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Upcoming Local Programmes

- **HR Committee Effectiveness and Oversight:**
The role of the Board in ensuring organisations have the talent to thrive
- **The Bank of Ghana-Maddison Pine Corporate Governance Webinar Series**
BOARD EFFECTIVENESS: A Regulatory Burden or an Opportunity for Performance Improvement?

A Webinar Event

**Contact us for further information.*

Chairmanship

Promoting Excellence in Governance Newsletter. Issue 1

Welcome

Dear Board Chairmen,

I trust that you are keeping well in these difficult times for the world.

Maddison Pine is pleased to share with you our first issue of *Chairmanship*, a newsletter for board chairmen which aims to share insights, knowledge, and best practices; working with the grain. We aim to help boards to achieve a demonstrable correlation between governance and performance; with a focus on board behaviour. Board behaviour is seen to be a result of strategizing, norms, board leadership, and the decision-making culture within the boardroom.

Although most board chairs are experienced leaders, I always say that no one was born a board chairman! Chairing a board competently is a proactive undertaking, and the range of activities and responsibilities that a chairman must perform is huge. There are many issues to be considered and skills to be mastered.

Later in the year, we shall establish a Chairmen's Forum, as an independent, not for profit, membership organisation for Chairmen which provides opportunities for members to meet, share their experience, discuss best practice and exchange knowledge in the interests of improving board performance.

Newsletters such as this are ways to engage like-minded individuals and help create a network of corporate governance champions. We welcome your contributions and feedback.

O Ajayi

Dr. Olu Ajayi, FRSA, FCMI
CEO, Maddison Pine

CRISIS has become a global norm

The variety of crises that organisations face has grown in recent years, from the economic shocks and geopolitical incidents of old, to the fast-spreading pandemics and cyber-attacks of today. And many boards are not prepared to adequately respond to these new threats.

In the middle of the global and rampant spread of COVID-19, the organisations that recover more quickly are those who have agile and strategic boards that can steer their organisations through the crisis, appraise and re-appraise, act and re-strategise on the quick.

The effect of the pandemic will be felt differently by every sector and board will need crisis management protocols that meet their unique circumstances and informed by government rules. Regardless, irrespective of sector, a crisis of this magnitude acts as a true pressure test for boards, uncovering new fault lines that boards of directors/board members need to navigate; and new skill of crisis management to learn.

We see it every day in our headlines: as crisis has become a new global norm, the board's responsibility in crisis is changing rapidly. Yet, how many boards know how to behave and lead in crisis? Given the array of important and more immediate items that are competing for a board's attention, advance crisis management and planning is not often a priority.

However, given the potential costs of a mismanaged crisis, a well-planned response to a crisis is a low-cost, high-reward endeavor. Such a response can only come from a Board **that has a plan in place prior to the crisis.**

Although there is a plethora of literature about how boards should generally behave during a crisis, few if any board members would have experienced something as dire and widespread as a pandemic with no cure in sight. COVID-19 will require both board members and management to have an open and flexible learning mindset. Board members will need to be visible (but not managing!), display courage, decisiveness, and a calming disposition. In a highly unpredictable and volatile world such as we are experiencing now, they will need to be going through

loops of pausing, assessing, anticipating, planning scenarios, and re-assessing.

“To have any chance in alleviating the devastation of the epidemic required organization, coordination, implementation. It required leadership and it required that institutions follow that leadership.”

— John M. Barry, **The Great Influenza: The Story of the Deadliest Pandemic in History**

What to Do Now

Establish Clear Communication Channels: What should be your crisis response: For the board, the three most important communication channels are (1) between the CEO and the Chairman, (2) between the CEO and the full board, and (3) between the Chairman and the full board. Done correctly, this will alleviate stress, provide on-going communication, and enhance the information flow for decision-making.

Play a Supporting Role: Adopt a supporting role for the management team which could be under more pressure at this time as they also need to re-assure the staff in the face of uncertainty. The board's role is to ask the right questions, test assumptions, and to challenge constructively with appreciation for the efforts of the management team.

Plan for Permanent Changes: The earth has moved and is still in a fluid state because of the pandemic. The board should constructively challenge management thinking about impact on business operations and which of the changes will permanently impact the strategic direction and objectives of the organisation.

Pitch the Post-recovery Narrative: To enable clear thinking from management, the board needs to offer a sense of long-term perspective and encouragement to the management team so that the organisation can continue to operate under pressure.

The board should prioritise discussions that contribute to the organisation's recovery narrative, seize opportunities to better meet the needs of staff and stakeholders.

Lessons Learned: What have we learned and are we still learning as a board during COVID-19? What and how is our organisation learning? What has the crisis revealed about our board and about the leadership teams. This is a unique opportunity for boards to learn about the kind of leadership the organisation has and how they should adjust both short- and long-term succession pipelines.

For information about our training programme, *Building a Crisis-Ready Board*, please contact us as stated below.



60 MINUTES WITH MR. MICHAEL OWUSU-NIMAKO, IMMEDIATE PAST CEO/SECRETARY OF THE PUBLIC SERVICES COMMISSION

Getting the Country Back to Work: The Role of the HR Committee/The Board

For many corporate Boards, the year may have started with a lot of enthusiasm; only to fizzle out in a matter of weeks following the outbreak of the Covid-19 pandemic. This may have turned the dreams and work plans of most Boards upside down. After battling COVID-19 for greater part of the first half of the year, the world and for that matter, the corporate world appears to have accepted to internalise the pandemic and now the new normal is staying alive by “living with COVID-19”.

In times of recession or financial crises, organisations could leverage on the most valuable assets of the organisation, the human resources, to moderate the effects; however, in this instance, it is the valuable assets, human resources, that have themselves become the prime victim of COVID-19. The post-COVID-19 challenge for Boards and Senior Management is to re-strategise and devise innovative ways to get their organisations back on track.

In re-strategising to bring the corporate Ghana back to work, Boards will have to concern themselves with the human resource management issues that have become topical in the workplace in the wake of the COVID-19 pandemic. Among these are leave administration, working from home and lay-offs/compensation and in some extreme cases termination of appointment contracts.

Leave Administration

Many organisations in both the public and private sectors, without recourse to any known leave administration rules and regulations in the country, directed their employees to take their leave during the lockdown. In fact, the directive appears to have rather contravened the relevant provisions of the Labour Act, 2003 (Act 651).

This directive poses numerous questions that the Boards and Management will have to deal with when employees return to work. Among these, are:

- a) whether the leave was granted based on accumulated/outstanding leave day of staff;
- b) whether the lockdown period could be counted as part of their leave days;

- c) whether the days workers stayed at home would be counted as part of their annual leave or working days; and,
- d) whether a worker’s remuneration would be reduced for the inability to report to work as result of the lockdown.

Lay-offs

Associated with leave administration has been the laying-off of staff of some private sector organisations in the country. In some instances, terminations have been disguised as lay-offs. Whilst public sector workers enjoyed “lockdown leave” with pay, some private sector workers went home on reduced pay and/or without pay during the lockdown and some have since remained at home.

The laid-off workers have neither been retrenched nor have they had their appointments terminated. These workers were sent home with the promise of “reappointment” when the situation normalises.

There is the need for the Board and Management of the affected organisations to find the relevant labour laws and regulations to rationalise these decisions and to find practical ways to assuage the accompanying hardships on these workers.

Workplace Flexibility (Working from Home)

Flexible working hours and working from home have not been very popular in Ghana prior to COVID-19. Following the outbreak of the pandemic, however, many organisations in both the public and private sectors have adopted these systems seamlessly. After working from home for weeks, some workers may be reluctant to return to the standard in-person office hours. Regardless of how organisations would wish to handle this phenomenon, this may continue in 2020 and likely expand its prevalence in the period thereafter, as the familiarity of remote working increases.

The Boards and Management may wish to assess how these systems could impact the workplace productivity of workers and adopt practical measures to accommodate them.

Conclusion

According Patrick Dune (2009), the purpose of the Board, in simple terms, is to provide the right strategy, right resources, including human resources, and right governance (“keep out of jail”). That is, the Board needs to strategise to provide the needed resources, financial, human, and material, whilst ensuring good governance and staying within the law.

Corporate Ghana needs to rethink the practice of the human resource management function to make it sufficiently robust to deal with eventualities such as COVID-19. The Boards, through their HR Committees, must take up the challenge to collaborate with relevant stakeholders in that regard.

Please contact us for more advise and support.

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ON A LIGHT NOTE

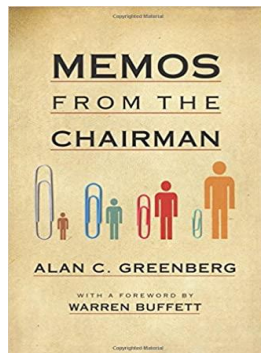
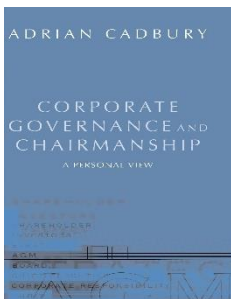


I did one of those 'born again' things and invited Jesus to become the chairman of the board, of my life.

- Foster Friess



- Memos From The Chairman, Alan Greenberg (Foreword by Warren Buffett)
- Corporate Governance and Chairmanship, Sir. Adrian Cadbury
- ABC of Chairmanship by The Right Hon. Lord Citrine, P.C., K.B.E.



BoardSmart™ Digital Board Effectiveness Evaluation

Make the Move from Paper to Digital

In pursuant of board processes optimization and against the backdrop of relentless technology innovation, Maddison Pine has sought to explore how technology can further enhance the effectiveness of board evaluations to advance the practical and measurable praxis of Corporate Governance.

Every aspect of its functionality has been informed by Maddison Pine's experience with banks, financial services, public sector, state-owned-enterprises, and government boards in Africa and internationally.

Maddison Pine helps you save time, lower costs, reduce internal hassle, and improve reporting for all types of board evaluation survey, qualitative one-to-one interviews (using technical platforms), and data triangulation for analysis.

- We work with you to create an efficient process focused on providing a user-friendly experience to help your board directors/board members quickly and accurate complete their questionnaires in our BoardSmart™ platform.
- Automatic averages reporting, mitigating the need for hands-on data manipulation.
- Surveys can be completed across devices: smartphones, tablets, and laptops.
- Our strategic and redlined reporting facilitates in higher level review and improved response and disclosure processes.
- With a digital format, the data is immediately available. It is an efficient and more accurate process.

Contact Us

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