

Media Release

Boards need to improve the performance culture of their organisations

Melbourne, 5 May 2009 - Board Benchmarking and Insync Surveys have today released a study called *Organisation performance: A boardroom perspective*, based on the views of 625 directors who sit on 79 different Australian and New Zealand boards.

Mr Nicholas Barnett, Insync Surveys' Chairman, said: "While most directors would consider the encouragement of a strong culture of organisation performance to be essential, only 50% agreed, 45% were neutral and 5% actually disagreed that their board encourages a strong culture of organisation performance."

A research report published by Insync Surveys in December 2008 using the same sample showed that 83% of directors believed their board sets the right tone at the top.

"It's disappointing that the large number of boards that have set a high tone in relation to integrity and ethics haven't also set similar expectations for a strong culture of organisation performance," Mr Barnett said.

Today's report also shows that only around half (49%) of directors agreed, (47%) were neutral and 4% disagree that their board takes appropriate action when performance measures are not met.

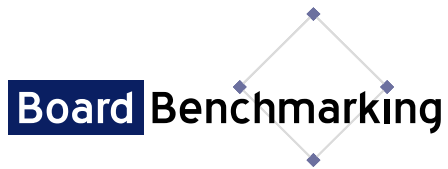
"The oversight of an organisation's performance is one of the most important roles of the board. The organisation's shareholders and other stakeholders rely heavily on the board to enforce a strong culture of sustainable high performance and to take appropriate action when performance measures aren't met," he said.

"Good boards will not only take appropriate action when performance measures aren't met, but will also act appropriately in advance when they see signs of under achievement. This requires the receipt of appropriate leading information and early warning signals and regular ongoing discussions with the CEO," Mr Barnett said.

"As boards delegate their main tasks through the organisation's CEO it is important that the board be of one mind in terms of the performance that is expected of the organisation and the CEO to ensure mixed messages don't spread through an organisation.

"Directors who have done our Board Effectiveness Survey know if they are in the group that doesn't encourage a strong culture of performance or take appropriate action when performance measures aren't met. Being made conscious of that information enables boards to take appropriate remedial action," Mr Barnett said.

"Unfortunately, not enough boards are conscious of their shortcomings in this important area," he said.



About the sample

Around 20% of the 79 boards are ASX listed, including in the top 10. Aside from ASX listed organisations, the boards included in this study also represent a cross section of organisations ranging from associations, not-for-profits and government entities. As for director gender, 25% of responses are from females and 75% are from males. The majority of directors in the sample are non-executive. Director age revealed the biggest contrast of views compared to the other demographic splits.

-ENDS-

Media contact:

Sarah Watt
Insync Surveys
Level 7, 91 William Street, Melbourne, VIC 3000
Phone: +61 3 9909 9270
Mobile: 0413 158 330
Email: swatt@insyncsurveys.com.au

About Insync Surveys

Insync Surveys has a range of leading edge integrated benchmarked stakeholder surveys. Its surveys are distributed in over 40 countries and in over 15 languages and include surveys for employees, customers, boards, board committees and many other organisation stakeholders.

Insync Surveys has carried out surveys for some of the largest organisations in Asia Pacific and has offices or representatives in Australia, Asia, North America and the United Kingdom. Insync Surveys' technology also powers the surveys of Board Benchmarking.

Visit: www.insyncsurveys.com.au
Phone: +61 3 9909 9209
Email: info@insyncsurveys.com.au

About Board Benchmarking

Board Benchmarking has two world class measurement tools: its Board Effectiveness Survey and Audit Committee Effectiveness Survey. Both are available globally and are distributed via authorised distribution partners, which include: KPMG Australia, Insync Surveys, Oppeus, Westlake Consulting and Gerard Daniels.

Board Benchmarking has carried out over 100 board and audit committee surveys for organisations ranging from large public companies and government organisations to private companies, associations and not-for-profit entities. Board Benchmarking's surveys are powered by integrated benchmarked stakeholder survey specialists, Insync Surveys.

Visit: www.boardbenchmarking.com
Phone: +61 3 9909 9202
Email: ask_us@boardbenchmarking.com