoke survey technology enables all directors to rate their own effectiveness and that of their colleagues, providing constructive comments for each director in a single, straightforward, and unobtrusive survey.

A lighter touch is available by simply adding a Director Effectiveness Module to the end of your board survey.

COMMITTEE EFFECTIVENESS MODULE

You can do a light-touch review of each of your board committees by adding a Committee Effectiveness Module to the end of your board survey. Committee Effectiveness Scorecards are then provided for each committee.

CEO EFFECTIVENESS SURVEY

Unlike many other CEO Effectiveness Surveys, ours has been designed specifically to assess the attributes of an effective CEO.

The CEO Effectiveness Survey is often conducted in conjunction with our CEO Attributes Ranking Survey, thereby accomplishing two objectives with one survey.

LEADERSHIP TEAM EFFECTIVENESS SURVEYS

This survey enables all members of the Leadership Team to rate their own effectiveness and that of their colleagues, providing constructive comments for each in a single, straightforward, and unobtrusive survey.

Directors who are familiar with the executives can also complete the same survey. Resulting Leadership Team Effectiveness Reports are produced and provided to the CEO for sharing and discussion with each executive.

STRATEGY EFFECTIVENESS SURVEY

One of the board's most important roles is to provide leadership and influence over the long-term direction and strategy of the organisation they govern.

Our Strategy Effectiveness Survey will help the board obtain a more objective view, achieve alignment and improve the organisation's effectiveness at planning, developing, executing, and monitoring its strategy.

It adds the most value when it is completed well in advance of the board's next strategy day.

Our people

Nicholas Barnett
Executive Chair

Nicholas (Nick) Barnett is the Founder and Executive Chair of Board Benchmarking and Insync, with over 35 years of experience as a governance expert, director, and consultant.

A former KPMG partner and Fellow of the AICD, Nick has conducted more than 250 board reviews and chaired multiple organisations. He is also a published author and respected speaker on governance, culture, and leadership.

Dr Erika Szerda
Principal

Erika is a registered psychologist with a Doctorate in Organisational and Industrial Psychology and around 20 years' experience in research and consulting.

She partners with boards and executive teams to drive performance and navigate complex challenges, with a strong focus on evidence-based practices across sectors such as finance, legal, property services and insurance.

Murray Chapman
Principal

Murray Chapman has over 30 years of experience in management and consulting, specialising in helping for-purpose organisations deliver better outcomes.

He has advised numerous boards and leadership teams, particularly in the Health and Community Services sectors, with clients including major hospitals, universities, and community organisations.

Dr Sugumar Mariappandar
Senior Sustainability Advisor

Sugumar is an internationally acclaimed professional who has helped shape innovative approaches to embed sustainability programs across organisations.

He consults in Australian and internationally using the new Organisation Sustainability Maturity Matrix framework which he jointly developed with Nicholas Barnett, Executive Chairman of Board Benchmarking. He also regularly conducts workshops on ESG sustainability, consults on sustainability reporting and climate-related financial disclosures that avoids green and whitewashing.

Ray Mach
Data Analyst/Manager

Ray is a highly experienced, client-focused project manager who has supported over 500 board reviews globally.

He leads the deployment of governance surveys and reporting with precision, ensuring clients receive clear, actionable insights across sectors including corporate, government, education, and not-for-profits.

Tayla Rainsbury
Marketing Manager

Tayla is a dedicated Marketing Manager at Board Benchmarking, specialising in elevating client engagement and delivering actionable insights through strategic marketing initiatives.

Her expertise ensures that Board Benchmarking remains at the forefront, effectively communicating its leadership in governance and board effectiveness solutions.

Our Board Advisory Partners

Tap into our comprehensive network of certified Board Advisory Partners, ready to provide expert advice on how to interpret and act on your survey results.

We are continuing to seek and add new Board Advisory Partners. Our vision is to help tens of thousands of boards worldwide improve their performance and effectiveness. Adding the right new Board Advisory Partners in every region and country will ensure we deliver on our vision.

If you are interested in becoming a Board Advisory Partner, please do not hesitate to contact us.

BDO Malaysia
(Asia)
BDO's Governance, Risk and Compliance (GRC) Services provide a structured on-demand service approach to clients' GRC requirements while providing sufficient consideration for the right approach for the organisation's culture, people, and values.

Board Surveys
(Australia)
Board Surveys is a sister brand of Board Benchmarking. It offers a streamlined, self-service model for board evaluations, providing high-quality, cost-effective surveys that deliver actionable insights. Board Surveys is ideal for boards seeking a fast, affordable world-class assessment of their performance.

Board Benchmarking
(Asia)
Board Benchmaking has a representative office in Malaysia and has helped review the boards of numerous Malaysian listed companies.

Capital Advantage
(Middle East)
Capital Advantage Consultants LLC is a specialised corporate advisory firm in the fields of corporate governance, compliance, risk, and investor relations. Its governance services cover the full range of Board evaluation, awareness and training, policy development, organisational design, governance officer, and annual and sustainability reporting.

BoardLens
(Singapore)
BoardLens empower boards to unlock their full potential by providing an external lens to the boardroom. Sharpened by decades of practical experience, we translate what we see, hear, and read into thoughtful insights and strategic change. Their expertise includes board reviews and implementation planning, board retreats for strategy and performance and board/CEO personal and group effectiveness.

Cornerstone
(India and Middle East)
Cornerstone International Group (CIG), an accredited member of the International Association of Executive Search Consultants (AESC), was founded in 1989 in the USA and is one of the most extensive (60 offices) Retained Executive Search, Board, and Leadership Consulting providers worldwide. With four offices in India since 2004, we have handled more than 2000 C-suite and CXO-level searches and several "Leadership Consulting" Engagements.

Gaines Advisory
(Australia & Asia Pacific)
Boards that want to have a better impact seek Gaines Advisory to conduct reviews of board, committee, and director performance that will lead to action.

Mindful Governance
(Africa)
Mindful Governance is a leading governance advisory firm in Ghana. It assists companies in Ghana and beyond uplift their governance and improve the effectiveness of their boards.

Grant Thornton Mauritius
(Africa & Middle East)
Grant Thornton Mauritius's specialist governance and risk practice has carried out board evaluations for several of the largest listed companies in Mauritius and services clients across Africa and the Middle East.

Peakstone Global
(Australia & Asia Pacific)
Our purpose is to enhance our client organisations by building Better Board Performance. We do this by diagnosing, designing, delivering and embedding improvements in board and governance processes. *Peakstone Global is proudly part of Global Governance Advisory Pty Ltd.*

Halex Consulting
(UK & Europe)
Established in 2009 and based in the City of London, Halex Consulting provides high-value board evaluation services and governance advice to some of the largest organisations in the UK and Europe.

Twafiika Consultants
(Africa)
Twafiika Consultants is a boutique management consulting firm operating in Southern Africa. Over the years, they've grown their consulting capabilities, enabling them to expand our collaborations to encompass a bespoke end-to-end portfolio of services that integrates strategy, management, training and development, and technical advisory.

Insync
(Australia & Asia Pacific)
Insync simplifies the complex by providing evidence, expertise, and actionable insights to help boards and organisations improve their performance and effectiveness.

Westlake Governance
(New Zealand & Asia Pacific)
Westlake Governance sets the course for organisations to understand good governance and how to achieve it. Our extensive practical experience on boards means we can develop workable solutions for organisations of all types and sectors.
Westlake Governance is proudly part of Global Governance Advisory Pty Ltd.

There are over 600 boards to compare you with

Contact us or one of our Board Advisory Partners

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