

AUSTRALIAN CONFERENCE ON LUTHERAN EDUCATION
Adelaide 2004



GOVERNANCE
BEING PRUDENT IN CROSS CURRENTS

School governance now operates in an age that is obsessed with performance outcomes. Furthermore, it faces an environment that is litigious and consumer-oriented. The collapse of high profile Australian companies has reinforced the role of governance in non-profit organizations and the need for governance to understand prudential responsibilities.

The workshop will consider how Lutheran school councils can fulfil their responsibilities in a prudent manner whilst at the same time empowering principals to lead schools that survive in a sea of diversity.

Roger Hunter
CertEd BEd MEd(Hons) EdD FACE

Dr Roger Hunter is the Executive Director of Lutheran Education Queensland. In addition, he is an Adjunct Professor, Faculty of Education, for Griffith University. Roger is also President of the Association of Independent Schools of Queensland and a member of the National Board of the Independent Schools Council of Australia. In his spare time he supports cardiologists.

Governance

Being prudent in cross currents

Here is a ten rung ladder of opportunity, designed to keep us steady in the cross currents, and even above them.

1 Can we agree on a starting point?

I think we could all agree that cross currents are a permanent part of the human condition. Further, it is axiomatic that the more people involved, then the more currents will be crossing each other.

This may result in a strongly harmonious fabric of (for example) governance - the warp and weft of the currents orchestrated serendipitously together. Alternatively it may result in the suggestion that governance groups operate better with smaller (six or seven or...) rather than larger memberships.

Assertion

The evidence is in. The best group size for learning, participation, sharing responsibility and achieving results is between five and seven.

How does this view match with governance groups you deal with? (or for that matter, class size?) Let's elaborate.

2 Can we build on team functions for governance?

Here's Barry Kahl, spinning.

Patrick Lencioni in his leadership fable, "The Five Dysfunctions of a Team" [Jossey-Bass 2002] points out five dysfunctional behaviours that adversely affect the success of teamwork. Putting a positive spin to his presentation leads to five functions that enable teams to thrive.

- 1 Good teams operate with a high level of trust amongst members borne by experience.
- 2 Conflict is seen as positive and creative, shying away from a fear of conflict that provides artificial harmony.
- 3 There is commitment to a cause and to each other.
- 4 Accountability is recognized, both as a whole and to each other.
- 5 Results are important and status and ego are not allowed to get in the way.

Assertion, from Barry

Sounds Christian to me.

3 Learning from governance disasters

There are many to choose from. Let's check Catherine Walter's commentary. (from Fiona Buffini's "Directors sell out", **Australian Financial Review**, 01.09.04, p. 5)

It was easier for company directors to hide behind prestigious professional advisers and seductive spin doctors than stand up for what they believed was right, former National Australia Bank director Catherine Water said yesterday.

However, she said it was not a director's role "to win a popularity contest with fellow directors and management", but to be totally focused on what's good for *the organization*.

Ms Walter was speaking after resigning from the NAB board earlier this year following a dispute with her fellow directors over accountability for the bank's \$360 million rogue trading loss.



Catherine Walter after her speech yesterday . . . 'In football parlance, they should play the ball and not the man'. Photo: VIR

The fight...also led to the resignation of five fellow NAB directors and the foreshadowed departure of the current chairman.

It might also change corporate governance practices, she said.

"One thing I think that has emerged is that successful boards in the future won't be about group-think. Boards need to be meritocratic, not autocratic and not bureaucratic."

Boards should also evaluate ideas objectively. "In football parlance, they should play the ball and not the man".

Ms Walter said the NAB affair (*and others*) had also called into question the role of expert lawyers, accountants and actuaries.

"Obviously, boards need and are entitled to receive professional advice. But I think we've gone too far," she said.

"What can't be avoided is that ultimately directors need to make their own decisions and professionals ought to be constantly aware of the need to help them to do so but within the proper limits of professional advice.

"Quite frankly, I see this as a critical, ethical issue for every (*school governing council*).

Using spin doctors to dress up bad news was also leaving a bad taste, she said.

"Companies and boards, whatever the short-term pressure on share prices, must learn not to gild the lily but to deal with stakeholders and the community honestly and openly."

Assertion

Remind ourselves of our mission statement at every meeting, and don't clutter the pathway to the goals that will support it.

4 ACLE I : The top ten in the governance experience - at each end of the spectrum. Are these timeless, still?

As part of the now legendary inaugural ACLE, those involved and/or interested in governance took up a workshop day. They explored what was working, and what was not in our governing councils. Here are the top ten for each category.

Has anything changed? What is our responsibility?

What is working?

- 1 Defined boundaries - policy/monitoring and implementation/managing
- 2 Publicly accountable
- 3 Round table chat rather than formal meeting three times a year in place of regular business. (Open sharing.) Or abandon agenda every second meeting and discuss other issues.
- 4 Committees do main work - written reports.
- 5 Role of principal. Deal with complaints. Board direct complaints back to teachers/principal.
- 6 Ask for help from people with expertise.
- 7 Weekly newsletter on website...as well as hard copy.
- 8 Regular review of policies
- 9 Close links between Lutheran schools in one particular location. e.g. a local school cluster.
- 10 Retreats.

What should be?

- 1 Council appraisal. Self appraisal for individual members.
- 2 Visits to other schools - including outside the system.
- 3 Induction of new members. Folder for new members given with information for new member included, i.e. constitution, policies, basic board training information from district seminar.
- 4 Reduce council size.
- 5 Document policies.
- 6 Annual agenda
- 7 Don't attempt to resolve/discuss an issue without all the information.
- 8 Forward planning of agenda (identifying strategic issues).
- 9 Ensure school community understands role of council - better communication between council and parents.
- 10 Your nomination?

Assertion

You will be able to nominate significant additions to each list and rule out matters that are either safely covered or are not applicable to your governance framework.

5 Welcome Aboard : the commentary of colleagues

Along with leadership, there is an oversupply of both well meaning and/or self serving advice on matters of governance.

Some of this plethora is mandated. The Queensland Government, for example, has published a 60 page booklet titled, yes, "Welcome Aboard: a guide for members of state boards and statutory authorities". Major sections include extended references to the **Corporations Act (2001)** which requires governance councillors or directors to:

- act in good faith and for a proper purpose;
- act with care and diligence;
- avoid improper use of information;
- avoid improper use of position;
- disclose certain facts (which may impinge on decision results); and
- avoid conflict of interest (which must allow the community interest to prevail).

As well **Welcome Aboard** draws our attention to the **Queensland Public Sector Ethics Act (1994)** which prescribes five "principles of ethics" which must be honoured. The obligation also extends to the introduction and enforcement of a code of conduct, based on five principles:

- respect for law (*and presumably justice*);
- respect for persons;
- integrity;
- diligence; and
- economy and efficiency.

There are so many other tracts and versions of governance coaching that the reader, particularly if also a governance participant, can rapidly acquire a sense of being overwhelmed - succumbing to the density of governance guidance.

The Sydney-based **Nonprofit Governance & Management Centre** is a major promoter of such support, and hosts biennial governance workshops. From its 2002 workshop, and as an example of the guidance genre, the following advice is provided, for successful councils and council meetings.

- 1 *Mission statement*
 - Can the council remember it?
 - Print on back of business cards
- 2 *Committees*
 - Reduce number of committees
 - Change to taskforces and ad-hoc committees where possible
- 3 *Reports*
 - Don't read aloud
 - Only report or read aloud when decisions needed
 - Include key information - enrolments, et al - in reports ("a page at a glance" - like a car's dashboard instruments.)
- 4 *Meetings*
 - The main thing is to keep the main thing the main thing
 - Cut back on everything else - strict meeting times, shorter - not longer.

- 5 *Agendas*
 - Identify one, two or three big issues. Chair allocates time in advance (say 30 or 45 minutes each). The rest of the agenda is noted.
 - Use consent agenda - send out in advance - more routine matters first (two minutes)
- 6 *Feedback*
 - Constantly ask: How are you going? How am I going? Are we serving the council's goals?
- 7 *Communication*
 - Council speaks with one voice in writing and only to principal.
 - In council, ask tough questions - What's going on? Why? Who benefits?
 - Don't define entities by what they're not - eg non-Lutherians, non-government.
- 8 *Council work is future work*
 - The majority of council's time is to be on the future - planning goals.

Assertion

The council(s) with which you are associated would be all the better following these suggestions - both in process and achievements.

6 Spare yourself - read this later

Our own Lutheran confreres have also dived into these matters, possibly because the eminent wisdom of our LEA constitution and by-laws are overlooked and partly, perhaps, because these articles are based on assumptions of the ideal perfectability of human behaviour linked to altruism, servanthood and wisdom.

This is all fragile ground. In attempt to shore up and stabilise LEA education, interest groups have issued governance handbooks, resource guides and more lists. Here are just two to conclude this very selective sample.

From Adrienne Jericho's storehouse of definitional (and doctoral) bedrock:

Some assumptions about governance

Governance:

- is the link with the owner of the school.
- is about setting a vision and mission for the school, providing a sense of direction.
- operates through policies, which identify 'ends' in terms of what is to be achieved and 'means' in terms of limitations on staff.
- is contextual - it will vary from place to place.
- is concerned with accountability and monitoring the performance of the organisation. This is done against predetermined performance indicators.
- is a corporate act and the council must speak with one voice.

- interfaces with the school through the principal.
- is a thinking activity - not a doing activity.

and from your traditional allies, all three regional education directors together with the national Education director:

Benchmarks of good governance

- 1 The council is able to conduct/lead its own meetings and is not dependent on the principal for an effective meeting. In addition, a deputy could step in for the principal at a meeting. Thus whilst recognising the CEO function of the principal, the council is able to fulfil its governance function.
- 2 The council has financial data presented to it in a way that is understandable to a lay-person. It can discuss and it understands the financial position and budget of the school without the business manager having to be present.
- 3 The council has a strategic plan and accompanying financial plans (a business plan) which is understood and enables the council to evaluate school performance and development.
- 4 Although the normal channel for communication between the council and the school is through the principal, the council receives information from time to time from other sources, eg, through surveys of the school community and/or a senior staff report at council meetings.
- 5 Council policies are recorded in a handbook that is accessible, up to date and utilised. This handbook describes how council does business so that there are no surprises in the running of the school council meeting and how business is conducted.
- 6 The principal responds appropriately to questions asked by the council. Council recognises that whilst it does not make policies in areas of management it can from time to time ask questions in relation to areas of management, and appropriate monitoring.
- 7 The council acts in a corporate manner. There is no 'in group' for example chair and executive. All have an understanding, albeit at different levels, of what is happening at the school - all have a sense of being part of decision making.
- 8 The council has a sense of ownership of the strategic direction of the school.
- 9 At the end of meetings there is a feeling that there have been good discussions and something worthwhile for the good of the school had been undertaken - members have not simply rubber stamped management decisions or spent a lot of time on issues of little consequence.

Assertion

You will enjoy reading the above section, later!

7 Typicality and Atypicality

7.1 Typical Council Structure

1 Membership

- 10 members
- principal ex-officio
- membership framework set by school owner
- elections and election rules within that framework
- a form of representation - covering
 - owners (teachers)
 - parents (students)
 - community expertise
 - accounting
 - education
 - engineering
 - law
 - motherhood

2 Constitution and Control

- A constitution covering
 - definitions of control levels from advisory and developmental to oversight of all matters
 - “policy”
 - employment and evaluation of principal
 - accountability for well being of the school in (all) areas
- A set of committees
 - (futures) development
 - grounds and buildings
 - finance
 - education
 - promotion and marketing
 - executive!
- Supported by
 - regular (sometimes overwhelmingly often) meeting schedules
 - “free” involvement and input!
- Expectations of Access to :
 - information - Insider Knowledge
 - principal's Attention - Respect and Time
 - (making) Decisions
 - monitoring and evaluating those decisions
 - leadership requirements
 - setting (clear) directions
 - (developing) trust
 - producing winning results

Assertion

These are the common practices - for noting as much as for our evaluation.

8 Councils : Strengths and Advantages - are there any?

- i coordination and involvement of stakeholders!
- ii bringing out the best in the school team (1 + 1 = 3)
- iii insulation, and shared responsibilities
- iv support for the principal
- v distinctive school goals and approaches supported, (perhaps) in a wider system
- vi a form of professional development and enhancement of all
- vii students benefit!

Assertion

Embrace?

9 Councils : Difficulties and Disadvantages - are there any?

- i muddying rather than clarifying
- ii running individual or idiosyncratic agendas
- iii lack of confidentiality
- iv extra work and responsibility, for what extra gain? (for Principal and others)
- v constitution - terms of engagement tuned to individual wishes, rather than school needs
- vi evaluation of principal - informal and detrimental?
- vii representation : unbalanced or inadequate
- viii legal liabilities of all kinds
- ix students don't benefit?

Assertion

Avoid!

10 A conclusion : the perfect governing council

While we are constructing this, possibly with the assistance of the framework below, here is a starting list of actual events perpetrated by our councils. Many words to the wise can be generated from these examples - and others that you may care to nominate:

1. Council ignores own grievance procedure to "deal" with Principal.
2. Council overrules a staff employment decision and substitutes another teacher, recommended by a friend of the Chair and fellow member of Rotary
3. Council member deals with parent complaint by personally taking matter up with teacher, with principal and with P&F.
4. Council.... (please add your own salutary example/s)

Now then, **the perfect governing council**. Please nominate:

- Membership - number and categories
- Five quintessential action points, including meeting and reporting arrangements.

Assertion

A governance paragon!

