

Event Report

Distinguished Board Leadership Series: The Influence of Board Culture on Corporate Performance

Date: 5 June 2025

Venue: Khazanah Auditorium, Asia School of Business

1. Opening Address: Setting the Context

The seminar commenced with a warm welcome by Mr Tay Kay Luan, CEO of FIDE FORUM. He opened by highlighting that while board structures, processes, and independence continue to be important, the invisible force of culture is increasingly what differentiates boards that excel from those that stagnate. "Culture," he remarked, "is how people behave when no one is watching." He emphasised that this session was not just a launch of a report—it was a call to action for all directors to consciously shape the tone and values that flow from the boardroom down through the organisation.

2. Report Presentation: Understanding the DNA of Board Culture

The keynote presentation was delivered by the co-authors of the Board Culture & Leadership Report 2025, Dr Elsa Satkunasingam and Dr Chris Bennett from Asia School of Business. Their session unpacked the findings of a year-long study involving 152 survey responses and 30 in-depth interviews with directors across financial institutions.

Dr Elsa framed the discussion around six themes, including diversity, tone at the top, conflict, and learning. She noted that board diversity, while often discussed in demographic terms, has a deeper dimension—cognitive diversity, which was found to be more critical in promoting effective decision-making and challenging groupthink. She cited real-life scenarios from the study that showcased how over-familiarity among directors led to a subtle suppression of dissent, even when done unintentionally.

Dr Elsa also emphasised that boardroom culture manifests in micro-interactions—how questions are asked, how silence is interpreted, and how chairs manage interpersonal dynamics. She presented findings where directors admitted they could often sense tension in the room not by what was said, but by who said nothing. She shared that well-functioning boards often utilised informal pre-board sessions and social dinners not for networking, but as subtle platforms to strengthen trust and surface tensions in advance.

3. Panel Dialogue: Perspectives from Leadership

The report presentation was followed by a dynamic panel discussion moderated by Prof Joseph Cherian, President and Dean of the Asia School of Business.

Pn Cindy Siah, Assistant Governor of Bank Negara Malaysia, brought the regulatory lens to the discussion. She observed that supervisory reviews increasingly highlight culture and behavioral conduct as factors influencing risk appetite and decision quality. Cindy emphasised that regulators are no longer just looking at financial KPIs or compliance records; they are also studying how boards interact with management, how often directors challenge executives, and whether dissenting views are genuinely welcomed.

From the industry side, Tan Sri Abdul Farid, Chairman of Bursa Malaysia and former Group CEO of Maybank, delivered a compelling call for boards to rethink their value to management. "Capital," he said, "is no longer the scarcest resource. What's scarce is cultural clarity, talent, and strategic alignment." He warned against boards overwhelming executives with excessive information requests that lead to "reporting fatigue." Instead, he urged boards to focus on shaping culture and enabling clarity for execution.

Datuk Kamaruddin Taib, Chairman of FIDE FORUM, emphasised the role of continuous learning in shaping board behavior. He candidly reflected that many directors still rely heavily on past experience without investing in new knowledge. "Learning should not stop at appointment. Directors must equip themselves with tools to assess culture—not just in others, but in themselves," he said, drawing attention to FIDE FORUM's mission to embed behavioral governance as a core director competency.

Dato' Dr Zaha Rina, Chairman of Pacific & Orient Berhad and Mizuho Bank Malaysia, shared that the chairman's role is the fulcrum of board culture, especially in family-owned or government-linked settings. She stated that one of the most important skills of a chairman is the ability to manage conflict and encourage differences in perspective without allowing personal friction to creep into board relations.

Anthony Raja, Country MD of Korn Ferry Malaysia, presented data from global board studies. He noted that among high-performing boards globally, traits such as collaboration, customer focus, long-term thinking, and transparency were consistently ranked as culture strengths. "Culture isn't just a soft issue," he explained, "it is a hard driver of market valuation—up to 50 percent in some studies."

4. Interactive Dialogue with the Floor

During the Q&A, one participant asked

- i. How could boards detect toxic or dysfunctional culture without waiting for whistleblowing or HR data?

Answer: Panellist responded by recommending triangulation techniques—direct feedback from second- and third-tier staff, ethical surveys, and anonymous pulse polls. Several panelists noted the rising use of AI-enabled analytics to map board interactions and identify latent conflict or imbalance in participation.

- ii. Another question touched on managing difficult directors—those who dominate, disengage, or consistently challenge without constructiveness.

Answer: The panel's consensus was that this falls squarely on the chair's shoulders. Chairs must be willing to hold private, evidence-based conversations that reinforce behavioral expectations.

- iii. This question is to the panellists and moderators as well. So, in terms of culture in the organisation, how do you think we can assess it systematically?"

Answer: Yes, I think it's an excellent question and one of the things that we're encouraging in the report is triangulation. And this means that you're not reliant just on one perspective of culture. He elaborated on combining insights from employee surveys, board evaluations, and even AI-enabled tools that measure interaction patterns during board meetings to create a more objective cultural picture.

- iv. Are there any plans to extend the study, which has been very helpful, to other industries like manufacturing, agriculture, or plantations?"

Answer – Prof Cherian clarified that the current study was commissioned for the financial industry through FIDE FORUM. However, he strongly agreed with the importance of expanding such work. "While we care deeply about our industry—I come from the financial sector, the worst of the kind from Wall Street—we must also care about the rest of Malaysia. Human resource committees and cross-sectoral forums could be platforms to carry these insights further." He suggested that the **Ministry of Human Resources** could be the right body to initiate such cross-industry studies and offered a strong endorsement for **Asia School of Business** as a capable research partner.

5. Survey Highlights & Insights

Participants overwhelmingly rated the session positively, with 96% describing it as “very beneficial.” The average speaker rating across presentation skills, knowledge, and content relevance exceeded 5.6 out of 6.

Key suggestions from participants included:

- Providing practical checklists for board culture assessment.
- Facilitating smaller roundtable discussions post-event.
- Expanding future sessions to explore culture in ESG, cyber oversight, and digital transformation.

6. Conclusion

This seminar marked a major milestone in FIDE FORUM’s leadership of governance discourse in Malaysia. The launch of the Board Culture & Leadership Report 2025 was not only timely—it was transformative. It elevated board culture from a side topic to a boardroom priority.

As financial institutions face rising complexity, regulatory scrutiny, and stakeholder expectations, culture will be the differentiator. FIDE FORUM’s event provided directors with the insights, language, and tools to begin that culture journey with clarity and purpose.

Thank you.

Jessy Bharm

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