

Executive Management – Board Relations Survey Report



July 2017

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Introduction

This report is part of a series of research we do on a regular basis to assist business leaders and employees make better decisions that improve the performance of their organisations. The aim of this particular research was to understand the relations between executive management and board members.

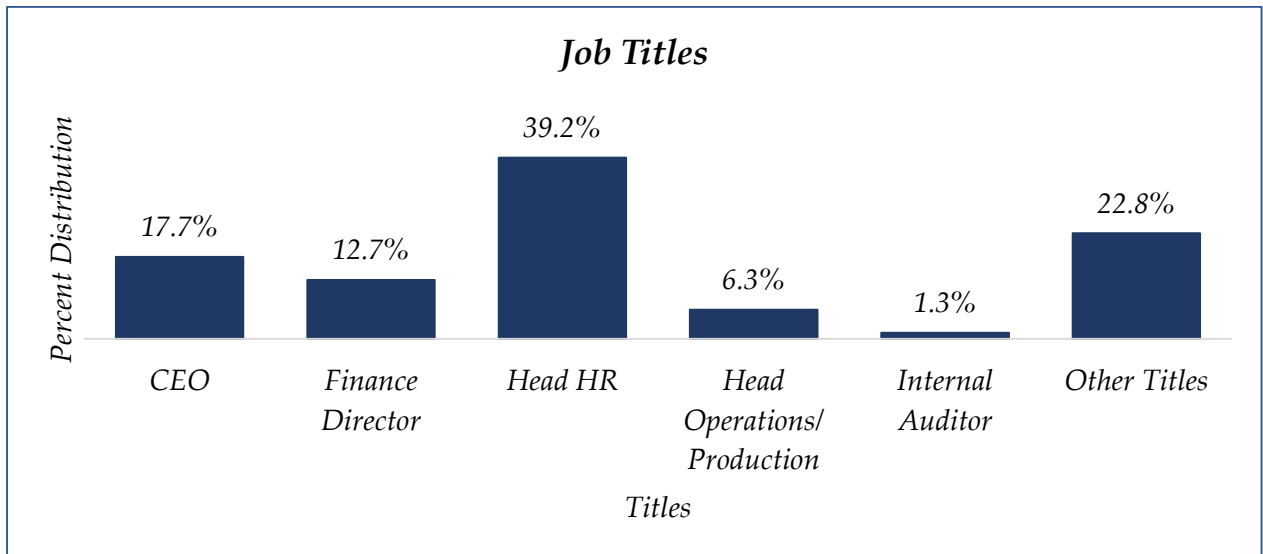
Summary of Key Findings

- Most the participants (73.1 percent) believe their board has a full range of skills required to lead the business effectively.
- A majority of the participants (87.2 percent) said their board is of right size and 12.8 percent said their board is not the right size.
- A majority of the participants (63.2 percent) said their board has a enough independent directors to ensure checks and balances. 36.8 percent said their board does not have enough independent directors to ensure checks and balances.
- Most of the participants (58.2 percent) said their board does not micro-manage executive management and 41.8 percent said their board micro-manages executive management.
- A majority of the participants (90.7 percent) are sure that there is a good and professional relationship between their CEO and the board and 9.3 percent said there is no good and professional relationship between their CEO and board.
- A majority of the participants (90.4 percent) said their Chairperson is competent and leads the board with distinction and 9.6 percent said their Chairperson is not competent and does not lead the board with distinction.
- Most of the participants (38.6 percent) believe the performance of the Human Resources/ Remuneration Committee needs improvement, 35.7 percent said it is satisfactory, 21.4 percent said it is well run and 4.3 percent said it is unacceptable.
- Most of the participants (45.8 percent) believe the performance of the Audit & Finance Committee is satisfactory, 27.8 percent said it is well run and 26.4 percent said it needs improvement.
- Most of the participants (45.6 percent) said they do not have a Loans Committee, 24.1 percent believe the performance of the Loans Committee is satisfactory, 13.9 percent said it is well run and 16.5 percent said it needs improvement.
- Most of the participants (84.5 percent) boards are made up of people of high integrity and 15.5 percent said the boards is not made up of people of high integrity.

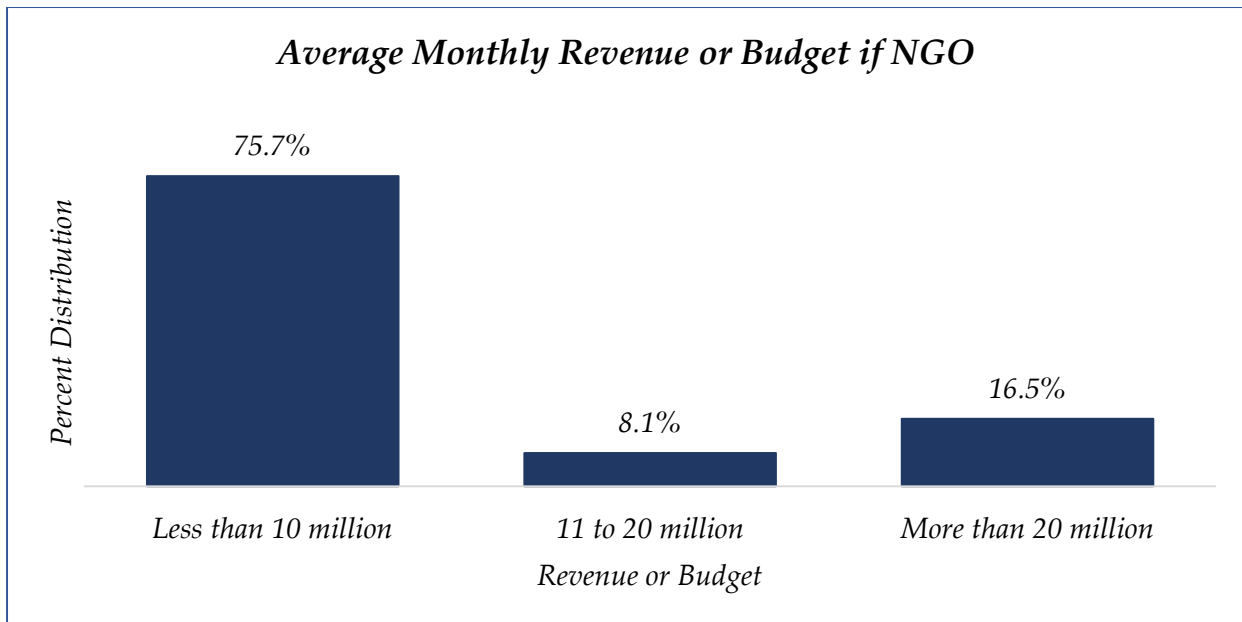
- A majority of the participants believe that their board members are not just after board fees and 12.9 percent of the participants said their board members are just after board fees.
- Most of the participants (74.6 percent) said their board practices high levels of corporate governance and 25.4 percent said they do not practise high levels of corporate governance.

Participants Profile

79 participants responded to this survey. The average headcount of the participants' organisations is 506 employees.



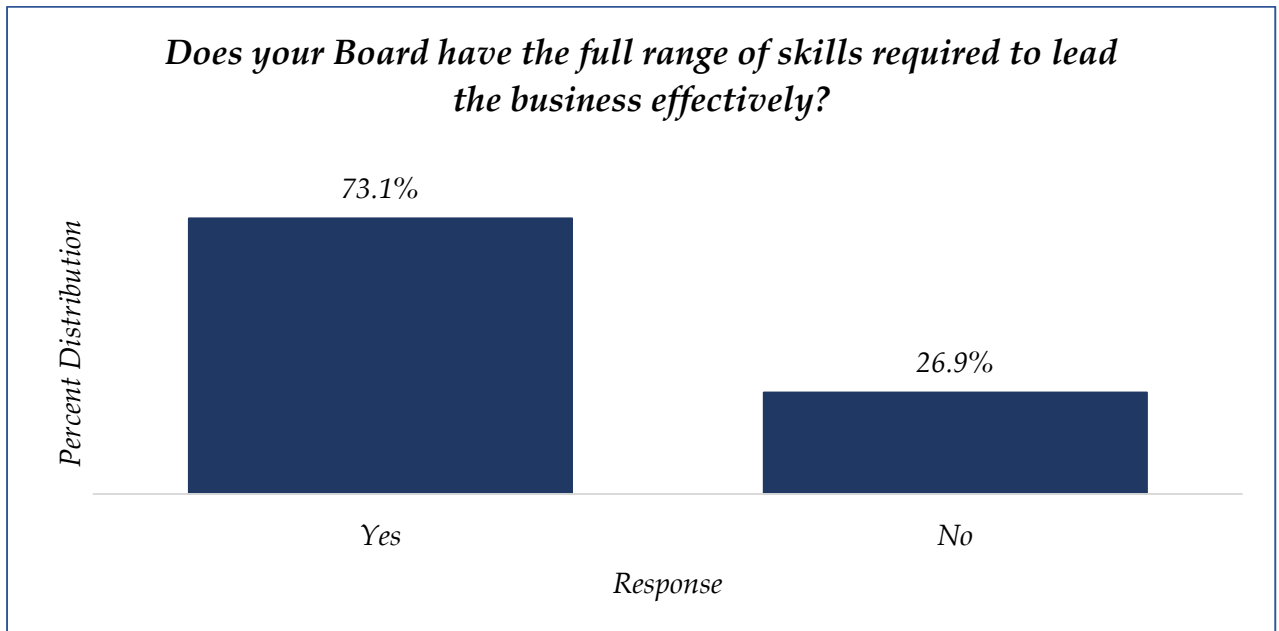
Most of the participants (39.2 percent) are Head of Human Resources, 17.7 percent are CEOs, 12.7 percent are Finance Directors, 22.8 percent have other titles and less than 10 percent respectively, are Head of Operations and Internal Auditors.



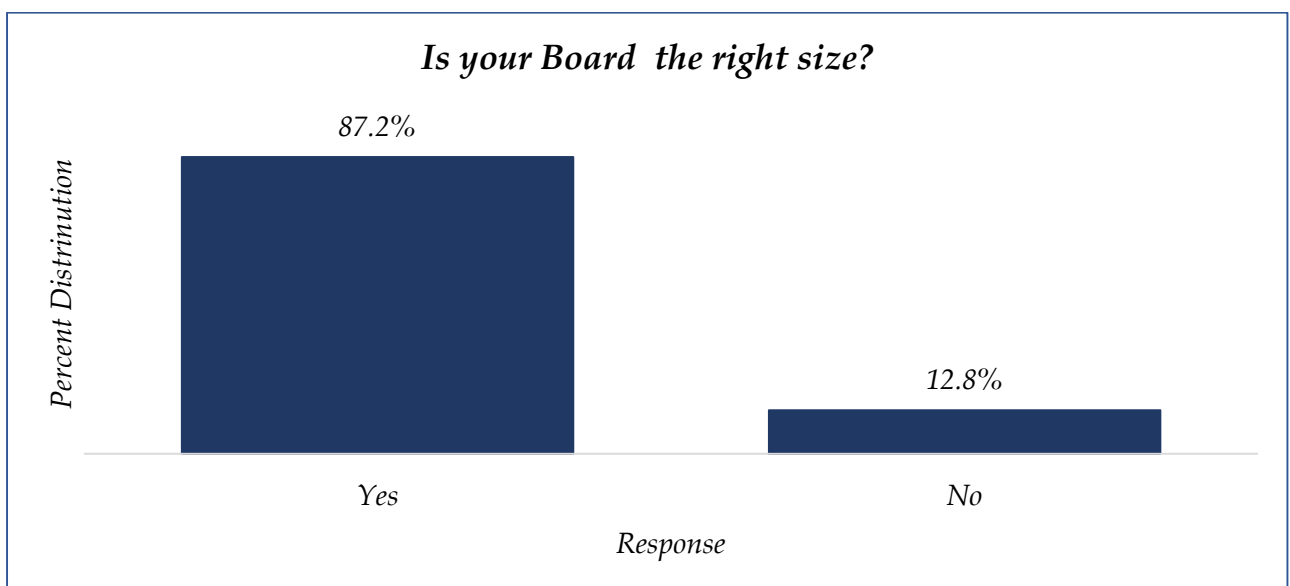
Most participants had an average monthly revenue or budget of less than 10 million, 16.5 percent had an average of more than 20 million and 8.1 percent had a budget or revenue between 11 to 20 million.

Sector	Percent
Non-Governmental Organisation	13.9%
Banking	12.7%
Manufacturing	11.4%
Quasi-Government	10.1%
Professional Services	6.3%
Construction	5.1%
Mining	5.1%
Insurance	5.1%
Agriculture	5.1%
Motoring	3.8%
Transport & Logistics	3.8%
Medical Services	2.5%
Telecommunications	2.5%
Fast & Moving Consumer Goods	1.3%
Tourism & Hospitality	1.3%
Real Estate	1.3%
Other sectors	8.9%
Total	100%

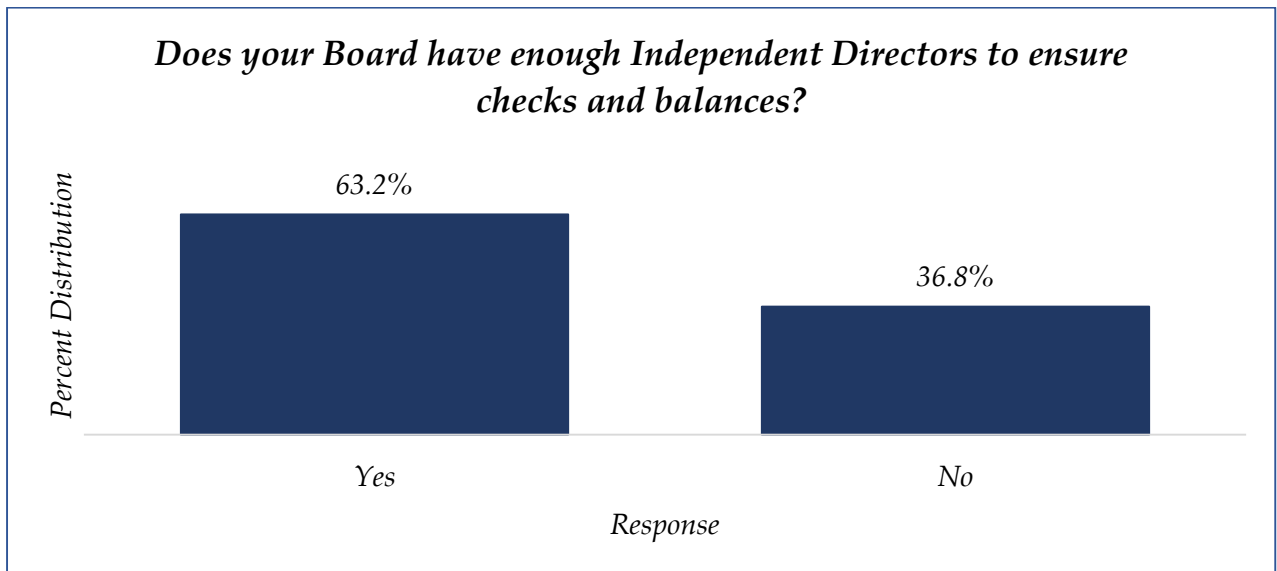
Results



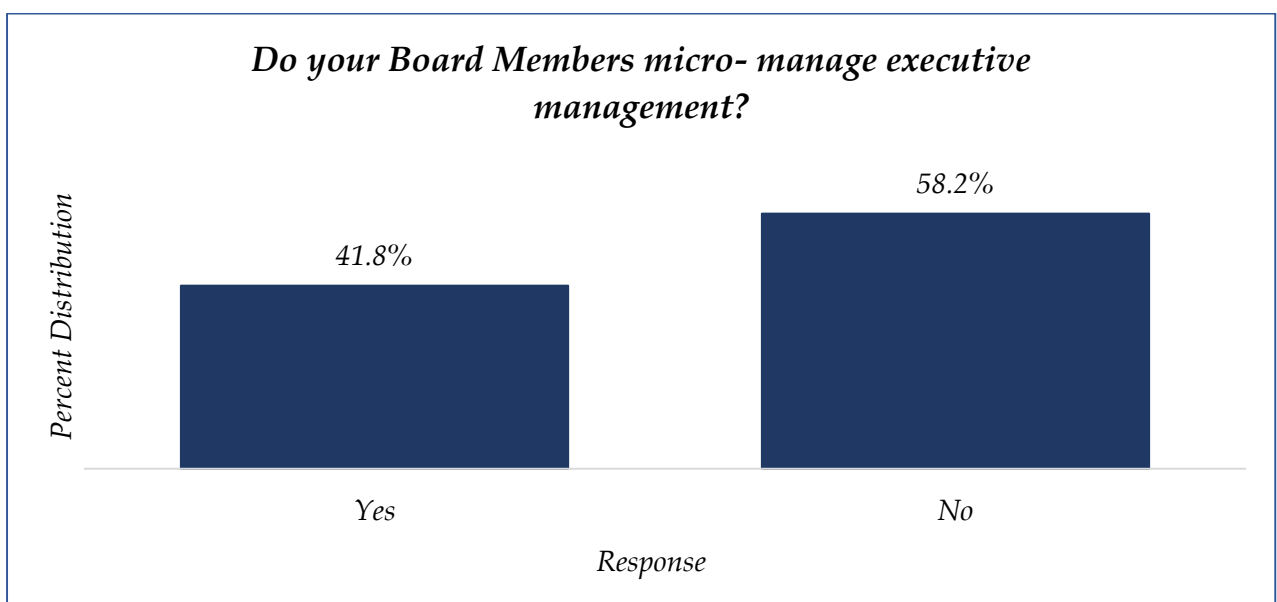
Most the participants (73.1 percent) believe their board has full range of skills required to lead the business effectively. 26.9 percent said they do not have the skills.



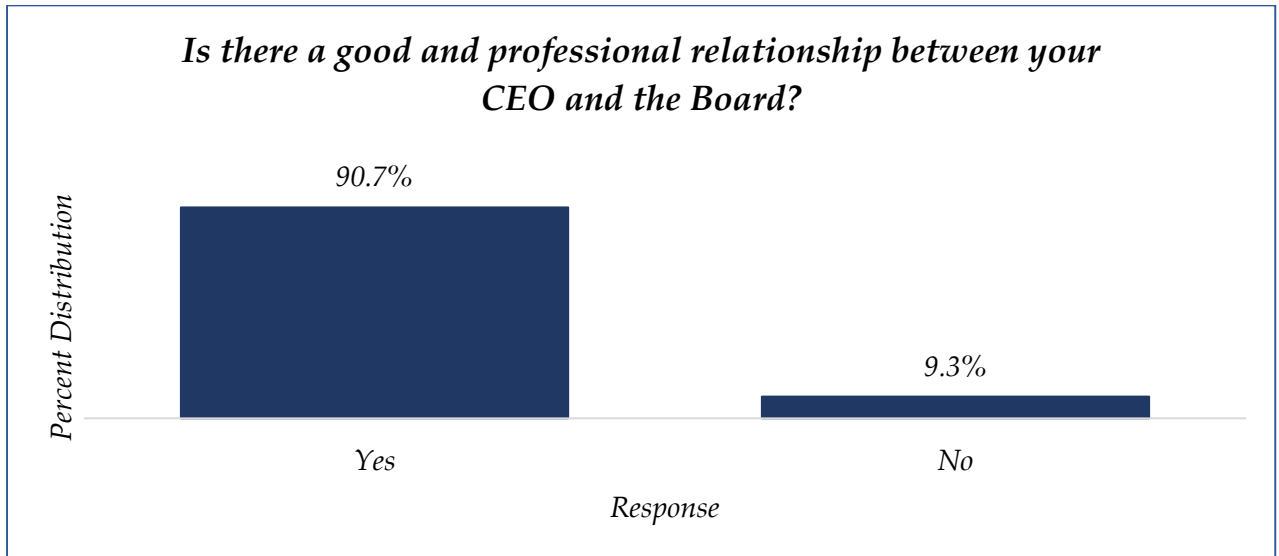
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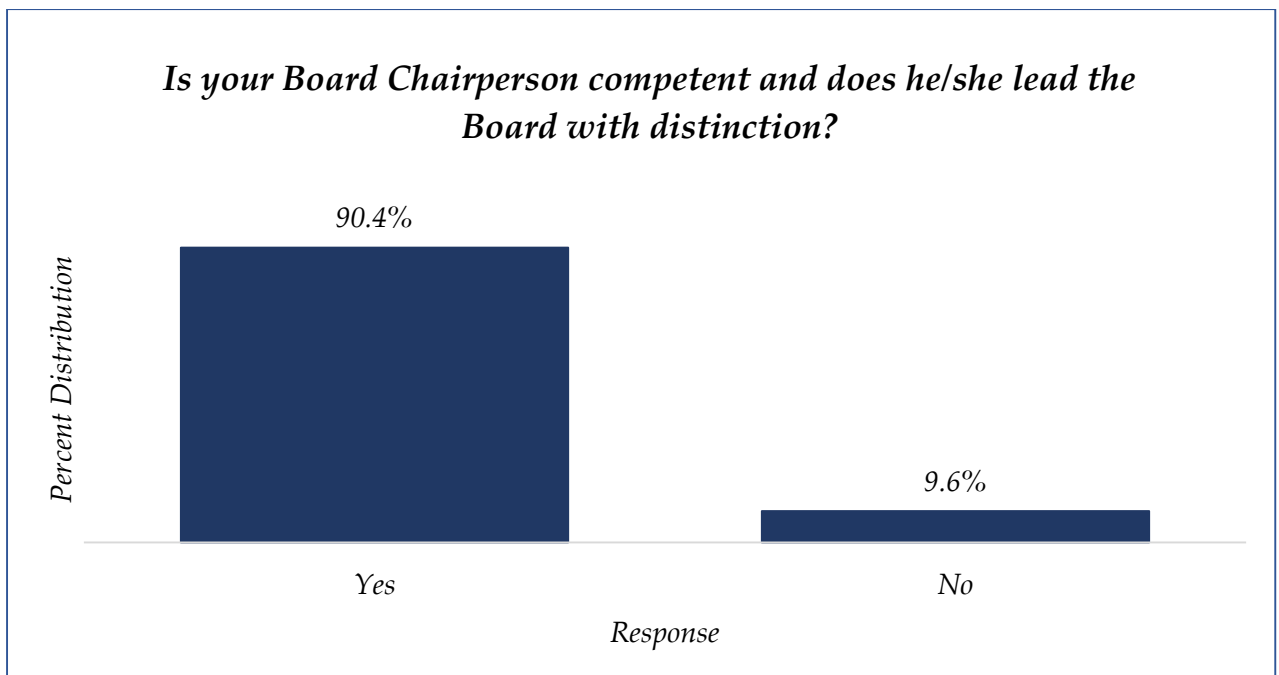
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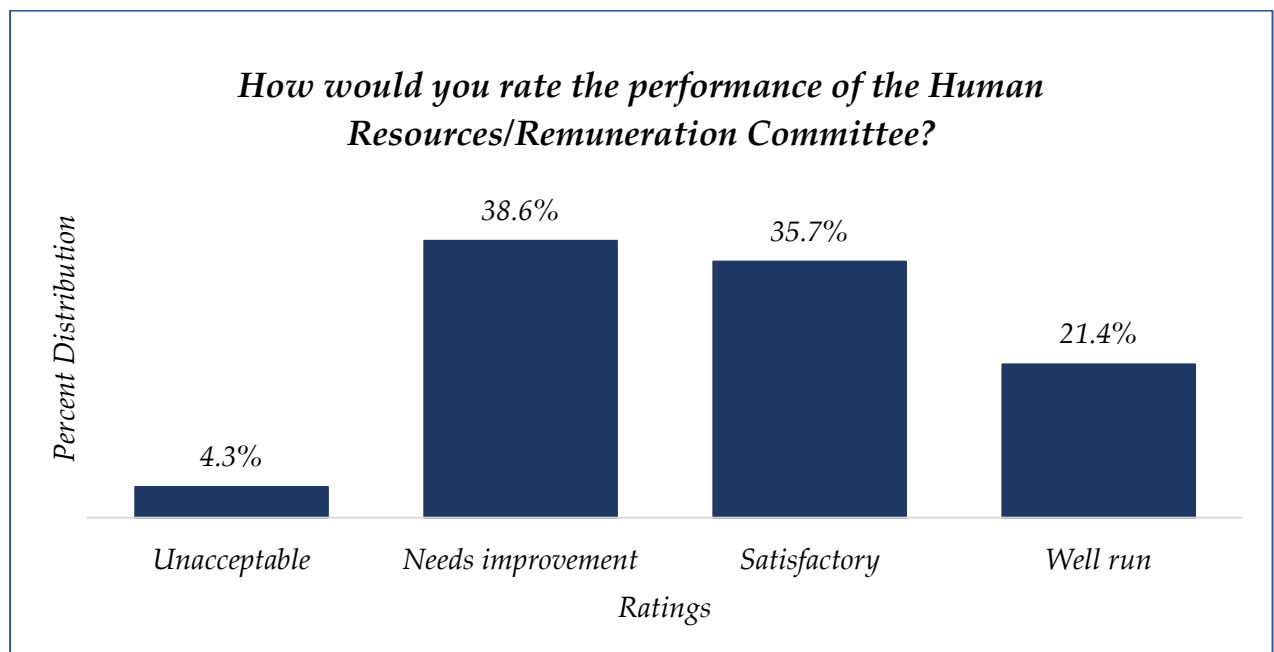
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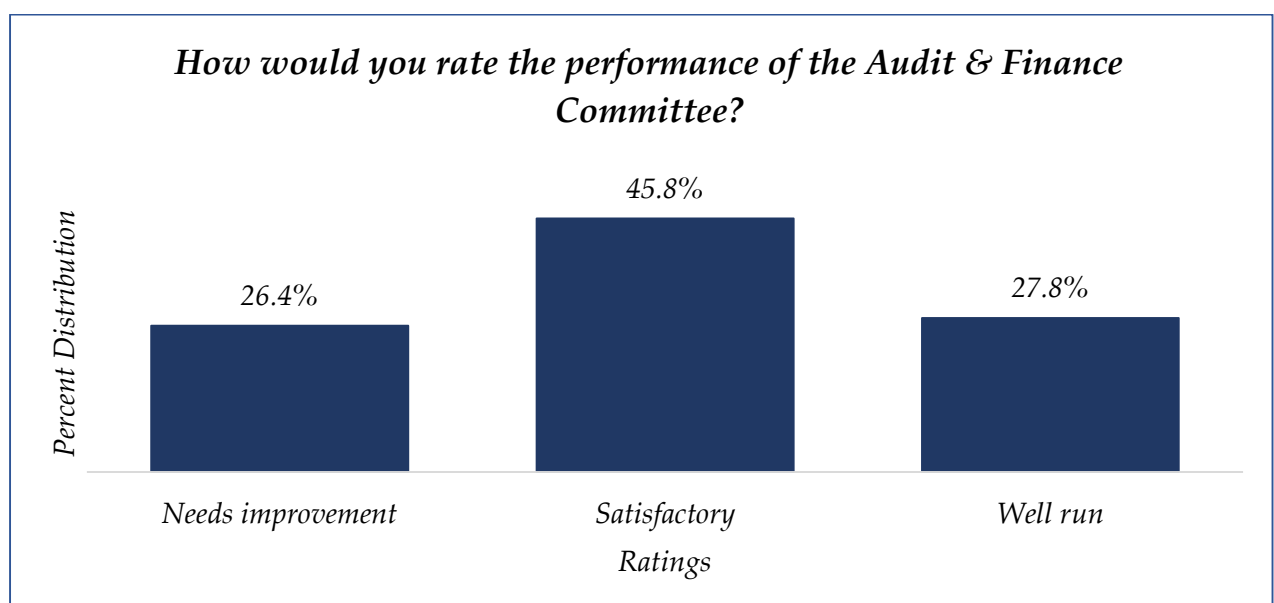
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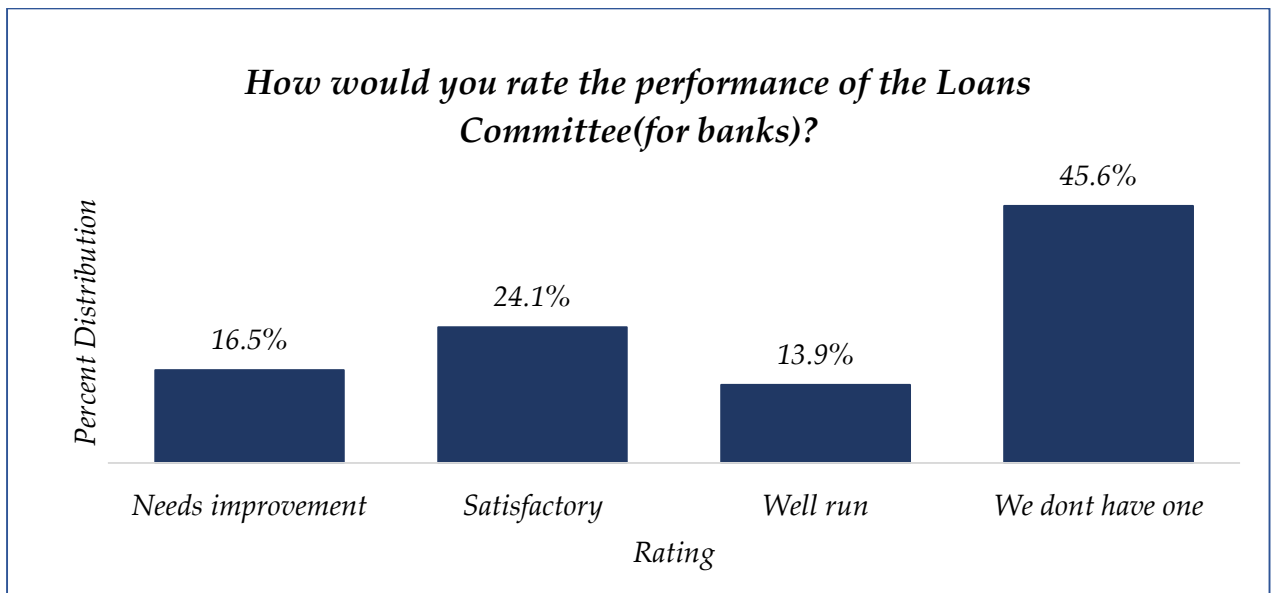
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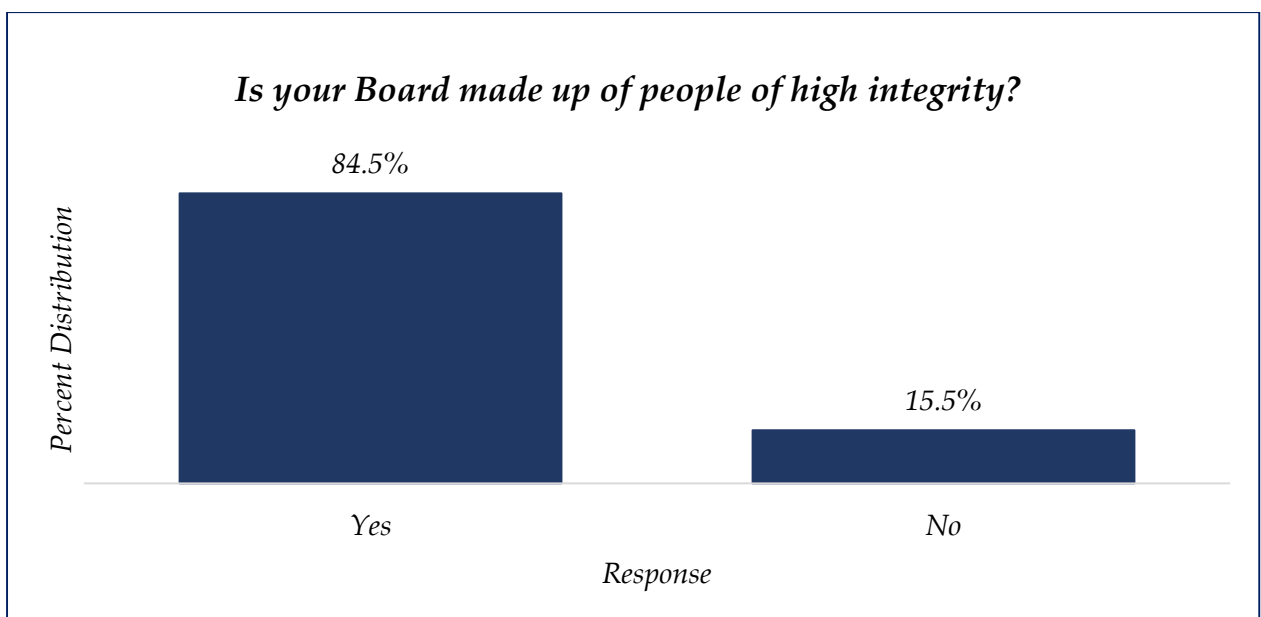
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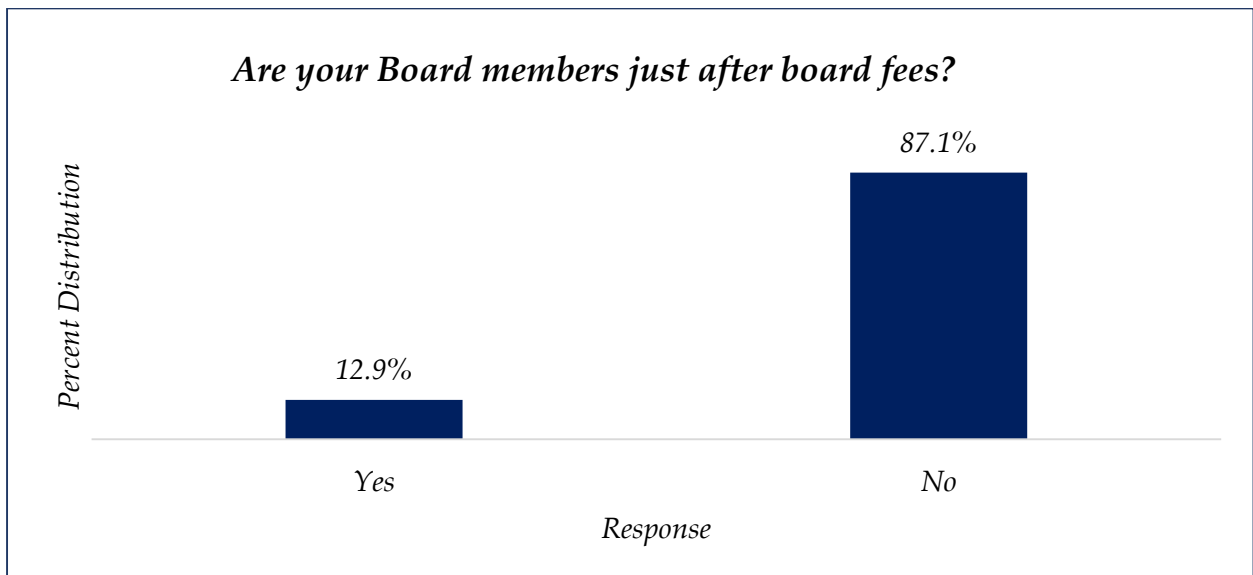
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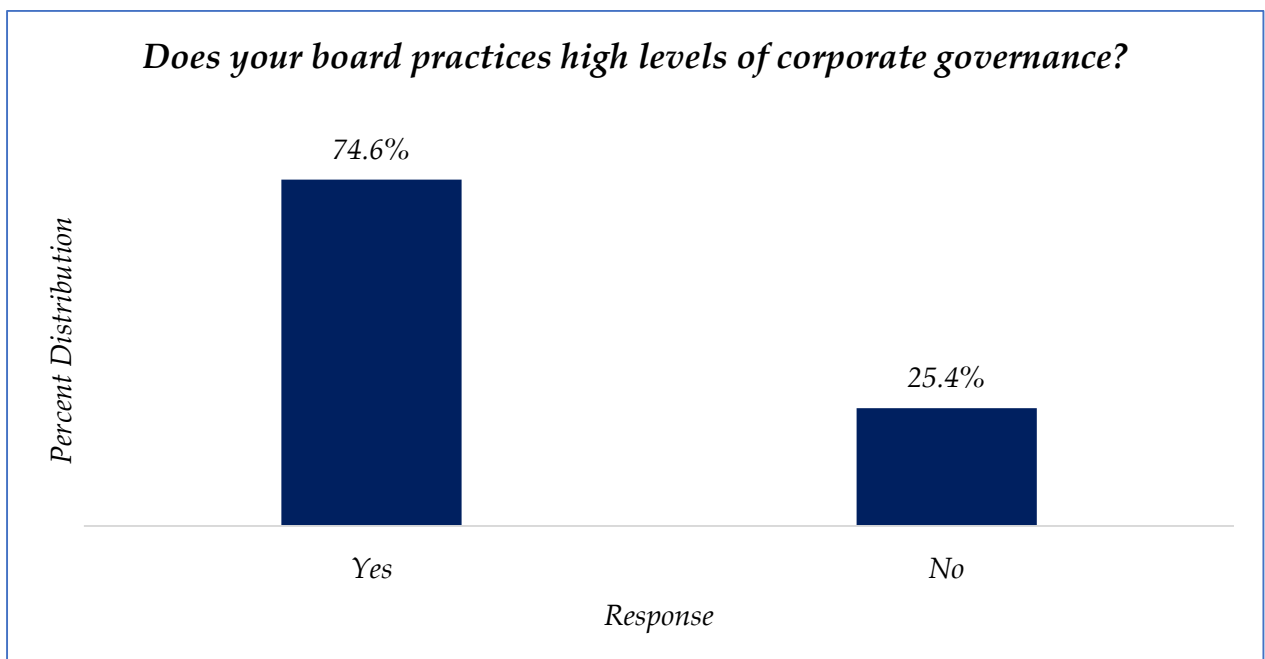
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Most of the participants (74.6 percent) said their board practices high levels of corporate governance and 25.4 percent said they do not practice high levels of corporate governance.

Conclusion

The report in general gave insights on some issues regarding the relations between executive management and board. On average, most the employees believe their board have full range of skills required to lead the business effectively and is of right size. Most boards have enough independent directors to ensure checks and balances. There is a good and professional relationship between CEOs and the board. Most boards practice high levels of corporate governance.

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If you would like to discuss this report, please contact one of the authors.