

Boardroom

QUARTERLY MAGAZINE OF THE INSTITUTE OF DIRECTORS

SPRING 2023



**INSTITUTE OF DIRECTORS
IN NEW ZEALAND (INC)**

Mezzanine Floor,
50 Customhouse Quay
PO Box 25253, Wellington 6146
New Zealand
Tel: 04 499 0076
mail@iod.org.nz
iod.org.nz

BOARD

Ross Buckley CMInstD Chair
Chris Day CMInstD Deputy Chair
David Glover CMInstD
Lana Ngawhika MInstD
Trish Oakley CFInstD
Karen Price CMInstD
Aliesha Staples MInstD

COUNCIL

Jackie Lloyd CFInstD (President) – Wellington
Trish Oakley CFInstD (Vice President) – Otago Southland
Ross Buckley CMInstD – Auckland
Sam Fellows MInstD – Bay of Plenty
Craig Hattle CMInstD – Taranaki
Simon Lockwood CFInstD – Waikato
Lloyd Mander CMInstD – Canterbury
Dr Jim Mather CMInstD – Auckland
Suse Reynolds MInstD – Wellington
Anne Urlwin CFInstD – Wellington
Sarah-Jane Weir CFInstD – Nelson Marlborough

EDITOR

Noel Prentice
+64 4 474 7633
noel.prentice@iod.org.nz

Please contact the editor
for any advertising or subscription
queries.

VISUAL EDITOR

Georgia Oosthuizen

DESIGN TEAM

Craig Christensen – Graphic Solutions
David Le Fleming – Typedesign

Boardroom is published four times a year by the Institute of Directors in New Zealand (IoD). Opinions expressed do not reflect IoD policy unless explicitly stated.

Read it, log it - earn up to 10 CPD points annually for reading *Boardroom*.

PRODUCTION NOTES

Every effort has been made to ensure the pages of this magazine are sustainably sourced and produced using paper that meets the environmental standards shown below.


ISSN 0113-3004



Not a member? Keep in touch with the Institute of Directors New Zealand. Subscribe to our bi-monthly governance newsletter for governance news, access to articles and resources, and updates from the IoD.

Connect with the IoD on



 When you have finished with this magazine, please recycle.

“Values are like fingerprints. Nobody’s are the same but you leave them all over everything you do.”

– Elvis Presley

The greatest singer of all time, arguably, may not have written any of his songs but he did produce this pearl of wisdom. There are so many different values we hold dear – respect, truth, empathy, equality, compassion, courage, honesty, humility, selflessness, acceptance, inclusiveness . . . the list goes on.

Many of these guiding lights appear in this spring edition as we look at shared value – one of the top 5 issues facing directors in 2023. Sustainable value creation requires that the interests of your people and stakeholders are considered and addressed.

Our 2022 Director Sentiment Survey showed 55 per cent of directors saw labour quality and capability as the most significant issue the economy and the country were facing. Sharing value with staff to retain them and attract new people is vital. Boards should be looking at their organisational purpose, people strategies and remuneration. It is abundantly clear people now want to be measured by their values, not their value.

The Māori whakatauki (proverb) – ‘He tangata, he tangata, he tangata’ (It is the people, it is the people, it is the people) – says it all. Often forgotten or overlooked, people are our greatest asset. They are not a cost, but an asset that needs to be invested in.

What values do you embody as a director, chair, trustee, CEO or

employee? It could be time to have a look in the mirror.

Shared value aligns the success of a business with the success of the community. This can be problematic, particularly if you are governing businesses and industries challenged by their social impact.

Values in the creative sector tend to settle around concepts of fairness, authenticity, excellence, representation and teamwork, says one of our Chartered Members. “No one had ever heard of a values framework 25 years ago and it was probably deeply debatable there was such a thing. Now, strategy can be a bit top down, but values have to be bottom up. If an organisation lives and breathes them, the job’s been done well.”

It’s been two years since a small group launched MindTheGap, encouraging businesses to publicly report their pay gaps between men, women and ethnic groups. With only 100 organisations voluntarily reporting, the onus is on directors to be asking some hard questions.

In accessibility and disability-based sectors, shared values and purpose go hand in hand as the drivers in improving the lives, opportunities and outcomes of others. Organisations committed to their purpose value diversity at the table.

Lived experience also enables the disability community – and the

neurodiverse – to hold true to their purpose and address everyday obstacles. But many organisations say they want to be diverse and inclusive and represent the community, but are not practising what they preach.

An experienced chair and business leader who is dyslexic relies on a heightened ability to listen and observe. And there is so much truth to this: “Some things I might do in a weird way, but so does everybody else”.

What frameworks are you using in human rights discussions? Directors are not asked to be experts but need to build a sensitivity to geopolitical and human rights risks. A professional director offers some advice.

Pacific island nations are great at playing rugby and are now raising their governance game with a group of trailblazing women ready to shake up the establishment, thanks to a purpose-built IoD programme.

There can be no complacency with climate change but many business are still watching from the sidelines, unwilling to get in the game, says one of our Chapter Zero partners.

That game could become costly in an era of climate change litigation, says another. “The question now is, what role will the courts play?”

Ngā mihi,
Noel Prentice, editor

In this issue

SPRING 2023

FEATURES

06

The greatest asset of all

People are not a cost but an asset and directors need to hold management to account.

10

The power of storytelling

Values are storytelling because they're telling the story of what an organisation is about, says Jane Wrightson.

14

Practice what you preach

Boards should consider recruiting members with different impairments and experiences that can help inform an effective strategy.

17

Building capability for disabled people

Lived experience on the board enables My Life My Voice to effectively address everyday obstacles, says CEO Tim Young.

20

Food for all

Trustee Bennie Hendricks says it's the level and sincerity of an organisation's involvement that will determine the ultimate success of shared values.

24

Facing up to human rights risk

In a complex and brutal geopolitical environment, boards must ensure there is an appropriate oversight of practices that have an impact on human rights.

28

Credibility gap

With only 100 businesses voluntarily reporting pay gaps, the onus is on directors to be asking questions as part of best-practice governance.



10

The power of storytelling

14

Practice what you preach



20

Food for all

28

Credibility gap

32

Fighting to be heard

ADHD New Zealand chair Darrin Bull says having people with lived experience on the board means it holds true to its purpose.

36

'I'm not special'

An ability to listen and observe helps experienced chair and business leader Paul Reid understand where people are coming from.

40

In the fast lane

Challenging, stimulating and inspiring. Startup directors understand that standing still isn't an option.



40

In the fast lane



32

Fighting to be heard

44

Getting in the game

44

Getting in the game

A purpose-built programme is empowering women with the capability and confidence to take governance roles in rugby across the Oceania region.

Empowered by the programme

Daring to dream

FROM OUR CHAPTER ZERO
NEW ZEALAND PARTNERS

50

Time to suit up | KPMG

Dr Charles Ehrhart says the metaphor he's hearing from many leading directors is it's time to come down from the bleachers.

52

Great expectations | Dentons

In an era of climate change litigation, the duties of directors will evolve to reflect changing social expectations.

MEMBER PROFILE

56

Champion of the community

An enabler, Ranjna Patel chooses organisations where she can make a difference and her voice can be heard.

60

Formula for success

Actuary Jonathan Eriksen says relationship-building has served him well, along with recognising patterns.

64

Risk and reward

A 'whole new world of governance' finds risk specialist Fiona Watts and now she is hooked.

68

People and purpose | ASB

Boards need to be clued into paradigm shifts and thinking about different ways success is measured.

70

From working 'for' to working 'with' | Marsh

With two in five employees planning to leave their organisation, a working partnership that is authentic and transparent cannot be overstated.

72

Empathy and the bottom line | Dentons

Far from being a soft or secondary skill, empathy lies at the heart of sustainable business practices.

74

Chain reaction | Kordia

Cyber-attacks hurt more than just the victims as major security incidents in Australia have shown.

76

Migration made easy | KPMG

Data migration to the cloud is a strategic investment in a company's future growth.

78

Bringing shared value to reality | Diligent

Data can transcend numbers as boards navigate modern expectations for more high-performing, holistic and transparent organisations.



68

People and purpose | ASB

72

Empathy and the bottom line | Dentons



74

Chain reaction | Kordia

76

Migration made easy | KPMG

**BOARDROOM IS PLEASED
TO ACKNOWLEDGE THE
SUPPORT OF**

NATIONAL PARTNERS



ASB Bank is a leading provider of financial services in New Zealand including retail, business and rural banking, funds management and insurance. A member of the Commonwealth Bank of Australia (CBA) Group, ASB is committed to looking after the financial wellbeing of more than 1.5 million customers to help them get one step ahead.

asb.co.nz
0800 803 804



Marsh is a global leader in insurance broking and innovative risk management solutions. We help clients quantify and manage risk - and help them unlock new opportunities for growth. Marsh has been working with New Zealand businesses since 1958 and has 11 offices around New Zealand with over 450 experienced professionals.

marsh.co.nz
0800 627 744

NATIONAL SPONSORS



Dentons, is part of the world's largest global law firm, and a leading law firm in New Zealand. A firm that embraces change and has unparalleled access to legal expertise in more than 80 countries. Dentons helps you grow, protect, operate and finance your organisation by providing uniquely global and deeply local legal solutions. The challenges our clients are navigating and the opportunities they are advancing are changing at an accelerated pace. This is why we offer more than legal insight, we help you find business solutions to achieve your goals.

dentons.co.nz
04 472 7877



Diligent helps organisations thrive and endure in today's complex, global landscape. Our trusted, cloud-based applications streamline the day-to-day work of board management and committees. We support collaboration and secure information sharing throughout the organisation, manage subsidiary and entity data, and deliver the insights and information leaders need to mitigate governance deficits and outperform the competition. Diligent Boards expedites and simplifies how board materials are produced and delivered.

diligent.com
0800 4345 443



Kordia is a New Zealand-owned leading provider of mission-critical technology solutions, spanning cyber security, cloud, connectivity, modern workplace, broadcast, maritime and more. Kordia offers a comprehensive suite of security products and services, including consultancy and managed security services to help businesses strengthen their security posture. From identifying risks to preventative advice, detection, incident response and recovery services, Kordia takes a holistic view of cyber security. Underpinning all Kordia does is its people - a team of more than 450 technology experts who are trusted by some of New Zealand's biggest brands to keep them connected and secure.

kordia.co.nz
09 551 7000



Locally owned, KPMG New Zealand provides audit, tax and business advisory services for a range of clients - from privately owned businesses through to corporates, public sector and not-for-profits. We work shoulder-to-shoulder with our clients, providing deep expertise that delivers real results. We're passionate about helping New Zealand's businesses succeed, the public sector to achieve more, and our communities to grow. Our alignment with the IoD's drive to add value to both the business community and society means we're working together to fuel the prosperity of New Zealand, for the benefit of all New Zealanders.

kpmg.co.nz
09 367 5800

The greatest asset of all

People are not a cost but an asset and directors need to hold management to account.

Photo by:
Alexander Grey on Unsplash



AUTHOR:
VANESSA STODDART
CFInstD

The old-school Milton Friedman idea that the social responsibility of business was to maximise profit is gone. But we have also moved on from the philanthropic and corporate social responsibility thinking about social impact as a separate consideration, to acknowledging Michael Porter’s shared value model – the primary role of business is to meet societal needs, at a profit.

“The most powerful way in which any business can impact societal issues is through the business itself,” Porter says. This can be through a business’ products or services and who they are sold to; redefining productivity in the value chain – procuring in ways that benefit suppliers, the community, and the business – or taking a proactive role in enhancing the environment in the communities where businesses operate.

After all, “business cannot succeed in a failing society”. Businesses cannot continue to grow if a community is collapsing around them.

Shared value is fundamentally about aligning the success of a business with the success of the community. As Porter says, “the greatest societal problems

are usually also the biggest economic opportunities”. Investors can have a huge influence by deploying capital into businesses that demonstrate shared value.

“Shared value is a means to deliver on a business’ purpose, profitably,” he says. The theory is solid, but it can be challenging for a director and board to implement, particularly if you are governing businesses and industries challenged by their social impact. Some of the industries I have governed are confronted by their historic environmental or ethical footprint, which through the lens of climate change, is no longer acceptable. This just lifts the bar higher for us as directors.

We must navigate the business’ transformation and communicate the commitment to shared value and the journey the business is on to achieve a new purpose, aligned to current and future expectations of society and investors.

We need directors willing to assist with these challenging transformations. Transforming businesses with unacceptable environmental or ethical footprints is not easy, but with the right commitment to a better purpose, the challenge becomes an opportunity to shift to new and more appropriate products and services.



The oil and gas industry is an example of a sector transforming and embracing the opportunities green energy and other products present. But in many cases, it also requires collaborating with other industry participants to collectively contribute to shared value – solving society’s problems for the benefit of an industry as a whole.

No longer should issues like health and safety, environment, or even the labour market, be seen as “competitive advantage”. Businesses need to collaborate on these issues for the benefit of society, industries and individual businesses. Poaching talent will not solve the labour market’s capacity and capability needs of the future, but working together to grow our labour pool, our capacity and talent will benefit business, industry and society.

In chairing various people and remuneration committees, the concept of shared value is prevalent when thinking about people strategy. Our people are our greatest asset. They are not a cost, but an asset that needs to be invested in.

For too long, the focus has been on labour productivity, as if our people were machines. But our people are human – a finite resource we must look after and nurture. That has become even more evident in a post-Covid-19 world where mental wellbeing concerns and a reticence to return to the workplace are prevalent.

If we are to demonstrate shared value, businesses need to have a different lens on their people and support them with flexibility that recognises individuals’ different needs, depending on their role, gender, culture, ability etc, and what is possible in each business.

As a director and committee chair, asking the right questions of leadership and management to ensure a commitment to shared value is being considered and implemented is critical to discharging our governance duties.

“As a director and committee chair, asking the right questions of leadership and management to ensure a commitment to shared value is being considered and implemented is critical to discharging our governance duties.”

Many companies are facing into this – understanding the unique challenges and needs of their workforce and looking at ways to support staff so they can retain them. This includes more flexible work rosters, work from home options if the nature of the business permits, additional leave (including carer’s leave for those supporting elderly in their whānau), access to EAP and other health and wellbeing services, insurance offerings and financial planning support.

Why? Because businesses recognise this as an investment in their people – to retain them (because the cost of turnover in a tight labour market is too great) and to ensure they are “well” and thriving at work. After all, people are a business’ greatest asset.

Many companies now also have a strong focus on their community and support staff to contribute to community initiatives and charities as a way for the business to align closer to community stakeholder expectations.

In turn, this assists the business to form better relationships within the community, particularly when they need support for business initiatives. Some companies do pro bono work, fundraise, or allow staff to work days for local community initiatives or charities. They may even just invite local community groups in to share with staff on how they can assist or contribute.

These are all small examples of ‘shared value’ at work in business. Directors need to be alert to assuring themselves that management is alive to the expectation today of ‘shared value’ and demonstrating this in their business decisions.

Vanessa Stoddart is an independent director for Channel Infrastructure, OneFortyOne Holdings and a member of the Financial Markets Authority and Te Whatu Ora - Health New Zealand. She is often chair of board remuneration, people and health & safety committees.

Empower yourself with the essentials of good governance

Join our next Company Directors' Course cohort. Secure your place on the course trusted by over 7,500 New Zealand directors.



Governance development



iod.org.nz



The power of story- telling

AUTHOR:
SONIA YEE,
SENIOR IoD WRITER

Photo by:
Bernard Hermant on Unsplash

Values are storytelling because they are telling the story of what an organisation is about, says Jane Wrightson.

It might be a given to see a wider cultural demographic reflected on our screens, but the road to get there has involved robust debates around ‘representation’, which also informed the genesis of shared values in the arts and culture sector.

“No one had ever heard of a values framework 25 years ago and it was probably deeply debatable there was such a thing,” says Jane Wrightson CMInstD, New Zealand’s Retirement Commissioner.

“Now, strategy can be a bit top down, but values have to be bottom up. If an organisation lives and breathes them, the job’s been done well. Values in the creative sector tend to settle around concepts of fairness, authenticity, excellence, representation and teamwork,” she says.



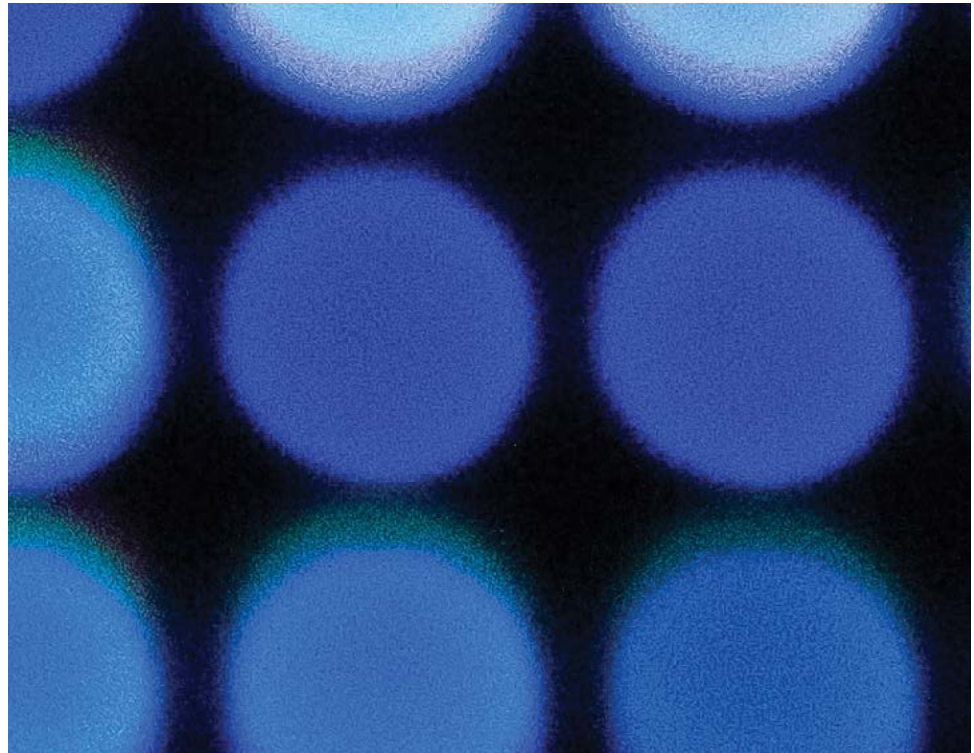
“If we see behaviour, whether corporate or individual, that contravenes the agreed values, we need to ask: are we brave enough to do something about it? I was always interested in organisations that have some kind of social or cultural impact.”

Jane Wrightson

Wrightson is a former CEO of NZ On Air, Screen Production and Development Association, Broadcasting Standards Authority, and was the first woman Chief Censor in Aotearoa. She is currently a governor of RNZ, chair of Experience Wellington, and has sat on the boards of Digital Media Trust, Swimming New Zealand and Netball New Zealand.

When asked what shared values mean to her, it is a connection to people, the ethos and behaviour of the organisations she has worked for, and the value it has for the wider community, which Wrightson saw during the earlier stages of her career as a content commissioner at TVNZ. “The company had to walk the tightrope between commerciality and public media, which was of interest to me at that time,” Wrightson says.

With the opportunity to bring New Zealand stories to life for a local audience, Wrightson stayed at TVNZ for a decade and at NZ On Air for another decade.



Storytelling from the arts and culture sector can be a fundamental driver for societal change, she says.

Storytelling has also illuminated the need to reflect the diversity of Aotearoa, ensuring the right people are telling stories that authentically speak to their experience of being part of New Zealand’s cultural landscape.

Wrightson says that ongoing education is needed to build true diversity within an organisation, and diversity invariably contributes to meaningful shared values. She notes the push for diversity in the media goes back 30 years at least, especially highlighted by the Privy Council broadcasting case in 1992 which enshrined Māori language as a central broadcasting asset.

Wrightson acknowledges the enormous efforts of Māori leaders and was slow to understand this was central to the diversity puzzle – the use of te reo in

broadcasting is controversial to this day, but it showcases a unique country, its indigenous language and the values of a Treaty partner.

The arts sector has also been working consistently to make significant progress towards the visibility of Māori and Pacific content, and more recently pan-Asian content, laying the foundation for other voices to emerge.

“Storytelling is a brilliant way to bring New Zealand’s diversity to life,” says Wrightson. “There’s no doubt about it, old white people like me take a while to grasp the problems so we need to think deeply. It’s only then that you start to realise you’re part of the problem.”

The successful implementation of a diversity strategy for NZ On Air involved ensuring board and staff were on the same page, creating opportunities for new content creators, but also persuading media platforms that taking risks pays off. “We had to listen really carefully and balance several competing tensions.”

Implicit in the values of an organisation is how people are treated and how they behave, and it’s important this is reflected at board level.

“There is no doubt that today’s board agenda is a crowded one and much more strategic than even a decade ago,” says Wrightson, adding that it was rare to find a sustainability paper or discussions about shared values or purpose – what used to be referred to as ‘the soft areas’.

However, she says boards today have an opportunity to ask what they want the organisation to be and to help articulate the values of the company so they are understood, visible and lived by those in the organisation.

“If we see behaviour, whether corporate or individual, that contravenes the agreed values, we need to ask: are we brave enough to do something about it?”

“I’m seeing much more interest in values from younger job applicants – many won’t take a job unless it, and the company, aligns with their own value set.”

I was always interested in organisations that have some kind of social or cultural impact,” says Wrightson.

Addressing shared values for an organisation also requires rich conversations by the board and staff, and making sure these are still relevant. While they may have worked five years ago, that might not be the case today.

Wrightson says organisations would be poorer without shared values in place and that this would manifest as clinical, cold environments to work in, where people are treated like machinery and have little investment in the organisation as a result.

“So, you’re not getting the best out of the people and you’re probably not getting the best product or service either, to be honest,” says Wrightson. “I’m seeing much more interest in values from younger job applicants – many won’t take a job unless it, and the company, aligns with their own value set.”

In order to embed shared values effectively, Wrightson says boards need to know exactly what the values are and actively endorse them. This should be reflected through boardroom behaviour and be commonly referenced in the board pack. “I would expect every strategic or critical operational document to refer to values – they cannot be words on a page. You would want to see them reflected by the team as well,” she says.

If this isn’t being mirrored back, she says the chief executive needs to ask what the organisation is doing about it, and then try to fix it.

“The values are just like a strategy; they are no good if they are in a document sitting in a folder. If you think about it, values are storytelling because they’re telling the story of what the organisation is about, what kind of people are in it, how the company behaves, and how its people behave with each other. That is why values are important.”

Practice what you preach

Boards should consider recruiting members with different impairments and experiences that can help inform an effective strategy.

Photo by:
Getty Images,
Trevor Williams

**AUTHOR:
SONIA YEE**

What does it take to drive change and what kind of commitment does it take to make a difference?

For those working in accessibility and disability-based sectors, shared values and purpose go hand in hand as the drivers in improving the lives, opportunities and outcomes of others.

Wellington-based Dr Catriona McBean CMInstD has spent her life's work in the disabilities space, investigating the lived experiences of young people with impairments in sport and how their positive engagement can be used to facilitate increased opportunities for other disabled young people.

A sports, recreation and disability sports consultant, McBean is also the manager of dsport and sits on the board of Paralympics New Zealand.

"These are amazing organisations and my colleagues around the board table are an incredible group of people who come from all different areas of life, have diverse skill sets and experiences," she says.

According to McBean, there is a noticeable difference with organisations committed to their purpose because

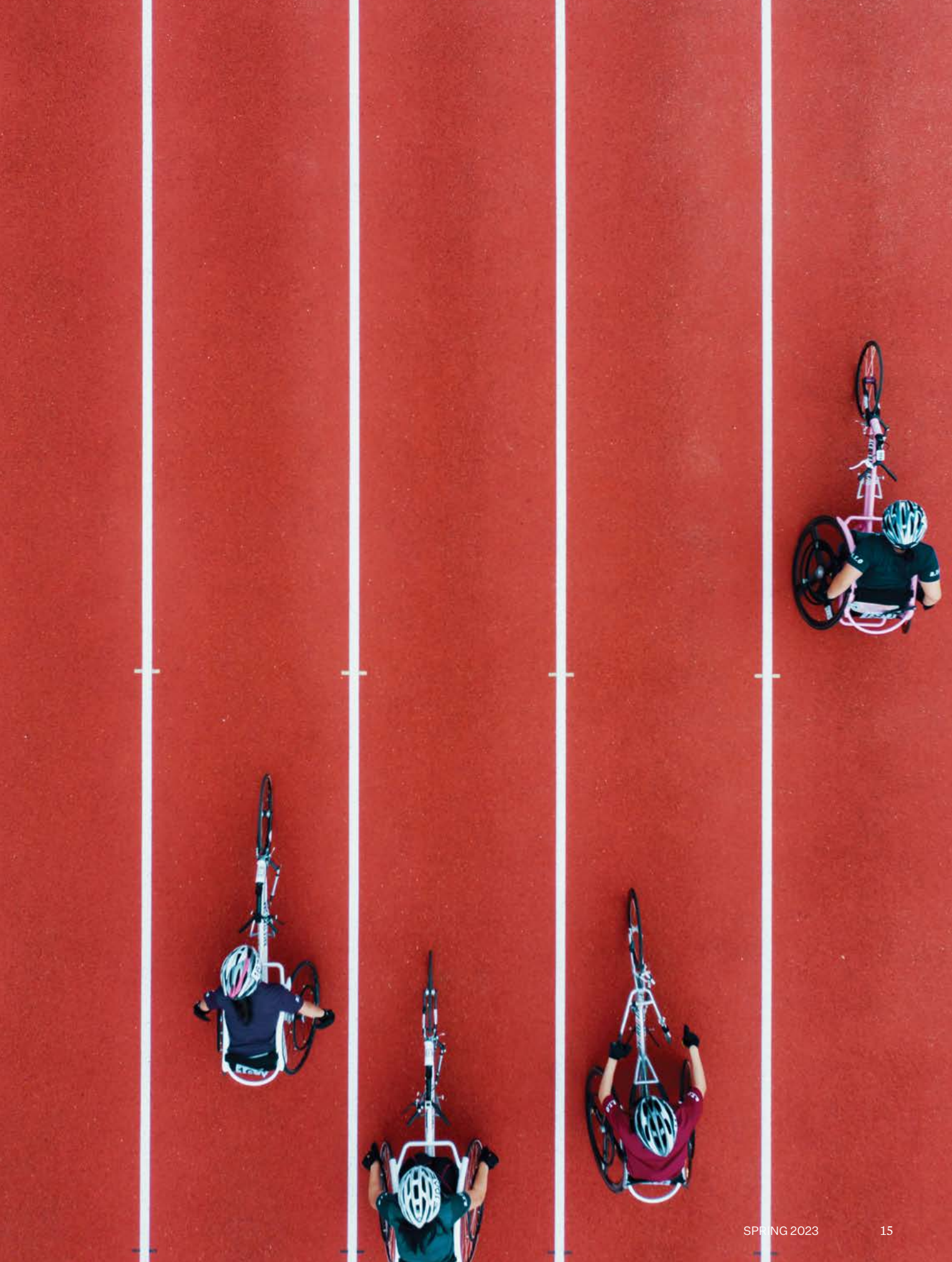
they also value diversity at the table. "I've been on boards that haven't been functional or diverse and have been quite focused on a singular outcome," she says of the limitations this creates.

She believes a key to implementing shared values successfully across an organisation is to walk the talk. But that is where she also feels many organisations fall down.

"They'll have policies and plans in place that say they want to be diverse and inclusive and represent the community. But when you look at the organisation, they don't exhibit those traits in how the organisation is managed."

The disconnection between what an organisation is saying and doing is not too dissimilar from greenwashing, she says. "I think people often don't realise that it's more than just saying that you have these shared values and it's actually about putting those values into practice."

Last year, McBean completed her PhD and while she has spent 30 years across sports management and disabilities, it was only in conducting her research and looking back through her own life that she realised how much her career



path had been informed by her father's disability.

An injury while working as a navigator for the RAF Bomber Command meant her father had to wear callipers and use a walking stick. "He couldn't walk long distances and it was obvious when you saw him walking there was something wrong. But he never talked about any pain he was experiencing," McBean says.

While she was aware of her father's injury, she never perceived it as an issue. "I was quite a young child and it didn't really dawn on me until 40-something years later that there was this connection to his injury, and that it had an influential impact on me," she says.

Seeing improvements in the disabilities community and sport, in particular, is important in her work. She says sport, by its nature, is community focused and because of this dsport members are also very diverse.

McBean says one of the first hurdles in addressing shared values, especially around diversity and inclusion, is to overcome the fear of getting it wrong and boards should think about recruiting members who may have different impairments and experiences that can help inform an effective strategy.

"It's thinking a bit more creatively about the various groups and communities out there that aren't your traditional ones . . . we don't need to contrive something different," McBean says.

But if the organisation is struggling to find the right fit for the role, she says finding individuals who can champion the rights for those relevant communities is another way to gain traction in areas where change is needed.

"You need key people throughout the organisation to help champion the change you want to see, and it doesn't always have to be a person with an impairment," she says, adding that if there is a desire for change at the top, those people in the middle who can set aside some budget and get things moving can also be that champion.



"Whatever you do, you need to use words that ensure the message you're giving is clear so people understand it, whether you're trying to convey that to the board, to your staff, stakeholders, shareholders or your customers. You have to be clear they know what you're talking about."

Dr Catriona McBean

For organisations to effectively foster awareness around the needs of disabled people within the workforce and the community, she says clarity is needed by the board to address what that looks like.

"Whatever you do, you need to use words that ensure the message you're giving is clear so people understand it, whether you're trying to convey that to the board, to your staff, stakeholders, shareholders or your customers. You have to be clear they know what you're talking about."

She suggests recruiters also look outside the traditional networks and parameters to find the right talent, including reaching out to Whaikaha – Ministry for Disabled People, the Disability Rights Commissioner, and exploring a range of industry sectors where people with lived experience may bring a valuable contribution, such as Paralympics New Zealand.

But creating change also means organisations need to look in the mirror to determine what barriers they might have in place that are keeping people from applying for roles or are detrimental to their desired diversity outcomes.

As an example, McBean says the question-sets in job application forms around disability can be confronting and create other hurdles or fear of discrimination. But she is quick to add these issues are part of a wider societal problem.

"That's another barrier, another roadblock that people with impairments face on a daily basis and they aren't being asked what they 'can' do."

She says organisations need to figure out if they are after an outcome or looking for the right person to do the task. This approach requires reframing questions and thinking about different ways a task or role could be done.

"If you're focused on an outcome, then the task can be done in many different ways. But if you're looking at a task-focused perspective, you're limiting how something can be achieved," McBean says.



SHARED
VALUE
EQUALITY

Building capability for disabled people

Photo by:
Julian Myles on Unsplash

AUTHOR:
SONIA YEE

Lived experience on the board enables My Life My Voice to effectively address everyday obstacles, says CEO Tim Young.

“We still see quite a lot of ableism, including how we’re dealt with sometimes,” says Tim Young, CEO of My Life My Voice, a not-for-profit disabled-led organisation that aims to build the capability and capacity of the disabled community.

As part of its services, the organisation provides peer support networks and training based on the United Nations Convention on the Rights of People with

Disabilities, Te Tiriti o Waitangi and Enabling Good Lives principles.

“They learn that context and then [techniques in] how to deal with people and challenging circumstances, and models of wellness. That’s really solid training to be in a better space to help support other people,” says Young.

My Life My Voice has a small board of four, including co-founders and co-chairs Gerri Pomeroy and Dr Tristram Ingham MInstD; Joanne Dacombe, who was diagnosed as deaf in 1972 and autistic in 2012; and Dr Huhana Hickey, a solicitor at Auckland Disability Law and a Māori Research Fellow at the Taupua Waiora Centre.

“They’re absolute powerhouses. I thrive on their advice and their collaboration, and it’s a really important relationship,” says Young, who was a member of the board before taking on the CEO role. He is also the co-founder and deputy chairperson of Magical Bridge Trust.

Ngāruawāhia-based Young says lived experience on the board is an important part of the organisation’s ethos and its view on shared values, and enables the organisation to effectively address the everyday barriers and obstacles that disabled people face.

In a broader social context, he says the term ‘disabled people’ infers that people are disabled by society due to a lack of access, rather than the other way around. Attitudinal barriers also limit disabled people from equal access to goods and services, as well as jobs. “We deserve the same opportunities as other people,” says Young, who also identifies as disabled.

Quick to add he doesn’t like to get caught up in the semantics of terminology,

Young’s life changed after an accident in 2009 when he broke his knee on a snowboarding holiday in Whistler, Canada – a pivotal moment that flipped his life on its head. It was “pretty full-on after that”, he says.

“When I first had my accident, I didn’t necessarily want to be pigeon-holed into disability, but it is just so important because it has had a direct impact on my own life.”

Young, who has used a wheelchair ever since, found himself on a steep learning curve, part of which involved coming to terms with being disabled.

As well as running My Life My Voice, he has created a startup which collects data on infrastructure for accessibility purposes, but has since become a wider asset management tool. “We use software and have people walk the streets to collect data. They input it into our Smart Access app and that data is available to council staff – and to the public – to plan safe journeys,” he says.

Young acknowledges his work is rewarding – “I’m lucky to get myself in the position I am” – but it took a decade of being ignored and passed over for roles. Despite having a Masters in Science and Psychology, and a background in technology, the raw reality was no one would hire him. The same can be said of others in the disabilities community who are often overlooked.

“I was trained in educational psychology, but it just became evident that I needed to work towards providing more opportunities for myself – and other people like me – to be able to live to our full potential,” he says.



“We want to see disabled people included at a governance level, not only for My Life My Voice, but for organisations around the country . . .”

Tim Young

“It’s horrible. It’s a tale that’s repeated many times, but it makes me motivated to improve things. We just want things to be more accessible so we can live our lives and that’s the motivation behind my business, as well.”

My Life My Voice addresses ways to dismantle barriers so people feel less disabled by society. In October, staff and leaders will have an opportunity to participate in the Institute of Directors’ ‘Kotahitanga – Principles of Māori Governance’. The course integrates Māori cultural values, the role and relevance of Te Tiriti, and the relationships and mātauranga Māori in governance.

Young says the values and ethos of My Life My Voice align with te ao Māori values. “We’ve always had a deep commitment to Te Tiriti and there are some overlaps with barriers to self-determination and attitudinal barriers between disabled people and Māori. But equally, we are New Zealanders and we respect and honour Te Tiriti. We need self-determination. We need power to go back to the community – to the people,” he says.

According to Young, the mana-enhancing aspect is often missing in training opportunities for those in the disabilities space. He says the workshops will fulfil this, but he recognises it also supports other areas of need – the Māori disabled community who, Young says, face worse outcomes than others.

“There are some absolutely terrible statistics and outcomes for a huge number of tāngata whaikaha Māori,” he says.

Dr Jim Mather CFInstD, Ngāti Awa, Ngāi Tūhoe, will be leading the workshop with My Life My Voice. He says it is critical that community groups in Aotearoa

are meaningfully engaged with Māori governance practices and perspectives.

“I am hopeful the application of Māori cultural concepts and values will also bring a different range of approaches to how all organisations can strengthen their internal cultures and the way they do things,” Mather says.

His hope in the next five years is aspects of Māori governance will be “comprehensively integrated into wider governance”, something he is already observing across the government, commercial, not-for-profit and iwi sector governance. “I am passionately of the view that everyone will benefit,” he says.

Young says improving the lives of people with disabilities means they need to be represented on boards, because “decisions that are made on behalf of the disabilities sector tend to be ad hoc and happen without consulting those who will be most affected”.

“We want to see disabled people included at a governance level, not only for My Life My Voice, but for organisations around the country – the people who are going to be decision-makers and influencers from a wide range of areas. If these skills can be applied elsewhere, then that’s going to be really powerful and that’s what we need in order to achieve equality,” says Young.

Ewan Heron, a Business Development Manager at the Institute of Directors, says “we hope these types of programmes help to demystify governance and bring in more diverse voices and experiences to the governance sector. In turn, this will bring best-practice governance to a wider audience and help future-proof New Zealand institutions and organisations”.



“I am hopeful the application of Māori cultural concepts and values will also bring a different range of approaches to how all organisations can strengthen their internal cultures and the way they do things.”

Dr Jim Mather

Food for all

Trustee Bennie Hendricks says it's the level and sincerity of an organisation's involvement that will determine the ultimate success of shared values.

“Globally, the food industry has always focused on the reduction of food waste because that leads to improved efficiency and profitability,” says Bennie Hendricks MInstD, who has spent nearly 30 years in the food industry and is also a trustee for Fair Food, a not-for-profit organisation that focuses on food rescue, predominantly in the West Auckland community.

Hendricks says that while the biggest driver for the food industry has always been profitability, the sector also has the opportunity to add social responsibility as motivation for reducing food waste that would otherwise end up in landfill.

A large part of Hendricks' career has been driven by food and its connection to people, with businesses now realising more than ever the importance of 'living their values'.

“That started with the triple bottom line that measured the social and environmental impact, rather than only focusing on profitability,” he says. “But as businesses started to collaborate with the community that led to shared values.”

Born in South Africa, Hendricks now lives in Auckland and started his career

in merchant banking before transitioning into the food manufacturing industry. He is the executive general manager of Life Health Foods International and the interim chief executive of WayFare Health Foods, as well as being on a number of boards including Steens Honey (NZ), and the chair of Mission Health Foods (Thailand), Novit Limited (NZ) and GHSA Global Trading (Pty) Ltd (South Africa).

He is fascinated by a creative sector that transforms 'boring' raw materials into something that can be enjoyed. Hendricks says the industry is energising as a result. “People have to eat so there's always going to be demand. The opportunity is to create something that somebody eats, and it adds value to their lives and hopefully becomes a brand that people love.”

Importantly, he sees value in industry bodies and corporations collaborating with communities, which has positive flow-on effects for society at large. For the likes of Fair Food, shared values are part of their DNA. Their vision is 'feeding people, not landfill'.

“In terms of sustainability, most companies in the food industry know they can do better. We recycle about 60 tonnes of food waste a month, so that gives you an

Photo by:
Sven Brandsma on Unsplash

AUTHOR:
SONIA YEE



idea of what would have gone to landfill. That translates into about 165,000 meals,” he says.

Hunger is a growing challenge, something Fair Food sees evidence of every day. During Covid-19, it helped alleviate the problem of mounting food waste, as well as supporting the needs of the community.

But the organisation could not exist without the help of volunteers. In West Auckland, where the organisation is based, there is a growing need for support, and Hendricks says the local community gets involved in helping to alleviate the hardship of others, despite many of them experiencing hardship themselves. “We have about 900-odd volunteer hours per month as we get people wanting to support the community,” he says.

The power of shared values for Fair Food is that the organisation adheres to its core purpose and this is reflected back and visible to those who engage with the organisation.

“Often large corporations donate money, which is crucial for the survival of charities. But it’s when people, including those who might experience hardship themselves, pitch in and want to help, that’s when shared values really comes to life and goes beyond merely stating principles,” he says.

Hendricks reinforces that an organisation’s stated purpose and values only means something if it is actively living them, because without actions those values are only words on paper. Additionally, he says shared values can grow when organisations and industry bodies work alongside the community to give back to the community.

“For me, as I’m sure for most people, unless your personal values align with that of the business that you operate within, you will have constant conflict within yourself, which would be



“Often large corporations donate money, which is crucial for the survival of charities. But it’s when people, including those who might experience hardship themselves, pitch in and want to help, that’s when shared values really comes to life and goes beyond merely stating principles.”

Bennie Hendricks

challenging. I am blessed and thankful for having the opportunity to work with organisations that align with my values.”

Hendricks refers to the saying, that if you enjoy what you do, you’ll never have to work a day in your life, something he says is also tied in with “personal values systems and purpose”.

When looking at shared values strategies, Hendricks says the main difference between what that looks like for a small not-for-profit versus a large corporation is that larger companies have access to more resources. As a result, they should be able to focus more intently on the issue.

“But if you look at Fair Food, the whole business model is based on shared values, so it’s part of everything we do – it is about people, for people. So you could also argue that despite limited resources, but through people passionate about shared values, you can actually achieve more.”

Hendricks says listed companies have the pressure of keeping their shareholders happy, “but it doesn’t take away the responsibility towards all the other stakeholders and, despite a big focus on the bottom line, the share price is influenced by a lot more factors than merely the bottom line”.

He believes all companies, regardless of their size, can no longer sit on the sidelines and need to incorporate shared values into their business and organisational culture. He says case studies on the topic show companies who are bold have reaped other benefits, including financial ones.

“By doing the right thing, you’re not only adding value to society at large, but also adding value to your business. There’s a responsibility from all companies to get involved and it’s the level and the sincerity of involvement that will determine the ultimate success of shared values. That’s where I believe there’s still a lot more work to be done,” Hendricks says.

Be part of the experience

2024 Leadership Conference

13-14 May 2024
Te Pae Convention Centre
Ōtautahi Christchurch

14
CPD

IN PERSON

10
CPD

ONLINE

Limited early bird tickets
available now – secure
your place



Scan here to register
or contact us at
marketing@iod.org.nz

Facing up to human rights risk



Author:
PETER FA'AFIU MInstD

In a complex and brutal geopolitical environment, boards must ensure there is an appropriate oversight of practices that have an impact on human rights.

As Global Vice Chair of Amnesty International Charity Limited, our board pack is full of the worst examples of what humans can do to each other. Reports from our 68 offices around the world and attacks on our staff, contractors and partners reaffirms that power, not rules, dictate the foreign and economic policies of states.

Geopolitics is great state power rivalries and the geographical dimensions of global political power. Proxy conflicts are now commonplace with former colonial powers seeking to protect their 'national interests' within their former colonies.

The Ukraine-Russia war is the top-of-mind geopolitical situation for some.

For others, it's the Balkans (again), Poland-Belarus, West Africa (Niger, Mali), Rwanda-DRC (again), Latin America (Venezuela, Peru, Brazil), the Middle East, India, China-Taiwan . . . the list goes on.

Power is also the lens within which some governments now fail to protect and respect human rights within their borders – go through the same list above and add some more 'democracies'. Power is also the lens with which some businesses and corporates now see their modus operandi, particularly those which are intertwined with the government apparatus.

Human rights abuses are the consequence of bad political and economic decisions. There is an increased attention to human rights for corporate governance, particularly as

Photo by:
Christian Lue on Unsplash

SAVE THE
PLANET.
SAVE THE
HUMAN.

AMNESTY
INTERNATIONAL



#HUMAN
RIGHTS
FOR
FUTURE

AMNESTY
INTERNATIONAL



they directly link to business ethics, stakeholder management, financial performance and risk management.

Here are some thoughts on the environment of a boardroom when discussing these geopolitical matters:

1. Understand the materiality of the geopolitical and human rights risks and concerns. For some New Zealand businesses, local laws provide a framework within which to govern. For those organisations with an international element, defined international conventions are added to the mix. For some directors, they are already talking about the conventions related to child labour, forced labour, human trafficking, modern day slavery, first generation freedoms (such as expression, association) and indigenous people's rights. Companies which enter markets that don't have aligned values to New Zealand's are no doubt making decisions that might impact on not only their way of working but their core kaupapa. One sees it when a business appoints an experienced director with 'a specific country' experience.
2. Understanding of geopolitical and human rights situations by company/business directors and executive teams should be on your skills matrix. A good example is at the supply chain end where it is no longer enough to understand the technical side of the supply chain. Moreover, civil society, communities, and media are adapting to different ways of holding organisations to account. People power movements like the Arab Spring, Extinction Rebellion, Umbrella Movement, #MeToo and Black Lives Matter are now setting their sights on corporates and businesses.
3. Directors need to build a sensitivity to geopolitical and human rights risks for their organisation. Using the 'for information, for consideration/discussion, for decision' template is appropriate. As always, ask the right questions. This is particularly important when it comes to diverse

markets. Investors in the US and Europe are holding directors to account for ensuring appropriate oversight on human rights risks that might materially impact reputation, value uplift, or relationships with those countries and communities.

4. cursory reading of newspapers no longer cuts it. Directors are not asked to be experts in geopolitics but an understanding to the point of asking the right questions of management requires a different lens.
5. Continue to intimately understand the organisation's appetite for risk. As part of that, also develop a framework with which to move quickly when events occur. It's important that framework is resourced with the right expert advice. While the invasion of Ukraine might have been a surprise for some, the threats were well publicised for months. Make the decision to understand deeper and a board will be able to 'see around the corner' and prepare.
6. If required, don't be skint on resourcing to get a better understanding of situations, conflicts or regulatory change. Remember the adage, it's an investment, not a cost. Exposures such as lost production, supply chain disruption, reputational damage, and loss of social licence to operate are costs to the organisation.
7. Due diligence frameworks for new products, services, or markets should have an element of human rights and acknowledgement of geopolitical risk. This requires directors to be aware of conscience (or what some call 'gut feeling'). As I said to a director earlier in the year, the use of government security forces on a project in a Southeast Asian country with a history of human rights abuse should speak for itself when it comes to the potential for further abuse along their supply chain.
8. Use the many frameworks available to organisations. Organisations with overseas offices will already be using human rights frameworks

“Directors need to build a sensitivity to geopolitical and human rights risks for their organisation. Using the ‘for information, for consideration/discussion, for decision’ template is appropriate.”

from that region or country. With entities seeking to enter new markets, there are again good organisations, consultancies and government entities like New Zealand Trade and Enterprise which has market understanding.

9. Ignore the old demarcations. Global inter-connectedness, including with the business world, will see company resilience (and social licence) being heavily reliant on civil society, media and communities. When assessing your organisational resilience, be open to moving beyond partnering with the 'usual suspects'.

As the Pegasus Project – an international investigative journalism project in 2020 – reaffirmed, business leaders are now subject of state espionage tactics. Welcome to the world of civil society.

It is a complex and brutal geopolitical environment to navigate. Amnesty International's recently released annual report for 2022 highlights double standards on human rights and the failure of the international community to unite around consistently applied human rights and universal values.

While the navigation might be difficult for some, the days of governance practitioners putting their head in the sand and saying it doesn't involve us are long gone. Get used to it.

Tiumalu Lauvale Peter Fa'afiu is the Global Vice Chair of Amnesty International which has 68 offices around the world with over 3,000 staff. He is based in Auckland and is a professional director.

“Ignore the old demarcations. Global inter-connectedness, including with the business world, will see company resilience (and social licence) being heavily reliant on civil society, media and communities.”



argosy.co.nz

We're in a good space. Are you?

Building a better future is never about one thing. For us, it's about doing everything we can to improve on today for our tenants, our people, our investors and the communities we are part of.

With 14 green buildings in our portfolio, we're minimising our environmental impact while delivering vibrant healthy spaces that support our tenants' commercial and social goals.

Argosy

Credibility

With only 100 businesses voluntarily reporting pay gaps, the onus is on directors to be asking questions as part of best-practice governance.

gap

In 2021, as New Zealand business grappled with the impacts of Covid-19, a small group launched a campaign that tested the value they placed on staff. MindTheGap ultimately sought legislative change to require businesses to publicly report their pay gaps. It was on the premise the gap in pay between men, women and ethnic groups was not the New Zealand way.

They called for employees to “Just Ask” their bosses about their company’s pay gap, launched a voluntary business registry and began pressuring the Government to make reporting mandatory.

While employers’ and the Government’s values were put to the test, the campaign coincided with a tightening of the labour market, with managers realising they had to do more to attract and retain staff. Employees were looking

beyond just their salary and wanted some value-based benefits.

In August, the Government announced that, if re-elected, it would require around 900 businesses with more than 250 employees to publicly report their pay gaps, and later those with more than 100 workers. This would bring the total to almost 2,700 businesses.

Hailing this move as an important step to address inequity, Associate Minister for Workplace Relations and Safety Priyanca Radhakrishnan also says “action plans will be voluntary at the start and will be reviewed after three years to determine whether it needs to be made mandatory”.

But legislation still seems a fair way off, especially for Māori, Pacific peoples and other ethnic groups who often face the compounding problem of gender and ethnic pay gaps. “Through this next phase

Photo by:
Susan Wilkinson on Unsplash

AUTHOR:
CAS CARTER,
FREELANCE WRITER



of consultation we'll be able to consider the inclusion of ethnicity before legislation is drafted," Radhakrishnan says.

The MindTheGap campaign had asked for businesses with more than 50 staff to be required to report, an estimated 5,000 companies. Just over 100 businesses are voluntarily reporting, but Radhakrishnan says there are "around 200 already or committed to voluntarily reporting".

Strategic Pay managing director Cathy Hendry MInstD says while New Zealanders are forward thinking, she believes a lot have not been reporting because they genuinely don't think they have an issue. "They think they're treating everyone fairly, have pay structures in place and are doing the right things to address issues. But if they're not measuring pay gaps the issue is not on their radar."

Hendry says the onus is on directors to be asking questions about pay gaps as part of good governance. "It should be best practice measuring pay gaps along with financial management and employee retention."

The remuneration and performance advisor believes for those businesses who have elected to report, it has helped them see they have pay gaps and make big changes, while also ticking the social responsibility box.

"Big business has been leading the way as there is a reputational issue at stake and they felt it was the right thing to do, but it also helped them address some practical issues around skills shortages."

Just as there are practical issues for reporting, Hendry also says there may be pragmatic reasons why so many businesses are not reporting. "Where would they report to? If you don't have an annual report your website is your only visibility. If the government changes legislation that would change."



"It should be best practice measuring pay gaps along with financial management and employee retention."

Cathy Hendry

Business New Zealand chief executive Kirk Hope MInstD believes values have changed for practical reasons. "Businesses in New Zealand are concerned about closing the pay gap because it will make a substantial difference to their competitiveness in a very tight global labour market."

He says any business that wants to grow will experience some skill shortages so they are going to have to be globally competitive and that includes addressing issues that may concern potential employees such as pay gaps.

"Why would you accept an 18 per cent discount to your value because you're a woman? You shouldn't and you wouldn't. It's a fairness and equity issue."

While most big businesses have signed up to reporting, Hope says any legislation to force their hand has to be well thought out.

"It's not about reporting for reporting's sake. It is more important that what you do closes the gap. We want to ensure any reporting has a standard formula and is simple, clear what the threshold is and ensure we're consistent with international standards.

"Reporting should have a low administrative cost and remain voluntary for small- to medium-sized businesses because of their lower employee numbers. Additionally, businesses would require clarity around reporting that is standardised and protects the privacy of individuals."

Hope believes once the formula is standardised it will be easier for small businesses to pick it up, too.

If fairness is a Kiwi value, Retirement Commissioner Jane Wrightson CMInstD says women are starting from behind as soon as they get a job, getting paid less, losing money and retirement investments if they take a break, and



“It’s not about reporting for reporting’s sake. It is more important that what you do closes the gap.”

Kirk Hope

having much less to retire on despite living longer.

Wrightson and her policy director have made it a mission of the Te Ara Ahunga Ora Retirement Commission to expose the unfairness and get people and business thinking about how to make change.

“The reason I became interested in the pay gap question was because I wanted to see the impact it had on retirement savings,” she says.

What she found was a 25 per cent gender gap on average in KiwiSaver balances which she recently announced has grown an additional 5 per cent in just one year.

Wrightson has added her voice to the call for fairness around the pay gap argument and says the more noise that is made, the more we will start talking about it from directors through to employees.

“There is a fundamental value in New Zealand about how we treat our employees and if we’re being fair, but it does come down to leadership and people. But this kind of data is often white noise to people until they start to become aware of the issue, so we have to keep repeating the message. It’s about normalising the conversation and that includes having some brave conversations in the workplace.”

Z Energy has acknowledged this is an issue caused by the pay gap and last year announced it would continue to provide a 5 per cent KiwiSaver contribution to employees on parental leave, including unpaid leave. For those wanting to work part-time, they’re also paying a 5 per cent KiwiSaver contribution based on the full-time salary equivalent.

Long-time gender pay gap campaigner and MindTheGap co-founder Jo Cribb CFInstD remains positive, saying many businesses see reporting as a natural extension to their diversity, equity and inclusion work (DEI). “There is a sense

of fairness embedded in many businesses – that people are treated impartially, and systems and policies are fair. Pay gap reporting is an extension of that underpinning value.”

She says leaders also know there is competition for talent and want to retain good people. Measuring and addressing pay gaps and being transparent about it is seen as a positive signal to current and future staff about what type of employer they are.”

Working with business, Cribb says many have seen increased staff engagement and even a sense of pride following the implementation of measuring and reporting.

“Even in organisations where substantial gaps were reported, it was the transparency and commitment to address gaps that were appreciated. Others have said that during interviews, potential employees have been asking about pay gaps as part of their due diligence,” she says.

While business and the government have been slow to change, Hendry says Generation Z will push the pace. “The new generation has different values. They’ve grown up expecting to ask questions, not sit there and be quiet, and they’re not afraid to question authority.”

Slip back a few generations and Hendry says all you need to do is listen to talk back radio to know there are still many who don’t believe there is an issue. “So then, if you don’t think you’ve got a problem, what’s stopping you from checking?”

As Cribb says, pay gap reporting is a standard expected practice across the European Union, Australia and United Kingdom. “Just thinking you are a good employer is not enough. Leaders are now expected to analyse their gaps and know what is happening and understand why so as to address them.”



111

163

SHARED
VALUE
EQUALITY

Fighting to be heard

AUTHOR:
SONIA YEE

ADHD New Zealand chair Darrin Bull says having people with lived experience on the board means it holds true to its purpose.

Governing a not-for-profit organisation has been an evolving process for ADHD New Zealand – officially named in 2018, it was founded as a parent support group in Auckland in the 1970s.

Wellingtonian Darrin Bull MInstD is the organisation’s chair and says it is now one of the largest ADHD organisations in the world. “We’re talking to the government and all the health agencies and colleges about legislative change to support and diagnose ADHD,” Bull says.

His commitment to the organisation has continued for 15 years, born out of seeking support for his son who was diagnosed with autism at the age of four or five. Bull says the symptoms were “pretty obvious”. “And then it sort of grew into ADHD as well – about a third of children with autism have it.”

Bull says trying to get a diagnosis is one of the biggest challenges parents face. His son displayed traits including an inability to moderate his emotions or think clearly and stay still; he struggled to comprehend information and had learning difficulties. “He couldn’t hold a pencil so he couldn’t

write. We were told Matthew’s learning difficulties were so strong he could never read beyond the age of a seven-year-old.”

Bull and his wife had never encountered any issues with learning so they struggled to understand why it was happening to their child. “[We thought] why us? And then it was just like, ‘well, why not us’? We are able to learn, able to grow, we’re able to fight the system and make a difference and that’s what we did.”

Bull says one of the issues is the education and health sector is quick to write off children with autistic and ADHD traits. “The ADHD community needs more support and it actually needs someone advocating for them. We put our hand up and said we’re representing our community to the government. You need to listen.”

ADHD New Zealand might be a small organisation with a team of three, but it represents 60,000 to 70,000 members, and Bull says there are an estimated 260,000 to 280,000 Kiwis with ADHD.

The organisation’s board was established in 2015, with a need to separate the

Photo by:
Alev Takil on Unsplash

governance from the operational side. It has seven members, although there is room for nine. It also engages with consultants and experts to address different issues or areas of growth.

As an example, they had a senior leader from Air New Zealand sit on the board and a chief risk officer from a bank to help them develop a risk framework, adding to the rigour they want at the table.

“The chief risk officer joined us for 18 months and we can still ask him any questions. But in reality, his job was to lift our risk and governance capability so he created risk frameworks for us and key policies.”

Bull says once these strategies are set up, those people move on and the organisation looks for its next expert. “Their expertise has to be at board level, but we also recognise we don’t always have access to the skills we need. So we just try to find someone.”

The board also has members with lived experience, which Bull says is vital for the organisation. “It has allowed us to have more impact because we know where we need to go. The biggest issue for our community is access to diagnoses and medication. That’s the number one thing we can fix, and it’s what our community wants and needs [right] now.”

He says having people with lived experience on the board allows it to check in and see what progress it is making. Importantly, it means it holds true to its purpose. “We’re there for our community,” says Bull of the board’s accountability.

“If an organisation and a board creates that environment where you accept someone and create a sense of belonging, they will be successful. They will be authentic.

“Boards can be these scary beasts who only cover serious situations and because



“Boards can be these scary beasts who only cover serious situations and because of that you can really stifle the culture you need. There needs to be an acceptance where everyone can flourish.”

Darrin Bull

of that you can really stifle the culture you need. There needs to be an acceptance where everyone can flourish, and if you’re able to do that you would naturally attract those who might be different or think differently,” says Bull, who is fully aware that boards need to be future focused and strategic.

Boards need to accept that in order to have different thinkers in the room, it also means there will be different communication styles. If a board wants neurodiversity, they can bring someone in for a period of time as part of a consultative process and make them feel welcome and accepted. In the case of individuals with ADHD, they may have to move and often walk around the room as they talk.

“Sometimes people with ADHD have problems expressing themselves so let them talk things through. They’re very good at thinking and talking simultaneously. Those with ADHD think differently and they see the world differently so we have to make sure we get those perspectives out.”

Bull says board members with ADHD struggle to read board papers so they are given the papers in a format they can easily understand, and “the advantages are huge”. “But always remember that every board should listen to every insight, every part of that debate.”

He says while the school system inhibits children with ADHD, they are now in conversation with the government to try to fix it. “It is really hard with very little funding, and our trick is to get our level of board capability and governance ahead of the funding and maturity needed.”

His hope is the organisation will no longer exist in the next 20 to 30 years because it will be a given that “someone with ADHD can flourish and be successful, and it’s not a label, it’s not a disability, it’s just the way people think”.

We understand the importance of confidentiality when it comes to selling your business.

LINK Enterprise, a division of New Zealand's largest business brokerage, LINK, are an experienced team specialising in selling businesses valued from \$2 million up to \$50 million. Our entire approach is built around ensuring the sale of your business is kept under wraps. Our marketing, buyer enquiry and even internal communications are designed to protect you, your stakeholders and your business.

We are all about results
– you will want us on your team.



Make a confidential enquiry today.
0800 848 000
linkenterprise.co.nz



 **LINK**TM
we sell businesses

ENTERPRISE
DIVISION

**Specialists in selling
high value businesses**

All LINK NZ offices are licensed REAA08

‘I’m not special’

An ability to listen and observe helps experienced chair and business leader Paul Reid understand where people are coming from.

When Paul Reid MInstD speaks, people listen – “the best speakers are making it up on the spot and they don’t have any notes,” he chuckles.

Wellington-based Reid is the CEO of Author-it Software Corporation and chair of three boards – Volapa Health Technologies (ASX:VHT), Virsae Limited and Figured Limited – and a director for Christchurch International Airport. His previous roles include CEO for MetService, director of Comvita Limited and chair of Pūkeko Pictures.

As a leader of technology businesses, Reid regularly travels around the world with office hours that extend way beyond the normal. When we connect, he has just touched down from Germany before jetting off to Paris. Over a Zoom call, he tells me he’s watching my face, explaining that it assists him during online meetings where

it’s not unusual for him to ask everyone to turn on their cameras.

“Nobody realises what I’m doing, but I’m watching their faces closely to read their reactions. I’m trying to gauge what people are thinking,” he says.

Reid’s ability to listen and observe is integral to understanding where people are coming from, and something he also associates with shared values. “It’s about communication and behaviour, and how people treat others,” he says.

His observational eye also helps him in his chair roles and Reid says he enjoys the robust discussions that take place, while also watching and listening intently to all sides.

“It’s when you’re having a debate and a conversation with the board, that’s what I really love – so what about the board

AUTHOR:
SONIA YEE

U.S. Manufactured
and Distributed by
THE TOWER OPTICAL COMPANY, INC.
P.O. Box 251
South Norwalk, CT 06855

QUARTERS ONLY

25¢



papers? It's expected we've all read them, but how are people contributing to the discussion?"

That's the part that matters most to Reid. When asked what it means to build a shared vision and values within an organisation, he says it is simple: "treat everyone the same". He would be the first to tell you what it's like to not fit in.

A natural whiz with numbers and coding, technical terms roll off his tongue as a language he can understand. He is also neurodiverse and has struggled with reading and writing all of his life, finding alternative ways to navigate everyday tasks that many of us take for granted.

Signing into meetings or appointments at reception desks posed a problem. Reid would patiently wait until someone else stood in line ahead of him so he could write ditto marks under a name someone else had written down before him.

"Or I'd get someone to write on a piece of paper and bring it with me," he says.

At school, Reid says he was disruptive to mask his dyslexia. "It affected my confidence and it doesn't leave you. The world is based on reading and writing, and that's associated with intellect," he says.

It was only when he was in his late thirties that he opened up about his dyslexia for a story in the media – and he was surprised by the response. "What I realised is I could talk about it and people did nothing, as most people don't actually care about your reading ability," he says of the years of accumulated anxiety and worrying about what people would think.

Reid doesn't want to be a poster boy for dyslexia, but that doesn't stop him from being a shining light of possibility for others, including having concerned parents of dyslexic children reaching out for advice and reassurance.

Along with the likes of Wētā Workshop's Sir Richard Taylor, Reid has proven success and dyslexia can go hand-in-



"I don't like labels. I don't see myself as different or special – some things I might do in a bit of a weird way, but so does everybody else."

Paul Reid

hand. But despite the word 'neurodiversity' becoming commonplace today, Reid would rather not be labelled.

"I don't like labels. I don't see myself as different or special – some things I might do in a bit of a weird way, but so does everybody else," he says.

Along with his career success, Reid has also been able to thrive as a board chair and as he speaks his eyes light up and his face becomes animated. "Chairs need empathy, but I have this thing, too, where I'm really honest, even if it's not the answer you're expecting," he says candidly, adding some uncertainty about whether it is part of his dyslexia or a personality trait.


As for reading board papers, Reid has never requested them in another format, perhaps deriving from his determination to not be perceived as different and to push through, regardless of the obstacles.

He says it takes him four times as long as it would for anyone else. "Like, it hurts my head, it physically hurts," he says emphatically, "but I do it."

So why does Reid sit on boards and is it his way of giving back? "I do it because I get to work with the CEO and management. I like doing it and I don't see that as giving back. Sometimes it's because I've invested in the company and I care about what happens to all the companies and their employees."

To increase board and organisational diversity and inclusion, Reid says shared values involve equity and making people feel valued. And while board members need to understand the myriad topics on the agenda, he says it's also necessary for them to learn as much as they can about them, without feeling they have to be 'the expert'.

"We are all different and sometimes you need people who have a lot of empathy on a board; other times you need someone with none because if the company is about to crash you need people who [aren't going to be as affected]."



Find out how your board can lift its game

From fast, effective board evaluations to tailored, in-depth solutions – we've got you covered. Our board evaluation products have been designed to lift your board's capability, effectiveness and keep you at peak performance. Options available for commercial and not-for-profit boards.

Talk to us about which evaluation is right for your board.

0800 846 369.



New Zealand's home for
leaders in governance.



iod.org.nz

In the fast lane



AUTHOR:
CAROLINE WILLIAMS
CMIInstD

Challenging, stimulating and inspiring. Startup directors understand that standing still isn't an option.

There are so many rewards and benefits of being involved in startup governance. Focusing on the higher risk nature of startup businesses, while understandable, can discourage experienced governance professionals from adding a startup to their portfolio. However, if New Zealand is to leverage the economic growth potential of startups we must increase the pool of experienced directors and encourage a wider group of business people to get involved in the space.

Why would someone want to join a startup board? For one thing, directors have the privilege of mentoring some very innovative and clever people – and their passion and vision can be truly inspiring. The support the board provides can have a direct impact on the success of their businesses. For directors who enjoy a fast-paced environment, high-growth businesses offer plenty of new challenges. They can also offer the chance to be right at the cutting edge of an industry, or even at the beginning of an entirely new one.

Each director understanding their professional risk tolerance is essential because issues tend to be magnified. One new team hire can have an outsized impact, the loss of a key account or relationship may require a quick pivot, and spending scarce money on professional advice is a significant investment.

Around the board table, there is less room for mistakes, but startup directors understand that standing still just isn't an option if the business is to grow. It's challenging and stimulating, and directors will have to make decisions with limited information knowing they may well need to revisit strategies when presented with new information. While the work is meaningful and rewarding, a startup board is not ideal for anyone fresh to governance, or who isn't genuinely passionate about growing the next generation of New Zealand businesses.

That said, a startup board is a great place for directors to continue to develop their skills and grow professionally.

Ngaio Merrick, a managing partner of Nuance Connected Capital, says everything that happens on a bigger board happens on a startup board only faster and more often, preparing you for many more alternatives as you go through your governance career.

Big boards can take years to raise capital, deal with a non-performing team member, go through a board refresh, pivot the business model and consider M&A opportunities, all of which can happen within a year or two on a startup.

The best directors for startups often come from strong operational backgrounds



with a diverse career, have a well-developed understanding of risk and very little ego. They will have high EQ, an interest in entrepreneurship and, ideally, they have already dabbled in starting their own company or angel investing, and learned a few lessons along the way. Most importantly, they need to be prepared to walk alongside a founder to support and guide their vision.

Board members should be the first port of call when management teams need advice or support.

Rudi Bublitz, director and co-founder of FKA (Flying Kiwi Angels), says the directors' role is to nurture and grow the CEO and their team more than driving and controlling the business. He says directors often build strong personal relationships with founding teams and they need to be constantly looking out for opportunities to bring others into the CEO's orbit to help them on their journey.

Directors should be prepared to support the founding team for the long haul as standard board appointment term limits rarely apply.

Directors who bring general management, human resources, product development, marketing, finance or legal skills can have immense value to a founding team.

“The best directors for startups often come from strong operational backgrounds with a diverse career, have a well-developed understanding of risk and very little ego . . . Most importantly, they need to be prepared to walk alongside a founder to support and guide their vision.”

Many founders have not worked with a board or led an executive team before, so an experienced director can provide a sounding board and insights into best practice as they build up their teams and company culture.

Founders also often don't have all the connections in key markets they need – or access to external partners who can help them achieve their strategy – and directors can bring some of that expertise or make helpful introductions. Mentoring a team through an important commercial negotiation is another key area where an experienced director can add enormous value.

The directors of a startup business do not all need to be capital-raising experts. Capital raising is primarily a founder-led activity in which the board plays a supporting role by determining the business' capital strategy, providing founder support and introductions to potential investors.

In a capital raise, directors advocate for the business and lend assurance to investors that the founding team has the right guidance to be successful. Specific industry experience, deep product or domain experience, experience growing a similar business or having other specific skills relevant to the business' success are greatly valued by investors.

Many directors are brought onto their first startup board to provide this proven experience. If this is the case, a lack of specific startup experience is not a significant hurdle, although it is important the director makes sure there is sufficient startup experience on the board as a whole.

Experienced directors will often have gained their skills in careers with corporates, professional services organisations and privately held or iwi-led businesses. Any of these environments can provide the opportunity to grow skills that are useful to a startup. For example, anyone who has held responsibility for strategy, change management or digital transformation is likely to have relevant skills.

Industry experience is enormously valuable as well, provided the director has the flexibility to apply their skills to the unique challenges facing a smaller organisation. In-house lawyers and finance professionals can also make great startup directors with their skills in analysing risk and helping teams achieve compliance.

Senior sales executives and marketers support founding teams to move from passion and enthusiasm to meaningful execution. And product development or CTO skills add the next level of insight to technology development. Entrepreneurs running their own businesses can also find it rewarding to apply their hard-won knowledge to another startup board. And that can be a game-changer for the business.

When considering joining a startup board:

1. Closely evaluate not only the business but the directors. Do they have skills valuable to the business? Can the chair effectively manage the board and other stakeholders? Directors need to be comfortable with the personalities and coachability of the key people in the business and that they understand the ownership structure and shareholder dynamics. The relationship between a founding team, board and shareholders is critical to a startup's long-term success, and

each director has a role in creating a cooperative working relationship between the board, management and shareholders.

2. Know the governance basics well and, once on the board, insist on good governance, especially the checks and balances that enable a board to know the business is being well-managed. Governance does need to be 'right-sized' for startups, meaning previous governance experience is crucial so directors can ensure the core elements of good governance are observed in a lean and often fast-moving context. For example, while it may not be realistic to expect all startups will maintain a sophisticated risk register, directors need to ensure financial, regulatory, operational and people risks are still identified and being regularly discussed.
3. Every director needs to fully understand the business' financial position, outlook and overall trajectory. And if there are other parts of the business that aren't easily understood, such as core underlying technologies or new business models, directors need to educate themselves by asking detailed questions and spending time with the relevant staff members. By being proactive in thoroughly understanding the business and the risks it faces, directors influence how these are managed and reduce the overall risk profile of the startup over time.
4. Recognise that startups can change rapidly and the board will need to continually educate itself and be open to change as the business grows or faces new challenges.

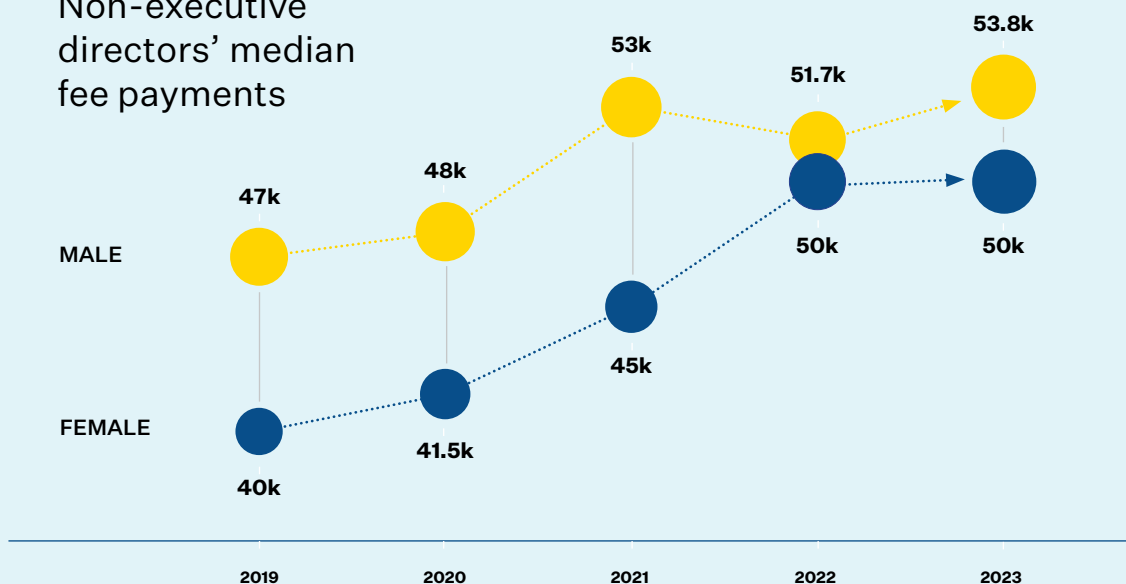
To get involved in startup governance, a good first step is to extend networks in the community. This can include going along to events such as the annual Icehouse Showcase, speaking to founders about their businesses, or joining an angel group (see angelassociation.co.nz) and looking for ways to get involved by offering to generously share your expertise.

“Governance does need to be ‘right-sized’ for startups, meaning previous governance experience is crucial so directors can ensure the core elements of good governance are observed in a lean and often fast-moving context.”

Caroline Williams has been a director, angel investor and advisor to startup and high-growth technology companies for more than a decade. She is currently a director of several high-growth companies and chairs two boards. She belongs to the FKA angel group and is a facilitator for FKA's A Flying Founders peer support programme.

How do you compare?

Non-executive directors' median fee payments



Get the full picture

The 2023/24 Directors' Fees Report is now available. Scan here to purchase or contact EY | survey@nz.ey.com



DirectorFees

Keeping you across the numbers that matter

The Institute of Directors (IoD) with EY has released its 2023/24 Directors' Fees Report. The report is a key source of information on director remuneration trends in the New Zealand market.



Getting in the game

Photo by:

Lorem ipsum dolor sit amet,
 consectetur adipiscing

AUTHOR:
 NOEL PRENTICE,
 EDITOR

A purpose-built programme is empowering women with the capability and confidence to take governance roles in rugby across the Oceania region.

A group of trailblazing women throughout Oceania are raising their governance game with the aim of changing the rugby establishment.

More women are slowly being appointed to rugby boards in the Pacific Island nations, but governance is not widely understood, nor practiced, says Cathy Wong, Oceania Rugby Women's Director and representative on the World Rugby Council.

Most unions only appoint one woman to the board, Wong says, but they do not get the appropriate support and tend to resign when the going gets too hard.

A new purpose-built initiative is hoping to change all that. Named the Oceania Rise Rugby Women's Governance and Mentoring Programme, it has been launched by the Institute of Directors and Oceania Rugby to develop expertise, improve equality and diversity, and support development and growth.

Oceania Rugby was founded in 2000 and represents the interests of 14 full members and two associate members within World



Rugby, the international governing body. Its strategic plan for 2020-23 includes a focus on developing women in governance roles to ensure rugby union boards are more equitable and diverse.

Programme mentor Diane Hallifax MInstD, a director and deputy chair of the Waikato Rugby Union, says the inaugural intake is full of leaders.

“We have women in the programme who have been the ‘first’ or the ‘only’ – the first female on an all-male board; the first female in their family to become a leader in their chosen career; the only female leader in a management team; the only female in their rugby environment,” she says.

“The programme has such a wide range of participants from such varied backgrounds and the women are finding they aren’t alone. They have found others have come before them to pave the way, provide support, advice and strategies to overcome adversity and help them succeed in their environment. It will be invaluable.”

The directors’ training initiative is part of the Oceania Rise Rugby Project, which is funded by PacificAus Sports. It supports the capacity building and empowerment of women in rugby across the entire Oceania region.

The IoD programme is specifically for women in leadership roles within rugby unions and will arm them with the fundamental knowledge to effectively participate in governance.

“People are appointed onto board positions without any form of governance or director training,” says Wong. “This makes it very hard for them to understand or practise proper governance and be effective directors. Training is not readily available in the Pacific.”

She says it will take two to three years before the impacts of the programme are evident as more women are increasingly qualified to put their hands up to apply for senior management, CEO or board



“People are appointed onto board positions without any form of governance or director training. This makes it very hard for them to understand or practise proper governance and be effective directors. Training is not readily available in the Pacific.”

Cathy Wong

positions. Constitutional change will also have to take place, she says.

“The challenge for us is to continue to drive this agenda and to get likeminded males to support us at board level.”

IoD chief executive Kirsten Patterson says the programme is purpose-built in that it is based on using the attendees’ experiences within their communities and Pacific values to help demystify governance.

“It is different from our usual IoD framework. The formalised learning is supported by Pacific values and a mentoring programme. We envision it as a structure that can be utilised again and again.”

Patterson says the programme also complements one of the key IoD initiatives to support governance capability within the Pacific.

Oceania Rugby general manager Frank Puletua says the long-term impact of the programme will be “immense” for the Pacific unions. “Through the uplift in skills and competencies, ambitious goals become realistic. Oceania Rugby fully supports the capacity-building of our people across the region,” he says.

“The Oceania region is unique in its cultural, political, and economic makeup and financial stability for many or our second and third tier unions is a much more challenging proposition.”

Hallifax says there has been a significant increase of women in rugby governance in New Zealand in the past five years, but there is a long way to go. “There is increasing awareness around why we need women at the board table and how we can attract high-calibre candidates to provide a different perspective and challenge perceived norms,” she says.

There are areas that need attention and focus across Oceania, she says, depending on the maturity of the board and their diversity.

“Providing a welcoming and safe environment is critical so women can have a voice. As a standard, all board members regardless of gender, should be highly skilled in all aspects of governance, including finance, risk, compliance and strategy. A successful board is a board where everyone feels safe to speak and everyone is heard.”

With a wide range of women across Oceania participating, each one has a different perspective. “The programme will increase levels of personal and professional support and it also provides the participants with baseline governance training they can use immediately,” she says.

Hallifax says the response to the programme, supporting 24 participants, has been incredible. “Each participant has been highly engaged and just extending our networks has been invaluable. We sometimes forget how far we have come in our governance journey in rugby in New Zealand and it is privilege to work with other women from other countries and share experiences.

“The goal is to increase diversity and build governance capability in women so they can participate with confidence and have a positive impact on boards in the future. As women we need to ‘lift another woman up’ and this programme will help facilitate that and provide women with pathways through education, support and networks.”

Puletua says the existing governance framework in Oceania is largely predicated on the World Rugby model and they are seeing some great advancements in women’s rugby as a result. “As with any form of governance, this needs to be purpose-fit and regularly reviewed by relevant bodies,” he says.

“Oceania Rugby has already opened opportunities for women to have a greater voice in the strategic direction of the game. The repositioning of our constitution ensures that female representation will always remain



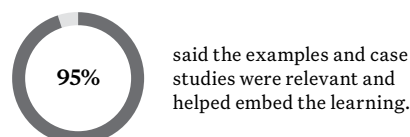
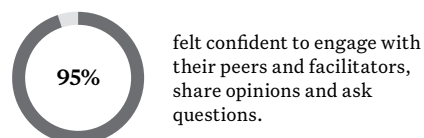
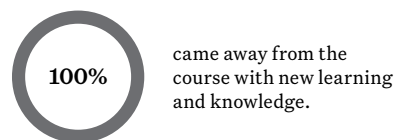
“The goal is to increase diversity and build governance capability in women so they can participate with confidence and have a positive impact on boards in the future.”

Diane Hallifax

EMPOWERED BY THE PROGRAMME

Participants have already given the programme the thumbs up after completing the Introduction and Foundations of Governance and Knowledge session, and the Governance Essentials sessions. One participant says they were “inspired and a lot more confident in knowing where I am currently and where I would like to be within these next five years. I never saw myself aspiring to be on a board, but I am most certainly more confident knowing I could apply for it and will not hesitate to strive for more.”

Other key findings in a survey of participants (either agreeing or strongly agreeing):



FEATURE

strong moving forward, and we certainly endorse our unions to do the same.”

He says there has been a “very positive response from those fortunate enough to join the programme” and “it is a true testament to see the immediate positive impact the programme has had on participants”.

With more women joining the game than ever before, it is critical for women to have equal representation, voice and influence in decision-making roles, says Oceania Rugby women’s project officer Dr Teeny Aiken.

“Significant research has shown that women on boards bring a number of benefits,” she says. “These include more focus on non-financial performance indicators, such as customer satisfaction and diversifying audiences; improved board accountability leading to better governance; more effective risk mitigation and crisis management; higher female participation rates in other areas of the sport; increased variety of ideas, knowledge, networks and experience; and a positive boardroom and organisational culture.”

The programme, which is also supported by World Rugby, will engage three cohorts of up to 24 women (72 in total) by the end of 2024. The participants are encouraged to continue their involvement in the programme by becoming mentors to help build an alumnus within governance in the Pacific.

The programme’s mentors come from across the region and include World Rugby Executive and Leadership Scholars. They may also undergo mentor training through the New Zealand Coaching & Mentoring Centre.

The facilitators are highly respected Pacifica directors Caren Rangī MInstD and Mele Wendt MInstD.



Daring to dream

Rugby in Tonga has undergone dramatic change in the past few years – from being in the spotlight for all the wrong reasons to a new constitution promising better governance and gender equality.

Programme participant Ofa Langi says the door is now open in Tonga for women who dare to dream of a role in governance.

“Influential women are often visionary thinkers who can see the big picture and inspire others to believe in their vision,” she says. “They have a clear sense of purpose and direction and can communicate their goals and ideas effectively to others. More and more women and girls are now

joining rugby knowing that is their future.”

Langi, a full-time teacher, says the programme has not only reinforced the benefits of teamwork and respect, but it has given her the confidence to raise her voice, where before she was silent.

“It has also helped develop my capability and the key mental skills of self-control, concentration, discipline, decision-making and good leadership.”

She says she had hardly any knowledge of accountancy and its language before the programme but now has “a fair idea of how to read and write up a financial statement”.

Land + design + build



One of Calder Stewart's unique benefits is our extensive industrial land holdings in a range of locations throughout New Zealand. These sites are primed for both industrial and commercial development. Our planning, financing, design and build capabilities also provide full turnkey options. Get in touch for all of your industrial property and building needs.

Your partner in property and building.





Time to suit up

AUTHOR:
AARON WATSON,
IoD WRITER/EDITOR

Dr Charles Ehrhart says the metaphor he’s hearing from many leading directors is it’s time to come down from the bleachers.

Over the past 50 years, economic activities including the consumption of fossil fuels, industrial processes and deforestation have released greenhouse gasses responsible for trapping an explosive amount of heat energy in the Earth’s atmosphere – the equivalent of about 25 billion atomic bombs.

As a result, the average air temperature at the planet’s surface is nearly 1.2 degrees Celsius hotter than in the pre-industrial era and could exceed three degrees heating by the end of this century if we fail to slash greenhouse gas emissions.

In order to meet the Paris Agreement’s goal of limiting global warming to well below two degrees, and preferably 1.5, the United Nations recently concluded we need to reduce emissions by 45 per cent by 2030. Achieving this scale and speed of emissions reductions will require system-wide transformation. The rapid recalibration of our economy to meet this safe target is likely to be jarring and profoundly disruptive to New Zealand businesses.

It’s time to get in the game. That’s the message for boards from Dr Charles Ehrhart, KPMG International’s Global Head of Climate Risk, Resilience and Adaptation, and a Partner at KPMG New Zealand, where he co-leads the firm’s Climate Change, Decarbonisation, ESG and Sustainability services.

“We’ve left many of the hard decisions until too late in the game and now climate change has become a climate emergency. We have a shared responsibility to protect our organisations and build resilience across New Zealand’s economy,” he says.

Ehrhart sits on the governing board of the World Economic Forum’s Climate Governance Initiative (CGI), a global body that seeks to enable effective climate governance and mobilise boards to act. The CGI supports 29 chapters, including the IoD’s Chapter Zero New Zealand, representing more than 100,000 directors in 71 countries. He is also on the Chapter Zero NZ steering committee.

“Directors quite rightly understand their ordinary role as one of working

Photo by:
Francisco Arnela on Unsplash



chapterzero.nz

‘on’ their business rather than ‘in’ it,” Ehrhart says. “However, we’re contending with extraordinary circumstances. The metaphor I’m hearing from many leading directors is that it’s time to come down from the bleachers.”

Ehrhart doesn’t mean that directors should necessarily become ‘players’ – that’s management’s role. But, he suggests, it’s time for directors to take a more hands-on role, whether as coaches, cheerleaders or ambassadors.

This is not unfamiliar territory to directors. The pandemic was a good example of an all-hands-on-deck moment, he says. “If we understand this as a climate emergency, we see the parallels right away.”

Helping their organisations succeed in the turbulent times ahead will require new knowledge, and boards should actively set out to raise their “climate literacy”. However, the pillars of good governance – keeping an eye on the long game, learning together, holding to account, and ensuring compliance – are no less vital.

Climate governance is not just a risk management exercise or a discreet environmental, sustainability, governance (ESG) issue. “It cuts to the core of a business’ strategy, its culture, its social licence to operate, its fundamental value proposition,” Ehrhart says.

From the perspective of the CGI, there’s even more at stake. Good climate governance is not only essential to the wellbeing of individual businesses, but also to the vitality and resilience of the systems underpinning our global economy – especially when it comes to the leadership of bank, insurance and fund directors.

Ehrhart suggests that, for this reason if no other, we all have an interest and role to play in the orderly transition to a net-zero carbon future.

“We are already seeing significant change across a range of sectors,” he says,



“We are already seeing significant change across a range of sectors, including major funds screening out slow-acting businesses, banks offering ‘green’ finance to early actors, insurers pulling back from high-emissions industries, and regulators requiring carbon transparency.”

Dr Charles Ehrhart

“including major funds screening out slow-acting businesses, banks offering ‘green’ finance to early actors, insurers pulling back from high-emissions industries, and regulators requiring carbon transparency.”

The overwhelming majority of New Zealand businesses are not captured by current climate disclosure requirements, but many are already quantifying and reporting their emissions. When he speaks to directors, Ehrhart says he finds a lot of genuine desire to address the climate emergency.

But it’s not all good news. Too many businesses are still watching from the sidelines, unwilling to get in the game. “Delayed action or no action – we can always come up with a reason why now’s not the time, or I’m not the one,” Ehrhart says.

That’s why organisations such as the CGI and Chapter Zero NZ are so important, he suggests. They help boards share inspiring examples and experiences while building a movement for the common good.

Countries have spent decades building critical infrastructure and financial systems that are not designed to withstand the increasingly extreme realities of climate change or the speed of transformation required by our economy.

Boards need to decide how they want to position their organisations in this transformation. “Setting emissions reduction targets is important,” Ehrhart says, “but so are targets aimed at managing other risks and capturing opportunities for value creation.”

The direct and indirect impacts of climate change are poised to radically disrupt New Zealand’s business ecosystem. This disruption may be sudden and non-linear. Key questions for directors to ask, Ehrhart says, include: “Do we want to be disrupted or be a disrupter? Do we want to play defence or offence? And – just as important – what can we do to build the resilience of the value chains and broader society we depend on to thrive?”



Great expectations

In an era of climate change litigation, the duties of directors will evolve to reflect changing social expectations.

AUTHORS:
LINDA CLARK,
PARTNER, AND
JEREMY BELL-
CONNELL, SENIOR
ASSOCIATE

The court's interpretation and application of the law evolves over time to reflect our society's priorities, values and challenges. Through the common law, judges can create new principles and causes of action, which they do from time to time. Two recent examples where the courts have moved the dial would be in health and safety and the recognition of Te Tiriti o Waitangi - Treaty of Waitangi principles.

The question now is, what role will the courts play in climate change?

Lawsuits relating to climate change are among the fastest-growing areas of litigation worldwide. In the recent United States case of *Held v Montana*, the court held that state policies prohibiting decision-makers from taking climate change into account in relation to fossil fuel projects violated the state constitution. (Unlike the New Zealand Bill of Rights, the Montana constitution requires the state to protect and improve the environment.)

In New Zealand, the case to watch is *Smith v Fonterra*. Michael John Smith

is a Ngāpuhi and Ngāti Kahu elder and climate change spokesperson for the Iwi Chairs Forum which filed a claim against seven major New Zealand businesses, all involved in industries releasing greenhouse gases.

Smith, who says his way of life is at risk from the effects of climate change, argues that companies owe a general duty to cease:

- Contributing to damage to the climate system.
- Dangerous anthropogenic interference with the climate system.
- The adverse effects of climate change through their greenhouse gas emissions.

At present no such general duty exists.

The High Court knocked back a strike-out application on the basis the plaintiff had raised a novel argument that should be properly tested. The Court of Appeal disagreed and now the matter is before the Supreme Court with the outcome keenly awaited.

Photo by:
Thomas Vimare on Unsplash

DENTONS


**Chapter
Zero** New Zealand
chapterzero.nz

The acceptance of a general duty (that is, a duty to all of society, rather than a specific identifiable group of individuals or interests) would clearly initiate a range of complex challenges for all directors. It is still very early days for this novel case. It is not at all clear the Supreme Court will even allow the general duty claim to be properly heard.

Interestingly, and possibly presciently, in a 2019 legal essay prepared by Chief Justice Winkelmann and Justice Glazebrook the two justices opined that “climate change does not easily conform to existing forms of action”, and that the common law generally proceeds incrementally, while climate change issues require a rapid response.

It remains to be seen whether they will be proven correct but in any event there could be more fertile ground elsewhere for climate activists.

COMPANY ACT DUTIES

Directors in New Zealand are bound by section 137 of the Companies Act, which requires directors to act with care and diligence. Directors are therefore required to have a sound understanding of key risks, including environmental risks, and ensure appropriate frameworks exist to identify and manage them.

In addition, the recent amendment to the Companies Act has clarified (for the avoidance of doubt) that directors may also consider environmental, social and governance matters when assessing a company’s best interests in accordance with section 131 of the Companies Act.

SHAREHOLDER ACTIVISM

In a UK case heard earlier this year, an environmental NGO argued Shell directors were breaching their duties by not acting quickly enough to prepare the company for a post-fossil fuel future. The court dismissed the claim, upholding the traditional view it is for directors to determine how they achieve the company’s best interests and weigh up the competing considerations. The decision could yet be successfully appealed.

In Australia, shareholder resolutions seeking climate change action are gaining

traction. The successful resolution against Woodside Petroleum in 2020 called for the company to align its emissions with the Paris Agreement. This trend reflects the shifting attitude among shareholders towards environmental responsibility.

GREENWASHING

Regulators and activists overseas are focusing on allegations of greenwashing – or unsupported claims about eco-friendly practices – and similar claims are possible in New Zealand. Recent examples in Australia are the legal action brought against Mercer Superannuation and HSBC for misleading environmental statements.

CLIMATE-RELATED DISCLOSURE REGIME

Mandatory transition planning concerning climate-related business risks will be introduced for New Zealand’s large listed issuers, banks, insurers and fund managers from FY25.

The introduction of the disclosure regime and its overlap with a director’s obligations under section 137 of the Companies Act highlights the need for directors to consider these changes carefully and potentially seek legal advice. The reporting regime presents a particular risk of potential legal action if reporting is, at some later date, found to be inaccurate or misleading.

CONCLUSION

The increase in climate-related litigation indicates a very strong impatience in some parts of society at the lack of progress in addressing climate change. The duties of directors are open-textured and will evolve to reflect these changing social expectations.

The steps directors take now could be judged from the viewpoint of a court sitting in 2030, when the impacts of climate change are more adverse and public awareness of likely future damage has improved. Directors that adopt a ‘business as usual’ approach to governance will face increasing scrutiny by customers, shareholders, competitors, regulators and ultimately the courts.

“The steps directors take now could be judged from the viewpoint of a court sitting in 2030, when the impacts of climate change are more adverse and public awareness of likely future damage has improved.”

Engage Openly with government to manage risk, unlock value and drive sustainable growth



Integrity in corporate-government engagement is increasingly a fiduciary issue for New Zealand directors.

As companies are exposed to more regulations – whether relating to climate change, cost of living, the labour market, health and safety, privacy and AI – the tempo of interactions with government increases. With that, and played out against a backdrop of recessionary pressures, the potential for rash, rushed, negligent or even illegal behaviour grows.

We can see the growing rate of high-profile, high-value corporate-government integrity scandals in Australia and elsewhere. We should not think that such scandals could not happen in New Zealand.

The personal cost of getting it wrong can be immense – reputational, financial and criminal.

More broadly, the importance of integrity in government engagement is made clear in the positions of the OECD, the UN Global Compact, the UN Principles for Responsible Investment and, closer to home, in the NZX’s ESG Guidance Note and the Serious Fraud Office’s Strategic Areas of Focus.

Achieving the UN’s Sustainable Development Goals and New Zealand’s carbon neutral 2050 target will be all but impossible without open, ethical and accountable public-private dialogue. As the World

Economic Forum puts it:

“Behind each breach of a company’s environmental or social commitments lies ineffective corporate governance, be it inadequate anti-corruption practices, perverse incentive structures, contradictory lobbying activity, or ill-equipped leadership.”

Reflecting the value stakeholders place on corporate integrity in this area, recent New Zealand research shows investors are more likely to invest in, and consumers to purchase from, organisations that are open and ethical in interactions with public officials.

How does this all relate to you?

Picture this: You are a non-executive director of a successful, well-regarded primary sector company that is part of an industry-wide collaboration with government to reduce methane emissions. A special investigation by a national media organisation reveals some of your executives and lobbyists have been secretly leading efforts to derail the collaboration. International news media pick up on the story and your overseas supermarket buyers cancel future orders citing local consumer outrage.

Or: You sit on the board of a company with government contracts. Your company is under financial pressure and an ambitious employee shares confidential information from a government contract with a prospective client.



Openly founder Nick Booth

“As a director, do you have controls in place to de-risk your company’s engagement with government?”

The prospective client whistleblows to the government and an investigation is now under way.

Can you be sure your company has controls and the culture in place to prevent the scenarios above, or the other myriad scenarios you face as a director in your company’s dealings with government?

That’s where Openly comes in. Launching soon, founder Nick Booth says Openly will support and champion companies committed to integrity in government engagement.

This will be done via education, helping companies establish ethical policies and transparent ways of working and through a world first accreditation that is simple, yet robust, and designed to complement existing ESG processes.

Championing integrity in government engagement

Advocate Openly

With Openly education and accreditation, directors and senior leaders will have peace of mind that engagement with government can be undertaken with integrity.

Such an approach helps mitigate risk, unlock value and drive sustainable growth.

“Working with companies, Openly wants to establish a new expectation for integrity in public-private dialogue, which is better for people, planet and business.”

– Nick Booth, Openly Founder



Openly

advocateopenly.com

Champion of the community

AUTHOR:
PATRICIA THOMPSON,
FREELANCE WRITER

An enabler, Ranjna Patel chooses organisations where she can make a difference and her voice can be heard.

Ranjna Patel MInstD spent almost 46 years as a founder/director of Tāmaki Health, now New Zealand’s largest independent primary healthcare provider, but it is her governance experience with NGOs she is keen to discuss. Most notably, the “diversity of thought and community lens” she has brought to an array of organisations and to encourage others to strive to do so.

Patel sits on advisory boards including the National Ethnic Forum for New Zealand Police, Counties Manukau Police, the Mental Health Foundation, Diversity Works and the governing bodies of Global Women.

She is the executive trustee of Total Healthcare and the ISSO Hindu Temple, served on the Middlemore hospital foundation and is a past director of the Bank of Baroda. She is also a founder of the Gandhi Nivas programme, which provides early intervention and prevention services for New Zealand men, from all communities, who are identified at risk of committing harm in the family home. She chairs its operational group and governance operation group.

“I chose those organisations to work with because they are where I can make a difference in the community,” she says. “I walk away very quickly if I feel my voice will not be heard or that I would be there to be the ‘token brown female’.”



MEMBER PROFILE

Such work wasn't something Patel saw herself getting involved in, even as Tāmaki Health, the organisation she and husband Dr Kantilal (Kanti) Patel founded in 1977 – originally as Nirvana Health Group – underwent rapid growth.

She says that was partly down to reticence, as a woman of colour, to speak up, for fear of what the reaction might be and also a mindset that “other people in the room were brighter than me – I didn't go to university”.

Growing up in Herne Bay, her parents ran a fruit shop and could not afford for her to go into higher education. They did, however, set a strong example of community participation. Her mother was a founder and president of the Auckland Indian Association Mahila Samaj.

It was Pansy Wong – New Zealand's first Asian MP – who first encouraged Patel to step up and speak up, nominating her for the National Advisory Council on the Employment of Women (NACEW). “She said, as ethnic people, we keep our heads down and keep out of the ‘light’, but she asked me to ‘put your head above it and have your say, so our voice is heard’.”

Working in their business, as a “receptionist, cleaner, office manager and accountant”, provided valuable perspectives as an employer, resident and health provider in a low socioeconomic community.

She and Kanti started out buying one GP practice in Ōtara and lived next door, in the days of dawn raids and machete murders in the area. They didn't have appointments, only walk-ins, and opened from 8am-6pm, rather than the shorter hours other local doctors provided. They charged a flat fee of \$10 for adults and free for children. It was an ‘unheard of’ model and popular with the community, although less so with many other GPs.

“Doctors there had a traditional way of doing things but we realised that would not work for us in Ōtara, or pay our 100

“I would say things and people would look at me blankly, but I would get a call later saying, ‘I get that now’. So that diversity of thought and ways of doing things is what I bring to the table. People may not get it the first time you say it so you need to be prepared to explain.”

per cent mortgage on the business. People in the community could not afford to take time off work so we provided what they needed.

“There were complaints to the health department that we were too busy. We kept getting audited. There was a view this ‘dodgy couple’ must be doing something wrong, but it was simply a different way of thinking.”

She says her introduction to governance with Nirvana Health Group was “rather cushy – all our investors were working doctors and the board gave us 100 per cent trust”.

“Next, I joined the Middlemore Foundation because our clinics were in South Auckland. I found that very rewarding. Middlemore was the poor cousin, compared to the other hospitals. It was challenging but we were able to do a lot of things.”

In terms of gaining governance skills, she says she learned from others along the way, and came to see that others learned from her as well. “I think one of my strengths is listening. With organisations like Global Women, I was in awe of the way other women in the room thought. I would often have just the community lens.

“I would say things and people would look at me blankly, but I would get a call later saying, ‘I get that now’. So that diversity of thought and ways of doing things is what I bring to the table. People may not get it the first time you say it so you need to be prepared to explain.

“When our voice is heard, it makes such a big difference. The National Ethnic Forum is a good example. I have just finished two days of filming for the work police are doing around hate speech. I can put a different lens on what ‘hate speech’ means. Being third generation Kiwi but being brown gives a different perspective.”

Patel's work with New Zealand Police began with her being asked to join their South Asian Advisory Board and led to the founding of Gandhi Nivas after the area commander sought her thoughts on family violence in South Auckland.

"All police could do at call-outs was remove the men from the house. There was no support system for men to fix the root cause. To get counselling you had to be in the system but it took weeks to get to court and into the system.

"So I said, 'What do you need' and they needed a house, to provide immediate counselling, and a free 24/7 service. The police knew what was needed, the community knew what was needed, but it took diversity of thinking to make something happen."

The first Gandhi Nivas house opened in Ōtāhuhu in 2014. There are now two others, in Te Atatū and Papakura. They operate as a community partnership including Police, ACC, MSD, Sahaayta Counselling Services, Koru Foundation, Tindall Foundation and Foundation North. Long-term research with Massey University has found that 60 per cent of participants do not reoffend in that way.

Patel says that, despite the value of diversity in boardrooms, there are still some barriers to entry. "There's limited space and having someone different at the table can be challenging. How boards deal with that is very important.

"I have had interviews for boards where I have got the vibe of tokenism. If you just want someone there to tick a box that is not going to work. Unless you are happy for shared values, for diversity of thought at the table and are willing to change then that will not benefit your board.

"And for people wanting to move into governance and bring that diversity, unless you have people at the heart of what you are trying to do and are community led, you will not achieve for the community.

"Serving on the board of the Bank of Baroda was a big learning curve. I was like, 'these acronyms are doing my head in', but they chose me because of that community lens I bring. They wanted someone who had run a big business, but not from being a financial wizard. They wanted that community perspective."

"If you talk about finance first and then community, that isn't going to work. You will hear many conflicting opinions and ideas, and that community voice is so important, but you have to be able to listen and filter and then implement what you are trying to achieve for that organisation.

"Serving on the board of the Bank of Baroda was a big learning curve. I was like, 'these acronyms are doing my head in', but they chose me because of that community lens I bring. They wanted someone who had run a big business, but not from being a financial wizard. They wanted that community perspective. I was on the board for six years."

Five years ago the couple sold some of their shareholding in Tāmaki Health to private equity firm Mercury Capital. Patel stepped down from the board in April, but continues to work with NGOs because she enjoys making a difference, having the opportunity to recommend and nominate others for roles and encouraging them to bring diversity to the boardroom.

"Ten years ago, we were under the radar. My husband would say 'don't shine', we are the largest health provider, there will be jealousy'. He still says to me, 'can you be quiet a little bit'. But I say 'I am doing it for the young people. We tolerated that but our grandchildren don't have to."

Her work has been widely recognised, including with a NZ Order of Merit (ONZM) and Queen's Service Medal (QSM) and multiple awards across community, business and diversity. "I'm not university educated but I have been given so many awards," she says. "But it is the people around me who have made me look good.

"I feel privileged I am able to empower and facilitate the power and wisdom in common sense. In the words of Dalai Lama, 'if you think you are too small to make a difference, try sleeping with a mosquito'."

Formula for success

AUTHOR:
NOEL PRENTICE

Actuary Jonathan Eriksen says relationship-building has served him well, along with recognising patterns.

Being an actuary, Jonathan Eriksen CFInstD admits he is a rare breed. There are not many actuaries around.

Eriksen has always been fascinated by numbers and patterns. He also does a lot of “number crunching” in his other profession as a superannuation and investment consultant, and trying to predict what the stock markets are going to do tomorrow.

He says there are patterns in life – “basically, I’m an applied statistician” – so he tries to recognise them. He suggests there are some patterns it might be worth finding out about.

When prodded, he smiles, talks about prime numbers and then throws another gem from left field: “The most amazing thing is ‘e to the pi I = -1’.” Euler’s identity or method would not often be heard in boardrooms.



MEMBER PROFILE

But do actuaries make good directors? “Probably not in some senses,” says Eriksen, “because actuaries tend to actually state their opinion very forcefully and they think they are always right”.

However, Eriksen has learned how to steer the waka and how to paddle on both sides.

As a young actuary, he remembers rubbing shoulders with accountants and lawyers, public servants, government heads and business leaders at the Wellington Club. “There was a tradition where you’d just pop in at lunchtime and sit around a big table and chat. We didn’t try to solve the problems of the world, but we managed to fix a few things.”

Networking and making contacts and connections has served him well. “Often as a director, I think my main purpose is to know somebody who is an expert in an area we don’t know much about, and say, ‘Well, have you talked to so and so about this? Let’s see what they say’.

“I’ve been fortunate because in my professional consulting career, I’ve talked to business leaders in New Zealand and overseas. Often it is the little things where you can just put a different perspective or point to something that’s happened previously, which helps fix the issue.

“And the beauty of being a director and living in New Zealand,” Eriksen says, “is it is a still a relatively small place and you can know a lot of people and talk to them in a less politically correct, or less hierarchical way, than in many other societies.”

It all comes back to relationships. “There are two types of ways people work,” he says. “They either work through relationships or through transactions. If you’re transactional, you might make all the right moves, but not bring any people with you. And then what have you got left?

“That’s important. Even if you’re not

“The beauty of being a director and living in New Zealand is it is a still a relatively small place and you can know a lot of people and talk to them in a less politically correct, or less hierarchical way, than in many other societies.”

maximising profitability, you have got to bring the organisation along with you and make sure the people are benefitting from what the whole entity is trying to achieve. In that sense, I’m right behind gender and cultural diversity, especially when it comes to equal pay.

“Looking after your people is so important. While it’s important to have diversity across the board, you have got to be paddling on both sides of the waka and going in the same direction. That sometimes doesn’t happen.”

He says diversity is important on a board along with people who ask good questions, but do it with the right intentions. “They’re not trying to score points off each other. They’re trying to solve problems.

“The key is honesty and integrity – it’s very hard to build a good reputation and you can destroy it with one bad decision. That’s a bad payoff ratio. To me, it’s very simple.”

Eriksen enjoys governance roles and has had plenty of experience. “I am on the board of a few businesses and I also act as the chair of a superannuation scheme and an investment committee. But as a consultant, I often give advice to investment committees, or to the board. I have learned to use the information and understanding of what’s required with one hat on, then bring that across the table to the other side.

“A board is trying to guide the direction of an entity or institution to achieve its objectives. And it’s got to give the strategy. One of the things I’ve learned is you’ve got to let management do its job. You can’t do management’s job for it.

“You have to act as a team, thinking the same way and working together, not opposed to each other. I learned many years ago the relationship between the chair and the chief executive is probably the most critical.”

He says “the thing that’s bothering me is that a lot of boards are more compliance-

driven rather than trying to really grow and make a success of their organisation. I'm much happier helping a business grow and succeed than trying to make sure they don't make a mistake."

As a superannuation consultant he has helped advise three countries on their retirement savings policy – New Zealand, Russia and Nauru. He helped fine-tune KiwiSaver and is a "little disappointed all the tax incentives built into it have been taken away by successive governments". He says "we advised unsuccessfully on moving the retirement age from 65 to 70, but, interestingly, since Covid-19, we now believe that 65 is actually the right age again".

In 2002, Eriksen spent five "fascinating" months in Moscow as an investment consultant on a European Union-funded project to advise the Russian government on their state pension reforms. His time there was marked by the Chechen terrorist hostage crisis.

Helping people retire with money makes him happy. In one case, he says, he personally became involved in helping someone with epilepsy get their payout. He knew the right people to call to change the outcome for the better.

He remembers the "Wild West days" when insurance laws were full of loopholes and legislation was always playing catch-up. Now, he says, there is a much better regulatory framework and much more awareness about risks.

Eriksen sat on the board of Tainui Group Holdings, an iwi which inherited a portfolio of assets in 1995, including an old Air Force base at Te Rapa. Now known as The Base shopping centre, Eriksen says it transformed Hamilton into a thriving metropolis, moving the centre of gravity from the main drag in Victoria Street north towards Te Rapa.

He says gender and other pay gaps are down a board's 'to-do' list because of Covid-19 disruptions, inflationary and cash flow pressures, higher interest rates, cyber security, AI, climate

"The thing that's bothering me is that a lot of boards are more compliance-driven rather than trying to really grow and make a success of their organisation. I'm much happier helping a business grow and succeed than trying to make sure they don't make a mistake."

change, the war in Ukraine, the oil price . . . "there's just so much stuff going on, how do you get enough time and energy to actually address all these issues at once?" he asks.

"A lot of the boards I'm on are small so we've got succession planning issues. And resourcing issues in the sense that we haven't got a big budget. It's really difficult to build enough resilience into both the board and management to keep the thing going economically. And then the scary part is often the top line isn't growing very fast, but the bottom, the expenses just keep going up."

He says AI is a threat, not to him personally or to his profession, but simply because it has no conscience. "It is a threat to a core shared value, which is to look after the people, both the people in the business and the customers that the business serves.

"We have lived through an amazing amount of change and the pace of change continues to accelerate. I didn't study history at school or university, and I wish I had because now I'm fascinated by the way historical patterns occur."

At 75 years of age, he is still trying to – and making – a difference. "I'm still alive. I'm still happy. I can still think and talk, and function. I can't run half marathons anymore, but I can still win squash games and run in the bush a few times a week. I don't want to retire because I enjoy what I do. And some people tell me I make a difference.

"I want to try to improve things. What I sense is that society is breaking down and becoming fragmented. Even families are getting spread around. What I try to do on boards is make sure that while we should have different opinions, and we do, at the end of the day the decision-making is as close to unanimous as we can get.

"And then, as I say, the board supports management and helps management support the staff and they support the customers by having products and services that add value."

Risk and reward

AUTHOR:
NOEL PRENTICE

A ‘whole new world of governance’ finds risk specialist Fiona Watts and now she is hooked.

Fiona Watts CMIInstD has found her happy place – in board papers and the boardroom.

The risk specialist returned to ANZ Bank in August after a four-year stint from 2014-18 as market risk manager, then committee reporting manager. It was here she found her calling. “My most happiest was looking at all those committee papers and what was happening right across the bank. It was governance. And I didn’t really realise it.”



Values are her guiding force. After gathering and analysing the data she wrote a paper on risk culture at the Todd Family Office before she left and how that reflected the company's values.

Watts says we should be looking at peoples' values alongside, if not before, their list of achievements or degrees, and "hiring good people who care".

"It seems we've been marking people off, not looking at their values and their resilience, and what they've done in the past. We are not seeing who the people are. We need to hire on attitude, values and people who can solve problems. Do their values match with our firm's values, or whatever it is?"

"Part of my personal values is taking responsibility for my own learning. I'm a great learner. You can do (new) things, you've just got to stick with it. It's resilience. I learned all types of risk and I'm constantly learning new acts, and now I'm right into ESG matters."

A member of the ICW (international citizen of the world), Watts was born in Wellington, brought up in Samoa, spent a year in Zambia in the 1980s, and then a couple of years on cruise ships as a fitness instructor paying off her student loan before a career-defining port of call in the UK.

She landed on her feet in London when a bank gave her a chance, even though she may not have ticked all the boxes. The Kiwi can-do spirit and a good attitude opened a lot of doors.

"I got a job at a lovely bank called Flemings [Robert Fleming & Co], whose founder was the grandfather of novelist Ian Fleming," she says. "They took you

"One of the great jobs I had was doing committee reporting. And I saw everything across the entire bank. It's where all the dots were connected. All the papers that feed up into the board. And I loved it."

under their wing and they trained you, even if you had no experience. I worked my way up in the market risk department and it got taken over by J.P. Morgan."

Hong Kong also features on the ICW passport, with Watts setting up a market risk middle office for J.P. Morgan, crunching the numbers for the trading floor and doing stress testing.

After a couple of years back in London, she returned to New Zealand in 2008, had two children and then got back into the world of banking and finance, first for Gareth Morgan Investments, then ANZ and then the Todd Family Office.

At ANZ, she discovered that "whole new world" of governance after getting a taste of committee reporting. "One of the great jobs I had was doing committee reporting. And I saw everything across the entire bank. It's where all the dots were connected. All the papers that feed up into the board. And I loved it.

"We had the chief risk officer, CFO and the CEO at our committee meetings, talking about the issues and having great discussions. I thought, 'wow, this is really good'. I used to go and minute some of the meetings, before collating the papers. And that was my experience and exposure to governance, at that time."

Watts' interest was further piqued after a chat with the company secretary. "I really loved her area and it was – and still is – a tight-knit team. She had a certificate from the IoD on her desk which I asked about. She said it's a great course but really full-on.

"When I looked at the courses, I started with strategic essentials and I was blown away by the facilitator. I thought,

‘there’s this whole new world out there’. It was fascinating. I just got hooked in from there.”

Being a “great preparer”, Watts completed the finance essentials online to arm herself for the CDC because she says that is also part of her values – “just do everything you can to prepare so you don’t stuff up on the day”. It also helped “that the facilitator actually made finance really exciting”.

Watts says she quickly learnt there are different approaches for different types of companies and not one strategy fits all. And you have got to be “true to your values, who you are and ‘this is what we are going to do’”.

And with Watts’ whole world risk appetite, everything matched up, setting the foundations.

“I went to Queenstown (for the CDC) thinking what do I want to for the next 20 years? Where is it I want to go? What can I offer? Maybe this will be the turning point, or answer those questions.

“I spoke to one board director beforehand and asked her what got her into governance and why she likes it? And one thing stuck with me. She said, ‘Fiona, it’s teamwork, it’s just fun.’ And that’s exactly what I got from the course. I’m a real teamwork person.”

She also learnt how to fine-tune papers to a director’s mindset, saying: “I was really pleased because it was noted how well my papers were written. I was really proud.”

Staying true to her values, Watts is not afraid to speak up – “even though you might not be liked” – and has

“When I looked at the courses, I started with strategic essentials and I was blown away by the facilitator. I thought, ‘there’s this whole new world out there’. It was fascinating. I just got hooked in from there.”

“integrity”, “honesty” and “doing the right thing” emblazoned on her CV, along with being humble and knowing you can always do better.

“Transparency is far more powerful than being silent. You have to be, and I have spoken up previously in the past.”

She says she flagged a conduct issue in 2020, prior to a regulatory review, which no doubt reduced the fine due to actively notifying the regulator. The life insurance company was fined \$3.5 million in January 2023, for making false and misleading representations about customers’ premiums and cover.

Watts now has her first board role – with charity Youth Search and Rescue – a perfect entry point with her sporting background. She has a Bachelor of Physical Education in physiology, along with a Bachelor of Science in human nutrition.

“Health and fitness is something I’m passionate about,” she says. “It all links back to having experience going snow caving and other adventures when I was in Otago. That’s real and raw resilience-building hinging on teamwork.

“I’m also training for my private pilot’s licence. I’ve learned a lot about search and rescue. When I hit 7,700 on my transponder, I know what’s happening, what search and rescue is being instigated.

Watts says she has just started her journey, building a portfolio, and is prepared to play the long game. “I’d like to get more experience on other boards. I’d love to do a shadowing of a directorship role. I truly want to give back to the community.”



People and purpose

AUTHOR:
NOEL PRENTICE

Boards need to be clued into paradigm shifts and thinking about different ways success is measured.

“Open the door for me to create meaningful impact on the world.” That’s the feedback heard and being embraced at ASB, says Nicola Richardson, the Executive General Manager for People.

A paradigm shift is happening as different generations collide and people are learning how to work with and relate to each other, and how to adapt and reconnect in a post-Covid world. At the heart is shared value, a guiding purpose and a promise ASB is making to its people, says Richardson.

“Our purpose is to accelerate progress for all New Zealanders. We recently removed the word ‘financial’ as the role we play for New Zealand is much bigger than this. We also play a critical role in accelerating social and environmental progress.

“We are leaning into these discussions with our board and are always asking ourselves where we can have the greatest impact as it relates to all three.”

Richardson says boards need to be clued into the paradigm shifts and thinking about different ways success is measured. A company may make decisions which will help to drive revenue, but what additional lens is being applied so there are other meaningful outcomes?

“It can’t be a standalone discussion,” says Richardson. “It must be integrated into discussions a board has with its management team.”

For the board and management team, it is a balancing act of delivering strong shareholder returns today while delivering on sustainable outcomes longer term. “We need to walk the talk and have

a growth mindset, but we can't lose sight of the fundamentals."

She says the bank needs to be open to the fact that what worked in the past may not serve them well for the future. "We need to be able to test and learn. The pace of change is determined by how fast you can unlearn and relearn."

As an employer of more than 6,000 people, the bank knows it has the power to make an impact, says Richardson. "When you think about us being a large employer in New Zealand with strong connections in many communities and families, it magnifies the opportunity we have to shift the dial in creating greater shared value."

"Our impact is dependent on how our people feel working for ASB and our people promise centres around belonging, trust and growth. It comes back to our people, how we build the muscles to be open to learning, to be okay with challenge and, most importantly, to be comfortable with being uncomfortable. This will make us adaptive and resilient and resourceful."

Walking the talk includes focusing on belonging within the organisation ("we see you"). The bank is building on its strong focus on diversity and inclusion, with eight groups across ASB championing its people to feel seen for who they are, not just the work they do, she says.

The latest initiative is a neurodiversity network group, providing support and connection, to help the bank learn how it can embrace and celebrate its differences. "This was a great example of our own people wanting to lean into something they are passionate about and lead the way," Richardson says.

"When we talk about trust ('we back you') we consider it a two-way street. We trust you to do your best work and we provide you with the clarity, autonomy and tools to do that – and you trust us to provide you with the opportunity and also access to have a meaningful impact for our customers and communities."

In the past year, "our people have spent more than 6,000 hours as volunteers in their communities, showing our purpose in action and taking this one step further to find opportunities for our people to get involved in our partnerships, such as project management roles in Youthline," Richardson says.

ASB's people also "went above and beyond" during the floods earlier this year, ensuring communities could still access essential banking services.

Richardson says the bank listens to its people and designs with their needs in mind. "Values and attitudes are evolving and we have to stay ahead of this. We know future talent is making employment decisions on matters of shared value, not just making money, so we must evolve."

"How we came about our people promise is we did just that. We conducted research globally and domestically and had input from more than 1,000 people who work with us today and who would consider us in the future, to be truly responsive to their needs."

"This is vital if we want to retain and attract the best talent and gives us confidence the more we can do to connect our people to our purpose, the greater chance of creating value for our people and customers."

"The third pillar of our promise recognises that people have capabilities and interests beyond what their role may be and we are finding ways to play to their passions and help them grow ('we lift you')," she says.

"We have invested 9,659 days' worth of training and development into our people in our past financial year, equipping them with the skills they need to future-proof themselves. We want to inspire them to be open to learning new things. We want them to be able to embrace and work with change, and not fear it."

"In a nutshell, we want all our people to learn about and connect with our purpose, to be challenged by it, and ultimately, to feel a sense of shared value."



"When you think about us being a large employer in New Zealand with strong connections in many communities and families, it magnifies the opportunity we have to shift the dial in creating greater shared value."

Nicola Richardson



From working ‘for’ to working ‘with’

AUTHOR:
ANDREW McKECHNIE,
HEAD OF WORKFORCE
SOLUTIONS, MERCER
NEW ZEALAND

With two in five employees planning to leave their organisation, a working partnership that is authentic and transparent cannot be overstated.

In the rapidly evolving world of work, organisations are charging towards a new landscape. Those who are redefining how they interact with their workforce will be the ones best positioned to thrive in what continues to be a complex risk environment.

The Mercer Global Talent Trends 2022-23 report, which draws on insights shared by more than 11,000 C-suite executives, HR leaders and employees globally, found that two in five employees are planning to leave their organisation.

In light of this sobering statistic, creating a compelling reason for employees to stay is imperative to remain resilient. Where

organisations are struggling to find and retain talent in this new world of work, the answer to this problem may very well be inside the organisation already. We see this as the true shared value across an organisation and its workforce.

So how can business leaders create a reason for employees firstly to want to work for their organisation, but more so to stay? The question to unpack is: How is your workforce and key talent adding true value to your organisation, clients, customers, consumers and stakeholders?

The focus is on unlocking performance capacity, and accelerating skills and ways

Photo by:
My life through a lens
on Unsplash

of working in a way that mutually benefits the employee and the organisation. Mutually beneficial alignment is very important.

According to the Global Talent Trends study, employees no longer want to work “for” an organisation, but rather work “with” an organisation. The importance of a working partnership that is authentic and transparent cannot be overstated.

There are many ways to frame such a partnership. Ultimately, it is about shared organisational strategy, purpose and aspiration. This is the framework that winning organisations share with their people to encourage buy-in.

To gain true engagement, every employee needs to be able to connect their role with the organisation’s purpose and direction and understand how they contribute to unlocking company aspirations. If employees can see and connect to this mutual strategy and direction, and are unequivocally clear on their individual contribution, the value shared across the workforce is significant.

Hand-in-hand with this, organisations in today’s new world of work should engage in high-performance programmes of work. This isn’t all about winning, but more importantly about trusted ways of working, ensuring clarity of roles, goals and plans.

In order to futureproof itself, an organisation must be deeply aware of both its strengths and skills gaps and, most importantly of all, what skills are needed to achieve its business strategy and aspirations. This will increasingly become critical in order to thrive amid evolving supply and demand factors.

Most business sectors realise that agility is needed in the workforce, and in many cases, this need has been forced upon

“The call-out for every organisation is: Remember to take your people on this partnership journey and encourage them to be part of your strategic roadmap and delivery.”

them due to the pandemic and economic challenges. Globally and here in New Zealand, we see that taking a skills-powered approach across an organisation and its workforce increases productivity, heightens employee engagement and retention, and improves innovation and adaptability.

Working backwards from organisational strategy and aspiration, it is of course the workforce who will deliver on that strategy and unlock aspiration. This is a combination of thinking and action that can escape even the biggest and best organisations.

As organisations navigate the new terrain around the world of work, it is becoming abundantly clear a focus on skills is key to being future fit. A skills-powered organisation recognises the value of having a highly skilled workforce, and prioritises and invests in developing, enhancing and leveraging their skills.

We know the future of work will be characterised by the increased use of automation and artificial intelligence. On this backdrop, organisations will need to balance the need to embrace these technologies and adapt their business models to stay competitive, while being considered about what work drives strategy and performance.

The call-out for every organisation is: Remember to take your people on this partnership journey and encourage them to be part of your strategic roadmap and delivery.

Mercer Workforce Solutions is part of Marsh McLennan, the world’s leading professional services firm in risk, strategy and people. To discuss how to help your organisation unlock the full potential of your workforce go to contact.nz@mercer.com



Empathy and the bottom line

AUTHOR:
HAYDEN WILSON,
CHAIR AND PARTNER

Far from being a soft or secondary skill, empathy lies at the heart of sustainable business practices.

Business is more than just a battleground where strategies are executed. It is a human endeavour. And there is a further truth to this that can often go overlooked: empathy is not a weakness in business. It is a strength.

There is a common thread to many business success stories, and that is the capacity to see the human face behind the numbers. These are companies that have thrived because they have understood not only their products and their bottom-line performance, they have also

understood the people in their world: their customers, employees, suppliers and their communities.

They have recognised the market is driven by people, by their emotions and desires, fears and hopes.

Empathy in business is not just about understanding emotions. It's about building relationships, innovating, resolving conflicts and navigating cultural landscapes. It's a multifaceted tool that can influence everything from product

Photo by:
Markus Spicke on Unsplash



development to global expansion, ethical considerations and crisis management. Far from being a soft or secondary skill, empathy lies at the heart of sustainable business practices.

The more prepared you are to stand in the shoes of people in the orbit of your business, the better the understanding and connection you have. Those connections are the foundation for enduring relationships, trust and loyalty.

Empathy, indeed, can bring a host of benefits:

1. In leadership and employee retention, empathy is the tacit acknowledgment that every employee is a vital piece of a larger whole. Empathetic leaders create environments where employees feel valued. Employees who feel valued are more likely to stay around, to work more productively, to see themselves not just as someone who works here but as someone who is a part of this.
2. Empathy can assist in ethical decision making. It can challenge businesses to consider the broader impact of their actions, be it environmental stewardship, fair labour practices or community engagement. An empathetic approach encourages companies to make decisions that reflect a commitment to social responsibility. This kind of ethical grounding cannot only foster goodwill, it can also enhance reputation.
3. Cultural sensitivity thrives on empathy. Understanding the delicate nuances of various cultures is not just an asset, it's a necessity.
4. It can aid conflict resolution. In a competitive business environment, conflicts are inevitable. Empathy plays a crucial role in conflict resolution

by enabling parties to understand each other's perspectives, to see through one another's eyes, to understand, negotiate and resolve. This understanding can often lead to more constructive negotiations and solutions enhancing long-term relationships with clients, suppliers and partners.

5. Crisis management requires a delicate balance of swift decision-making and human understanding. An empathetic response to crises, whether internal or public-facing, can mitigate damage and foster trust. The public's perception of how a company handles a crisis can have long-lasting effects on its reputation.
6. It can also be a tool for innovation. By truly understanding their customers, by sensing what people need before they even realise it themselves, companies can innovate products and services that are not just used but loved.
7. And in the digital age, where screens often replace faces, empathy can be the whole difference – the human touch that personalises experience. In a modern life dominated by online interactions, human connection can easily be lost. Empathetic design in technology can create user experiences that feel personalised and engaging — customer service bots that understand natural language, for instance, and user interfaces that adapt to individual needs.

Business is, at its core, a human enterprise. It thrives on human connections, interactions and understanding. A business that understands empathy does not merely transact, it connects.

“Cultural sensitivity thrives on empathy. Understanding the delicate nuances of various cultures is not just an asset, it's a necessity.”



Chain reaction

Cyber-attacks hurt more than just the victims as major security incidents in Australia have shown.

AUTHOR:
LYAL COLLINS,
PRINCIPAL
CONSULTANT
FOR AURA
INFORMATION
SECURITY,
MELBOURNE

Personal data is the currency of the modern world. Businesses collect copious amounts on their customers for all manner of reasons – and even if this is driven by some purpose to enhance service or innovation, often there is little consideration for the negative value of its potential loss and disclosure.

In contrast, cybercriminals understand very well how powerful personal information is, particularly when stolen and leveraged to extort money from their corporate victims. That’s why we have seen an increasing trajectory of attacks and breaches against those sectors known to hold information, such as health, hotels, telcos and finance.

If personal data is caught up in a cyber incident, most people think of the immediate, tangible impacts. Individuals impacted face the inconvenience of having to replace their documents and change their passwords; at worse becoming the victim of identity fraud. And certainly, there is a cost applicable to the breached company, especially if their operations are halted as they deal with the aftereffects.

But on a governance level, there is something more sinister to consider because cyber breaches present a real threat to the credibility of national frameworks and trust structures.

Passports and drivers’ licences form the cornerstones of modern life. We use them to validate our identity and transact in the world, from opening bank accounts, securing jobs, obtaining credit, and even renting and buying property.

Which begs the question – what faith can we have in identification documents if millions have been exposed, potentially corrupted and used for fraud? The tertiary impact of breaches may spread across many sectors and the economy as a whole.

The state of Victoria recently faced this very question, when nearly one million drivers’ licences were exposed as part of the Optus breach in 2022. As a mitigation, an additional security number was introduced by VicRoads as a means of validating the authenticity of replacement cards, along with the introduction of a two-step verification process.

The kicker – the cost of reissuing drivers’ licence cards was passed back to the breached entity, significantly increasing the financial impact. Similarly, New South Wales recovered the costs of reissuing their drivers’ licence cards.

As consumer trust erodes in the ability for big business to protect its personal data, there are broad questions in the top levels of governments on what will spark

more motivation for businesses to lift their information security to a level that truly reflects the potential of a serious breach.

Over the past 12 months, Australia has been rocked by some of the largest privacy breaches, with three major cyber security incidents causing ongoing damage. Between the Optus, Medibank and Latitude finance breaches, millions of drivers' licences, passports, personal details and medical records have been laid bare on the dark web, ready to be exploited. With many customers having used identity documents issued offshore, the breaches have touched people and firms globally.

As a direct result, legislators are preparing to make significant adjustments to the country's privacy and data protection laws.

The incidents have cast a spotlight on the perceived lack of "bite" in the penalty fees, with proposals to increase fines to A\$50 million (or 20 per cent of a company's adjusted turnover), and the introduction of the "right to be forgotten" for consumers – reminiscent of the European Union's General Data Protection Regulation. While introducing technical capabilities to 'forget' former customers that, like many other projects, may divert resources from growth and innovation opportunities, a more resilient sector and economy should emerge from this investment.

The reforms also propose increased powers for the Australian information commissioner and a strengthening of the Notifiable Data Breaches scheme to provide the privacy watchdog with more visibility of what has been compromised in a breach.

Similar, industry regulators are entering the fray, with banking regulator APRA informing Medibank to set aside A\$250 million for penalties, citing weaknesses identified in its information security after the personal information of 9.7 million current and former customers was stolen by hackers.

Naturally, it follows that New Zealand directors should pay attention to what is happening as it often follows Australia's lead. While New Zealand overhauled its privacy legislation in 2020, critics have said its NZ\$10,000 fines are too weak.

“Boards should be asking their executive teams whether they fully understand what information is collected on customers, the nature of it, and whether the necessity to retain it outweighs the risk if you lose it.”

While financial consequences in the form of penalties may act as a deterrent, there is still an apparent lack of understanding by many businesses of the true cost.

Optus, for example, had a customer base of 10 million – more than one-third of Australia's population. Had their risk assessment taken into the account the detriment a major leak would have caused? Had they factored in who would shoulder the administrative burden of replacing up to 10 million passports and drivers' licences at short notice, if they fell into the wrong hands?

Class actions from those who suffered identity theft or fraud because of the breaches further compound the financial and brand damage. Directors would do well to ensure their organisations are adequately protecting the data they hold.

Boards should be asking their executive teams whether they fully understand what information is collected on customers, the nature of it, and whether the necessity to retain it outweighs the risk if you lose it. Tertiary impacts to entities who also rely on the personal information you handle need to be reflected in your risk posture.

In the Latitude Finance cyber-attack that saw 14 million Australian and New Zealand records exposed, former customer data including identity documents dating back to 2005 was caught up in the breach, raising questions as to why the company still retained such a broad range of personal details. This highlights the risk an organisation carries if it doesn't regular clean and delete data that it no longer needs for legal or relationship reasons.

Finally, treat information security as a risk mitigation exercise, not just a series of task for IT teams to manage. Consider the wider impact to your customers, business, and the environment you operate in. If your organisation were to suffer a catastrophic breach then apply suitable, effective mitigations to address this risk commensurate to your relative footprint in the consumer market.

When cyber criminals steal data, it's not just the victims that are hurt. As they increase in magnitude, cyber breaches are eroding the very foundation of how we trust and validate information.



Migration made easy

Data migration to the cloud is a strategic investment in a company's future growth.

AUTHOR:
ALISTAIR EVANS,
DIRECTOR, KPMG
DIGITAL LIGHTHOUSE

Photo by:
Joshua Hoehne on Unsplash

In today's digitally-led business environment, the ability to access and analyse data quickly is critical to success. Despite this, many New Zealand organisations still rely on legacy systems to store and manage their data, largely due to several real barriers and concerns associated with the process of data migration.

Data migration is not just a technical exercise, it is a strategic investment in a company's future growth. By unlocking the potential of data and harnessing its power, businesses can achieve greater efficiency, agility, and innovation, leading

to increased revenue and competitive advantage.

It's no secret there are many barriers to data migration, such as time investment; lack of clarity on what data is critical for the business to know and understand; and the security, risk, legal and compliance implications of cloud data storage.

However, there is a growing number of factors that necessitate migrations. When these are paired with the value-add opportunities associated with data migration, business leaders must start looking at it as an investment.



Common triggers which necessitate data migration to the cloud are:

1. Legacy systems are limiting. As organisations grow and evolve, their data management needs change. Legacy systems may no longer be able to keep up with the company's expanding data volumes and complexities, resulting in decreased ability to report on performance and drift in their reliability.
2. New regulatory requirements are constantly being introduced, which puts pressure on companies to ensure their data and storage platforms are secure and compliant. Planning a data migration will help you reduce the risk of significant financial and reputational damage due to non-compliance by helping you identify gaps.
3. When a company merges with or acquires another business, it often needs to integrate the acquired company's data into its own systems. However, this can be a complex and time-consuming process, particularly if the data is stored in outdated legacy systems. Failing to migrate this data to a more modern and scalable cloud-based platform can result in missed opportunities to realise the new potential, streamline operations and reduce costs.

The political, economic, legislative and social landscapes in Aotearoa are in a state of flux. Organisations are needing to adapt to new and changing legislation, an increasingly urgent climate crisis and exciting technological advancements. Alongside this, consumer cynicism is at an all-time high. Doing what is right as an organisation is simply not enough and all claims must be substantiated with enough evidence to weather external scrutiny.

How does data migration support this? Let's look at ESG. As board members or senior company executives, you will be acutely aware of the increasingly intense microscope held by consumers, investors,

regulators, employees and other stakeholders that are looking at your environmental and social performance.

By migrating data to the cloud, you will benefit from increased data flexibility, reporting, and analysis, allowing access to timely and accurate information to support the sharing and credibility of your ESG efforts. It also allows for timely and accurate internal risk management, so that when claims cannot be substantiated, organisations are equipped with the most accurate information to fix and learn from mistakes and wrongdoings.

Migrating data to the cloud also provides the additional benefits of more advanced data protection and cybersecurity measures. Cloud-based platforms have stronger security protocols compared to older systems, which means they offer better protection against cyber-attacks and other threats.

The reality is a robust, secure and successful data migration takes time and investment. When done in a thorough way, migrating your data is an opportunity to get clarity around business-critical questions, the reassurance you are operating in a compliant manner, and to create efficiencies in decision-making and reporting.

Powered Data Migration is KPMG's holistic approach to data migration, which actively addresses common concerns and challenges. The operation is with a business migration and cutover lens, rather than just a technical 'Extract, Transfer, Load' (ETL) perspective. The approach incorporates traditional ETL technical functionality, plus forensics analytics and business, risk, legal and compliance expertise.

A variety of engagement and service delivery options allows for a light touch and rapid migration delivery, through to multi-jurisdiction, multi-phase global migrations.

“By migrating data to the cloud, you will benefit from increased data flexibility, reporting, and analysis, allowing access to timely and accurate information to support the sharing and credibility of your ESG efforts.”

To learn more, contact James Dowle jdowle@kpmg.co.nz or Alistair Evans alevans@kpmg.co.nz

Bringing shared value to reality

Data can transcend numbers as boards navigate modern expectations for more high-performing, holistic and transparent organisations.

Today's business leaders are expanding their focus beyond a single-minded emphasis on shareholders. In a profound shift from traditional corporate norms, executives are adopting a more inclusive perspective that considers the needs of customers, employees and the broader community.

Broad-minded boards no longer hold stockholder value sacrosanct: today's watchword is shared value, a business approach that pursues profit generation while also addressing societal concerns. The shared value model looks beyond short-term gains or unfocused charitable work – it presents a long-term vision where companies can thrive while making a meaningful difference in society.

Stakeholders are demanding more than just quarterly profits and a growing number of corporate leaders are ready to meet them halfway. Before making the leap, leaders must first ask themselves: How can boards use data and technology to identify and address changing social concerns, even as they future-proof the business?

Employees, employers and customers have very different ideas of their companies' role in creating shared value. A sizeable gap exists between what employees want and what executives think they want.

According to an independent study conducted for employment platform SEEK, 63 per cent of Australians want to know what benefits a corporation offers in addition to salary before applying for a job. Australian employees' top picks for

perks include the flexibility to choose their working hours and location, opportunities for mentorship and career coaching, and access to mental health support.

Corporate decision-makers must also take into account an ongoing shift in consumer mindset. Business purpose and ethical and sustainable practices matter more than ever to consumers – research by cultural insights agency FiftyFive5 found 80 per cent of Australians want big brands to positively change the world. Another survey by Colmar Brunton found 73 per cent of New Zealand consumers also say they would stop buying from a brand with irresponsible or unethical practices.

Given the growing economic and workforce uncertainties, leaders must deliver on employee expectations to better retain talent and maintain sustainable business models. They must also contend with increased scrutiny from regulators, in the form of corporate accountability measures such as mandatory climate-related reporting in New Zealand and gender pay gap reporting in Australia.

To resolve the impasse, leaders must consider:

1. Do you have a clearly defined purpose that resonates with employees, customers and the community?
2. Are you holding your company accountable to its purpose, and are you able to monitor and report on this in measurable ways?

To achieve shared value you need better data transparency. Bridging gaps in



Photo by:
Maximalfocus on Unsplash



shared value goes beyond resolving a company's purpose. It requires pivoting to the right solution. This is where up-to-date data can help identify problems and possible answers.

Data provides a mirror to your organisation, reflecting both internal processes involving employees and shareholders; and external interactions with its customers, suppliers and other partners.

Having the data on hand is just the first step, though. What's even more essential is having the capability to swiftly translate the data into a narrative that paints a clear picture of how the company is doing. When the narrative is clear, data transcends the numbers and begins to yield compelling stories about your stakeholders.

To help establish narratives, Diligent's Board Reporting Dashboards contextualises critical business insights into easy-to-understand reports. With this tool, executives no longer need to wade through spreadsheets or presentations full of data to drive strategic corporate decisions. The dashboard and its insights can help directors extract actionable measures and make informed decisions to align shared values for all.

For instance, you can share value with the workforce by investing in upskilling teams or hiring more people for business growth and risk management. By looking at the data, you can determine your company's skills gaps in IT, sustainability and other core business concerns.

Additionally, you will gain an overview of employees' skills and aspirations, and identify training opportunities to maintain their competencies in the face of their evolving roles. Properly rewarding and upskilling employees can help retain valuable talent, a pressing issue for company leaders. For 55 per cent of New Zealand directors, labour quality and capability are the most significant issue facing the economy, based on a 2022 Institute of Directors study.

Customers value brands with clearly defined environmental and social benchmarks, along with proactive cybersecurity measures that safeguard their information. Clear board reporting helps align the corporate narrative with the areas that matter most to customers. With boards and executives on the same page,

“Clear board reporting helps align the corporate narrative with the areas that matter most to customers. With boards and executives on the same page, organisations can have more meaningful and data-backed conversation with customers.”

organisations can have more meaningful and data-backed conversation with customers.

Shared value also extends to external stakeholders such as suppliers and partners. With quick access to the right data, you get a succinct view of partnership metrics, covering a wide spectrum of areas, from third party risk management and ethical sourcing to environmental compliance. This helps maintain collaborations based on trust, transparency and shared values.

Shareholders in public companies expect transparency, accountability and growth. To meet these expectations, you need a direct line to data on financial and non-financial performance. With this information in hand, you can course-correct your corporate strategies to more precisely resonate with the shareholders' growth expectations.

Organisations can hold themselves accountable to values that resonate with employees, customers and the community. With the right data, they can explore how to live up to these stakeholders' values. In areas like environmental impact, diversity figures or business growth strategies, data can reveal how a company can walk the talk.

However, merely having information on hand isn't enough. The quality of data and how it's presented directly relates to the quality of decisions we make. To arrive at the right decisions, we need to make data actionable and ensure it is accurate, complete, reliable, relevant, timely and secure.

The onus is on business leaders to have – or ensure they obtain – access to the right data and insights. Do you have access to data about stakeholders' expectations and needs? If yes, do you have the tools to make sense of the data strategically and in time? Can you leverage these tools and the data to realise shared value today and in the future?

Visit [Diligent.com](https://www.diligent.com) to learn more about Board Ready dashboards and other GRC services.

KANTAR

Understand your impact.

Sustainability has become one of the biggest strategic challenges facing businesses.

Our experts and tools enable organisations to better understand and anticipate sustainability issues in order to meaningfully define and powerfully activate their sustainability strategy.

Contact us to find out more:

infonz@kantar.com
kantarnewzealand.com



55% OF NZ BUSINESSES SUFFERED A CYBER INCIDENT OR ATTACK IN THE PAST 12 MONTHS.*

ARE YOU CYBER RESILIENT?

Is your business prepared to respond and recover from the financial, operational and reputational impacts of a cyber security breach?

Kordia has a team of over 100 cyber security experts, with the right expertise to help businesses prepare and defend against digital threats.

From identifying risks to preventative advice, detection, incident response and recovery services, Kordia takes a holistic view of cyber security – helping you mitigate risk and protect what matters most.

For expert cyber security advice and support, talk to the team at Kordia.

0800 KORDIA | KORDIA.CO.NZ

kordia®

* Statistic from Kordia's NZ Business Cyber Security Report 2023 survey

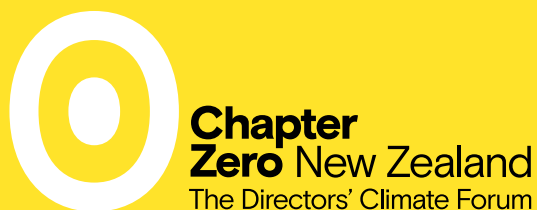
What will your legacy be?

Join us in making
climate a boardroom
priority

Visit us at
Chapterzero.nz

Chapter Zero New Zealand is part of a global network of board directors committed to taking action on climate change. Proudly hosted in Aotearoa by the Institute of Directors.

Become a supporter for open access to a range of resources, news and events to grow your governance skills and knowledge around addressing the climate challenge.



Hosted by

