
C12T8P3 测试练习

UK companies need more effective boards of directors

A After a number of serious failures of governance _____ (that is, how they are managed at the highest level), companies in Britain, as well as elsewhere, should consider radical _____ changes to their directors' roles. It is clear that the role of a board director today is not an easy one. Following the 2008 financial meltdown _____, which resulted in a deeper and more prolonged _____ period of economic downturn _____ than anymore expected, the search for explanations in the many post-mortems _____ of the crisis _____ has meant blame has been spread far and wide. Governments, regulators, central banks and auditors _____ have all been in the frame _____. The role of bank directors and management and their widely publicised failures have been extensively picked over and examined in reports, inquiries _____ and commentaries _____.

B The knock-on _____ effect of this scrutiny _____ has been to make the governance of companies in general an issue of intense public debate and has significantly increased the pressures on, and the responsibilities of, directors. At the simplest and most practical level, the time involved in fulfilling _____ the demands of a board directorship

_____ has increased significantly, calling into question the effectiveness of the classic model of corporate _____ governance by part-time, independent non-executive directors. Where once a board schedule may have consisted of between eight and ten meetings a year, in many companies the number of events requiring board input and decisions has dramatically risen. Furthermore, the amount of reading and preparation required for each meeting is increasing. Agendas _____ can become overloaded _____ and this can mean the time for constructive _____ debate must necessarily be restricted in favour of _____ getting through the business.

C Often, board business is devolved _____ to committees _____ in order to cope with _____ the workload _____, which may be more efficient _____ but can mean that the board as a whole is less involved in fully addressing _____ some of the most important issues. It is not uncommon for the audit committee meeting to last longer than the main board meeting itself. Process may take the place of discussion and be at the expense of _____ real collaboration _____, so that boxes are ticked _____ rather than issues tackled _____.

D A radical solution, which may work for some very large companies whose businesses are extensive _____ and complex _____, is the

professional board, whose members would work up to three or four days a week, supported by their own dedicated _____ staff and advisers. There are obvious risks to this and it would be important to establish _____ clear guidelines _____ for such a board to ensure that it did not step on the toes of management by becoming too engaged _____ in the day-to-day running of the company. Problems of recruitment _____, remuneration _____ and independence could also arise and this structure would not be appropriate _____ for all companies. However, more professional and better-informed boards would have been particularly appropriate for banks where the executives _____ had access to information that part-time non-executive directors lacked, leaving the latter unable to comprehend _____ or anticipate _____ the 2008 crash.

E One of the main criticisms _____ of boards and their directors is that they do not focus sufficiently _____ on longer-term matters of strategy _____, sustainability _____ and governance, but instead concentrate _____ too much on short-term financial metrics _____. Regulatory requirements _____ and the structure of the market encourage this behavior. The tyranny _____ of quarterly _____ reporting can distort _____ board decision-making, as directors have to ‘make the numbers’ every four months to meet the insatiable appetite

_____ of the market for more data. This serves to encourage the trading methodology of a certain kind of investor who moves in and out of a stock without engaging in constructive dialogue with the company about strategy or performance, and is simply seeking a short-term financial gain. This effect has been made worse by the changing profile _____ of investors due to the globalisation of capital and the increasing use of automated _____ trading systems. Corporate culture adapts and management teams are largely incentivised _____ to meet financial goals.

F Compensation _____ for chief executives has become a combat _____ zone where pitched battles between investors, managements and board members are fought, often behind closed doors but increasingly frequently _____ in the full glare of press attention. Many would argue that this is in the interest of transparency _____ and good governance as shareholders _____ use their muscle in the area of pay to pressure boards to remove underperforming chief executives. Their powers to vote _____ down executive remuneration policies increased when binding votes came into force. The chair of the remuneration committee can be an exposed _____ and lonely role, as Alison Carnwath, chair of Barclays Bank's remuneration committee, found when she had to resign, having been roundly criticised for trying to defend the

enormous bonus _____ to be paid to the chief executive: the irony _____ being that she was widely understood to have spoken out against it in the privacy _____ of the committee.

G The financial crisis stimulated _____ a debate about the role and purpose of the company and a heightened awareness _____ of corporate ethics _____. Trust in the corporation has been eroded _____ and academics such as Michael Sandel, in his thoughtful and bestselling book What Money Can't Buy, are questioning the morality of capitalism and the market economy, Boards of companies in all sectors will need to widen their perspective to encompass _____ these issues and this may involve a realignment _____ of corporate goals. We live in challenging times.