



Webinar

Board Skills Matrix How to get it Right

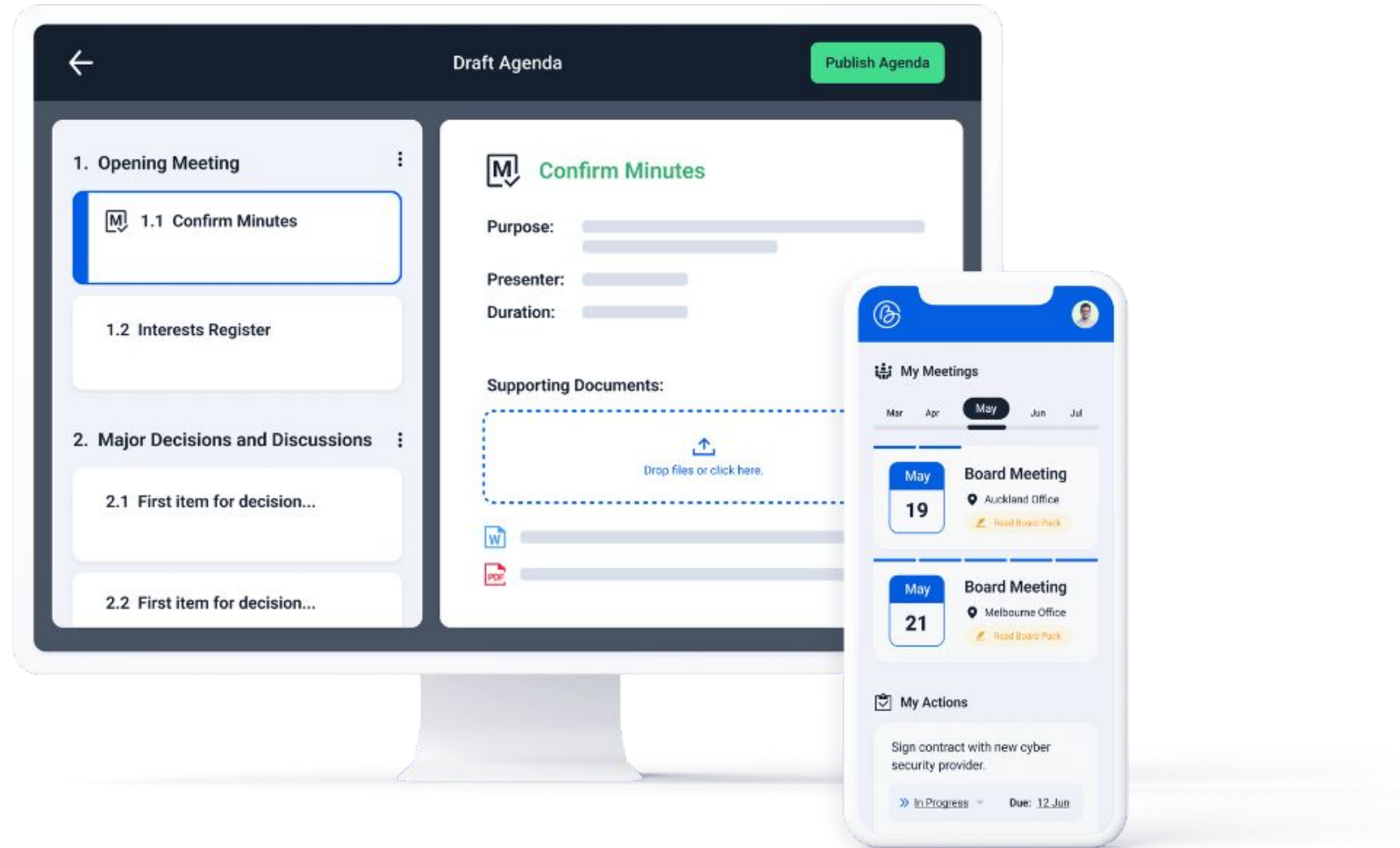
Special guest:

Nicholas Barnett

Executive Director - Board Surveys









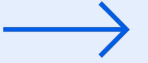
**Making the fundamentals of
governance free and
easy to implement**



Governance Made Easy

Governance Resource Center

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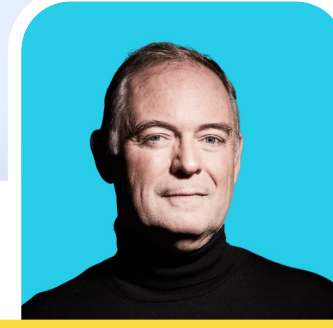
Nicholas Barnett

Executive Chairman
Board Benchmarking



**Dr Susan
Mravlek**

Principal
InSync



Steven Bowman

Managing Director
Conscious Governance



Board Skills Matrix

How to get it Right





What is a board skills matrix?

	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Min. # of director with a 2 or 3	Gap
<u>Skills/ experiences</u>									
Governance	3	1	2	2	3	1	1	5	x
Leadership	3	2	2	2	1	2	2	4	
Core business	3	3	1	3	2	1	1	5	x
Strategic focus	2	2	2	2	3	2	1	5	
Financial literacy	3	2	1	2	1	2	1	4	
Risk and compliance	2	2	1	3	1	3	1	4	
Technology and digital business models	2	1	3	1	1	1	3	2	
Commercial acumen	3	2	2	2	1	2	2	5	
People, remuneration and culture	2	2	1	2	1	1	2	4	
Branding and marketing	2	1	2	1	1	1	3	3	
Legal and regulatory	3	1	1	1	2	1	1	3	x
Rating Scale (1 = Familiar, 2 = Competent/ experienced, 3 = Expert/ specialist)									



What not to include?

Technical Competencies		General Competencies	
1	Investments	21	Member advocacy
2	Insurance	22	Commercial acumen
3	Legal	23	Leadership and influence
4	Accounting / Finance	24	Strategic thinking and insight
5	Audit	25	Personal relationships and team work
6	Marketing and communications	26	Conflict management
7	Risk management	27	Commercial negotiation
8	Compliance	28	Coaching and mentoring
9	Superannuation Law	29	Communicating and listening
10	Mergers and acquisition	30	Judgement
11	Organisational transformation and integration	31	Constructive questioning
12	Innovation and product development	32	Critical thinking
13	Digital, technology, and cyber security	33	Emotional intelligence and self-awareness
14	Government relationships	34	Understanding of culture and conduct
15	Stakeholder relationships	Note: additional competencies highlighted	
16	Human Capital Management		
17	Performance management		
18	Governance		
19	Trusteeship		
20	Operational management		



Some more questions to consider

- Who should develop your Skills Matrix?
- What are the different ways to develop it?
- How often should it be updated?
- Should there be definitions of each skill/experience?
- Can self ratings be relied upon?
- Should self and peer ratings be used?
- How should rigour be added to a skills matrix?
- Can it be developed in a workshop?
- Should all directors be engaged in the process?



Aggregated survey results (Expertise (Knowledge, skills and Experience))

Sorted in order from most importance to the Board	Overall Board Expertise ²	Importance to the Board ¹	Gap
1.02 – Governance	5.1	6.4	● -1.3
1.01 – Leadership	5.4	6.3	● -0.9
1.04 – Strategic focus	5.0	6.3	● -1.3
1.03 – Core business of the organisation	5.2	6.2	● -1.0
1.10 – Risk and compliance	5.1	6.2	● -1.1
1.06 – Financial literacy	5.1	5.9	● -0.8
1.12 – Advocacy and stakeholders	4.8	5.8	● -1.0
1.05 – Commercial acumen	5.1	5.7	● -0.6
1.07 – People, remuneration and culture	4.9	5.7	● -0.8
1.11 – Brand and marketing	4.3	5.3	● -1.0
1.08 – Technology and digital business models	4.2	5.1	● -0.9
1.09 – Supply chain and logistics	3.5	3.4	● 0.1

Rating scale:

¹ Importance to the Board was assessed on a 7 point scale from '1 = Not important' and '7 = Extremely important'

² Overall Board expertise was assessed on a 7 point scale from '1 = No expertise' and '7 = Deep expertise'



Aggregated survey results (Behaviours)

Sorted in order from most importance to the Board	Overall Board Behaviours ³	Importance to the Board ¹	Gap
2.01 – Integrity and ethics	6.3	6.7	● -0.4
2.02 – Strong teamwork	5.6	6.4	● -0.8
2.03 – Highly reliable/ committed	5.5	6.4	● -0.9
2.04 – Rigorous/ challenges others	5.1	5.8	● -0.7

Rating scale:

¹ Importance to the Board was assessed on a 7 point scale from '1 = Not important' and '7 = Extremely important'

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Your response as to what to seek in new directors

Extra skills and experiences

work Strategic¹⁹
Governance²⁹
 Understanding¹⁹ risk⁸ board²⁵
 acumen²⁰ commercial⁸ knowledge⁸
 organisation¹¹ business¹⁷ directors⁸
 marketing⁸ **experience**²³
 skills²⁰ strategy⁷ industry⁷ Ability²²
Financial²⁵

Important attributes/ behaviours

Ethical⁸ time⁸ governance⁸ listening⁷
 learn⁸ constructive⁸ questions⁸
 communication⁷ understanding⁸
Integrity¹⁸ challenge¹¹
 Passion⁸ **commitment**²¹
 skills¹⁰ thinking¹¹ board¹¹ reliable⁸
 team⁸ Ability¹¹ strategic⁸ experience⁸
 work⁸ willingness⁷

Extra areas of diversity

different⁷ perspective⁷ women⁸ Female⁸
 marketing⁸ cultural⁸ Lived⁸
 background⁸ **experience**²⁴
 people⁸ board¹⁶ Gender¹⁴
diversity²⁰ members²⁰
 disability¹⁰ directors⁸ Ethnic⁸
 Younger¹¹ **Age**¹⁸



Do's



- Only include the main skills & experiences
- Have sufficient focus on core business of the organisation
- Tailor descriptions of skills & experience
- Use a rating scale that differentiates skills & experiences
- If using self-ratings, add rigour to those ratings
- Use self & peer ratings – test both to add rigour
- Agree on how many directors needed for each skill/experience (highest level) & gaps
- Engage whole board in development and use
- Regularly update Skills Matrix – identify emerging gaps
- Ensure board is extra strong in areas your CEO has limitations
- Consider important behaviours
- Drive director selection and education from the gaps identified



Don't...



- Use a long list of skills and experiences
- Omit your core business
- Use generic descriptions
- Use a rating scale that enables all directors to use the highest rating
- Rely solely on self-ratings
- Assume all directors need to be at highest level for everything
- Develop the Skills Matrix in isolation without reference to others.
- Leave behaviours out of your Skills Matrix
- Leave it as a static document
- Treat completion of your Skills Matrix as a compliance exercise

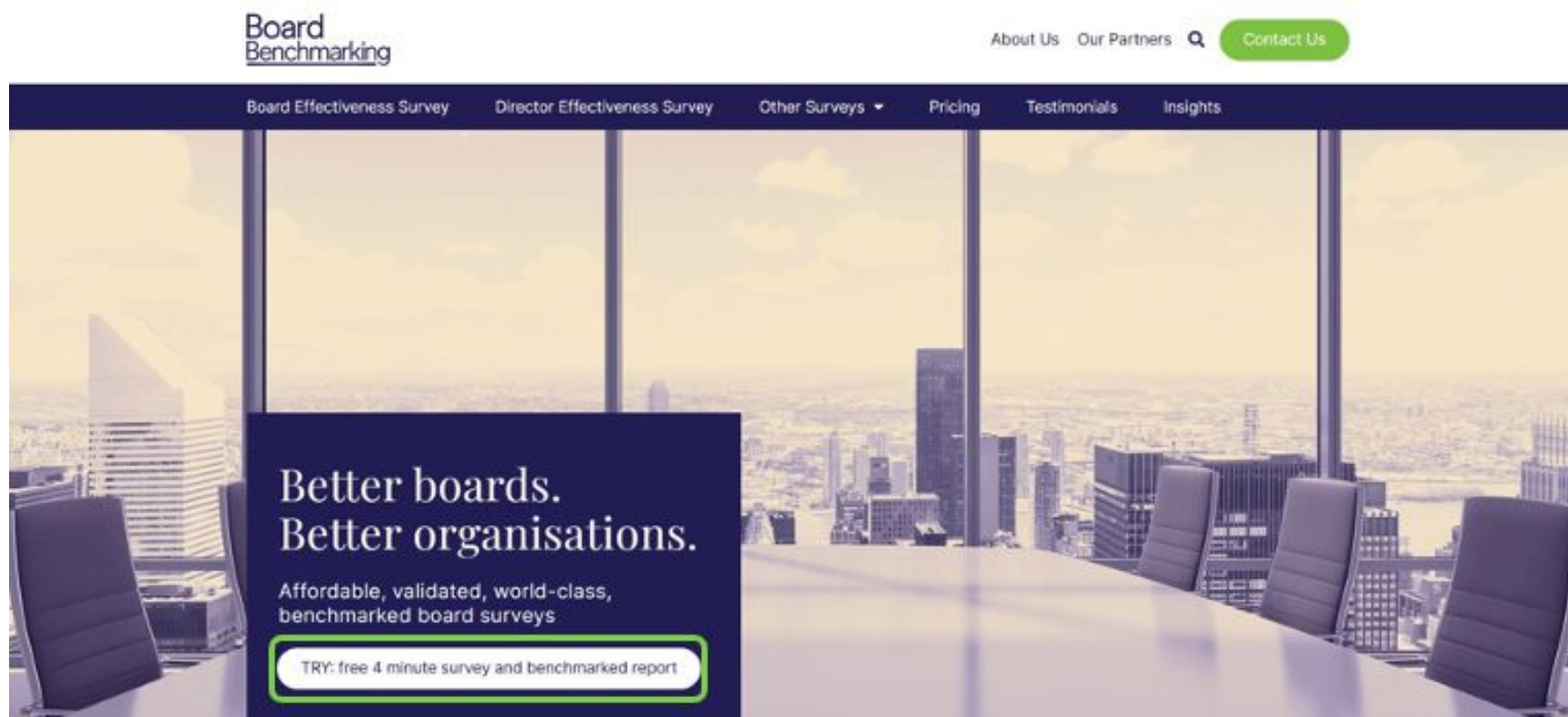


Questions ?



③ Free single user 4-minute board survey →
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Webinar Schedule

Feb - June 2024



79.	Identifying and managing conflict of interest	On Demand
80.	Getting your Board Skills Matrix right	On Demand
81.	How to run and manage committees	Apr 24
82.	Helping directors to be more strategic	May 9
83.	Putting AI into practise in the boardroom	May 27
84.	How to amplify your impact in the boardroom	June 6
85.	Getting governance right in a startup	June 13



Masterclass Schedule

Feb - Aug 2024

Some courses and dates subject to change

AI tools for board admins and company secretaries (2 modules)

Mar 19

How to become a great board chair (3 modules)

Mar 21

Writing better board papers (4 modules)

Apr 9

Creating Effective board minutes (3 modules)

April 16

Writing better board papers (4 modules)

Apr 30

Due diligence before directorship

May 1

How to become a great board chair

May 23

Writing better board papers (4 modules)

May 30



Thank you

