Fred Hilmer

What's Wrong With Boards

Rethinking corporate governance

'This book is spot on.'
Jennifer Westacott

'Important and timely.'
David Gonski

'Provides many excellent recommendations.'
Tony Berg

Fred Hilmer

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Contents

Acknowledgements 1

Preface — Why have we written this book? 5

Overview — Our thesis in a nutshell 21

Part I
The nature of the governance challenge 29
Chapter One The governance problem 31
Chapter Two Failures of performance 38
Chapter Three Ethical and legal failures 54

Part II
More-of-the-same won't work 69
Chapter Four The genesis of more-of-the-same 71
Chapter Five More-of-the-same in practice 81

Part III
Equipping Boards to meet governance challenges 113
Chapter Six Best fit not best practice 117
Chapter Seven Focus and delegation 143
Chapter Eight Leading the Board —
the chair's contribution to governance 163

Concluding thoughts: Reasonable expectations of governance structure and processes 189

Appendix 1 Key findings of Strictly Boardroom 195
Appendix 2 ASX Corporate Governance Principles 199
Appendix 3 Davos Manifesto 2020: The Universal Purpose
of a company in the Fourth Industrial Revolution 201

Endnotes 205

Preface

Why have we written this book?

The new director smiled inwardly as he entered the office tower on the way to attend his first Board meeting. The director had recently retired after a successful career in finance. Getting two or so directorships at major companies was, in his mind, a perfect way to keep active and give something back now full-time work was over.

As he approached the security desk an administrative assistant came up to him, welcomed him and handed him a security pass for future attendance at meetings in the building. He felt good about the directorship. Everyone he had been in contact with during the headhunting process had been polite, respectful and friendly. He also knew a few of the other directors, some quite well, having worked with them on tough deals in his previous roles. The director looked forward to being on the same side as his colleagues, working to build the business and generate respectable returns for the shareholders.

Unfortunately, the good feelings and optimism about the role didn't last. Compliance matters dominated the agenda. The volume of papers to read and digest was mind-numbing. Managers seemed to be looking over their shoulders at what regulators were signalling rather than at the markets in which the company competed. As a consequence, there never seemed enough time spent on the business issues facing the company and the strategy it was following. Moreover, while questions were treated politely, he wished he or some other colleagues would push harder and go deeper into what niggled him. Also, while the answers to questions from him and the other directors were ostensibly welcomed, he couldn't help feeling that managers thought most questions, and the answers given, added little to decisions the Board faced. Put more bluntly, there was a quiet undercurrent that characterised many questions as "dumb".

This bothered him, as while the company's performance was adequate, it had seen better days. Management believed that fine-tuning strategy, cutting costs and strengthening the balance sheet would restore profitability. More fundamental questions about the strategy were answered by off-the-cuff points of view from the CEO, often supported by the finance director. These questions were scheduled to be debated at the Board retreat, but PowerPoint dominated and little was decided.

Fast forward five years. While the company had become more efficient and managed its balance sheet well, sales growth was sluggish and market share was under pressure. Private equity firms were showing increasing interest and a takeover was on the cards.

While this is fiction, the issues it raises are not. The public company governed by an independent Board is under pressure. In our view flawed governance is the key issue. Almost all major decisions are and can only be made by the Board, including critical appointments (CEO, chair and directors), major investments and strategy. If these decisions are poorly made the buck stops with the Board.

We contend all is not well with governance not just in Australia but more widely, as failures here have parallels in most economies where public companies are significant players. Hence this book.

Our starting point is to reiterate the critical roles played by large publicly listed companies with widely held shares.

The governance of large public companies matters – really matters. Large, publicly listed companies with widely held shares are a key element of market economies. These companies bring together the capital and talent needed to operate complex, large scale businesses, and can take risks that smaller firms cannot. Modern, well-functioning complex economies rely on the likes of large banks and other financial institutions, retail chains, resource companies, key infrastructure providers and major technology companies. These large publicly-listed companies also provide democratised investment access to smaller shareholders, allowing them to construct portfolios that reflect their preferences for returns and risk, and type of business they choose to be involved with. According to an ASX study in 2020, 6.6 million Australian adults or 35% of the population hold listed investments (excluding superannuation).

In an increasingly complex and rapidly evolving environment, these companies require strong and effective governance to serve their shareholders well. When things go awry in the large listed company world, it matters. Beyond an immediate impact on shareholder value, the consequences can damage trust in business as providers of essential services, and as investors of shareholder capital.

Consequently, when things do go wrong, the immediate call is "who's responsible?" and "why did they allow these undesirable outcomes to occur?". Too often, the answer is simply and unhelpfully: "poor governance".

The governance problems we now face appear to be sufficiently different to those of the past that we believe fresh thinking is required.

Without this fresh thinking, we believe governance in public companies will not only not improve, but is likely to further decline.

Our overarching concern is that the expectations being created and enforced by Australia's current approach to corporate governance are unreasonable given current governance practices: they require Boards to have a command of detail, often in highly technical specialised areas, as well as a clear "big picture" perspective. As a result, the Board may act in ways that may not improve outcomes, and consequently distract from more valuable activities. In other words, the current direction of travel of governance reforms is at great risk of making leadership quality, company performance and stakeholder outcomes worse over time.

Our focus is very much on how a Board is constituted, structured, managed and operated. It was put to us that we should also examine and critique the legal framework within which Boards work. There is also substantial evidence that Australian directors are more heavily regulated than in other jurisdictions. Based on research in conjunction with the law firm Freehills, former Australian Institute of Company Directors (AICD) chair John Colvin argues that:

> *"Directors are subject to too many criminal offences, and too many of those offences allow conviction on the basis of strict or positional liability without the ordinary protections of the criminal law."*[1]

Mr Colvin concludes:

> *"This approach is not reasonable and is out of step with the regulation of other professions and occupations within Australia and the regulation of directors in other similar jurisdictions."*

This is strong evidence that the issue of directors' liability is important and that reforms could help improve governance. That said, on reflection we decided not to focus on this issue for three reasons:

- First, company law is not our expertise. Our backgrounds are with improving the performance of companies through strategies and operating reforms.

- Second, company law and regulation should facilitate and encourage good performance; if not, the laws should be changed. However, appropriately addressing legal reform of this type would be a substantial publication in itself.
- Third, regulation of governance, in particular directors' liability, is a topic that evokes strong views. The ensuing debate would drown the discussion of improving governance.

Governance crises have a common pattern. There is usually an accumulation of specific problems, including unanticipated losses or fraudulent or unethical behaviour. Over time, a sense of an overarching brokenness appears. What follows are demands that something must be done, leading to the imposition of new rules and regulations with a declaration that this can never happen again. If only this were true.

In 1993, during one of these periods of perceived poor governance, I chaired the Sydney Institute's review of governance. The resulting book, *Strictly Boardroom*, argued that:[2]

> *"[T]he key role of a Board should be to ensure that corporate management, properly taking account of risk, is continuously and effectively striving for above average performance. This was not to deny the Board's additional role with respect to shareholder protection."*

After analysing losses in major listed companies, the contributors concluded that poor business judgements in boom markets – paying too much or borrowing too much – rather than misconduct or inappropriate entrepreneurial behaviour, were the main causes of poor performance in the 1990s. The *Strictly Boardroom* group were concerned that the increasing focus on complying with regulation and consequential prescriptive governance practices were taking the Board and management's attention away from their main performance enhancing role.[3]

However, in the late 2010s and early 2020s, we saw a new type of governance crisis develop.

The poor behaviour and misconduct examined in *Strictly Boardroom* occurred in few companies, none of which was a leader in its industry. This time poor conduct is more widespread. Leading companies – major banks, insurance and wealth management companies, telcos and energy producers – have been accused of material governance failures. None have collapsed, but as more evidence of improper behaviour emerged the crisis reached into senior management ranks and the Board. For example, during 2019 and 2020 three of the four major banks and two leading wealth managers lost both their chairs and CEOs. It is questionable whether this would have happened without the scrutiny of the Royal Commission and other reviews of and by regulators.

Another difference has been the nature of the financial impacts of governance failures. Rather than causing major financial losses, in many cases the misconduct increased profit – at least in the short-term – at the expense of customers and employees.

Australia is not alone in facing these issues. Australian governance problems can be seen as part of an international governance challenge. As noted by former president of the Business Council of Australia, Graham Bradley, in his 2019 Bathurst lecture,[4] in 2015 the world's largest automobile manufacturer, Volkswagen, sold more than 10 million small diesel cars fitted with computer algorithms designed to defeat emissions testing required by US, European and other national environmental regulations. It was eventually revealed that this scandal went well beyond VW's engineering department and that very senior company officers were aware of the fraud, resulting in the resignation of the CEO, chairman and other senior executives, and ongoing criminal prosecution against some of them.

Similarly, a major scandal in 2017 engulfed Wells Fargo, the third largest US bank and an organisation that had survived the global financial crisis without major losses. At Wells Fargo, 5000 employees, including the chair and CEO, were fired for facilitating the opening of financial product accounts for customers without the customers' knowledge or consent. As well as massive fines, the US Federal Reserve Bank restricted the bank's growth while demanding the replacement of four Wells Fargo Board members, without any judicial finding of fault on their part.[5] The basis for this ruling was that the directors should be held accountable for poor oversight of the culture and operations of Wells Fargo. In the Federal Reserve Bank's view, the directors' "performance in addressing these problems is an example of ineffective oversight that is not consistent with the Federal Reserves' expectations for a firm of WFC's size and scope of operations". Ramifications of this episode continue, including a US$3 billion settlement with the US Justice Department in February 2020.[6]

A final difference this time relates to how governance issues are being identified and managed. Previously, a typical response to governance crises has been to create a committee of inquiry focussed on designing reforms to the process of governance. This type of response arguably began with the Cadbury Committee in the UK in 1992,[7] and for some time review committees have been the main response to a governance crisis.

Before Cadbury there was no code of desirable governance practices (and no shortage of improper conduct). The absence of a code was seen as a gap that should be filled, a task Cadbury and his committee tackled with support from the London stock exchange, the Financial Reporting Council and the accountancy profession. The committee developed a code of 'best practices' that companies were expected either to adopt or to explain to the shareholders why they had not done so. Cadbury's code was widely adopted including in Australia, where the code has evolved into the ASXs Corporate Governance

Principles. Reaction to Cadbury was generally positive, however my own view, set out in *Strictly Boardroom*, was that Cadbury over emphasised the conformance roles of the Board and under emphasised the Board's role in enhancing performance.

This time, governance matters have been more likely to be addressed by a judicial or regulatory agency than a body specifically investigating governance. Australia's financial services sector, for example, was the subject of an interlocking set of inquiries with a range of objectives – all of which made major and valuable findings about governance issues. A Royal Commission investigated the industry with a remit extending far beyond governance.[8] In parallel, the Australian Prudential Regulatory Authority (APRA) reviewed governance culture and accountability within the country's largest bank, CBA[9], finding its success had "dulled the senses of the institution", particularly in relation to the management of non-financial risks. Never had such a significant and respected institution been subject to such a review by a regulator, with recommendations going to the heart of how the organisation was directed, led and managed. Subsequently the capabilities of APRA itself became the subject of a Federal Government inquiry.[10] None of these inquiries were about governance per se, but each made substantial and typically very critical findings about major governance failings. More recently, a set of inquiries into Crown Casino have examined governance practices, but with a specific set of questions in mind, not a focus on governance itself.

The Financial Services Royal Commission findings reflect the distinctive aspects of this governance crisis. Unlike, for example, the Royal Commission into HIH insurance, this was not an investigation stimulated by a financial collapse.[11] Unlike 2000 and 2008, there had been no financial crisis or corporate collapses. There had not been Enron or Lehman Brothers type failures.

The Bergin inquiry into Crown Casino in New South Wales was established in 2021 to question the fitness of Crown to hold a gaming license. Governance issues were an important part of the inquiry's work and a number of themes emerged. These included ethical conduct, risk management and oversight, as well as board composition, including independence, and remuneration and incentives. The inquiry noted that scrutiny of governance has intensified due, in part, to extensive external reviews such as the banking Royal Commission. While there are obvious differences between banking, funds management and casinos, the relevant principles of good governance have much in common.

The issues this time were about ethics, compliance with the law, and community expectations about standards of behaviour. This new formulation encouraged recognition and examination of conduct that was not illegal but nevertheless unacceptable. It recognised a newly prominent strand of thinking about the objective of governance, including how Boards were being asked to balance the interests of shareholders, customers and the community at large.

The report also positioned governance issues not in a legal realm but in the realm of ethics, and of practical action. Commissioner Kenneth Hayne took the view that new laws were not needed. He concluded that six principles, all of which he emphasised were adequately covered by current laws, needed to be properly adopted by companies to address the issues identified through the Royal Commission he oversaw. The six principles are:[12]

1. Obey the law
2. Do not mislead or deceive
3. Be fair, especially with customers
4. Provide services that are fit for purpose

5. Deliver services with reasonable care and skill
6. When acting for another, always act in their best interest.

This approach suggested governance should be grounded on basic, fundamental principles and less on prescriptive rules.

As corporate Australia was coming to terms with the findings of the Royal Commission and reforms proposed by regulators, Covid-19 struck. No business has been exempt from its effects.

This is less a governance crisis and more an acute governance challenge. For many firms, survival became the overwhelming issue. For firms with viable businesses, protecting the safety of employees and customers, as well as adapting to major changes in how people and goods could move around, was an urgent and high-stakes challenge across entire organisations. Over time, firms began to define what a post Covid-19 world would look like for them and how the firm could best adapt or otherwise change its business model and practices. This could include, for example, technology-driven adaptations that accelerated and became embedded through the pandemic, such as working from home and an increased use of on-line shopping.

We observed changes in governance practices in response to this challenge. It became clear that the necessities of coping with Covid-19 were revealing how large publicly-owned companies adapted governance when the pressure was on. Boards reacted by establishing ad hoc committees, choosing how to involve directors with specialist skills in time critical decisions, and increasing the frequency – and heavily modifying the agendas – of Board meetings.

While the pandemic is still playing out, some key governance issues it has triggered remain unresolved, including:

- How should the Board scan the environment and decide on risks they will deal with before crisis strikes?

- How should the Board modify its priorities, activities and approach when crisis hits?
- What lessons have been learned after the crisis has passed and a new normal has emerged?
- Do we have the right people on Boards to make the contributions required to make critical decisions?
- How can leadership by the chair of the firm's governance approach be made more responsive to firm circumstances?
- Should a focus on critical decisions rather than standard processes be a norm that goes beyond times of crisis?

These unprecedented events should have stimulated new, more creative thinking about how governance approaches can address the fundamental concerns identified by Hayne, and that persist even as firms adapt to a post-Covid world.

The fundamental duty of a Board remains a challenging one. To quote from a paper by Kate Towey and Charles Ashton of the law firm Allens:[13]

> *"As the impact of the Covid-19 pandemic first emerged many Boards focussed on their organisation's response to the immediate crisis. Boards must now turn their minds towards recovery and not lose sight of their overarching role and responsibility for effective organisational governance, strategic direction and planning.*
>
> *As Board agendas become more cluttered it is easy for the performance side of governance to receive inadequate attention."*

This more innovative and substantive conversation has been slow to emerge. Instead, we have observed – and our interactions with senior directors and executives confirm – a lack of clarity about the fundamental governance problems that should be addressed. Consequently, many improvement suggestions made over recent years amount to amplifying current practices in the hope that more-of-the-same will improve governance and firm performance.

The combination of pressure to improve governance without a path to fundamental change meets a common response from directors. The tendency is to retreat into form over substance via box-ticking processes, all based on so-called best practices. Their intention is to protect themselves against accusations of failed governance when something inevitably goes wrong.

What's missing from this conversation are ways to strengthen the Board's role, to better equip directors to meet governance challenges.

This book has therefore been written to provoke a more fundamental and far-reaching conversation about governance than we have witnessed to date. It is intended as an aid to those who sit on the Boards of Australian publicly-listed companies, the executive teams who work with them, the advisers who support them, and the regulators who oversee their activities and performance. Its objective is to help large listed companies deliver on their potential as wealth creators and on the delivery of important products and services, and as a source of meaningful satisfying employment opportunities. Since completing the book, we have had feedback that the issues we discuss are also relevant to smaller, unlisted companies that use a board to provide effective governance.

The focus and intent of this book emerged from our experiences of working with and for those who are responsible for governing public companies. We observed broad dissatisfaction about the state of the debate and the thinking around governance. What started out as an informal conversation over a lunch moved onto a series of informal round-tables and then numerous one-on-one interviews with chairs, directors and experienced Board advisers, as well as an ever-deepening review of academic and practical literature. We are indebted to those who generously gave of their time through interviews and follow-up discussions.

Those we interviewed clearly cared deeply about the issues and were troubled by where we find ourselves. What was intended just to be research for our own professional interests was met with strong encouragement to "try to make a contribution" in a more formal way.

We recognise that the topic of governance generally, and specifically of large complex organisations, is not a simple matter.

We found little empirical research, and few systematic attempts to gather evidence about what actually works in governance. Our conclusion is that in many cases, best practice is closer to "desirable practice" or, worse, the latest fad. This makes even more surprising the tendency for these practices to be positioned not as minimum standards or broad guidance, but as compliance tasks.

In chess, there is no answer to "what is the best move?". The best move depends on the specific game and the specific opponent facing the player. Similarly, our approach to working towards improved governance has been to focus on the specific, persistent, and important governance challenges that have been at the heart of company collapses, dissatisfied shareholders and stakeholders, and fraudulent and other types of illegal behaviour. We have sought to recognise that solving these problems may mean more flexibility to find and adapt "best fit" approaches. We have resisted the temptation to pronounce on best practice without linking the answer to the specific challenges facing the Board at a particular moment in a company's life.

This approach has had implications for the focus and scope of the book. At times, this book will re-emphasise things that are perhaps obvious but lost in the current discourse. At times it will address contemporary practices which have little supporting empirical evidence, or have been twisted from their original design. Finally, at times we will propose alternative and perhaps unusual approaches we believe deserve considered investigation and debate. Even though we may be pushing against the grain of current governance thought, we think this is part of grappling with a worthy and unsolved problem.

This is a complex challenge. Australia's default public company governance model is now competing against strong and well-established alternatives such as private equity, direct investments by large pension funds and sovereign wealth funds. If it is to survive into the next century as a vibrant part of a sophisticated and dynamic market economy, it needs to become a more efficient and effective means of marshalling financial and human capital.

The risks of continuing on the current course are that public companies become ineffective models for capital formation and wealth creation, relegating them to the graveyard of competitive corporate life. The upside is that better governance has the potential to improve performance and so strengthen the public company model.

We hope our approach will be seen as pragmatic rather than evangelical, practical rather than theoretical, and thought provoking rather than prescriptive. Our goal is to clarify the nature of the problem, identify principles and actions that help, identify practices we consider unhelpful and potentially destructive, and propose possible solutions we believe are worthy of proper debate and exploration.

Overview

Our thesis in a nutshell

We aim to help those who sit on the Boards of Australian publicly listed companies, the executive teams who work with them and the advisers who support them.

Our goal is to clarify the nature of the problem, identifying and applying principles that demonstrate where current practices are unhelpful, and propose solutions that we believe are worthy of further proper debate and exploration.

Our argument, and the structure of this book, is in three parts.

Part I: The nature of the governance challenge

In Chapter One, we review the differences in power, time spent, available information and incentives between full-time managers and part-time non-executive directors. Although necessary in current governance models, and in some respects an appropriate division of labour and responsibility, this imbalance has important governance implications.

To better understand these implications, and to allow analysis of potential solutions, in Chapters Two and Three we argue that the history of governance breakdowns suggests four major sources of failure, each of which has the potential to bring down large and successful companies but which drift in and out of focus. We also argue that each category of failure will require different responses.

We describe two of these challenges (Chapter Two) as failures of performance. These are:

- the acceptance of marginal performance, or in other words the failure of Boards to generate long-term returns that meet investor requirements and community expectations; and
- "can-kicking", or a deliberate unwillingness to confront failures in an existing business model or strategy. In short, this governance error is the equivalent of ignoring a problem in the hope it will go away.

Two further governance issues are ethical and legal failures (Chapter Three). These are unethical conduct, including actions that may already be illegal, and deliberate concealment of bad outcomes. These failures are more readily acknowledged than failures of performance. Despite this extra attention, we argue that these two failures are also persistent, and are very difficult to address within current governance structures and practices, particularly when directors who have concerns prefer to leave the Board rather than follow through on them.

Part II: More-of-the-same won't work

Our analyses and interviews have led us to conclude that the current approaches to improving governance, which we characterise as more-of-the-same, requires a fundamental rethink, not fine tuning.

We develop this case in Chapters Four and Five.

In Chapter Four, we argue that the four major governance failures persist because most governance reform ideas amount to more-of-the-same. We argue these reforms build from supposed best practice to add more constraints to the way Boards are constructed and operate. Specific more-of-the-same reforms have been accompanied by a transition from governance guidelines towards being prescriptive norms. This has limited the scope for innovation, including innovation targeted at specific governance problems.

This direction of travel has two linked problems. First, there is no evidence to support many elements of current so-called best practice reforms. This means evidence for the efficacy of more-of-the-same governance reform is missing. This is of particular concern, because as best practice guidelines move closer to prescriptive norms, failure to follow best practice is increasingly risky for Boards. This failure readily attracts disapproval of shareholders and proxy advisers, many of whom value compliance over effectiveness.

Second, the major elements of more-of-the-same add work for Boards without targeting improved outcomes. There are few efforts among governance experts to explicitly match reforms to the major governance problems. It also appears illogical to impose a uniform approach given the variety of situations Boards face. The resultant focus on process over substance prevents Boards and reformers from coming to grips with the hard issues. It encourages the appearance of good governance but not necessarily its achievement.

In Chapter Five, we illustrate the problems with more-of-the-same by reviewing the major elements of more-of-the-same governance:

- A heightened focus on director independence defined not by governance quality but by mechanistic standards;
- Director selection based on increasingly precisely defined technical competencies as described in a skills matrix and away from judgement based on experience;
- Increased disclosure of information to and by the Board that blurs accountability and reduces information quality; and
- Additional roles for the Board, only some of which are likely to improve outcomes.

We analyse each of these elements, and explain why logic and experience suggest these elements will not address the four major governance failures that concern us. We also describe a second problem: that more-of-the-same is unlikely to drive meaningful change that requires a departure from current practices.

This approach may be appropriate to set minimum standards, but it is unlikely to systematically improve outcomes – surely the most appropriate target of a best practice framework.

Part III: Equipping Boards to meet governance challenges

In Chapter Six, we argue that rather than focus on so-called best practice, Boards should focus on "best fit". The notion of best fit comes from contingency theory, the essence of which is captured simply by US sociologist William Scott, who specialises in institutional theory and organisation science:

> *"The best way to organise depends on the nature of the environment to which the organisation must relate."*[14]

We provide a framework to consider alternative governance models, and five specific governance structures are outlined and discussed. We don't advocate a "best" model. Rather we urge Boards to adopt, with shareholder consideration and approval, what best fits. This is a significant shift in mindset, and could lead to an appropriate divergence of governance models depending on a company's situation.

Discovering and implementing best fit is only part of the story about how to improve governance. Having a Board spend more time on additional prescribed issues or new areas of concern is not the answer. This has a real risk of blurring the lines between board and management, and so introducing a new governance risk. In Chapter Seven, we propose that Boards should give more focus to that which only a Board can decide, delegating other matters to executive leadership or Board committees.

In Chapter Eight, we argue for the elevation of the role of the chair in the quest for improved governance. As in most areas of economic activity, effective leadership is what distinguishes the best performers from the also-rans. Achieving best fit and appropriate focus depends critically on the leadership provided by the Board chair. In our interviews it was suggested that if only one change in governance was possible, that change should be to clarify the role and improve the functioning of the chair. We describe in Chapter Eight how this can be done.

* * *

Journalist and essayist H. L. Mencken wrote: "There is always a well-known solution to every human problem that is neat, plausible and wrong."[15]

The more-of-the-same approach to governance is simple, convenient, and supported by many in the governance industry. Its only problem is that it has not, and most likely will not, help directors and managers address fundamental governance issues.

Making progress means giving Boards the flexibility and the permission to adapt their approaches, allowing them to do their best in their specific circumstances.

Photo: Nicholas Watt

Fred Hilmer AO has held a number of key leadership and governance roles. He was President and Vice Chancellor of the University of New South Wales from 2006 to 2015, having previously served as Chief Executive of John Fairfax Holdings from 1995 to 2005.

In the early 1990s, Fred chaired the National Competition Policy Review Committee, which lead to far-reaching reforms in competition policy. In 1991, he was awarded a special John Storey Medal from the Australian Institute of Management for his contribution to management thinking.

Fred's earlier roles included almost twenty years with McKinsey and Co., with Ten as Managing Partner (Australia), before co-founding Port Jackson Partners.

Fred left McKinsey in 1989 to take on the role of Dean and Director of the Australian Graduate School of Management. It was at this time he became heavily involved in corporate governance.

Fred served as a Director of TNT, Coca-Cola Amatil, Macquarie Bank; Chair of Pacific Power; and Deputy Chair of Foster's Brewing Group and Westfield Holdings Ltd and related companies.

He graduated in law from the University of Sydney and was awarded a fellowship to undertake further law studies at the University of Pennsylvania before winning a Joseph Wharton Fellowship and completing his MBA at the Wharton School of Finance in the late 1960s.

He published his first books, *When the Luck Runs Out* and *New Games, New Rules* in the 1980s, followed by *Strictly Boardroom: Improving governance to enhance company performance* (1993, 1998), *The Fairfax Experience: What the Management Texts Didn't Teach Me* (2007). He is the co-author of *Management Redeemed: The case against fads that harm management* (1998) and *Working Relations: A fresh start for Australian enterprises* (1993).

How do you rate the quality of Australian corporate governance and leadership?

Is it improving, or indeed deteriorating over time?

Nearly thirty years after his seminal exploration of boards and governance in *Strictly Boardroom*, Professor Fred Hilmer AO revisits the state of leadership in corporate Australia.

Hilmer contends that all is not well with governance, not just in Australia but more widely, as failures here have parallels in most economies where public companies are significant players.

What's Wrong With Boards highlights how being a director of a listed company is fast becoming more complex and less attractive ... and yet the role has never been more important.

Business professionals and investors alike will find Hilmer's extensive experience brings fascinating insight and a new perspective to these critical issues.

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