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Board Skills Matrix

ESSENTIAL SNAPSHOT

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Illustrative governance reference only - not a legal instrument or formal policy document.

Purpose

Typical matrices list credentials. Behaviour in the room rarely makes the page. A skills matrix should help the Chair and board understand capability coverage, concentration, and future board needs.

Many matrices record professional background, tenure, industry exposure, committee roles, and director experience. That creates a useful starting point.

It also leaves several board-level questions unanswered:

- Where does the board depend on one director, one committee, or one adviser?
- Which capability areas matter for the next strategic period?
- Are directors using shared criteria, or rating themselves through different interpretations?
- Does committee expertise give the full board enough ability to question recommendations?
- How is capability discussion recorded without implying certification or individual assessment?

This Essential Snapshot helps Chairs, Directors, CEOs, and Company Secretaries identify where a conventional skills matrix may create comfort without enough signal.

A stronger matrix gives the board a clearer view of:

- capability coverage
- capability concentration
- committee reliance
- renewal implications
- recruitment priorities
- director development needs
- record discipline

The purpose is: make board capability easier to discuss before renewal, recruitment, committee design, or external review makes the gap harder to ignore.

Why this matters now

Board skills matrices are familiar in Australian governance practice.

For ASX-listed entities, Recommendation 2.2 expects a board skills matrix setting out the mix of skills the board has or seeks. Current guidance also expects boards to review the matrix as business and governance issues change.

For private companies, NFPs, government entities, and investor-facing organisations, the issue is broader than disclosure. The practical question is whether the board can explain how capability is understood, discussed, and used.

APRA's guidance is useful here. It recognises that board capability includes technical skills, behavioural competencies, and leadership capability. It also warns that inaccurate completion can leave material gaps undetected. This is the bridge from a credentials matrix to a capability matrix.

Before you scroll on....

⚠️ If two directors left tomorrow, could your Chair explain what capability weakens immediately - and what the board would do about it?

Where capability visibility breaks down

Skills matrices usually look complete, use sensible categories, show broad coverage, and identify few serious gaps. That is where the problem starts: the matrix can create confidence without showing how capability is distributed, relied on, or used.

1.0 Credentials standing in for capability 🚧

👉 Past executive roles, founder history, industry tenure, and professional credentials create useful experience. However, they do not show how that experience is being used now - whether expertise is translating into challenge, judgement, and informed contribution in board discussion.

⚠️ The result? Recruitment, renewal, and director development can lag behind the capability the next board period requires.

2.0 Uniform strength

👉 Without shared criteria, directors can apply different meanings to “strong”, “working knowledge”, or “limited exposure”. Ratings cluster toward confidence, leaving little signal about where the board is dependent, thin, or reliant on one committee.

⚠️ The result? The matrix shows confidence more than capability distribution.

3.0 Benign gaps

👉 Where the matrix does identify gaps, those gaps are usually framed as minor, theoretical, or easily mitigated. A gap framed this way creates a record that the board considered it - without a clear next step, owner, or review point.

⚠️ The result? Capability shortfalls can sit in the matrix for years, formally acknowledged but not acted on.

4.0 Records overstate what the matrix proves ❌

👉 Minutes that say "the matrix confirms capability", or call the Board "appropriately skilled" on the strength of the matrix alone, turn an exploratory governance conversation into an assurance statement. If the Board reaches that conclusion itself, minute it as the Board's, with its reasons.

⚠️ The result? A tool designed to inform judgement is recorded as though it confirmed capability.

⚠️ A Board Skills Matrix informs discussion. Certification of competence, adequacy, compliance, or director performance sits outside its function.

Common tension points in a Board Skills Matrix

Every tension point below is a governance signal.

A stronger matrix keeps the discussion focused on the board as a system: capability coverage, reliance, renewal, committee design, and future needs.

Tension point	Questions to ask (but rarely are)
Hero directors masking systemic gaps	Which capabilities does the board currently rely on a single director for?
Committee silos creating false comfort	Does the full board have enough fluency to question what the committee recommends?
Tenure mistaken for relevance	Does length of service still match the capability the next 24–36 months will demand?
Deference suppressing dissent	Whose disagreement does the room defer to? Whose disagreement does it absorb?

⚠️ **If these questions feel unresolved, the matrix should move from background document to board discussion.**

Which next step fits your board?

Situation	Best next step
We want to test whether our current skills matrix gives the board enough governance signal	Complete the Board Skills Matrix Assessment
We need a clearer view of behavioural capability and where the board relies on particular directors or committees	Implement the Board Skills Matrix

Trigger moments

Capability questions usually move onto the board agenda when timing changes.

Boards tend to act around:

- Chair or Governance Committee transition
- director exit or renewal cycle
- board evaluation or external review
- recruitment brief for a new director
- committee concern in audit, risk, investment, technology, cyber, clinical, safety, or finance
- transaction, merger, sale, PE involvement, pre-IPO planning, or lender review
- funder, insurer, regulator, investor, or adviser questions about board composition
- board-management tension where capability, authority, or challenge is uneven

If any of these are visible, the matrix should inform the decision before the timetable is controlled by the event.

Our frameworks are:
👉 **Board-ready**: informed by ASX Recommendation 2.2, AICD guidance, ISO 37000 governance principles, and APRA observations where relevant.
👉 **Behavioural governance**: designed to show how capability is distributed, relied on, interpreted, and used in board discussion.
👉**Clear**: gives Chairs, Directors, CEOs, and Company Secretaries shared language for capability coverage, concentration, committee reliance, renewal, recruitment, and records.
👉**Practical**: connects the matrix to renewal planning, committee composition, director development, recruitment priorities, Chair interpretation, board discussion, and appropriate minute language.

Why this gets postponed

Boards can recognise the issue and still delay action

❌ “We already have a skills matrix”
📌 The test is whether it shapes renewal, recruitment, committee appointments, development priorities, and board discussion. A matrix that is completed once a year and rarely used gives limited signal.

❌ “We already know our directors”
📌 Informal knowledge sits in people’s heads. It varies by Chair, director, committee, and tenure. It also leaves when people leave.

❌ “This feels too personal”
📌 A well-designed matrix keeps the discussion at system level: capability coverage, concentration, future needs, committee reliance, and renewal timing.

❌ “We’ll address this at the next refresh”
📌 The matrix should inform the refresh. Waiting until the refresh means the board may be working with the old capability picture during the period when decisions are still being made.

❌ “Nothing has gone wrong so far”
📌 Long periods of apparent stability can hide weak capability signals. The issue becomes visible during renewal, recruitment, external review, or a major board decision.

❌ “A template is enough.”
📌 Templates identify categories. They rarely give the Chair a disciplined way to interpret concentration, committee reliance, self-assessment quality, record language, or future board needs.

❌ “We are concerned about confidentiality.”
📌 That concern is legitimate. Individual responses, aggregation, retention, external disclosure, and minute language should be handled deliberately before the process begins.

Application across contexts

The Board Skills Matrix is adaptable across private companies, listed companies, NFPs, government entities, professional services firms, founder-led businesses, and investor-facing organisations.

For listed entities, ASX Recommendation 2.2 provides the clearest formal reference point. For APRA-regulated and other externally accountable organisations, board capability, behavioural competency, renewal, and record discipline may attract closer attention. For private companies and NFPs, the strongest use is practical: helping the Chair and board see capability coverage, concentration, committee reliance, renewal needs, and recruitment priorities.

It does not: assess individual director performance; certify board capability; prove legal or fiduciary compliance; replace director judgement; determine renewal, appointment, or removal outcomes.

About This Essential Snapshot

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This Essential Snapshot is a starting point. For the Board Skills Matrix, contact us:

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