

Learn Before You Lead: The Corporate Governance Board Leadership Training Resources Kit

Most codes of best practice in corporate governance require directors to undergo periodic training to improve their knowledge and skills so that they can become better leaders and change agents of their companies. After holding four residential corporate governance leadership courses in Washington, D.C., and consulting with institutes of directors, universities and other trainers, IFC's Global Corporate Governance Forum¹⁹ identified the need for a global corporate governance curriculum targeted at directors of companies in developing markets.

BACKGROUND

Research demonstrates that better-governed companies attract capital at a lower cost and perform better in the long run. Better companies also lead to better societies, creating sustainable businesses that contribute to the overall economic development of the countries within which they operate. Our challenge was to help boards of directors understand the concepts of corporate governance and how these concepts can be turned into practices that add value to the company. From that understanding, the boards of directors can act as agents of change by analyzing the boards on which they sit, identifying shortfalls from best practice, and implementing the necessary changes to make their boards more effective.

To address this challenge, we decided to develop the Corporate Governance Board Leadership Training Resources Kit to strengthen the skills of corporate governance trainers, who, in turn, would work directly with company directors and members of governing bodies (referred to herein as directors or boards of directors). By doing so, training programs can exponentially improve national capacity to achieve wider adherence to corporate governance best practices.

When the project started in 2006, we were also aware that there were more than 70 existing providers of

director development programs. After surveying the landscape, we concluded that, although director development was a relatively new phenomenon, a lot of good material and curricula were already in existence in more than 30 countries, including the curriculum developed by the IFC Corporate Governance Advisory Services team in the Middle East and Northern Africa region. However, some training centers, especially those in developing and transition economies, did not have the resources to develop their own curricula, or had weaknesses in their programs and needed additional material to enhance their training offerings.

We therefore decided to use current best practice already in place in certain parts of the world and to use this knowledge to develop a generic program and materials targeted at directors' training institutions and associations in developing and transitional countries.

Following are some of the key lessons we've learned while developing and implementing the Resources Kit.

LESSONS LEARNED

1) Use a multidisciplinary team to develop materials that are interactive and appropriate for adult learners.

The research we gathered showed that, although large numbers of directors were being trained in

various programs, the impact of this training was not reflected in improved board leadership and practices. We decided to consult specialists in adult learning to see if they could identify why this was so. One expert, Mary Jo Larson, advised us, “Directors with knowledge of corporate governance may not have the skills or confidence to influence their boards. To activate directors, [it is important to] provide a safe space for board members to discuss local realities, plan strategies with peers, and practice the leadership skills required to bring constructive changes to board decision making.”

The Training Resources Kit therefore includes a separate Training Skills Guide that provides interactive learning strategies that trainers can use to enrich the sessions for adult learners. Within each training module, there are activities that provoke discussion and debate. Also included in the Training Resources Kit is a case study that traces the evolution of a hypothetical founder/family-owned company, Organica Futura, while it considers corporate governance reforms as part of its evolution toward becoming a public company.

To develop such material, we pulled together a multidisciplinary team of five consultants with expertise in corporate governance, adult education, and strategic communication. The team spent 18 months developing the Training Resources Kit. We also got director training institutes and other trainers to contribute their knowledge and assistance. Although each consultant worked separately on his or her section of the Training Resources Kit, it was critical to hold regular meetings with the core team to peer-review all sections, discuss key challenges, and ensure an integrated approach to the material as it was being developed.

In deploying the training, we found that interactive learning techniques work better in smaller groups. We therefore advise training providers to run workshops with from 20 to 30 participants so that the participants can maximize the benefits of the training. One of the challenges of this for local training providers, especially where they have to pay for

RESOURCES KIT FEATURES

- Emphasis on interactive exercises for adult learners that draw on participants’ diverse, relevant experiences
- Maximum flexibility through a modular curriculum that can be adapted by institutions to suit their needs and those of their directors
- A standardized curriculum that includes PowerPoint presentations to enhance the learning experience and minimize the training provider’s investment of time and resources for curriculum development
- Advancement of corporate governance reforms by instilling in participants leadership values that can help them to work within their companies or organizations to adopt best practices
- Creation of long-term relationships with those responsible for implementing corporate governance best practices
- Enhancement of the training provider’s brand and authority in the policy-making process to develop national corporate governance codes
- Encouragement of participants to be “change agents” of corporate governance by developing the knowledge and skills needed to build support within their boards for implementing best practices

facilitators, is keeping costs at a level that participants can afford.

2) Flexibility is key: Consider a modular approach and encourage institutes to “localize” and own the material.

Given the fact that we are a global program, and due to the disparate nature of the countries and the levels of the skills base within the countries in which we operate, we decided to adopt a modular approach to the curriculum within the Resources Kit to give it maximum flexibility. Trainers can use single modules for their presentations, as well as combine the modules to present a course suitable to



Group exercise at the launch of the Corporate Governance Board Leadership Training Resources Kit, Washington, D.C., March 2008.

the requirements of those directors being trained. The Resources Kit’s curriculum is divided into five parts. The first four parts each contain four modules; the fifth has only one. Each module includes:

- **Contents and schedule:** a detailed lesson plan, allocating time for each activity, and directing the trainer to relevant material (PowerPoint slides, handouts, case studies)
- **Notes:** providing background material and source references
- **PowerPoint Slides:** to support the trainer’s presentation. These can be modified to match the branding identity of the trainer and also be localized so that directors can obtain information that is relevant to them

Because the Global Corporate Governance Forum is a global program, we couldn’t develop the Training Resources Kit for a specific region or country. From the start, we knew we had to keep it at a general level, and that it would require more work from each

institute to localize it to regional or country-level requirements. The Training Resources Kit is only a framework, and this is clearly explained to each trainer and each institute when we do our training-of-trainers program. Depending on the institute’s level of development, some may require extra assistance to work on this localization—for example, preparation of case studies to be used during training.

But even when the Forum is providing help to the institutes to localize the material, the ownership element is crucial to the success factor: ultimately it is the institute that will run the program and respond to local market demand, and therefore the national ownership is imperative. This scalability building process has also proven to be a resource-intensive process (both financial and human resources) that requires attention and guidance throughout, and that often causes a major challenge for local institutes and institutional development partners.

3) Use the Internet to build a community of trainers.

Because we had limited resources to roll out the Training Resources Kit, we looked at different ways to use it for maximum effect and decided on a training-of-trainers approach. We held a workshop in Washington, D.C., with representatives from directors' training institutions and individuals involved in training directors in Africa, Asia, Eastern Europe, Latin America, and the Middle East and North Africa. This group would help us disseminate the Training Resources Kit in the future by running their own TOT courses or by using the Training Resources Kit to train directors within their region.

Since the first workshop, which had 20 participants, there have been 16 TOT courses held in 13 countries across four continents. As of December 2009, more than 300 trainers have been trained to use the Training Resources Kit.

Because the participants in the TOT sessions are from all around the world, we developed a new online resource—a blog—to support the Training Resources Kit. On the blog, trainers can freely obtain the content and resources in the Training Resources Kit and are able to access any future edits/additions to it. The blog also facilitates collaboration through the sharing of ideas and experiences—thus building cross-regional engagement.

4) Employ mechanisms to maintain quality control and ensure feedback.

To exert quality control over use of the Training Resources Kit, we instituted password protection for the blog, with access restricted to those trainers who have participated in and completed a training-of-trainers event. This was an essential part of our dissemination strategy, not only to make sure that intellectual property rights were protected, but also to ensure a measure of quality control. After all, if we let anyone access the blog, they would be able to download the material without having been trained in it. Including only Forum-trained trainers creates a

“I thought at first this was going to be yet another feel-good workshop. But I realize now that I have been given the tools to open doors and work with people in a different way—just by noticing their preferences, their strengths, and the way they make decisions. This is going to help me as a trainer and as a board director.”

—*Malawi TOT participant*

community of trainers who have undergone the same training and can further share experiences. This allows for a platform of cross-pollination.

In addition, we decided that every individual or training institution using the Training Resources Kit for training would be required to enter into a contract with the Forum. The contract stipulates how the Training Resources Kit can be used and what feedback needs to be given to the Forum on its usage. For that reason, the agreement provides evaluation samples and survey samples that the institutes can use for data gathering.

This feedback is important, as it helps us to better understand the impact of the training, provides information to us and our donors on the impact of the Training Resources Kit, and allows us to measure its usage and relevance to those directors who have been trained.

Evaluation forms to be completed by training participants are included in the Training Resources Kit. From these evaluations, it is evident that those trained to date with the Training Resources Kit have found it to be very relevant and useful. Participants have also rated the use of the interactive adult learning techniques highly, rating the overall quality at 4.64 on a 5-point scale. Evaluation has been highest where the Training Resources Kit has been localized and local trainers have been used to pass on their experiences and demonstrate hands-on skills.



Interaction at a training-of-trainers program in Brazil, February 2009.

We are also looking at ways to measure the impact on boards of the training that is carried out using the Training Resources Kit. This is obviously more difficult than evaluating the knowledge transfer at each of the training workshops. To date, we have had low responses to surveys carried out on the impact the material has had on boards, so this is one area on which we will be concentrating in the future.

CONCLUSION: EVOLVING THE TRAINING RESOURCES KIT

Corporate governance is a constantly changing subject, and we realized from the evaluations that we need to keep the Training Resources Kit evolving while enhancing the overall impact effectiveness. This year, the Forum will organize a review meeting, gathering a small user group to reflect on lessons learned across the regions and discuss the different experiences, successes, and challenges. Discussions will be formulated around how we will move forward with the material and its dissemination strategy.

Going forward, it is becoming apparent that the Forum's engagement with the training institutions and corporate governance associations needs to be done on a smaller scale to ensure higher impact and stronger local ownership. Working with a narrower pool of institutes that already have the structures in place to absorb the resources' intensive process will

also allow a deeper, longer-term intervention.

In turn, deepening the Forum's intervention will allow for providing ongoing support, including a regular consultative approach. It's becoming apparent that a one-time TOT event is not enough for trainers to become proficient and to show behavior changes. There is a need to develop a series of TOT sessions for trainers from those directors' training institutions and corporate governance associations that have implemented and are successfully using the original TOT methods and techniques, so as to help them consolidate and build on the skills they have learned.

This will also lead to a more efficient data-collection process, which has been a major challenge in the first roll-out phase. Having a narrower, longer-term approach will enable us to help guide the institutes through the monitoring and evaluation mechanism and requirements, which should result in more systematic feedback on the longer-term impact of the training on the trained directors' boards.

Finally, having a longer-term intervention with institutes and their trainers will facilitate the development of a real-life case studies database from local trainers. This user contribution system approach will leverage trainers' contributions in ways that will be useful to other trainers and will be shared through the Web-based Forum-trained community of trainers.

ABOUT THE AUTHORS

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