

# **MINDA's ROLES AND PROGRAMMES IN ADDRESSING BOARDS' HIGH PERFORMANCE**

**Presenter :**

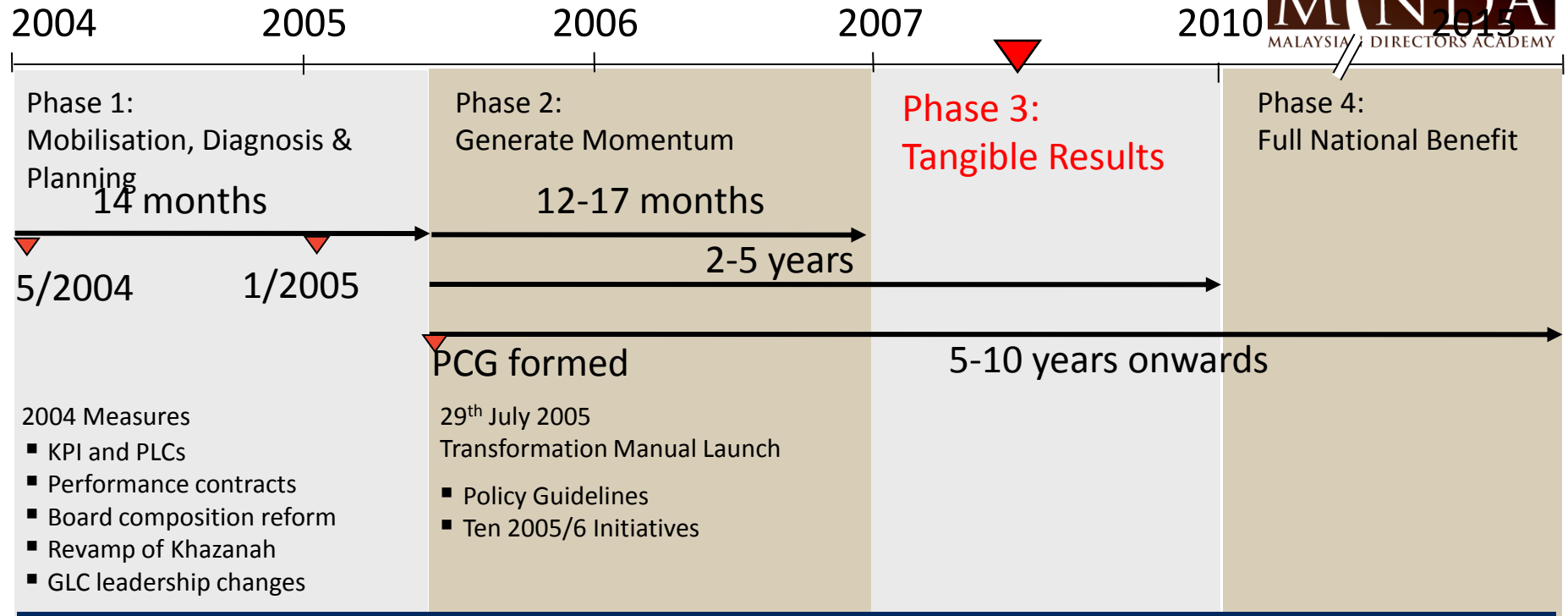
**Dato' Abdul Aziz Abu Bakar**

**CEO, Malaysian Directors Academy (MINDA)**

**MSWG 24 May 2010**



# GLCT PROGRAMME IS A LONG-TERM PROGRAMME OVER 10 YEARS.



**Targeted outcomes:**

- Diagnosis of GLCs conducted
- Determination of Policy Principles
- Initial 2004 Initiatives launched

- 2005/6 Initiatives implemented
- Full roll-out in place
- Key policies endorsed and executed upon
- Early fruits of sustainable improvements

- Maintain momentum
- Tangible & sustained benefits across GLCs
- Visible benefits to all stakeholders, e.g., customers, vendors, employees, etc.
- Large scale strategic and financial changes made
- Material changes to Boards

- Several regional champions
- Most GLCs performing at par with competitors



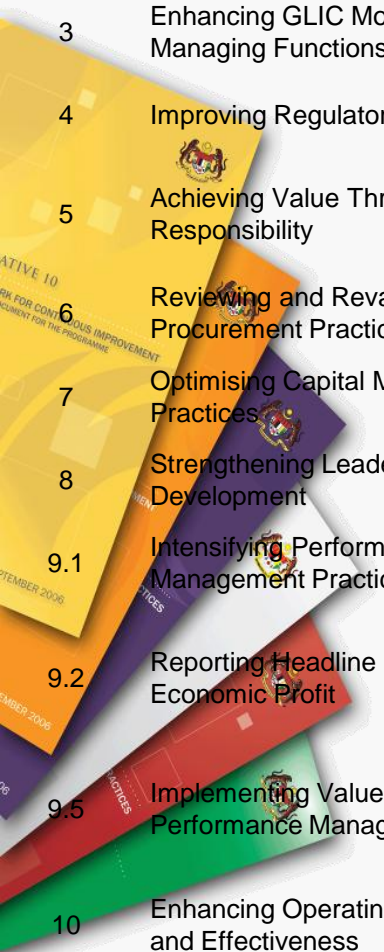
# GLCT's BACKGROUND

- The GLCT is part of the ongoing effort by the Government to drive development and grow the economy in achieving Vision 2020.
- The transformation initiatives seek to produce a change in the Malaysian economy by moving it into a higher level of performance and merit.
- The GLCT is predominantly focused on the transformation of the GLCs i.e. the corporate sector.
- The Putrajaya Committee on GLC High Performance (PCG) was established to follow through and catalyse the GLC Transformation Programme

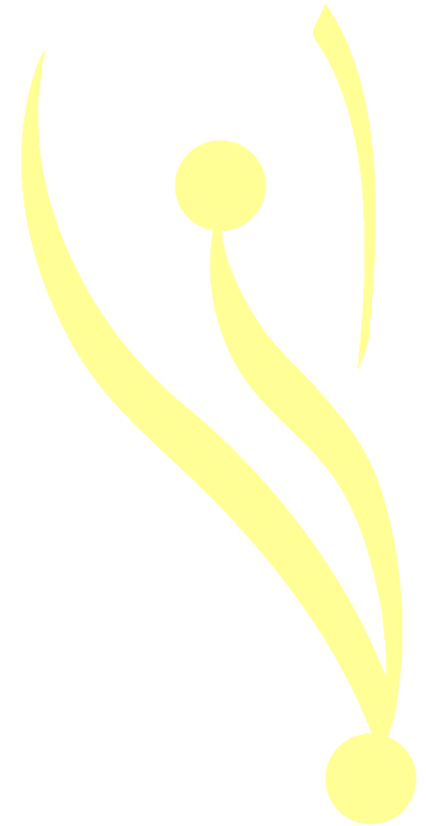
# MINDA IS THE OUTPUT OF INITIATIVE TWO UNDER THE GLCT PROGRAMME



| No  | Initiatives                                      | Description   | Output  | Launch Date         |
|-----|--|---|---|---------------------|
| 1   | Enhancing Board Effectiveness                    | To enhance Board effectiveness through revamping Board practices and processes                                      | Green Book  | April '06           |
| 2   | <b>Strengthening Directors' Capabilities</b>     | <b>To develop a strategy to match Directors to the right Boards and to establish a Directors Academy</b>            | <b>Malaysian Directors Academy (MINDA)</b>                      | <b>December '06</b> |
| 3   | Enhancing GLIC Monitoring & Managing Functions   | To reinforce the ability of GLICs to monitor and manage individual GLCs.  | Brochure on Monitoring and Managing Framework                   | December '06        |
| 4   | Improving Regulatory Environment                 | To enhance regulatory capabilities at GLCs and create a Regulatory Knowledge network                                | Programme for Managing Regulatory Environment                   | September '06       |
| 5   | Achieving Value Through Social Responsibility    | To guide GLCs to become responsible corporate citizens while creating value for their shareholders and stakeholders | Silver Book   | September '06       |
| 6   | Reviewing and Revamping Procurement Practices    | To enhance the effectiveness and efficiency of the procurement processes in GLCs                                    | Red Book  | April '06           |
| 7   | Optimising Capital Management Practices          | To establish guidelines for GLCs to optimise their capital structure  | Purple Book   | December '06        |
| 8   | Strengthening Leadership Development             | To improve GLC capabilities in attracting, developing and retaining talent  | Orange Book   | December '06        |
| 9.1 | Intensifying Performance Management Practices    | To encourage adoption of performance management best practices at GLCs  | Blue Book Version 2   | July '05            |
| 9.2 | Reporting Headline KPIs and Economic Profit      | Guidelines on announcement of headline KPIs and economic profit to promote GLCs accountability and transparency     | Guidelines on announcement of Headline KPIs and Economic Profit | March '06           |
| 9.5 | Implementing Value Based Performance Management  | Programme to help tailor and support performance management efforts at GLCs   | Programme on Value-Based Performance Management                 | December '06        |
| 10  | Enhancing Operating Efficiency and Effectiveness | To enhance operational effectiveness and efficiency through the adoption of a Framework for Continuous Improvement  | Yellow Book   | September '06       |

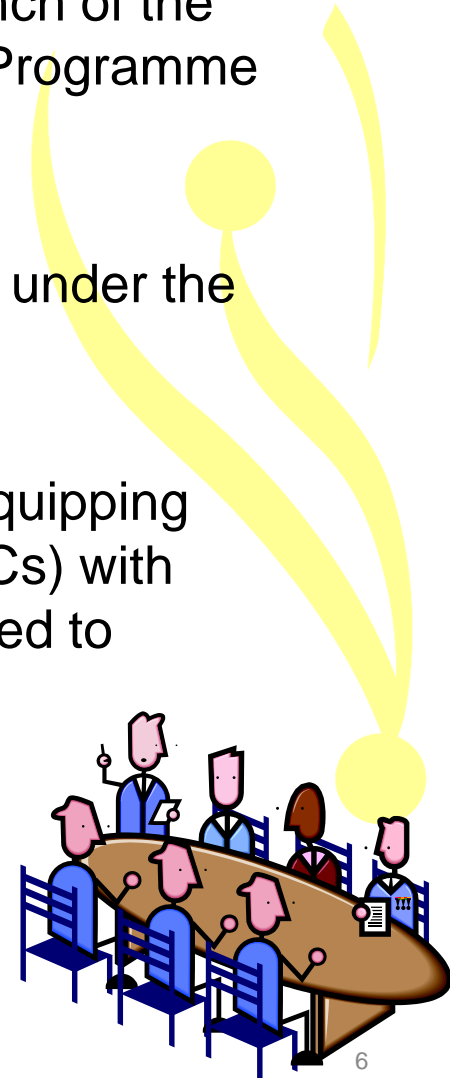


# MINDA'S ROLES



# MINDA'S BACKGROUND

- Established in December 2006 following the launch of the Government-Linked Companies Transformation Programme (GLCT) Initiatives on 29 July 2005.
- Incorporated as a company limited by guarantee under the Ministry of Finance Incorporated.
- Objectives - to address Board performance by equipping Directors of Government-linked Companies (GLCs) with world-class knowledge, skills and mindset required to perform to a consistently high standard.
- Strategy - Assisting Boards in focusing on their fundamental roles and responsibilities, such as strategy setting and corporate performance management.



## **VISION**

To be a global player in the development of Directors whilst supporting national development objectives.

## **MISSION**

Enhance Board Effectiveness by developing Directors with world-class knowledge, skills and mindset.

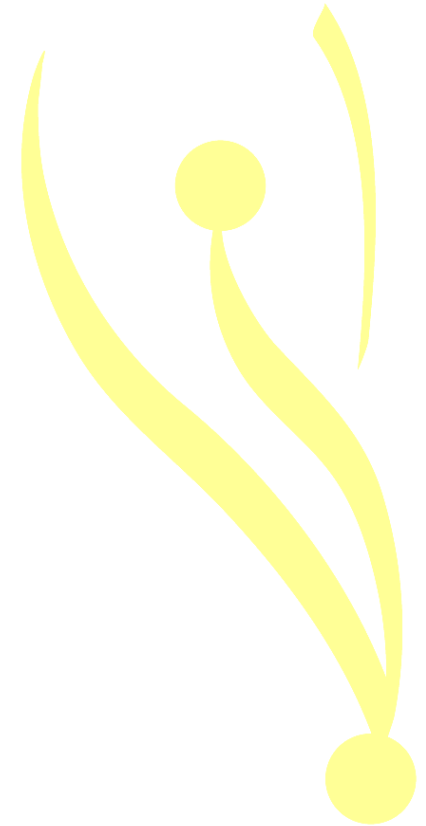


# STRATEGIC LEVERS /PILLARS TO SUPPORT MINDA'S VISION AND MISSION

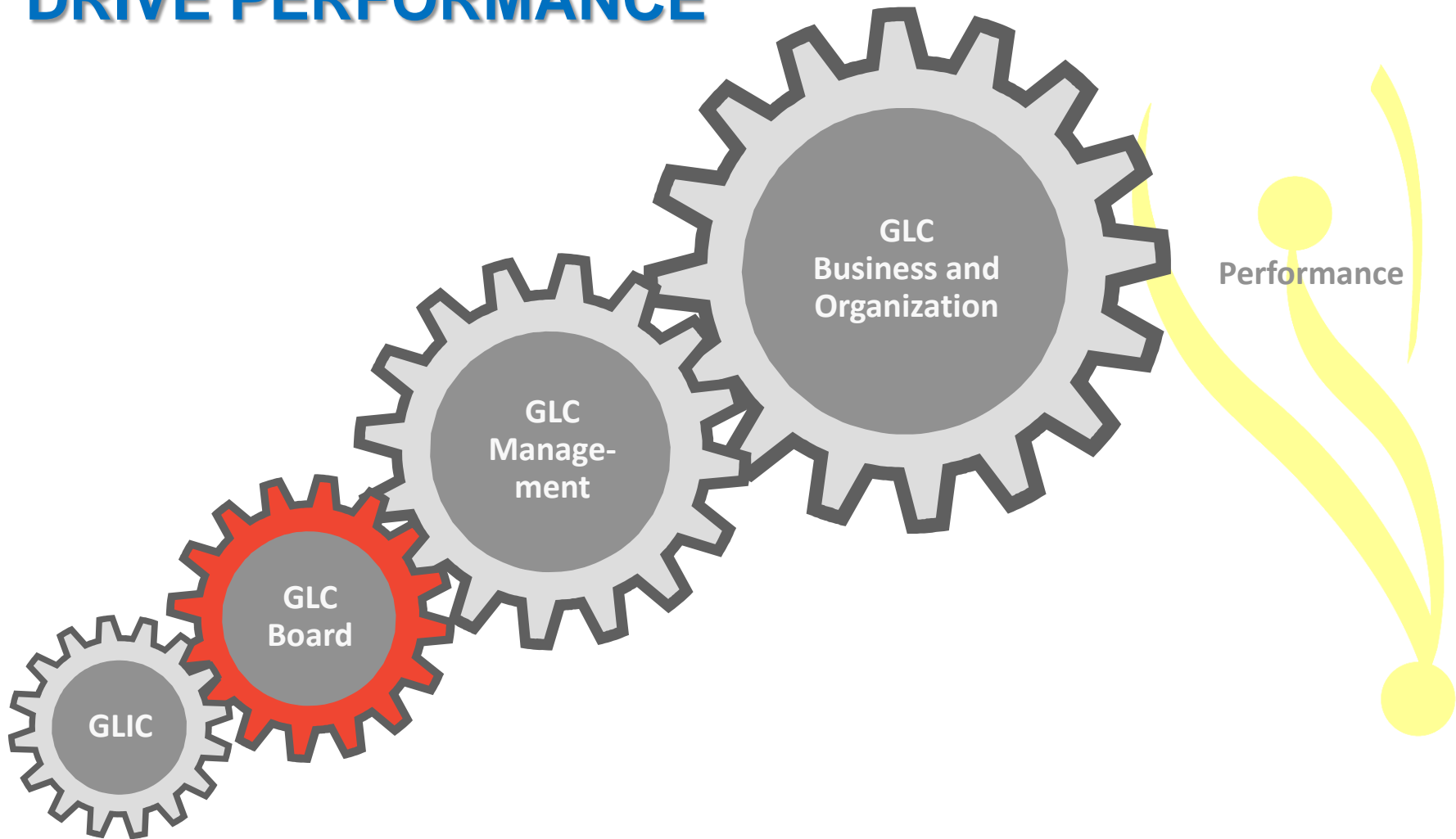




# MINDA'S PROGRAMMES



# BOARDS PLAY A CENTRAL ROLE TO DRIVE PERFORMANCE



# Ideal Characteristics of an Effective Director Profile...

## Mindset

## Skills

What a Director believes

What a Director can do

## Knowledge

What a Director Knows

For Directors to be a world class director, and fulfill their roles mentioned earlier, they need to have mastery of these 3 DOMAINS.

Mindset being the most important of all.



# What Each Domain Means...

---

## KNOWLEDGE – “What a Director knows”

---

- Understands fiduciary responsibility as a Director
- Understands the fundamental roles and responsibilities of the Board and Directors
- Understands and adheres to the clear boundaries between the Board and management
- Understands key industry trends (e.g. competition), geographies, and functions (e.g. operational, legal, technical) that are most relevant to the company
- Understands Malaysian cultural, social, political and developmental context
- Knows the company well enough at the right level of detail (e.g. where profit is made/lost, how customers buy, how things are manufactured, what are major talent gaps in critical positions)
- Understands shareholder expectations (e.g. dividend expectations, growth forecast) and knows key stakeholders (e.g. suppliers, regulators)

---

## SKILLS – “What a Director can do”

---

- Actively and constructively solves problem (e.g. share, challenge and close) with the Board and key management
- Decisively challenges, then supports management
- Possesses business acumen from prior experiences to identify key issues and propose solutions
- Proactively uses networks and manages multiple stakeholders for the benefit of the company

---

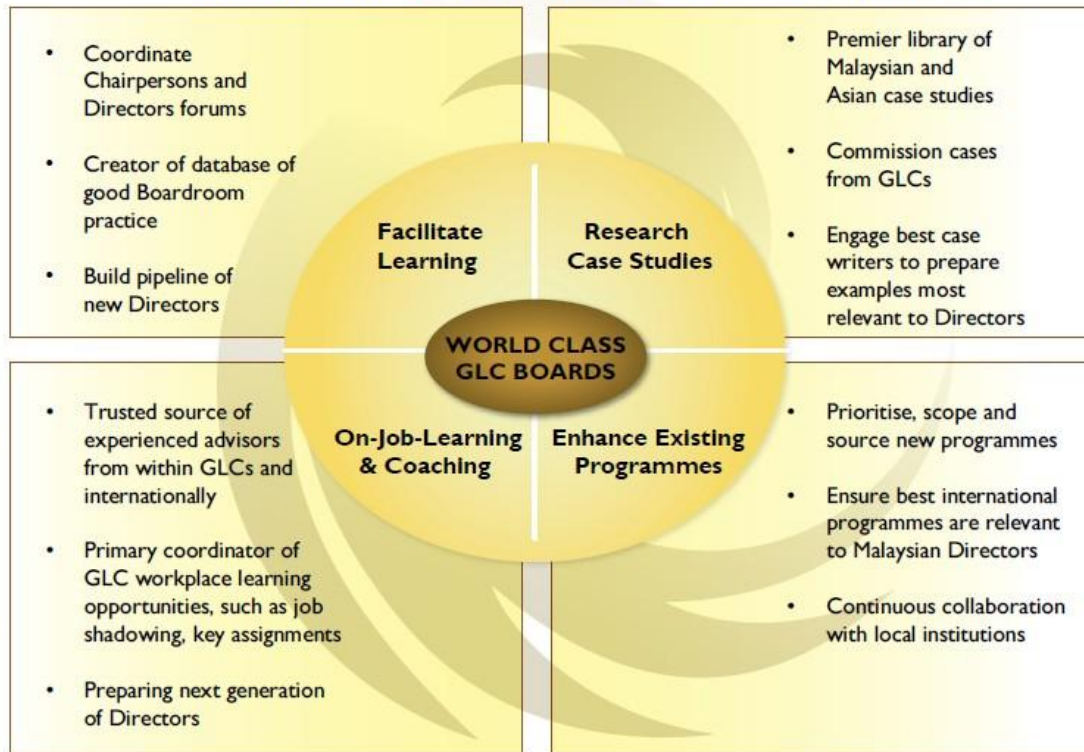
## MINDSET – “What a Director believes”

---

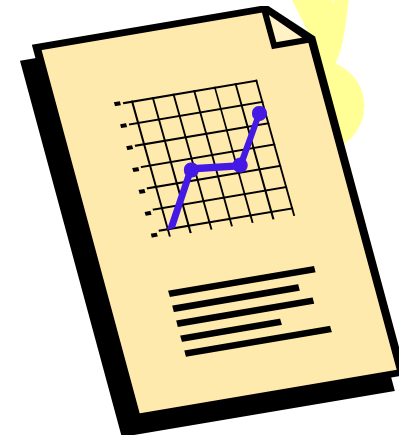
- Believes that performance of Director is critical (requires performance measures and consequences) and that the position is earned, not an entitlement
- Balances all shareholder and valid stakeholder interests while representing views of GLIC (if nominee)
- Behaves like an owner of the company and feels accountable to the company
- Has the integrity and courage to not act in self-interest and dissent when required
- Willing to invest adequate time and effort and not spread too thin across too many responsibilities

# The MINDA Approach – Adding Value to Directors...

## THE MINDA APPROACH - ADDING VALUE TO DIRECTORS

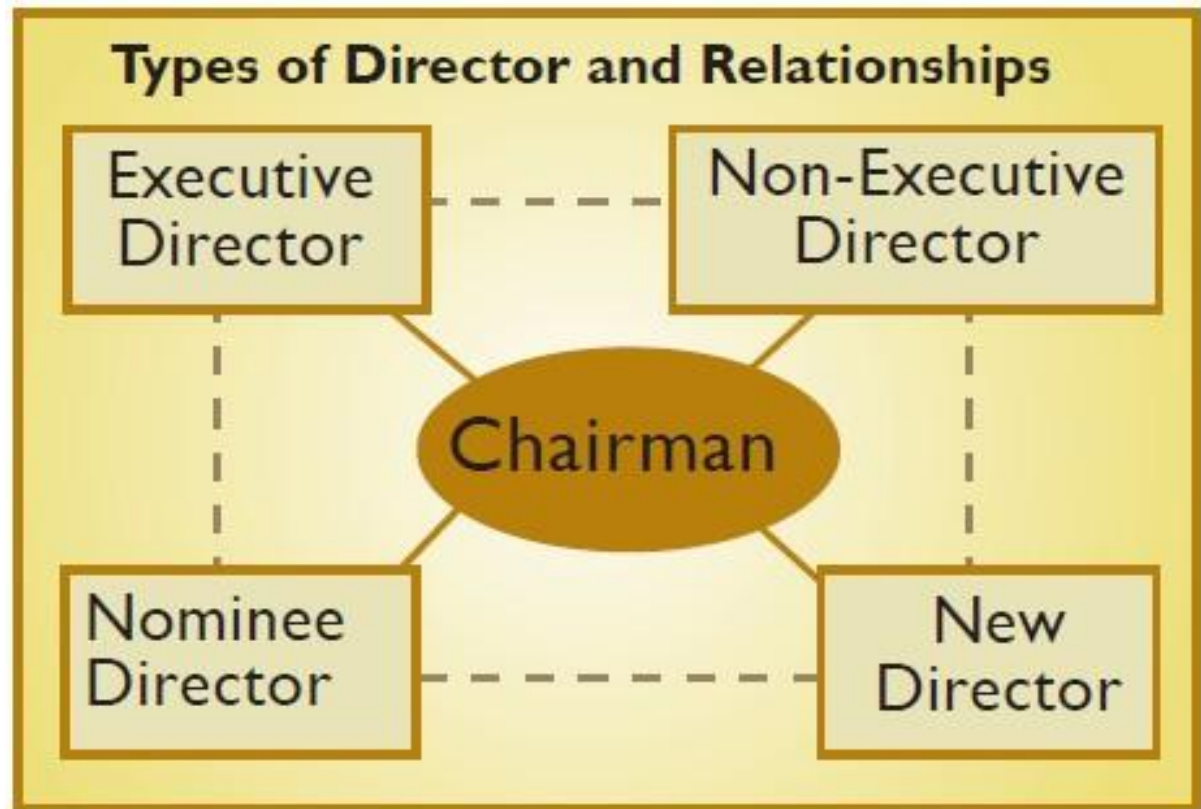


- Our approach to developing Directors is a holistic journey:
  - Classroom learning
  - Research Case Studies
  - On-the-job Learning and Coaching



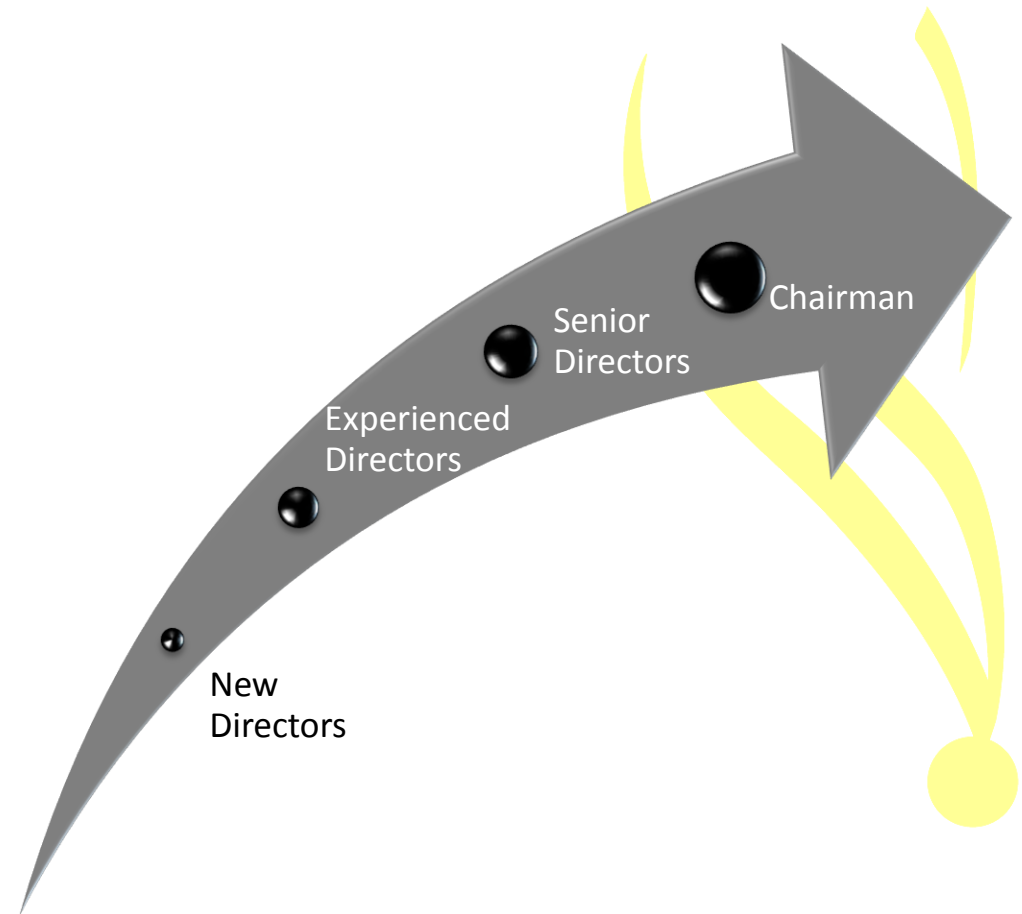
# Knowing Our Target Audience...

There are different types of Directors and complexities within the Board



# Different Levels of Experience and Expertise...

There are also different levels of experience, expertise, knowledge, and skills, each Director brings with them, into the Board



# Convergence of Roles as Directors of a GLC...

## Stakeholders

- Shareholders
- Government
- Corporate Responsibility

## Board

- Chairman
- Board Members

## Organization

- Senior Management

- A Director's role is about managing relationships vis-à-vis inter / intra personal communication
- Consists of 3 prong:
  - Within Board
  - Board and Stakeholders
  - Board and Senior Management



# MINDA's Programmes

## Premier Programmes

- Building High Performance Directors
- Directors' Forum
- Chairman's Forum

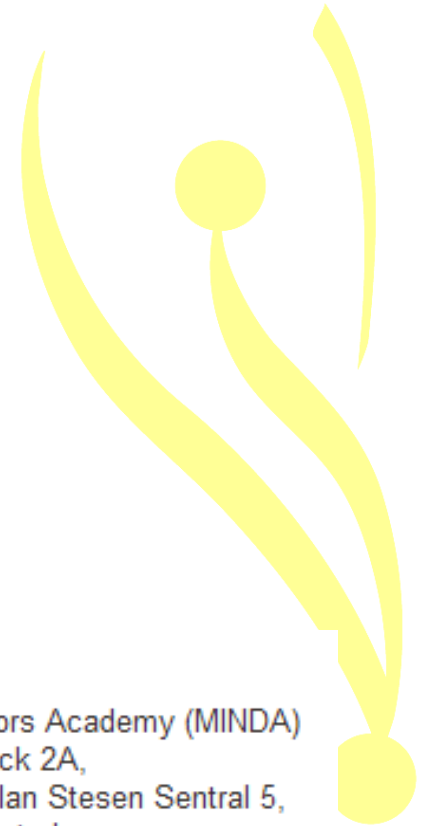
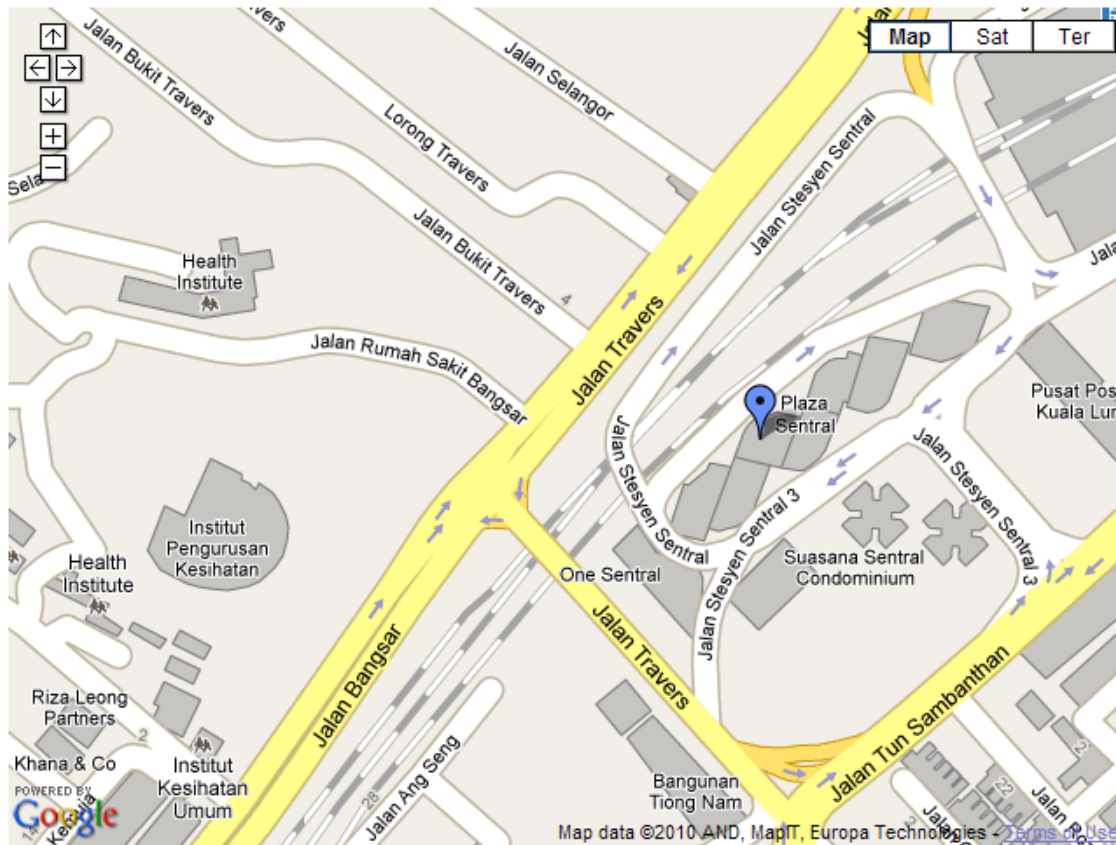
## Customised Programmes

- **Nominee Director Programme**
- **Company Retreat**
- MINDA special program to meet special needs of the Board

## Awareness & Networking

- Breakfast, Luncheon and Tea Talk.
- Very short, a couple of hours

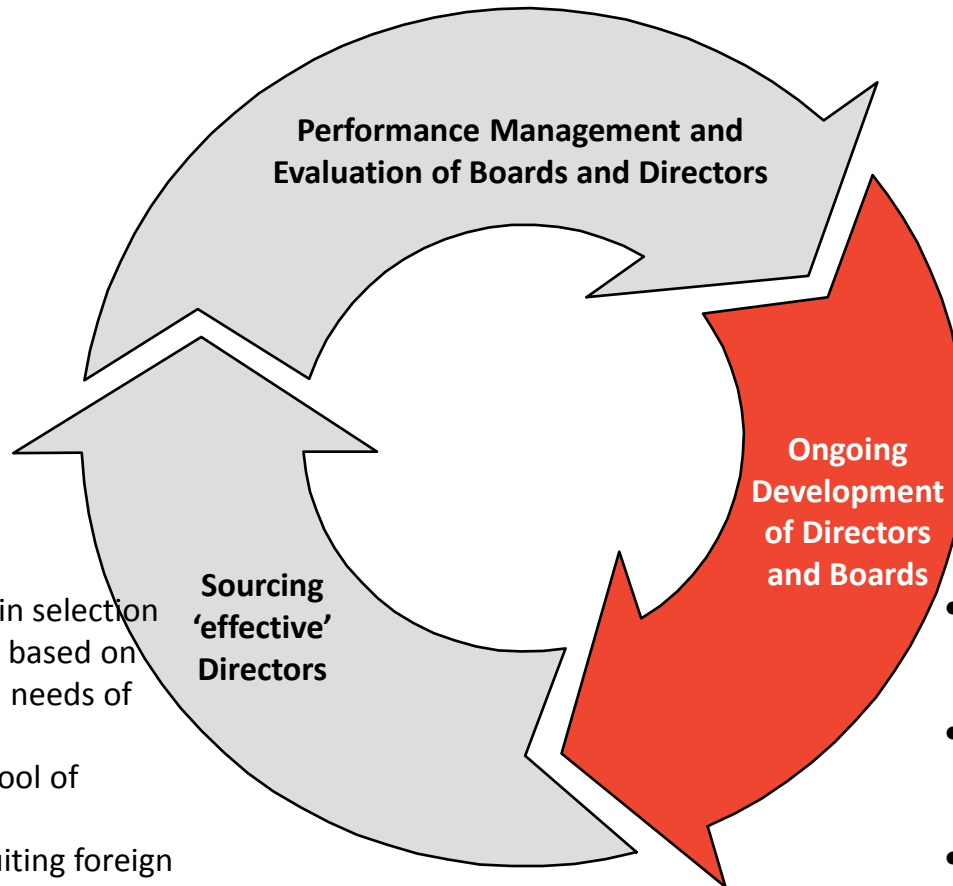
# Thank You



**Our address:**  
Malaysian Directors Academy (MINDA)  
Suite 2A-2-1, Block 2A,  
Plaza Sentral, Jalan Stesyen Sentral 5,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur.

**Tel:** 03-2780 5031  
**Email:** [info@minda.com.my](mailto:info@minda.com.my)

# THERE ARE FUNDAMENTAL BOTTLENECKS ACROSS CYCLE OF SOURCING, PERFORMANCE MANAGEMENT AND DEVELOPMENT THAT NEED TO BE TACKLED TO CLOSE THE GAP



- Performance management lacks meaningful feedback and real consequence management, making it difficult to remove ineffective Directors and motivate effective Directors
- Lack of evaluation processes to highlight potential training and development needs

- Existing programs too “classroom” oriented and not tailored to specific company and board situations
- Lack of high quality training programs to address skill and knowledge gaps
- Not sufficiently focused on developing the softer skills (e.g. how to challenge constructively)

- Government involvement in selection of Chairmen/Directors not based on clear selection criteria and needs of Board
- Over-reliance on limited pool of candidates
- Perceived barriers to recruiting foreign Directors
- Unattractive value proposition for Directors (e.g. inadequate compensation)
- Sub-optimal match of Directors with needs of company

**HOWEVER, MINDA HAS SEVERAL DIFFERENTIATING FACTORS TO DISTINGUISH ITSELF IN THE MARKET.**



**MINDA'S UNIQUE VALUE PROPOSITION**

MINDA programmes and framework are **benchmarked against world class institutions**

- Conducted benchmarking study with global and regional institutions.
- Continuously refine framework and learning programmes to achieve maximum learning impact.

Its programmes are **aligned with GLCT Programmes**

- Ensure GLCT objectives are deeply embedded in MINDA programmes.
- Green Book, Blue Book, Silver Book, Orange Book, and others.

Focuses on creating **high performance of GLIC and GLC Boards**

- Focus on GLIC/GLC Boards, not senior management.
- Move beyond compliance and regulatory aspects of Board work.

Core programmes are **customised to local and in particular GLC environment**

- Local Case Studies
- JIT Notes and Learning Summary
- Knowledge Gift
- Continuous Feedback

- Five GLC Case studies in 2007.
- MAS, TNB, GH, Global Chem, UEM
- Capturing salient points and atmosphere.
- Summarise major learning.
- In 2007, BHPD participants received 5 relevant books over 3 modules.
- Personal meetings with key stakeholders – inputs, feedback.