

CLOSING REMARKS BY DR GERARD EE, CHAIRMAN, CHARITY COUNCIL

AT FUTURE OF CHARITY BOARDS

23 NOV 2022, 10AM, THE ST. REGIS SINGAPORE

President Halimah Yacob, Patron of the Council for Board Diversity

Mr Loh Boon Chye and Ms Mildred Tan, Co-Chairpersons of the Council for Board Diversity

Distinguished Guests

Ladies and Gentlemen

- 1 As you know, the Code of Governance for Charities and IPCs is being revised to be more principle-based and will be released soon. The Charity Council has been trying to encourage board renewal amongst charities, and hence there is the 9 years recommendation for boards to be renewed.
- 2 But the question is – why are there boards who are a bit reluctant to renew themselves? The answer may lie in the way boards measure their own success. There are charities who truly believe that they are very successful because they are well supported, are raising a lot of funds, growing rapidly and even accumulating reserves. There are also charities who think that rapid growth, largesses, is success. They ask, “why do u want us to change our board members if we are doing such a great job?”.

Impact Assessment

- 3 In Madam President’s Guest-of-Honour Address earlier, she mentioned impact assessment. From the perspective of major donors, impact assessment is important. The trend now is not to just give out money. Donors want to see the money achieve certain purposes.
- 4 From the perspective of charities, let’s go back to basic principles. What does success in doing good mean? To me, success is the answer to the fundamental question “How has your work improved the life of your beneficiaries?”.
- 5 There are charities that are doing good work – providing food and giving out handouts. But perhaps they have not realised that they have made these beneficiaries dependent on them. Beneficiaries lives’ have not improved as they have not empowered these individuals to do so.
- 6 While there are tools to measure impact, as charities let us keep things simple. I know it is difficult for charities to measure outcome. Most do not have the resources to implement a good system to capture the data to measure outcomes, or even to determine the right proxy to answer the question “are you achieving the outcomes”.
- 7 But charities can answer the basic question – “how has my effort improved lives”, “how has my effort improved the environment or make the world a better place for the community”. Basic

questions like that will help you go a long way into telling a better story so that donors will view your cause as being a worthy of their support. Remember – nobody supports organisations; they only support causes. And the greater clarity that you have in determining your cause and stating it, the greater the support you will have. To me, impact assessment can be reduced to something as simple as that, and I think if you look at that, it's much less frightening for charities.

Blind Spots

- 8 Hsieh Fu Hua made a very good point about blind spots during the Board Chair's Conversation panel discussion. Every one of us, as a human being, because of our life experiences, we cannot avoid having certain biasness in us. Along the way, we will have blind spots. Just a simple subject like the debate on how to bring up a child – whether to use cane or not. It all depends on our own life experience.
- 9 The biasness that we accumulate over our life causes blind spots. So even as we innovate and talk about digitalisation, especially now – as Denise Phua said during the Board Chair's Conversation – where one of the impact of Covid is to accelerate the adoption of digitalisation. But bear in mind that while the majority of the population has been moved along, there will be the blind spot – the 20% that cannot keep pace. I know of hospitals that have gone totally digital. But there are many people who live day-to-day on a cash flow basis. How are they going to cope?
- 10 As another example, during Covid, organisations raised funds and supply students with tablets to study from home because schools are closed. But we didn't answer the questions such as "do they have WIFI at home?" and "can they afford the electricity bills?".
- 11 A lot this comes from blind spots and biasness. Recently I was pondering about this and spoke to a few people. I said, do you realise that all of our board members belong to more or less the same education level or intellectual level. Economically, we are also not far off – some richer than others, but none of us are poor. How much empathy do we have of the poor beneficiaries that we're trying to help. So tomorrow morning, the Agency for Integrated Care board is to visit families of rental units to see for ourselves and have conversations directly with beneficiaries to find out what are the issues they face. Are the things that we are devising helping them. How can we do better so that they can benefit from our efforts. That means, get the true impact from them instead of behaving like 14, 15 wisemen in a room and thinking that we can come out with policies that can effectively help them.

Diversity

- 12 Board diversity is also very important, especially from the perspective of the Charity Council. In particular, large numbers of charities are in the social services, health and education sectors. And whether we like it or not, charities in these sectors deal with families. Given that the family matters in all of these areas, how can you have true empathy with an all-male board trying to determine what is best for the family, without the wisdom and input of women board

members? They will tell you quite a different story of what they go through every day. Fathers and mothers tend to have different attitudes towards their children. Let's have inputs from both sides; you really need to have that diversity.

- 13 Then you have demographic diversity. If your charity is helping a certain sector where beneficiaries predominantly come from a certain demography, if they don't have a representation on the board, can you really understand their needs?
- 14 On age diversity, if your charity is working towards helping the young, and the average age of board members is 60 years or more, how much do we understand of the young?
- 15 You need to have demographic diversity, age diversity, gender diversity – the whole works.
- 16 If your organisation exists to help certain disabled groups, it is really important to have a representative on your board who tells you, for example, what life is like to be in a wheelchair every day, or whatever it is.

Sustainability and ESG

- 17 As charities, we are very much involved in the Social and Governance aspects of ESG, the new trend that everyone is rushing to. But it is not frightening. ESG does not have to be some scientific stuff that we get caught into. There are common sense things we can do like recycling, making sure we don't use too many disposables or one-off items, consider if we can use more energy efficient equipment. Little things like that go a long way towards your contribution towards the E side of ESG. So, don't be intimidated by it. Someone said little steps go a long way. It's a process of evolution. My own bias tells me I'm more in favour of evolution than revolution. And I think that helps with sustainability.
- 18 While it is difficult to look ahead and predict what lies ahead in the future, a very important part of the work that all charities should do is to have a robust risk management process. While we don't know what we don't know, it is important to try to see trends and spot what may be coming along. Preparing for the future is essential to helping charities to remain relevant and sustainable long into the future.

Innovation

- 19 Now, I repeat the call by Hsieh Fu Hua again. Look out for blind spots. Don't romanticise some of these new things. Just keep life simple. Go for basic fundamentals. For every board appointment that I accept, I spend the first few months with management to answer the fundamental question – "Why", "What are we here for?", "What's the purpose of our existence?" And you have to keep asking yourselves 'why'. Because there's so many good things to do, and it's so easy to stray and try to do everything. But that may not be the reason for your existence. There are other charities that exist to do that. Focus on your 'why' and you'd never get lost along the way.

- 20 I am also glad to have partners like CBD supporting us, and warmly welcome more knowledge sharing and expertise. While we represent the non-profit sector today, many of us do have private sector experience too, and it is collaborations between the two that will yield more positive outcomes. It is the private sector energy that brings in innovation.
- 21 One example I like to cite is Sata Commhealth because it is a very recent event. I had a conversation with the chairman, Stanley Sia, and said, "Charities need to have more innovation. Not big, scientific, expensive things. How can we improve on what we do?" He took up the challenge. He decided that one of the most challenging tasks is bathing a senior – they are heavy and very often, the caregivers are also seniors themselves. There's a lot of manhandling even in a nursing home, and the average bathing time for seniors in a nursing home is 90 minutes. Stanley and his team took up the challenge and solved the problem with a 20 dollar inflatable children's pool. They put it on the bed, shift the client over onto the inflatable pool, inflate it, fill it with water – minimum manhandling, bathe the client in comfort, empty the water, dry the client, client is super happy, and bathing time is reduced from 90 minutes to 45 minutes.
- 22 This is what charities should be doing – innovating all the time. Simple things – 20 dollar solution, and you don't need scientists to find such answers. If all of us try every day, we will achieve a lot.
- 23 Thank you and have a great day.