

Governor Dialogues

03. Leading the board through challenge and change

Tony Brian, chair of Glasgow Caledonian University talks to Mary Joyce about leading the board through challenge and change

In the Leadership Foundation's Governor Development Programme of events there has been much discussion on the question of how to increase board effectiveness, and whether boards are 'fit for purpose' in the new and complex world of diverse institutions and strengthened regulation. In this series of interviews LF associate, Mary Joyce talks to a variety of chairs of higher education governing bodies about their governance careers, and encouraging them to share their innovative practice and thinking about their own institutions and what they are doing to increase effectiveness.

THE ROLE OF THE CHAIR IN GOOD GOVERNANCE

How do you see your role as chair, and what skills in particular help you in chairing your board?

I see the role as being largely to make sure that the board operates effectively. There's a minefield of questions in all of that. It includes making sure the board operates in such a way that the university remains sustainable. Another key aspect is ensuring that we identify, as far as we can, the skills needed by board members (i.e. the skills and diversity piece) for the future. So we constantly refresh it, but in a way that we don't just copy what we've done before, but we try and create a board that is fit for purpose in one, three and five years' time.

“The third and most important job of the chair is the appointment of the chief executive – the vice-chancellor (or principal, as we call them in Scotland).”

The chair leads that process and, as in any organisation, the selection of the chief executive officer for that organisation is absolutely critical. Beyond those, a chair needs to be able to build strong relationships and teams, to have a strategic focus and to hold the executive team to account.

What does 'good governance' mean to you in the context of your role as chair of your university board?

I think 'governance' is a frequently misunderstood term. If something has gone wrong, you often see the comment by politicians and others that the governance must be broken.

“No, governance cannot guarantee correct decisions every time, nor can it guarantee decisions with which everyone will agree. What governance should guarantee is that there are more correct decisions than there would be if there wasn't good governance.”

It can never guarantee 100% correct decisions because you've got human beings involved.

“For me, good governance is decision-making by the right people with the right information at the right time. I think it's as simple as that.”

Clearly there are huge questions in there. Who are the right people? What's the right time? What's the right information? However, I keep trying to persuade people that it's a simple definition they could usefully use, because it does seem to get the key messages across.

What do you think an effective board is? How is it behaving? What does it look like?

It has to be the critical friend of the executive - critically supportive - and to be seen both by the executive and outside the board to be supportive but a critical friend of the executive.

“It must challenge but in a constructive fashion, and help achieve the best decision for the university at the end of whatever the process might be.”

An effective board also helps the university deliver long-term sustainability. One thing we say to our new board members, is not just to look at this year. Every decision has to be looked at in the context of the long-term sustainability of the institution. That's not just financial, it's also reputational. The biggest damage that can be done to a university is some major reputation problem that has a bigger, more immediate effect, than a financial one, though equally it could have very serious long-term financial consequences.

People often talk of constructive challenge in the context of governance. What does that look like to you and when is it not constructive?

It's not constructive when the person who is being challenged goes away feeling they've been personally criticised and belittled. It's trying to challenge and question in a way that helps the individual who's presenting the proposal feel that it's encouraging and developing their thought process, so that we get to a better decision.

It's a really difficult thing to do because people are people, and sometimes somebody thinks, 'I've got the world's best-ever proposal here' - anything then that suggests it's not 100% perfect is, by definition, a personal criticism. How it's received by the individual putting forward the proposal is sometimes something you can't really manage. The important thing for me as chair is to be able to see my board members doing their challenge at a professional level without descending into personal criticism.

CREATING A RELATIONSHIP OF TRUST WITH THE VICE-CHANCELLOR

How do you, as chair, manage your relationship with the vice-chancellor?

We have monthly meetings where we get together for an hour or two just to talk over issues. It gives her a chance to raise ideas, thoughts, concerns. We sometimes talk in between, depending on whether there are issues. We attend other events too between us, and it gives us a chance to chat about other things.

About a year after I became chair, we went to the Leadership Foundation event where vice-chancellors and chairs get together for 36 hours or so in a smallish group of about five pairings, and work together as chairs and vice-chancellors. You get to spend a lot of time with your vice-chancellor or chair to talk about issues.

“That was a really useful opportunity for us to just review the first year that we'd spent working together and what had worked and not worked.”

Was there something special about that space that meant you connected with each other in a different way?

Definitely - partly because you have dedicated time to do it but, equally, it's away from the immediate environment of the university.

“It gave that space where you could sit and reflect. We walked around the gardens of the hotel and just chatted about what had worked and not worked, and what we could do to make it better in the future. That was hugely useful and both of us acknowledge that it was a key point in the development of our relationship.”

Did you have any discussion when you were appointed about how you were going to work together?

We talked about what the expectations were of each of us but clearly, those evolved as we developed our relationship. For example, mutual trust is critical and it has to be earned - it doesn't just happen.

“Again, the session we had a year in with the Leadership Foundation was another opportunity to revisit and reset those expectations, and try to make sure that we continued to keep to them.”

What challenges you most in your role as chair?

One challenge is achieving the right level of relationship with the vice-chancellor. It's maintaining the relationship in a supportive way but maintaining that level of distance that you need in the role.

Making the board work is another challenge - that means working as a team so that the sum of the parts is greater than the individuals there. Trying to find ways of drawing people into feeling comfortable to make their contribution in the board environment, when they're not people who would automatically give their view in a large forum. When there's been a big decision, rather than just say, "Has anybody else got any comments?" I've said, "I'm going to ask each of you to give me your view on this proposal and we'll just go around the table". I don't do it often, but I do if it's important enough, and I feel we need everybody on the board to have given a view, to genuinely get the true board feeling.

What about when tension and conflict arises? How do you deal with that?

It does arise and there are sensitivities. I try and use humour to diffuse situations. Sometimes you can't always do that because people think it belittles an issue. Sometimes you just have to give people more space and time to express their view. What I've tended to find is that if board members (and sometimes it's members of the executive) feel they've had the best opportunity to express their point of view, then that of itself diffuses tension.

MENTORING NEW GOVERNORS

I was wondering whether you had a strategy for keeping in touch with governors?

There are various ways (rather than strategy!). I will try and chat with all governors before or after a court meeting. We also have an informal supper after each board meeting, which gives me a chance to hear about issues that a court member might have. I will also speak to governors individually on issues for which I think they might have particular skills and input.

We have a system at GCU where we appoint one of the existing governors as a mentor for the first year for any new governors. It's a very much a 'pull' rather than 'push' approach. We say, "So and so is your mentor". They take the new member out for a coffee and talk a bit about the university and so on, but after that, it's for the new member to 'pull on' their help. How much they use their mentor is entirely up to the new governor.

“I am always the mentor for the Student Association's president. The reason for that is to enable that student representative to feel they've got a direct relationship with me.”

Hopefully, I can help them - for example, if there are any issues they want to raise at the board, then they can have a quiet word with me in advance and I'll make sure that a good opportunity is created for them to speak.

What's your experience of how that's worked out over the years?

We've been doing it for three years now; I introduced it when I came on as chair. So far, it's worked very successfully but it depends on the individual concerned. One of the three probably used me less than I expected them to do, the other two used me a lot - so much so that I quite often had a coffee with them on a regular basis, and we talked about non-court issues.

You have six formal meetings as a board, but tell me a bit more about the informal ways in which you meet.

As I mentioned earlier, after every board meeting we have a brief supper for those who are able to stay - probably no more than 45 minutes. You'll sit next to somebody different probably every time, and it gives you a chance to get to know people better. People also get to know one another better if they serve on committees together. Most board members will be on two committees meeting anything between four and six times a year for each committee.

There's a Christmas dinner for all board members and their partners and that, again, is a great way for people to gel. We also have an awayday with an overnight stay, which gives people lots of chances to interact.

INNOVATING WITH THE PATHFINDER MODEL

Tell me about your 'pathfinder' model of working on new ideas. There has been a lot of interest in that, especially around the executive and the non-executive boundary.

I've been on the board nearly 12 years now, and we've tried one or two different techniques like ad-hoc and short-term groups that were then disbanded to look at big strategic initiatives. We discovered they were a bit divisive - people wondered,

'Why am I not on that group? And if I'm not on it, then presumably it's somebody else's responsibility', which was not helpful.

The pathfinder was partly a solution to that issue, but also a solution to a discussion I had with the vice-chancellor about finding somewhere where she and the executive could bring forward ideas that were not yet fully formed and, at the same time, use the expertise and the experience on the board to input to the proposal and move it on to the next stage.

Essentially the pathfinder approach involves a two-stage process - firstly a concept paper is brought forward with an idea and some initial assessment and financials to see if the idea has support in principle; and secondly a fully formed paper with detailed analysis, risk assessment and financials is produced for a decision.

The approach gives the board members more space and time to consider and input to important ideas. For example, they could say, "I've worked in that field and this was my experience, you might want to think about that". It gives the executive some safe space to come forward with new ideas. One or two ideas that might have initially felt left-field ultimately got the board's input and potential support to take them to the next level. They were then developed into something that was deliverable because they had been talked about and talked through.

When the final papers come back fully formed, researched, costed and funded, then the board is presented with more robust propositions because they have gone through this safe challenge process beforehand. The executive will have taken more time to look at them, and work on the angles suggested by the board.

Equally, it avoids us getting into a position where the executive puts forward a paper and the board is left to take it or leave it, which could be quite damaging if the board is not comfortable with it for any reason, and the executive believe it's damaging to its credibility if the board doesn't accept it. This gives us a softer, safer, halfway house to go through first of all.

Of all the pathfinders we've had so far, none has been rejected outright, and they've all developed into an ultimate proposal that the board has approved. One or two haven't been implemented simply because the world changed but, in essence, it's proved its worth from that perspective.

Can you give me an example of a pathfinder idea?

It was probably about 2011, on an awayday, when a pathfinder document came forward suggesting we open a small campus in New York. We'd just opened a similar type of campus in London but even so, for our university, this was a big step forward.

The reasons for doing this New York venture were fully debated and discussed and tested at the pathfinder stage and then we talked through some of the implications, the risk issues and so on. The concept was taken away by the executive for more work and research. It came back in early 2012 and was approved. In September 2013, we launched in New York, with the first CPD courses starting in spring 2014. For a university like ours, which is seen by some as a local Glasgow university, it was quite an ambitious and imaginative step but going through the pathfinder process enabled us all to be satisfied it had been fully tried and tested before we actually implemented it.

When you get a proposal coming forward to you in that way, is it to the whole board or a sub-group?

It's the whole board. Generally, I and the vice-chair will have seen it in advance, and it could very well have gone through our finance and general purposes committee, which looks at strategic initiatives.

So it's kept in a discursive, exploratory space?

Absolutely. But with, as I say, some estimated figures, so we can see if there is going to be a sensible return on it, and a risk assessment.

EVALUATING THE EFFECTIVENESS OF THE BOARD

Practice varies on how boards evaluate themselves. Some have quite a formal process, others don't. What's the practice in your university?

We have an annual 'health check' each year, which is made up of various elements. Firstly we set objectives for each of our committees at the beginning of the year and the chairs of the committees meet together to make sure they're coherent as a whole. At the end of the year the committees report back to the board on how they have achieved against those objectives.

Next we set a programme of work for the board at the beginning of the year and throughout the year we check that to be satisfied we have addressed everything we need to at board level.

As part of our annual consideration of the yearly accounts we also formally consider whether or not we have met our governance requirements.

This year we're starting an additional formal appraisal process for the chair run by our senior independent director, who is our vice-chair. We're still finalising the process but she will go out to each of the governors, lay, staff and students, and ask for comments on my performance, or things they feel need to change. Then she and I will sit down and go through the feedback. She will report to the board as a whole if necessary.

Over and above that, every three years, we have a full formal effectiveness review process done with somebody externally. The last one was done in 2012 by an external consultant. He came and spent some time meeting individuals and looking at all our governance documents. We then had a workshop with as many governors we could get in August to come and just talk about the issues. He fed back with a report after all of that and gave us some recommendations that were largely implemented.

One of the recommendations that came out of the last three yearly effectiveness review was that board members wanted to know more about each of the three schools. We now have an annual programme of going to each school and having a couple of hours for the board to visit, going round and seeing some of the things they're doing, and probably half an hour drinks with key staff afterwards just chatting about their research or other issues. It helps board members understand the university that little bit better.

In terms of your performance as chair, what are the things that you consider to be important, and that your board think are important?

The first thing is around whether I manage to let everybody express their views without obviously going over the top on time. The second is whether I help the board to hold the executive to account, and whether I hold them to account myself. Thirdly, do I represent the university well internally and externally, and do I represent the board well internally and externally?

GOOD DECISION-MAKING IS GOOD GOVERNANCE

What are your thoughts about the visibility of the board within the university?

It's a very good question. I think there's little doubt boards have very low visibility in universities. We've done the standard web pages, which we've enhanced in the last couple of years quite considerably, and we've put minutes of meetings out there. I haven't heard the most recent hits but previously it was an amazingly low number to me. As chair, I also do an annual talk to staff on governance and how it operates at the university. The most I've ever had at it was about 50 people out of a staff of over 1,500, so it wasn't a big hit!

There's something in there that says

“staff still don't really understand what the board's role is although it's a critical part of the decision-making and oversight process.”

It's interesting talking to staff members after they've been on the board for, say, a year. Invariably they all say, 'We'd no idea what the board did and how much it held the executive to account!'. I'm afraid it's another indication that the message isn't getting across. Governance is such a turn-off phrase for most people that they don't think it's important, sadly.

Do you feel you've got a board that's the right size? Do you have any thoughts about its future size?

We've currently got 19 members, which includes five appointed or elected, the vice-chancellor, the president of the Students' Association and three staff representatives, one elected by academic staff, one elected by non-academic staff and one elected by senate. I believe that is a good number for us to have as a group that is 'representative' of the community we serve.

Have we got all the right 'representatives' within our existing group? No, we probably haven't and it's work in progress, but I'm quite comfortable with that size of board. It also enables us to populate all the committees with lay governors.

“I'm not convinced about the benefits of having co-opted members on committees because I'm not sure they will ever understand enough of the overall business of the university to be able to make as full a contribution as somebody who's on the board.”

Our numbers also give us a strong majority of lay governors over non-lay governors, which is really important for the independence of the board.

I worry about smaller boards and groupthink. If you've got only eight or ten members, by definition you can't have a hugely diverse group. The smaller the group is, the more groupthink is likely to happen. As you'll have gathered, I'm against small boards.

REMUNERATING BOARDS

Do you think chairs and governors ought to be remunerated?

I'm personally against it. We have, interestingly, very different views about it on our board. One of the arguments for having a remunerated board and chair is that it would enable people from less advantaged backgrounds to fulfil those roles. They don't, so the argument runs, have the advantages of others who have sufficient income to enable them to do it voluntarily. I get that argument to a certain degree, but I worry about the conflict of interest if a board member's livelihood is then dependent on what they earn from the university. Does that not compromise their independence? To be an effective independent non-exec director, you have to be able to walk away if you're really uncomfortable.

“What I do recognise is that we have to find other ways to make sure that all parts of the social spectrum are able to come onto boards.”

One thing we're looking at is, for example, providing allowances for caring. If a mother with children couldn't do the role without childcare, can we provide something for that? Similarly for somebody who is looking after elderly or sick relatives - is there something we can do to provide caring cover, or the costs of caring cover, so that membership of the board is more accessible to people from different kinds of backgrounds?

ABOUT THE GOVERNOR DIALOGUES SERIES

Governor Dialogues are a series of interviews with senior governors, in which the issues facing governors and how they are dealing with them are considered.

We hope that Governor Dialogues will provide governors and those interested in governance with ideas for best practice.

TONY BRIAN, CHAIR OF GLASGOW CALEDONIAN UNIVERSITY

Tony Brian is a lawyer with a career in banking in the UK and overseas. Tony joined the court of Glasgow Caledonian University in 2003 and has served as the chair of the audit committee and vice-chair. In 2011 he was elected chair of the court.

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Mary Joyce is a leadership and organisation development consultant. She is founder of Leading Minds Consulting and a LF associate. She specialises in working with teams and boards that are leading and managing change, particularly the psychological impact of change on group behaviour and organisational performance.



She has held senior leadership roles in the education and health sectors, which has included: clerk & university secretary, first clerk to the Hefce council, governor on a university board, trustee of an independent hospital, and currently, trustee of a mental health charity.