







# Benefits and the Foundational Principles of ISO 37000 Good Governance of Organizations Standard

The International Standards Organization (ISO) issued the ISO 37000 standard — guidance for organizational governance — in September 2021. ISO 37000, which was developed by professionals and trusted voices from a diverse variety of businesses in over 70 countries worldwide, provides a single, globally recognised reference for all types of enterprises, regardless of size, type, or location. The Standard's principal goal is to encourage good governance. ISO 37000, on the other hand, demands directors to utilize their authority to improve their enterprises' environmental and social performance.

Governance of Organizations Guidance gives organizations and their governing bodies with the tools of governing norms to conduct their business equitably, allowing organizations to operate effectively while keeping the ethical and socially responsible aspects of the organizational structure in mind. Excellent governance not only fosters trust in the organization among internal and external teams, but it also improves business performance while encouraging social and environmental integrity.

The standard provides rules and critical system aspects to aid governing bodies and governing groups in achieving their commitments so that the organizations they control can fulfil their mission. With purpose and sustainability at the heart of governance, more organizations than ever are being called on to ensure that their organizations function in a rapidly changing world and hard times with purpose, sustainability, and humanity in mind. Similarly, good governance risk management methods can limit the chance and effect of unintended consequences from corporate actions that could harm the firm, the environment, or society as a whole. Here are some examples of how businesses might benefit:

- Decision-making that is both accurate and effective
- Organizational resilience has increased in the face of unfavourable leadership risks
- Increased organizational decision-making and action speed
- Improved organizational resilience when confronted with adversity
- Increased value creation for owners and stakeholders
- Increased funding access and lower capital costs
- Improved long-term organizational value development for stakeholders
- Employee costs are reduced as a result of a more enticing workplace for skilled employees, which can occur with the correct [ISO 37000 awareness training](#)
- The governing body of an organization demonstrates effective and moral leadership
- Increased assurance that rules, regulations, and best practices would be followed throughout.

The ISO 37000 standard's four fundamental principles are value generation, strategy, accountability, and oversight. The standard then lists its four Foundational Principles. Let's explore those as well.

- **Value Model**– The components of value creation and value generation that are required to achieve a goal. The value creation model serves as the foundation for both innovation and engagement with stakeholders.
- **Strategy** – Strategic development portfolios should, by definition, be strategy-driven. Strategy is one of the core elements of governance – engaging strategies through the value model.
- **Accountability** – Accountability fosters trust and legitimacy, which leads to superior outcomes. Those in charge of managing the portfolio must accept responsibility for their actions and judgments. This entails maintaining clear lines of responsibility and authority, as well as procedures for monitoring and evaluating performance.
- **Oversight** – Oversight is necessary to ensure that governance is properly structured and working as required. This principle is responsible for monitoring portfolio performance and

