



THE UNIVERSITY OF
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MEDIA RELEASE

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Boldness needed to build boardroom innovation

While the business community has shifted gears in response to COVID-19, more needs to be done to sustain and accelerate the gains made, according to a new study.

The Australian Institute of Company Directors (AICD) has again partnered with the University of Sydney Business School to produce a report on Australian boards' focus on innovation and the impact of the pandemic.

The 2022 report *Innovation in the boardroom: Rising to the challenge?* follows the Australian-first 2019 study which highlighted the crucial role directors have to play in driving organisational innovation.

Three years on from *Driving innovation: The boardroom gap*, this year's report examines how boards have changed practices in a world transformed by the COVID-19 pandemic and a volatile operating environment characterised by significant uncertainty.

The study was informed by a survey of more than 850 AICD members and insights from some of the country's leading directors on what it takes for boards to drive an innovative culture, overcome risk aversion, and remain competitive in a rapidly changing global economy.

Report co-author, University of Sydney Business School Associate Professor Dr Massimo Garbuio said: COVID has forced Australian boards to play catch up to a large extent, and our research tells us there's now a much higher awareness among boards and directors of future-proofing their organisations by adopting innovative practices and approaches.

"Working from home is now the norm, among other flexible working arrangements, and we've also seen the acceleration of e-commerce solutions for many retailers. Necessity is the mother of invention, but it's time for boards to embrace innovation beyond what is immediately necessary for survival."

AICD Managing Director and CEO Mark Rigotti welcomed the latest report which he said had shown necessity to be a powerful driver of innovation.

"It's now up to all of us to help build on the progress that's been made so innovation is embedded into the DNA of all Australian organisations. A shift in director mindset is needed to meet the increasing challenges posed by issues such as climate change, cyber security risk and economic uncertainties.

"Our country's continued prosperity depends on it."



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Innovation in the boardroom: Rising to the challenge? also provides guidance to boards on how to incorporate innovation into their thinking, culture and practice.

Its key recommendations to ensure innovation is prioritised by boards:

- Challenge the management team and question the status quo.
- Ensure innovation is part of business-as-usual at board and organisational level.
- Directors must bring an innovation mindset and diversify appointment practices to bring real-world innovation experience into the boardroom.
- Track emerging trends, anticipate impacts and plan for future scenarios.
- Gain external perspectives including from experts, advisory boards and technology committees so that boards can stay ahead of the innovation curve.

Innovation in the boardroom: Rising to the challenge? was supported by an Australian Government grant to promote digital literacy and decision-making capacity among Australian directors and leaders.

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