



Interconnecting governance and culture

Research in collaboration with the
Good Governance Academy

Improving society by
improving business



about CoSteer®

Founded in 2020, we help you steer your organisation, align your purpose, values and people, enhance your business and improve society.

Using our proprietary technology, evidence-based practice, interdisciplinary research methods, and governance expertise, we support you in enhancing understanding of your organisation's governance and its impact on performance.

We measure the three foundational and interconnected elements of governance:

Culture
Decision-making, and
Decision Implementation

Our propriety technology produces quantitative data providing strategic insights to demonstrate and monitor where you are on your governance journey. Multiple indicators emerge from our assessment tool and these can be used to implement an intelligent strategy to enhance your organisation's governance.

Constructed using scientific methodology, which considers behavioural science, evolutionary psychology, neurophysiology, and governance research.

As well as the internal importance of good governance and how it can impact the culture and performance of an organisation, for listed and regulated firms, adherence to relevant codes is a key outcome, specifically compliance with particular rules and regulations.

Our indicators correlate to different aspects of various global corporate governance codes allowing companies to assess their alignment.

Our assessment tool allows you, over time, to understand the impact of governance on your business and how improvements in these areas could directly enhance your financial performance. Furthermore, we enable you to undertake an anonymised comparison to peers in your sector, jurisdiction and country.

“The output is invaluable and, in my view, a must have for any organisation looking to measure and assess their leadership, culture, transparency and operational effectiveness.”

Arun Chauhan | Founder of Tenet



Welcome

Hello, and a warm welcome to our research programme in collaboration with the Good Governance Academy. We are absolutely delighted to have you consider joining us on this journey of discovery.

You will find here an introduction to our research and how you can begin the journey towards enrolling your organisation onto the programme.

We appreciate you may have questions, so please feel you can contact us with any that you may have. Divya will be able to help you, please email her on divya@costeer.co.

Introduction

Modern governance is perhaps moving into its post-modern era. It's shifting, often ill-defined and somewhat troublesome. Recently, regulators, movements and academics around the world have been recognising that current codification is adding little to resolve the corporate failures and corporate ethical issues.

Much of the focus of corporate governance codes around the world is to negate the 'agency problem' identified by Jensen and Meckling in 1976. Fully negating or de-risking this 'agency problem', however, is a challenge, and other theories of governance, such as Stewardship (Davis et al, 1997), have begun to consider this problem to be more human.

Bartlett and Ghoshal (1994) were maybe not the first, but they pushed academics to take a good look at organisational 'purpose' and suggested that it could be the driver to effective strategic management. They noted a shift from the "old doctrine of strategy, structure, and systems" to "a softer, more organic model built on the development of purpose, process, and people."

They argued that the principal responsibility of the board is not solely to develop strategy, but to instil a unified sense of 'purpose' across and through an organisation

The problem

Governance is inherently very difficult to measure (Darko et al, 2014) and the codification of corporate governance has also led organisations to slide towards a ‘tick box’ approach, despite the requirements for ‘comply or explain’ statements in certain countries.

The measures that do exist are simply not enough, and in fact, don’t really get at the heart of the question, “how well are both the organisation, and the people within the organisation, ‘being steered’ and how well are they ‘steering’?”.

Most measures of corporate governance focus on compliance related issues. Numerous rating models also seem to focus on the inputs of governance, such as the composition of boards and the separation of the CEO and chairman roles and diversity.

All admirable, however, Argüden (2010) argues that

these measures simply do not pay sufficient attention to the quality of information, decision-making processes, nor do they link the effectiveness of governance to output measures such as the brand image, employee and customer satisfaction indices, or profitability and value creation.



CoSteer’s interconnected model of governance, which acknowledges the system of governance as inherently complex.

It promotes the perspective that governance is formed of three interconnecting domains

Our invitation

We are on a road of discovery through research and learning. This programme will focus on exploring the interconnections between organisational culture, the quality and ethics of decision-making and the operational efficacy and performance within organisations.

If organisations are but a group of humans gathered around a common purpose or goal, it would be understandable to presume that the arrangement of that system would not be complex. However, the human brain is considered a 'complex system' and therefore any group of human brains will by extrapolation be complex. The governance of an organisation has been determined by many as a complex system and therefore inconceivable that a multidisciplinary approach to its measurement and understanding be warranted, but this is largely what we see in the literature.

Multidisciplinary approaches to solving complex problems have been shown to be ineffective and in the early 1970s interdisciplinary research began to emerge where, Whitney, K et al describe it as "[where]...representatives from different disciplines confronted problem complexes together to solve them collaboratively". Systems Theory was born out of the need to develop solutions that were interdisciplinary in nature.

Complexity is a science that endeavours to unify frameworks across disciplines in a bid to understand a system or behaviour which previously has been very difficult to predict. There is a branch of complexity that specifically looks at governance, Complex System Governance (CSG) and Keating, 2016 noted that there is paucity of research in this area.

He adds, "...there has been virtually nothing of rigorous depth developed that serves to explore the intersection of the 'complex systems' and 'governance' fields".

Join us

We are seeking organisations to participate in this research and to therefore contribute to developing a practical, more human and more scientific complexity approach to measuring organisational governance linked to purpose, values and behaviours and their interconnections.

The next step is to contact us and Divya will help you through the next simple steps divya@costeer.co

We are excited to have you with us!