Governor Dialogues

05. Good governance and success

Chris Brown, chair of University of Huddersfield talks to Mary Joyce about good governance and success

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.

How do you view the current discussions in the sector about improving university governance?

It’s difficult to know who’s driving that agenda from the government side, but I think a lot of it is misguided and is not contributing to making better universities.

The idea that you can apply very strict criteria to what constitutes good governance in a university is probably wrong, and it should be a much looser approach in my view.

So we’re obviously in the process of trying to come up with a new CUC [Committee of University Chairs] Guide on governance.

The way I see it (and most members of the council who take a real interest in it), I don’t think we’re going to take a step forward with that from where we were before. I’m not sure why we want to change the previous arrangement but the general tone of what is now being proposed doesn’t seem to me to add anything to the likelihood of us getting better governance from universities.

The idea was that this was supposed to be a ‘comply or explain’ culture, but there is now quite a lot that is ‘comply and don’t bother to explain’, and the Code is now littered with ‘musts’ rather than ‘shoulds’ or ‘mights’. I don’t for a moment think that is going to result in better governance of universities, but we’re probably stuck with it.

It could be argued that the current focus on good governance is right across sectors (banking and finance, hospitals, education) and appears in part to be a response to potential financial threats, levels of performance and passive boards.

My view is that although those potential threats might be mitigated or avoided by good governance, they’re really management issues, and if you want the board to be a management board, well then fine. We wouldn’t even have 15 people then, we’d probably have six and we’d run it like a private sector company; then let’s have a code of governance like private sector companies have. Let’s have a ‘combined code’, and we could become wholly independent entities, and there would really be no difference between a university and a public company. But I don’t think we are in that position.

The idea that you can apply very strict criteria to what constitutes good governance in a university is probably wrong, and it should be a much looser approach in my view.

There is a sense in which nobody has properly defined what governance actually is. What do we mean by governance? Do we mean management, and if we don’t mean management, what is the difference between management and governance?

I don’t think I, or any of my council would be able to give you a satisfactory answer to the difference between management and governance. Because I’m not sure of what the answer to that is, I’m not sure I could say whether the fact that we are clearly quite a successful university has anything to do with whether we are a university that has good governance.

That doesn’t mean to say I don’t think we should continue to try and tick all the boxes, but I think the essential link between being able to do that, and having a university that is going in the right direction is more to do with the management structure and the way the management is managed; that’s the more important issue.

**What do you consider to be the key ingredients for good governance, and getting the most from your board?**

Well, the first is communication. A board of that sort is not going to function unless its members are informed about everything that’s important.

> So if a board has got all the information it needs, you are likely to be halfway to having an effective one. You need to have the right people on it - people whose contribution is worth having, and then you need a structure that allows people to function properly as a board.

We were audited for our governance a few years ago and we passed with flying colours, so we ticked all the boxes. Does that have anything to do with the fact that we’re a good university? It shows we can tick boxes but I don’t know whether it shows anything else.

You have quite a small board of 17, including the vice-chancellor and members nominated by staff. Is this a recent development?

When I first started (I wasn’t chair at that time), there were 25. I think everybody thought that was too many, but it was only when the present vice-chancellor came in that we agreed we could make it smaller. We originally arrived at the notion of having 15. We’ve gone to 17 partly because we occasionally found ourselves inquorate because we had to have a majority of external members, but we have changed the rules now so that going forward that shouldn’t be a problem. I think 15 to 17 is okay: it’s still more than you would expect to find on a board of a private organisation of the same size, but I’m comfortable with that number.

How has it changed the way in which your board operates? What differences do you notice moving from a board of 25 or 27 to what you have now?

The people we have on the board tend to say more than they would do if it were much bigger. I know who they all are, which I possibly didn’t when there were 25, and I think we are able to have a committee structure where most people feel they’re actually doing something. Most people on the board sit on at least one committee. If you had 25, you wouldn’t be able to do that. There would be some people turning up three or four times a year, and probably would never really get enough of a feel of what was going on to be able to contribute very much. I still think that we probably have too short a period for these people. They are three-year appointments and we almost always give them at least two, but my experience when I first started was that it takes about three or four years for you really to know what’s going on. I think you are getting better at it when you’re coming up to nine years.

You said earlier that having the right people and having them well-informed is important for good governance. How do you decide on who the right people are, and how do you recruit them?

At one point we put an advert out, and we did get one very good person from that, but generally we felt the process didn’t work particularly well. Most of the people who respond to adverts for that sort of thing are not the sort of people you want to do it. The people you want generally don’t look at job adverts at all, and even if they did, I don’t think they would initially be attracted. It’s the sort of job that you’d have to persuade somebody is a good idea, and they would probably say, “Well, I don’t think I’ve got time to do that.” What you tend to get in response [to adverts] is people who have got a lot of time but aren’t really the people that you want. That’s just my experience.
What it is that you look for - what don’t they have?
Experience of being involved in decision-making at a relatively high level in an organisation, an ability to communicate and get their views across, and general intelligence.

Do you have something explicit in terms of the skills and experience matrix you want and how it links to your mission and strategy?
We do have a matrix of skills that we put together for the board, which does flag up areas where we don’t have any skills. We would ideally like to have a tick in a box on that matrix all over the place, but we don’t always succeed in doing that.

And how do you recruit new members to your board?
We have tended to sit in the nominations committee and talk about who we might ask, and look to find a variety of backgrounds of people whose contribution would be valuable. We try to get a spread of backgrounds, males and females, ethnic backgrounds, although we don’t always succeed. Between us we know quite a lot of people who live in the area. Because we like people to be available, we would normally pick people from Yorkshire anyway.

Do you look for anything else, once you’ve identified some likely people and they’ve got on paper the right skills, experience, and you decide to approach them? Are you then looking for anything else other than those things?
I think we’re looking for the confirmation that they do have those skills and that they are interested, because we don’t want people who say they want to do it but then don’t turn up. So we want to be satisfied that they are likely to come and that they are likely to want to sit on one of the committees. So, in addition to the value of their contribution, we want to make sure that contribution is going to be fairly full time in the terms we are talking about.

Are you also looking for the extent to which someone will be a good fit with the people you already have, or maybe will offer something different?
I’m not sure that I would be too concerned about that. In some respects, having somebody who is a bit difficult might be quite a good thing. On occasion, we have had people who feel they have to say something about every topic, but I make a point of telling them that it is important to keep the council involved in all of the things they do, and they fully understand it, so I think that works reasonably well.

If everybody was like that it might be difficult to manage. There are degrees of how challenging people can be, but generally, if having met somebody we said, “I think they’re going to ask a lot of difficult questions,” most people would say, “Well that’s good. That’s what we want.” I don’t think we would ever turn somebody down because we thought they might be a bit difficult to manage in the boardroom.

How would you describe the board’s working relationship with the senior team, the executive?
Qualitatively I would describe it as very good. The relationship between the vice-chancellor and me is quite a close one in the sense that he will pick up the phone quite a lot and sends quite a lot of emails to get my views on things, and that’s true of most of his immediate reports as well. I think it’s a better relationship than I sense some chairs of council have. That could, in part, be due to the fact that I appointed the vice-chancellor.

Universities can be split between those where the chair of the council appointed the vice-chancellor, and those where the vice-chancellor appointed the chair of council. I started in the latter and finished up in the former - and it’s a better a relationship actually. Only the vice-chancellor and the deputy vice-chancellor are permanent members of the council, but we usually get the other pro-vice-chancellors into the council meetings on a regular basis to talk about their particular issues. All of the council [members] know who are they, and probably have other relationships with them in the various committees as well.

They are very approachable people and they communicate well, which again is an important thing.

“ What I would always try to avoid is the feeling that the executive was doing a lot of things that we didn’t really know they were doing, ”

and I make a point of telling them that it is important to keep the council involved in all of the things they do, and they fully understand it, so I think that works reasonably well.

What are your thoughts on the things that both hinder and help the building of a good relationship between the board and the executive?
I’ve never experienced the situation where the board and the executive don’t appear to be fully aligned, but I do hear people
say, “Well, we’ve got to make the executive understand this and understand that,” as though there was a difference of objective, or at least perception of the objective, between the governing body and the executive. So,

I can only conclude that somewhere the commonality of purpose between the governing body and the executive gets split, and the executive are trying to go one way and the governing body are trying to go another.

We currently don’t have that problem, and you could argue that that’s because we just go wherever the executive tells us to. I don’t think that’s the answer. I think it must come down to communication. If everybody has a clear understanding of what we’re trying to achieve, that split is unlikely to happen, but if the objectives are not clearly understood by everybody, it is likely to happen.

To what extent are you aware of the difference you bring as chair to your working relationship with the vice-chancellor, in terms of your commercial background, experience and your skills?

I’m fortunate to have a vice-chancellor who is very commercially minded as an MBA, and understands how you run a private business - but

running an organisation like a university involves management techniques that you probably don’t find anywhere else.

When I first started this job, I probably didn’t know anything about how to run a university. I don’t think I’d ever make a vice-chancellor, but I do understand quite a lot now about how to run a similar-sized business if it was a private enterprise. So I do form a bit of a bridge between those two worlds, and most of the people on the board obviously come from the private world, though not all of them. We do have quite a wide range of people - those who have had a career entirely in the Civil Service or the NHS, but we don’t seem to have some of the problems that I detect some other universities have, of the vice-chancellor being very much in the academic camp, and not necessarily in the commercial camp; I’m very glad we don’t have that problem.

I’m wondering whether there’s a way in which you try to use those different skills and experiences in a conscious way to work with the executive team, for example, where a member of the board might act like an internal consultant on a project, or do you prefer to keep the relationship separate?

We do tend to keep it separate. The only point at which we have members of the board performing what are quasi-executive functions is when they get involved in the disciplinary procedure, so they may sit on appeals. We do get involved in remuneration throughout the university. Although we are only specifically responsible for senior remuneration, the remuneration committee acts as an advisory committee for all aspects of remuneration in the university; we’re not theoretically executive when we do that, we’re just advising. Judging from what I detect from other people who talk to me, we probably get less involved than some university councils in any executive role.

I don’t think we are about interfering in what the executive does, provided we’ve already agreed the framework for what they’re trying to do.

We should be involved in agreeing that framework and then monitoring whether they’re doing it or not, but we shouldn’t be getting involved in doing it ourselves. If people are doing that because they think the executive aren’t competent to do it, then they should change the executive: I can’t think of another reason why they would want to do it, unless the executive are short-handed and they need help.

How do you work with students and staff? Do you have much contact, apart from those who are on the board (council)?

We have various events where we connect with students and staff. Members of the council usually get involved by invitation in events such as student end-of-year shows, staff long-service awards and the Student Voice Conference, but there’s nothing formal that we do. The president of the Students’ Union is on the board and I have one-to-one sessions with them at least once a year, so I always see every president of the Students’
Union on a one-to-one basis. But we don’t have any formal committees involving the council and staff, or the council and the students.

I’m wondering about the visibility of the board - how visible is it, and is that important?

I’m reasonably visible because I give some of the degrees out, so they know enough to be disappointed that it’s me giving them the degree and not Patrick Stewart!

If you polled our students and asked them who the members of the board were without allowing them to go onto the website to find out, very few of them would know.

I don’t know whether that’s different in other universities? I doubt it, to be honest: whenever I ask students from other universities who their chair of council is, very few of them know. In fact, when I was a student at various universities, I’m not sure I’ve ever known who the vice-chancellor was, let alone the chair of council!

Do you think it matters?

I don’t think it matters per se.

I think you could be perfectly effective if nobody knew who you were. I’ve been chair of companies where most of the workforce probably didn’t know who I was. I don’t think it really makes a lot of difference to the university.

Have you had times when conflict or tension has emerged on the board? How have you dealt with it?

We’ve had issues where some members of the board have had reservations about what we’ve decided. We’ve never, in my experience, had a decision made that was not unanimous.

so if they did have reservations they didn’t express them particularly well. I think we probably will always have members of the board who say, “I’m not sure whether what we’re doing is right.” But they may just be expressing a natural pessimism - which is probably not a bad idea really - but we’ve had no serious issues and that’s partly because we’ve always been so successful. We haven’t had a great deal of problems, and I hope if we ever did, this board would actually be competent to solve it.

How do you evaluate your effectiveness as a board? Is it something that you’re thinking about quite regularly in terms of the contribution from board members?

We have a formal, annual self-appraisal of the board where we’re looking to see whether we can reasonably say that we are good at all the various aspects of our role - whether I’m chairing the board well; whether we are likely to have identified all the risks that the institution faces; are we communicating to everybody; do board members understand the issues; do we feel that the executive is communicating with us? We do ask a wide range of questions, and I actually ask [members] pretty much the same questions, on a one-to-one basis, when I see them, so if they didn’t feel (as they may not) that they could voice some sort of reservation in public, they could always voice it to me afterwards.

Has your evaluation ever led you to modify the way that you do things as a board?

We’ve modified a number of things we do.

We changed the committee structure because so much was decided by the committees that the some board [members] felt they were just rubberstamping, so we cut some committees out. So for instance we no longer have a finance committee.

We’ve changed the way we issue information to board members because some people felt that they didn’t get all the information they wanted and they didn’t get it fast enough. We do have a pretty good loop which feeds back things that people feel are not as good as they could be, and we change them. We’ve done that quite a lot.
Do you and members of the board have a 360-degree appraisal process?

Board members have the opportunity to tell me they don’t think I’m doing something. I’m not sure whether they feel able to do that, so I can’t comment on how effective that is, but they do have that opportunity if they want it. We could do more, if we wanted to, and we could tell everybody that they have to fill out a form saying what they thought of me. We don’t do that, and the only person who comments on the other members of the board is me.

Have you any thoughts about the future, and whether you might do things differently, or are you happy with the way things are?

I’m happy with that to be honest. I’m not a great believer in a very formal appraisal system for people in that position. I do the vice-chancellor’s appraisal in the way that you would expect people to do appraisals with senior staff who are paid a lot of money. It’s a different situation with members of the board. I think it’s a good idea that there should be some way of feeding back to individuals if they are not making the best of the opportunity, but I don’t think we should have a more formal approach than that.

What do you think about the issue of remunerating board members?

I think it’s probably anomalous in the present circumstances that they’re not remunerated. Most similar bodies of people in public life are, but we are able to perform very effectively and get people to perform effectively without paying them, and so on that basis, I’m not in favour of it.

I think there will come a time when we have to remunerate at least the chair, because everybody else has done it.

I get head-hunters talking to me about other chair of council roles in the university sector, and they all seem to be remunerated now. There is a certain reluctance to establish the facts of who is paying what, but if it was not for external pressure, I would be very happy with the way we do it.

I don’t think we need to pay people to do that job. We get very good people doing it for nothing, and as I don’t think anybody would want to pay them a lot of money, it’s difficult to arrive at a logical reason for paying them anything.

"It has been suggested that if you don’t pay members of governing bodies, you are excluding a certain sector of the population who wouldn’t be able to give their time without being paid, but I’m not sure I subscribe to that argument."

If you go down to a football club on a Sunday morning, you’ll see all sorts of people from all walks of life who are giving their time for nothing to teach kids how to play football. If they can do that, they can turn up three times a year to a university.
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CHRIS BROWN, CHAIR OF UNIVERSITY OF HUDDERSFIELD
Chris Brown joined the university council in 1996 and was elected chair of council in September 2004. Chris is also the chair of Thermal Energy Ventures Ltd (Brighouse) and director of Bluestone Films Ltd.

MARY JOYCE
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.