

GOOD GOVERNANCE COURSE

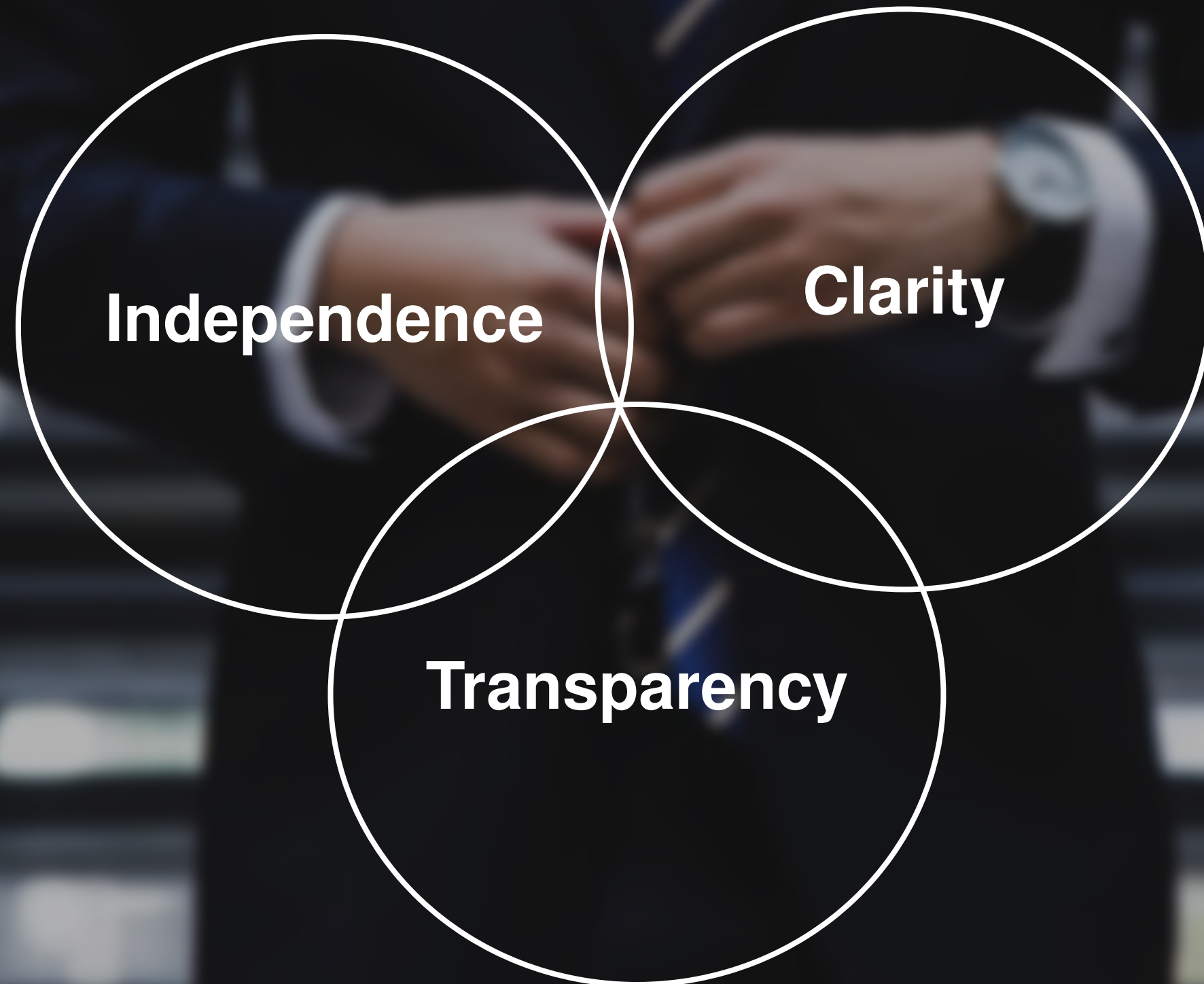


Good Governance

What is good governance ?

1. The framework of rules, systems, processes and relationships within an organization.
2. Strengthens the ability of employers' organizations to represent the interests of their members credibly and effectively.
3. Increases the attractiveness of the organization to its members and strengthens external influence.

The 3 principles of good governance



1. Independence

1– External

Any government influence or intervention

2– Internal

Vis-à-vis a sector, an industry or a group of members



2. Clarity

- Clarity of the founding document.
- Clarity regarding the powers of each body and each individual.
- Clarity of the mechanism for setting membership fees - members' rights and obligations.
- Clarity in conflict resolution.
- Clarity of financial rules, procedures, control and record keeping.

The example of the Malaysian Employers Federation

The screenshot displays the official website of the Malaysian Employers Federation (MEF). The header includes the MEF logo and the text 'PERSEKUTUAN MAJIKAN-MAJIKAN MALAYSIA' and 'MALAYSIAN EMPLOYERS FEDERATION'. Navigation links for Home, About MEF, Services, Membership, Links, Careers, and Contact Us are provided. A search bar is located on the right. The main content area features a 'MEF PUBLICATIONS' section with a 'Surveys Series' list:

- MEF Salary Survey For Executives 2023
- MEF Salary Survey For Non Executives 2023
- MEF Medical Benefits Survey
- MEF Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2022

Accompanying survey booklets are shown. To the right is a 'MEMBER LOGIN' form with fields for 'User ID' and 'Password', a 'Forgot Password' link, and a 'Login' button. A blue navigation bar contains links for 'MEF News', 'MEF Events', 'MEF Publications', and 'Information Centre', with a red 'MEF Academy' button on the right. Below this is a breadcrumb trail: 'Home > About MEF > CONSTITUTIONAL RULES > History | Representation | Council | IR Panel'. The 'Constitutional Rules' section title is followed by a paragraph: 'The MEF Constitutional Rules incorporating the amendments adopted by the the MEF AGM and approved by the Registrar of Societies as follows:'. A numbered list of four amendments is provided:

1. MEF AGM on 23 May 2002 and approved by the Registrar of Societies with effect from 15 November 2002.
2. MEF AGM on 28 June 2006 and approved by the Registrar of Societies with effect from 19 October 2006.
3. MEF AGM on 28 July 2016 and approved by the Registrar of Societies with effect from 9 January 2017.
4. MEF AGM on 7 October 2021 and approved by the Registrar of Societies with effect from 10 December 2021.

2. Clarity

Constitutional Rules

The MEF Constitutional Rules incorporating the amendments adopted by the the MEF AGM and approved by the Registrar follows:

- 1. MEF AGM on 23 May 2002 and approved by the Registrar of Societies with effect from 15 November 2002.
- 2. MEF AGM on 28 June 2006 and approved by the Registrar of Societies with effect from 19 October 2006.
- 3. MEF AGM on 28 July 2016 and approved by the Registrar of Societies with effect from 9 January 2017.
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RULE 1 : NAME

- 1.1 The Federation shall be known as Persekutuan Majikan-Majikan Malaysia or the Malaysian Employers Federation or by its acronym "MEF".
- 1.2 MEF Emblem
The emblem of the Federation shall consist of the letters MEF in white on a blue background as illustrated below:



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RULE 2 : VISION

- 2.1 To be the premier employers’ representative at national, regional and international levels and to be the leader in the development of human resources and the promotion of good employment practices and harmonious industrial relations with a view to achieving national objectives.

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3. Transparency

- Transparent decision-making.
- Leading by example.
- Establish a code of ethics for staff and Board members.
- Encourage and educate members about transparency.
- Have a conflict of interest policy.

Governance vs Management

Governance

- o Setting strategic standards, vision and direction.
- o Oversee the management and performance of the organisation.
- o Directs and supervises management to ensure that the organisation achieves the desired results.

Management

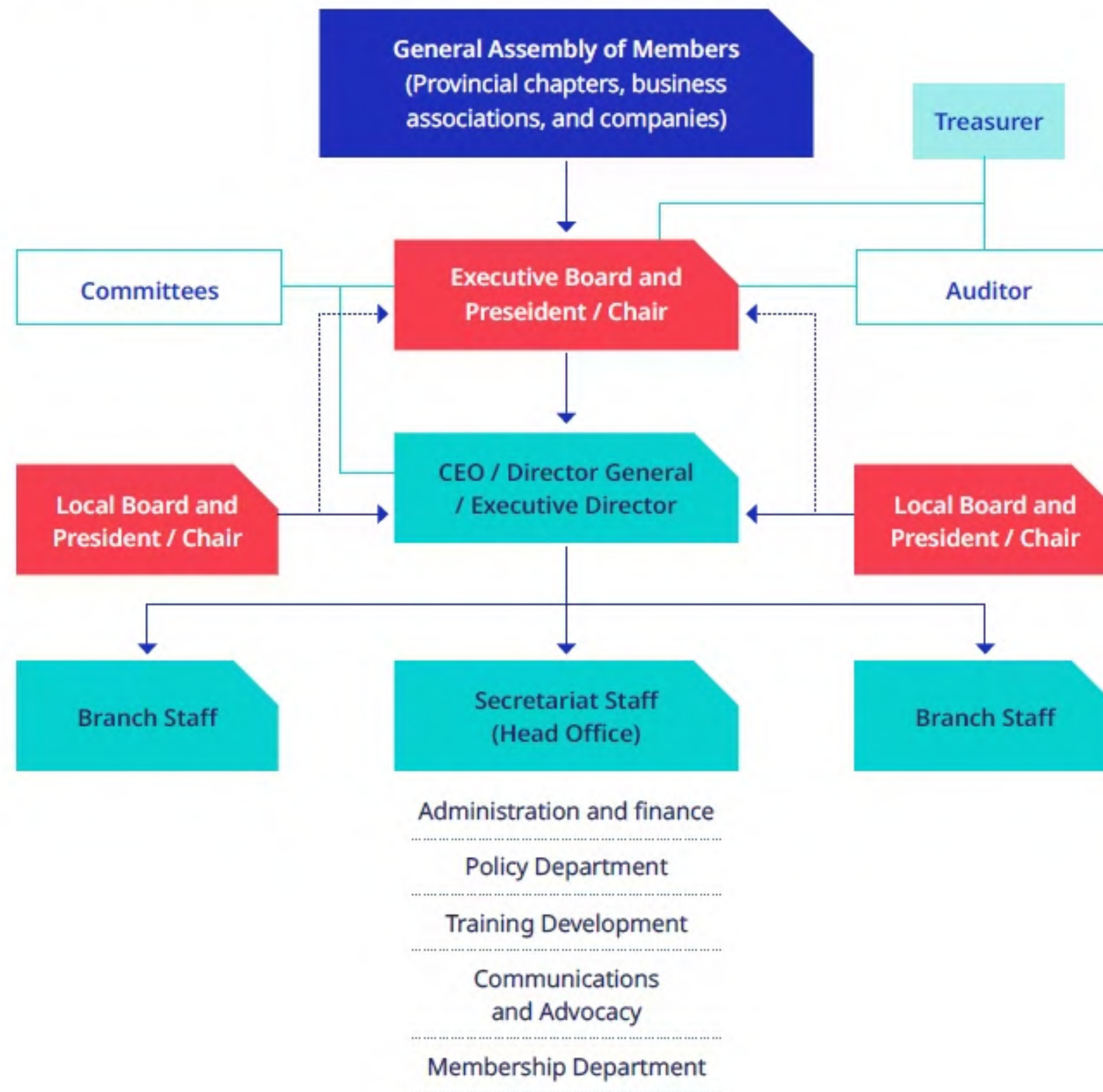
- o Manage the organisation in line with the overall objectives.
- o Implement decisions within the framework of the mission and strategic vision.
- o Make operational decisions and policies.

Governance institutions

- 1. Members' Assembly**
- 2. Board**
- 3. General Manager**
- 4. Committees**

Typical structure of an EBMO

► Typical structure of an EBMO



General Assembly: role and functions

The General Assembly or Members' Assembly is the basic institution of governance

The Assembly's credibility depends on how truly representative it is of its members' interests.

Functions:

- Election of the Board of Directors
- Amendments to the Constitution
- Approval of the budget and other major financial decisions
- Approval of mechanisms for setting membership fees.
- (Possibly) Nomination of candidates for key committees.

Membership fees



- The organisation's rules must clearly establish the mechanism by which membership fees are determined.
- The rules must also indicate the status of the rights of members in arrears: loss of voting rights at the members' meeting, access to services.
- Non-payment of membership fees is grounds for cancellation of membership.

Board of Directors: role and functions

- 1- The Board of Directors is responsible for the management and supervision of the Chamber's affairs.
- 2- Sets the strategic direction: develops the key elements of policy positions and fundamental or long-term changes in the operation and direction of the organisation.

Duties:

- Approves the annual business plan and budget before they are recommended to the General Assembly ;
- Reviews the performance and termination of the Chief Executive and appoint a new Chief Executive as appropriate;
- Elects the Chairman of the Board (and a Deputy Chairman);
- Sets the strategic direction of the organisation (as opposed to day-to-day operations).
- Amends the employers' organization constitution before recommending it to the General Assembly;
- Appoints the external auditors and receives the external audit report.

Chairman of the Board of Directors: role and duties

Duties

- Leading and managing the Board
- Managing regular meetings of the Board
- Appointing the Treasurer (usually one of the Board members).
- Recommending amendments to the Constitution
- Appointing the external auditors and receive an audit report.
- 2 to 4 years term of office.

Director General/CEO

The Director General is the executive body of the Board.

The Director General is responsible for achieving the objectives set by the Board within the framework of the financial and governance objectives.

The main role of the Director General is the day-to-day management of the employers' organization and its staff, and the implementation of long-term strategies and action plans.

The relationship between the Director General and the Chairman is vital, as it is the primary source of communication between the Board and management.

Committees

There are generally two types of committee:

1. Standing committees

Executive Committee

Finance and Audit Committee

Policy Committee(s)

Product Development Committee

Marketing Committee

Ethics Committee

Personnel Committee

Public Relations Committee

2. Ad hoc committees

Events Committee

Research Committee

Campaign Committee

Nominations Committee



Good governance
is the key to
success



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