

Delivering top quality governance

Presentation to the Christian Aid Board

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Structure of this presentation

1. Context
2. Being totally clear about the role of the board
3. Characteristics of really effective boards
4. Creating really effective boards
5. Monitoring the board's performance
6. Monitoring your own performance

Context

Private sector

Cadbury

Greenbury

Hampel

Higgs

Combined Code

Public sector

Nolan

Cabinet Office
guidance

Voluntary sector

On Trust

Good Trustee
Guide

NCVO Trustee Unit
Governance Hub



Underlying themes from mid 1990's onwards

- Increasing the effectiveness of boards
- Providing accountability for the organisation
- Understanding and responding to stakeholders
- Building and maintaining public trust
- Improving performance of individual board members
- Demonstrating added value
- Recognising skills and expertise of governance

The Board and Management - Partners in leadership

Governance

- Determining policy and strategy
- Appointing and overseeing the Chief Executive
- Managing the governance process
- Providing insight, wisdom and judgement
- Monitoring performance

Management

- Developing policy and strategy
- Appointing managers and staff
- Supporting governance processes
- Delivering services and campaigns
- Measuring performance

The heart of the governance role

- Anticipating issues before they arise
- Ensuring management works on the right things
- Making realistic judgements about required resources
- Asking questions more than providing answers
- Holding management to account
- Not doing, but ensuring things are done

Characteristics of really effective boards

- **Critical functions are crystal clear**
- **Members chosen for skills and potential contribution**
- **Appropriate structures for representation and decision making**
- **Governance processes managed tightly**
- **Creative partnership with Chief Executive**
- **Committees do governance work**
- **Board monitors performance**
- **Chair and CEO work in partnership**
- **Annual reviews of board performance**

What goes wrong most often?

- Board doesn't make real and substantive difference
- Governance and management confused
- Management raises or board dabbles in detail
- Board meetings are overloaded and bureaucratic
- Chairs and Chief Executives tussle
- Board not well serviced
- Personal relationships and team work undervalued
- Members and managers don't prepare sufficiently
- Governance consumes excessive management time

Factors contributing to top quality boards

- **Transparent selection and thorough induction**
- **Annual meeting cycle**
- **Appropriate committee structure**
- **Prioritised agendas**
- **Clear and succinct papers**
- **Strategic discussion only delving into detail when essential**
- **Mixture of formal and informal meeting types**
- **Congenial setting**
- **Realistic duration**
- **Effective teamwork**
- **Skilled chairing**
- **Openness and honesty**

Creating effective boards requires:

- Recognition that every board is different
- Understanding that many factors contribute to effectiveness
- Identification of the critical actions to increase effectiveness
- Every member is able to add value at every meeting
- Open and honest discussion about board performance
- Investment in board development

Monitoring the board's performance

Why?

- To apply the discipline you expect of the organisation
- To learn from experience
- To improve board performance

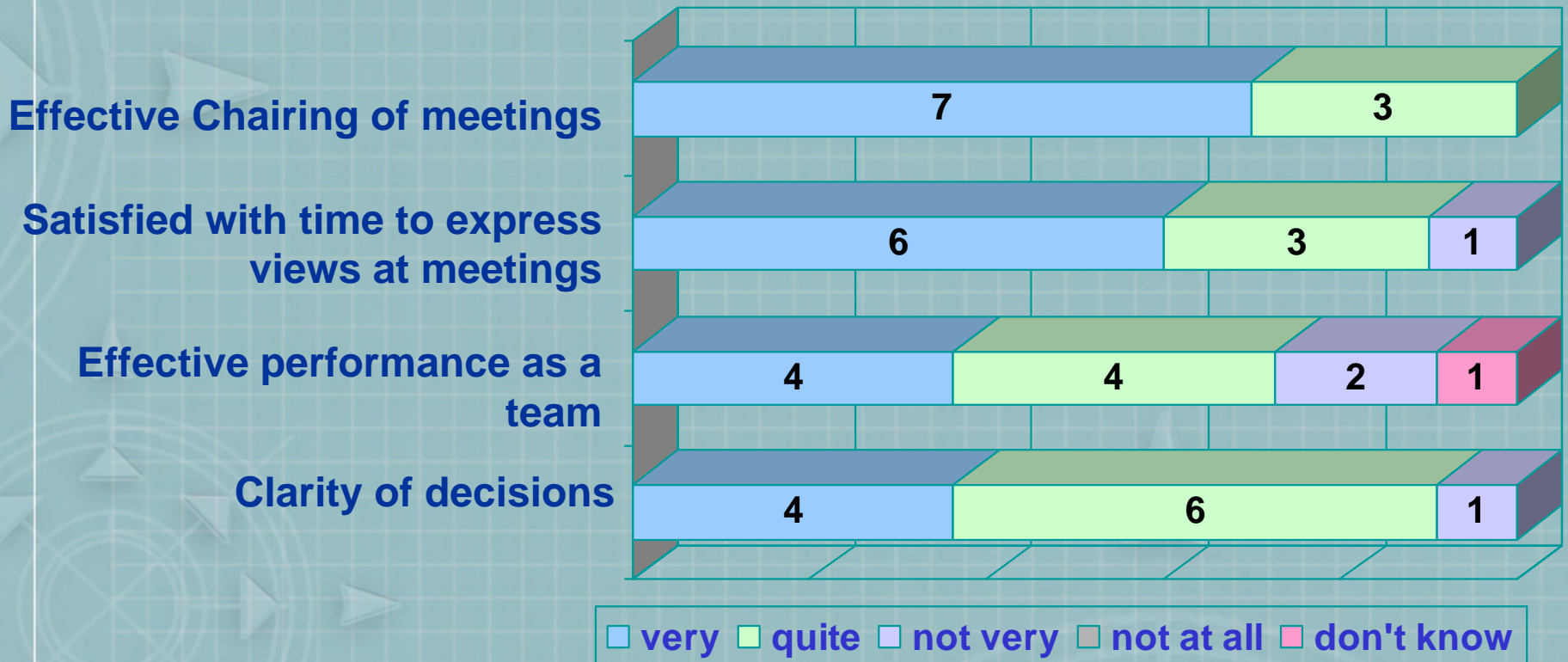
How?

- Regular self assessment
- Special meeting to:
 - Discuss performance during last year
 - Establish objectives for improvement
 - Agree action plan

Example section of self assessment

| Part D Performance of the Board as a team | Very | Quite | Not very | Not at all | Don't know |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Q21. How effectively has the Chair conducted meetings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Q22. How satisfied are you with the amount of time you have to express your views at meetings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Q23. How effectively does the board perform as a team? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Q24. How clear are decisions taken by the board? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Q26. What changes would you suggest to improve the board's performance as a team? | | | | | |

Example section of performance report



Monitor your own performance

Why?

- To get feedback
- To discuss future involvement
- To give the Chair feedback

How?

- Members give non-attributable feedback on each other to independent person
- Chair hold one-to-one's
- Vice Chair reviews Chair

Summary

- Demands on board members are increasing
- Quality boards work on all aspects of performance
- Being an effective board member requires skill and experience
- Be totally clear about your role
- Review board performance annually
- Be open to feedback and willing to give it to others

Compass Partnership books:

Managing Without Profit, Mike Hudson, (DSC, 2000) sets out the theory and practice of creating highly successful nonprofit organisations.

Managing at the Leading Edge, Mike Hudson, (DSC, 2003) describes what can be learned from the management and governance of nonprofit organisations in the USA.

Both are available from www.dsc.org.uk

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