

## Independent directors may undermine democratic process

28 August, 2013 [Bela Moore](#) 1 comments

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**There is no evidence to suggest that structural independence improves superannuation funds' financial positions or board directors' decision-making, according to a senior academic at Queens University in Belfast.**

He statement comes as the Coalition has signalled it will revisit the issue of super funds' board structures and seek to impose a requirement for three independent directors.

Speaking at an Association of Superannuation Funds of Australia (ASFA) luncheon, Queens University's head of school at its faculty of law, Professor Sally Wheeler, said structural tests of independence may produce boards that are separate from interpersonal or business parties, but it may not lead to the kind of behavioural independence its proponents seek.

The gender diversity argument had sprung from a failure of structural independence, Wheeler said.

"There's real confusion there I think between independent ideas and thinking and independence as an identity, and what we want surely is independent ideas and thinking rather than people who have independence as some sort of identity," she said.

"You're trying to solve a demographic deficit argument with issues about cognitive skills and behavioural attributes and that just doesn't work."

According to Wheeler, research on psychological and group decision-making show that structural independence may actually work against behavioural attributes of independence.

Debates around policies and procedures and interpretation of facts - 'task conflict' in psychology - is a good thing in decision-making but is being phased out by structural independence, she said.

"It's trying to get rid of people who have values and shared norms; however research from psychology tells us that actually you get much more discursive, teased-out decision-making if you have exactly those groups," Wheeler said.

Group members are more likely to raise ideas and discuss different opinions because it is deemed appropriate or safe.



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Groups that lacked social cohesion are prone to relationship conflict, she said, which had a negative effect on the performance of groups.

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