

Board Benchmarking

Taking your board from good to great: the best 101 ways to improve

An Insync Surveys study in conjunction with Board Benchmarking



Contents

1. Executive summary	1
2. Source of the suggestions and our process	2
3. The appendices	2
4. The 28 categories	3
5. The best 101 suggestions for improvement	4
6. How and why boards should review their effectiveness	12
7. How Insync Surveys helps boards	13
Appendix 1	14
Appendix 2	15
Appendix 3	16
Appendix 4	17

Appendix

1. A sample executive summary of our benchmarked Board Effectiveness Survey report
2. A sample of the *direction, strategy and planning* survey statements
3. A sample executive summary (scan) from our Alignment and Engagement Survey Board report
4. A sample of the risk culture items from our Alignment and Engagement Survey Board report

Other Insync Survey research, in conjunction with Board Benchmarking, of interest to boards is available from our website.

- Risk management in the boardroom
- CEO performance and remuneration: a boardroom perspective
- Organisation performance: a boardroom perspective
- Strategy development and execution: a boardroom perspective
- Chair leadership: an inside look at how well board chairs perform
- Gender Agenda: Unlocking the power of diversity in the boardroom (also in conjunction with Gender Worx)

Author: Nicholas S. Barnett, CEO Insync Surveys

Copyright warning

The contents of this report are subject to strict copyright. It must not be copied or used, either wholly or in part, without the express written permission of Insync Surveys and Board Benchmarking.

1. Executive summary

This report includes the best suggestions from some of the most senior directors who sit on Australian and New Zealand boards for ways to improve their own board. We chose the best 101 suggestions for improvement, selected from 856 suggestions made by 345 directors who serve on 47 boards of some of the largest and most important organisations in Australia and New Zealand (being boards of ASX listed companies and other organisations with assets or annual turnover exceeding \$500 million).

Just being a good board may not be enough in the current uncertain, complex and fast changing economic environment. Shareholders and other stakeholders are raising the bar in terms of their expectations of board performance. Boards would be wise to be ahead of the game by striving to go from good to great.

These suggestions, if appropriately implemented, will help to transform good boards into great boards. Many of the suggestions reveal deep insights and a real passion, commitment and determination by the relevant directors for improvement of their board.

Great boards are well structured and clear about their role - (the WHAT). They have the right people with the right capabilities and experiences - (the WHO). They adopt the right processes to organise themselves, their meetings and information flow - (the HOW). They also carry out their main tasks well - (the DO). The DO is all about the board's tasks and outcomes. The WHAT, WHO and HOW are the enablers to ensure the board's tasks and outcomes (the DO) can be and are achieved well.

Some of the best suggestions in relation to board tasks, the DO, were:

- commit to a shared strategic vision for the future
- align strategy, KPIs and remuneration
- improve the monitoring and performance assessment of the CEO
- understand and commit to true high performance
- be of one mind on the board's appetite for risk
- ensure stakeholders are appropriately engaged

Great boards carry out all of these tasks well.

It was clear from the many suggestions that most boards have a healthy unease about whether they are allocating the appropriate amount of time and effort to the right priorities. That's where the processes that boards use to organise themselves, their meetings and their information flow (the HOW) comes in.

Over half the suggestions related to the HOW, which incorporates 15 of the 28 categories of suggestions, as detailed in Section 4. Some of the best suggestions in relation to the HOW were:

- prepare a detailed annual agenda of board and committee topics
- prioritise meeting time around things that matter
- use management time wisely – not just to repeat information in board papers
- facilitate robust discussions and avoid group think
- reserve time for frank discussions without the CEO/management

Boards will be more able to DO the right things and use the right processes (the HOW) if they have the appropriate composition (the WHO) and are clear about their role and responsibilities (the WHAT). Some of the best suggestions in these areas were:

- ensure committees are structured to support the work of the board
- have charters for the board and committees
- regularly renew board membership

- review the skill sets required for an effective board in your industry
- induct and train directors in your organisation's operations
- provide education opportunities in complex matters impacting your organisation

For boards to go from good to great, they need to set and maintain a high bar in many areas. Great boards need to continually strive to improve their performance and effectiveness and regularly review what they can do to improve. Section 6 explains how and why boards should regularly review their effectiveness and Section 7 explains how Insync Surveys can help.

All directors and boards, no matter how big or small, will benefit from studying the 101 suggestions for improvement and determining which ones "ring true" for them and which ones should be prioritised and implemented to improve their board's effectiveness.

2. Source of the suggestions and our process

Our research was taken from Board Benchmarking's Board Effectiveness Survey database, which includes the responses of almost 1,000 directors who sit on around 140 boards of Australian and New Zealand organisations and covers the six years ended 31 December, 2011. The Board Effectiveness Survey asked directors to respond to a wide range of survey statements of board effectiveness best practice. Each director was then asked to provide three suggestions for the improvement of their board. Having just considered a large variety of matters that impact their board's effectiveness, the minds of directors were well prepared to make suggestions in relation to a wide range of issues.

For the purpose of this study, only the boards of the largest and most important organisations were included, being those boards of ASX listed companies or of organisations with assets or annual turnover of in excess of \$500 million. This subset of the database comprised 345 directors who sat on 47 separate boards and who provided 856 suggestions for the improvement of their own board. Organisations represented included banks, insurance companies, fund managers, treasury and finance corporations, power and water utilities, resource companies, infrastructure owners and operators, manufacturers, services companies and universities.

We categorised the 856 suggestions by sorting them using the WHAT WHO HOW DO framework of our Board Effectiveness Survey. The suggestions were then further sorted into logical groupings which resulted in 28 separate categories of suggestions. Most of the 28 categories had a similar number of suggestions.

For the purpose of this report, we have chosen the most appropriate three or four suggestions for each of the 28 categories, giving 101 suggestions in total. The suggestions chosen were self explanatory, action-oriented, not too repetitive and, if implemented, have the capacity to help transform boards from good to great. The 101 suggestions are included in Section 5 without additional commentary and are largely unedited, except that all direct and indirect references to the names of directors and organisations have been removed.

3. The appendices

We have included in the appendices a sample of an executive summary to our Board Effectiveness Survey report, as well as a sample of the survey statements in relation to *direction, strategy and planning* (part of the DO) that directors respond to, and which are then benchmarked against comparable organisations in order to produce the Board Effectiveness Survey report. The appendices also include extracts from the Board report of our employee Alignment and Engagement Survey.

4. The 28 categories

We sorted the 856 suggestions for improvement made by 345 directors into the 28 categories shown below using the process described in Section 2. Section 5 includes the most appropriate three or four suggestions for each category.

"WHAT" - Board structure and role clarity

1. Board and committee structure (including size)
2. Director role clarity (including expectations)

"WHO" - Board composition

3. Board composition (including skills and renewal)
4. Director induction and internal education
5. External training for directors

"HOW" - Board process

6. Board and committee leadership

Board behaviours and dynamics

7. Teamwork
8. Informal communications

Board and management relationships

9. Exposure and interaction with management
10. Clear roles, expectations and working relationships

Meetings, agendas and minutes

11. Agenda planning
12. Strategic focus
13. Discussions and decision making
14. Efficiency of meetings
15. Management involvement in meetings
16. In-camera sessions
17. Other important meeting processes

Information and internal reporting

18. Timely papers and information
19. Appropriate papers and information
20. External perspectives

"DO" - Board tasks

Direction, strategy and planning

21. Long term direction
22. More time and involvement in strategy
23. Strategy and KPI's

CEO, organisation performance and compensation

24. CEO and compensation
25. KPI's and performance
26. Other (including projects, reviews and succession)

Risk, assurance and stakeholder management

27. Risk and assurance
28. Stakeholder management

5. The best 101 suggestions for improvement

This section includes the best three or four suggestions for each of the 28 categories set out in Section 4 using the process described in Section 2. The suggestions were chosen because they were self-explanatory, action-oriented, not too repetitive and, if implemented, would help to transform boards from good to great.

"WHAT" - Board structure and role clarity

1. Board and committee structure (including size)

"Reduce size of board"

"Rotation of committee membership to provide renewal and greater understanding of issues dealt with by the committees"

"Revamp committees"

"More local non exec's (at least two more)"



2. Director role clarity (including expectations)

"The board has operated as a two person board in the past and future boards must be more inclusive"

"Perhaps we should have a board charter. We have charters for all the board committees"

"Renewed focus on audit committee with appropriate board members"

"A clearer understanding of roles and responsibilities including a greater distinction between the role of the Chair and the Managing Director"

"WHO" - Board composition

3. Board composition (including skills and renewal)

"Review the required skill set of an effective board in this industry with consideration to creative and lateral thinking"

"Until recently, board membership had remained unchanged for several years which could lead to complacency or paucity of new ideas"

"More relevant experience in terms of future growth opportunities"

"We might benefit from some additional modern-day financial markets experience on the board"



4. Director induction and internal education

"All directors would benefit from training/induction to ensure they understand their roles better and perform more effectively"

"I think new director orientations could be more comprehensive and formalised"

"More on-site visits to operational areas would increase appreciation of the Group's operations"

5. External training for directors.

"With the extent of regulatory change and the dynamics of the industry, increased education of non-executive directors (NEDs) would be beneficial"

"Briefings/education on emerging issues (e.g. AIFRS education day was a good example). Especially as new product areas involve unfamiliar risks. We need to digest concepts before evaluating specific proposals"

"Assign outside speakers address the board on current issues in our industry"

"HOW" - Board process

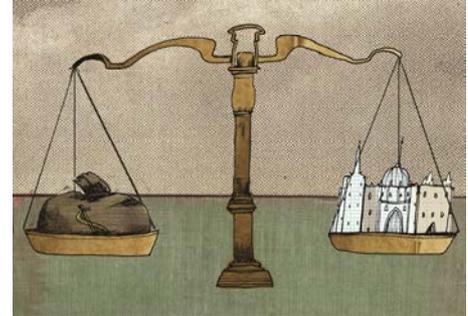
6. Board and committee leadership

"Stronger role of the chair in conducting the meeting"

"It would be good to see the chair facilitate more involvement from quiet, shy directors"

"Some discussions descend into too much detail; chair to work with those directors who do this"

"The chairman should supplement this evaluation with one-on-one discussions with each director"



Board behaviours and dynamics

7. Teamwork

"A more even contribution from all directors, need stronger teamwork"

"Try to meet face-to-face more"

"Work as a team utilising individual strengths"

8. Informal communications

"Provide more opportunity for the directors to meet socially/informally especially the evening before key board meeting so as to enable major issues to be fleshed out rather than ventilate the issue at formal board meetings"

"More interaction of non-executive directors between meetings on a social level to encourage more candid discussion in the absence of management on performance, strategy etc."

"Personal/social interaction with fellow board members to improve board relations"

Board and management relationships

9. Exposure and interaction with management

"More exposure to line management responsible for specific projects/initiatives without group executive supervision. This would provide clearer line of sight to accountability and depth of talent"

"Greater access at board meetings to senior management rather than CEO only"

"Provide a mid-year opportunity for the board to meet socially with management and staff to give directors a further opportunity to measure cultural effectiveness"

10. Clear roles, expectations and working relationships

"Improved relationship with senior managers so that we understand each other's responsibilities, priorities and needs"

"HOW" - Board process

"There needs to be an understanding of what management does and what boards do"

"Sometimes it is hard for the board to contribute suggestions to a management proposal without sounding critical"

"Chairman to continue to foster his 'trusted advisor' relationship with the CEO to support increased alignment of management and board objectives. This may require spending increased time together on a regular basis"

Meetings, agendas and minutes

11. Agenda planning

"An annual calendar of board topics (to ensure thorough and appropriate regular attention to all areas of strategic review and risk management etc.)"

"Annual agenda of board/committee topics to ensure our responsibilities are fully covered and that there is more structure to individual meetings"

"Greater director involvement in agenda preparation"

"Reviewing and improving the agenda so that the important matters are dealt with first while the board is fresh and the more routine matters are dealt with later in the meetings"

12. Strategic focus

"More focus on strategic and cultural issues and not just short term operational issues"

"Meetings need to be less focussed on compliance and operational matters, and more focussed on high level issues, strategic and forward looking"

"Increase the weighting of the board discussion focussed on strategy and performance"

13. Discussions and decision making

"A preparedness to recognise, discuss and address underperforming areas of the business as a real priority"

"More robust discussion at the board table"

"We need to continually test any tendency towards 'group-think' or the impulse to nod sagely"

"Better financial information on individual decisions, including alternatives and priorities"

14. Efficiency of meetings

"We need to clearly agree what is operational and what is the domain of the board so that board meetings do not get bogged down in operational issues"

"Structure of board meetings needs review to ensure that we give sufficient focus to the things that matter"

"HOW" - Board process

"I would like to see board meetings shortened, I think day-to-day issues are discussed in too much detail, the chairman should allocate someone to deal with the issue and get the meeting to 'move on'"

"Delegate compliance governance matters to board committees"

15. Management involvement in meetings

"Management speaking to agenda items could highlight key points or subtleties/nuances not expressed in the paper, rather than rehashing all the points in the paper"

"Better preparation of board papers with clear recommended action from management. In this way we can simply move past basic and uncontroversial items"

"More decisive financial recommendations from management"

"Evaluating the need for members of management to attend as much of the board meetings as they do"

16. In-camera sessions

"Although there is a genuine openness and an environment which encourages the exchange of independent views, more sessions attended by NEDs only may be useful"

"Having plenty of time to meet on a business basis without management to discuss our company's performance candidly"

"Have 15 minute review just with NEDs at each Board meeting"

17. Other important meeting processes

"Some discussions, agendas are run inappropriately outside the board meetings"

"More effective company secretarial function to streamline the work of the board in dealing with its various functions i.e. from corporate governance through to strategy"

"More timely communication with board on matters of importance between board meetings"

"The new board table is not the best shape to encourage effective board dynamics, but this group can probably overcome that influence"

Information and internal reporting

18. Timely papers and information

"Timely distribution of board agenda and papers so that off line discussions can be held between board members prior to meetings"

"We should ensure that management distribute board papers at least 5 days prior to the board meetings. Review and ensure that we have the appropriate content in the papers. I would also favour a quarterly information pack which would show in more detail the performance of our products, branches etc. This may assist in having the board papers arrive in a more timely manner at the same time keeping them more concise"

"HOW" - Board process

"Internet based solution for distribution and management of board papers and minutes"

19. Appropriate papers and information

"More thoughtful management recommendations evidencing analysis of underlying material rather than presenting all the underlying material"

"Revamp the monthly board report to reduce the volume of data and change the focus to KPIs, analysis/interpretation of major variances and corrective actions, commentary on future trends and expectations"

"More incisive commentary in board reports would help us focus on the real picture underlying the performance reports"

"Board papers being so structured that they focus more on the issues that are challenging management re the future"

20. External perspectives

"Research to establish how stakeholders view our organisation, areas of high performance and areas that could be improved and satisfaction with our organisation"

"Benchmarking business units for comparative competitive advantage in the medium to long term. Not enough analysis available to the board"

"More and better understanding of the environment, competition and what is happening in the industry globally"

"Better information about competitors, market trends, client needs. We are often unable to really test management proposals (or "how are we doing") against an independent understanding of the industry"

"Do" - Board tasks

Direction, strategy and planning

21. Long term direction

"Commit to a shared strategic vision for the future"

"Perhaps more involvement/ownership on strategic direction (three to five years)"

"I think we would do better if we had defined limits for new opportunities (i.e. country "no-go" zones, set "size" projects/companies to be considered or not, etc)"



22. More time and involvement in strategy

"Enhance strategic planning process with additional time and a sharper focus in an external setting"

"Have an externally-facilitated offsite board/management seminar to review operations and risks and to finalise an agreed strategy plan"

"More time spent on discussing strategic issues earlier in the evolution of the ideas/concepts"

23. Strategy and KPIs

"Allocation of more time to follow up on strategic planning to ensure the next level of detail is developed and a timetable for key aspects is agreed"

"Clearer KPIs identified in strategy process"

"Improved alignment between strategy and (lead) KPIs"

"Improved alignment between those KPIs and remuneration"

CEO, organisation performance and compensation

24. CEO and compensation

"Make a serious commitment to properly assessing the performance of the CEO in a documented process involving all NED board members"

"Need to better control CEO"

"I think there could be more rigour around the remuneration committee"

"A simpler short term and long term incentive system"

25. KPIs and performance

"Ensure we have the right performance metrics"

"It is an excellent board but it doesn't understand genuine high performance. It has good KPIs and performance metrics but this falls short of real high performance, though it has the potential to go down that path"

"Do" - Board tasks

"Spend more time with the CEO/key management in defining what strategies are needed to improve overall organisation performance, including changes in structure (including significantly reducing the number of direct reports to the CEO) and how to attract and retain higher calibre people in the senior executive team"

"Board approval of CEO KPIs and the KPIs of his direct reports and then reporting back against those KPIs"

26. Other (including projects, reviews and succession)

"Better link between individual decisions and strategy"

"More time on post implementation reviews"

"Prioritising succession planning for future board positions and management"

"Behave like a business that is regulated rather than a regulated business"

Risk, assurance and stakeholder management

27. Risk and assurance

"Better understanding of risks to the business and stronger focus on risk appetite and risk management"

"Greater preparedness to explore more aggressive but higher risk strategies to improve long term competitive positioning and performance"

"Get a clearer understanding of the risk/return trade-off the board is prepared to accept"

28. Stakeholder management

"Greater consideration of a strategic approach to stakeholder management"

"More and better interface between the board and our customers/shareholders"

"Ensure the board is involved in stakeholder engagement"

"Increased liaison with major stakeholders by the board directors and management"

6. How and why boards should review their effectiveness

If boards want to transition from good to great, they need to understand how effective they are across a very wide range of matters and, in particular, need to identify areas where improvement will be most likely to increase their effectiveness. With the current global uncertainty and the increasing call for improved corporate governance and board accountability, this becomes even more important. Boards can demonstrate their leadership, their commitment to good corporate governance and their accountability to stakeholders by conducting a regular review of their effectiveness.

Most people understand the importance and benefits of a regular medical check up to identify any risks to their health and to determine whether their bodies are functioning to their optimal capacity. In a similar way, the regular use of a well designed board effectiveness evaluation will determine any risks to the “health” of the board and the extent to which it is functioning to its optimal capacity.

Board evaluations have become more commonplace in recent years. *Recommendation 2.5 of Principle 2: Structure the board to add value*, of the ASX Corporate Governance Principles and Recommendations, states “Companies should disclose the process for evaluating the performance of the board, its committee and individual directors”. The ASX commentary goes on to say that, “the performance of the board should be reviewed annually against appropriate measures”.

APRA also requires that regulated institutions “... must have procedures for assessing, at least annually, the board’s performance relative to its objectives. It must also have in place a procedure for assessing, at least annually, the performance of individual directors”.

It is important, however, that a review of a board’s effectiveness is not a simple compliance or box ticking exercise, but rather one that has the intention and purpose of enhancing board performance.

Internal or external reviews

Most boards that conduct board evaluations do so using an internal self administered survey. Some of the limitations of using such surveys, however, include:

- they are rarely comprehensive in the issues they address
- the survey statements are often inappropriately worded and untested
- the survey process can be prone to bias and often lacks statistical rigour
- they do not promote candour as respondent anonymity isn’t protected
- without benchmarking or an appropriate gap analysis, the results are often incorrectly interpreted.

Insync Surveys recommends an externally facilitated board evaluation at least every two or three years by an experienced practitioner who has access to a best practice Board Effectiveness Survey. Some organisations do an externally facilitated evaluation every second year, with a less onerous internally facilitated evaluation each alternate year. Externally facilitated reviews may include interviews of directors and management and reviews of the effectiveness of committees and individual directors.

7. How Insync Surveys helps boards

Insync Surveys has worked with numerous boards and committees to help them improve their effectiveness. It has carried out in excess of 60 board and committee evaluations for all sizes and types of organisations, including large ASX listed organisations, private companies, government business organisations and not-for-profits. Many of the suggestions for improvement included in this report come from directors of organisations assisted by Insync Surveys.

Insync Surveys' services range from carrying out one of its best practice board effectiveness surveys, conducting interviews of directors and of management who regularly attend board meetings, reviewing board charters, board papers, agendas and minutes, viewing the board in session, to holding board action planning and similar workshops.

In addition, Insync Surveys has conducted evaluations of audit and risk committees, stand alone risk committees, other committees, individual director contributions, CEO effectiveness using their specialist board skills and professional judgement in conjunction with a state of the art:

- Board Effectiveness Survey
- Audit and Risk Committee Effectiveness Survey
- Risk Committee Effectiveness Survey
- Other Committee Effectiveness Survey
- Director 360 Survey
- CEO Effectiveness Survey
- other 360 Surveys

Special risk services

Insync Surveys has also carried out risk reviews incorporating risk surveys and consulting advice for boards and management teams. Such reviews have been carried out for a wide variety of organisations and include reviews of

- the effectiveness of a "big four" bank's board risk committee
- the risk culture of the risk division of a large insurance company
- the risk management effectiveness of a state treasury corporation
- the effectiveness of the audit and risk committee of a credit union from a risk perspective
- a bushfire risk and emergency management planning survey for two state government departments
- the firm-wide risk management effectiveness review of a big four accounting firm
- the health, safety and risk culture of a large port authority
- the global cyber security risks for a large mining company in relation to its process control systems

Customer and employee engagement

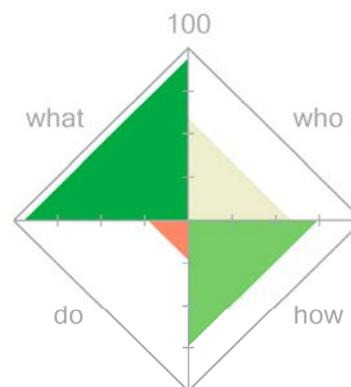
Employee and customer engagement are lead indicators of the future productivity and performance of organisations and a key determinant of the extent to which strategy is likely to be executed as planned. Accordingly, boards often ask Insync Surveys to debrief them on the results of the employee Alignment and Engagement Survey or the Customer Engagement Survey that it has carried out for their organisation.

Insync Surveys has designed its survey reports to be insightful and action oriented and has designed a survey report specifically to meet the needs of boards. Appendix 3 and 4 includes a sample executive summary (scan) and a sample of the risk culture items from our employee Alignment and Engagement Survey Board report.

Appendix 1

A sample executive summary of our benchmarked Board Effectiveness Survey report

EffectivenessScan, May 2012



The WhatWhoHowDo Index Scores: rank your Board against other Boards in the benchmark database from 1 to 100

Index Colours: highlight the most and least effective facets of your Board's performance

"What" — Board Structure and Role Clarity Index	94
"Who" — Board Composition Index	59
"How" — Board Process Index	
Board and Committee Leadership Index	91
Board Behaviours and Dynamics Index	79
Board and Management Relationships Index	79
Meetings, Agenda and Minutes Index	48
Information and Internal Reporting Index	74
"How" — Composite Board Process Index	74
"Do" — Board Tasks Index	
Direction, Strategy and Planning Index	23
CEO, Organisational Performance and Compensation Index	32
Risk, Assurance and External Communication Index	15
"Do" — Composite Board Tasks Index	23

- More effective than other Boards
- Slightly more effective than other Boards
- Similar effectiveness to other boards
- Slightly less effective than other Boards
- Less effective than other Boards

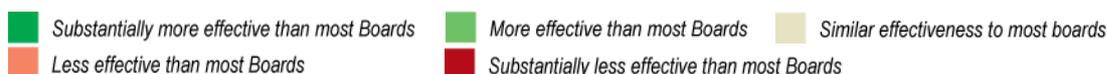
Total invited to participate	5
Total Respondents	5
Response rate	100%

Appendix 2

A sample of the *direction, strategy and planning* survey statements

EffectivenessTable
"Do", Direction, Strategy and Planning

statement	average score out of 7	ranking out of 100
85. We (our Board and Management) are committed to the same long term direction for Sample Company (vision, mission, strategy and values).	4.2	2
86. Our Board sets the broad parameters for Management's preparation of Sample Company's strategic plan.	4.8	18
87. Our Board approves the strategic plan only after conducting a rigorous review (including considered Board input) of the plan.	4.6	11
88. Our Board has a full understanding of the key drivers (including risks) affecting Sample Company's performance (including its competitive, financial and other strategic challenges).	4.4	8
89. Our Board has a full understanding of what actions are required to execute Sample Company's strategic plan successfully.	4.8	20
90. Strategic issues are presented to the Board with adequate time for reflective thought (including enabling off-line communication among Directors and effective questioning of Management during Board meetings).	4.0	11
91. As part of major strategic initiatives, Management presents a report on alternatives considered (including on what basis and why the alternatives were rejected).	5.4	84
92. Sample Company's operating/business plan (including budget and financial and non-financial KPIs) is aligned with our strategic plan.	5.6	33
93. The remuneration of Management is linked to the successful implementation of Sample Company's strategy (i.e., strategic plan, business plan and budget).	5.8	98
94. Our CEO welcomes the Board's constructive input into Sample Company's strategy (i.e., by being sufficiently candid, open and responsive; and encourages the same from direct reports).	6.4	81
95. The Board fosters a culture of innovation in all areas of Sample Company.	5.0	45
96. While it is difficult to anticipate every contingency, we (the Board and Management) are well prepared to handle a crisis situation.	5.2	29
Direction, Strategy and Planning	5.0	23



Appendix 3

A sample executive summary (scan) from our Alignment and Engagement Survey Board report

Your Alignment and Engagement scan

The Alignment and Engagement scan below shows the alignment and engagement results of Axus Foundation. Results are displayed as the percentage of respondents who scored items either a six or a seven on the seven point rating scale. The colour coding indicates how the average raw score compares to organisations in Insync Surveys' benchmark database.

Details of the survey items that make up each factor are included in the Comprehensive Report.

Number of responses: 2399

Energise	Long term direction —whether strategies and changes are clearly articulated, communicated and accessible and it's clear how strategies will be achieved	48%
	Senior leadership —whether senior leadership exemplify best practice, inspire, encourage innovation, and acknowledge and maximise talent	51%
Execute	Team leadership —whether managers are trustworthy role models who build teamwork, communicate well, coach and mentor, and value their teams' opinions	65%
	Team effectiveness —whether work groups use challenging goals, embrace change, celebrate achievements, focus on customer service and compare actions against plans	57%
	Accountability culture —whether commitments are delivered and standards upheld, values guide everyday actions and sensitive information is handled appropriately	66%
	Performance culture —whether the organisation has high standards of performance and best practice, and systems are continually improved to achieve organisational goals	62%
	Investment in people —whether employees are supported with training and development, reward and recognition programs, work-life balance initiatives and performance appraisals	46%
	Investment in systems —whether systems allow employees to do their job well, concerns are addressed and there's good internal customer service	53%
	External focus —whether the organisation is committed to customer needs and long term loyalty, the environment and wider community, and monitoring competitor performance	45%
Alignment —whether employees, teams, systems, processes and customer strategy are aligned to the organisation's long term goals		54%
Engage	Engagement —whether employees are committed to and emotionally engaged with the organisation and its goals, and they promote and act in its best interests	64%

Your average raw score compared to Insync Surveys' benchmark database.

Legend: # Bottom decile # Bottom quartile # 2nd and 3rd quartiles # Top quartile # Top decile

Appendix 4

A sample of the risk culture items from our Alignment and Engagement Survey Board report. Detail of these items by division is shown in subsequent pages of that report.

Risk culture items

This table shows the survey items that impact the risk culture of Axus Foundation. Results are displayed as the percentage of respondents who scored items either a one, two or three on the seven point rating scale. The colour coding indicates how the average raw score compares to organisations in Insync Surveys' benchmark database.

Survey item	% unfavourable
2.1 Our senior leaders act with integrity	8%
2.2 Our senior leaders are good role models	10%
3.1 The person I report to is trustworthy	6%
3.2 The person I report to sets a good example for me	7%
4.8 Axus Foundation's chosen values and behaviours are demonstrated every day in my work group	7%
5.4 Axus Foundation has a clear set of organisational values and behaviours that guide my everyday actions	6%
5.5 Axus Foundation is committed to respecting confidential and sensitive information	3%
5.6 Axus Foundation has effective processes for identifying and preventing unauthorised actions	4%
5.7 Axus Foundation requires me to uphold the highest ethical standards at all times	1%
5.8 Axus Foundation consistently shows its commitment to high levels of occupational health and safety	9%
6.7 I have never been encouraged to "bend the rules" to get a result	7%
7.10 Axus Foundation has effective processes for dealing with concerns about bullying and harassment	10%
9.10 Axus Foundation is committed to identifying and managing all types of risks to our business	3%
13.14 We have a culture of "no surprises" where bad news is promptly shared with management	14%

Your average raw score compared to Insync Surveys' benchmark database.

Legend: # Bottom decile # Bottom quartile # 2nd and 3rd quartiles # Top quartile # Top decile

About Insync Surveys

With offices in Melbourne and Sydney, we specialise in employee, customer, board and other stakeholder surveys backed by consulting. Our registered psychologists and research experts help organisations become more effective.

We co-founded the Dream Employers Survey and have worked with some of the largest organisations in Asia Pacific, including: ASX, Cathay Pacific, Fairfax Media, John Holland, Queensland Rail, Rio Tinto, Suncorp, Toll, Visy, WorleyParsons, Mission Australia, VincentCare, the Australian Curriculum, Assessment and Reporting Authority, state government departments, many local councils and most university libraries. This broad experience allows us to benchmark your results.

Visit: www.insyncsurveys.com.au

Email: info@insyncsurveys.com.au

Melbourne: Level 7, 91 William Street, Melbourne VIC 3000

Phone: +61 3 9909 9222

Sydney: Level 2, 110 Pacific Highway, North Sydney NSW 2060

Phone: +61 2 8081 2000

About Board Benchmarking

Board Benchmarking has two world class measurement tools: its Board Effectiveness Survey and Audit Committee Effectiveness Survey. Both are available globally and are distributed via authorised distribution partners, which include: KPMG Australia, Insync Surveys, Oppeus, Westlake Consulting and Gerard Daniels.

Board Benchmarking has carried out over 150 board and audit committee surveys for organisations ranging from large public companies and government organisations to private companies, associations and not-for-profit entities. Board Benchmarking's surveys are powered by integrated benchmarked stakeholder survey specialists, Insync Surveys.

Visit: www.boardbenchmarking.com

Email: ask_us@boardbenchmarking.com

Board Benchmarking can be contacted at the offices of Insync Surveys.