

SHIREEN MOTARA

WHAT YOU
NEED TO
KNOW TO BE
BOARD
READY



WOMAN BOARD LEADER SERIES
PART 1

Woman Board Leaders Series

Part 1: What You Need to Be Board Ready

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Woman Board Leaders Series

Part 1: What You Need to Be Board Ready

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Table of Contents

INTRODUCTION	4
WHY THIS EBOOK?	5
THE ROLE OF BOARDS	6
HOW BOARDS WORK	7
TYPES OF BOARDS.....	7
<i>PRIVATE SECTOR.....</i>	<i>7</i>
<i>NOT-FOR-PROFITS SECTOR.....</i>	<i>8</i>
<i>PUBLIC SECTOR.....</i>	<i>8</i>
BECOMING A BOARD LEADER.....	8
BENEFITS (AND CONSIDERATIONS).....	9
PREPARING FOR BOARD ROLES.....	9
CHECKLIST FOR BOARD LEADERSHIP	10
SELF-ASSESSMENT AND PERSONAL ACTION PLAN	11
MEET SHIREEN MOTARA	12
LET'S CONNECT	12
SOURCES.....	13

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INTRODUCTION

I have served on Boards since 1999. My first board role was on the council for a Technikon (technical college). I remember asking my CEO to nominate me for the position. I had only been out of university for four years! The advert just attracted me and I thought that with my legal, human rights and gender background, I could make a contribution.

Once I got appointed, it was another ball game. **I felt completely out of my depth initially but I loved it!** Within a year I was appointed Chair of the Human Resources Committee of Council. I also gained access to networks and people I would ordinarily never have met.

Twenty years later I can attest to the fact that my board experience has been essential in growing my profile and my skills. **More importantly, it has allowed me to take my passion and commitment to the highest decision making levels.** Through my board roles I have been able to play a role in:

- ◆ Designing responsive strategies that seek to address structural inequality and poverty.
- ◆ Improving governance and executive leadership.
- ◆ Ensuring accountable HR practices and fair remuneration.
- ◆ Leading on the appointment of CEOs.
- ◆ Improving financial planning and reporting.
- ◆ Implementing long-term sustainability strategies.
- ◆ Integrating gender and making women's rights visible in organisational policy, programmes, and practices.

Why this eBook?

In the 20 years I have served on boards, it has pained me that so few women are board leaders¹. Many of the women I have asked about this have indicated that they don't know enough about how boards operate; or believe that they are not networked enough to get on to boards. In addition, **a lack of suitable role models, lack of encouragement, and doubt about whether your skills and experience would be appropriate or valued, may be additional concerns**. These perceptions are in part due to the fact that serving on a board has been "sold" as the domain of powerful men. But this is far from the truth.

According to the International Labour Organization (ILO), women account for about 70 per cent of the global consumption demand¹ and control about \$28 trillion in annual consumer spending. For companies to thrive and grow, corporate boardrooms need to reflect the diversity of its consumer base. **Despite the progress made by women in education and in the workforce, they continue to be under-represented in decision making**. By accessing the underutilised talent pool of qualified, competent and motivated women, companies can better understand their customers and stakeholders and bring diversity of thought to the boardroom, thus strengthening the company's competitive advantage.

The business case for women on boards is compelling. A growing body of evidence shows that women's participation in decision-making is positively correlated with the financial performance of companies. According to a recent study by McKinsey & Company, gender diverse companies are 15 per cent more likely to have financial returns above their respective national industry medians. In 2012, Crédit Suisse surveyed 2,360 companies globally and found that companies with at

¹ I use the term board leader (not board member) because I believe that serving on a board requires leadership competencies and behaviours.

least one female board member delivered better share price performance (by 26 per cent) than those with no women on their boards.

Boards with women members are more likely to focus on non-financial performance indicators such as customer satisfaction and corporate social responsibility, and are better able to monitor board accountability and authority, leading to improved corporate governance. The presence of women on boards reinforces a company's culture and public image of diversity and inclusion, thus allowing companies to retain and cultivate their best talent at all levels.

Globally, nationally and locally there is a growing awareness of the need to address the issue of workplace gender equity and to increase the numbers of women in leadership positions, including executive boards and committees. **Supporting gender equity in the boardroom can facilitate better informed decision-making, increased understanding of stakeholders and a more engaged workforce. Diversity on boards can bring new ideas, opinions and solutions to the boardroom and enhance workplace culture. Companies can have a competitive advantage when their leadership groups reflect the composition of the community.** Despite this, women continue to experience barriers to reaching leadership positions in the workplace and in the community.

This eBook (and those that will follow) have been created to help demystify boards and support more women to gain clarity, knowledge and information. In a nutshell, I want to help you, and you and you to become a Board Leader!

THE ROLE OF BOARDS

A board is the governing body of an organization. Governing bodies can also be known by other names, such as committees and councils, but they all perform similar roles.

The role of a board is generally to provide purpose, leadership, direction and overall strategy for the organization for which it is responsible. The board must ensure that the

finances of the organization are sound, operations are legal, procedures work and assets are safeguarded.

How Boards Work

Each board follows a set of rules and is guided in their operations by procedures and/or legislation. The rules and procedures will vary according to the type of organisation and the purpose of the board, but the rules will usually specify:

- how the board is to be established
- the boundaries and extent of the board's powers
- number of members and length of their terms
- the procedures to appoint members and to fill vacancies (such as the qualities that the office holders on the board should have)
- roles and responsibilities of office holders
- procedures for removing board members
- meeting requirements and procedures
- guidelines for remuneration or reimbursement for expenses
- expected conduct
- frequency of meetings.

Types of Boards

Most organizations within the private, not-for-profit and public sectors have some type of governance body but they can vary significantly in size, structure and function.

PRIVATE SECTOR

The private sector is profit-driven and governance roles with these organizations are often, but not always, remunerated. The sector covers a broad range of organisations from stock exchange listed companies to small businesses and family-owned operations. Board appointments are usually made by shareholders, but often led by existing directors. The appointment process can be highly competitive, particularly for businesses that are national in scale or are listed. The operation of boards of private sector companies are usually governed by legislation which regulates the corporate sector. These positions are remunerated.

NOT-FOR-PROFITS SECTOR

These boards support organizations that may serve the community, or provide services to support the community. They cover many different sectors including human and community services, sports and recreation, culture and arts, environment and heritage, to name a few. Being a board member of a not-for-profit organisation can be challenging and a good entry point for learning about governance. Appointments to a not-for-profit sector board are usually endorsed by the membership at an annual general meeting, by election or through an advertisement and appointment process. Not-for-profit boards may be governed by legislation. These positions may or may not be remunerated.

PUBLIC SECTOR

As the stakeholders for these boards are generally taxpayers and citizens, public sector boards are driven by considerations of the public interest. Members of public sector boards are required to work within a legal framework. These roles are often remunerated, but generally not as highly paid as large corporate boards. Due to the high level of public scrutiny, these positions are normally advertised in the media.

BECOMING A BOARD LEADER

There are many challenges facing women who aspire to board positions and some of these are systemic, such as a bias towards appointing new board members from a relatively small pool – the ‘old boys’ network’. However, there are factors that you can address that are within your control.

Before you embark on the journey to board membership, it is useful to take stock of your values and aspirations to see if this is the right path for you. It is important to have a realistic understanding of your strengths, weaknesses, goals, available time, and expertise. It is also important to understand how boards work and to know what the expectations are of board members.

Being a board member means being open to scrutiny at all times which requires the highest levels of accountability and integrity.

Benefits (and Considerations)

- It can be very rewarding to be part of a board when goals are achieved and you can see the benefit to the community it serves. Your contributions to the board's achievements can bring a great deal of satisfaction.
- Boards often provide some form of remuneration. It is very important to investigate if this will present any conflicts of interest and also whether it might influence any other forms of income you have. Also consider if the remuneration will adequately compensate your time.
- Being a board member offers the opportunity to influence and take the lead in an organization.
- To be an effective board, members must operate as a team. Working with other dedicated people towards a common goal can be an exhilarating experience. Another benefit of board membership is the expansion of your professional and personal networks.
- Whether it is learning to oversee finances, deepening your understanding of governance standards, or broadening your knowledge of a sector, board service can open opportunities to develop your skills and add to your resume.
- Board members need to juggle their responsibilities with other work and life commitments. Therefore board membership can mean making compromises in other areas of your life. It is important to find out what is expected of you and to consider whether you have the time to commit to the role.
- As a board member, you assume certain legal responsibilities. You should make sure that you are aware of what these responsibilities are and that you are confident that you are able to meet them.

PREPARING FOR BOARD ROLES

Do an assessment of your current skills and experience and find out if you are ready to serve on a board. Consider the skills that you may have developed via past work experience, obtaining formal qualifications, volunteer work or hobbies, or bringing up children. These include budget management, time management, people management, conflict resolution, strategic planning and operational management.

- **Take steps to address any gaps in your skills and experience so you will be ready to serve on a board.** You may wish to take on a specific project, secondment, accept a role on a committee, gain more senior management experience, have experience of

responsibility in a profit-and-loss organization, undertake a course of study, or complete formal governance training (which is preferred but not required).

- **Explore a range of different boards, their size, and their sector and identify those which you are particularly interested in.** Finding a good match to your skills, experiences and interests is important as it will most likely impact on what you can contribute to the board.
- **Be clear about what you want to gain from a board role and what you expect in return for your contribution.** Do you want to expand existing skills, add new skills, broaden your existing interest or skills, fix a problem, or make new connections and expand your networks?
- **Develop your own road map for developing your board career and getting a board role.** This may include building your board knowledge and experience by taking a stepping stone approach. You may decide to aim to join a not-for-profit board through your interests and networks in sports, arts or community-based positions.
- **Talk to people (especially other women) who have secured board positions** or who hold a number of board appointments. They are usually a great source of information and can help you by making suggestions for how you can achieve your governance aims.
- **Understand the level of risk you are personally willing to take** on as this will help you decide what sort of board you would like to be on.
- **Consider working with a coach who can assist you to clarify your goals,** and take a step by step approach to identify and act on the right opportunities.

Checklist for Board Leadership

- Do I understand the role, aims and direction of the board or committee? Do I share these aims?
- Can I devote sufficient time and energy to attend meetings and carry out the role diligently?
- Do I have the qualifications and skills that are required for this role?
- Can I hold this position with integrity and without conflicts of interest?
- Do I have a high quality CV/profile relevant for the board position which reflects my skills, experience and attributes?

PART 2: SELF-ASSESSMENT AND PERSONAL ACTION PLAN

Part 2 of this Women Board Leader Series will focus on a:

- **Self-assessment Tool:** Assessing your skills and readiness for board leadership.
- **Personal Action Plan:** With the information and insight which the self-assessment has provided, you can now prepare an action plan to manage further professional and personal development required for your board roles.

The next eBook series will be available on www.shireenmotara.com

MEET SHIREEN MOTARA

As an innovative coach, Shireen has changed my understanding and knowledge of social entrepreneurship. She is committed to connecting women entrepreneurs through her extensive networks. She continues to inspire and has armed me with practical tools to build my business.

Michelle Festus, Tai Chi Teacher & Feminist Ethics of Care Practitioner



Shireen has over two decades of experience working in the area of social change, women's rights, organisational development, governance and

sustainability. As a governance and organisational development expert, Shireen has served on Boards since 1999. She is a certified Coach that works with women and social change leaders to achieve self-mastery, personal growth and professional success. She is the Founder of Ikhala Women's Investment Holdings, a vehicle created to support more women to be financially independent. She has a Masters' degree in Law, as well as qualifications in business administration, human resources and coaching.

Let's Connect



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SOURCES

Being Board Ready

https://dlgc.communities.wa.gov.au/Publications/Documents/Women_BeingBoardReady.pdf

Women on Boards: Building the Female Talent Pipeline

https://www.ilo.org/wcmsp5/groups/public/---dgreports---gender/documents/briefingnote/wcms_410200.pdf