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Governance
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MODULE 3

Training

TOOLKIT 1

Building Director Training Organizations

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Printing

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T O O L K I T 1

Building

Director Training

Organizations



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M O D U L E 3

Training



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Training

Training organizations can introduce directors to best practices in corporate governance and give them new skills and knowledge to manage their companies better. Director training organizations can also provide the certification that some companies and regulators are beginning to expect. But training programs must be planned and implemented with care to ensure that the training is relevant and meets specific learning needs of directors.

WHAT YOU WILL FIND IN THIS MODULE

This module offers information on developing, delivering, and managing a training program that meets the needs of directors, including how to set up a certification program. The module discusses:

- Targeting the appropriate director markets
- Identifying the professional requirements and learning needs of directors
- Developing a training curriculum
- Developing a syllabus and testing individual courses
- Tailoring training methods to the learning styles of directors
- Managing and staffing a training program
- Evaluating a training course
- Certifying directors

DEVELOPING A TRAINING CURRICULUM

The principles of good governance and the skills and knowledge to promote director professionalism should form the core of any training program for directors. Generally, a good curriculum should be well-structured, comprehensible, relevant, up to date, and tailored to meet director concerns and specific learning needs.

Developing a training program is a multistep process involving:

- Targeting the specific set of directors which will be the focus of training programs
- Identifying the international and local standards of best practice that directors in the target market should strive to meet
- Identifying the skills and knowledge that directors should have, including the specific laws and regulations in the country with which directors must comply
- Identifying the specific learning needs of directors in the target market
- Developing the curriculum—the framework of the program—that will provide directors with the training they need
- Developing a syllabus that outlines the content of individual courses, including supporting case studies, reading materials, and exercises
- Testing the individual courses to ensure that the learning material and its delivery is comprehensive, comprehensible, and suitable to the needs and learning styles of the course participants and contributes to enhancing their performance

GLOSSARY

CERTIFICATE	Award given to a participant for meeting the training program's goals or demonstrating proficiency to perform according to a set of benchmarks. Certificates, sometimes called diplomas, are typically awarded after the participant has passed an examination or test. Some organizations present a certificate of attendance confirming that an individual has attended and completed a training course.
CERTIFICATION	The process of confirming that course participants perform or meet the training program's goals, usually by passing an exam.
COURSE	The event(s) through which the knowledge and skills in the syllabus are provided to participants.
CURRICULUM	The framework of a training program. A curriculum is typically divided into a number of modules reflecting a range of areas or topics to be addressed.
SYLLABUS	The subjects studied for a particular course or sequence of courses. The syllabus can include various types of training materials such as case studies, reading materials, and exercises.

**THINKING
 POINT**
*Which target market is a
 priority for your organization?*

Targeting the market

Before the organization sets up a curriculum and collects training materials, it needs to identify its target market to understand its specific learning needs. Training courses can be extremely diverse, and organizations that train directors are ill advised to assume that “one size fits all.” Offering a curriculum that covers the full gamut of director training is not financially feasible for most organizations, especially young ones. The first step in developing a training program is therefore to segment the director market and then focus on specific segments. The targeting defines the market to be pursued and hence the curriculum priorities and the content of the syllabus. It is important that a start-up organization begin with clearly set, limited objectives that are deliverable in terms of content, schedule, quality, and financial viability. Once these objectives are met, the organization can gradually broaden its offerings and activities.

A well-targeted market can also prove extremely useful in developing a membership base and organizing events or other professional development services.

For further information on membership development and marketing services, refer to MODULE 4: EXPANDING.

There are several ways to segment the market. The most common are by:

- *Organization*, such as directors of companies listed on stock exchanges, directors of small and medium-size enterprises, directors of family businesses, directors of multinational companies, or directors of state-owned enterprises.
- *Function*, such as chairmen, chief executive officers, chief operating officers, chief financial officers, company secretaries, nonexecutive or independent directors, or members of specific board committees such as audit committees.
- *Level of experience*, such as aspiring directors, newly appointed directors, or experienced directors.
- *Sector*, such as industry, infrastructure, services, or banking and finance.
- *Geographic location*, such as country, major cities, neighboring countries, region, or international.

Once a training organization has divided the director market into relevant segments, it then needs to consider several questions in deciding which of these segments to target. What is the size of the potential market? What is

the ability of the organization to provide quality training in the specific field? Can revenue from the program cover the costs of developing and delivering the program? Can the program be started from scratch, or can it be developed with existing material?

An organization is wise to revisit its segmentation and targets on a regular basis, as the needs of companies and directors change over time.

EXAMPLES

SEGMENTING THE DIRECTOR MARKET

AUSTRALIA

The Australian Institute of Company Directors has many programs to suit different target markets. These include the “Going Public” program, aimed at private companies that are ready to go public. It is tailored to the individual company and delivered in-house.

BRAZIL

The Brazilian Institute of Corporate Governance has segmented its market and runs separate courses for different business segments, such as family businesses, small and medium-size companies, and large public companies.

CANADA

The Canadian Institute of Directors focuses on nonexecutive, external directors of companies listed on the Stock Exchange in Toronto. It has focused on this segment on the grounds of potential sponsorship for its courses from interested parties, such as financial institutions.

THE PHILIPPINES

The Institute of Corporate Directors in the Philippines initially focused its training on serving directors of banks. It is now expanding its training to directors of state-owned companies and listed companies.

Collecting the training content

Once the target market has been identified, the next step is to collect the relevant information that will help structure a detailed curriculum and develop the content of the syllabus. To begin with, a review of existing best practices and regulations will provide the organization with a clear view of the overall professional requirements expected from a broad range of directors. Reviewing specific professional requirements for the target market will then help craft the content of the syllabus.

Reviewing best practice

It is useful to gather information about international as well as local best practices in the field of corporate governance and the role of the board, if such information is not already available. National codes of best practice (if available) and international principles and guidelines may provide a suitable foundation for reviewing existing best practice. Examples of international best practice include the OECD Principles of Corporate Governance (www.oecd.org), the Corporate Governance Guidelines produced by the Commonwealth Association of Corporate Governance (www.cacg-inc.com), and the Standards for the Board, produced by the Institute of Directors, UK (www.iod.com).

Reviewing norms and regulations

Typically the organization reviews the laws, regulations, and trends that define or may affect directors' duties and liabilities in the country. Cultural norms that affect the way directors conduct their jobs are also taken into account. Many corporate governance principles are generic, but the legal framework and context of their applications vary from country to country. For example, accountability and honesty are generic principles expected of all directors everywhere. But the appropriateness of a two-tier versus a unitary board structure is determined by local circumstances. Localized examples and illustrations are invaluable in making the training courses more relevant and comprehensible to participants.

Reviewing specific professional requirements

To adapt the syllabus to the target market, it is essential to review both the specific professional requirements of directors within the target market and the

specific issues these directors may face in the board room. This review includes gathering the specific laws and regulations that affect the target market. For example, disclosure requirements and procedure can vary considerably depending on whether a director is serving on the board of a listed company, a bank or other financial institution, or a privately held firm. This important research phase helps determine what learning objectives are important and relevant to the target market. Especially in cases where director training is mandatory for listed companies, the organization may want to discuss the specific professional requirements expected from directors with the relevant regulatory body or stock exchange to ensure that the training course meets its goals and is duly recognized by these authorities.

Identifying specific learning needs

Surveys, semi-structured interviews, and focus groups may be useful tools in helping to identify specific learning needs and therefore in satisfying the training needs of directors. To be most effective, this should be a step-by-step process, with the information gained at the first step used to develop the questioning in the next step, and so on. For example, the first step might be a survey that determines how much the target market understands about the purpose, role, and key tasks of a board. The next step might be interviews with some of those surveyed to gain a better sense of how well the group understands the board's strategic planning role, for example. The last step might be conducting focus groups with a carefully selected group to determine if a course on risk management would be useful and relevant to directors. In conducting the research, specific attention can be given to relevant country- and market-specific details.

The surveys, interviews, and focus groups must be carefully planned to elicit the most useful answers on a range of subject areas. The target population for the surveys and interviews is a cross-section of interested parties including practitioners, academics, and potential course leaders. The practitioners should include both experienced and inexperienced directors, either interviewed separately or participating in different focus groups. In addition, a group of experts should be consulted for each subject area to ensure that the right issues are being discussed and that the research is neither too broadly nor too narrowly focused. While each subject area should be addressed separately, it is important to maintain oversight of all subjects to ensure consistency of approach.

**THINKING
POINT**

*What kinds of training formats
would best suit your target market?*

Developing a curriculum

Once the key areas of knowledge and skills needs for the target market have been identified, they can be arranged in an appropriate curriculum framework and drawn up as a series of detailed syllabuses outlining the content of individual courses. Care must be taken to ensure that individual courses meet specific objectives that form the intended learning outcomes for the training and development programs. In settling on the curriculum and syllabuses, it may be helpful to consult with several experts, including course leaders, subject experts, and specialists in adult learning.

The format for delivering the training program is also an important consideration. The organization may choose to conduct one type of offering or a variety. For example, it may offer a week-long training course on the essential skills and knowledge required by directors, together with a longer course that goes into each of these essential subjects in more depth and a seminar series on specific topics of interest such as a new law that affects corporate accounting practices. Depending on its purpose, a training course may last a few hours or continue over years. Because directors are busy people, most training organizations offer several short training courses (lasting two to seven days) within a year that cover a range of topics. *(A summary, by country, of selected director training programs is presented in annex 1.)*

Developing a syllabus

In designing individual courses, course leaders work closely with the program manager, lead tutors, and any advisory group the organization might have set up for the purpose.

Key to the design of individual courses is the selection and compilation of appropriate training materials such as supplementary reading lists, reference materials, graphics, exercises, and case studies. The materials and documentation used in the syllabus need to be:

- Pertinent to the subject
- Consistent with international best practices
- Consistent with national codes of best practice
- Consistent with national laws and regulations
- Of interest to course participants

SAMPLE PROGRAM FOR A TRAINING SEMINAR

Following is the program for a short orientation seminar for bank directors presented by the Institute of Corporate Directors in the Philippines.

DAY 1

8:30 – 9:00 am	Arrival and Registration
9:00 – 9:10	Course Introduction
9:10 – 10:00	An Introduction to Corporate Governance in the Philippines
10:00 – 10:45	Corporate Governance for Bank Boards – Key Principles
10:45 – 11:00	Break
11:00 – 12:30	Corporate Governance: The Practice
12:30 – 1:30	Lunch
1:30 – 3:30	Risk Management Issues for Bank Boards
3:30 – 3:45	Break
3:45 – 4:45	Legal and Regulatory Issues for Philippine Bank Directors
4:45 – 5:15	Self-Assessment of the Board of Directors

DAY 2

9:00 – 10:30	Introduction to Corporate Governance Scorecards and Presentation of Philippine Corporate Governance Reform Efforts
10:30 – 10:45	Break
10:45 – 11:30	Course Wrap-Up and Way Forward
11:30 – 12:00	Accomplishments of ICD and BSP Evaluation Sheets

(Additional examples of training curricula from India and Indonesia can be found in annexes 2 and 3.)

Case studies should as much as possible cover situations that are familiar to the participants. *(For an example on how to develop effectively integrated case studies, see annex 4; for an example of a supplementary reading list, see annex 5.)*

Once a course syllabus is prepared, for example, on directors' fiduciary duties, it may be adapted into programs of different length or focus or aimed at different target audiences with only slight changes. The organization might also find training modules or syllabuses prepared by other director training organizations that can be adapted to suit its training needs.

The syllabus is a continually evolving body of knowledge and skills whose maintenance and updating are as important as its initial creation. The content of knowledge of certain corporate governance topics may change rapidly. For example, the publication of a corporate governance report in a country can have a significant impact upon the content of courses. Any changes should be checked against the original syllabus to ensure that course content and materials continue to meet the learning objectives.

Testing a course

Before a course is launched, it should be tested under carefully managed and monitored conditions. Such a pilot test usually involves running the course with an audience that is aware of the trial nature of the program and can offer knowledgeable and objective reviews on the content, materials, and presentation of the course. If possible, it is advisable to run a test of the same course twice using two different leaders. Afterward, the two leaders can compare notes and ensure consistency of approach.

The test audience should be representative of the target market for the course. The organization may want to invite the test audience to attend the full program of courses and then solicit feedback on their relevance. One positive side effect of involving participants in this way at this stage is that the participants then market the program to their colleagues by "word of mouth"—often the most effective marketing tool.

THINKING POINT

Would your organization benefit by partnering with another group? What type of organization would be your most effective partner?

WORKING WITH A PARTNER

An organization that trains directors, especially one that is just starting up, may not have the expertise, materials, and the financial resources to develop and deliver a training program on its own. While the training program will eventually become one of the main activities of the organization, the time and money spent on it could divert attention and resources from other programs that might generate revenues in the short term. The organization might therefore benefit from partnering with other groups within the country, such as a university or business school, or seek support from well-established director training organizations in other countries. Each solution has its benefits and drawbacks. If the course is given in partnership with another organization, the relationship and responsibilities of the partnership should be spelled out.

EXAMPLES

COLLECTING TRAINING MATERIALS: COLOMBIA, KENYA, AND ZAMBIA

Director training organizations are likely to have to overcome various challenges as they develop their training programs. For example, the Centre for Corporate Governance in Kenya had to cope with a lack of academic research and documentation on governance practices in Africa. Confecámaras in Colombia had to deal with the lack of literature in Spanish explaining the benefits of director development. Partnering with another organization or seeking support from existing networks may help in collecting adequate training materials.

The Institute of Directors in Zambia uses training programs developed by the Commonwealth Association of Corporate Governance (www.cacg-inc.com). It is currently modifying some of these training programs so that they address the specific and specialized needs of the Zambian business environment while retaining international governance principles. *(An outline of the core curriculum of the Institute of Directors in Zambia can be found in annex 8.)*

Partnering with a university

Some organizations that train directors have established close ties with universities or business schools, especially in the start-up phase. In addition to supplying much-needed expertise with curriculum development, universities and business schools may also be able to supply in-kind services, such as classroom space and trainers.

EXAMPLES

PARTNERING WITH A UNIVERSITY

IRELAND

The Institute of Directors in Ireland has undertaken a joint venture with University College Dublin. The IoD Centre for Corporate Governance at UCD, as the joint venture is called, provides scheduled courses on all aspects of corporate governance and customized courses delivered in-house.

THE PHILIPPINES

The Institute of Corporate Directors in the Philippines was originally set up as an autonomous extension of the University of Asia and the Pacific. It has now recognized the need to be open to different educational establishments and has become independent of the university, although the institute and the university maintain loose ties.

Some organizations that worked closely with universities at the beginning eventually decided to operate their training program independently. The training organization may want to offer a teaching style that is less theoretical than the typical academic approach and more geared to real business problems. Or the organization may find a business school's traditional emphasis on management training too limiting and not sufficiently focused on the needs of directors. Or it may decide that it has accumulated the financial resources and expertise necessary to become autonomous.

WORKING WITH AN ESTABLISHED ORGANIZATION: UNITED KINGDOM

The Institute of Directors, UK is currently providing advice to the Corporate Governance Forum of Turkey in the following areas:

- Development of a syllabus and curriculum
- Recruitment of faculty with the appropriate credentials
- Development of training support materials using sample training materials
- Development of infrastructure to support the program, including practical issues such as venue
- Quality assurance

Partnering with an established training organization

Some well-established director training organizations, such as the Institute of Directors, UK, the U.S. National Association of Corporate Directors, and the Australian Institute of Corporate Directors, have been sharing their expertise or are in the process of developing international departments to promote their expertise and provide support to young organizations worldwide to develop their director development activities.

Finding support through networks

Another option available to help organizations in developing their training program is networking with other director training organizations that face or have faced similar challenges. Networking can be both productive and cost-effective. Several such networks have been established:

- *The Commonwealth network.* The Commonwealth Association for Corporate Governance (CACG) was established in 1998 to promote excellence in corporate governance in the Commonwealth. The CACG has two primary objectives: to promote good standards in corporate governance and business practice throughout the Commonwealth; and to facilitate the development of appropriate institutions to advance, teach, and disseminate such standards.

- *The East Asian Network.* With leadership from the Philippine Institute of Corporate Directors, the Institutes of Directors in East Asia (IDEA.net) was successfully launched to strengthen corporate governance practices and standards in the region. IDEA.net includes members from China, Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, and Thailand. The network has developed “train the trainer” programs and is currently developing a corporate governance scorecard to enable cross-border assessment of companies and banks. Coordination of the network rotates from country to country; Thailand is currently in charge of coordinating the network.

EXAMPLES

PARTNERING WITH INTERNATIONAL ORGANIZATIONS

COMMONWEALTH SECRETARIAT

The Commonwealth Secretariat has developed a generic director training program in corporate governance that has been adapted and used by director training organizations in several Commonwealth countries. Designed to teach essential skills and knowledge, this particular program consists of a five-day course with nine modules covering such issues as corporate governance structures and systems, board dynamics and performance, business strategy and finance for directors, and corporate ethics and social responsibility. *(A complete description of rationale of the Commonwealth core curriculum can be found in annex 6.)*

GLOBAL CORPORATE GOVERNANCE FORUM

The Forum builds local capacity to undertake reform by strengthening the organizations that can bring about change.

Examples include:

- Residential programs focusing on training directors of companies and organizations active in corporate governance from East Asia and Latin America
 - Workshops on director training and curriculum development in Africa, East Asia, Europe and Central Asia, and Latin America
- (An outline of a Corporate Governance Leadership Program can be found in annex 7.)*

- *The GCGF network.* The Global Corporate Governance Forum is supporting the development of a global director training network linking organizations actively seeking to develop director training. These organizations and associations may be based in academic, private, or public sector institutions. The objective of the network is to identify needs, pool resources and experience, exchange best practices, develop core curriculum based on international standards and adapted to local circumstance, and build local capacity for training.
- *The Latin American network.* The Latin American Institute for Corporate Governance (formerly the Latin American Corporate Governance Network) was launched by Argentina, Brazil, Colombia, and Mexico to exchange experiences and materials that foster corporate governance reform efforts and director development. The institute is currently chaired by Brazil's Institute of Corporate Governance and coordinated by the Colombian Confecámaras and has been joined by chambers of commerce, director institutes and associations, and corporate governance organizations from Bolivia, Chile, Peru, and Venezuela. The institute has recently developed a website where people from around the world can access information and check out various initiatives (www.latincorporategovernance.net).

Partnering with an international organization

To support and encourage director training activities in developing countries, some international organizations have developed core training curricula that are adapted to the local environment.

DELIVERING A TRAINING COURSE

Most training programs provide a course of a defined length in a specified location. These courses typically consist of presentations and interactive workshops where participants build their knowledge and skills.

Training is typically most effective when it is delivered in a comfortable setting by competent and credible instructors who have experience as directors. An organization that trains directors may hold its training courses in its own offices or, if it is partnering with a university or business school, in classroom space. Courses customized for an individual client are likely to be conducted at the client's location or at a selected retreat, where office distractions can be minimized.

EXAMPLES

DELIVERING TRAINING PROGRAMS: BRAZIL

The Brazilian Institute of Corporate Governance (IBGC) has trained 697 students from more than 100 companies since 1998. The institute believes that its competitive advantage in training derives from:

- Synergy with other IBGC activities and brand
- Links with stock markets and regulators
- Nonacademic, hands-on practical approach
- Senior instructors who are able to communicate with students of different backgrounds, ages, and education levels
- Constant updating and international cooperation

Alternative learning options

Organizations that train directors may want to explore other possibilities for delivering training and professional development programs especially to satisfy individual learning needs and accommodate specific time schedules:

- *Individual learning opportunities.* To accommodate individual learning needs, some organizations are providing one-on-one tutoring support, where directors are given the opportunity to have open access to facilities and source materials. This alternative is typically location-specific but time-flexible. Other options are developing coaching and mentoring services, in which an experienced director works individually with a less experienced director on specific skills and needs.

Further information on coaching and mentoring can be found in MODULE 4: EXPANDING.

- *Distance learning.* This delivery mechanism is neither time-specific nor location-specific, as it provides learning materials in appropriate formats that directors can study at their convenience, either from home or from the office or while traveling. This can be especially useful for courses that last over a longer period of time and for directors based in rural areas.

THINKING POINT

Are there more flexible learning options you can offer to potential course participants?

- *E-learning*. Initially a subset of distance learning, e-learning is emerging as a new type of learning opportunity. The combination of desktop or laptop computers and Internet networking enables interactivity between the directors and the trainers and remains extremely flexible for the directors.
- *Blended learning*. This alternative is a combination of elements from all the delivery mechanisms outlined above. It is designed to meet the learning needs and day-to-day time constraints of directors but is quite difficult to manage effectively.

If the curriculum has been developed on a modular basis (by topic, for example), directors can decide how to tackle each element of their chosen syllabus on a pick-and-mix basis. They may elect to attend some presentations and workshops, work with printed materials at home, and use online facilities in the office or at home. Despite the convenience, many directors find the computer lacks the motivational energy they get from attending, for example, a two-day workshop where they can converse directly with other directors from different companies about common problems and ways to solve them.

All these alternative delivery mechanisms can be supported by help lines through which directors can raise learning issues with course leaders or administrative issues with the office staff.

Learning styles

Training directors is no easy task. Typically directors are a heterogeneous group of people from various backgrounds. They may be reluctant to go through training after years of experience in dealing with boards. Directors may sometimes show initial apathy and “know it all” attitudes.

Research into learning effectiveness suggests that people have preferred learning styles. Integrating these various learning styles in the organization of the course may be of considerable help in catching and retaining the attention of participants.

In a classic 1992 study, a research team led by Peter Honey and Alan Mumford classified learning styles into four categories:

- *Activists* involve themselves in new experiences, enjoy immediate experiences, and are open-minded and enthusiastic about anything new. Their philosophy is, “I’ll try anything once.” They tend to act first and consider the consequences afterward.

- *Reflectors* are cautious by nature and like to observe, ponder experiences, collect data, and think thoroughly before drawing any conclusions. They tend to postpone reaching definitive conclusions.
- *Theorists* integrate observations into sound theories, think problems through logically, and tend to be perfectionists. Their philosophy prizes rationality and logic.
- *Pragmatists* try out techniques to see if they work in practice, search out new ideas, experiment with applications, and get on with things. Their philosophy is, “There is always a better way” and “If it works, it’s good.”

(Honey and Mumford’s work is summarized in Honey and Mumford 2000. The questionnaire can be found at www.peterhoney.co.uk)

DELIVERING A TRAINING COURSE

“Directors typically come from a wide range of backgrounds and have a practical bias. They are demanding, do not suffer fools gladly, have limited time, and are not particularly academically orientated. Thus to retain their interest the development activities must be relevant, to the point, high quality, and devoid of technical jargon.

“Given these characteristics of the director market...a principle-based approach, where the principles of a particular issue are clearly articulated and simple case studies then used to demonstrate the principles, would seem appropriate. In my experience, this is far preferable to the typical alternative of detailed case studies in which the principles are never drawn out or are submerged in a morass of numeric analysis.”

**—Ian Dunlop, former head of the Australian Institute
of Corporate Directors**

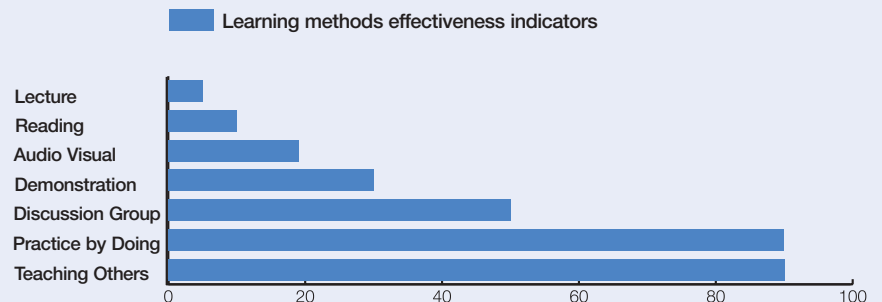
Some learning styles arise from cultural and educational norms rather than individual preferences. If a training program is presented in a single format, then unforeseen difficulties may arise. Some individuals may find the delivery method unappealing because it does not fit with their learning style or their perceived social position. For example, participants accustomed to an instructional approach may find interactive workshops unsettling and ineffective.

To meet this variety of needs, the delivery mechanism should include a mixture of learning strategies:

- An experience of some kind, such as case studies or discussions of specific experiences
- A period of facilitated reflection, such as Q&A sessions or group exercises
- An opportunity to draw conclusions, such as summarizing lessons learned, or discussion groups
- A chance to plan the use of the experience in practice, such as role playing or exercises where participants work on a case involving the principles and techniques they learned during the course

A wide range of learning activities is available (see figure, below). The table on page 19 lists the methods and indicates some advantages and disadvantages.

THE RELATIVE EFFECTIVENESS OF VARIOUS LEARNING METHODS



*Note: Good techniques can boost the effectiveness indicator by as much as 15 percent.
Source: National Training Laboratories, Bethel, Maine.*

LEARNING ACTIVITIES			
METHOD	PURPOSE	ADVANTAGES	DISADVANTAGES
Brainstorming	Problem solving, consolidating previous learning.	Uses learners' experiences and ideas. Active intellectually.	Can be time consuming. Some learners may not participate. High level of tutor skills needed.
Case studies	Problem solving, developing analytical and decisionmaking skills, modifying attitude, introducing and consolidating other sessions.	Provides realistic framework. Can use personal experience of learners. Participative.	Can be time-consuming. Sometimes difficult to validate. A credibility gap can occur if scenario differs from learners' experience.
Group discussion	Problem solving, forming or molding attitudes, stimulating interest, sharing knowledge.	High learner activity. Opportunity to share entire group's ideas, facts, and opinions.	Time consuming; needs to be well controlled. Previous level of knowledge needed by tutor.
Group exercise	Developing interactive or interpersonal skills, team building, problem solving.	Highly participative. Motivation of learners can be high. Exercise selected to meet specific aim.	Process skills can be obscured by exercise. Experience and facilitation skills needed by tutor. Difficult to predict outcome.
Learner presentation	Giving information on specialized subject.	Involves expertise of group member. Can develop presentation skills.	Involves only the presenter if subject is not of general interest.
Lecture	Getting across facts, principles, concepts.	Useful for large groups or to cover a large amount of information. Relatively inexpensive.	Little chance of learner feedback. Overload of information can occur. Restricted to knowledge input. Requires good presentation skills. Retention is poor.
Plenary feedback session	Reporting back to individual group.	Share differing perspectives of various groups.	Can repeat similar areas. Good tutor skills needed to facilitate.
Role play	Developing interpersonal skills, responding to changing situations.	Creates interest. Active participation. Live examples and emotions involved.	Role players may benefit more than observers. Success depends on role players.
Tutorial	Conveying facts, principles, concepts. Possible to build in skill development.	Closer contact between tutor and learner. Pace can be modified if feedback suggests need.	Attitude change may be short lived. Tutor must be expert in the subject.

OVERSEEING AND MANAGING TRAINING ACTIVITIES

Typically the organization's governing body (and its professional development committee if there is one) oversees the development and maintenance of the training program. It should monitor all director training and development issues including:

- The development of the curriculum and initial syllabus
- The management of the long-term maintenance of the program
- The evaluation of courses by participants
- The certification process of course participants
- Complaints and appeals procedures
- Matching all proposed course materials against the set criteria
- Budgeting and pricing of courses
- Quality control

To help with that task, the organization might want to establish a course approvals team, composed of practitioners, academics, and course leaders who would review and approve any change in course content.

The organization might also want to create a course leaders group that is responsible for monitoring changes in broad subject areas and funneling that information to the course leaders responsible for developing new content for the training program.

Management

The efficient management of a training program for directors requires skilled managers and trainers as well as support staff to ensure the smooth running of the training programs.

A *program manager* or head of professional development is typically responsible for the development and management of the entire training and professional development program. The program manager oversees the design of the materials to ensure consistency of approach in all aspects, including house style, delivery strategy and mechanisms, and overall learning design.

Lead tutors are responsible for developing the training courses in their speciality subject area. This includes drawing up a training plan as well as gathering associated training materials such as guidance notes for course leaders, case

studies, slides, activity sheets, and reference notes. Lead tutors should collaborate with the appropriate course leaders as they prepare the course training plan. Mature organizations have found that having a lead tutor who draws up the course syllabus in consultation with the course leaders is more effective than having several different people each working on a different section or aspect of the training program, only to find subsequent inconsistencies and gaps.

Course leaders are responsible for contributing to the development of the training courses and, of course, for presenting them. The role of the course leader is a subtle mixture of teacher, trainer, facilitator, tutor, communicator, and coach. The knowledge, experience, authority, and gravitas of the course leaders are extremely important to ensure that directors leave the course feeling that the time and energy put into it was worth their while. Individuals that are serving as directors are already knowledgeable on business issues and expect an extremely high quality of service.

Course leaders can be professors or professionals, business executives, or directors of companies—in short, course leaders need to have expertise in the field, be willing to train, and be good at it. Where possible, the organization should ensure that the delivery of courses is “by directors for directors.”

Course leaders are seldom on the staff of the training organization but are instead available on a contract basis. It is advisable to have at least two course leaders competent to deliver the training for any given subject area or course.

The program manager is responsible for appointing course leaders, but others, including subject experts, should be consulted to consider how appropriate the trainer’s experience and knowledge are for a particular course. Forming a pool of course leaders is a key process in ensuring the quality of training.

Recruiting and selecting specific trainers involves the following considerations:

- How experienced the person is in the relevant subject area(s). Most training organizations find that course leaders who have served or are currently serving on an organization’s board of directors have more credibility with course participants than trainers without such experience.
- How knowledgeable the person is in the relevant subject. That assessment can usually be made from the person’s résumé (CV) and an interview.
- How competent the person is as a trainer. Subject knowledge and ability to communicate with a group are two different skills. A potential trainer should

TRAINING THE TRAINERS: KENYA

The Centre for Corporate Governance in Kenya has a network of trained trainers on which it draws. The trainers are professional directors who themselves have been trained in corporate governance, have excelled, and have been trained as trainers under the auspices of the center. Trainers also undergo regular refresher courses to review the materials and upgrade their skills. In addition, they are evaluated by participants at every session at which they facilitate, and any issues are raised in an evaluation.

be observed in an appropriate practice session before being asked to join the training team.

- How well the person manages the training environment. A good trainer is capable of efficiently organizing small group activities and plenary sessions, maintaining a focus on the learning outcomes, and limiting verbose or unfocused contributors. Again, observation of a practice session can reveal a potential trainer's skill in this area.

In many developing countries there is a scarcity of trainers experienced with issues of corporate governance. To overcome that scarcity and to help develop appropriate training styles, the organization may want to run "train the trainers" workshops on a regular basis.

Management support

An organization that trains directors will need support staff to deal with:

- Course administration and operations, including course bookings, sending out information in advance of the course, arranging for necessary rooms, food, special needs, and equipment, and providing staff support on the day(s) of the course itself.
- Course support materials, including designing, printing, and distributing training materials.
- Accounts and finance, including billing and overseeing the training program budget.

- Sales and marketing, including gathering and analyzing data on potential customers, designing and producing marketing materials, planning sales campaigns and promotional activities, and contacting potential clients. This department will need to gather and analyze data on potential customers.
- Program management, including oversight of course content and delivery and all other quality assurance issues.

Budgeting

Training courses can provide substantial revenue streams. But costs are also substantial. They include tutor fees and expenses, course materials, brochure production, marketing, room rental, catering, and technical support.

From the moment that the organization decides to establish a professional development program for directors, it must set up the financial procedures for managing the program. In brief the financial issues to be taken into account include:

- *Preparation of budgets.* Budgets should be prepared for all stages of the process, especially the substantial start-up investment required for research and development of the program, with realistic estimates of ongoing costs and revenue.
- *The pricing policy for courses.* Obviously the organization will want to recover the cost of producing and delivering the training plus a percentage. The prices for the courses should be comparable to prices for similar professional courses in the country or region. The price should not be more than the market will bear nor less than the course costs to produce and present.
- *Break-even points for programs and individual courses.* To find that point, a calculation must be made to determine the number of directors that must take any given course to cover all fixed and variable costs associated with that course. Policies governing payment procedures and cancellation fees must also be set.

For further information on budgeting procedures, see MODULE 5: MONITORING.

EVALUATING THE TRAINING PROGRAM

Any training program, whether it is a seminar, a short training course, or a long professional development program, must be constantly evaluated and updated to keep abreast of new developments in the business or regulatory environment. As the Institute of Corporate Directors in the Philippines has noted, “There is no substitute to continual testing and improvement based on actual runs of our training program to many different directors. Each training experience for us is new. We are constantly looking for ways to improve.”

It is important that organizations put procedures in place to ensure that each course meets director learning needs while meeting the overall goals of the organization. Each course should meet certain standards and goals. Each course should have an identifiable target market and be financially viable. And each course should fit well into the overall curriculum. Resources, including qualified trainers and materials, must be available.

The various elements of a training program that should be closely monitored and updated or modified when necessary include:

- Course content and its relevance to directors, in line with syllabus development
- Effectiveness of course delivery
- Support and learning materials
- Course administration, including booking procedures, housekeeping, and catering matters
- Procedures for handling customer dissatisfaction and formal complaints

For more information on setting up an effective complaints procedure, see MODULE 4: EXPANDING.

Soliciting feedback

Feedback from directors taking the courses is probably the most effective way to monitor their quality and relevance. A traditional feedback or evaluation form can be used to collect information from participants at the end of the day.

Other evaluation techniques include soliciting opinions in discussions with participants at the end of a course and doing follow-up opinion surveys on courses. If the organization assesses the performance of course participants in some way, the assessments may also provide useful information on both the content and delivery of the course and on the impact in the board room as a result of the course.

(For examples of course evaluation forms, see annexes 9 and 10.)

Feedback should be used not only to evaluate and, where necessary, improve individual courses and programs, but also to evaluate the overall range of the programs. The program manager and all course leaders associated with any given course title should participate in sessions evaluating that particular program. It may also be useful to have the person(s) responsible for developing and producing the training materials for the course available for such events.

Ensuring quality

In addition to gathering and responding to feedback on the course content, the organization should also review the performance of course leaders. The purpose of these reviews is not to look for faults, but to confirm that the training standards are being met and continually improved.

The reviews should be as objective as possible and should include:

- Observation by the lead tutor or an independent expert of each course leader running a program
- Discussion of the performance and any corrective action agreed to be necessary
- Consideration of feedback on the course leader from course attendees

DIRECTOR CERTIFICATION

In most places, a director does not need official qualifications to sit on a board. Yet certification is growing in the wake of increasing demand for knowledgeable directors and public pressure for accountability. A variety of organizations therefore have started to develop director certification programs.

EXAMPLES

REQUIRING DIRECTOR TRAINING: MALAYSIA

As one of its listing requirements, the Kuala Lumpur Stock Exchange in Malaysia is requiring all directors of publicly listed companies to attend training courses. Some of the topics covered in this training include the fiduciary role of directors, the regulatory framework governing listed companies, and understanding the new Malaysian Code on Corporate Governance.

ACCREDITATION: UNITED KINGDOM

The Institute of Directors, UK has developed the professional Chartered Director accreditation open to all its members and fellows. Candidates must demonstrate that they have the knowledge and experience required to become a member of the profession. The accreditation is given upon the successful completion of a training program and examination in company direction and a professional review of the director's company performance.

CERTIFICATION: HONG KONG

The Hong Kong Institute of Directors has been organizing training courses leading to a Diploma in Company Direction, based on its developed definition of Core Competencies for Directors. The core competencies cover knowledge and skills in the roles and responsibilities of directors, strategic corporate functions, development of the board and business ethics, as well as personal qualities and attributes. Training courses are held in English, Cantonese, and Putonghua.

Typically organizations that train directors give certificates to directors who have attended a course or a program. The certificate is a public acknowledgement that the director has taken his or her professional training seriously.

Assessment

Some director training organizations have gone further and developed assessment procedures for evaluating how much directors have learned from their training and professional development courses.

There are many reasons for assessing individual directors who have attended training programs:

- To recognize his or her level of achievement at the end of a course
- To establish his or her progress during a course and give feedback on it
- To diagnose strengths and weaknesses, which can lead to remedial action or extended learning if needed
- To consolidate the learning done so far—a learning experience in itself
- To motivate the director
- To build confidence and credibility in his or her likely performance level in the future
- To determine his or her aptitude to perform the duties of a board member
- To conform to the requirements of external regulatory bodies

Developing an assessment procedure can be a lengthy and costly exercise and therefore one in which organizations may want to engage only if training is mandatory or once they are well established. In deciding whether to develop an assessment procedure, the organization should consider legal requirements for training as well as cultural and social factors. Some cultures, as well as experienced directors in general, may be reluctant to participate in an assessment process in which, for example, failure becomes public knowledge or seniority is not recognized. In addition an organization should bear in mind that its assessments must be objective and effective. Subjective and incorrect assessments could be harmful not only to the directors being assessed but also to the overall credibility of the training organization.

The first step in establishing an assessment process for directors is to clarify the purpose. In very simple terms, success in an examination or an assessment indicates that the director has achieved a standard established for the specific activity. The next steps, in order, are selection of an appropriate assessment method and development of any written examination to be used, development of the criteria by which the director is evaluated, the appointment of examiners and eventually the creation of an examination board, and finally the development of a procedure for appealing an assessment.

The range of methods for assessing knowledge and skills is wide and needs to be managed by specialists who can ensure the standards, reliability, and validity of the process. The table below gives examples of some typical director training activities and the assessment standards that might be used with each.

SAMPLE ASSESSMENT STANDARDS FOR TYPICAL TRAINING ACTIVITIES

TRAINING ACTIVITY	ASSESSMENT STANDARD
A one-day conference on a proposed change in employment law addressed by government employment specialists, attorneys, a corporate finance director, and trade union representatives	Attendance certificate confirming one day of continuing professional development, which can also be credited to fulfilling some broader development course
A study day on aspects of employment law regarding the rights of certain minority groups in small companies	Correct answers to 75 percent of the question on a multiple-choice written test
One year full-time postgraduate academic course	An overall achievement score of 70 percent in written examinations of knowledge, a written research report, and oral presentation
A series of courses on a variety of director-related subjects, including presentations, group activities, and reports to plenary sessions	An overall achievement score of 75 percent on written tests of knowledge and assessment of team skills by an observer
A three-month period of learning supported by a senior director acting as a coach or mentor	Statement of achievement for inclusion in a continuing professional development portfolio

FURTHER READING

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ANNEXES

1. Examples of training courses
2. Sample curriculum for an orientation program, India
3. Sample curriculum, Indonesia
4. Case study preparation for a director training course
5. Sample reading list for a training course
6. Sample core curriculum, Commonwealth
7. Sample train-the-trainers course
8. Sample residential training course, Zambia
9. Sample course evaluation form, Brazil
10. Sample course evaluation form, UK

ANNEX I. EXAMPLES OF TRAINING COURSES

AUSTRALIA INSTITUTE OF COMPANY DIRECTORS

Program description

- **Advanced Program.** Explores and develops good practices for directors and boards of public companies and government entities. Develops director research and inquiry skills and extends strategic thinking and learning. Explores board and CEO relationships and board dynamics.
- **Company Directors Course.** Definitive director program covering corporate governance and board effectiveness, strategy, finance, law, risk, and current issues facing directors.
- **Directors Essentials Certificate Program**
 - Role of the director
 - Introduction to board meetings
 - Introduction to financial statements for directors
 - Assessing company performance
 - Directors as leaders
 - Introduction to the strategic role of boards
 - Trade practices
 - Issues for director-owners
 - Issues for not-for-profits
- **Continuing Education.** The AICD offers a range of courses under the category of continuing education, including programs for:
 - The new director
 - Board director and CEO assessment
 - Company audits
 - Forensic investigation for directors
 - Fundamentals of financial statements for directors
 - Going public
 - Handling difficult situations in the boardroom
 - Implementing great governance
 - An introduction to not-for-profit governance
 - Implementing a compliance program
 - Skills updates
 - Strategic financial skills
 - The strategic board
 - The role of the chairman
- **Tailored (in-house) programs**
- **Workshops**

Background

Director training and development has been taking place in Australia for the last 30 years. The Company Directors Course was launched in 1975. Since 1990 more than 10,000 participants have completed the program.

The AICD has a sophisticated examination system and awards a diploma to successful candidates of the Company Directors Course. In 2003 it added two additional awards: a Certificate in Directors Essentials (successful completion of six modules from the Directors Essentials suite of programs) and an Advanced Diploma (successful completion of the Advanced Program).

The AICD undertakes regular quality assurance through a system of participant surveys, participant interviews, and spot audits of programs. It currently licenses materials to two local universities and to the Thai Institute of Directors Association.

Contact

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BRAZILIAN INSTITUTE OF CORPORATE GOVERNANCE

Program description

The curriculum for the director training program (duration, 64 hours) covers:

- Introduction to corporate governance
- Corporate tax and securities law and regulations
- Interpretation of financial statements
- Finance and capital markets
- Boardroom practice
- Strategic direction
- Dividend policy and investor relations

In addition the institute runs a Corporate Governance in Family Business Program (duration, 48 hours) that covers:

- Introduction to corporate governance
- Family governance
- Family law
- Planning and control systems
- Finance and capital markets
- Strategic direction

Background

Local training started in 1997 and by February 2003, 697 executives from more than 100 companies had been trained through 24 courses in three Brazilian cities.

Contact

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HONG KONG INSTITUTE OF DIRECTORS

Program description

The Hong Kong Institute of Directors (HKIoD) offers the following programs leading to a diploma:

- **Credits Program.** Seminars are offered throughout the year on an advance schedule, whereby attendees may selectively enroll, for seminars that fit in their own timetables. The fulfillment of a required number of seminars attended, including the mandatory modules, qualifies an attendee for a Diploma in Company Direction. The seminars can be attended as a stand-alone course and diploma holders may continue to attend selected courses for updating purposes.
- **Fastrack Programs.** From time to time, a packaged course is offered on a fixed schedule. An attendee who enrolls for this course must complete the minimum required number of sessions of the course and make a project presentation before qualifying for a diploma. These Fastrack programs are usually jointly organized with another body and designed to target specific groups. An example is the course leading to a Professional Diploma in SME Directorship.

Apart from these courses, regular educational programs include half-day public forums with a team of speakers from HKIoD's experienced members to enlighten the public on the roles and responsibilities of directors and the significance of corporate governance.

Background

The Hong Kong Institute of Directors has been organizing training courses leading to a diploma in company direction, based upon HKIoD's developed definition of core competencies for directors. The training programs are held in English, Cantonese, and Putonghua.

Contact

Carlye Tsui, Executive@hkiod.com

THE IOD CENTRE FOR CORPORATE GOVERNANCE AT UCD, IRELAND

Program description

The program, now in its second year of operation, includes ten practical courses. The courses assist directors in improving their personal and professional effectiveness while giving them time to look at their broader responsibilities in terms of shareholder satisfaction and the needs of stakeholders. The program covers the core issues faced by every director:

- Regulatory developments—current developments in corporate governance
- Directors' responsibilities
- Role of nonexecutive directors and company boards
- Finance for nonfinance directors
- Risk management and the role of nonexecutive directors
- Role, function, and responsibilities of audit committees
- Business strategy and company boards
- Role of nonexecutive directors in improving business performance
- Nonexecutive directors and executive remuneration and incentives

The IoD Centre for Corporate Governance at UCD has also recently introduced in-house customized courses for the directors of public and private companies, family businesses, semi-state organizations, charities and other not-for-profit entities. The center also plans to launch an accredited program of education for directors in 2004. Full details of this and other education programs will be available on www.corporategovernance.ie

Background

To meet the growing educational needs of company directors, The Institute of Directors in Ireland and University College Dublin jointly established The IoD Centre for Corporate Governance at UCD in February 2002. In its first year of operation, the center ran six courses covering all aspects of corporate governance. The center also began work on several research projects and will produce papers and reports on an ongoing basis.

Contact

Susan Thornber, Info@iodireland.ie

CORPORATE GOVERNANCE CENTRE OF KENYA

Program description

The residential courses comprise:

- Corporate governance
- Board dynamics and human resources development
- Strategy
- Finance
- Legal
- General

Background

The Centre has developed training materials based upon the guidelines put out by the Commonwealth Association of Corporate Governance (CACG) and has adapted them to meet the needs of Kenya and the region. The center has run about twelve five-day residential courses based upon the CACG model in Kenya, and one each in Malaysia, Rwanda, and Zimbabwe. In addition the center has conducted two intensive training-the-trainers courses in Kenya, and one in Zimbabwe. It has held consultative meetings with professional associations and hopes to introduce corporate governance as a subject of study in professional courses offered by professional bodies. It has developed postgraduate and diploma curriculum and has initiated discussions with local universities with the objective of facilitating introduction of diploma and graduate courses in corporate governance.

Contact

Karugor Gatamah, Executive Director, Pscgt@insightkenya.com

PHILIPPINES INSTITUTE OF CORPORATE DIRECTORS

Program description

- **Training Program.** The institute offers an Orientation Seminar on Corporate Governance to corporate directors of both banks and nonbanks. It offers the same seminar to other professionals who serve as key reputational agents for corporate governance. Specialized courses on audit committees, risk management committees, governance committees, and financial issues (financial numeracy) for directors are also on offer. These form part of the Core Course on Corporate Governance that the institute is developing and eventually offering jointly with other director training organizations in the East Asia network (IDEA.net).
- **Certification Program** (to be established). Jointly with other director training organizations in East Asia, under the auspices of the Global Corporate Governance Forum and Yale University, the institute will be certifying as Professional Directors those who complete all the requirements of the Core Course on Corporate Governance. Additional requirements for certification include acceptance of a submitted case on a successful initiative towards corporate governance improvement and a commitment to continuing professional education as well as to a code of professional ethics. The corporate directors and other professionals who gain certification are admitted as Fellows of the institute.

Background

The Institute has been providing training to directors of banks since the end of 1999.

Contact

Jesus Estanislao, Jestanislao@icdc.enter.org

RUSSIAN INSTITUTE OF DIRECTORS

Program description

The corporate director course consists of six eight-hour courses:

- Introduction to corporate governance
- How to make an effective board
- The board's role in developing and implementing strategy
- The board's role in risk management and restructuring
- The board's role in ensuring disclosure and transparency
- Finance for non-financial directors

Background

The Russian Institute of Directors has developed special courses for board members and company secretaries. Between 2001 and 2002, 200 board members attended courses.

Contact

Igor Belikov, Belikov@rid.ru, www.rid.ru

INSTITUTE OF DIRECTORS OF SOUTHERN AFRICA

Program description

One-day Overview Programs

- Corporate governance, directorship, and board effectiveness

Two-day Presentations

- Board construction, director selection, board and individual director evaluation
- Legal aspects affecting organizations and individual directors
- Succession planning, coaching, mentoring to world-class standards
- Rolling out corporate governance through business and government organizations

Three-day Director Development Programs

- Finance for nonfinancial directors
- Risk strategies for the board
- Ethical practices for the board

Graduate Diploma in Company Direction

- Six-month distance learning with three sessions totaling 10 days of interactive workshops

Corporate Governance Certificate Program —12 weeks with two blocks of two-day lectures

- Business ethics and corporate governance
- Law and corporate governance
- Audit, control, and corporate governance
- Corporate financial reporting, disclosure, and risk management
- Corporate governance in practice
- Multidisciplinary corporate governance case study

Background

The Institute established the Centre for Directorship and Corporate Governance (CDCG) in early 2001 and has tutored more than 4,000 individuals through the various programs in just over two years. In addition the CDCG provides board learning opportunities in alliance with leading business schools and universities. Although the majority of programs are held in South Africa, presentations have been held in Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, and Zimbabwe.

Contact

Richard Wilkinson, Executive Director

David Hutton-Wilson, Director, Centre for Directorship and Corporate Governance, iodsa@iodsa.co.za

THAI INSTITUTE OF DIRECTORS

Program description

The institute runs a five-day program based upon the program developed by the Australian Institute of Company Directors. In addition a few one-day courses are run that cover:

- The chairman
- The audit committee
- Assessing board performance

Background

Courses began in 1999 in co-operation with the Australia Institute of Company Directors.

Contact

Charnchai Charuvastr, cc@thai-iod.com

INSTITUTE OF DIRECTORS, UK

Program description

Company Direction Program—Certificate

- The role of company director and the board (two days)
- The director and the board (one day)
- Finance for nonfinancial directors (three days)
- Strategic business direction (three days)

Company Direction Program—Diploma

- Certificate courses plus
- Effective marketing strategies (two days)
- People mean business (two days)
- Effective board decisionmaking (one day)
- Leading and directing change (one day)

Other short courses

- The role of the company chairman (one day)
- The role of the managing director (one and one-half days)
- The role of the nonexecutive director (one day)
- The role of the company secretary (one day)
- The role of the finance director (one day)
- Marketing for non marketing directors (one day)
- An introduction to the director's role (one day)
- Successful business strategies (one day)

Finance

- A directors guide to the City (two days)
- Buying and selling companies (two days)

Leadership and skills

- Business presentations and public speaking (two days)
- Negotiating skills and techniques (two days)
- Chairing successful meetings (one day)
- Keys to personal effectiveness (one day)
- Transformational leadership (two days)

Background

The IoD provides a range of director development services that include:

- Courses: one-three days, practical and participative for all sizes of organizations
- Conferences: overviews on topical issues led by business leaders (for 60–120 delegates)
- Chartered director: a professional standard for experienced directors
- Board development services: workshops and briefings specifically designed to address board, strategy, and team issues
- In-company training and development
- Executive coaching and mentoring: a tailored and confidential service driven by the needs of the client.

All services are designed for directors by directors and are led by subject experts. The UK has sophisticated examination and professional review of director experience systems. The UK provides training and development in Japan and is currently assisting the Caribbean and Turkey in developing director training programs.

Contact

Chris Pierce, Chris.pierce@iod.com

COMMONWEALTH ASSOCIATION OF CORPORATE GOVERNANCE (CACG)

Program description

The CACG run a five-day Company Directors Course consisting of:

- Corporate governance
- Board dynamics and human resources development
- Strategy
- Finance
- Legal
- General

Course workshops under development include:

- Chairman and the board
- CFO and the board
- The company secretary and the board
- CEO and the board
- Finance for nonfinancial directors
- Marketing for directors
- Risk management and the board

Background

The five-day program has been undertaken by 600 directors from 20 countries. The CACG has in place activities that will see another 600 directors attend in 2003. Feedback from participants in over 30 countries where CACG has worked indicates that the activities are respected and successful.

Contact

Geoffrey Bowes, g.bowes@xtra.co.nz

WORLD BANK INSTITUTE

Program description

The World Bank Institute has developed a corporate governance and strategy distance learning core course consisting of:

- Corporate governance
- Competition and regulation
- Corporate strategy
- Good governance
- Corporate responsibility, business ethics, and reputational risk management
- Governance and anticorruption

The corporate social responsibility (CSR) course consists of six modules:

- CSR main concepts
- Decisionmaking frameworks
- Corporate social responsibility
- Building sustainable competitiveness through CSR
- CSR and the poor
- An introduction to coalition building and action plans

Background

These core courses are aimed at policymakers, private and public sector leaders, and company directors. The corporate governance and strategy distance learning course can be found at www.worldbank.org/wbi/corpgov/core-course/modules.

Contact

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ANNEX 2. SAMPLE CURRICULUM FOR AN ORIENTATION PROGRAM, INDIA

From the Indian Institute of Management Bangalore.

PROGRAMME	9.30 – 11.00	11.30 – 1.00	2.15 – 3.30	4.00 – 5.30
6/12/01 THURSDAY	SESSION 1 Board of Directors and Corporate Governance (NB)	SESSION 2 Trends in Board Composition, Independence & Contribution (NB)	SESSION 3 Measuring Shareholders Wealth Creation EVA – MVA (PG)	SESSION 4 Strategy Formulation & Monitoring Case Discussion: Jack Welch: General Electric's Revolution (SR)
	SESSION 5 Control in Corporate Governance Case: Universal Engineering (NB & DS)	SESSION 6 Audit Committee Effectiveness (NB)	SESSION 7 Corporate Communications Case: Titan Industries; Polypack (SS)	SESSION 8 Mergers & Demergers: Board Role and Responsibilities Case Discussion: Digital – Compaq in India (SM & Singh)
7/12/01 FRIDAY	SESSION 9 Dissociation Behaviour in Host Countries: Case Discussion: Pfizer & TVS Suzuki (DB, VKV & TSS)	SESSION 10 CSR - Where are We Heading? Indian & Australian Experience (DK, SV, FS)	SESSION 11 Emerging Directors in Corporate Governance (KRR, MRR, DK, FS & NB)	
8/12/01 SATURDAY				
	DB:	Mr. Dipankar Basu, Former Chairman, SBI		
	DK:	Prof. David Kimber, Associate Professor, RMIT, Project Director, St James Ethics Center, Melbourne		
	DS:	Deepjee Singhal, Practising Internal Auditor		
	FS:	Ms. Fran Siemensma, Lecturer of Business Ethics at Victoria University, Melbourne		
	KRR:	Mr. K. R. Rammoorthy, Chairman, Vysya Bank		
	MRR:	Dr. M. R. Rao, Director, IIMB		
	PG:	Mr. Pavan Gandhok, Country Head, Stern Stuart India Pvt. Ltd.		
	SS:	Prof. Sundararajan, Professor of Finance and Control, IIMB		
	Singh:	Mr. Sajay Singh, Partner, Sagar Associates, Solicitors		
	SV:	Mr. Shankar Venketeswaran, CEO, Partners in Change		
	SR:	Prof. S. Raghunath, Professor of Corporate Strategy & Policy, IIMB		
	TSS:	Mr. T.S. Suresh, Partner, King & Partridge, Bangalore		
	VKV:	Mr. V.K. Vishwanathan, Jt. Managing Director, Mico Bosh		
	NB:	Prof. N. Balasubramanian, Professor of Corporate Finance, Strategy & Governance, IIMB		

ANNEX 3. SAMPLE CURRICULUM, INDONESIA

The following is a set of training courses offered by the Indonesian Institute for Corporate Directors.

Essential Director & Commissioner Program

- **The Practice of Directorship:**
 - Creating and Sustaining Board Value
 - Core Competence of Comm. & Director
 - Commissioner and Director Independent
 - Role of the Board in Strategic Planning
 - Comm. & Director Responsibilities
 - Accountability and Liabilities
 - Evaluation of Comm. & Director Performance
 - Relationship between Commissioner-Director-Senior Manager
 - Succession Planning
 - Enhancing Shareholder & Stakeholder Relations
 - Effective Board Meeting
 - Best Practices in Board Governance
 - Top Priorities for Commissioner and Director
 - Critical & Emerging Board Issues
 - Board size, Structure, Composition & Tenure
 - Setting up committees (audit, compensation, nominating, special purpose)
 - Commission & Director Fiduciary Responsibilities:
 - ✓ Business Judgment Rule
 - ✓ Distinguishing Care and Loyalty Violations
 - ✓ High Risk Transaction: Risk Assessment
 - ✓ Shareholder
- Introduction to Financial Statements
- Indonesian Company Law

Duration : 5 days, 40 teaching hours
 Course Fee : US\$
 No. of Participants : Max. 24 (ideally 12)

Professional Director & Commissioner Program

- **The Practice of Directorship:**
 - i. The Role of Company Directors & Commissioners
 - ii. Improving Board Effectiveness & Compliance Procedure
 - Strategic Business Direction in the New Economy
 - Corporate Ethics and Social Responsibility
 - Improving & Assessing Company Performance
 - Law & Regulation: Issues for Directors
 - i. Company and Capital Market Law
 - ii. Contract Law, including Employment Contract
 - Finance for Directors
 - Marketing for Directors
 - Operation for Directors
 - Leading Major Change and Organizing for Tomorrow
 - Intellectual Capital/Strategic HR for Directors

Duration : 14 days, 112 teaching hours
 Course Fee : US\$
 No. of participants : Max 24 (ideally 12)

Director & Comm. Continuing Dev. Courses

Samples of the Short-Courses:

- Selecting & Managing Independent Dir. & Comm. Programs
- Setting-up and Maximising Audit Committee
- Director & Commissioner Evaluation
- Corporate governance & Ethical Investment
- Finance for Director & Commissioner
- Corporate-Capital-Contract Law and Business Judgment

Duration : 1-2 days, 8-16 teaching hours
 Course Fee : US\$
 No. of participants : 24

ANNEX 4. CASE STUDY PREPARATION FOR A DIRECTOR TRAINING COURSE

This document was prepared by Florencio Lopez-de-Silanes, Yale International Institute for Corporate Governance, and Mike Lubrano, International Finance Corporation, for the Corporate Governance Leadership Program, Latin American session, July 27 to August 2, 2003.

Essential Materials Needed to Build a Case:

1. The facts about the basic transactions to be analyzed with all their supporting information
2. The set of materials that directors or board members are likely to use in order to reach a decision. For example, for the case of a transaction or an acquisition, one needs:
 - ✓ the offers,
 - ✓ the management analysis,
 - ✓ independent opinions and analysis.
3. Ownership structure of firm, alliances, independence information, etc...that may point to potential conflicts of interests in the case of transactions
4. Financial information of the company or companies involved
5. Information about the outcome of the decisions that were taken to provide an analysis of the results

Potential Cases Organized around Relevant Issues Covered in the Course

1. Fiduciary Duties in Exceptional Transactions

Duty of loyalty and care in a takeover or major transaction are one of the central issues that come to boards in emerging markets.

Fiduciary duties are not well developed concepts in many countries and it becomes important to illustrate to directors the many aspects and specific forms where these take a special and essential role.

Some examples of transaction are:

- ✓ Acquisition: Enersis (Chile)
- ✓ Takeover: Ultrapar (Brazil)

2. The Role of the Board in Unavoidable Conflict Transactions

The role of the board of directors, and particularly those independent directors, becomes largely complicated in the likely situations of transactions with potential conflicts of interest of various members of the board or management.

This helps illustrate:

- ✓ The role of safe haven rules to try to avoid tainted transactions
- ✓ The role of various Board Committees
- ✓ The role of the independent contractor

Case example: CCR (Brazil)

3. Board Building in a Family Business

Privately-held firms run and managed by families are the most common firm structure in Latin America.

One of the most relevant issues for these firms is how to make the jump to a situation where family members start to behave as shareholders and not only as managers or board members. This helps align incentives for various actions and decisions.

Another central issue in these firms is the activity of "board building."

Case example: Puertas Finas (Mexico)

The information for building cases in this area is difficult to get and can only be achieved with the full cooperation of the family in question.

4. Board Building in Publicly Traded Firms

These firms have typically already made the jump to a more professionalized board and management team.

The issues here typically have to do with:

- ✓ Further institutionalization of the board
- ✓ The creation of committees
- ✓ Establishment of rules to control interested party transactions
- ✓ Allowing independent directors and non-controlling shareholders to access the required information, etc...

Case example: Odebrecht (Brazil)

This case also illustrates aspects of another typical form of ownership in emerging markets that creates corporate governance issues: the Holding Company and its conflicts.

5. The Role of the Directors in Improving Corporate Governance

Understanding what the market wants when firms go public is a key issue to help directors guide the transition.

Accessing capital markets for the first time is one of the most agonizing decisions that a family firm needs to make. This process requires:

- ✓ The restructuring of the Board and the management team
- ✓ Decisions about various currently-involved family members
- ✓ The improvement of accounting and auditing standards
- ✓ The need for a change in disclosure policy
- ✓ The establishment of shareholder rights

Case examples are:

- ✓ Inversura: (Colombia) a result of what happens (in a still private firm)
- ✓ Bavaria: (Colombia) a result of what happens (in a publicly traded firm)

Other Topics That Could Be Used as Ideas for Case Development for the Course

6. Accounting and Auditing

Issues about the conflicts and challenges for audit committees

Issues about poor disclosure or misleading disclosures

7. Strategy

The board plays a key role in strategy decision making and keeping management in line with the goals of the corporation without wasting shareholder assets

8. CEO Succession

This is probably one of the most agonizing board issues that take place in emerging markets, where dominant shareholders also occupy key positions in the management of the corporation.

It is also a key issue even in widely held firms, and boards are the most appropriate mechanism for preparing the transition.

ANNEX 5. SAMPLE READING LIST FOR A TRAINING COURSE

From the Corporate Governance Leadership Program developed by the Yale International Institute for Corporate Governance and the Global Corporate Governance Forum, Latin American session, July 27–August 2, 2003

READING LIST

All participants should have read the Business Sector Advisory Group on Corporate Governance's Report: *Corporate Governance: Improving Competitiveness and Access to Capital in Global Markets* (1998), and the *OECD Principles of Corporate Governance* (1999) prior to the start of the program. They will be referred to throughout.

1-Review of corporate governance theory: Other people's money

- Excerpts from Berle & Means, *The Modern Corporation and Private Property* (1932): Property in Transition & The Divergence of Interest between Ownership and Control, Book I, Chs. I & VI (pp. 1–9 & 119–125); Evolution of the Modern Corporate Structure, Book II, Ch. I (pp. 127–152); The Traditional Logic of Property, The Traditional Logic of Profits, The Inadequacy of Traditional Theory, & The New Concept of the Corporation, Book IV, Chs. I-IV (pp. 333–357).
- American Law Institute, Vol. 1, *Principles of Corporate Governance* (1994) (Section 2.01).

2-The role of the regional network in supporting training and curriculum development

- *The Economist* (May 2nd, 2002): Fallen Idols.
- Shleifer and Vishny, *Journal of Finance* (June 1997): A Survey of Corporate Governance, Vol. 52, No.2, pp. 737–783.
- American Law Institute, Vol. 1, *Principles of Corporate Governance* (1994) (Sections 5.02, 5.03, 5.04, 5.05, 5.07).
- *The Economist* (Jan. 5th, 2002): Conglomerates in Developing Countries. Monsters Still, but Prettier (pp. 59–60).
- *The Economist* (Dec. 11th, 1999): Protection Money (p. 69).
- La Porta et al, *Journal of Finance* (April 1999): Corporate Ownership around the World, Vol. LIV, No. 2, pp.471–517.

3-Shareholders' roles, rights and responsibilities

- Excerpts from Charkham & Simpson, *Fair Shares: The Future of Shareholder Power and Responsibility* (1999): The Role of Shareholders in the UK, Ch. 2 (pp. 27–39); Shareholders: The Legal Framework, Ch. 6 (pp. 61–78); The Ownership of Companies, Ch. 8 (pp. 88–94); The Obligations of Significant Ownership, Ch. 21 (pp. 223–230).
- Anandarajah, *Corporate Governance: A Practical Approach* (2001): The Shareholder, Ch. 7 (pp. 219–233).

4-Key board responsibilities & director duties

- Cadbury, *Corporate Governance and Chairmanship: A Personal View* (2002): The Board Task, Ch. 3 (pp. 33–49).
- American Law Institute, Vol. 1, *Principles of Corporate Governance* (1994) (Sections 3.02, 3.03, 4.01, 5.01).
- Millstein & MacAvoy, *Columbia Law Review* (June 1998): The Active Board of Directors and Performance of the Large Publicly Traded Corporation, Volume 98, No. 5.
- Gregory, *International Comparison of Corporate Governance Guidelines and Codes of Best Practice: Asia* (2002).
- Report of the NACD *Blue Ribbon Commission on Director Professionalism* (1996; 2001 ed.).
- Cadbury, *Corporate Governance and Chairmanship: A Personal View* (2002): Board Membership, Ch. 4 (pp. 50–63); The Chairmanship and Board Structure, Ch. 5 (pp. 64–78); Taking the Chair, Ch. 6 (pp. 79–100).
- Weil, Gotshal & Manges, LLP, *Comparative Study of Corporate Governance Codes Relevant to the European Union and its Member States* (January 2002): Executive Summary (pp. 1–23), Code Enforcement and Compliance (pp. 68–73).

5-Role of the board in setting strategy

- *Report of the NACD Blue Ribbon Commission on the Role of the Board in Corporate Strategy* (2000).
- *Report of the NACD Blue Ribbon Commission on Risk Oversight: Board Lessons in Turbulent Times* (2003).

6-Introduction to other control mechanisms – law, finance & markets

- *The Economist* (April 19th, 1997): The Law of the Market (p. 108).
- Dornbusch, *Business Week* (October 28th, 1996): Check the Laws Before you Invest Abroad (p. 34).
- La Porta et al., *Journal of Financial Economics* (2000): Investor Protection and Corporate Governance, No. 58, pp. 3–27.
- Johnson et al., *American Economic Review Papers and Proceedings* (May 2000): Tunneling, Vol. 90, No. 2, pp. 22–27.
- Millstein & Katsh, *The Limits of Corporate Power: Existing Constraints on the Exercise of Corporate Discretion*: Table of Contents.

7-Governance enforcement and anti-corruption efforts

- Sporkin, *Services Industry Business Conduct and Compliance Seminar* (June 6, 2002): It's Time to Set Our Accounts Straight – A Call For a Special Program of Amnesty.
- Sporkin, *Counseling the Audit Committee*.

8-Audit reform, audit committees and oversight

- *Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees* (1999).
- American Law Institute, Vol. 1, *Principles of Corporate Governance* (1994) (Section 3.05).
- Egon Zehnder International, *The Role of the Audit Committee in Corporate Governance* (2001).

9-Accounting standards and disclosure: Enron and beyond

- Salter, Levesqu & Criampa, *The Rise and Fall of Enron*.
- United States Senate, Report prepared by Permanent Subcommittee on Investigations of the Committee on Governmental Affairs: *The Role of the Board of Directors in Enron's Collapse*.
- White House Talking Points, "A New Ethic of Corporate Responsibility."

- Backman, Dickson, Hyatte & Taylor, "Reforming the US Financial Reporting and Corporate Governance Systems in the wake of Enron: A review of various reform proposals offered by the Bush Administrations, the SEC, and various constituencies subject to SEC oversight and the US Congress": Proposed legislation, (pp. 26–43).

10-Governance and related lending issues for bank directors

- Lopez-de-Silanes, Bank For International Settlements-Financial Stability Institute *Newsletter* (Forthcoming, July 2002): Why are Banks Often Bankrupt? Corporate Governance in Banks.
- Beim and Calomiris, *Emerging Financial Markets* (2001): The Trouble with Banks, Ch. 8 (pp. 256–291).
- La Porta et al., *Quarterly Journal of Economics* (Forthcoming, 2002): Related Lending.

11-Special issues relating to family firms and ownership structures

- Cadbury, *Family Firms and their Governance: Creating Tomorrow's Company from Today's* (2000).
- Estrin, *Corporate Governance, State-Owned Enterprises and Privatisation* (1998): State Ownership, Corporate Governance and Privatisation (pp. 11–31).
- Brumby & Hyndman, *Corporate Governance, State-Owned Enterprises and Privatisation* (1998): State Owned Enterprise Governance: Focus on Economic Efficiency (pp. 33–61).

12-Advisory boards and the transition from private to public

- Jones, *USA Today* (Tuesday, June 11, 2002): Homeland Security: A tough merger.
- Sonnenfeld, *The New York Times* (Wednesday, June 12, 2002): Expanding without Managing.
- Sonnenfeld & Quinn, *The Atlanta Journal-Constitution* (Friday, June 28, 2002): CEOs Can't Keep Shirking Duties.
- Sonnenfeld, *The Hero's Farewell*: Chapters 4, 5 & 12.

ANNEX 6. SAMPLE CORE CURRICULUM, COMMONWEALTH

The following is the rationale underlying the core curriculum offered by the Commonwealth Association for Corporate Governance.

Commonwealth Company Director Training Programme in Corporate Governance

- The short term target of Phase 1 (commenced in May 2001) is to train an initial group of 40 directors and trainers in a systematic Five Day Corporate Governance Course for Directors, in each of at least 11 Commonwealth countries, through designated national/regional training organisations. To date courses have been delivered for East Africa (covering 5 countries, located in Kenya), Central Africa (covering 5 countries, located in Zambia), Jamaica, the Pacific (covering 7 countries, located in University of South Pacific, Fiji), Sri Lanka, and state of Kerala (India).
 - 1) corporate governance structures and systems
 - 2) board dynamics, performance and director recruitment
 - 3) business strategy for directors (including IT and technology strategy)
 - 4) finance for directors
 - 5) company law, legal duties and obligations of directors
 - 6) company risk analysis (financial, political, policy, technological risk)
 - 7) company asset direction (financial, land, plant, equipment, human and knowledge assets)
 - 8) corporate ethics, social and environmental responsibility
 - 9) corporate governance action plans and changes to company reports
- The longer term vision is to establish self-sufficient in-country capacity to train a critical mass of all the directors of all the boards of all the top state and private sector companies in all Commonwealth countries, led by the initial group of 40. In some countries the second phase training has already commenced (one country has already completed twelve courses and trained over 500 directors) and a portfolio of shorter courses has been designed.
- The ultimate outcome is to demonstrate the countries with a national action plan and established practice for good corporate governance as preferred destinations for domestic and international investment, thereby stimulating capital markets, fuelling growth, and creating employment
- The underlying reason is that there is significant evidence that most board directors are deficient in the essential knowledge and skills to do their job, and have never been provided appropriate training
- The main method of delivery is a five day course (normally residential) with nine modules covering the essential knowledge and skills for a company director in the global market:
 - The strategic purpose is to transform the 'corporate landscape' of Commonwealth countries, through turning 'Director' from an ascribed title to an achieved profession establishing new benchmarks of corporate governance and board performance
 - training the leadership of state and private sector companies - thereby facilitating a "Chain Reaction" for national development
 - The "Chain Reaction" for development aims for a sequence of objectives :

- 1) a strategic improvement in the quality and efficiency of all boards of directors
- 2) improved performance of state enterprises, to stop their fiscal haemorrhage, and gain their real contribution to GDP
- 3) increased performance and profitability of private companies, leading to both increased exports and rate of GDP growth, and thus to increased share prices of listed companies
- 4) improved understanding and standards of corporate environmental and social responsibility
- 5) the mass training for directors, and the national corporate governance action plan, should send a strong signal to the markets to encourage domestic and international investor confidence,
- 6) all of which should lead to increased inflow of national and international investment funds,
- 7) which will lead to increased growth, employment and alleviation of poverty
 - A special feature of the programme is the purpose to change board behaviour, by establishing standards and benchmarks of corporate governance and board performance, in particular to apply essential practices (for example board committees, board and director performance appraisals, separation of chairman and C.E.O. and at least 50% of board time allocated to proactive strategy and risk management, and less time on retrospective review of accounts and past performance)
 - These ambitious objectives can be achieved because the programme has been designed with a combination of special features:
 - a) the training programme is built on a platform of several years of policy formulation, international, regional and in-country promotion and exposure training by the Commonwealth Fund for Technical Cooperation, to create the fertile soil of initial understanding, infant institutional capacities and policy support for corporate governance in the countries involved
 - b) it is also built on the direct experience of training by the Commonwealth Association for Corporate Governance (CACG), and on the design of a new curriculum specifically for developing countries, incorporating director training experiences from Australia, Britain, India, Kenya, Malaysia and New Zealand
 - c) it is based on the direct experience of New Zealand, which has succeeded in transforming its 'corporate landscape' by this type of large scale director training, led by government corporations, and has also managed to achieve a number of associated objectives such as recruiting and training women and minority community directors, which can also be applied in this larger Commonwealth programme
 - d) it is directly linked to the support and influence of central banks (following endorsement at Commonwealth Finance Ministers Meeting 2000, and Central Bank Governors Meeting in June 2001), which can exert a high degree of compulsion as well as moral suasion in the banking sector and thereby on the banks' corporate customers, in addition to stock exchanges and privatisation agencies
 - e) it will initially target a critical mass of directors in each participating country, thereby creating a demonstration effect, and ultimately cover all directors of the leading companies
 - f) training is examined and accredited to international standards by CACG and Deakin University (Australia), thereby assuring the credibility required by investors, governments and the public that the quality of corporate leadership will be high

- g) the training courses incorporate action plans for the directors to introduce specific improvements to corporate governance in their own companies, in their sectors through industry associations, and nationally through professional institutes and national task forces
- h) the training courses will also incorporate changes to company annual reports to demonstrate the innovations in corporate governance
- i) the training should be combined with institutional capacity building, to strengthen the infant professional institutes of directors and corporate governance so that they can take over the training and policy development for continued and sustained activity
- j) the programme also incorporates a research project which will monitor the changes in performance in the participating companies and evaluate the impacts on the investment inflow and growth of their sectors; the research will also help to identify other policy factors which are needed to achieve the overall development objectives to which corporate governance contributes.

ANNEX 7. SAMPLE TRAIN-THE-TRAINERS COURSE

CORPORATE GOVERNANCE ORIENTATION PROGRAM FOR COMPANY DIRECTORS			
	DAY 1	DAY 2	DAY 3
ACTIVITY/ THEME	ARRIVAL AND WELCOME	BOARD RELATIONS WITH OUTSIDE SHAREHOLDERS	SPECIAL ROLES OF THE BOARD
9:00- 10:15		Overview of course objectives review of corporate governance theory: other people's money	Key board responsibilities & director duties
10:30- 12:00		Conflicts between insiders/outside & minority shareholders	Board independence, leadership roles, committee structure, board evaluation, codes of conduct & best practice
12:00 - 1:00 LUNCH BREAK		Role of the regional network in supporting training and curriculum development	
1:00 - 2:15		Role of family-owned firms and conglomerates in Latin America	Role of the board in setting strategy
2:45 - 4:00		Shareholders' roles, rights & responsibilities	Risk management, including when a risk becomes a crisis
4:15 - 5:30	(5:00 - 6:00) Registration	Constructing cases for director programs	Case study/discussion
6:00 - 8:00	Welcome dinner & introductions		

From the Corporate Governance Leadership Program developed by the Yale International Institute for Corporate Governance and the Global Corporate Governance Forum, Latin American session, July 27– August 2, 2003.

DAY 4	DAY 5	DAY 6	DAY 7
LEGAL FRAMEWORK	ACCOUNTING AND AUDITING	OWNERSHIP STRUCTURES	WRAP-UP/ PRESENTATION OF CERTIFICATES
Introduction to other control mechanisms—law, finance & markets	Audit reform, audit committees & oversight	Special issues relating to family firms & ownership structures	Building sustainable organizations Promoting director professionalism
Regional legal constraints: lessons from the Latin American ‘white paper’	Accounting standards & disclosure: enron and beyond	Special issues relating to private equity & corporate governance	Wrap-up, next steps & program evaluation
		Advisory boards & the transition from private to public	Presentation of certificates & farewell lunch
Governance enforcement and anti-corruption efforts	Governance & related lending issues for bank directors	CEO succession: focus on family-owned firms	
Role of the board in corporate social responsibility in Latin America	A regulator’s international perspective on the impact of U.S. legislation (Sarbanes-Oxley) on corporate governance	Governance by <i>ad hoc</i> agreement between investors and companies	
Case study/discussion	Case study/discussion	Case study/discussion	

ANNEX 8. SAMPLE RESIDENTIAL TRAINING COURSE, ZAMBIA

The following is the program for a residential training course for directors offered by the Institute of Directors, Zambia. This program was developed with the support of the Commonwealth Association for Corporate Governance and in association with the Private Sector Corporate Governance Trust.

MONDAY 27 MAY 2002		TUESDAY 28 MAY 2002	
08:00 - 09:00	Opening Address and Introduction to the Course	08:00-11:00	Corporate Governance
09:00 -14:30	Corporate Governance	08:00-09:00	Board composition Selection, Induction and Development of Directors Recruitment of CEO Board Remuneration Board Effectiveness -Crafting the Board -Board Dynamics and Group Think -Board Committees -Board Evaluation -Conventions
09:00 - 10:00	Introduction	10:00-10:30	Case study
10:00 -10:30	Break	10:30-11:00	Break
10:30 - 11:30	Principles and Codes of Best Practice - Comparative Review Applicability of Principles and Codes in Africa	11:00-14:00	Navigating the Knowledge Economy
11:30 - 12:00	Case Study - Corporate Governance in Africa	11:00-13:00	Information Technology, Creativity, Innovation and the Electronic Board
12:00 -13:00	Role and Functions of the Board Role of the Chairman Role of the Chief Executive Officer Duties of Executive and Non-executive Directors Board Work Plan	13:00-14:00	Lunch Break
13:00 - 14:00	Lunch	14:00 -17:30	Strategy Module
14:00 - 14:30	Case Study - Starting from Scratch: The East African Centre for Corporate Governance	14:00- 15:00	Getting the Board to Think and Act Strategically
14:30 - 17:30	Legal Duties and Liabilities of Directors	15:00- 16:00	Strategic Analysis and Strategic Direction
14:30 - 16:00	Legal Duties and Liabilities Powers and Responsibilities Corporate Social Responsibility	16:00- 16:30	Break
16:00 - 16:30	Break	16:30- 17:30	Case Study : Haraka Corporation
16:30 - 17:30	Case Study - Maji Water Company	17:30-18:00	Lessons for the Day
17:30 - 18:00	Lessons for the Day	19:00	Dinner
19:00	Dinner		

WEDNESDAY 29 MAY 2002		THURSDAY 30 MAY 2002	
08:00 - 11:00	Strategy Module	08:00 - 11:00	Finance Module
08:00 - 10:00	Strategic Change and Strategic Evaluation	08:00 - 09:30	Risk Management and Financing an Organisation
10:00 - 10:30	Case Study : Video	09:30 - 10:00	Case Study : Canadian Bus Company
10:30 - 11:00	Break	10:30 - 11:00	Break
11:00 - 17:00	Finance Module	11:00 - 12:00	Reporting on Corporate Governance
11:00 - 12:00	Understanding Financial Reports	12:00 - 15:30	Discussion Forum and Preparation for Examination
12:00 - 13:00	Case Study - Retail Public Company Ltd	12:00 - 13:00	Discussion and Work Groups
13:00 - 14:00	Lunch Break	13:00 - 14:00	Lunch Break
14:00 - 16:00	Assessing Company Performance	14:00 - 15:30	Discussion and Work Groups
16:00 - 16:30	Break	15:30 - 17:30	Written Examination
16:30 - 17:30	Case Study : Retail Public Company	17:30 - 18:00	Lessons for the Day
17:30 - 18:00	Lessons for the Day	17:30 - 18:00	Lessons for the Day
19:00	Dinner	19:00	Dinner

FRIDAY 31 MAY 2002	
08:00 - 11:00	Role of Professional Advisors and Board Advice
08:00 - 09:30	Role of Professional Advisor
09:30 - 10:30	Case Study : The Professional and Corporate Governance
10:30 -11:00	Break
11:00 -12:00	Case Study Examination
12:00 - 15:30	21st Century Board
12:00 - 13:00	Key Issues
13:00 - 14:00	Lunch Break
14:00 - 15:30	Discussion Forum
15:30 - 17:30	Presentation of Certificates
17:30	Closing Function

ANNEX 9. SAMPLE COURSE EVALUATION FORM, BRAZIL

This course evaluation form was provided by the Brazilian Institute of Corporate Governance and was translated from Portuguese.

Course: _____					
Subject: _____					
Date: _____			Course leader: _____		
Criteria	excellent	good	average	weak	poor
Points	5	4	3	2	1
1. Subject/content					
1.1 Importance of this module for this program as a whole <input type="checkbox"/>					
1.2 Sequence of presentation <input type="checkbox"/>					
1.3 Level of information and references <input type="checkbox"/>					
1.4 Balance between theory and practice <input type="checkbox"/>					
1.5 Has the course met your expectations <input type="checkbox"/>					
2. Course leader					
2.1 Self-confident and expertise on the subject <input type="checkbox"/>					
2.2 Speech preparation <input type="checkbox"/>					
2.3 Objectivity and communication skills <input type="checkbox"/>					
2.4 Audio-visual equipment, slides, etc. <input type="checkbox"/>					
2.5 Program compliance <input type="checkbox"/>					
2.6 Timing compliance <input type="checkbox"/>					
2.7 Involvement of participants <input type="checkbox"/>					
2.8 Use of case studies and examples <input type="checkbox"/>					
2.9 Clarification of unclear issues <input type="checkbox"/>					
3. Participants					
3.1 Course preparation <input type="checkbox"/>					
3.2 Performance <input type="checkbox"/>					
4. Location and infrastructure					
4.1 Course room (Lighting, A/C) <input type="checkbox"/>					
4.2 Meals and coffee (quality and service) <input type="checkbox"/>					
4.4 IBGC support, reservations, etc. <input type="checkbox"/>					
Total (to be filled out by IBGC) _____					
Other comments and suggestions:					
Name of participant (optional): _____					
Thank you for your contribution, which is important to the continuous improvement of our educational programs.					

ANNEX 10. SAMPLE COURSE EVALUATION FORM, UK



DIRECTOR DEVELOPMENT

course evaluation form

We would be grateful for your help with our continued efforts to maintain high standards and develop products. To assist us please complete the following:

Your Name (Optional) _____ Course attended _____
 Company Name _____ Date _____

INSTRUCTIONS FOR COMPLETION Please place a cross in the relevant box like this Use either Blue/Black ballpoint pen

1. Please mark the box which best represents your opinion of:

a) COURSE LEADER

	Excellent	Good	Average	Poor
Tutor delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunity to participate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Time management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of subject	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of course structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

d) CATERING

	Excellent	Good	Average	Poor
Catering on the day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

e) COURSE MATERIALS

	Excellent	Good	Average	Poor
Usefulness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of notes/handouts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

Please fold along line

b) COURSE CONTENT

	Excellent	Good	Average	Poor
Usefulness to your business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Course objectives met	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

2. SUMMARY

	Excellent	Good	Average	Poor
Value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
value of time spent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

c) ADMINISTRATION

	Excellent	Good	Average	Poor
Ease of booking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pre-course information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Helpfulness of staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilities on the day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

3. Have your own personal development objectives been met?

Yes No

If not, what issues/objectives were not addressed?

please turn over

DIRECTOR DEVELOPMENT

4. What other courses/subjects would be of interest to you?

- Director's role
- Strategy & Leadership
- Personal skills
- Finance
- Director Development Programmes, leading to recognised qualification
- Half-day practical workshops
- Executive coaching and mentoring
- Post course web bulletins
- Conference
- Events
- In company training and development
- Distance Learning courses and programmes
- Board development services

Other, Please state _____

5. How likely are you to attend another IoD Director Development course?

- Definitely
- Possibly
- Unlikely - if so, please state why

6. Which newspapers or industry specific journals/magazines do you read regularly? Please list all:

NEWSPAPERS

MAGAZINES

7. IoD Membership no. (if known) _____

If you would like to become a member of the IoD or require further information about membership please tick this box

8. RECOMMENDATION

Please indicate below the name and address of the individual responsible for training in your company or anyone else who might appreciate being informed about IoD courses, conferences and other products:

Name _____

Job Title _____

Company _____

Name _____

Address _____

Post Code _____

Telephone _____

e-mail _____

Thank you for taking the time to complete this form. Your feedback is much appreciated and will continue to help us improve the quality of our courses and programmes.

CONTRIBUTORS

Peer Review Group

To develop this toolkit and gather lessons learned from developing and developed countries alike, the Global Corporate Governance Forum invited representatives from director training organizations from various regions of the world to share their experiences and discuss milestones and challenges in building director training organizations. The Forum would especially like to thank the following people for their contribution to this toolkit by providing materials, examples, and extensive comments on building director training organizations:

Country contributors

Australia

Ian Dunlop,
Governance and Sustainability Advisor
John Hall,
Australian Institute of Company Directors
Pamela Murray-Jones,
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