CoSteer®

Reducing Uncertainty

Increasing the probability of
change and growth through governance

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Governance Change Growth Mergers & Acquisitions Transformations

Perrin Carey
Founder and CEO

perrin@costeer.co

Exploring the **performance and dynamics of boards** and observing the collaboration between boards and their executives

Transforming governance beyond compliance into performance using systems thinking

Good Governance Academy

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Where to begin

as we move towards discovery

"It is strange to be here. The mystery never leaves you alone. Behind your image, below your words, above your thoughts, the silence of another world waits."

John O'Donohue,
Anam Cara: a book of Celtic wisdom

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Our journey
through our observations

- Our observations on the **perceptions on the quality of governance**.
- Our observations on the **perceptions between boards and their executives**.
- Our observations on the **impact of a 'systems' approach to board and governance development.**

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A new challenge

for a new world

We need to **urgently approach** the performance and health of organisations through the lens of **'systems thinking**'...seeking to understand the **interrelationships** within the system, not simply the siloed performance of domains in the system.

Without this, we will not be able to respond to the **crises** we are all facing

Matt Watkinson & Csaba Konkoly – Mastering Uncertainty, 2023

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Complexity in governance

a challenge for us

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

Keating, 2015

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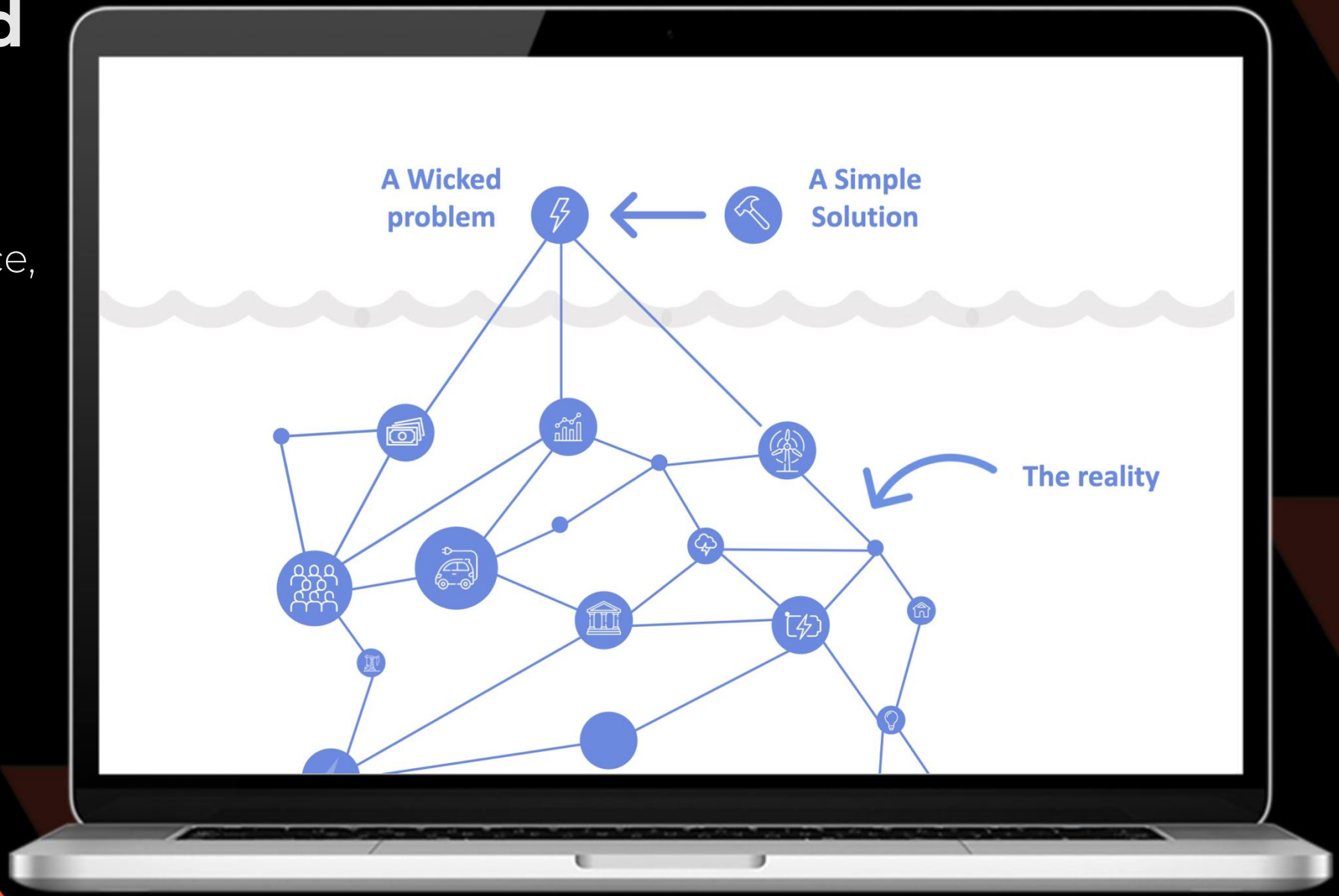
Foundational perspectives for the emerging complex system governance field Int. J. System of Systems Engineering, Vol. 6, Nos. 1/2, 2015

It’s a wicked problem

these relationships between governance, and culture



Pictures from SI Governance Community Paper on Complexity

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What's the interconnection

between governance and culture?

"Interconnectedness, **unpredictability**, and **uncontrollability** are key characteristics of all complex dynamic systems.

In dealing with complexity rather than mechanisms, the aim of science shifts from improving our ability to predict and control **to aiming to better understand the dynamics and relationships of the systems we participate in so that our participation can be more appropriate**."

Daniel Wahl, 2019

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Text from a paper by Daniel Wahl, 2019

Our model

performance focused

Our governance model has been validated* and consists of three core interconnected elements:

Organisational Culture, Decision-making, and Decision Implementation.

By observing and measuring governance and board effectiveness in this way, we can more strategically guide boards and their leadership on where to focus your efforts to enhance both governance and performance.

Pictures from SI Governance Community Paper on Complexity

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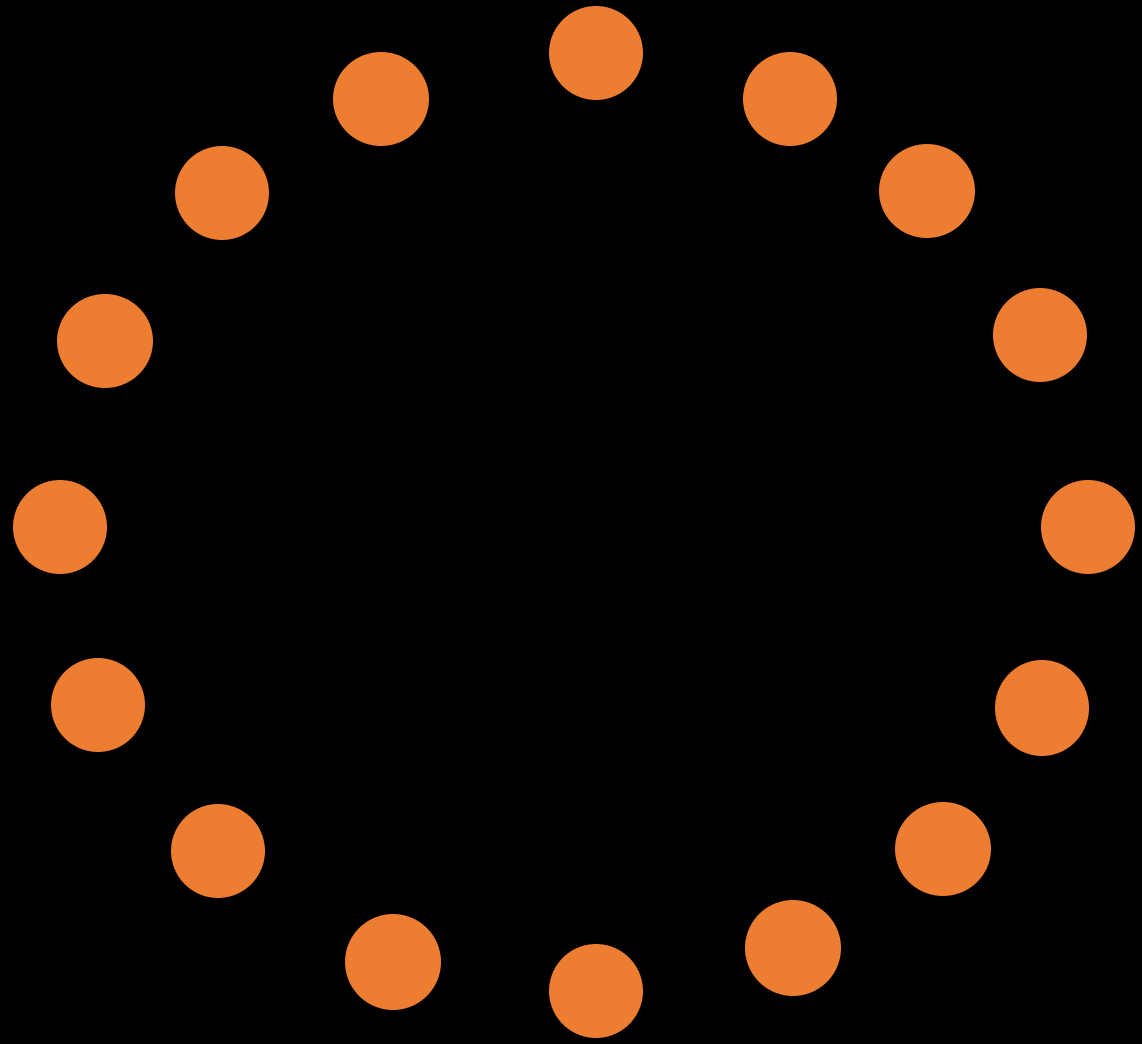
Measuring organisations

as a complex interconnected system

Build an interconnected measurement instrument

27 Indicators



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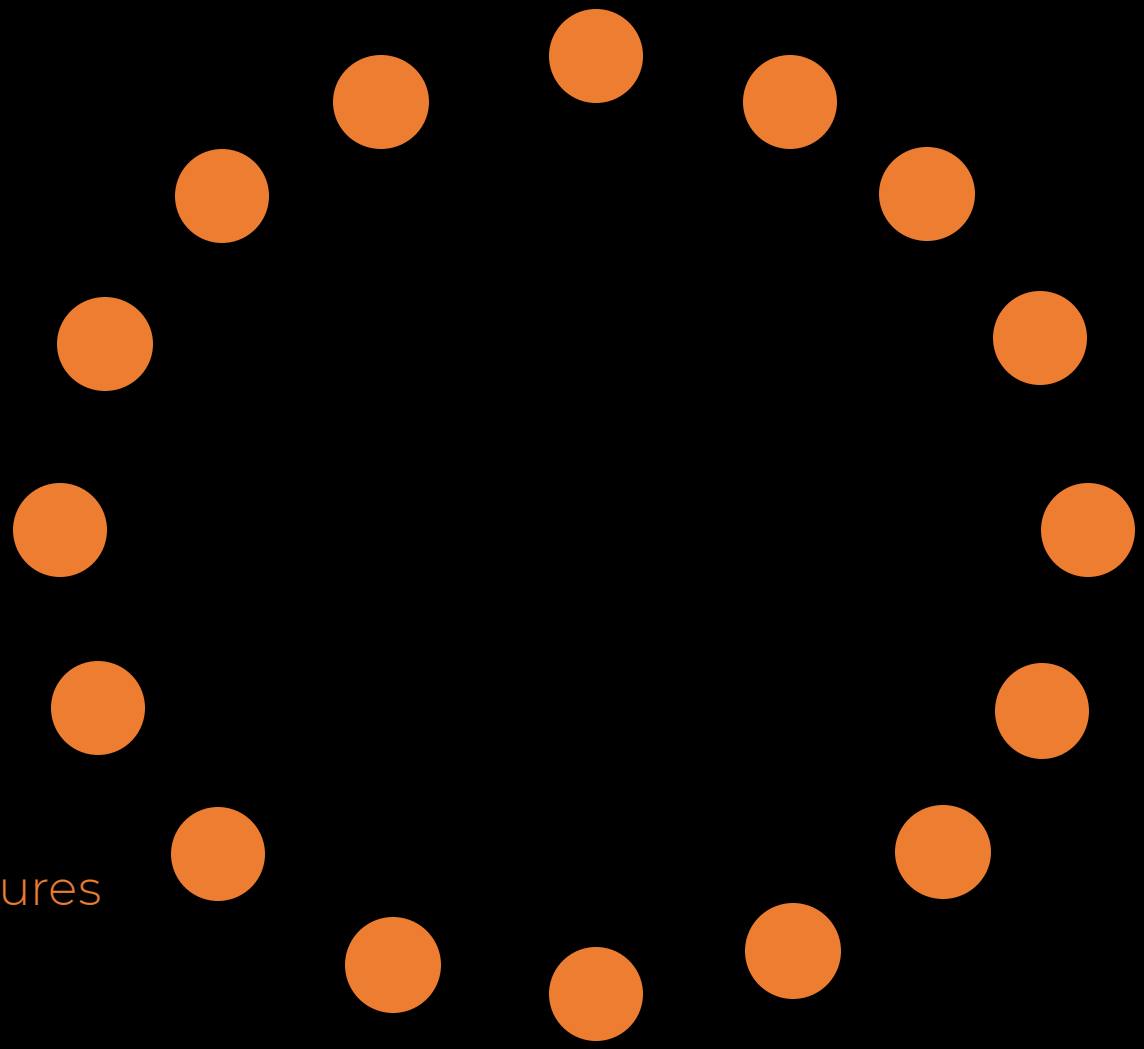

CoSteer® Model of Governance – As presented at the Good Governance Research Forum, 2022

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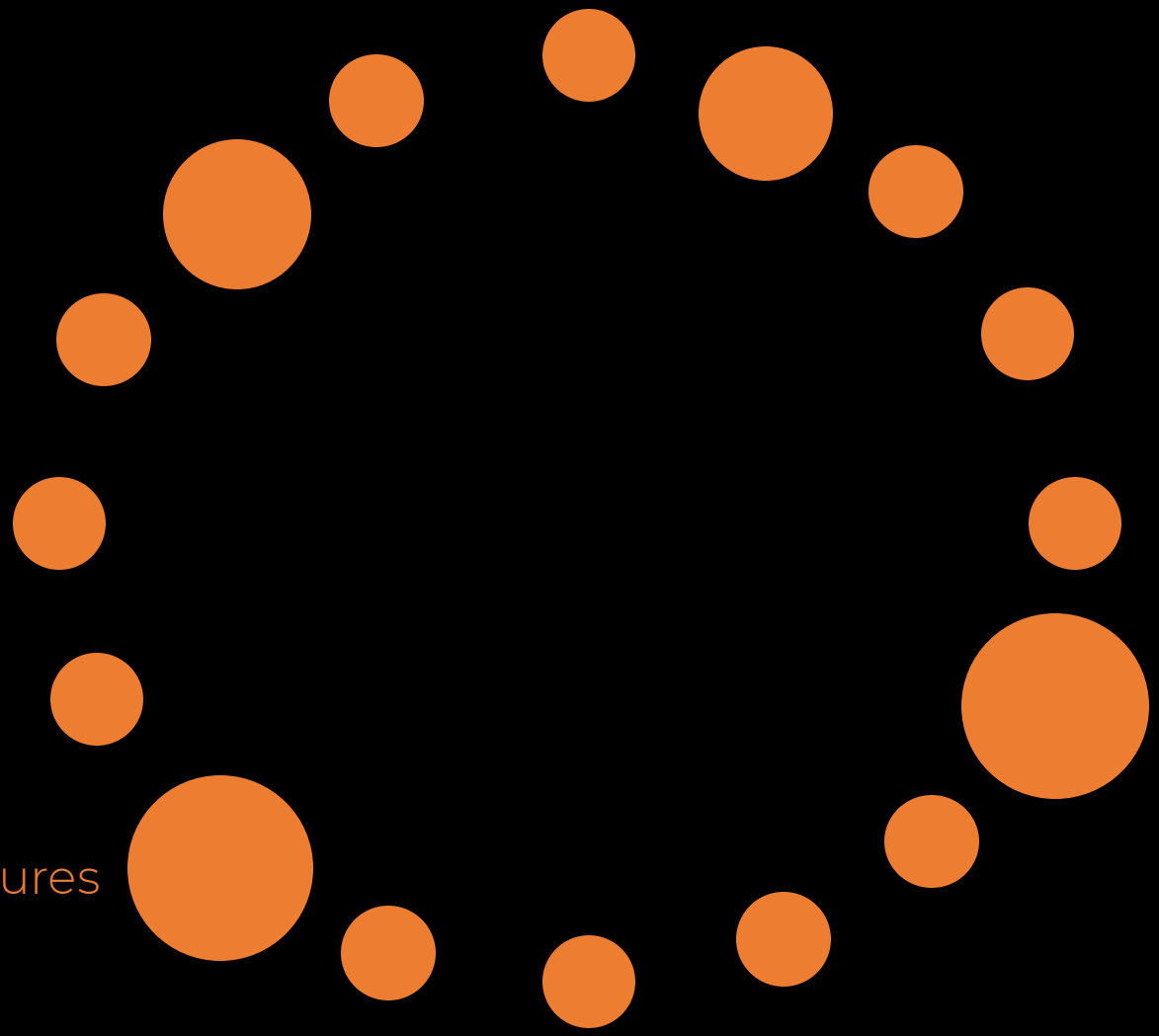
27 Indicators
Seeking dominance



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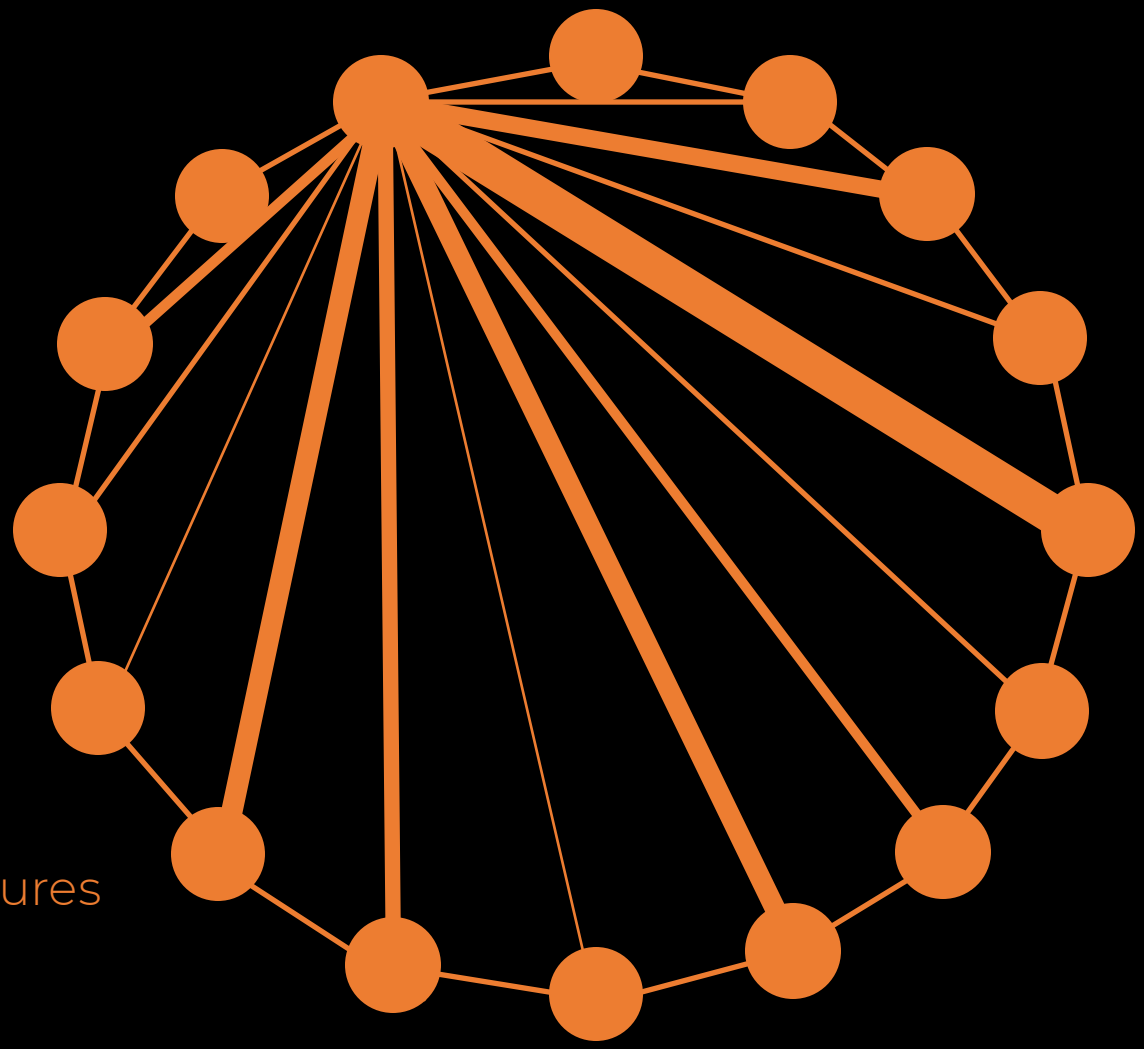

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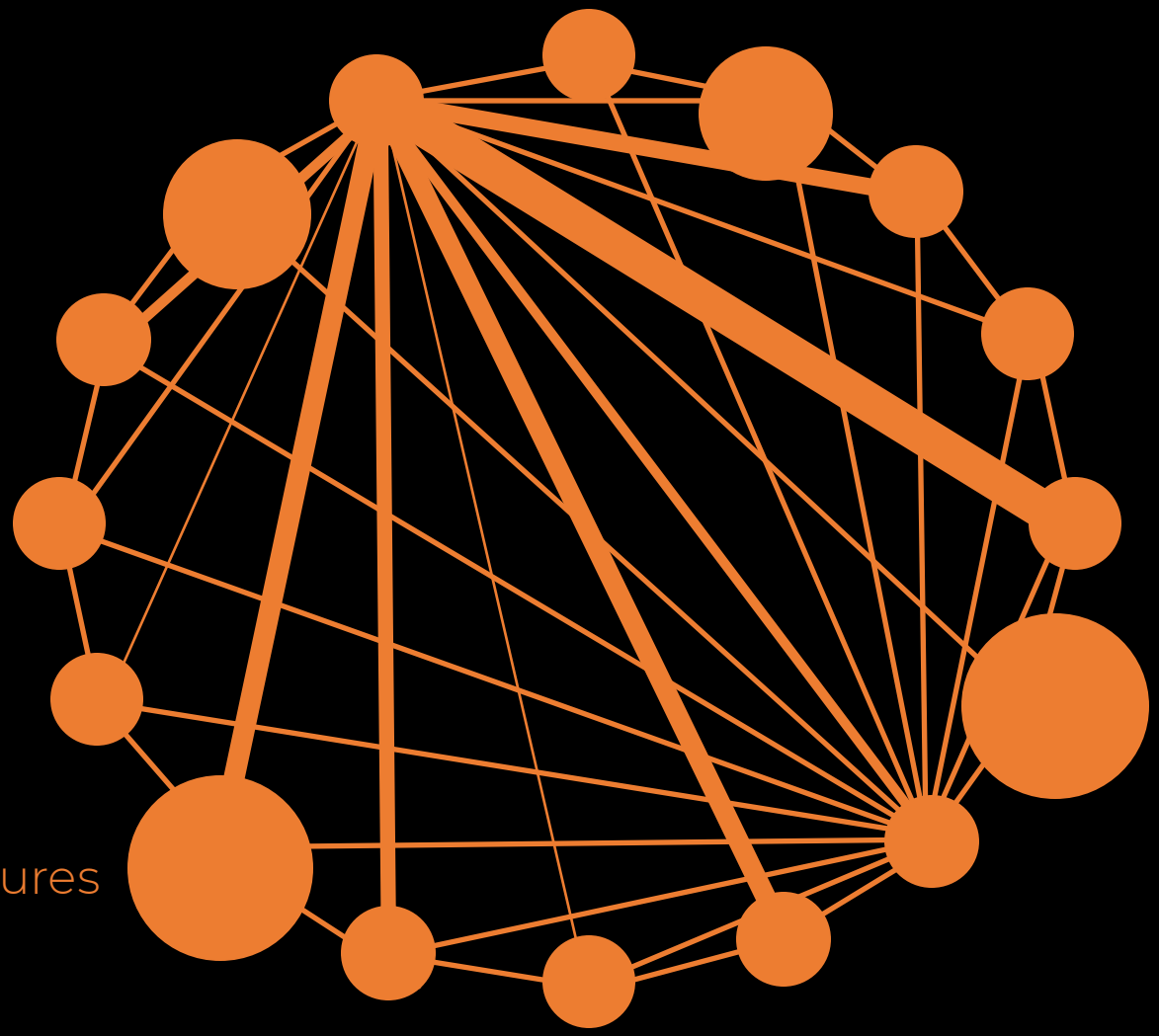

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What's emerging

from our data on governance and culture

Eight dominant factors

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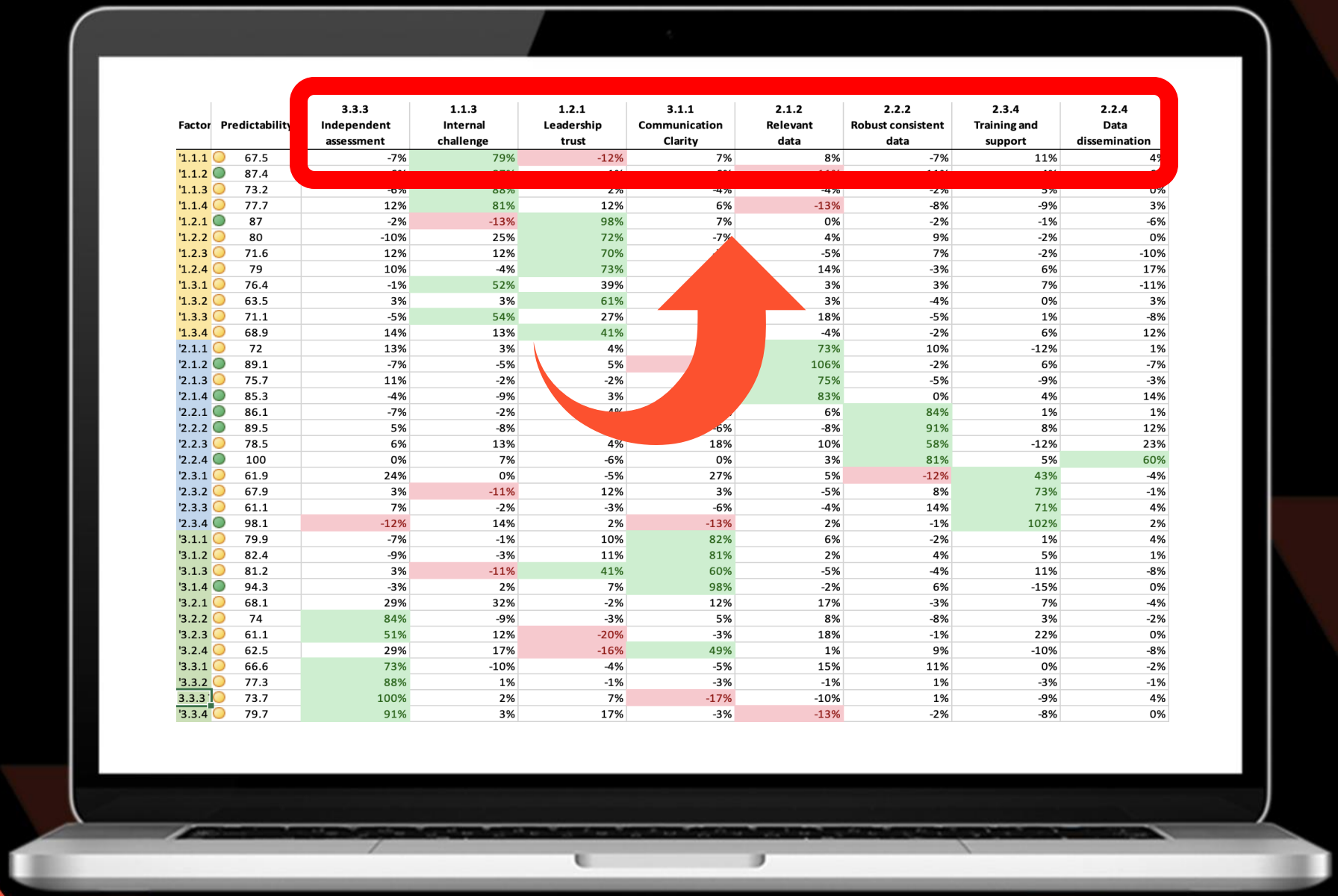
Eight dominant factors



Factor	Predictability	3.3.3 Independent assessment	1.1.3 Internal challenge	1.2.1 Leadership trust	3.1.1 Communication Clarity	2.1.2 Relevant data	2.2.2 Robust consistent data	2.3.4 Training and support	2.2.4 Data dissemination
'1.1.1	67.5	-7%	79%	-12%	7%	8%	-7%	11%	4%
'1.1.2	87.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
'1.1.3	73.2	-6%	88%	2%	-4%	-4%	-2%	5%	0%
'1.1.4	77.7	12%	81%	12%	6%	-13%	-8%	-9%	3%
'1.2.1	87	-2%	-13%	98%	7%	0%	-2%	-1%	-6%
'1.2.2	80	-10%	25%	72%	-7%	4%	9%	-2%	0%
'1.2.3	71.6	12%	12%	70%	[illegible]	-5%	7%	-2%	-10%
'1.2.4	79	10%	-4%	73%	[illegible]	14%	-3%	6%	17%
'1.3.1	76.4	-1%	52%	39%	[illegible]	3%	3%	7%	-11%
'1.3.2	63.5	3%	3%	61%	[illegible]	3%	-4%	0%	3%
'1.3.3	71.1	-5%	54%	27%	[illegible]	18%	-5%	1%	-8%
'1.3.4	68.9	14%	13%	41%	[illegible]	-4%	-2%	6%	12%
'2.1.1	72	13%	3%	4%	[illegible]	73%	10%	-12%	1%
'2.1.2	89.1	-7%	-5%	5%	[illegible]	106%	-2%	6%	-7%
'2.1.3	75.7	11%	-2%	-2%	[illegible]	75%	-5%	-9%	-3%
'2.1.4	85.3	-4%	-9%	3%	[illegible]	83%	0%	4%	14%
'2.2.1	86.1	-7%	-2%	[illegible]	[illegible]	6%	84%	1%	1%
'2.2.2	89.5	5%	-8%	[illegible]	-6%	-8%	91%	8%	12%
'2.2.3	78.5	6%	13%	4%	18%	10%	58%	-12%	23%
'2.2.4	100	0%	7%	-6%	0%	3%	81%	5%	60%
'2.3.1	61.9	24%	0%	-5%	27%	5%	-12%	43%	-4%
'2.3.2	67.9	3%	-11%	12%	3%	-5%	8%	73%	-1%
'2.3.3	61.1	7%	-2%	-3%	-6%	-4%	14%	71%	4%
'2.3.4	98.1	-12%	14%	2%	-13%	2%	-1%	102%	2%
'3.1.1	79.9	-7%	-1%	10%	82%	6%	-2%	1%	4%
'3.1.2	82.4	-9%	-3%	11%	81%	2%	4%	5%	1%
'3.1.3	81.2	3%	-11%	41%	60%	-5%	-4%	11%	-8%
'3.1.4	94.3	-3%	2%	7%	98%	-2%	6%	-15%	0%
'3.2.1	68.1	29%	32%	-2%	12%	17%	-3%	7%	-4%
'3.2.2	74	84%	-9%	-3%	5%	8%	-8%	3%	-2%
'3.2.3	61.1	51%	12%	-20%	-3%	18%	-1%	22%	0%
'3.2.4	62.5	29%	17%	-16%	49%	1%	9%	-10%	-8%
'3.3.1	66.6	73%	-10%	-4%	-5%	15%	11%	0%	-2%
'3.3.2	77.3	88%	1%	-1%	-3%	-1%	1%	-3%	-1%
3.3.3	73.7	100%	2%	7%	-17%	-10%	1%	-9%	4%
'3.3.4	79.7	91%	3%	17%	-3%	-13%	-2%	-8%	0%

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What's emerging

from our data on governance and culture

Eight dominant factors
Strong interrelationships

Factor	Predictability	3.3.3 Independent assessment	1.1.3 Internal	1.2.1 Leadership trust	3.1.1 Communication Clarity	2.1.2 Relevant data	2.2.2 Robust consistent data	2.3.4 Training and support	2.2.4 Data dissemination
'1.1.1	67.5	-7	79	-12%	7%	8%	-7%	11%	4%
'1.1.2	87.4	6	87	1%	-6%	-11%	11%	4%	6%
'1.1.3	73.2	-6	88	2%	-4%	-4%	-2%	5%	0%
'1.1.4	77.7	12	81		6%	-13%	-8%	-9%	3%
'1.2.1	87	-2	-13	98	7%	0%	-2%	-1%	-6%
'1.2.2	80	-10	25	72	-7%	4%	9%	-2%	0%
'1.2.3	71.6	12	12	70	-7%	-5%	7%	-2%	-10%
'1.2.4	79	10	-4	73	-7%	14%	-3%	6%	17%
'1.3.1	76.4	-1	52	39	-9%	3%	3%	7%	-11%
'1.3.2	63.5	3	3	61	16%	3%	-4%	0%	3%
'1.3.3	71.1	-5	54	27	1%	18%	-5%	1%	-8%
'1.3.4	68.9	14%			20%		-2%	6%	12%
'2.1.1	72	13%	3%	4%	-6	73	10%	-12%	1%
'2.1.2	89.1	-7%	-5%	5%	-16	106	-2%	6%	-7%
'2.1.3	75.7	11%	-2%	-2%	15	75	-5%	-9%	-3%
'2.1.4	85.3	-4%	-9%	3%	9	83		4%	14%
'2.2.1	86.1	-7%	-2%	-4%	10		84	1%	1%
'2.2.2	89.5	5%	-8%	10%	-6%	-8	91	8%	12%
'2.2.3	78.5	6%	13%	4%	18%	10	58	-12%	23%
'2.2.4	100	0%	7%	-6%	0%	3	81		60%
'2.3.1	61.9	24%	0%	-5%	27%	5	-1	43	-4%
'2.3.2	67.9	3%	-11%	12%	3%	-5%	-3	73	-1%
'2.3.3	61.1	7%	-2%	-3%	-6%	-4%	14	71	4%
'2.3.4	98.1	-12%	14%	2		2%	-1	102	2%
'3.1.1	79.9	-7%	-1%	1	82	6%	-2		4%
'3.1.2	82.4	-9%	-3%	1	81	2%	4%	5%	1%
'3.1.3	81.2	3%	-11%	4	60	-5%	-4%	11%	-8%
'3.1.4	94.3	-3%	2%	1	98	-2%	6%	-15%	0%
'3.2.1	68.1		32%	-1	12	17%	-3%	7%	-4%
'3.2.2	74	84%	-9%	-1	5	8%	-8%	3%	-2%
'3.2.3	61.1	51%	12%	-2	-3	18%	-1%	22%	0%
'3.2.4	62.5	29%	17%	-1	49	1%	9%	-10%	-8%
'3.3.1	66.6	73%	-10%	-4		15%	11%	0%	-2%
'3.3.2	77.3	88%	1%	-1%	-3%	-1%	1%	-3%	-1%
3.3.3	73.7	100%	2%	7%	-17%	-10%	1%	-9%	4%
'3.3.4	79.7	91%	3%	17%	-3%	-13%	-2%	-8%	0%

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Statement	'1.1.1	'1.1.2	'1.1.3	'1.1.4	'1.2.1	'1.2.2	'1.2.3	'1.2.4	'1.3.1	'1.3.2	'1.3.3	'1.3.4	'2.1.1	'2.1.2	'2.1.3	'2.1.4	'2.2.1	'2.2.2	'2.2.3	'2.2.4	'2.3.1	'2.3.2	'2.3.3	'2.3.4	'3.1.1	'3.1.2	'3.1.3	'3.1.4	'3.2.1	'3.2.2	'3.2.3	'3.2.4	'3.3.1	'3.3.2	'3.3.3	'3.3.4'
'1.1.1'	1	0.73	0.66	0.72	0.75	0.76	0.7	0.73	0.73	0.68	0.67	0.72	0.73	0.74	0.74	0.76	0.75	0.74	0.74	0.77	0.66	0.68	0.7	0.77	0.73	0.73	0.69	0.78	0.69	0.69	0.64	0.69	0.7	0.75	0.75	0.71
'1.1.2'	0.73	1	0.74	0.85	0.86	0.87	0.83	0.83	0.84	0.83	0.76	0.83	0.84	0.9	0.84	0.87	0.89	0.86	0.86	0.88	0.78	0.79	0.76	0.87	0.85	0.85	0.83	0.88	0.81	0.8	0.79	0.83	0.84	0.82	0.83	0.82
'1.1.3'	0.66	0.74	1	0.78	0.79	0.79	0.74	0.73	0.78	0.76	0.79	0.78	0.79	0.8	0.78	0.84	0.83	0.81	0.78	0.81	0.7	0.73	0.69	0.85	0.77	0.8	0.73	0.83	0.76	0.72	0.75	0.79	0.77	0.74	0.8	0.75
'1.1.4'	0.72	0.85	0.78	1	0.88	0.88	0.81	0.87	0.84	0.82	0.79	0.86	0.89	0.91	0.89	0.89	0.91	0.89	0.88	0.91	0.78	0.84	0.81	0.92	0.86	0.85	0.84	0.92	0.82	0.82	0.83	0.85	0.84	0.81	0.86	0.85
'1.2.1'	0.75	0.86	0.79	0.88	1	0.82	0.74	0.76	0.8	0.74	0.76	0.78	0.82	0.88	0.83	0.84	0.87	0.85	0.86	0.86	0.77	0.78	0.77	0.86	0.81	0.8	0.83	0.89	0.79	0.81	0.8	0.82	0.78	0.79	0.85	0.8
'1.2.2'	0.76	0.87	0.79	0.88	0.82	1	0.76	0.79	0.83	0.78	0.8	0.79	0.85	0.89	0.85	0.87	0.86	0.85	0.88	0.89	0.77	0.8	0.8	0.88	0.83	0.85	0.81	0.91	0.81	0.82	0.82	0.84	0.8	0.8	0.84	0.83
'1.2.3'	0.7	0.83	0.74	0.81	0.74	0.76	1	0.73	0.76	0.7	0.79	0.74	0.79	0.82	0.8	0.79	0.84	0.8	0.8	0.78	0.74	0.73	0.72	0.83	0.79	0.77	0.77	0.84	0.77	0.73	0.76	0.78	0.76	0.77	0.75	0.75
'1.2.4'	0.73	0.83	0.73	0.87	0.76	0.79	0.73	1	0.8	0.76	0.72	0.82	0.85	0.84	0.79	0.83	0.86	0.79	0.84	0.87	0.75	0.75	0.74	0.86	0.8	0.78	0.77	0.84	0.78	0.77	0.75	0.83	0.78	0.76	0.78	0.79
'1.3.1'	0.73	0.84	0.78	0.84	0.8	0.83	0.76	0.8	1	0.79	0.79	0.81	0.84	0.86	0.84	0.84	0.84	0.84	0.87	0.87	0.75	0.76	0.77	0.89	0.81	0.84	0.81	0.89	0.79	0.79	0.77	0.78	0.78	0.79	0.84	0.82
'1.3.2'	0.68	0.83	0.76	0.82	0.74	0.78	0.7	0.76	0.79	1	0.75	0.83	0.82	0.83	0.79	0.81	0.83	0.8	0.81	0.85	0.7	0.74	0.71	0.83	0.74	0.77	0.77	0.81	0.76	0.73	0.75	0.78	0.8	0.74	0.77	0.79
'1.3.3'	0.67	0.76	0.79	0.79	0.76	0.8	0.79	0.72	0.79	0.75	1	0.78	0.77	0.83	0.8	0.81	0.84	0.82	0.8	0.82	0.74	0.73	0.72	0.84	0.77	0.76	0.74	0.86	0.78	0.73	0.75	0.8	0.77	0.76	0.77	0.76
'1.3.4'	0.72	0.83	0.78	0.86	0.78	0.79	0.74	0.82	0.81	0.83	0.78	1	0.82	0.84	0.84	0.87	0.85	0.83	0.81	0.89	0.74	0.76	0.75	0.85	0.78	0.77	0.77	0.85	0.78	0.76	0.79	0.8	0.78	0.79	0.79	0.79
'2.1.1'	0.73	0.84	0.79	0.89	0.82	0.85	0.79	0.85	0.84	0.82	0.77	0.82	1	0.84	0.8	0.82	0.87	0.85	0.86	0.87	0.76	0.81	0.78	0.89	0.81	0.82	0.82	0.89	0.79	0.78	0.78	0.82	0.79	0.78	0.83	0.84
'2.1.2'	0.74	0.9	0.8	0.91	0.88	0.89	0.82	0.84	0.86	0.83	0.83	0.84	0.84	1	0.83	0.84	0.92	0.89	0.9	0.9	0.8	0.81	0.78	0.9	0.84	0.86	0.86	0.93	0.83	0.81	0.79	0.85	0.84	0.82	0.88	0.85
'2.1.3'	0.74	0.84	0.78	0.89	0.83	0.85	0.8	0.79	0.84	0.79	0.8	0.84	0.8	0.83	1	0.83	0.86	0.84	0.84	0.87	0.77	0.79	0.8	0.88	0.83	0.82	0.77	0.88	0.8	0.78	0.8	0.82	0.77	0.79	0.83	0.81
'2.1.4'	0.76	0.87	0.84	0.89	0.84	0.87	0.79	0.83	0.84	0.81	0.81	0.87	0.82	0.84	0.83	1	0.89	0.85	0.84	0.89	0.75	0.79	0.77	0.91	0.83	0.83	0.81	0.88	0.82	0.79	0.78	0.88	0.82	0.8	0.86	0.83
'2.2.1'	0.75	0.89	0.83	0.91	0.87	0.86	0.84	0.86	0.84	0.83	0.84	0.85	0.87	0.92	0.86	0.89	1	0.84	0.88	0.88	0.8	0.81	0.76	0.92	0.81	0.86	0.88	0.92	0.8	0.82	0.8	0.83	0.78	0.84	0.87	0.85
'2.2.2'	0.74	0.86	0.81	0.89	0.85	0.85	0.8	0.79	0.84	0.8	0.82	0.83	0.85	0.89	0.84	0.85	0.84	1	0.81	0.83	0.77	0.81	0.76	0.87	0.83	0.84	0.83	0.9	0.82	0.8	0.81	0.82	0.81	0.79	0.83	0.83
'2.2.3'	0.74	0.86	0.78	0.88	0.86	0.88	0.8	0.84	0.87	0.81	0.8	0.81	0.86	0.9	0.84	0.84	0.88	0.81	1	0.86	0.79	0.8	0.78	0.9	0.84	0.82	0.82	0.89	0.82	0.81	0.81	0.85	0.83	0.78	0.84	0.81
'2.2.4'	0.77	0.88	0.81	0.91	0.86	0.89	0.78	0.87	0.87	0.85	0.82	0.89	0.87	0.9	0.87	0.89	0.88	0.83	0.86	1	0.79	0.8	0.81	0.9	0.86	0.82	0.82	0.9	0.87	0.84	0.83	0.86	0.83	0.82	0.84	0.86
'2.3.1'	0.66	0.78	0.7	0.78	0.77	0.77	0.74	0.75	0.75	0.7	0.74	0.74	0.76	0.8	0.77	0.75	0.8	0.77	0.79	0.79	1	0.65	0.67	0.76	0.74	0.72	0.72	0.79	0.69	0.73	0.68	0.73	0.68	0.72	0.75	0.72
'2.3.2'	0.68	0.79	0.73	0.84	0.78	0.8	0.73	0.75	0.76	0.74	0.73	0.76	0.81	0.81	0.79	0.79	0.81	0.81	0.8	0.8	0.65	1	0.64	0.75	0.79	0.77	0.75	0.8	0.76	0.7	0.74	0.76	0.76	0.7	0.79	0.79
'2.3.3'	0.7	0.76	0.69	0.81	0.77	0.8	0.72	0.74	0.77	0.71	0.72	0.75	0.78	0.78	0.8	0.77	0.76	0.76	0.78	0.81	0.67	0.64	1	0.74	0.74	0.72	0.75	0.82	0.73	0.73	0.71	0.76	0.71	0.72	0.74	0.76
'2.3.4'	0.77	0.87	0.85	0.92	0.86	0.88	0.83	0.86	0.89	0.83	0.84	0.85	0.89	0.9	0.88	0.91	0.92	0.87	0.9	0.9	0.76	0.75	0.74	1	0.86	0.86	0.81	0.94	0.84	0.82	0.79	0.87	0.83	0.82	0.89	0.85
'3.1.1'	0.73	0.85	0.77	0.86	0.81	0.83	0.79	0.8	0.81	0.74	0.77	0.78	0.81	0.84	0.83	0.83	0.81	0.83	0.84	0.86	0.74	0.79	0.74	0.86	1	0.79	0.75	0.81	0.8	0.76	0.76	0.76	0.76	0.75	0.84	0.83
'3.1.2'	0.73	0.85	0.8	0.85	0.8	0.85	0.77	0.78	0.84	0.77	0.76	0.77	0.82	0.86	0.82	0.83	0.86	0.84	0.82	0.82	0.72	0.77	0.72	0.86	0.79	1	0.74	0.82	0.78	0.76	0.78	0.77	0.79	0.78	0.84	0.78
'3.1.3'	0.69	0.83	0.73	0.84	0.83	0.81	0.77	0.77	0.81	0.77	0.74	0.77	0.82	0.86	0.77	0.81	0.88	0.83	0.82	0.82	0.72	0.75	0.75	0.81	0.75	0.74	1	0.83	0.79	0.77	0.76	0.8	0.77	0.75	0.78	0.81
'3.1.4'	0.78	0.88	0.83	0.92	0.89	0.91	0.84	0.84	0.89	0.81	0.86	0.85	0.89	0.93	0.88	0.88	0.92	0.9	0.89	0.9	0.79	0.8	0.82	0.94	0.81	0.82	0.83	1	0.83	0.83	0.83	0.86	0.83	0.83	0.87	0.84
'3.2.1'	0.69	0.81	0.76	0.82	0.79	0.81	0.77	0.78	0.79	0.76	0.78	0.78	0.79	0.83	0.8	0.82	0.8	0.82	0.82	0.87	0.69	0.76	0.73	0.84	0.8	0.78	0.79	0.83	1	0.77	0.73	0.75	0.75	0.75	0.78	0.8
'3.2.2'	0.69	0.8	0.72	0.82	0.81	0.82	0.73	0.77	0.79	0.73	0.73	0.76	0.78	0.81	0.78	0.79	0.82	0.8	0.81	0.84	0.73	0.7	0.73	0.82	0.76	0.76	0.77	0.83	0.77	1	0.74	0.75	0.67	0.67	0.74	0.73
'3.2.3'	0.64	0.79	0.75	0.83	0.8	0.82	0.76	0.75	0.77	0.75	0.75	0.79	0.78	0.79	0.8	0.78	0.8	0.81	0.81	0.83	0.68	0.74	0.71	0.79	0.76	0.78	0.76	0.83	0.73	0.74	1	0.76	0.74	0.73	0.71	0.76
'3.2.4'	0.69	0.83	0.79	0.85	0.82	0.84	0.78	0.83	0.78	0.78	0.8	0.8	0.82	0.85	0.82	0.88	0.83	0.82	0.85	0.86	0.73	0.76	0.76	0.87	0.76	0.77	0.8	0.86	0.75	0.75	0.76	1	0.77	0.75	0.8	0.79
'3.3.1'	0.7	0.84	0.77	0.84	0.78	0.8	0.76	0.78	0.78	0.8	0.77	0.78	0.79	0.84	0.77	0.82	0.78	0.81	0.83	0.83	0.68	0.76	0.71	0.83	0.76	0.79	0.77	0.83	0.75	0.67	0.74	0.77	1	0.79	0.74	0.73
'3.3.2'	0.75	0.82	0.74	0.81	0.79	0.8	0.77	0.76	0.79	0.74	0.76	0.79	0.78	0.82	0.79	0.8	0.84	0.79	0.78	0.82	0.72	0.7	0.72	0.82	0.75	0.78	0.75	0.83	0.75	0.67	0.73	0.75	0.79	1	0.69	0.7
'3.3.3'	0.75	0.83	0.8	0.86	0.85	0.84	0.75	0.78	0.84	0.77	0.77	0.79	0.83	0.88	0.83	0.86	0.87	0.83	0.84	0.84	0.75	0.79	0.74	0.89	0.84	0.84	0.78	0.87	0.78	0.74	0.71	0.8	0.74	0.69	1	0.76
'3.3.4'	0.71	0.82	0.75	0.85	0.8	0.83	0.75	0.79	0.82	0.79	0.76	0.79	0.84	0.85	0.81	0.83	0.85	0.83	0.81	0.86	0.72	0.79	0.76	0.85	0.83	0.78	0.81	0.84	0.8	0.73	0.76	0.79	0.73	0.7	0.76	1

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CoSteer® research data on Governance – As presented at the Good Governance Research Forum, 2022

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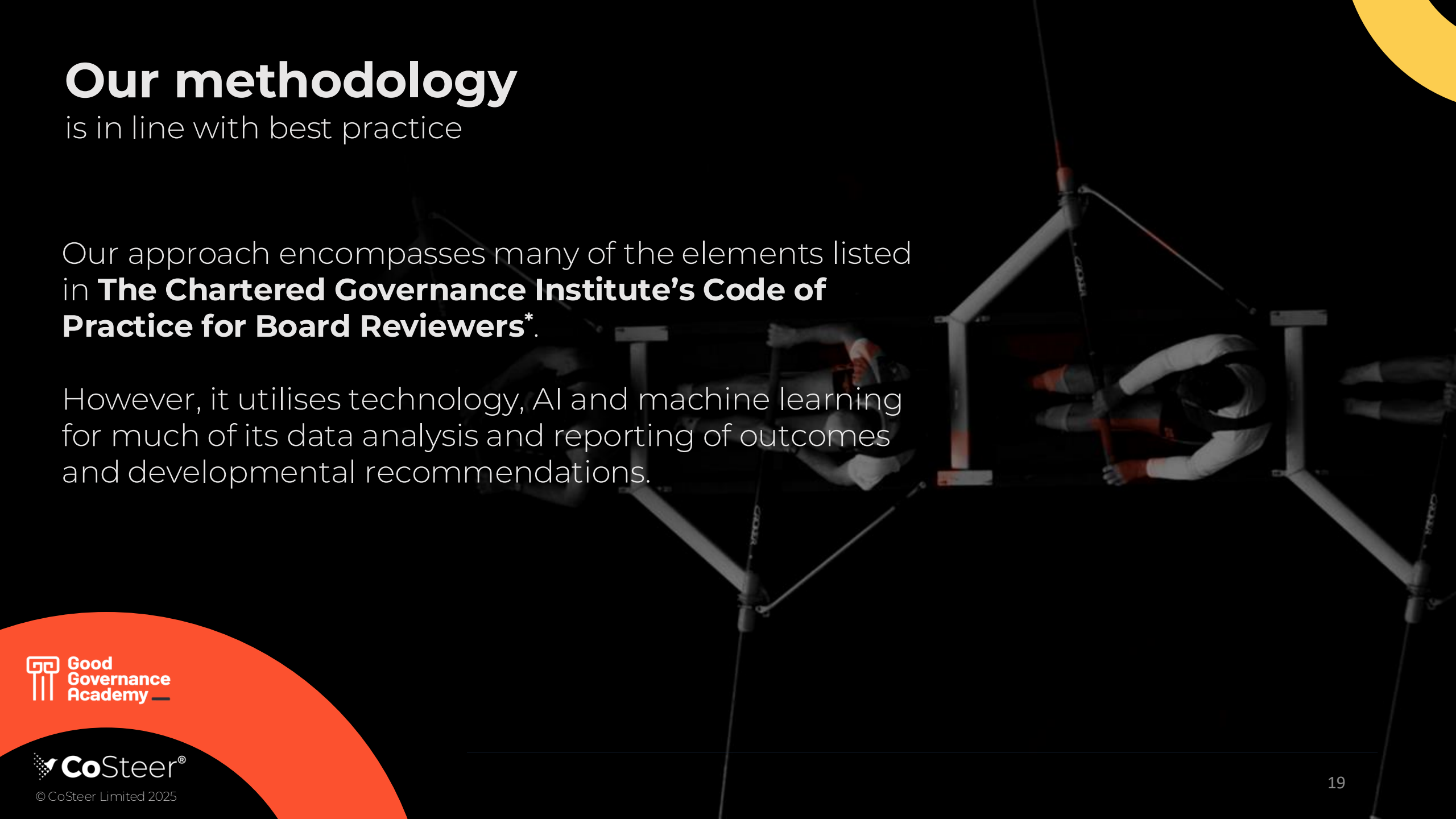
Our methodology

is in line with best practice



Our approach encompasses many of the elements listed in **The Chartered Governance Institute's Code of Practice for Board Reviewers***.

However, it utilises technology, AI and machine learning for much of its data analysis and reporting of outcomes and developmental recommendations.

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How we approach governance evaluations

as part of our research programme

Our strategic and balanced approach – can be managed in 5-stages

Using both technology and traditional insight methods

1 Stage

We deliver a detailed introductory session with your board detailing our method, governance model and what to expect in the process and the reporting points along the way.

2 Stage

We go through a process of instrument customisation to ensure that the instrument meets the needs of the board/organisation being assessed and a determination of the precise lens that we're looking through.

This process ensures that we have designed a valid instrument to observe the nature of the specific board.

3 Stage

We implement our validated and data driven survey, which measures 27-factors involved in good governance and board effectiveness.

We review the outputs from our technology and human sense check key aspects of the data analysis including an internal validation assessment.

4 Stage

We produce an initial report to give the board an early indication of our findings. These are then discussed with the board and any queries or anomalies are clarified and where necessary supported or refuted by qualitative evidence.

5 Stage

We listen to the board's feedback and review the data, ensuring that the final report, and its outcomes and recommendations, are aligned to best support the improvement of your board and its governance.

We produce a final and detailed report with clear identified recommendations.

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Our survey

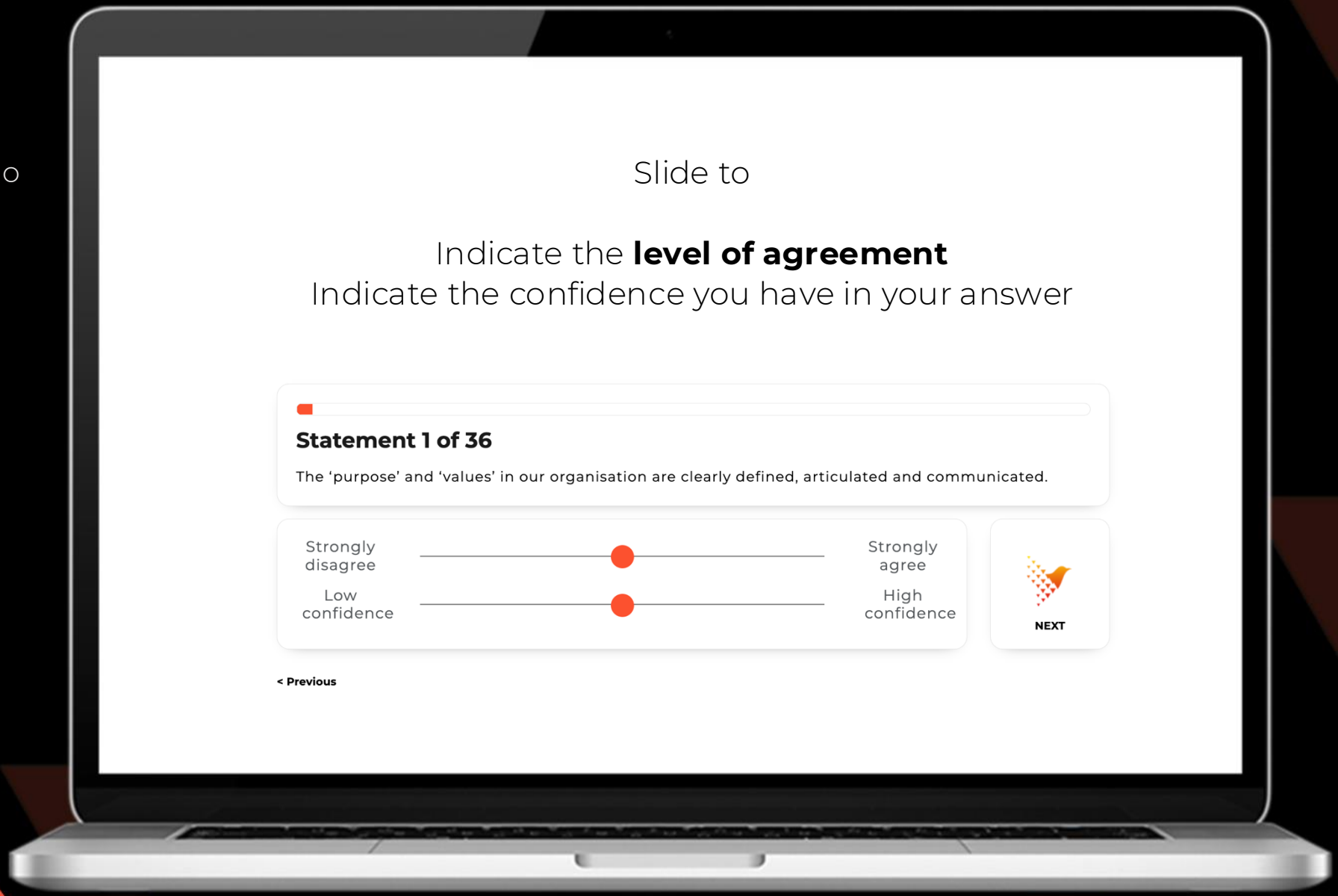
how we collect data

You will have two things to do on each statement

Slide to

Indicate the
level of agreement

Indicate the confidence you have in your answer



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Our survey

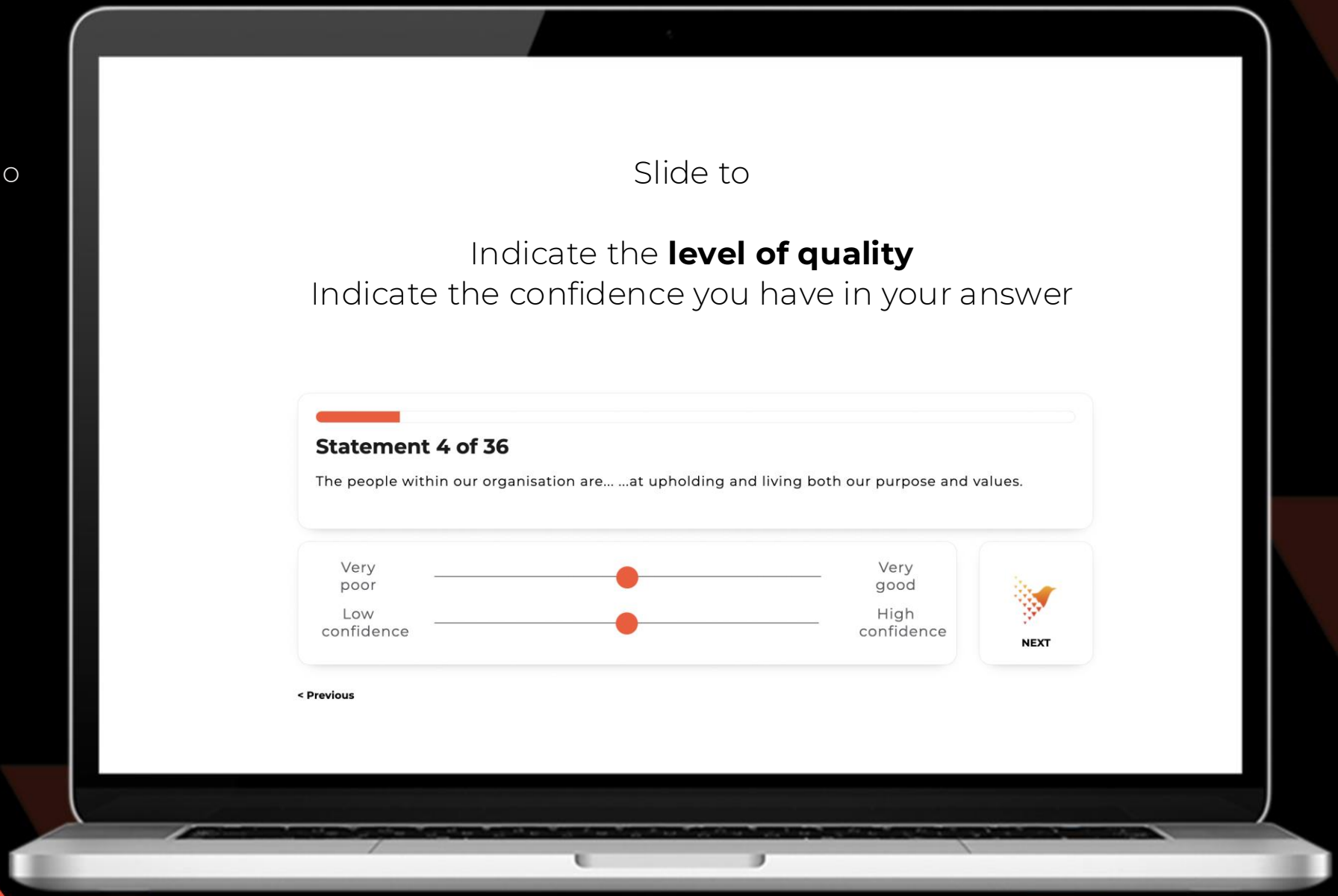
how we collect data

You will have two things to do on each statement

Slide to

Indicate the
level of quality

Indicate the confidence you have in your answer



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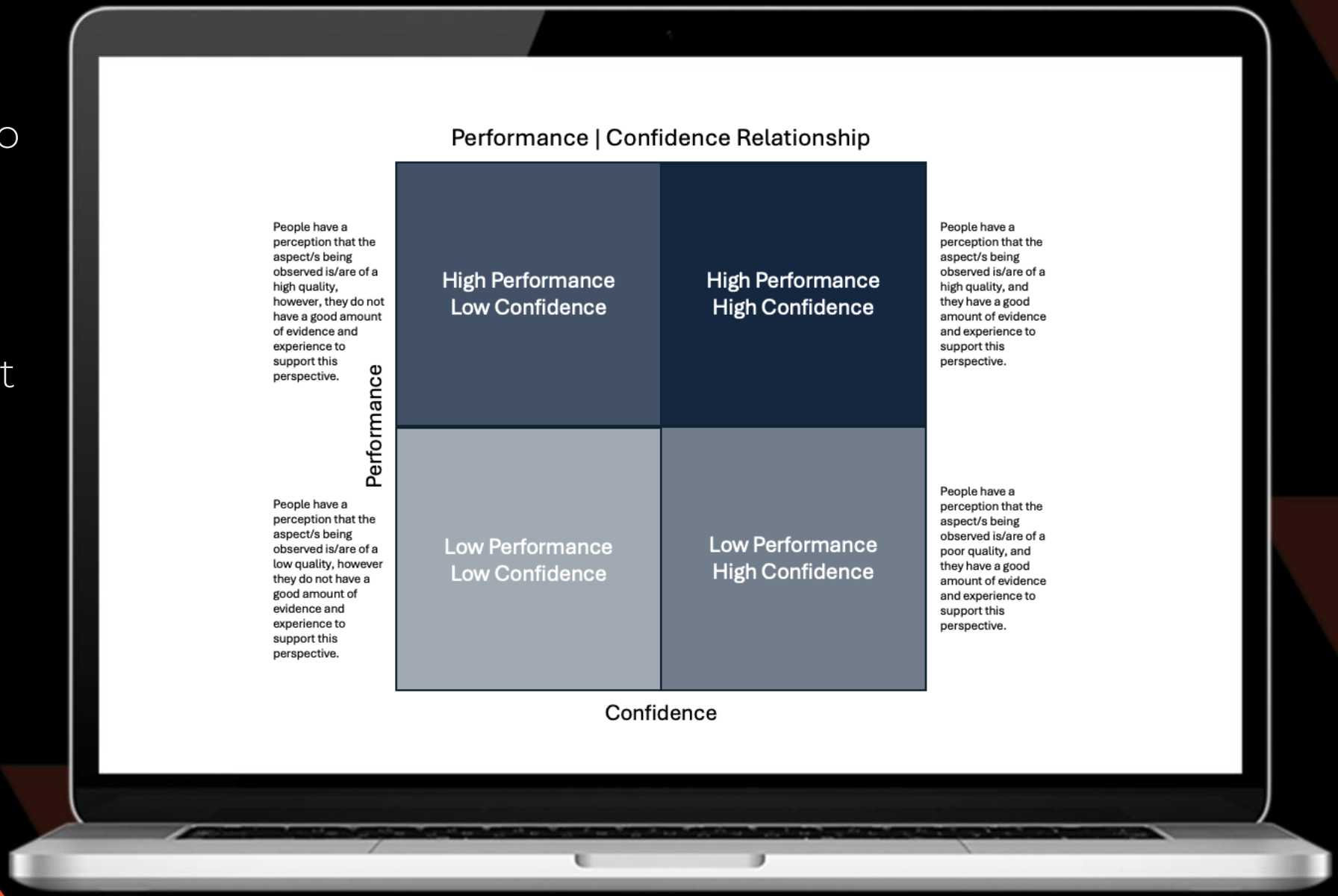
Our survey

how we can begin to observe organisations and map them using these relationships between agreement and confidence.



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Our validity

internally and externally

Internal validity

The CoSteer assessment tool and methodology – GovQ+ have a built-in internal validity component. The survey instrument is a composite of 2-surveys in one. The nature of the statements and the scale upon which participants answer the statements are both different. This enables a simple but effect and trusted evaluation of the internal validity of the primary instrument. We can conduct a correlational analysis of the outcomes from both the surveys to establish if we are seeing broadly similar outcomes.

The correlational outcomes from our data so far have varied between 0.81 and 0.76. Correlation coefficients whose magnitude are between 0.7 and 0.9 indicate variables which can be considered highly correlated. This provides us with clear confidence in the outcomes from our data and analysis.

External assurance

As part of our approach, we wanted to have an external assessment of the validity of both the model of governance and our methodology. So, we invited Dorey Financial Modelling to independently assess the validity. This is an extract from their report.

"It is our opinion that the questions are internally consistent with each other, and that the questions have very strong predictability and cross validation between themselves, to the extent that we would consider the questionnaire to be fit for purpose as a tool to assist governance policy and improve business culture."

The core attributes they were looking for is for statistically significant patterns and clusters within the questionnaire responses. By way of illustration, if an individual's answers are completely unpredictable then you can't use the information to feedback into corporate policy. However, they were able to establish eight broad themes within the data, indicating very strong levels of statistical significance and cross validation between the questions

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Our journey
through our observations

- Our observations on the **perceptions on the quality of governance**.
- Our observations on the **perceptions between boards and their executives**.
- Our observations on the **impact of a 'systems' approach to board and governance development.**

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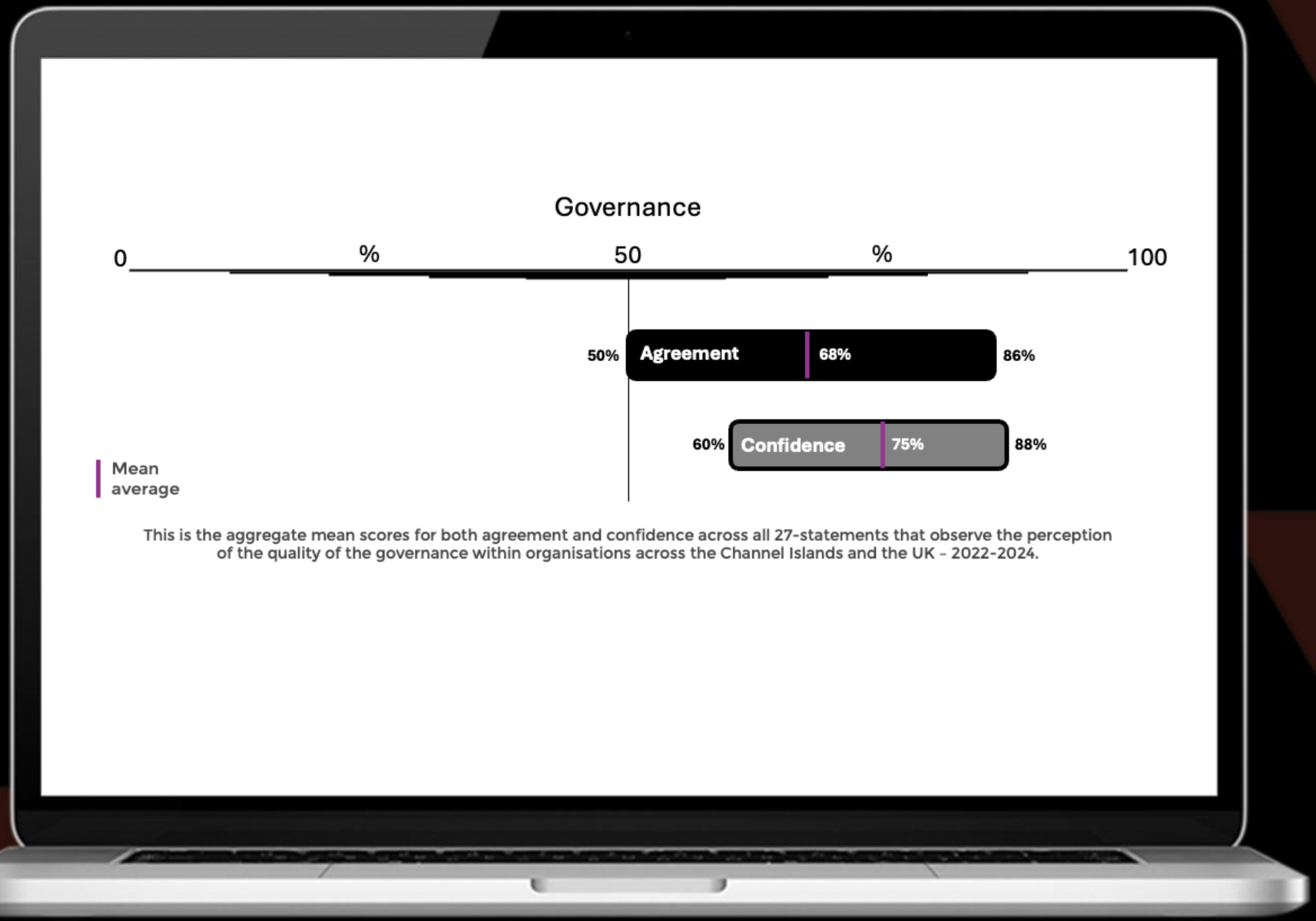
Observations

on the perceptions on the quality of governance.



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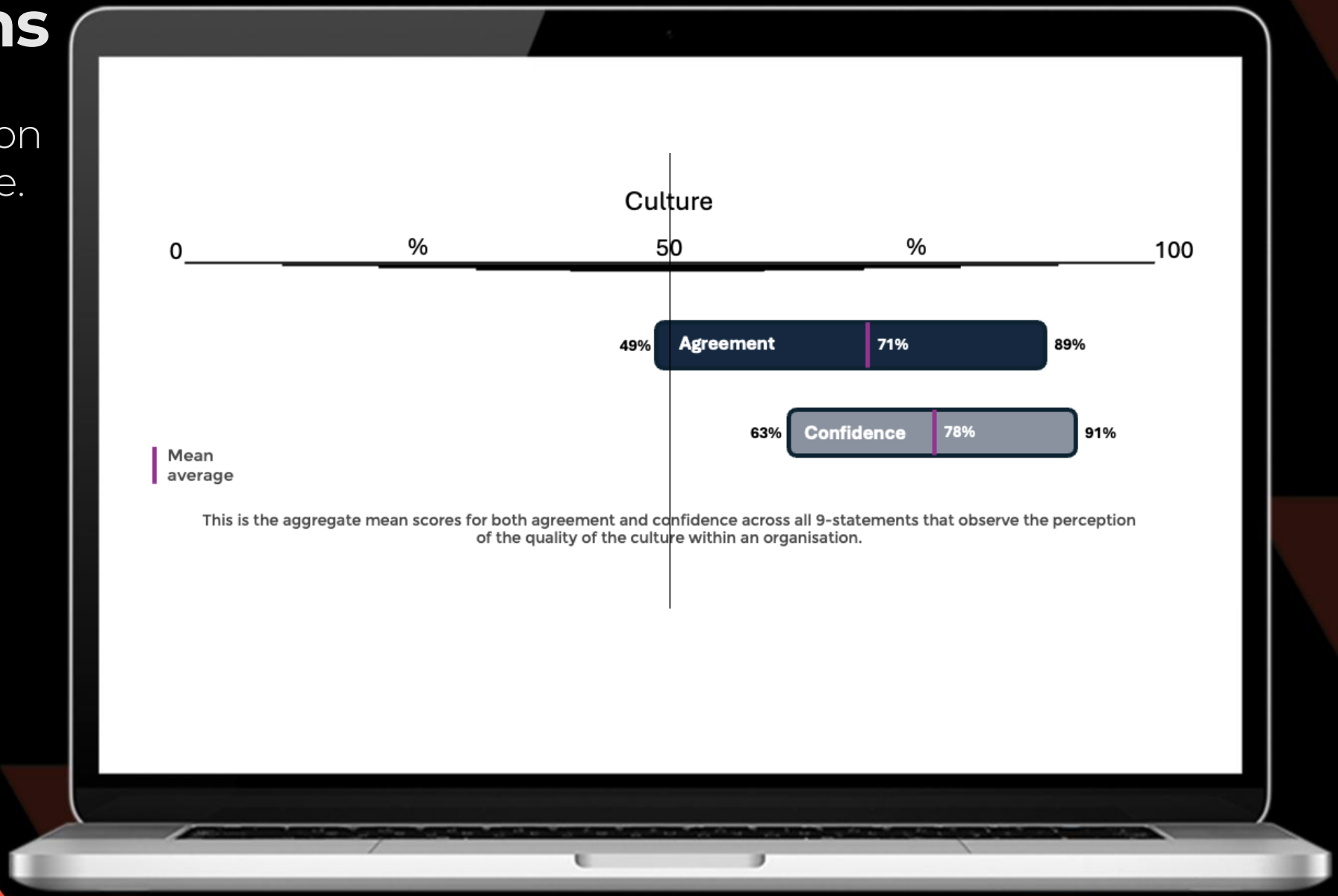
Observations

on the perceptions on the quality of culture.



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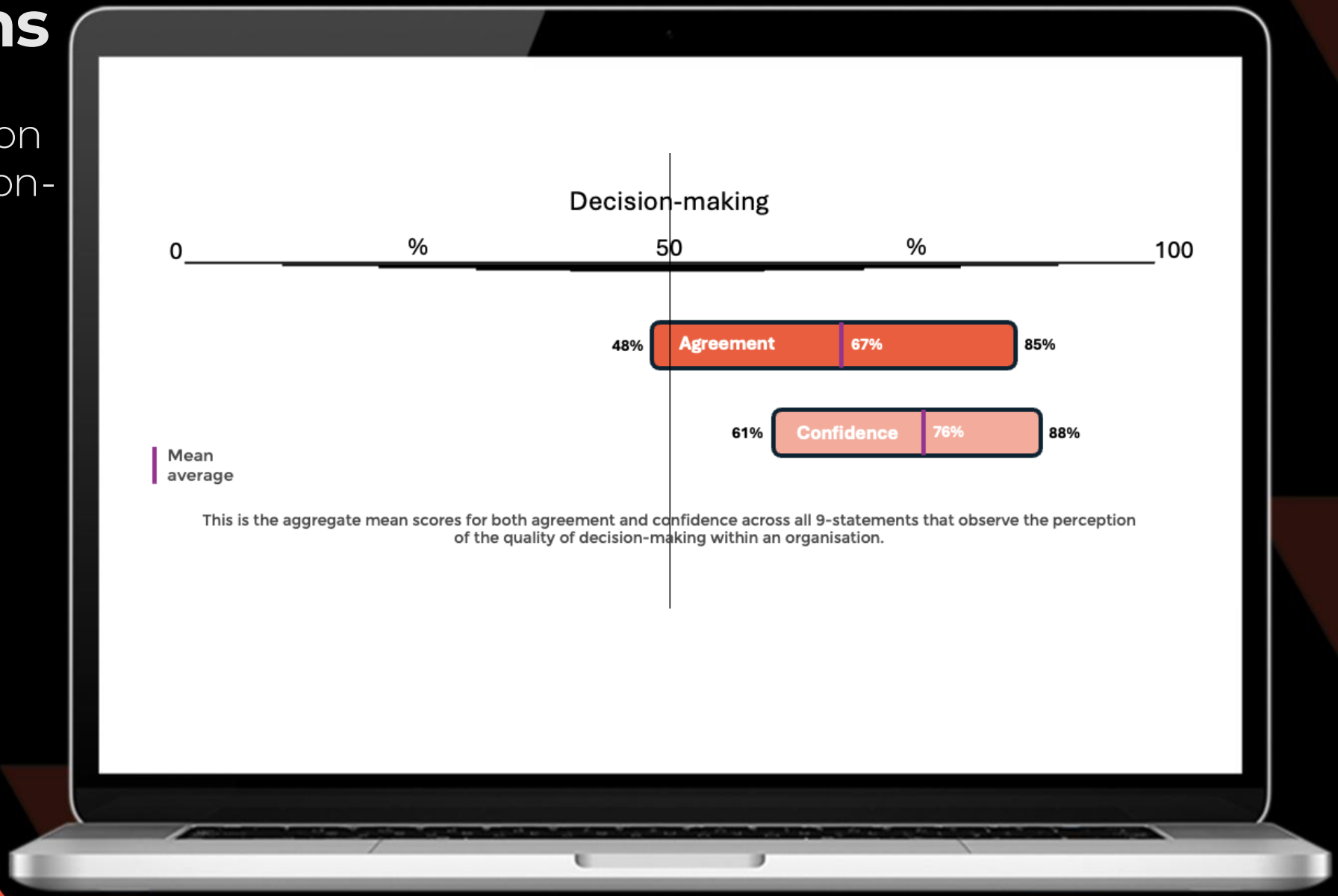
Observations

on the perceptions on the quality of decision-making.



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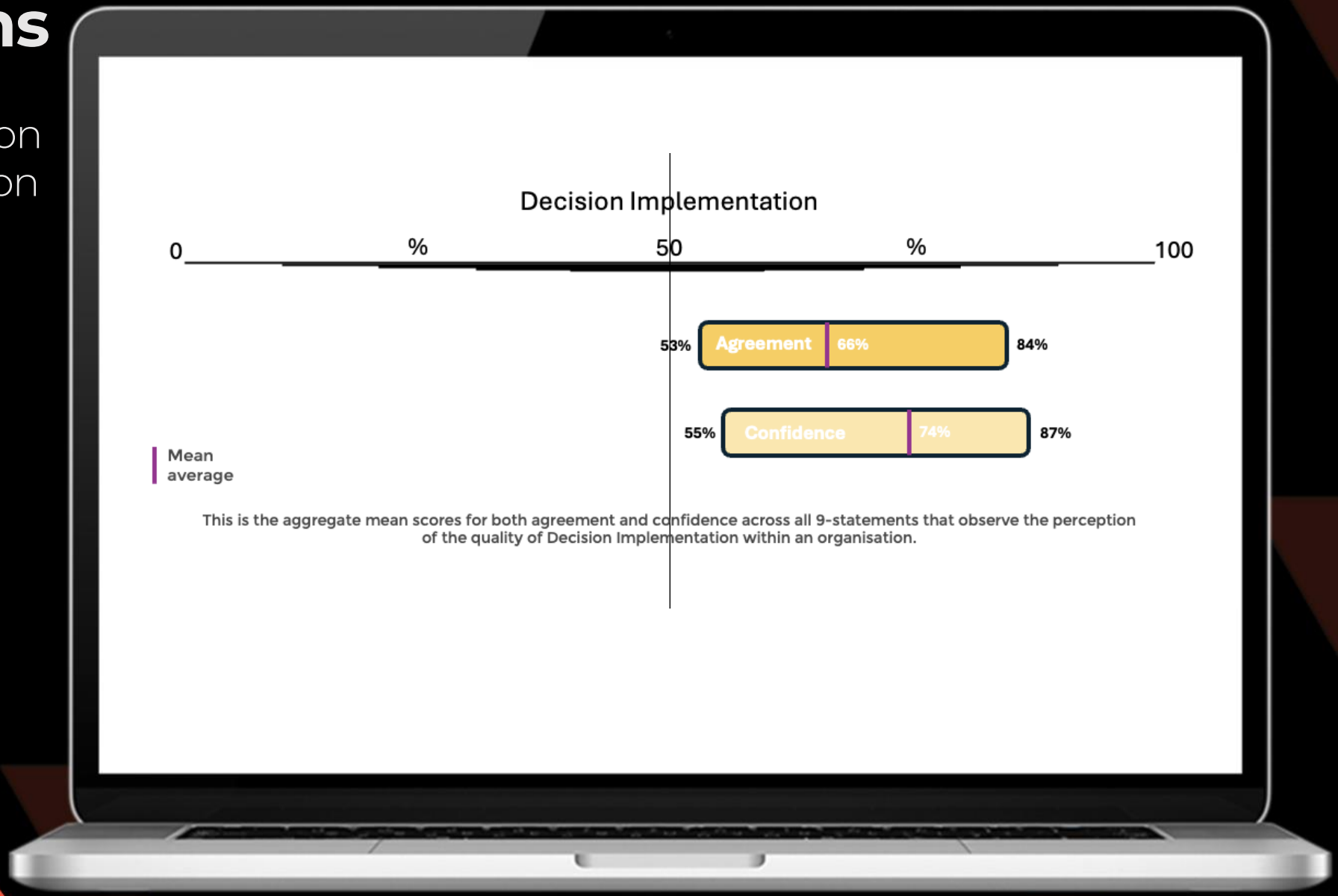
Observations

on the perceptions on the quality of decision implementation.



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Observations

on the perceptions on the quality across the 9-categories.

This diagram represents the standard deviation.

Indications of agreement having more variance that confidence in all categories other that Operational Efficacy and Communication Quality

This diagram represents the standard deviation of the 9-catgories across the two measures of agreement and confidence.

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Our journey
through our observations

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- Our observations on the **perceptions between boards and their executives**.
- Our observations on the **impact of a 'systems' approach to board and governance development.**

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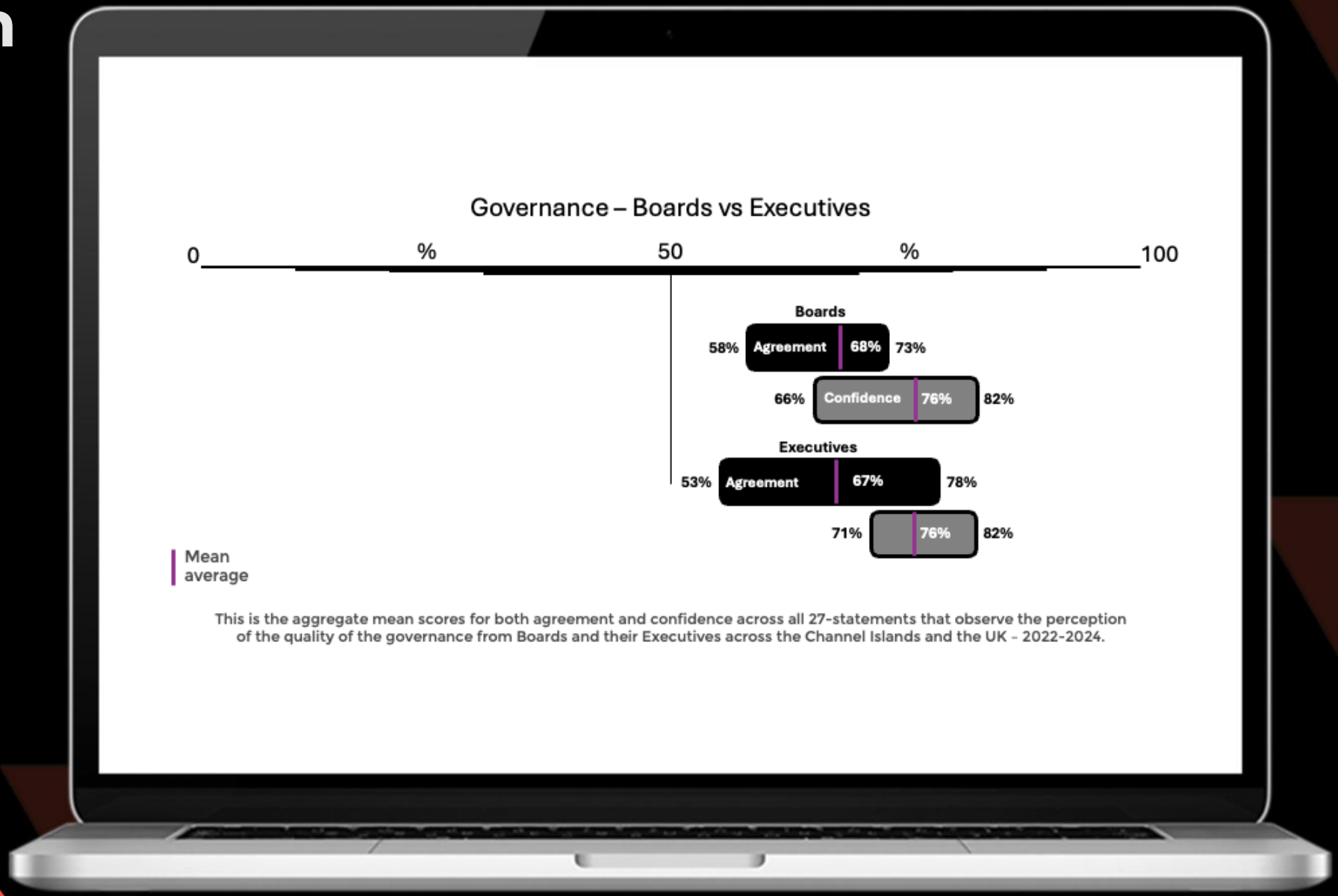
Observations

On the perceptions of the quality of governance within their organisations when comparing boards with their executives



This is the aggregate mean scores for both agreement and confidence across all 27-statements that observe the perception of the quality of the governance from Boards and their Executives across the Channel Islands and the UK - 2022-2024.

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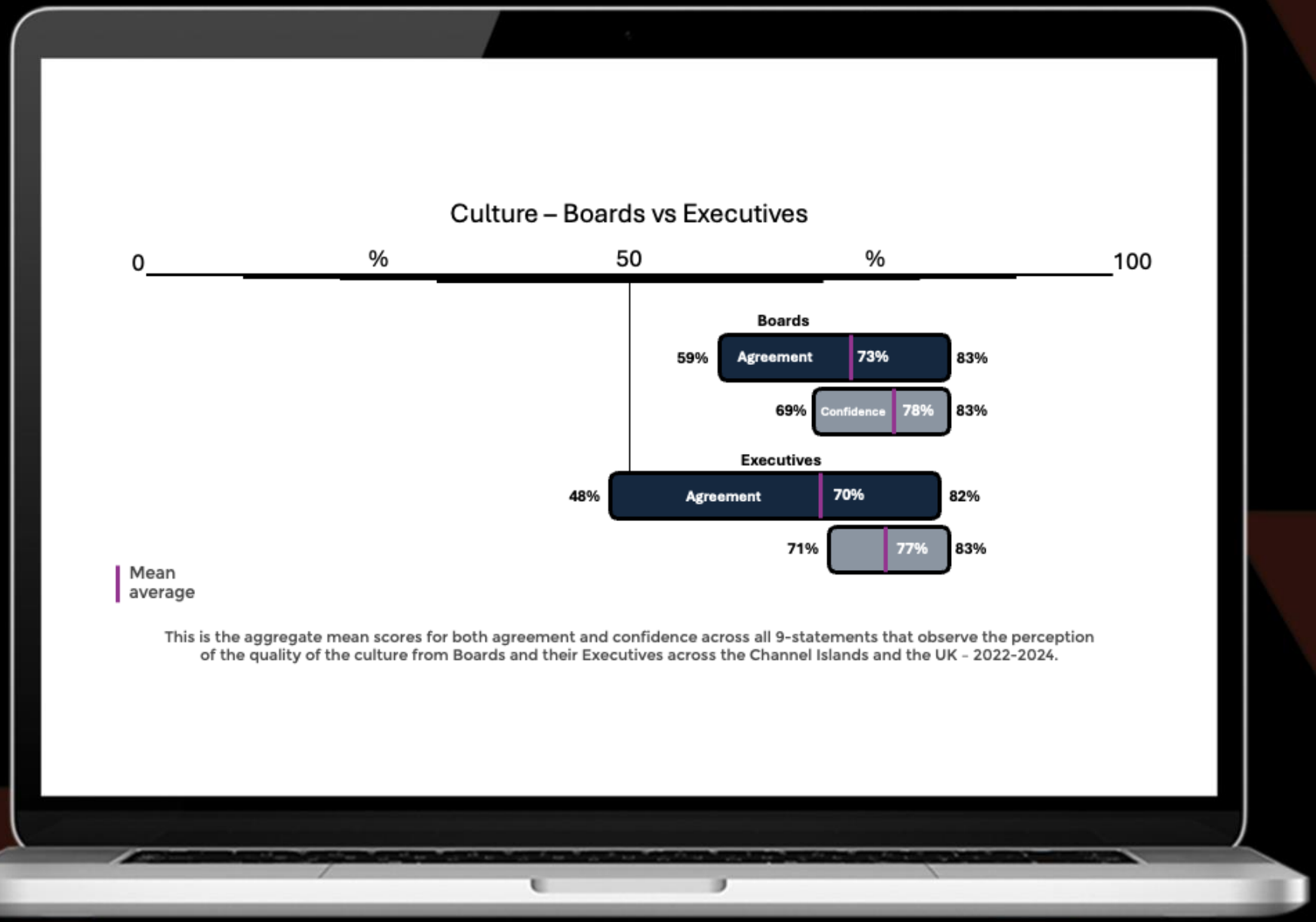
Observations

On the perceptions of the quality of culture within their organisations when comparing boards with their executives



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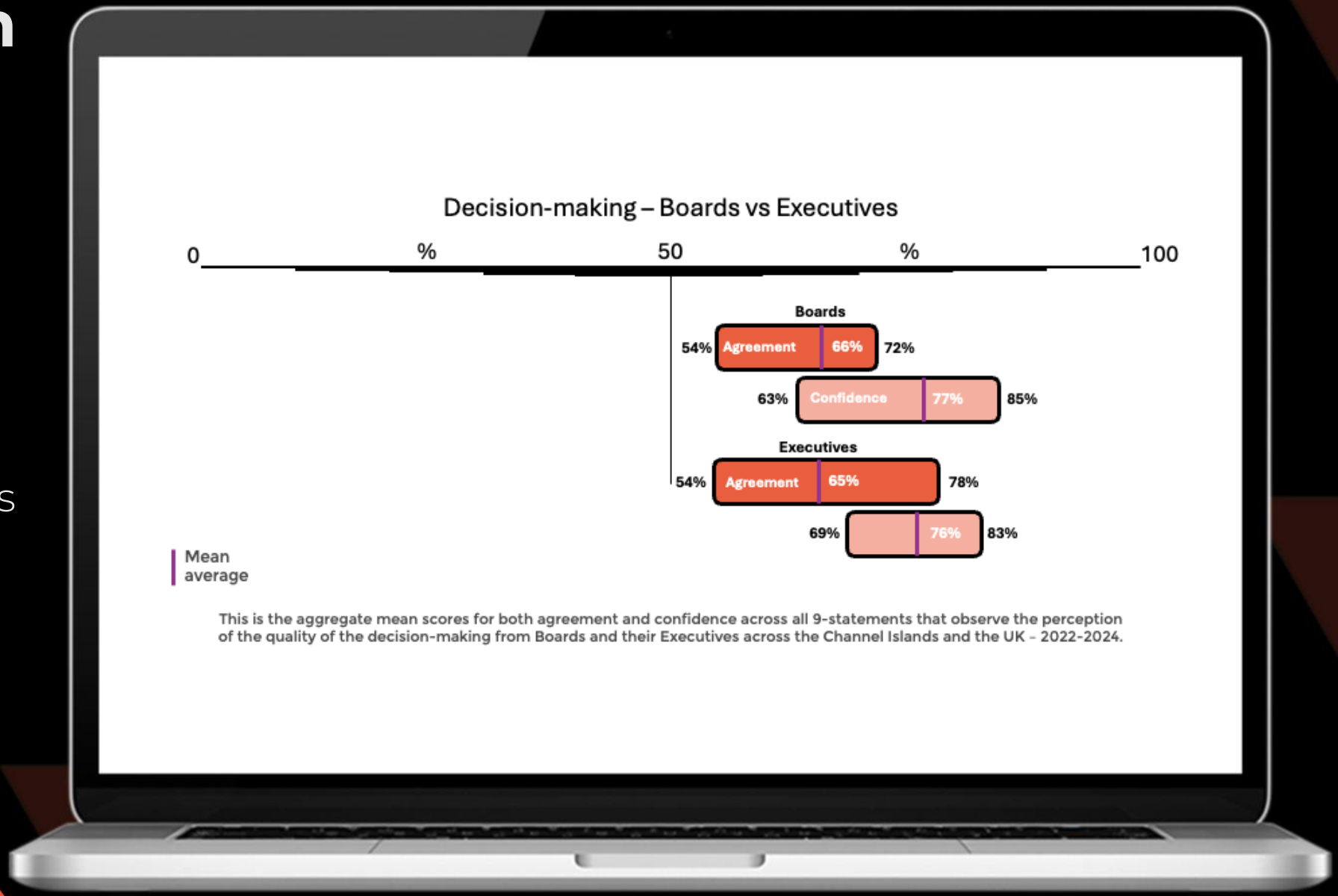
Observations

On the perceptions of the quality of decision-making within their organisations when comparing boards with their executives



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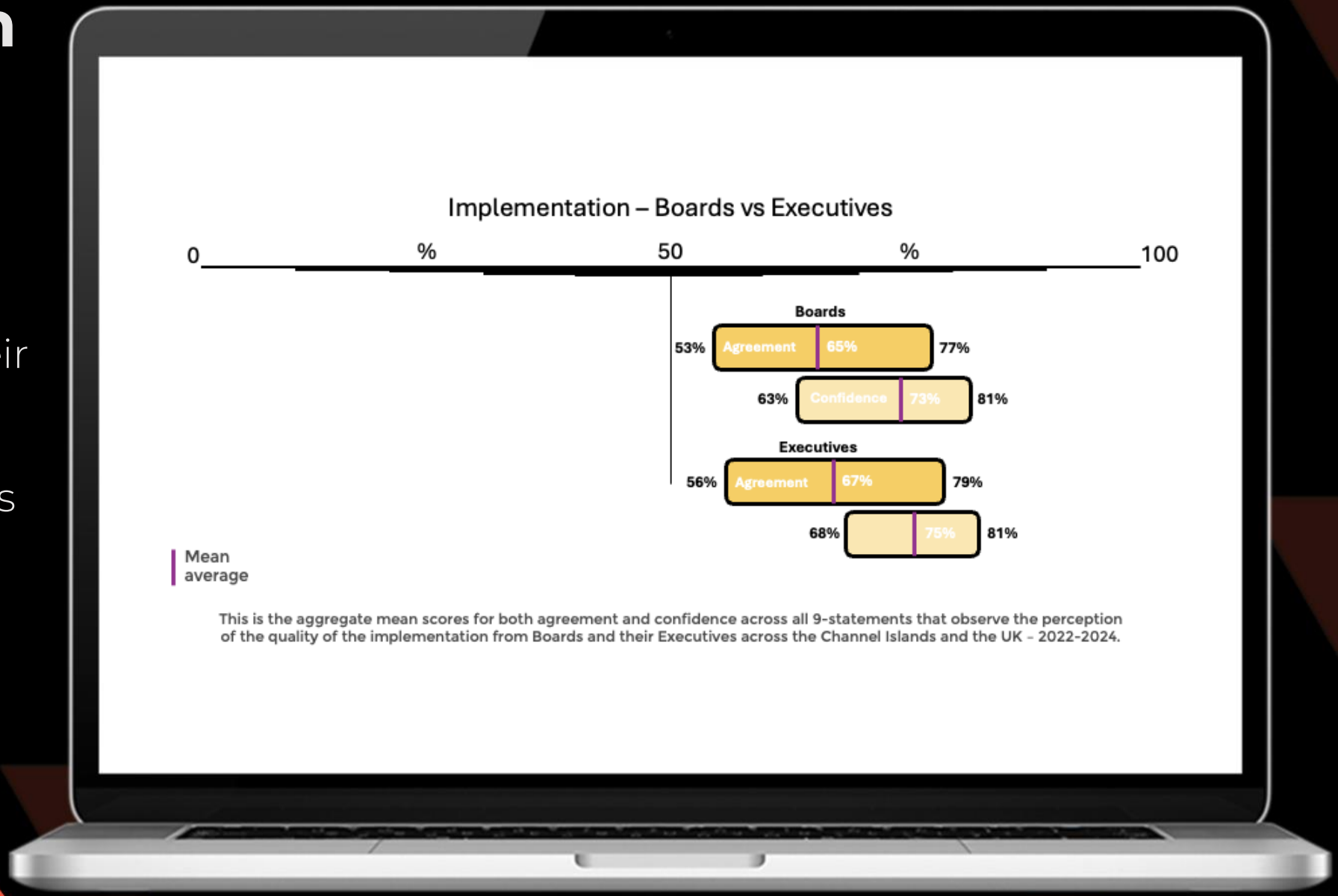
Observations

On the perceptions of the quality of the implementation of decisions within their organisations when comparing boards with their executives



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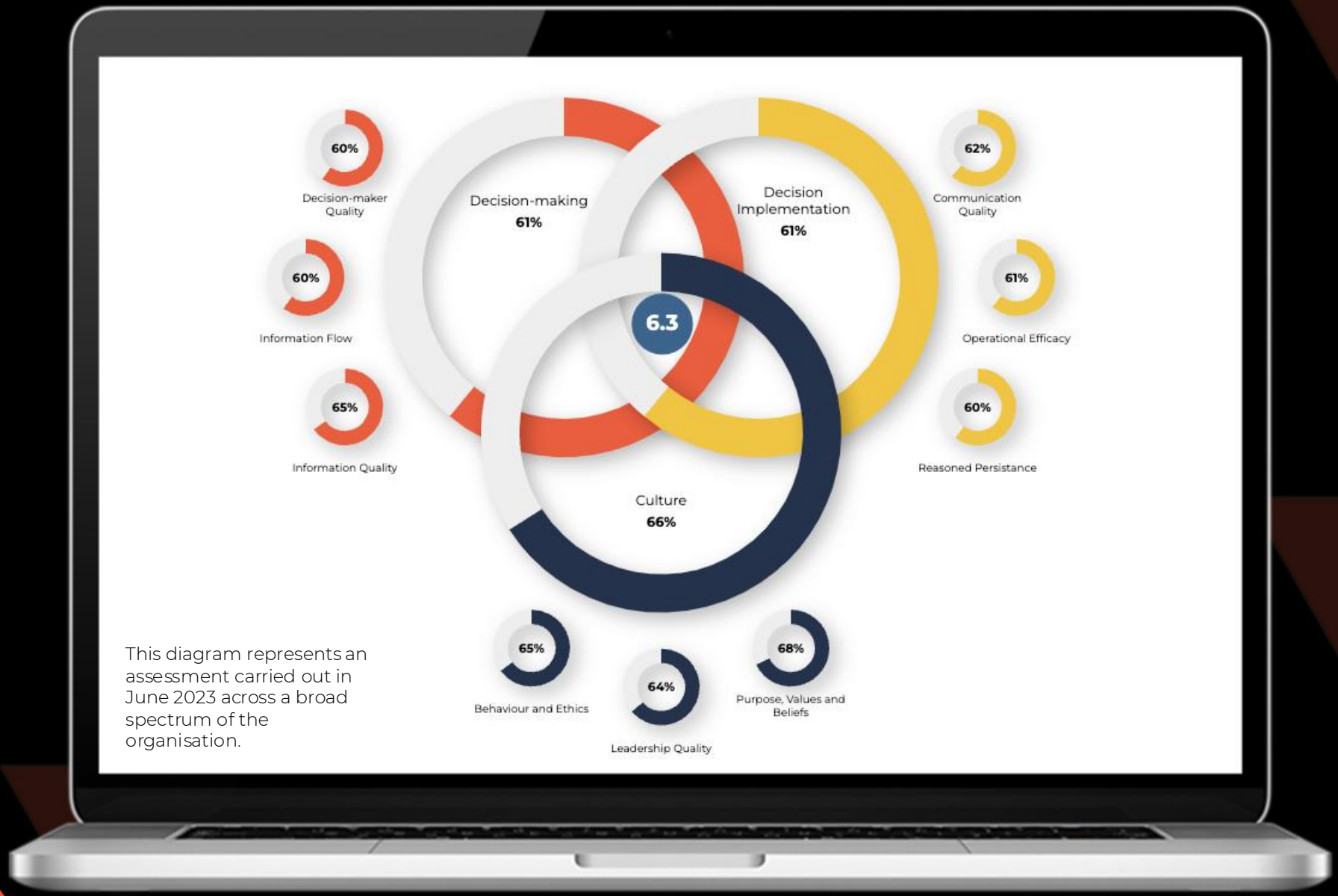
Case Study

A regulator

Overall Governance Data

Culture – 66%
Decision-making – 61%
Implementation – 61%



This diagram represents an assessment carried out in June 2023 across a broad spectrum of the organisation.

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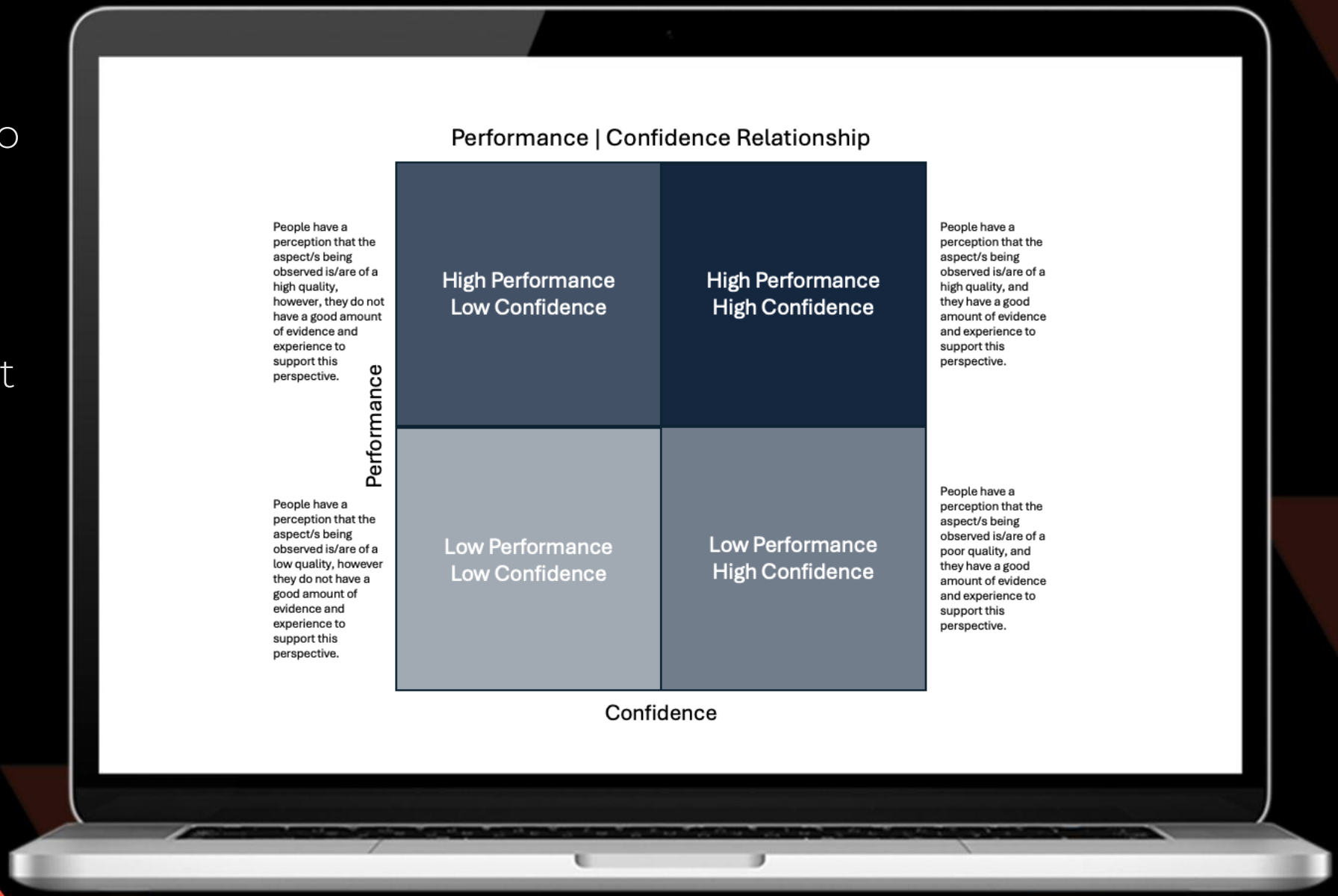
A reminder

how we can begin to observe organisations and map them using these relationships between agreement and confidence.



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Case Study

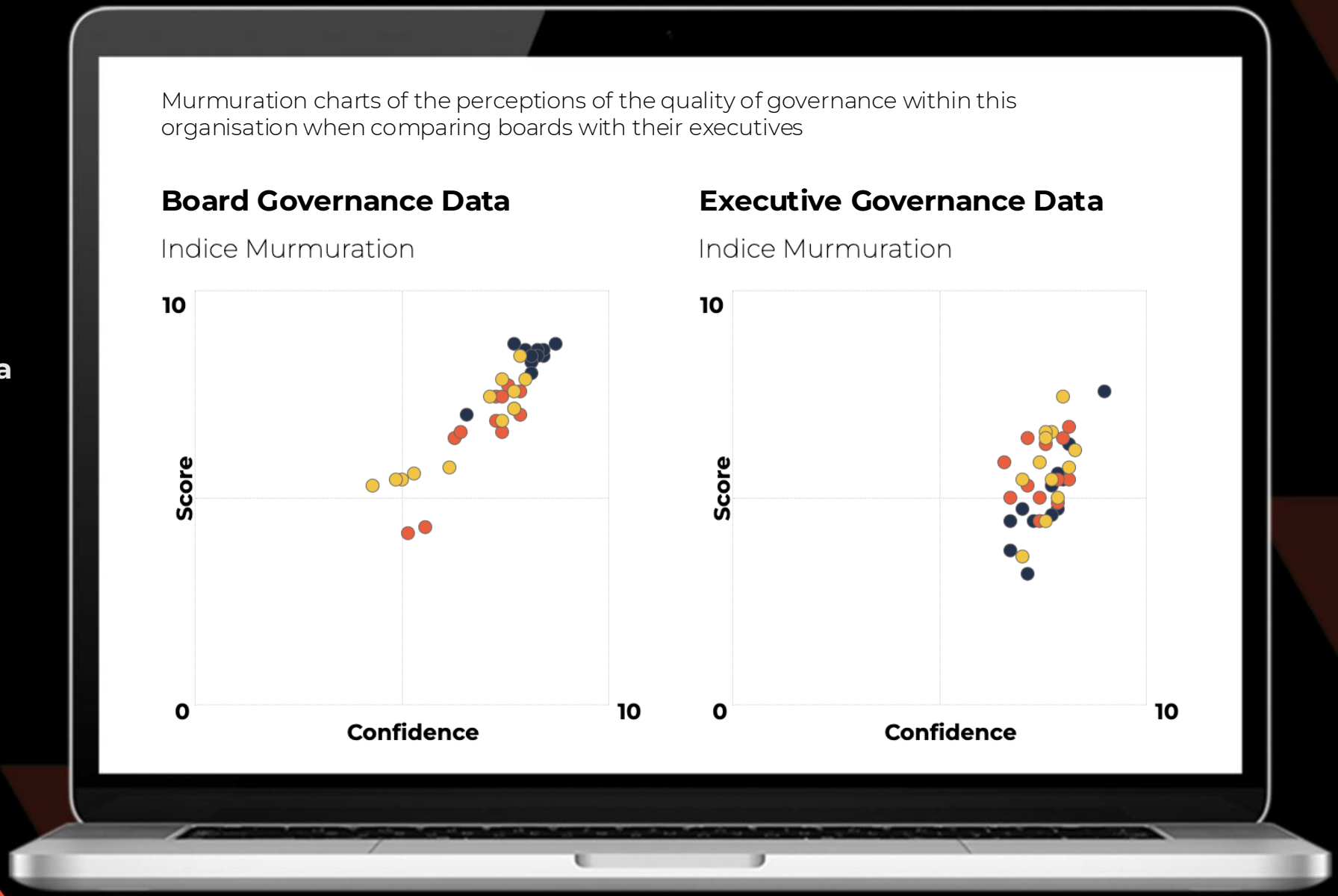
A regulator

Board Governance Data

Culture – 83%
Decision-making – 68%
Implementation – 66%

Executive Governance Data

Culture – 48%
Decision-making – 54%
Implementation – 56%



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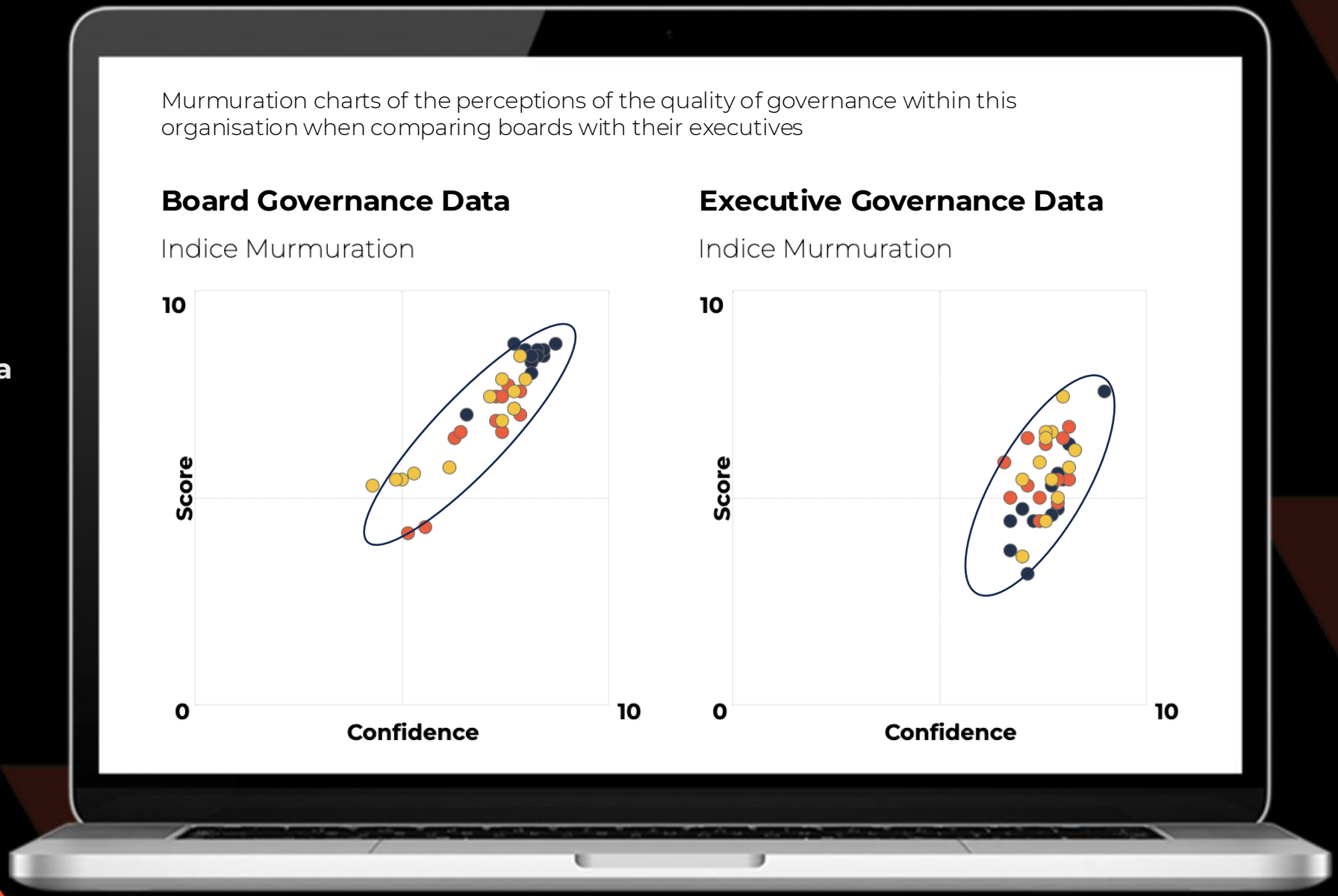

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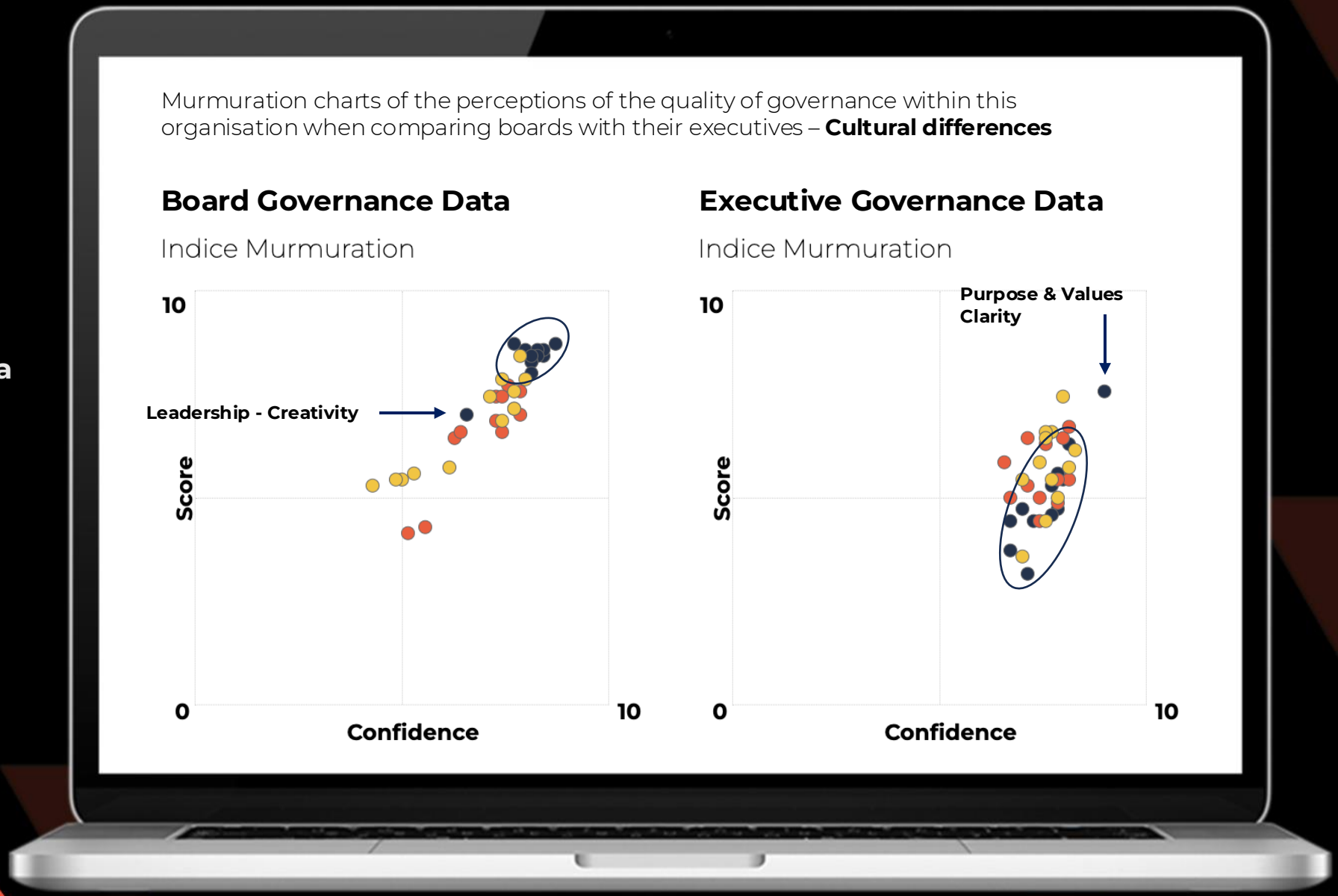

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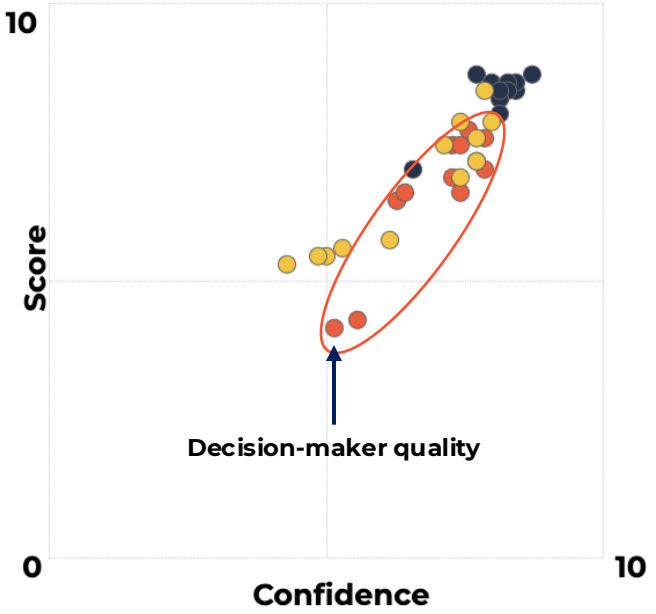
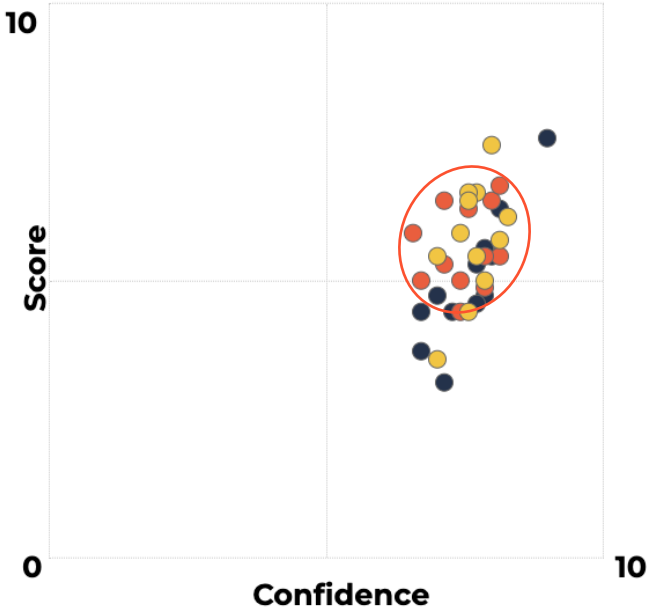
Implementation – 56%

Murmuration charts of the perceptions of the quality of governance within this organisation when comparing boards with their executives – **Decision-making differences**





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Case Study

A regulator

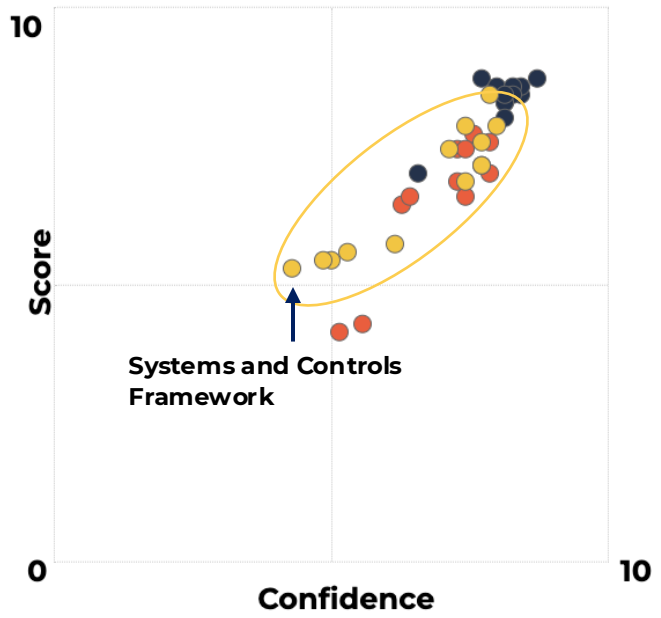
Board Governance Data

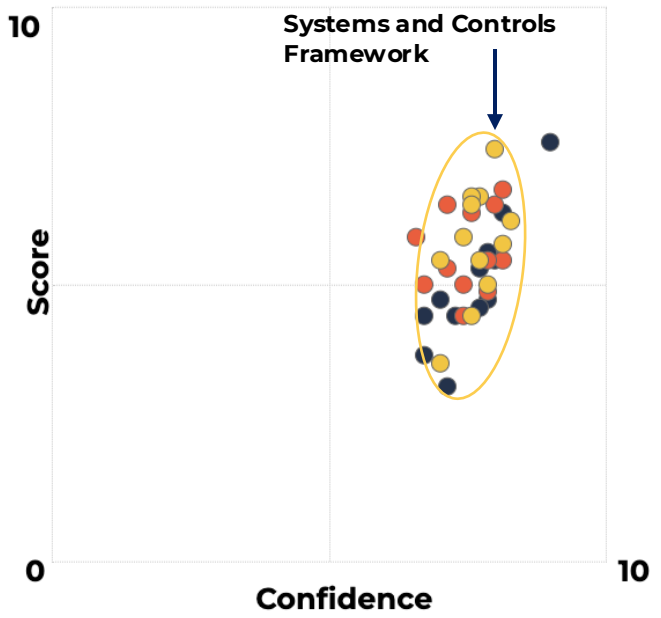
Culture – 83%
Decision-making – 68%
Implementation – 66%

Executive Governance Data

Culture – 48%
Decision-making – 54%
Implementation – 56%

Murmuration charts of the perceptions of the quality of governance within this organisation when comparing boards with their executives – **Implementation differences**





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Observations
of boards and executives

Our observations on the **perceptions between boards and their executives**.

- We are observing variations between perceptions between board members and their executives.
- Whilst they may not be indicative of any governance deficiency, being able to draw these clear distinctions and visualise them has proven to be huge for boardrooms.
- Being able to look for differences in patterns has enabled the facilitation of ‘difficult’ conversations that may not have been otherwise instigated.
- Being able to identify the outliers across the indicators of governance has enabled boards to be much more focused on development as opposed to compliance.

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Our journey
through our observations

- Our observations on the **perceptions on the quality of governance**.
- Our observations on the **perceptions between boards and their executives**.
- Our observations on the **impact of a 'systems' approach to board and governance development.**

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A systems approach

to governance and board dynamics

- **Interconnectedness**: Systems thinking emphasises that all components within a system are interrelated, meaning changes in one part can significantly impact others.
- **Holism**: The principle of holism suggests that systems should be viewed as cohesive wholes rather than merely collections of parts. This perspective helps in recognizing that the whole is greater than the sum of its individual components.
- **Feedback Loops**: Feedback mechanisms are crucial in systems thinking, as they illustrate how actions can lead to consequences that circle back to affect the original components. Understanding these loops—both reinforcing and balancing—enables better predictions of system behaviour over time.
- **Emergence**: This concept refers to the idea that new properties or behaviours can arise from the interactions of simpler elements within a system.
- **Causality and Patterns**: Systems thinking involves recognising patterns and causal relationships within complex systems. By identifying these connections, practitioners can better understand underlying issues and develop targeted interventions to address systemic problems effectively.

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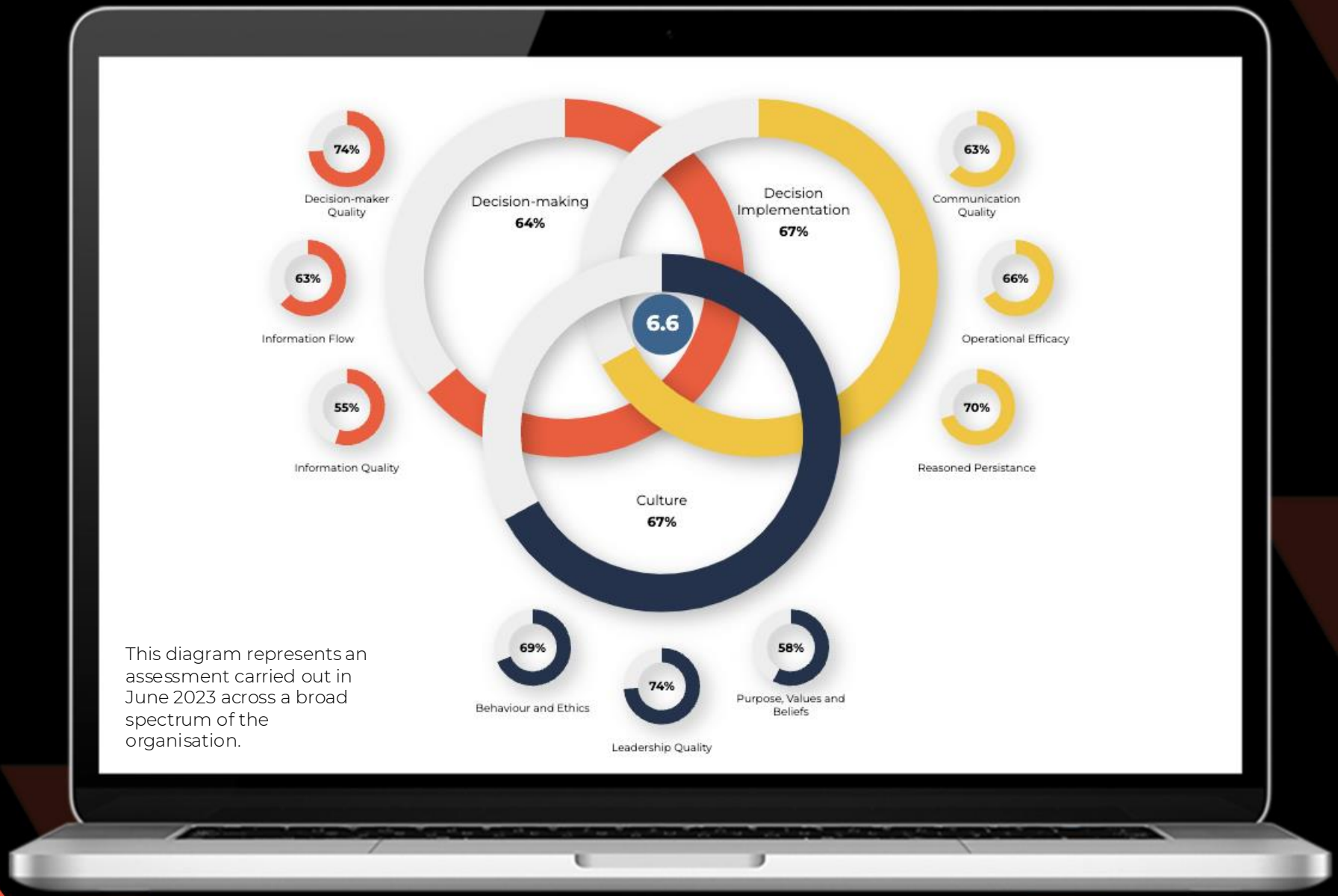
Case Study

A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%



This diagram represents an assessment carried out in June 2023 across a broad spectrum of the organisation.

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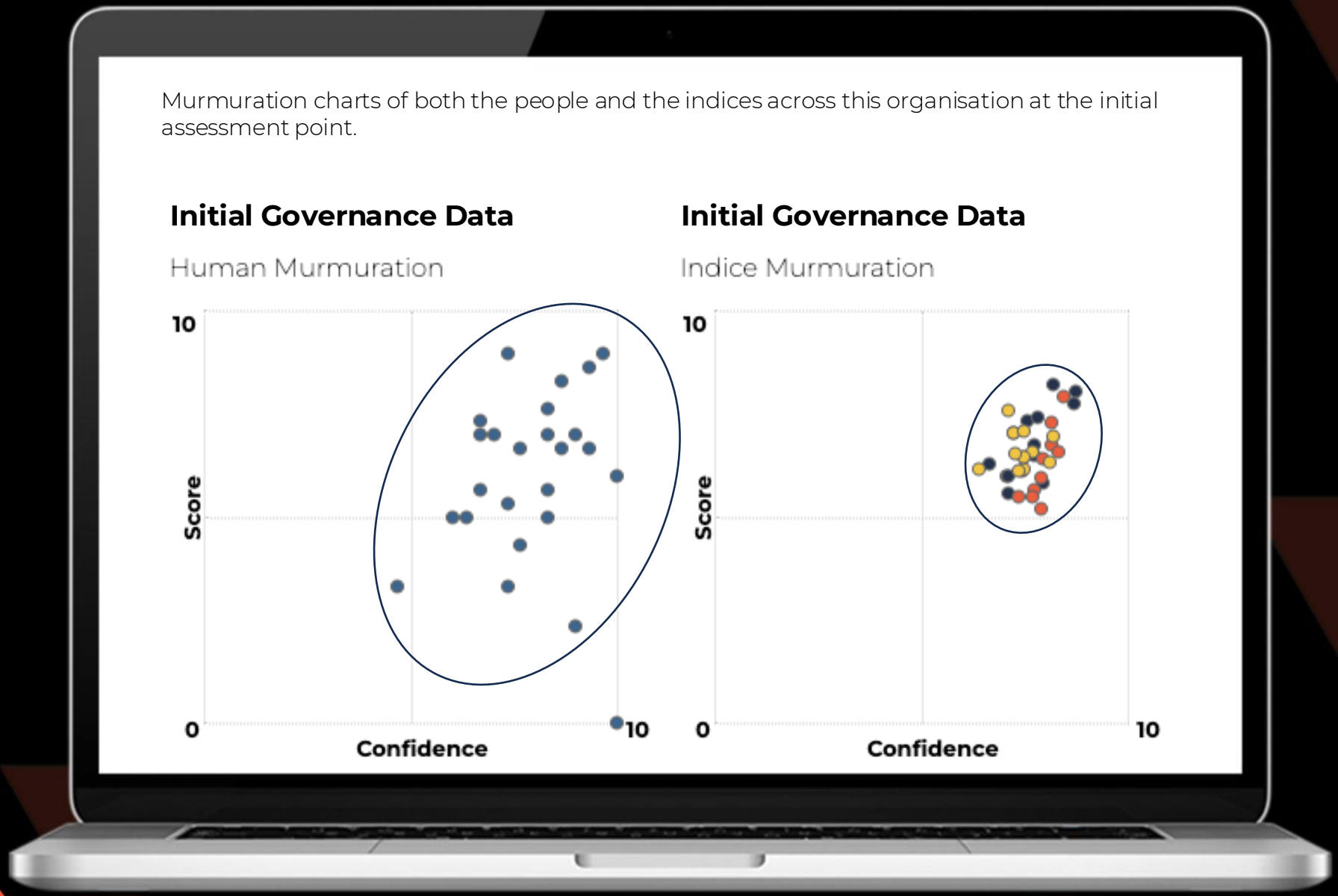
Case Study

A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%



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Case Study

A fund manager

Initial Governance Data

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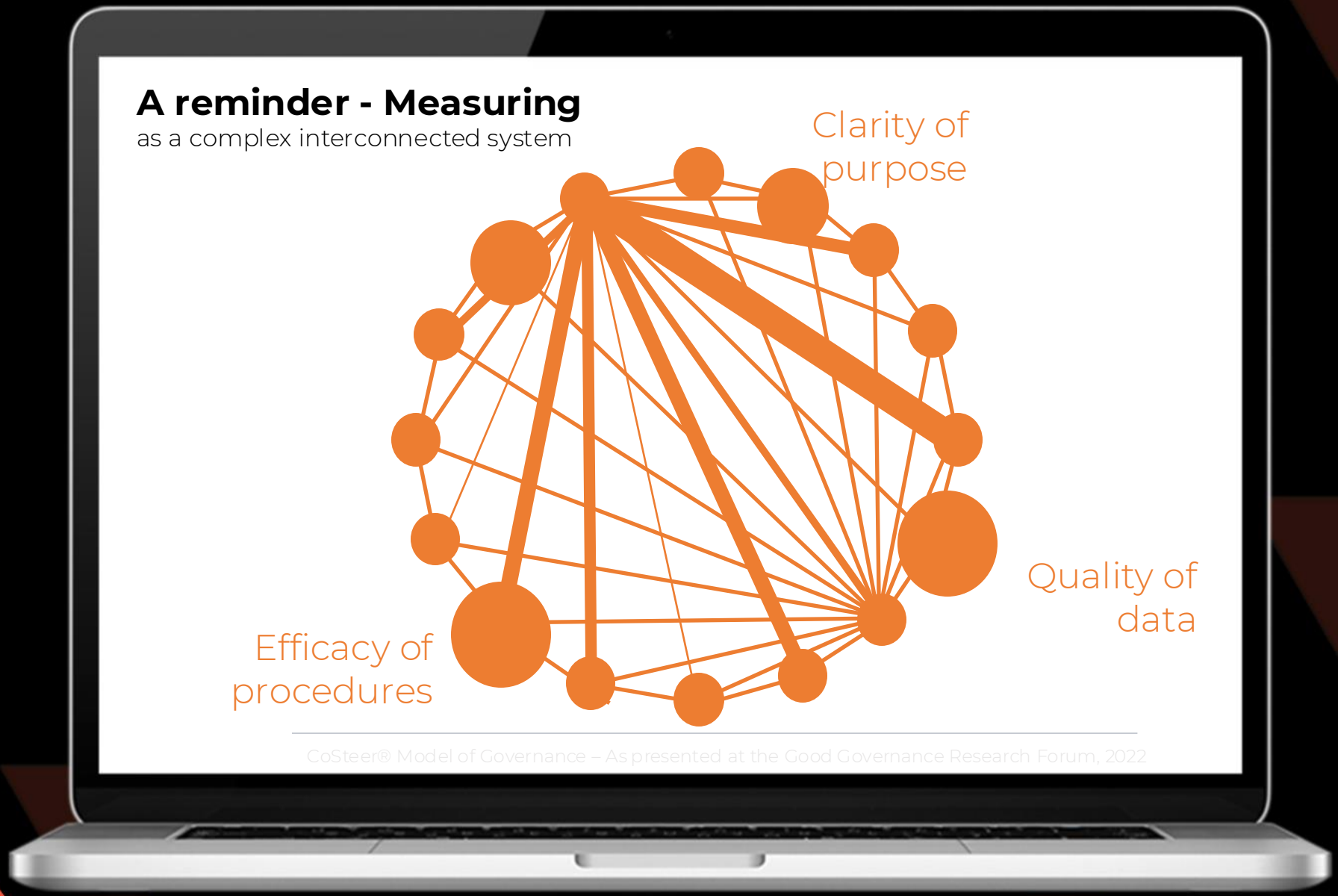
Decision-making – 64%
Implementation – 67%



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Case Study

A fund manager

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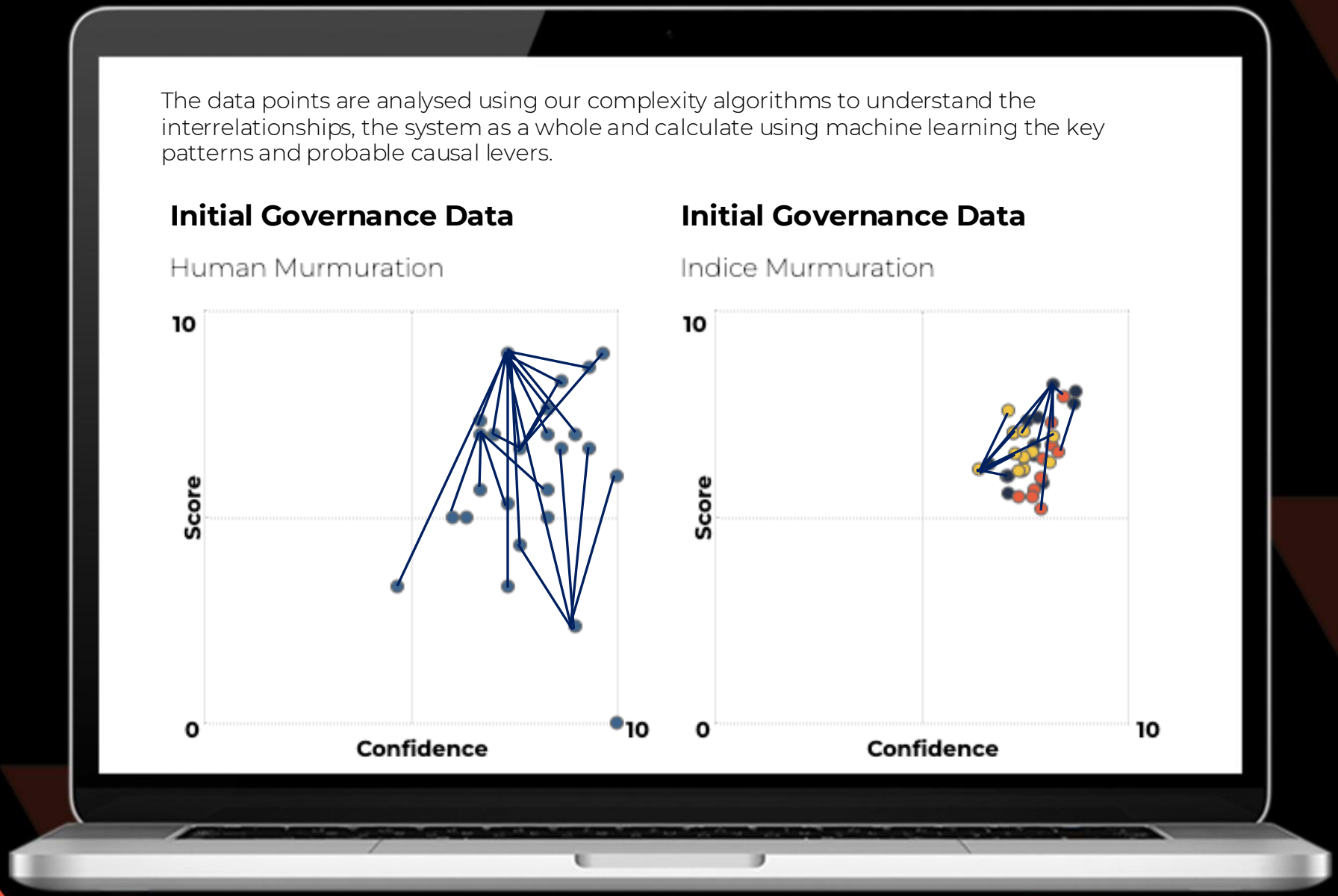

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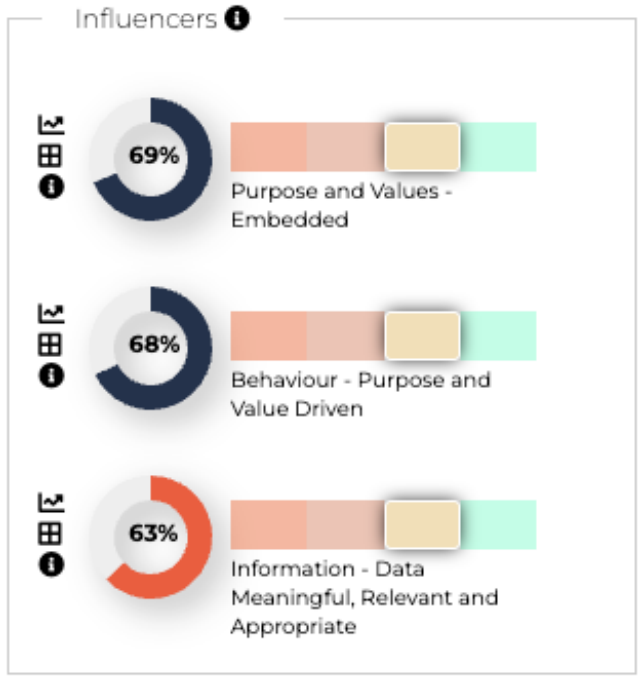
Case Study

A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

The data points are analysed using our complexity algorithms to understand the interrelationships, the system as a whole and calculate using machine learning the key patterns and probable causal levers. These three levers emerged.



Embedding Purpose and Values - Research informs us of the importance of establishing and articulating a clear meaningful purpose within organisations, along with values, however, it's the transition from the clarity of these elements to their embeddedness that significantly improves outcomes. *This element impacts more than 20 of the other factors in our governance framework.*

Behaviour - Purpose and Value Driven – Research suggests strongly that when behaviours are aligned with the values of an organisation that this nurtures a culture with high levels of trust and psychological safety. The opposite is also evident. Malalignment supports a culture of mistrust and poor well-being.

Meaningful Information - It's widely understood that the quality of information available for decision-making profoundly affects the quality of decisions, however, it appears to be the transition that organisations make between data and information that separates the higher performing from others. *This element impacts more than 20 of the other factors in our governance framework.*

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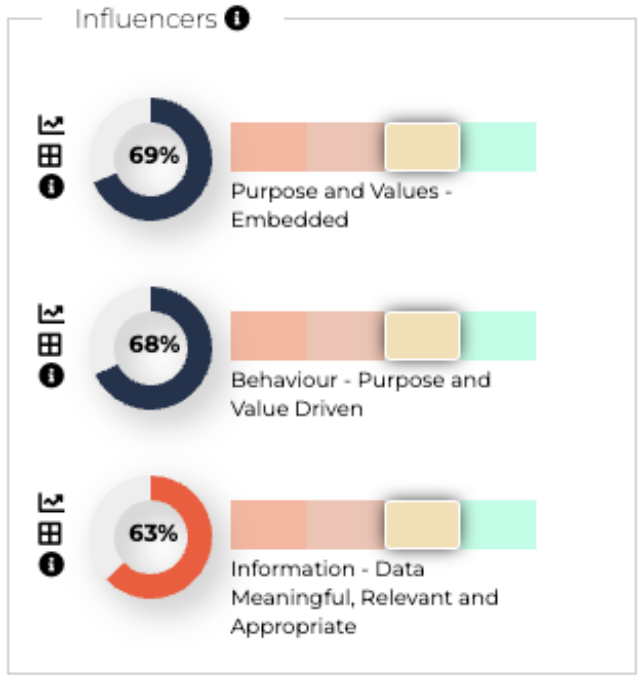
Case Study

A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

The data points are analysed using our complexity algorithms to understand the interrelationships, the system as a whole and calculate using machine learning the key patterns and probable causal levers. These three levers emerged. **These are the two they implemented.**



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Case Study

A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

Post Governance Data

Culture – 72%
Decision-making – 68%
Implementation – 72%

This diagram represents an assessment carried out in December 2024 across a broad spectrum of the organisation.

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Case Study

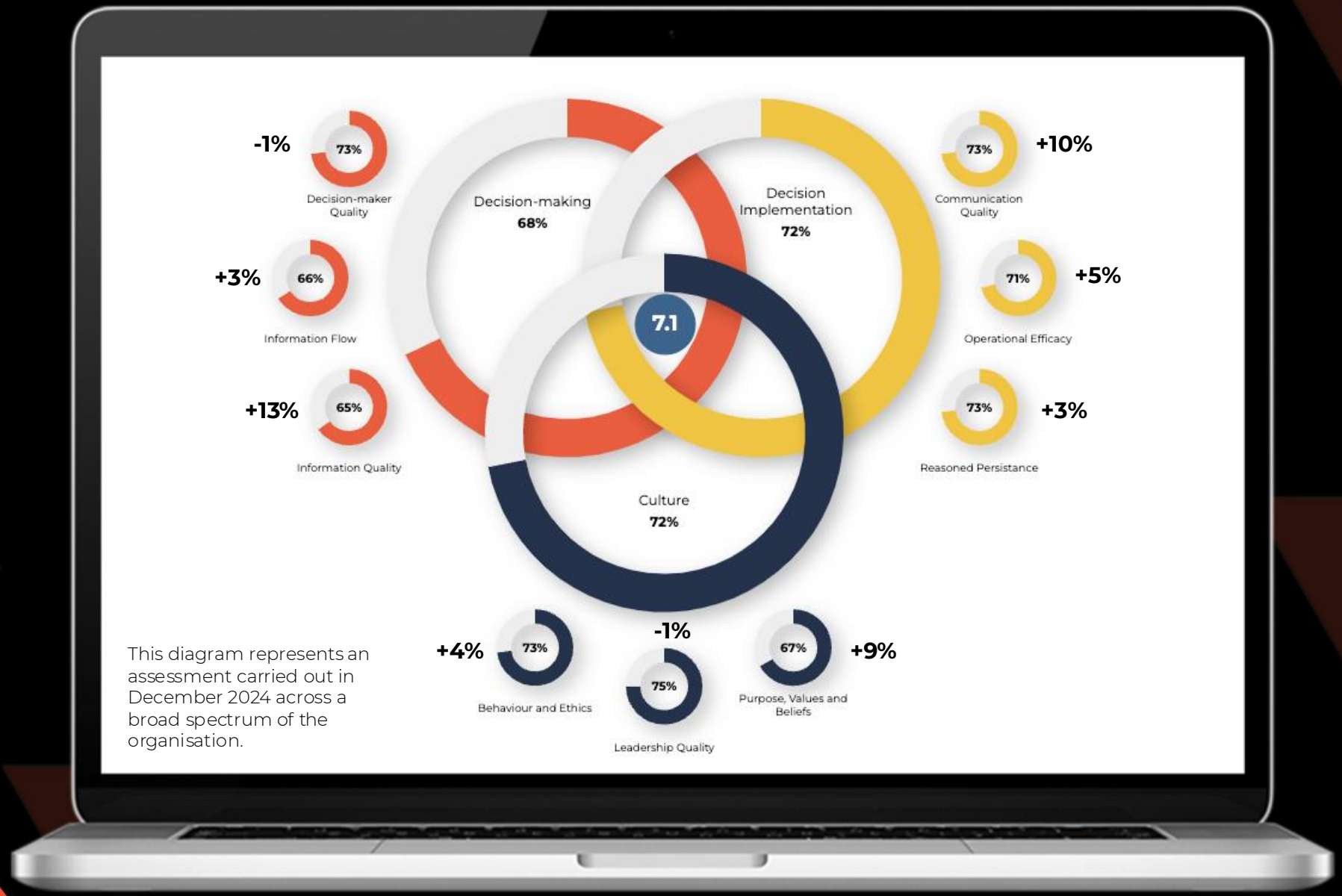
A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

Post Governance Data

Culture – 72%
Decision-making – 68%
Implementation – 72%



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Case Study

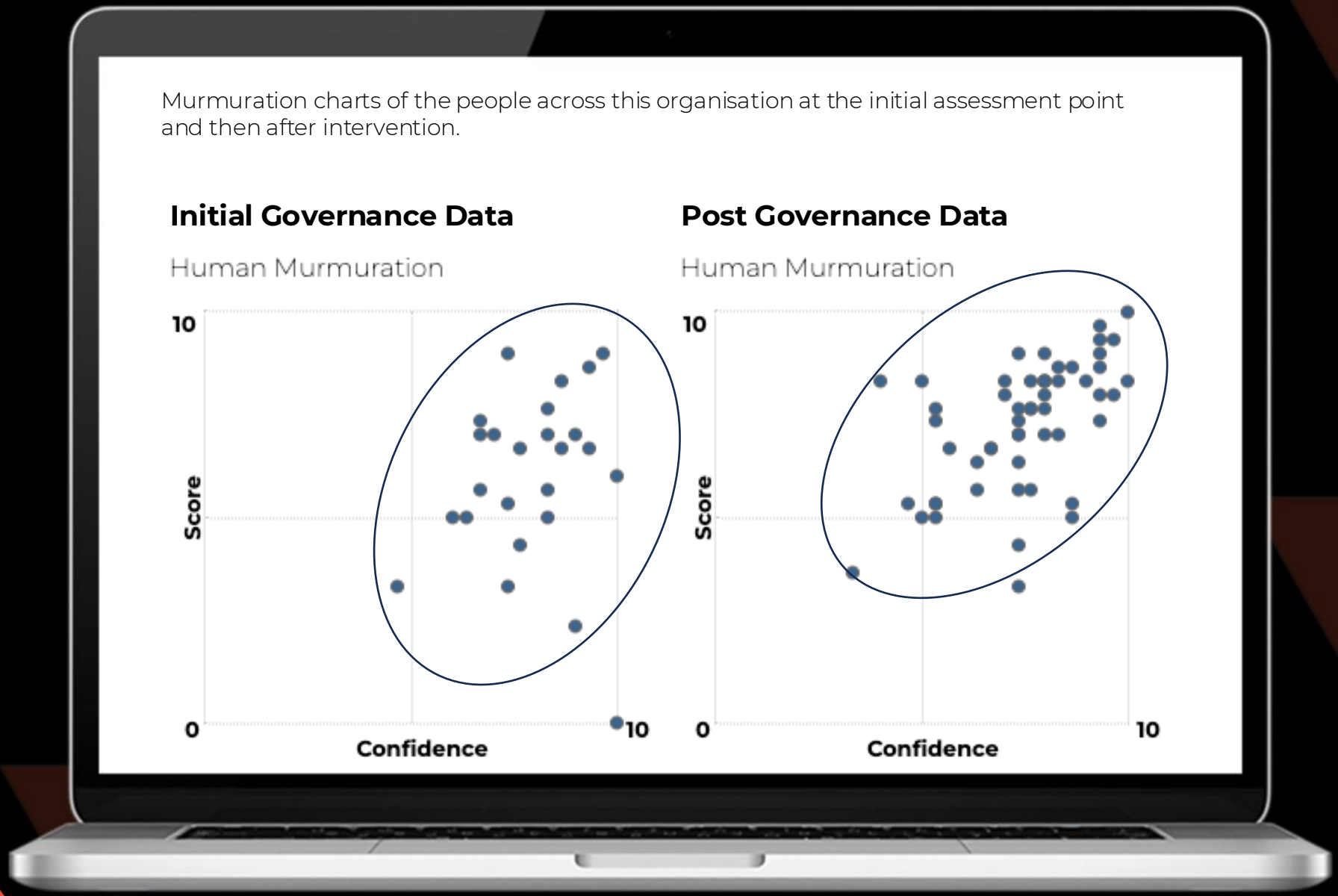
A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

Post Governance Data

Culture – 72%
Decision-making – 68%
Implementation – 72%



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Case Study

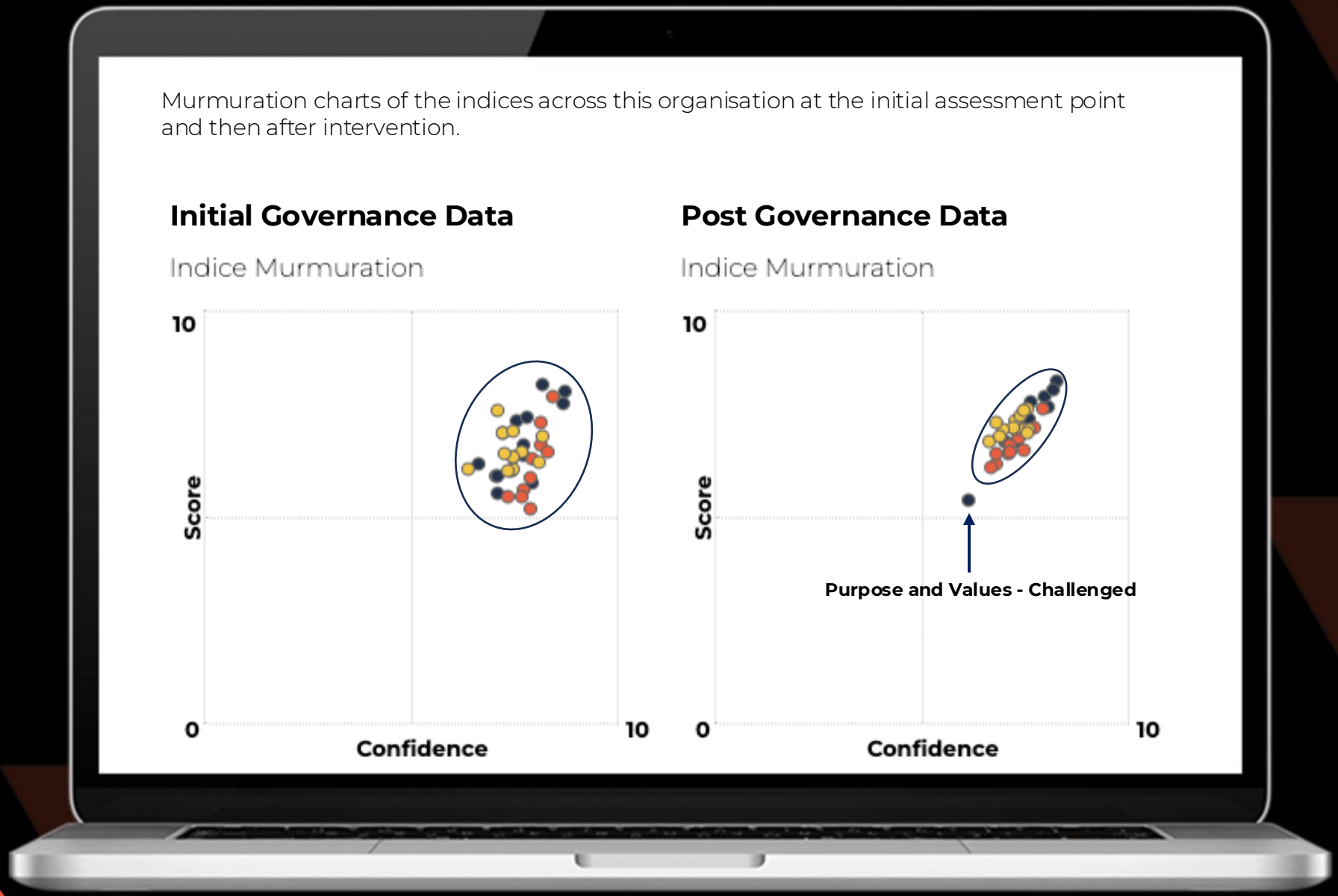
A fund manager

Initial Governance Data

Culture – 67%
Decision-making – 64%
Implementation – 67%

Post Governance Data

Culture – 72%
Decision-making – 68%
Implementation – 72%



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What this client

said about us

"**GovQ+** has provided a great opportunity for the Board and senior management to assess the effectiveness of the governance arrangements of the business, and to identify those areas where enhancements can be made.

We have recently concluded our second annual review which reflected a marked improvement over the results from the prior year.

This improvement was driven by our focus on those areas suggested by CoSteer, demonstrating the CoSteer team's understanding of the interplay between the various elements of governance and the value add provided by them in the process."

Head of Compliance | Fund Sector

Good Governance Academy

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alterDomus* JOIC Guernsey Banking Deposit Compensation Scheme British Showjumping sportwales chwaraeoncymru NetworkRail

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Key observations

from our research

- Governance is appearing as a complex system and as such needs to be approached through the lens of complexity rather than compliance-based linearity.
- We have demonstrated repeatedly the formation of a power law relationship between the factors of governance and the overall quality of governance, meaning that we can say with some considerable confidence, unless organisations are measuring and improving governance through a complex systems approach, the probability of observing any real improvement will be minimal.
- By utilising a ‘system levers’ approach, through complexity, we are seeing growing evidence with our client base utilising GovQ+ of increasing the probability of enhancing governance to beyond 50% and in some cases beyond 60%.
- Rather than seeking to drive change through a strengths and weaknesses approach (SWOT), we can strategically refine the approach to include only interventions that affect multiple factors – akin to the ‘Butterfly Effect’ . This increases the probability of real change and reduces investment costs of time, effort and financial resource.

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Key performance levers

through our observations and analysis*

Embedding Purpose and Values
Research informs us of the importance of establishing and articulating a clear meaningful purpose within organisations, along with values, however, it's the transition from the clarity of these elements to their embeddedness that significantly improves outcomes. This element impacts more than 20 of the other factors in our governance framework.

Empathic Leadership
Leaders require many skills to navigate the uncertainty of the world within which their organisations inhabit, however, it is the interpersonal skills and particularly 'empathy' that emerges as a critical skill probably as this brings about higher quality decisions and brings people together in times of struggle. This element impacts more than 18 of the other factors in our governance framework.

Meaningful Information
It's widely understood that the quality of information available for decision-making profoundly affects the quality of decisions, however, it appears to be the transition that organisations make between data and information that separates the higher performing from others. This element impacts more than 20 of the other factors in our governance framework.

Independent Assurance
One of the principal components of many global governance frameworks is the need to demonstrate independent assurance of various aspects of an organisation's operations. These tend to be focused on systems and controls, however, also includes board effectiveness and risk management. So, perhaps it's no surprise to see this in the list. This element impacts more than 15 of the other factors in our governance framework.

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*Our analysis of the data has utilised high powered statistical analyses in order to establish more than just linear correlational understandings. As a consequence, we are able to be as confident as one can be that these are the four (4) most influential governance performance levers.

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Reducing Uncertainty

Increasing the probability of
change and growth through governance

Perrin Carey
Founder and CEO

perrin@costeer.co

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Governance Change Growth Mergers & Acquisitions Transformations