



INSTITUTE OF DIRECTORS
SOUTHERN AFRICA

Mentorship for governing body members

Corporate Governance Network



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Introduction

Today's business landscape requires skilled governing body members who operate in highly dynamic and complex environments. The need for suitably experienced governing body members cannot be underplayed. However, governing body members do not typically walk into a governing body position with all the requisite skills.

As a result of many factors, including rapidly changing technology, consumer behaviour, trends and regulatory forces, a relatively large number of new and inexperienced governing body members are taking up their first appointments. For many this will require an understanding of what their roles and duties are, what is expected of them and the skills that are required to fulfill this responsibility in the context of the nature of the organisation, its sector and environment.

The skills that make governing body members excellent professionals, experts or executives are not necessarily the same skills that will make them excellent governing body members. The skill set required may be different and this new set of skills may be augmented by a mentorship programme. Governing body members need to become familiar with a variety of new concepts, like making decisions in areas they are not experts in and dealing with the challenges that arise from this. The mentorship programme helps mentees develop skills over a shorter period of time by learning from the experiences of the mentor.

The aim of the mentorship programme is to maximise the value the member brings to the governing body, to harness his or her expertise, to allow the director to remain independent and act in a way that reflects his or her unfettered judgment. Mentorship is not limited to new or inexperienced governing body members as discussed in the paper.

Purpose of this paper

This paper considers what governing bodies and governing body members need to consider in relation to mentorship. King IV at Part 5.3 Para 23 states that 'Members of the governing body with no or limited governance experience should be provided with mentorship and encouraged to undergo training.' The paper does not aim to address and describe the process of mentoring.

The role of the governing body

A critical part of effectively contributing to the governing body is understanding what the role of governing body member entails. The primary role of the governing body as discussed in King IV is to:

- Steer and set strategic direction with regards to both the organisations strategy; and the way in which specific governance areas are to be approached, addressed and conducted;
- Approve policy and planning that give effect to the strategy and set the direction;
- Ensure accountability for organisational performance by means of, among others, reporting and disclosure, and
- Oversee and monitor implementation and execution by management.

In understanding the role of the governing body each governing body member understands that being a governing body member is a specialised skill, and requires its own specific skill set.

Areas where mentorship may be beneficial

Members appointed to the governing body would have already been through a thorough process as discussed in the CGN 'Director due diligence'¹ position paper. Whilst a governing body member may learn much about being a director through designations like the Chartered Director South Africa CD (SA) or through programmes such as the IoDSA's 'Being a Director' series, there may still be a number of areas where mentoring is required. A part of this mentorship is about guiding governing body members in the transition between their previous roles and the skills required in the new role as governing body members. These include but are not limited to:

- Managing ethical and integrity matters;
- Participating in decision making in a diverse body;
- Voicing dissenting views (Refer to the related CGN The Dissenting Director² position paper);
- The reflective role of the governing body;
- Understanding the role distinction between management and the governing body;
- Understanding the distinction between operational versus oversight matters;
- Governing body etiquette;
- Understanding and managing the expectations of a governing body when a member is brought in as 'specialist';
- Networking and staying connected and up to date;
- Understanding and working with fellow governing body members;
- Understanding how to make decisions in areas where the member is not the expert;
- Collective accountability;
- What makes an effective director; and
- Being a governing body member in different environments, such as public companies, private companies or public sector governing bodies.

The areas that the governing body member may need to be mentored on will vary from individual to individual. Mentorship may at times not be formally established. These ad hoc mentorships, which are not formally established mentorships are also beneficial.

Identifying the mentee

Governing bodies should determine a process for understanding which governing body members require mentorship. This responsibility is also borne by the governing body member who should perform a self-assessment as to whether he or she requires mentorship. When the need for a mentorship is identified, the governing body and member should also consider whether the mentor is an appropriate fit. The section on 'Identifying a mentor' below discusses some of the attributes of a mentor.

From a governing body perspective, the committee responsible for nominations (if one is appointed) would typically assess the need for mentorship in conjunction with the governing body members and Chair who should lead the process. The King IV Practice note on the role of the Chair and LID³ also notes that the Chair should be responsible for mentoring new/young/less experienced governing body members to develop their skills and enhance confidence.

Mentorship may be considered for a specific class of governing body members, for example for all new governing body members to the governing body, for a period of one year. The purpose of this mentorship may either be to allow the new member to familiarise him or herself with the manner in which the governing body operates or to develop in a particular area. However, this does not mean that the mentorship programme is the same for all governing body members. The programme should be flexible enough to determine the specific areas in which the governing body member/s requires mentorship.

Where the need for mentorship arises from a governing body evaluation, the Chair and the governing body member should jointly determine what the areas of mentorship are and map a plan of how this will be achieved.

Existing governing body members might also seek mentorship, either by their own accord or as a result of a matter identified as part of the governing body evaluation process.

1. https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/05E93ACB-10BE-4507-9601-307A66F34BD8/IoD_Due_Diligence_Brochure.pdf

2. https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/05E93ACB-10BE-4507-9601-307A66F34BD8/CGN_Position_Paper_1_The_Dissenting_Director.pdf

3. https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/562ED5CF-02E8-4957-97C8-D3FoC66A7245/King_IV_Practice_Note_on_Role_of_Chair_and_LID.pdf

Identifying the mentor

The mentor may either be a member of the governing body or an external party. The mentor will typically be a person with the necessary experience to be able to guide the mentee. Mentors should have the ability to build trust with the mentee, to actively listen to the mentee and guide him or her to corrective action and provide new insights that the mentee would not otherwise have identified. It is worthwhile to note that mentees will sometimes use different mentors for different skills that they require, at the appropriate time, rather than only making use of one mentor.

To the extent that the members of the governing body have the requisite skills and ability to mentor, they should fulfill this role. Where these skills do not exist at the governing body level, the organisation should seek external resources. In these instances, governing body members need to carefully consider the confidentiality of the information discussed. Mentorship may include one on one sessions, group sessions, as well as recommendations to include training or workshops or breakfast seminars, for example attending a classroom or online course on corporate governance, IT, ethics or listening and persuasion skills, amongst others.

Determining criteria for mentorship and its evaluation

The objective of mentoring must be defined upfront so that each party has a clear understanding of what is hoped to be achieved by the end of the initial term of mentorship. Mentor and mentee should set clear timeliness, timeframes and goals that they hope to achieve during and at the end of the process. The formal mentoring process allows for measurement of progress and gives confidence to the governing body. However, there may be instances where the mentoring relationship is not formally established. The benefits discussed above do not detract from the usefulness of these ad hoc mentorships.

At the completion of the initial term, and once a review of the effectiveness of the programme has been conducted, the governing body and the member may discuss the need to extend the programme.

The Chair of the committee responsible for nominations, if one is appointed, or the Chair of the governing body should seek to understand the specific mentorship that is required. The Chair and member should meet on a regular enough basis to determine whether the programme is working effectively and to provide feedback. The feedback loop is closed at the completion of the governing body evaluation cycle, including an assessment by the mentee as to his or her progress.

Concluding the mentoring relationship

Having set clear objectives at the outset, the programme ends when the outcomes are achieved. This may be within a short period of time for some mentorship programmes, or may span across a lengthier period for others. It is important that progress is monitored and that the mentorship adds value over time rather than being seen as a compliance or grudge exercise. The monitoring process must also be done for both the mentor and the mentee to ensure that both achieve their set objectives.

Conclusion

The governing body is critical to the success of modern organisations. In order to ensure the governing body fulfils its responsibilities, it requires the presence of members who are suitably skilled to contribute to the advancement of the organisation. Mentorship can be a vital contributor to developing this skills base and equipping individuals to transition from their previous roles to valuable, contributing governing body members.

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