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**Synopsis of the third edition of *The Fish Rots From The Head***

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As the Chinese proverb says ‘The Fish Rots From The Head’. In this major revision of his best selling book Bob Garratt addresses some highly topical issues which have been highlighted painfully since the Western Financial Credit and Debt Crisis from 2007. This is a clarion call to business, government and politicians to stop mouthing platitudes about the importance of good governance and to look at the structural, behavioural and attitudinal changes needed to ensure that effective governance happens.

Building on his internationally well-tested *Learning Board* model he shows how a return to board basics backed by a proper adherence to Company law will take us a long way in the right direction. So no more ‘executive directors’ or ‘non-executive directors’ just ‘statutory directors’ as required already by law. Directing is a 24/7 commitment so he argues that even a “professional director” can have no more than 4 directorships without putting their fiduciary duty to the company at risk, both because they are time restricted and because they have so much “Strategic homework” and managerially oversight to do.

But he goes further and argues that because corporate governance grew out of a very limited focus on companies quoted on stock exchanges the rest of society has been effectively excluded from acceptance of the huge benefits of effective corporate governance and competent directors. So

he has published a Modest Manifesto (attached) which calls for the Companies Act and Corporate Governance codes to be applied to *all* registered organisations in a country – private, public including state-owned enterprises, and not-for-profits.

He argues that government does not understand corporate governance and therefore writes daft laws and codes which cut across the existing laws that have developed well over the centuries. He is particularly scathing of the lack of legal status for many public bodies, and of the governmental concept that the Chief Executive of a public body, rather than the Chairman, is the ‘Accounting Officer’ thereby negating the ultimate authority of the chairman of the board – a proven key to the effectiveness of a board in any realm other than government.

He has focused this third edition on the building of board competence, individually and collectively with particular emphasis on induction and the rigorous annual appraisal processes needed followed by the publication to the owners of much more information from these. The UK is unique in publishing a Stewardship Code for the owners and this book is the first attempt to integrate practically the relationships demanded now between owners, directors, managers and stakeholders as we move towards a future of ‘triple bottom line reporting’ - an annual audit of financial performance, impact on the physical environment, and impact on local communities behind which sits the concept of Sustainability. This concept is increasingly accepted in the EU and many emerging countries but goes down very badly in the US, But then he argues that the US is teetering on the edge of being a corporate governance basket case.