

Enhancing the
Effectiveness of the
Corporate Governance
of Public Bodies in the
Northern Ireland
Public Sector – An
Exploratory Study



in association with



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Business School

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Final Report

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THE RESEARCH PROCESS

A BRIEF OVERVIEW

1. This project has its origins in a joint Chief Executives' Forum/Chairs' Forum/CIPFA/Ulster University (the research partners) event held in January 2014. Presented by Professor David Heald and Dr David Steel of the University of Aberdeen, the event involved the dissemination of research findings these researchers were carrying out in Great Britain (GB), principally into the relationship between Chairs and Chief Executives in Non-Departmental Public Bodies (NDPBs). These authors have recently published the findings resulting from this research¹.
2. The then Chair of the Chief Executives' Forum, Mr John Hunter, initiated and led a debate after the Heald and Steel event, calibrating a process for originating indigenous, original research into public bodies in Northern Ireland, but extending the Chair-CEO focus of the GB study through the examination of the wider range of actors involved in these organisations' governance. Since the start of this study, it has been progressed through a range of meetings of the research Steering Group comprising all of the research partners and chaired by Mr Stephen Peover, Chair of the Chief Executives' Forum.
3. Though the Aberdeen research focused on one of the key, crucial relationships in governance – that of the Chair/CEO engagement – the consensus that emerged at subsequent planning meetings was that a wider frame of reference be considered for any Northern Ireland study. This included consideration of not only the key relationship between the Chair and the Chief Executive, but also crucially between: the board and the executive team; board members themselves, executive and non-executive; and the board and the wider

¹ David Heald & David Steel (2015) Making the governance of public bodies work: chair–chief executive relationships in practice, *Public Money & Management*, 35:4, 257-264

organisation stakeholder base, external and internal. Consequently, these wider constituencies were included in the work to secure the greatest value from the research process. The research has been designed for a Northern Ireland specific context for the mutual, maximum benefit of members of the Chief Executives' Forum, the Chairs' Forum and all who serve in governance roles on Northern Ireland's 105 public bodies sponsored by the Northern Ireland Executive.

4. With this overall purpose in mind, the Steering Group decided to conduct research that would evaluate the effectiveness of Non-Departmental Public Body (NDPB) corporate governance in Northern Ireland. It was anticipated that results would yield benefits on two levels: firstly, and more generally, this type of research project would generate new knowledge about the current arrangements of public sector corporate governance in Northern Ireland across a range of public bodies in different sectors: secondly, and more specifically, a possible focus of the research would be on how board effectiveness could be enhanced across the wider public sector as a result of the new learning developed.
5. The research strategy decided on, after much considered discussion at the Steering Group, was qualitative in approach. This involved the completion, initially in the early stages of the research, of a scoping questionnaire; this constituted Phase One of the research. Phase Two of the research would involve conducting a range of semi-structured interviews to probe in greater depth the issues emerging from Phase One. To put this strategy into practice, it was decided that the selection frame of reference should be the 'Public Bodies' document published by the Office of the First Minister and Deputy First Minister (OFMDFM), ensuring comprehensive coverage of the constituency of interest.
6. The qualitative approach had the potential to yield a number of benefits. These were: it allowed for the holistic approach required by this research; it explored behavioural issues relating to corporate governance practice in public bodies in

Northern Ireland, an under researched area of professional practice; it was particularly flexible in that allowed the researcher to use the research methods most suitable from a range of options available; and as it was the most appropriate strategy to facilitate focused investigation, it allowed for an in-depth, exploratory analysis of issues.

7. Phase One was conducted in late 2014 (between October and December) with the launch of a preliminary, scoping questionnaire to: explore issues important to board members of NDPBs in Northern Ireland; and gather their opinions on the effectiveness of corporate governance practice in these bodies. Invitations to participate in Phase One of the research was made available to all board members of public bodies in Northern Ireland through the awareness raising activities of both fora (Chairs and CEF) in late 2014. The initial phase of the research, given its exploratory purpose, was focused on developing familiarity with the subject area, in anticipation of a more in-depth analysis to be completed in Phase Two. Phase Two was completed between the months of May and September 2015, and 27 individuals involved in senior governance roles in the public sector took part in this process of investigating public body corporate governance. For the purposes of confidentiality, their contributions are presented in a completely anonymised format.

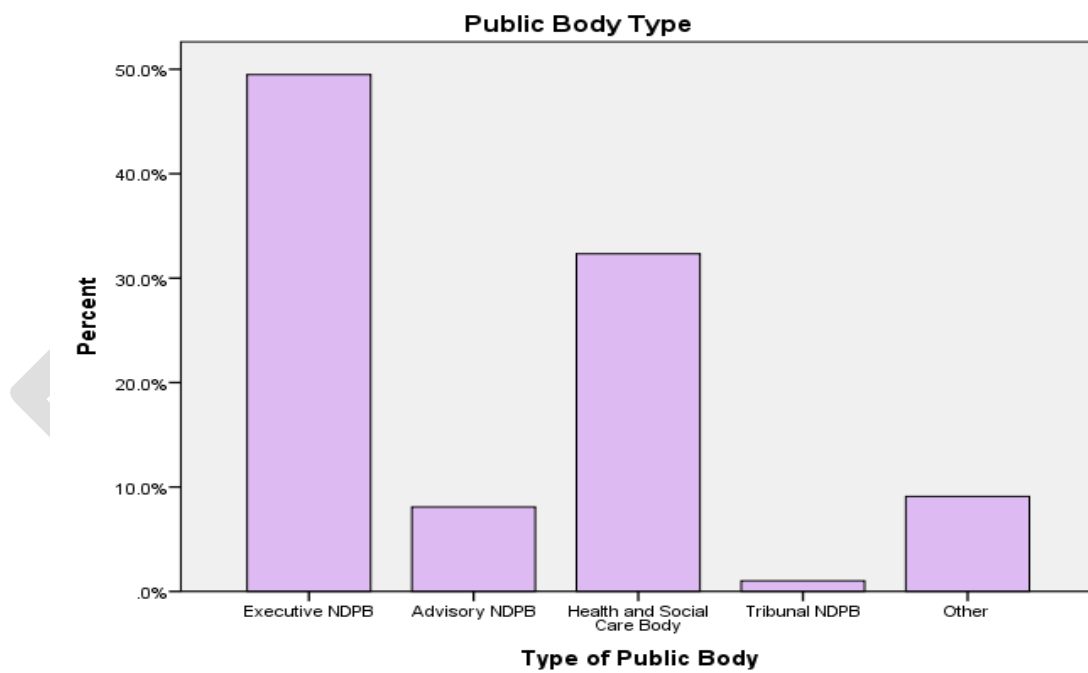
PHASE ONE FINDINGS

Organisational Information

8. The Scoping Questionnaire instrument dealt with the organisational characteristics relating to the public body to which each respondent belonged. These issues spanned the first five questions and the headline results are presented below. It should be noted, at the outset, that some respondents exercised their right not to answer some questions, hence the references to 'no response' in places.
9. Questions 1 dealt with the type of public bodies respondents were drawn from. As can be seen from Table and Figure 1 below, the majority of respondents [49, (49.5%) - Executive NDPBs] came from bodies that had been established in statute and, as a consequence, carried out significant administrative, regulatory and commercial functions on behalf of their sponsoring departments. Given that these bodies control significant amounts of resources and play a central role in the provision of public services, having such a significant showing from these types of bodies is of great benefit to the research in gaining an understanding of corporate governance issues in NDPBs in Northern Ireland. This observation is further strengthened when one considers that the next biggest group of respondents come from Health and Social Care Bodies [32, (32.3%)], important entities in terms of the size and scale of the resources they control, and consequently the governance impact they have. The majority of the 'Other' category were from the education sector.

Table and Figure 1: Type of Public Body

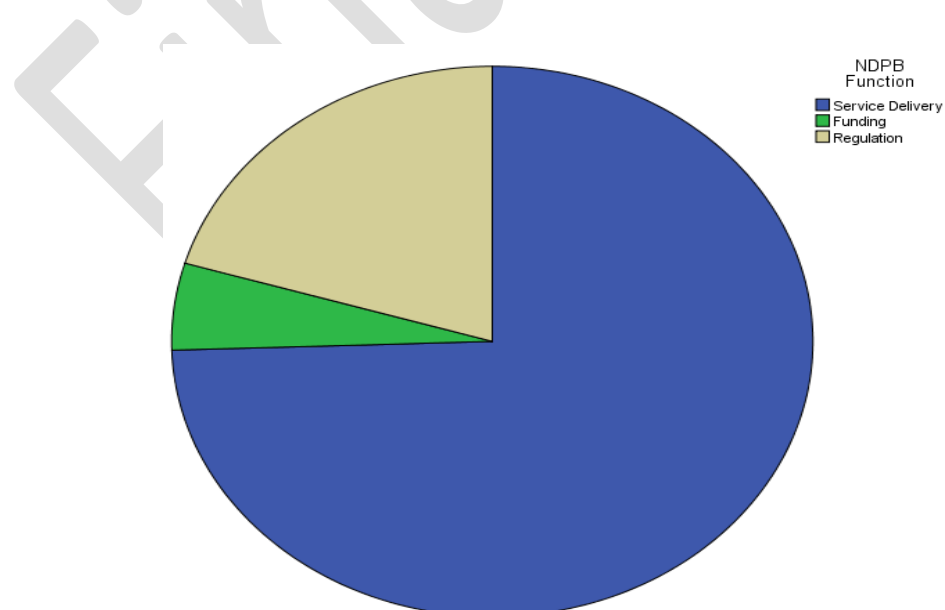
		Frequency	Percent	Valid Percent
Valid Responses	Executive NDPB	49	49.0	49.5
	Advisory NDPB	8	8.0	8.1
	Health and Social Care Body	32	32.0	32.3
	Tribunal NDPB	1	1.0	1.0
	Other	9	9.0	9.1
	Total	99	99.0	100.0
No Response		1	1.0	
Total		100	100.0	



10. Question 2 asked respondents about the function their public body fulfilled, an issue of categorisation highlighted by Professor David Heald and Dr David Steel in their January 2014 presentation. Of the respondents to the Phase One instrument presented in Table and Figure 2 below, the vast majority (73, [74.5%]) came from bodies that were involved in service delivery. This consequently meant that these bodies' experience of frontline delivery of services, as a public body, would provide their governors with significant experience of how best to fulfil governance responsibilities at a time of pronounced resource constraint, whilst responding to the needs and growing expectations of stakeholder groups – a key area of interest for the research.

Table and Figure 2: NDPB Function

		Frequency	Percent	Valid Percent
Valid	Service Delivery	73	73.0	74.5
	Funding	5	5.0	5.1
	Regulation	20	20.0	20.4
	Total	98	98.0	100.0
No Response		2	2.0	
Total		100	100.0	



11. In relation to the role of respondents (see Table 3 below), it was encouraging to evidence the strong engagement of Non-Executive Board Members (48, [51.6%]) in the research. Governance research, if dominated by Chairs and Chief Executives, could present a positive bias in relation to the practice of board activities, given the more prominent role these individuals play in relation to governance processes. Therefore, having a more diverse range of opinions from the non-executive contingent of board members is welcome and adds value to the richness of the opinions gathered as a result.

Table 3: Role of respondent

		Frequency	Percent	Valid Percent
Valid Responses	Chair	20	20.0	21.5
	Chief Executive	16	16.0	17.2
	Non-Executive Board Member	48	48.0	51.6
	Executive Board Member	9	9.0	9.7
	Total	93	93.0	100.0
No Response		7	7.0	
Total		100	100.0	

12. Question 3 sought to find out the approximate size of the public body's budget with regard to size and scale of operation. The spread below, as laid out in Table 4, was encouraging from the perspective of the research given that good representations of small (32, [32.7%]) and large public bodies (40, [40.8%]) were present. In the case of the latter, the governance challenges that face governors of large public bodies could be considered; and, in the case of the former, the issue of proportionality in applying governance best practice could be examined, an issue on which smaller public bodies have voiced their opinion in the past.

Table 4: NDPB Budget Size

		Frequency	Percent	Valid Percent
Valid	Less than £5m	32	32.0	32.7
	£5m - £15m	6	6.0	6.1
	£15m - ££50m	20	20.0	20.4
	Greater than £50m	40	40.0	40.8
	Total	98	98.0	100.0
No Response		2	2.0	
Total		100	100.0	

13. Question 4 (see Table 5 below) solicited information about the approximate number of employees each public body employed. The responses to this question were consistent with the answers provided to question 3 above, again yielding benefits for the research in that the respective corporate governance issues experienced by both small and large public bodies could be explored.
14. Question 5 (Table 6 below) asked about the size of the board of the public body from which the respondent came. This information would be useful in contextualising some of the later results with regard to opinion on board effectiveness and the efficacy with which boards operated in practice. On reviewing the nature of the boards respondents serve on, they appear to be very large in size. This is an interesting point for two specific reasons: firstly, the majority of boards' respondents were drawn from were much higher than the size of boards considered optimal for effective decision making as a group (e.g. 62 [64.6%]) had board sizes of 12-14 and 15+ members); and secondly, this is an interesting backdrop against which the latter sections of the research on board effectiveness can be assessed, e.g. in the context of potentially negative opinion about the degree of complexity involved in the governance process in the Northern Ireland public sector, are such opinions a symptom of system complexity or board design at the organisational level?

		Frequency	Percent	Valid Percent
Valid	Less than 50	33	33.0	33.7
	50-100	6	6.0	6.1
	100-200	7	7.0	7.1
	Greater than 200	52	52.0	53.1
	Total	98	98.0	100.0
No Response		2	2.0	
Total		100	100.0	

Table 5: NDPB Size (employees)

		Frequency	Percent	Valid Percent
Valid	1-5	4	4.0	4.2
	6-8	16	16.0	16.7
	9-11	14	14.0	14.6
	12-14	29	29.0	30.2
	15+	33	33.0	34.4
	Total	96	96.0	100.0
No Response		4	4.0	
Total		100	100.0	

Table 6: Board Size (Members)

15. In relation to the core content of the questionnaire dealing with board effectiveness issues, which was covered in question 6, at paragraph 24 of the Phase One findings. Given question 6 is assessed using a range of categorising variables from across the questionnaire to evaluate effectiveness, the end of current section of the results is therefore the appropriate juncture to present this material.

16. With regard to Question 7 (see Table 7 below) which dealt with the culture of the public body and how much it, and the body's decision making, reflected the Nolan Principles, it was not surprising to learn of the high degree of recognition this influence had on the board's functioning, with 83 respondents (87.4%) – see Table 6 below - indicating a score of 6 or 7 on a 7 point scale (with 7 being the maximum score, meaning Nolan was being completely reflected). As well as this high degree of recognition, the high level of scoring further reflects the relevance respondents attach to the principles in terms of their application to decision making in practice.

Table 7: NDPB's decision making reflecting the Nolan Principles [1=Doesn't Reflect, 7= Completely Reflects]

		Frequency	Percent	Valid Percent
Valid Responses	2	1	1.0	1.1
	3	3	3.0	3.2
	4	1	1.0	1.1
	5	7	7.0	7.4
	6	45	45.0	47.4
	7	38	38.0	40.0
	Total	95	95.0	100.0
No Response		5	5.0	
Total		100	100.0	

17. In relation to Question 8, again it can be seen in Table 8 that there is clear evidence of the benefits corporate governance can bring, with an overwhelming majority of respondents answering yes (84 [88.4%]), that in their opinion, corporate governance processes did enhance decision making. However, it must be borne in mind that the support offered in relation to this question was not unqualified, nor wholly positive.

Table 8: Do corporate governance processes enhance decision making?

		Frequency	Percent	Valid Percent
Valid	Yes	84	84.0	88.4
	No	7	7.0	7.4
	D/K	4	4.0	4.2
	Total	95	95.0	100.0
No Response		5	5.0	
Total		100	100.0	

18. Question 9 sought to find out whether, in line with the behavioural nature of the research, whether the vision and values of the organisation were at the forefront of the board's decision making processes. As Table 9 highlights, 78 respondents [81.3%] noted that they were actively employed in decision making either frequently or all the time. It was positive to see that the values that underpin organisations were thought by board members to have a direct connection to what they did in their governance roles on a regular basis, with no significant disconnect being evidenced in this regard.

		Frequency	Percent	Valid Percent
Valid Responses	Never	1	1.0	1.0
	Rarely	2	2.0	2.1
	Sometimes	15	15.0	15.6
	Frequently	50	50.0	52.1
	All the time	28	28.0	29.2
	Total	96	96.0	100.0
No Response		4	4.0	
Total		100	100.0	

Table 9: Are vision and values at the forefront of decision making?

19. Again, in common with the purpose of Question 9 and the tenor of the overall research aim, Questions 10 and 11 (responses are recorded in Tables 10 and 11 below) asked respondents about whether their organisations: (i). had a mission statement; and (ii) if they did, whether it was shared with wider stakeholders. The purpose of these questions was to anchor the high level, values focus of the research purpose with tangible indicators of these concepts, and whether they were used in practice. It was heartening to note, therefore, that a significant degree of importance was attached to such documents. With regard to Question 10, 91 respondents [95.8%] indicated the presence of a mission statement in their organisation; moreover, 85 respondents [93.4%] confirmed that this mission statement was shared with wider stakeholders. Both of these answers indicate that not only are such documents used within the public bodies, but they are further employed as part of the stakeholder engagement process within many organisations.

		Frequency	Percent	Valid Percent
Valid	Yes	91	91.0	95.8
	No	3	3.0	3.2
	D/K	1	1.0	1.1
	Total	95	95.0	100.0
No Response		5	5.0	
Total		100	100.0	

Table 10: Presence of a mission statement

		Frequency	Percent	Valid Percent
Valid Responses	Yes	85	85.0	93.4
	No	2	2.0	2.2
	D/K	4	4.0	4.4
	Total	91	91.0	100.0
No Response		9	9.0	
Total		100	100.0	

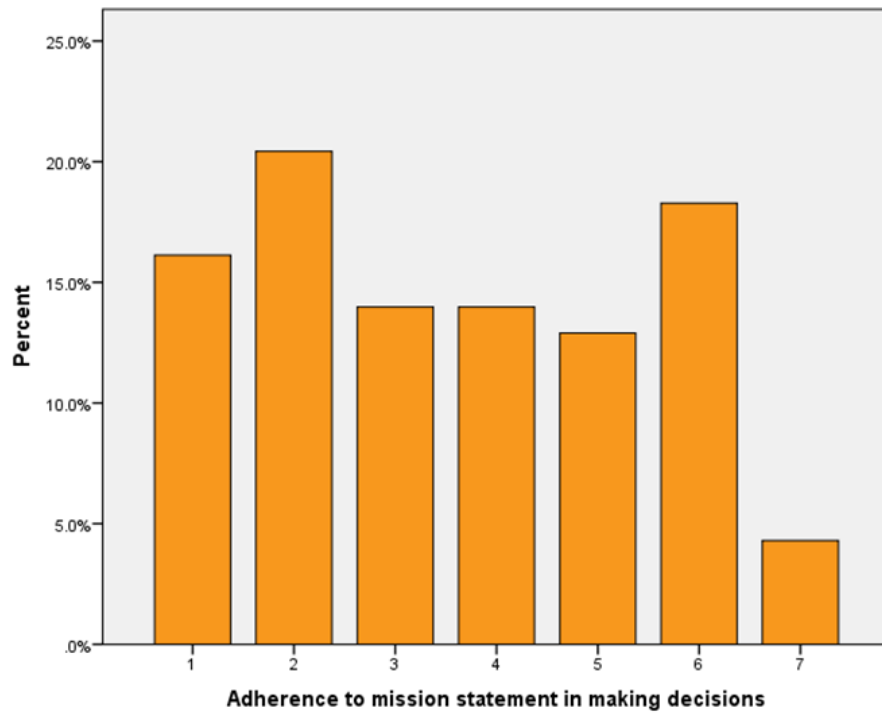
Table 11: Mission statement with stakeholders

20. Responses to Question 12 (see Table 12 and Figure 3 below) proved to be very interesting. This question demonstrates the real challenges those charged with governing public bodies now face in achieving their organisational objectives and adhering to their mission statements, highlighting the difficulties their operating environment now present. This is evidenced by the relatively high number of respondents registering scores of 5, 6 or 7 (where 7 is 'very difficult'), this total being 33 respondents [35.5%]. Consequently, these responses, as well as highlighting the significant strategic challenges board members now face, underpin the timeliness of this research investigating the effectiveness of board governance in Northern Ireland's public bodies, and how it can be best enhanced.

Table 12 and Figure 3: Difficulty of adhering to mission statement in making Decisions

		Frequency	Percent	Valid Percent
Valid Responses	1	15	15.0	16.1
	2	19	19.0	20.4
	3	13	13.0	14.0
	4	13	13.0	14.0
	5	12	12.0	12.9
	6	17	17.0	18.3
	7	4	4.0	4.3
	Total	93	93.0	100.0
No Response		7	7.0	
Total		100	100.0	

[1=Very Easy, 7=Very Difficult]



Final

21. Consistent with the earlier question relating to stakeholders (Q 11), answers to Question 13 (Table 13 below) suggest that respondents felt their organisations had developed well established communication channels with stakeholders. This is evidenced by the total responses covering scores of 5, 6 and 7 on a seven point effectiveness scale with regard to how well their organisations developed relationships with stakeholders (with 7 being very effective) being 69 [72.7%]. This fact notwithstanding, a significant minority of the remaining respondents (26, [27.3%], the total of scores for categories 2, 3 and 4) appear to feel that there is room for improvement in this regard.

Table 13: Effectiveness of public bodies in developing relationships with stakeholders

		Frequency	Percent	Valid Percent
Valid Responses	2	8	8.0	8.4
	3	8	8.0	8.4
	4	10	10.0	10.5
	5	41	41.0	43.2
	6	25	25.0	26.3
	7	3	3.0	3.2
	Total	95	95.0	100.0
No Response		5	5.0	
Total		100	100.0	

[1=Not Effective, 7=Very Effective]

22. With regard to the number of prior board appointments respondents held, presented in Table 14 below, a sizeable minority of respondents (19, [20.9%]) of those who completed the questionnaire did not have any prior board positions so, consistent in getting a diverse range of respondent viewpoints. As a consequence, it was useful to have a number of fresh perspectives about board governance processes from those who had just joined boards in the relatively recent past. These could then be balanced with the perspectives of those who can contribute the insights they possess from previous board appointments.

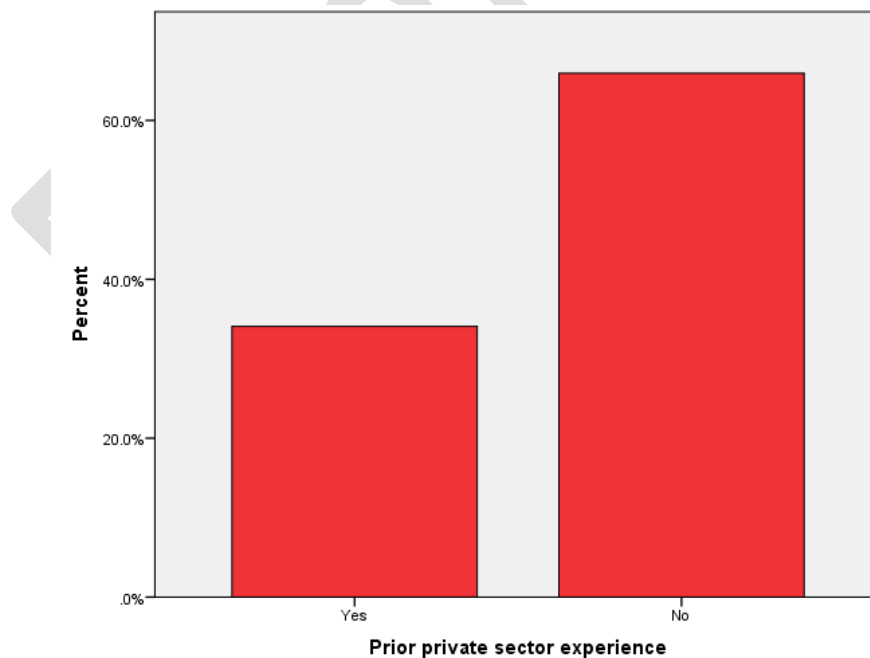
Table 14: Number of previous board roles held by respondents

		Frequency	Percent	Valid Percent
Valid Responses	0	19	19.0	20.9
	1	16	16.0	17.6
	2	19	19.0	20.9
	3	20	20.0	22.0
	4	5	5.0	5.5
	5	3	3.0	3.3
	6	5	5.0	5.5
	8	4	4.0	4.4
	Total	91	91.0	100.0
No Response		9	9.0	
Total		100	100.0	

23. In relation to respondents who had prior board experience in the private sector, it was interesting to note that 31 respondents [34.1%] had such skill sets (see Table 15 and Figure 4 below). Calls are often made for public sector boards to become more 'business like', and for those with business experience to become involved in public sector board governance, thereby utilising their past private sector experience to contribute to such an outcome. Given this relatively sizeable representation of those with prior private sector experience, it will be interesting to see how this influences attitudes towards board effectiveness.

Table 15 and Figure 4: Prior private sector experience

		Frequency	Percent	Valid Percent
Valid Responses	Yes	31	31.0	34.1
	No	60	60.0	65.9
	Total	91	91.0	100.0
No Response		9	9.0	
Total		100	100.0	



24. In relation to a key component of the scoping questionnaire, Question 6 gathered opinions about a range of issues pertinent to the operation of effective boards. When all responses were collated and coded, means and standard deviations were computed for all respondents.

The results, shown in Table 16 below, indicate that, of all of the characteristics of board behaviour respondents gave their opinion on, those deemed most effective were, in rank order, on a seven point scale: promoting effective working relationships with executive management (5.49); working to agreed deadlines (5.48); and fostering a culture of constructive challenge (5.42). In relation to the least effective behaviours, they were: encouraging the ongoing Continuing Professional Development (CPD) of the board (4.63); increasing citizen awareness of public body activities (4.63); taking a structured approach to succession planning (4.60); and making use of technology in supporting board processes (4.19). When reviewing opinions about the effectiveness of the board activities, particularly those deemed less effective, the standard deviations suggested that opinion could be quite diverse. As a consequence, further averages were run for two aspects of the respondent profile in an attempt to explain this variation further. These were: the role of respondent; and whether respondents had prior private sector experience.

Table 16: Respondent views on board effectiveness issues overall

Promoting effective working relationships with executive management	5.49
Working to agreed deadlines	5.48
Fostering a culture of constructive challenge	5.42
Using evidence to enhance the quality of decision making	5.34
Assessing the adequacy and relevance of the information it receives	5.32
Articulating organisational values	5.31
Strategic management	5.28
Shaping organisational outcomes	5.26
Shaping agendas and meetings	5.18
Securing strategic deliverables	5.17
Making appropriate interventions	5.12
Promoting effective working relationships with the sponsoring department	5.00
Providing feedback and 'reality checks' for the public body	4.83
Increasing citizen awareness of public body activities	4.63
Encouraging ongoing CPD of board members	4.63
Taking a structured approach to succession planning	4.60
Making use of technology in supporting board processes	4.19

[1=Not Effective, 7=Very Effective]

25. In comparing the means across roles, Appendix A comprises Tables 17-21 that detail the means for responses relating to opinion on board effectiveness from respondents by various roles. Firstly, in relation to the role respondents play in the governance process, i.e. whether as Chair, Chief Executive, Non-Executive Board Member or Executive Member; and secondly, in relation to whether respondents had prior private sector board experience, or not.

26. With regard to the headline findings emerging, the following observations were made:

- In relation to the opinions of Chairs, those deemed most effective were, in rank order, on a seven point scale: fostering a culture of constructive challenge (5.94); using evidence to enhance the quality of decision making (5.79); and promoting effective working relationships with executive management (5.74). With regard to the least effective behaviours, they were: taking a structured approach to succession planning (4.84); increasing citizen awareness of public body activities (4.84); encouraging the ongoing CPD of the board (4.33); and making use of technology in supporting board processes (3.84).
- In relation to the opinions of Chief Executives, those deemed most effective were, in rank order, on a seven point scale: promoting effective working relationships with executive management (5.00); working to agreed deadlines (4.93); fostering a culture of constructive challenge (4.80); and articulating organisational values (4.80). With regard to the least effective behaviours, they were: making use of technology in supporting board processes (3.73); taking a structured approach to succession planning (3.73); and increasing citizen awareness of public body activities (3.60).
- In relation to the opinions of Non-Executive respondents, those deemed most effective were, in rank order, on a seven point scale: working to agreed deadlines (5.57); promoting effective working relationships with executive management (5.55); strategic management (5.54); and assessing the adequacy and relevance of the information received (5.54). With regard to the

least effective behaviours, they were: encouraging the ongoing CPD of board members (4.89); taking a structured approach to succession planning (4.83); and making use of technology in supporting board processes (4.44).

- In relation to the opinions of Executive respondents, those deemed most effective were, in rank order, on a seven point scale: working to agreed deadlines (5.56); promoting effective working relationships with executive management (5.44); and strategic management (5.33). With regard to the least effective behaviours, they were: increasing citizen awareness of public body activities (4.11); taking a structured approach to succession planning (4.11); and making use of technology in supporting board processes (3.89).
- In relation to the opinions of respondents with previous private sector board experience, those deemed most effective were, in rank order, on a seven point scale: promoting effective working relationships with executive management (5.70); articulating organisational values (5.60); and strategic management (5.50). With regard to the least effective behaviours, they were: encouraging the ongoing CPD of board members (4.54); taking a structured approach to succession planning (4.53); and making use of technology in supporting board processes (3.97).
- In relation to the opinions of respondents with no previous private sector board experience, those deemed most effective were, in rank order, on a seven point scale: working to agreed deadlines (5.49); fostering a culture of constructive challenge (5.49); and assessing the adequacy and relevance of the material received by the board (5.40). With regard to the least effective behaviours, they were: taking a structured approach to succession planning (4.65); increasing citizen awareness of public body activities (4.54); and making use of technology in supporting board processes (4.25).

27. On reviewing the variety of information this analysis process yielded, a number of observations could be made that would warrant further attention: (i). there are a range of recurrent themes that are scoring consistently lowly in terms of effectiveness, on all analyses ran, these being: taking a structured approach to

succession planning; promoting ongoing CPD of board members; and making use of technology in supporting board processes; (ii). there appeared to be a positive bias presented by those serving in non-executive positions – whether as Chairs or Non-Executive Members – in scoring the activities in which they play a greater role more highly in terms of board effectiveness, e.g. assessing the adequacy and relevance of information received, fostering a culture of constructive challenge, and the use of evidence based decision making; and (iii). the opinions of Chief Executives in particular appeared to be much less positive with what appeared to be a lower level of scoring evidenced on effectiveness, as well as apparently large standard deviations in certain instances across the seven point scale.

28. To test these contentions further, a range of non-parametric tests² of variance were run. As a result, there was a statistically significant effect with regard to role of respondent (whether Chair/CEO/NED/ED) and responses recorded in relation to the following board effectiveness characteristics: information adequacy and relevance; evidence based decision making; increasing citizen awareness; provision of feedback and ‘reality checks’ to public body; shaping organisational outcomes; securing strategic deliverables; and making appropriate interventions. Similar tests were also run to test the effect the previous experience respondents had (whether in the private sector or not) on the response provided in the study. In contrast, there was no statistically significant effect of prior private sector governance experience of public sector board members when tested against the opinions recorded by public sector board members with no prior private sector governance experience.

² Kruskal-Wallis test

PHASE TWO FINDINGS

This section of the report sets out the responses gathered from the series of semi-structured interviews conducted in Phase Two of the research. Comments in quotation marks are sourced directly from the record of the interviews.

Joining public body boards

29. In relation to why people joined public body boards, interviewees drew attention to a range of motivations ('disparate motivations for people joining boards'), some more altruistic than others, including:

- a sense of public service ('public service, for the good of society', 'people with public sector ethos, aligned with the organisation's interest');
- people who want to make a contribution to wider society ('giving something back', 'genuine interest in making things work better, the public interest');
- broadening their network ('broaden network', 'private interest to expand their CV and develop themselves' and simply to 'learn');
- opinion was also expressed that people were not joining boards for the money ('not for the money', 'people not driven by money'); and
- less positively, as a symbol of status ('some to make contribution to public life/public service.....less positive, status').

30. Some respondents noted that they had witnessed a variable, and varied, level of quality in relation to governance in the public sector ('some very good, too many not very good', 'the great and the good are not always great and good'), but a significant issue that was felt to have an impact on people joining boards in public bodies in Northern Ireland was a surfeit of process to overcome before even becoming appointed; as one interviewee remarked, that while 'people [are] well

meaning' and that there is a 'a lot of good people who want to make a contribution', the 'process isn't made to enable ordinary folk' to participate in competitions for public body board appointments. This issue becomes even more pronounced when one considers one of the themes raised by a number of research interviewees, that of improving the diversity of people joining boards, particularly in terms of age profile. Strategic succession planning is dealt with in a later section of this report.

Advice to those joining public boards

31. Related to questions that sought to understand why people joined public body boards, advice was sought from interviewees that would be useful for new board members. Responses dealt with a variety of topics, including:

- the need for high levels of performance from new entrants, taking time to think about sector specific essentials they should be aware of, e.g. 'know your Nolan Principles', recognising that whilst board members are 'there to challenge, but be aware that you will be challenged';
- the complexity of system process ('complex governance system, not immediately transferable'), meaning that people from areas outside the public sector, particularly people from the private sector, in the opinion of one interviewee, 'will find this very different' by comparison. In a similar vein, another interviewee drew attention to the fact that proximity to decision making is even further removed than what new board members might have experienced in other sectors, highlighting the lack of control over the shaping of events ('public vs. private sectors....very different...further removed from decision making');
- amongst other responses received, it was noted that it is important to take such positions seriously, one respondent commenting that it 'was not a doddle'; board members should be clear about their roles, one interviewee mentioning that they were 'not part of the PR team for the organisation'; and

- on the more negative aspects of what to expect when joining a public sector board, attention was drawn to the need to become aware of what was referred to as the ‘civil service way of doing things’, specifically the language of the public sector - this individual further remarking on the ‘warrens of decision making’ – related to consequent slowness around decision making.

32. Attention was also drawn to the process heavy nature of decision making in the public sector, specifically a feeling that ‘process that has been followed’ being a more important consideration than achievement of outcomes. Consequently, there was a tendency for board members to ‘be reactive, rather than proactive’, leaving people ‘afraid to make decisions’ for fear of being significantly criticised. To help people become acquainted with the workings of the public sector, there were questions posed from one interviewee about the need to review key guidance documents to help them settle into their roles (‘How many look at the terms of reference? How many look at MSFM?’ [Management Statement Financial Memorandum]). Moreover, across a range of interviewees, the need for more effective, tailored and tapered Continuing Professional Development for individuals joining boards was identified, for non-executive and executive members alike.

What makes an effective board?

33. This part of the interview process elicited the bulk of commentary. Summarising some of the key issues arising, these included:

- The overriding need for explicit, clearly defined articulation of the roles of all of the actors in corporate governance processes (‘definition of roles – role clarity’, ‘key role of the Chair...key board understands its role’, ‘roles....greater clarity needed’, ‘role clarity, good faith’, ‘respectful of everyone’s role, managing relationships, mutual responsibilities’, ‘clarity about roles...short/sharp’, ‘boundaries need greater investigation with regard to governance’, ‘sufficient clarity about roles and responsibilities’, ‘Chair/CEO....clear about their role’, ‘Clarity of roles, responsibilities and

expectations', 'localised induction', 'detailed induction processes', 'Good CEOs will manage role clarity'). In this regard, the role of language was deemed to be of critical importance ('understanding of the word board', 'making the language understandable to the local citizen', 'use of language...very important', 'good boards understand the ED/NED split').

- Everyone involved in governance should have a common vision for the organisation ('sense of corporacy needed', 'sight of goals....alignment of goals', 'good relationships key', in terms of UK/NI differences – UK ALBs (Arm's Length Bodies) 'get the job done'; in the context of ALB delivery, it was felt that this should be free of political interference, this was felt not to be the case in NI and that the 'Department does not understand the ALB role', reference being further made to a need not to micromanage, 'what would success look like? Everyone should have this clarity'), as well as a shared understanding of what success actually looks like ('current focus....backward looking', 'scrutiny relationship – very important relationship', 'holding people to account, a clear understanding', 'balanced skill set to complement skill sets of the executive teams').
- There should be a culture that welcomes genuinely constructive challenge – where there can be, as one respondent put it, 'many a disagreement, but never a row'. This enhanced understanding of what the core components of a good governance culture are, needs to be backed up with:
 - strong leadership and communication skills from the Chair ('communication is key, particularly an effective Chair') and clarity around the role of the non-executive board members ('need NEDs to make valuable contribution....not a cheerleader for the CEO', 'NEDs not delegates of the area they come from');
 - a climate of meaningful trust between all parties, there should be 'no surprises', 'no leaks' and a 'no blame' culture – allied to a need to move from 'hindsighting' to a future focus (the achievement of all of which

require a focus on building good relationships on boards – typical statements included ‘personalities very important’, ‘personality issues/culture very important’, ‘good governance – culture, attitude...displayed in leadership, behaviours’, ‘good relationships key’, ‘willingness to challenge relationships’, ‘culture, ethos....relationship focus’, ‘respectful’;

- a strong emphasis on outcomes, not process driven outputs (‘move from outputs to outcomes’, ‘what does a good board look like?’, ‘effective boards – strategic issues and deep dives’, ‘need to be outcome focused’, ‘need to get a good line of sight into business’, ‘good chew of issues by the board’, ‘challenge to enhance performance’, which requires ‘information and permission to challenge’);
- a need for effective arrangements to be in place to achieve effective governance outcomes (‘the board needs to have a real empathy for the service/area it is responsible for’, ‘structures that serve the board’, ‘balance...qualitative and quantitative indicators’);
- members demonstrating an understanding of risk and how it is managed, particularly emergent risk, as well as financial literacy (‘financially literate’, ‘need pure knowledge to make decisions’, ‘broad range of skills’, ‘diversity of skill sets’);
- board members preparing themselves to engage fully in all aspects of their role in a variety of ways (‘honesty in the communication exchange, in both directions (Chair/CEO)...sense of honesty, openness and candour sets the climate’, ‘hard and soft aspects of governance. Structural issues...corporate plan. Softer issues, how we set the tone’, ‘induction is fine, but then the board should allow for ongoing development’, ‘value people’s contribution’, ‘diverse skills mix and independence’, ‘matters that need reported....can be done through a soft channel’, ‘rotation of items’);

- board composition considerations ('key issue – interface with the Senior Executive Team', 'fundamental issue, the critical friend', 'personal relationships', 'not full of 'mini mes' – need for complementary experiences, for example from trade union, HR, accounting, legal backgrounds', 'variety of different people', 'enablers', 'organisational memory....comparator information', 'excellent working relationships without being cosy'); and
- a need identified though, to have regard for adapting best practice, in a number of areas, to localised circumstances: (tailoring induction to people from different backgrounds.....'sheep dip and then specificity', 'no one size fits all'). Indeed, one interviewee made mention of how small things can make a difference to the effectiveness of the boards, an issue now coming under pressure due to resource constraints ('importance of the smaller things, e.g. tea, coffee, biscuits...right atmosphere....', and help build informal relationships between board members on the occasion of meetings.

34. The Chair/CEO relationship was identified on many occasions as being the key, critical ingredient in whether a board is effective, or not ('Chair/CEO relationship critical', 'relationship between the Chair and Chief Executive – very important in setting the scene in terms of tone and values', 'CEO/Chair is a paramount relationship', 'good Chair...pull people back at times when they might cross the line (former EDs in other roles now as NEDs)').

35. These observations were also supported by a variety of other related comments being made, e.g.: the quality of the ED/NED relationships being conditioned by the health of the Chair/CEO relationship, as well as the need for measurable value to be added from all board members in terms of contribution, having regard for the range of roles different board members can play ('NEDs know their role, but not getting involved in the engine room', 'EDs can be more mute at meetings....CEO saying the things for the EDs', EDs – 'can see NED

contribution...builds mutual respect and trust', 'cohesive board between members, strong culture, a simple set of rules'. 'challenge voice of the NEDs', 'relationships with people on board'); moreover, there was recognition of the key ways in which the governance contributions of different individuals helped keep governance processes effective ('keep in contact with Non-Executive Directors [between meetings]..', 'Chair is key in setting agenda', 'Role of Minister is very important...feeding through to the corporate plan', 'skill mix', 'culture very important', 'common vision for the organisation', 'effective challenge to decision making', 'values and behaviour...board members driven by their prior experience in making the organisation they are serving as effective as possible'); and how these processes can be meaningfully developed in the future ('training for Chairs – very good forum for learning', 'member training', 'appraisals', 'small place like Northern Ireland...Chairs and CEOs could work more closely together', 'leadership critical...Chair is key...drives things in the right direction', 'board members learning from each other').

36. Less positive aspects of current practice were drawn attention to though, including: board members tending to be reactive rather than proactive, as alluded to earlier, with one interviewee mentioning that the publication of NIAO reports tended to act as a trigger for consideration of governance issues; there should be no outsourcing of board functions to the Audit Committee as a proxy for board activities ('no outsourcing to Audit Committees'); NDPB preoccupations with operational, process issues ('dominated by process, how process is managed rather than outcomes'); the evidencing of politicisation and sectoral interests ('Generally very good [standards of governance]: however delivery bodies mired in politicisation [and] sectoral interests'); and the utility of current appraisal processes for board members ('evaluations – honest?...too many excellents'). Whilst some interviewees mentioned initiatives to address these shortcomings – e.g. the use of governance and board workshops – it was suggested that a thoroughgoing analysis of the purpose of a board, as well as assessing what NDPBs existed to achieve, would be of merit.

Governance Delegations and Accountability

37. With regard to governance delegations and responsibilities, a variety of opinion was expressed in relation to this matter that ranged from 'clearly defined' to 'woeful'. Whilst there was a recognition that there was a significant amount of guidance available publicly ('oodles of responsibilities/guidance out there'), what another interviewee described as being 'clear enough', there was a recognition that '...delegations [are] quite narrow....government doesn't allow ALBs to do their business...doesn't understand the nature of the business, not best placed to run the business'. Therefore, though the delegations exist and were clearly recognised, in that they were 'clear enough in theory' – with one interviewee commenting that 'sources have got better, more consultative' - there was another observation that 'delegations are clear, but could be improved'. Essentially, there was a need identified to '....stand back and understand what gives us the benefits....are we getting value?' Another interviewee highlighted that, in their view, delegations were 'overly detailed in terms of responsibilities' and could be made 'simpler'.
38. Specific problems identified in the public sector context in relation to delegations related to: the fact that so many individuals were involved in the process of delegations ('public sector...so many masters', 'who sits where in accountability roles – can be very confusing', 'AO, Department, Minister – different perspectives', 'communication is a two way process....are you listening?...are you hearing the same....do people read it?...what do I understand it to be?'); disproportionate scrutiny and preoccupation with process resulting in a slow pace of decision making ('disproportionate scrutiny', 'pubic service corporate governance – process driven', 'the public sector is over governed', 'proportionality of governance', 'practicality of wading through treacle', 'slow pace of change'); the civil service's approach to governance lapses, particularly in the context of how responsibility is attributed if anything goes wrong and how this reflects the civil service/public body relationship ('when governance fails, terrible consequences', 'allocation of blame if anything untoward happens', 'civil service

influenced by political decisions', 'policy/strategy confusion of the civil service', 'insularity of the civil service', 'delivery of service of the NDPB model versus the department policy model....mismatch'); the cost and resource implications of compliance ('cost of governance', 'different scales and sizes of ALBs', 'time that goes into the governance process'); the different roles participants in the board process play, when considering how delegations work in practice ('clarity around the role of the AO...practically, can be quite confusing', 'EDs can feel not comfortable in coming to the board...normalise board processes', 'Chair...chief governance officer', 'CEOs filter the information', 'job of Chair....business gets done in a timely fashion, good, clear cut decisions and quality documents'); and the fact that everyone, to a certain degree, bears responsibility in this regard ('everybody's fault....dip in and out').

39. The ED/NED relationship issue raised important matters to consider, particularly given their potential to impact the workings of boards in practice. When exercising the independent nature of their role, for example, NEDs may meet on their own without their Executive Directors being present. One interviewee highlighted the potentially damaging effect such practices can have from a team dynamic perspective, regardless of whatever accountability benefit that may accrue. Essentially, the consequence could be that 'relationships [are] impacted'. More broadly, examining 'the ED/NED relationship' was seen as one of the issues in which arrangements, in relation to governance delegations, could be investigated further to enhance practice, others being: reviewing governance terms of reference locally ('need for formalised arrangement for organisational development plan, guard against insularity'); reviewing MSFM at a system wide level ('boundaries need greater investigation with regard to governance', 'review whole rules and regulations....[with] budget cuts, cannot operate within confinements', 'MSFM focus on issue pertinent to governance') – these observations are caveated, however, in light of another interviewee stating that the 'board is not a regulator....guidance has a tendency to be written into best practice'; investing time in building good relationships with all of the individuals involved in the governance process ('relationships are key to making delegations

work. Following policy blindly from the department is never good’); and the need, in one interviewee’s words about meaningful and engaged involvement from everyone in the process, to ‘sing song and play ball’.

The Independence of NDPB Boards

40. As far as the independence of NDPBs was concerned, there were calls for a greater understanding to be developed about what the NDPB is there to do and reach an understanding of all involved regarding the following key issues: what type of body are we? (‘Understand this first – what type of body am I? who am I accountable to?...then work within this context with the Executive Team’, ‘need to know you are not an independent body, but a body with a high degree of independence’, public sector boards ‘develop strategy....don’t know about the day to day running...not setting strategy, they are there to help the governance process....not developing strategy but giving a view on strategy’); and who are we accountable to? (‘good for department to have an arm’s length relationship’, ‘agendas....set elsewhere’, ‘independence only goes so far as operable under Sponsor Department authority’). In response to questions around where board priorities come from, one participant drew attention to the fact that the particular form of government in Northern Ireland meant that the constant renegotiation of issues at departmental level, and its mediation, impacted the business plans of ALBs.

41. Moreover, as alluded to by another interviewee, public sector boards do not set strategy, they instead develop already formulated strategy; this respondent further considered the reason for this was that the board is not around long to do so. It was thought understanding these issues would assist with the process of role clarity, given the following reasons highlighted by interviewees: boards lacking independence (‘boards don’t have freedom’, ‘resistance to give independence to ALBs in NI’); and other key considerations in the articulation of effective corporate governance in the public sector (‘the independence of the board overlaps with effectiveness’, ‘presence of politicians can dominate,

depending on their strength...can give disproportionate voice...others afraid to speak', 'public sector boards....the eyes and ears of the Minister').

How NDPBs boards deal with strategy and operations

42. In relation to strategy and operational issues, whilst there was a clear understanding of how matters should operate ('operations for CEO and the senior executive team. The board is for direction and strategy', 'don't get involved in operational issues, but need to understand them'), a number of interviewees commented that the present fiscal environment was conditioning how these issues were seen ('can't divorce the operational from the strategic in the current context', 'issue of firefighting takes people away from strategic thinking...strategic direction originates with the Executive Directors, then scrutinised by the board before decision is made...', 'operational issues in the face of boards presently', 'strategic issues....impacted by cuts'). Essentially, the 'firefighting' necessary to deal with financial and resource pressures presently making themselves felt within the NI public sector meant that delineating between strategic and operational issues was becoming increasingly complex in the current context ('making hard decisions, and in a timely fashion', 'some boards are good at strategic issues through business planning, NEDs meeting with EDs to deal with these issues', 'financial pressures – do we restrict strategic development to core activity?', 'political decision making affected by short termism of political timescale').

43. Mention was also made of the different nature of strategy setting in the public sector, boards not so much setting strategy but instead 'giving a view on strategy' and ensuring its ensuing roll out and implementation. Interviewees further made the following interesting observations about the how boards dealt with strategy and operational issues, these including: the tension between staying out of operational issues, given their potential impact on strategic matters for the organisation ('strategy/operational issues – how do we remain strategic without being tripped up?', 'strategy and operational information....cascading from

strategy to operational issues. Chairs understand they need to work with senior officials....scalability and measurement subsequently', 'operational and strategic roles....blurred lines', 'can't be strategic everyday'); the need for a new way of thinking about how boards engage with strategic issues ('tendency for formulaic boards, set agendas, more binary way of board operations. Enabling role of the board needs further development', 'strategy set elsewhere...Executives set strategy, approve it and then the board sees how it is being implemented'); the key role of the Chair in helping board colleagues to stay focused on board issues ('Chair....keeping board out of the minutiae', 'strength of Chair is critical', 'Chair has been very important in getting this balance....some members pick up on the operational'); practical ways in which these strategy/operational subjects should be dealt with ('board workshops to develop five year corporate plans', 'buddying system'); and other issues at a system wide level that can impact how strategy and operational matters are dealt with ('perceptions of politics....very important', 'politicians in NI.....background of activism. How do you have brave politics in this context?', 'block arrangements vs. multi-year delivery expectations').

The use of information by NDPB Boards

44. Phase One highlighted concerns around information used by boards. Developing this theme further, participants remarked on the following issues: in some organisations, tablet and technology support devices are being used for board meetings ('iPads being used', 'information – balanced out by intranet'); there were good amounts of information available, but there needs to be a happy medium in this regard ('very good amounts of information', 'balance in information – not too high level, not too much detail', 'information – happy medium', 'lot of information....want an Executive Summary'); the negative consequences if agendas and information provision are not managed effectively ('juggling agenda with information', 'overload....[leads to] groans, can't be helped at times', 'information...can be deluged', 'too much information' 'don't get enough quality information', 'how much information can you take in to make quality decisions', 'if not appropriate, pulled into the operational'); the need for information updates

between meetings, an ongoing process rather than for the event of the board meeting ('Executive and Management Team minutes – shared with the board', this process improving 'information flow' as a consequence; 'share [Executive] minutes on a weekly basis'); the need for board members to fulfil their responsibilities and prepare for meetings fully in advance ('people just opening the envelope at the meeting', 'engagement....some in post turn up late and read papers they haven't read', 'lack of entrepreneurial behaviour'); and a plea from one participant to not forget the 'writers and scribblers', people shouldn't necessarily see technology as a panacea to ail all information related ills.

45. Another interviewee drew attention to what they termed 'data thinness'; even though a lot of material may be available, was it all as useful as it could be? This observation is further supported by the following comments from participants: 'all boards receive plenty of information...not sufficiently penetrating.....a lack of strategic thinking...a lot of time dealt with issues that aren't important'; 'very limited data, highlighting the need for information....information going to the board needs to be timely, current, relevant information about the organisation'; 'raw data, lacking analysis'. Moreover, the resource intensity of providing board information was commented on by interviewees: 'resource implications'; 'resource heavy'; 'over demanding....a big drain on time.....link to the slowness of decision making'; 'no point in getting information for the sake of getting information'.

Board Size

46. With regard to the size of the board, a range of opinion was apparent. Some respondents thought a smaller board was preferable, particularly in terms of managing the business of the board and building up relationships with individual board members ('small is better', 'boards can be too big, issues become repetitive', 'smaller....more effective...smaller cohesive boards preferable', 'smaller boards are better', 'too large boards....alliances emerging, groupthink, cliques, dilution of decision making, confidentiality (subversion of Nolan

Principles).....‘herding cats’ due to the sheer number [to get] consensus around decision making’, ‘.. more people, more difficult’, ‘unwieldy, large boards....others sit back’, ‘too large to take effective decisions’); whilst others thought absolute numbers were not as important as the quality and competencies of those who sat on the board, any negative size effect being counteracted by an effective sub-committee structure (‘no, board size no effect...principles across piece consistent’, ‘no....[it’s] about quality of the members’, ‘size of board...depends on the organisation...more down to the calibre of those making the contribution’, ‘allocate lead responsibilities...right people chosen to make a contribution, sub-committee structure’, ‘small board...loses the internal friction the board needs’, ‘size doesn’t make a difference...depends who is on the board’, the key way, in one interviewee’s opinion to counteract large board size being the presence of ‘committees with power’.

47. Other contributions also included the following comments, coalescing around views about how to effectively get the best of both worlds: ‘neither too small nor too large’, a plea for a happy medium solution to this contested question; that issues of board size brought committee peopling issues with them, ‘size – quorate issues’; and the need, regardless of board size in absolute terms, to be focused in issues of ‘corporacy’, a recurrent theme across a range of respondents.

Strategic Succession Planning

48. Strategic succession planning was, on the whole, seen as a matter that could be done much better, and more effectively – an issue emerging strongly from the Phase One results. Reasons for the present problems were seen as emanating from a series of underlying issues: the process heavy nature of the public appointments system, the result of which was thought to be having strategic consequences (‘strategic succession planning – system is so careful about the process – closed nature of the process’, ‘no strategic succession planning....terrified of compliance with process’, ‘lack of strategic succession

planning leads to gaps', 'much rather appoint the wrong person with the right process than the right person in the wrong process', 'department planning at the last minute', 'public appointments system...doesn't work well, the same type of people apply'); how competitions are currently framed – how do you get a more diverse pool of applicants released from their day job to become a public body board member? ('diversity....away from the men in grey suits', 'people sitting on multiple boards...can have competing interests', 'issue of the portfolio career', 'levels of remuneration...deterrent effect...leading to [a] particular profile (semi-retired)', 'time poverty too...dip in, dip out', 'candidate pool....monochrome and interchangeable', 'Northern Ireland is at a disadvantage, populating so many boards of small size'); and levels of remuneration attracting a particular profile of applicant ('payment of NEDS and Chairs – relative to responsibilities', 'paid a pittance - ask a lot of board members for what they are paid', 'limited pool of people').

49. Suggested ways in which this issue could be addressed included: the need to be honest about the need for effective succession planning ('be up front about succession planning', 'better alignment of recruitment processes'); the use of informal leaders to smooth the process of strategic succession planning on the board ('may be a Deputy Chair or another individual supportive of the group as a whole. Informal leaders open up an issue and are supportive in developing issues'); staggered terms of appointment and the need to rethink recruitment approaches for new board members, thinking how boards can best gel together ('staggered board arrangements', 'terms too short, building terms longer helps build relationships', 'who are you missing out on?', an issue relating to how to get 'time off for NEDs' from their day jobs to serve on public boards being seen as problematic, 'get to know each other, without being too comfortable with each other'); greater training ('training for prospective board members', 'voluntary/community sectors....transition training', 'no CEO training except for one generic accountability course for neophyte boards'); and having a more effective evaluation and appraisal system ('if good Chair....succession planning is good').

50. In terms of enhancing the diversity mix of board members of public bodies in Northern Ireland, a number of further interesting suggestions were made, including: the identification of where future board members could be drawn from ('need more.....people from professional backgrounds', 'better business skills', 'younger board members, diversity', 'need much more business focus/acumen with upcoming cuts', the view was expressed that having former CEOs as NEDs 'can build empathy compared with the serial board members'); and how this diversity may be achieved ('reduce number of boards to increase diversity', 'process [of candidate pool] generalised...wrong way to go about it', for Executive Directors 'greater use of secondments/sideway moves', 'sit in on other boards....very good exercise comparator').

51. However, some interviewees highlighted structural issues about how strategic succession planning is undertaken that should be given further consideration, but which have no apparent easy solutions:

- Firstly, it was thought by one interviewee that a factor hindering the expansion of the recruitment pool presently is the 'number of days' stipulation per month being used in advertisements for board appointments. There was then the resultant problem of getting people out of their companies for so many days per month, the result of which was the perpetuation of a certain type of candidate applying for public body board appointments. The reason this was thought to be advertised so prominently in advertisements was a need to justify the payment to board members, from the perspective of the Department in the context of their accountability responsibilities;
- Secondly, whilst one of the key objectives of the public appointments process was to have greater diversity and breadth of experience in new recruits to the boards of public bodies – young people, people from the commercial and non-commercial sectors, for example – this needed to be set against the necessary skills and competencies to contribute effectively to

the functioning of boards that were involved in complex areas of decision making, and which had considerable decision making latitude in terms of the expending of significant amounts of resource, an issue referred to by one interviewee as 'diversity within reason'. There were a wide range of positive opinions clearly voiced about the need to enhance diversity in such a context, but an acknowledgement too about the practicalities about how this could be best achieved; and

- Thirdly, other interviewees also highlighted what one interviewee referred to as the 'mystique of governance', there being a consequent need to demystify these processes. Comments that underpinned this observation included the following: 'preventing people from coming forward'; 'people from the private sector put off by media coverage'; and the impact public scrutiny activities could be having in putting people off applying for public body board positions.

Risk Management

52. Risk was seen by many being better managed than it had been previously in the public sector ('much better than they used to be....greater awareness, awareness that risks change', 'processes should make people happy to take risks', 'understanding all you can do and manage the steps....all steps done to achieve a good outcome', 'works pretty well'), but this was an area identified as being a particularly process heavy, often associated with 'red tape' ('can be a box ticking exercise', 'too much risk assessment'). Interviewees commented that this area had become something of an industry in itself and an area that was in need of review ('risk has become an industry....far too much process', 'risk...in need of overhaul, given the current model is now so well embedded – shouldn't become too complicated'), with others making interesting observations about how the political system, and its functioning, had an impact on how risk was being managed at the NDPB level as a consequence ('PAC [being a] blood sport.....no issue with accountability, the issue becomes point scoring', 'NICS risk aversion is

exacerbated by the PAC and NIAO', 'different kind of risk...risk aversion of the civil service...use of outside consultants to cover themselves and avoid the PAC'). Despite the tenor of these latter comments, another interviewee commented that what was required was a 'sensible approach...cannot simply apply risk management of the private sector.....PAC [issue] is overplayed, the world doesn't end'; another interviewee did comment, however, that an issue that appeared to affect how risk was managed at an organisational level was how scrutiny committee activity at the NI Assembly – operating in their scrutinise, rather than advise and assist mode – were influencing how departments, as well as their respective ALBs, were responding. A need to further clarify the risk management process was also suggested ('lot published, lot of training and guidance, but who manages the risk?').

53. Moreover, another respondent felt this context was influenced by the 'civil service way of doing things – no incentive to take risk, due to risk to individual, system penalties [for] people taking judgements around risk'. Risk aversion was a matter that arose on a number of occasions ('NI ALBs – DNA to be risk averse', [public sector boards] 'not wanting to be associated with decisions' or 'people not wanting to take risks, or taking weeks', 'too risk averse...encourage behaviours to avoid risk avoidance', 'willingness to stand up to be counted when the organisation is unfairly criticised' impacted by 'a lack of belief and confidence that they are going to be supported...this makes people risk averse'), as did the following issues: 'political interference in running [the organisation], looking over their shoulder to their constituency'; 'professional board members....stifling new types of board members'; 'smaller organisations are nimbler. They are closer to the issues...with the smaller size, decision making can be made quicker. Large organisations spread responsibilities....not as clear...Clarity in structure, smallness in size.' In responding to how public bodies can meaningfully engage better with risk as a key corporate governance issue, the following issues emerged from interviewees' responses that could meaningfully inform this process in the future: 'compatibility between the Department and the ALB risk register...needs docking'; 'push the risk appetite....need to be done now with cuts

coming forward...organisations are going to fundamentally change'; 'safely take risk, rather than avoiding taking risks'; 'challenge risk management processes in line with priorities of Minister's wishes'; 'emergent risk' consideration; in terms of risk registers and documents used to support the risk management process in public bodies, it was thought that there was a need to 'make sure that issues are captured in a meaningful amount of pages', and that it becomes a 'dynamic document'. It was further pointed out that Northern Ireland was a 'relatively young and immature democracy' and if the context to effectively manage risk was to have 'permission to take on risk where appropriate', there was the 'need for a mature political environment'.

Final Draft

Stakeholder engagement

General stakeholder engagement

54. Regarding the more general aspects of stakeholder relationships, they were identified as being particularly time and resource intensive, however public bodies were seen as being crucial to engaging stakeholders ('time intensive, resource intensive, it should be well structured...communications are key', 'successful organisations have planned and consistent stakeholder engagement...they know what they want to achieve', 'ALB plays a key role in the engagement of stakeholders', 'stakeholder forum....broad range of representative issues....government departments cannot solve all the issues'). For public bodies, MLAs were seen as vital stakeholders.
55. These processes need to be underpinned by an effective communication strategy linked to the organisation's values if they were to have traction, and need to be clear about its purpose ('values that drive the organisation...how the organisation goes about its business', 'safe space for dialogues...no need for the ego thing'). Moreover, it needs to be a continuous process if these initiatives are to be sustainable ('tapering expectations', 'be driven by the need to be fair', 'signposted and logged'). However, given the prevailing pressures on resource presently, this is not an easy task ('problem with the public sector....stakeholder engagement is the first thing to go when you need it most...unfortunately time, money and energy is dissipated when dealing with a crisis', 'issues for board – demand led services vs. resource reduction').
56. Suggestions were made about how to make this process effective in the future, these including: 'consult on principles rather than detail'; and 'arms round collaboration'. Whilst Chairs and CEOs were thought to be the 'public face' of stakeholder engagement activities, another interviewee suggested that 'stakeholder engagement [was] done by the EDs....NEDs are focused on board meetings and sub-committees'. The key role of the Chair was highlighted by an interviewee who remarked that, in relation to the role of the Chair, this person

was involved in 'political engagement at all levels'. Another suggestion was that 'arms round collaboration' was needed for stakeholder engagement to be effective, though it was further pointed out there were some Northern Ireland specific issues to deal with in this regard, these being: 'collaboration with politicians can be difficult...learning curve of the political process'; and 'NI has a silo structure, empires with walls around them'.

57. In relation to engagement specifically with the public, interviewees pointed out that it is difficult to secure effective engagement with the wider public unless the matter the public body is dealing with affects them directly, though public bodies have been trying to widen engagement through the use of venues for board meetings – this was seen as being important in presenting 'a board that is not faceless' ('people will only come if matters are of interest to them', 'innovative settings to get people to come to meetings'). This fact notwithstanding, Northern Ireland was thought to be a good location for developing such initiatives, given the proximity to the local populace.

58. With regard to how actual experiences relating to public engagement had been evidenced, responses were positive ('pretty good', 'those who do it, do it very well', 'openness is appreciated by the public'), but, despite this, there were some concerns about how these processes could be taken forward in the future, for two reasons. First, a reticence about when is the best time to take these processes forward: 'difficult to know when and how to do it'; 'sometimes...don't want to do it, fearful'; and one interviewee thought that 'departments are shy about coming out to meet the public'. And second, resource constraints were identified as being a factor that would potentially impact these activities ('austerity may impact this'), prompting one interviewee to comment on the usefulness of social media as a way to counteract this effect ('social media very important...immediacy'), particularly the importance of effective communication in this context ('clear communication is central to effective stakeholder engagement').

Sponsor Department Engagement

59. In relation to engagement with the Sponsor Department, responses tended to fall into four principal categories, these being: the grade structure within the Civil Service, and how this had an impact on the effectiveness of outcome engagement between the public body and the Civil Service; perceptions about how departments feel about public bodies; perceptions about how public bodies felt about the Civil Service; and opinions about how the relationship worked between public bodies and the Civil Service functions. Each of these will be now considered in turn.

60. Grade structure within the Civil Service, and how this had an influence on how effective the engagement between the public body and the Civil Service was

This matter was raised by a number of research participants, particularly in relation to: the grade at which you engage influencing effectiveness outcomes ('success with the civil service – grade at which you engage', 'grade of civil service you engage with important – Grade 7s ask for information for the sake of information'); the variability in the engagement experience ('Sponsor Departments – different degrees of engagement'); how this variable engagement was evidenced ('emails from multiple sources looking for the same information'); as alluded to earlier, evidence emerged from a number of participants of a particular Grade 7 issue ('Who controls Grade 7s? Grades 5 and 3, different context', 'too many Grade 7s'); and the aversion towards taking risk in the civil service in a number of manifestations ('SCS is trained to avoid risk', 'that's beyond my pay grade' – grade consciousness'). It was suggested that to move beyond this 'grade consciousness' of the civil service, having a mixture of grades involved in decision making would be beneficial.

61. Perceptions about how departments feel about public bodies, and perceptions about how public bodies feel about the civil service

In relation to the former – perceptions about how departments feel about public bodies - the following comments were made: ‘paranoia about ALBs embarrassing departments’; ‘mission creep...some SCSs think that the NDPB is part of government’; and one interviewee used the analogy of the NDPB/public body relationship and something akin to how a parent employs ‘stabilisers on a bicycle’ when teaching their child how to ride a bike, further adding that the ‘sponsorship role...useful if there is an underperforming ALB...generally if the delegations are clear and the NDPB has a good CEO and Executive Team, not needed’.

62. With regard to the latter of these two subjects – perceptions about public bodies’ feelings about the civil service – the following observations were evidenced: ‘insularity of the SCS’; ‘the civil service knows less about the front line business’; Department – ‘too unaware of operational spaces (not enough information), formulaic reports at too high a level, detached from operational performance’; ‘.....relatively small NDPBs vs. large Department....autocratic relationships from department’; ‘Departments should desist from second guessing’; ‘culture of the civil service...wants to know everything’; ‘sensitivity to criticism in the public sector, compared to the private sector’; ‘some Sponsor Departments do not get governance’; ‘Sponsorship department....lack of proportionality’; ‘CS...pay too much for entry level staff...paid too much too young....promoted if you don’t make gaffes....creates the wrong set of behaviours’; ‘frustration at the short arms of the civil service’; ‘people who don’t make mistakes in the Civil Service don’t make anything, but get promoted’; ‘resource intensity of responding to DAOs’; ‘too often, government takes a slide rule approach’; and ‘Permanent Secretaries move across departments’ learning curves’.

63. Opinions about how the relationship worked between public bodies and the Civil Service functions

The variability of engagement experience was striking across different public bodies and departments ('lack of uniformity in how Sponsor Departments engage', 'can be war of attrition or reasonable...sometimes it depends on the body...if you don't have a war, you don't get'). Following on from this latter point, it was recognised that managing the public body/department relationship was a challenge, but one that needed to be dealt with proactively if it was to be successful ('proactively deal with issues, so you don't have a war'). Indeed, the effort required to manage this important relationship was acknowledged ('relationship with the Permanent Secretary is very important', 'team player with the department', 'no surprises between department and the public body', 'engage in intelligent government', 'right balance of support and challenge', 'meet regularly with Permanent Secretary'). It was suggested by one participant that effective Sponsorship Department engagement occurs when it is arranged around a combination of formal and informal mechanisms.

64. There were suggestions made in relation to how these processes could be enhanced, including: 'linkages on governance agenda – with the Programme for Government, with the Department'; 'autonomy of the board needs to be respected'; 'arm's length principle – should be safeguarded, but penalties are significant if they do something wrong'; 'strip out the pedantry of the Sponsor Department'; the desire for a greater sense of 'corporacy across the system' ('how do we make things work'); the suggestion that something akin to 'Fraser figure' model for Executive agencies be adopted in navigating the NDPB/Department relationship to facilitate its smooth running; and essentially, to arrive at a situation where the 'language of policy translated to the corporate governance processes'. Mention was made, however, of a range of issues that could impact this enhancement process, these being: the impact of 'budgetary cuts'; 'resource constraints...less money for sponsorship in departments'; and, a corollary, but less visible, outworking of the present resource constraints was that with 'fewer social situations to have informal conversations', an issue raised by one participant given that the 'guy you don't know is an ogre'.

Final Question

65. The interview process concluded with a 'catch all' question asking participants what board members worried about most. The range of responses was most informative, spanning the following topics: the unknown ('what they don't know', 'what bounces into your inbox', 'board didn't see things coming', 'out of the woodwork, no warning issue', 'being blindsided', 'CEOs keeping them in the dark', 'something going wrong', 'political considerations makes governance complex', 'cyberfraud'); the impact of the organisation's performance on them personally ('performance of the organisation linked to the personal reputation of board members', 'reputational risk', 'fear of decisions being made'); and expectations ('not doing what they signed up to do', 'real directors want to make a difference', 'proactive nature of making a contribution', 'belief to deliver'). As one interviewee pointed out, however, a good CEO was '90% of everything....key to taking worry out of the NED [position].'

CONCLUSIONS

66. This research, though small scale in nature, has highlighted a range of important issues that have the potential to enhance the way in which public bodies in Northern Ireland are governed. The ultimate aim of this research is to make workable and practical suggestions for developing governance practice that will, it is hoped, lead to improvements in decision making processes. Enhanced and more effective decision making should be the ultimate goal of any governance system; in a public sector setting, the ultimate beneficiary of better decision making is the citizen who uses public services. The added pressure of significant resource constraint, a circumstance that is likely to persist for the foreseeable future, makes this task all the more difficult. It is in this context that the following concluding sections of the report are presented, they being arranged around a number of key themes that emerged from the results of Phases One and Two of the research.

EMPHASIS OF GOVERNANCE GUIDANCE

67. A striking observation from Phase One of the research process is the different types of NDPBs in the Northern Ireland public sector, and the diverse range of activities they are involved in. As the OFMDFM report used as a key source in this research points out, the roles NDPBs play are many and varied. For example, Executive NDPBs are 'established in statute and carry out administrative, regulatory and commercial functions. They employ their own staff and are allocated their own budgets'; Advisory NDPBs 'provide independent and expert advice to Ministers on particular topics of interest. They do not usually have staff but are supported by staff from their sponsoring department. They do not usually have their own budget, as costs incurred fall within the department's expenditure'; and Tribunal NDPBs 'have jurisdiction in a specialised field of law. They are usually supported by staff from their sponsoring department and do not

have their own budgets'. Even within these broad categorisations, there can be a wide variety in relation to the scale and size of individual organisations.

68. Though NDPBs can differ greatly in terms of function and scale, the guidance used in governing them has a tendency to focus on the process oriented aspect of governance. Taking the Management Statement and Financial Management (MSFM) document, for example, its emphasis could be argued to be primarily focused on the structural aspects of governance, concentrating as it does on the following issues: aim(s), objectives and targets; responsibilities and accountability; planning, budgeting and control; external accountability; staff management; and reviewing the role of the NDPB. Even the last section of this document, dealing with the review of the NDPB, emphasises procedural and accounting issues. Additionally, the Department of Finance and Personnel has produced a document entitled 'Codes of Conduct for Board Members of Public Bodies (NI) – Guidance' which has a similar focus, concentrating again primarily on matters of propriety, having initially noted the key principles of public life, the Nolan Principles. Whilst it is perfectly understandable that this should be the focus of official guidance that relates to the stewardship and use of public resources, the research has highlighted the need to consider a different emphasis when thinking about governance, embracing new ways of working to challenge performance, to, in the words of one interviewee, 'move beyond the paper trail'.

69. This observation is made not to downplay in any way the importance of having a clear understanding around structures and propriety issues in how public board members should behave; it is made rather to draw attention to the emphasis in current public sector governance guidance. It could be argued, in light of results arising from this research, that it is too skewed in one particular direction, namely towards process and propriety. This research has shown this emphasis in guidance, though entirely understandable when considering how public money is being stewarded, appears to be having an adverse impact in how relationships in

public bodies are currently functioning. Such a set of circumstances has the potential to adversely affect overall board effectiveness as a consequence.

70. In summary, official guidance in the area of public sector governance: is overly focused on process; says little about how boards should operate at the interpersonal level; and sees governance as a compliance exercise. This approach has been reflected in the opinions expressed in Phases One and Two of the research where there was much commentary on the heavily process driven nature of governance work in Northern Ireland's public bodies, an approach that was additionally attributed as being responsible for slowness in decision making. The research drew attention to the importance of role clarity in governance processes, in particular around the Chair/CEO relationship: it was thought by some that the health of relationships on public body boards more generally were predicated by the state of this relationship. Yet guidance has little to say, whether in relation to governance generally, or delegations is more specifically, on how these relationships should function at an interpersonal level or, just as importantly, what should happen if they don't work.

71. The voices heard in this research project had a particularly clear and powerful message: what is needed is a new emphasis on what would make boards more effective – a focus on interpersonal relationships, and making them work effectively, rather than simply considering corporate governance as a simple structural, compliance issue. There are a number of suggestions for further development that could practically assist in this regard.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 1

72. One interviewee helpfully suggested a template that could be used to consider how the personalities of individuals affect the functioning of boards. This individual directed the researcher to the work of Julia Unwin, Chief Executive of the Joseph Rowntree Foundation. Her work considers the interpersonal roles board members play in governance, not simply their functional or professional

backgrounds. So, instead of, for example, thinking about board composition in terms of a certain person coming from a financial, legal, HR background or whatever, Julia Unwin's roles could provide a much more effective way to consider the contributions from board members. They are: peacemaker; challenger; history holder; compliance king or queen; passionate advocate; data champion; wise counsel; inspiring leader; fixer; risk taker; strategist; and user champion. As Unwin argues, 'the right mix of people combined with the right structures'. What is suggested, therefore, is for each board to consider who plays each of these roles, with a view to enhancing interpersonal relationships on the board and its effectiveness. All boards could easily adopt this suggestion for enhancing practice.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 2

73. It is further recommended that boards embrace modes of working that go beyond simple compliance issues, as is arguably the case with much governance guidance. A useful, practical guide in this area is the 'Enterprise Governance' report³, published by the International Federation of Accountants (IFAC) in New York. As the IFAC document points out, 'enterprise governance considers the whole picture to ensure that strategic goals are aligned and good management is achieved.' It does this through taking a holistic view of governance that considers two dimensions: conformance, encompassing what would be commonly recognised as corporate governance issues; and performance, the 'focus here is on helping the board to: make strategic decisions; understand its appetite for risk and its key drivers of performance; and identify the critical points at which it needs to make decisions'. Getting the balance right – the sub-title of the IFAC report - between these two dimensions, the conformance and performance aspects of governance, could help boards to become less bogged down in

³ <https://www.ifac.org/publications-resources/enterprise-governance-getting-balance-right>

process, a recurrent theme of the research, and enhance, in the words of one interviewee, ‘the strategic scope’ of the work of the board.

As well as the IFAC report, there are many other well recognised leadership ideas and concepts that could usefully be considered by boards adopting new approaches to governance that could heighten the awareness of interpersonal relationship issues on boards, e.g. Emotional Intelligence techniques. It is suggested that these ideas be piloted in volunteer boards and the findings shared through the Chief Executives’ Forum and the Chairs’ Forum. As well as addressing perceived shortcomings in governance practice evidenced in this research, it would allow for the continuation of the current research exercise in boardrooms, following the advice of one interviewee, who suggested an ‘action research’ approach to progressing governance research in the Northern Ireland public sector. The results of these pilots could help inform a wider, systemic review of governance materials currently in use in public body boards in Northern Ireland; this could be taken forward as an initiative of the Chief Executives’ Forum and the Chairs’ Forum. Whilst key, official governance guidance issued by the Department of Finance and Personnel considers issues of structural design and propriety in relation to the conduct of boards – e.g. Management Statement and Financial Memorandum (MSFM) or the Codes of Conduct for Board Members of Public Bodies (NI) - it is suggested that other stakeholders could take forward a project potentially focusing on the wider aspects of board effectiveness in relation to public bodies. This could consider the ‘softer’, more interpersonal aspects of how governance relationships function to complement the official guidance; this may be of potential interest to the Governance Unit of the Northern Ireland Audit Office, with a view to producing a Good Practice Guide in this area.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 3

74. Based on specific recommendations from interviewees, it is suggested that case study best practice examples be developed of what high level guidance, such as the Nolan Principles, looks like in practice. This practical, case based approach to

helping board members in public bodies in Northern Ireland would, in the words of one interviewee, 'move from the aspirational to the practical'. Taking forward this initiative could potentially be of interest to the Governance Unit of the Northern Ireland Audit Office, as part of a wider project on board effectiveness mentioned above. Again, this would be a complementary measure to give greater context to official governance guidance issued by DFP.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 4

75. From a structural perspective, and responding to a number of comments made by research participants, it is suggested that a review of the purpose of public body board governance be undertaken, in particular: the roles and functions of boards specifically; and Non-Departmental Public Bodies more generally. As the Public Bodies report above highlights, public bodies in Northern Ireland cover a wide variety of activities. As one interviewee mentioned, there is no 'one size fits all' – yet there is a tendency for guidance and thinking around these areas to be approached in this way. Moving away from a 'broad brush' approach to how we consider public bodies in Northern Ireland, and what they do, could greatly assist one of the key issues emerging from the research, i.e. articulating role clarity, as well as clarifying thinking and potential enhancements around another important matter identified by the research, such as strategic succession planning. This latter issue would need to have regard to the many complex issues involved in this process, including Ministerial appointment processes. Taking forward this initiative would potentially be of interest to the Office of the First Minister and Deputy First Minister, given the key role it plays in promoting best practice in the field of public appointments.

RELATIONSHIPS WITH THE CIVIL SERVICE

76. An emerging theme from the research process was the variability of participant experience in engaging with the Civil Service. Whilst there was evidence of positive experience in this regard, there was also evidence of much that could be done to improve practice in this area. There was a variety of reasons suggesting why this situation may be so, these being: the inconsistency of engagement experience in the sponsorship relationship, variation in approach being evidenced across different grades and levels engaged with within the Civil Service; directly related to this issue, attention was drawn to the need to enhance the effectiveness of interactions between public bodies and the Civil Service, particularly with regard to the intensity of information requests to NDPBs - this leading to comments about the slowing down of decision making as a consequence; and perceptions about the civil service culture of needing to know all that is going on in public bodies, and how this influences the independence of the public body.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 5

77. It is suggested that the Civil Service undertake a review of engagement processes across all departments and their respective Non Departmental Public Bodies, with a view to ensuring consistency of practice in how the sponsorship relationship is conducted. As part of this review, to further consider the role played by all sponsorship staff, across all grades, and how they interact with Non Departmental Public Bodies to enable uniformity of approach, particularly at the operational level of functioning. The engagement review could also include a thoroughgoing appraisal of Non Departmental Bodies as delivery entities, whilst in the process clarifying their role, function and purpose more precisely to allow for the development of greater degrees of mutual understanding about levels of autonomy and independence.

78. Throughout this research, a strong and recurrent theme has been the need to have safe spaces to share best practice and discuss corporate governance issues. One of the problems identified with the Northern Ireland public sector, as the research process identified, was its 'silo' approach. This, in conjunction with the proximity of what one interviewee termed 'the goldfish bowl' of a small location, meant that the dissemination of knowledge can become fragmented as a result. This circumstance could also potentially have an inhibiting effect on having candid discussions about how to best approach and resolve complex governance issues.
79. There is a need to consider, as part of arriving at workable suggestions from the research process, about how more effective engagement activities could take place on a practical level. Comments from interviewees in this regard raised a range of interesting issues, including: 'appetite for strategic level of cross working'; 'not enough benchmarking against the better organisations...spreading best practice...time issue, sometimes just don't have the time to devote to this'; 'CEF/Chairs' Forum...likeminded people speak to the PSG [Permanent Secretaries' Group] to make sure things are done for the right reason, not tick box'; 'learning from other sectors.....pathways of mentoring responsibility'; and 'affordable training'. Indeed, another respondent highlighted the further work that could be done in relation to enhancing engagement between NEDs and government departments specifically, whilst one participant further commented that 'competency based gap analyses would be useful'. Respondents were mindful too that, given current resources constraints, innovative solutions were required to address these identified needs, with the ultimate aim of securing more effective corporate governance outcomes.

80. For the partners involved in this research process – Chief Executive’s Forum, Chairs’ Forum, CIPFA Northern Ireland and Ulster University – it is suggested that this identified need, in terms of sharing best practice and building innovative training opportunities that are cost effective, be explored further. Potential directions of travel could include the development of online portals and tools to facilitate cost effective distribution and dissemination of governance materials to board members at a reasonable rate – one such theme that might be initially tackled by such an approach is how governance should be best practiced in a time of austerity and cuts. At a system wide level, the Civil Service could investigate further the rolling out of initiatives such as the Department of Culture, Arts and Leisure ALB Forum to include a wider range of participants for the purpose of sharing best practice as widely as possible, a process that would benefit the development of a greater awareness of corporate governance issues with elected representatives.

IMPROVING DECISION MAKING

81. The purpose of any corporate governance system, if it is to be effective, is to improve the quality of decision making – the ultimate objective being the improvement of organisational performance. This research, in both Phases One and Two, found a common complaint about decision making in Northern Ireland's public bodies was that it was slow, the results section suggesting a variety of reasons why this might be so, including the following: the process heavy nature of how the public sector operates; the civil service/public body interface and how this functions; and an aversion to taking risk.

82. Comments relating to how this issue might be resolved was summed up by one interviewee as 'going beyond the paper trail', moving in effect beyond the heavily process oriented way in which the system currently operates. Practical suggestions are noted below.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 7

83. In refreshing the terms of reference of boards, greater emphasis should be made in relation to the strategic scope of what public body boards do. Practical steps to encourage this style of strategic thinking should be focused on, as one interviewee commented, 'building an appreciation of what good looks like'. One organisation that has addressed this activity of creating a more strategic board has been the Canadian Society of Association Executives⁴ which suggests the following strategies: 'strategy one – develop a strategic direction and plan; strategy two – redefine the board agenda and meeting process; strategy three – institute a knowledge-based decision process; strategy four – develop an effective new Board member orientation process; strategy five – improve

⁴ <http://www.csae.com/Resources/Articles-Tools/View/ArticleId/67/Strategies-to-Create-a-More-Strategic-Board>

organizational leadership through succession planning processes; strategy six – develop a board job description (board policy); strategy seven – develop board values’.

By enhancing their strategic scope, boards could adopt a more effective outlook, focused on outcomes, by considering how they can best meet their conformance and performance objectives, consistent with the ‘Enterprise Governance’ approach referred to in Suggestion 1 earlier.

ENHANCING GOVERNANCE PRACTICE: SUGGESTION 8

84. An area that warrants closer investigation from the research is the area of board papers and their development. Whilst Phase One of the research drew attention to the use of technology in board meetings as being the least effective area of board activity, Phase Two explored this issue in greater depth, and in particular the wider issue of volume and sufficiency of information provision for board meetings. Whilst Phase Two highlighted that there may be a lot of data available for board members, some participants felt that there was much less by way of useful information for decision making. Consequently, it is suggested that a practical outcome of this research would be to develop an appreciation of what a good board pack looks like.

Specifically, this could include: how to shape effective agendas that fit with the strategic scope of the board; building effective agendas that focus on important issues, underpinned by sound evidence bases; assessing what an appropriate volume of papers would be; and providing guidance on when papers should be added and, equally importantly, dropped from board packs. Taking forward this initiative would potentially be of interest to or the Governance Unit of the Northern Ireland Audit Office, with a view to producing a good practice guide in this area.

85. In essence, all of the suggestions for enhancing practice point to the need for a fundamental examination of the purpose of Non Departmental Public Bodies, and why they exist. One participant commented that there is 'no one size fits all': yet when people speak of 'public bodies', there can be an assumption that they, and their governance arrangements, can be approached in a uniform way. This research has shown that this would be a mistaken way to proceed when considering how to best enhance the governance of public bodies in Northern Ireland. Taking the results, conclusions and suggestions for enhancing practice together, what is needed, across a range of organisations and bodies, is a fundamental, root and branch review of what public bodies do generally, and what their boards do specifically.

86. It is proposed that maximum benefit could be extracted from the research if such a process of analysis took place. This would allow for dealing with concerns and suggestions made by participants to improve practice, whilst simultaneously addressing the hope of one respondent about leveraging the impact of the present study, i.e. that it could lead to a new approach to governance, when they quoted Henry Ford: 'If you always do what you've always done, you'll always get what you've always got'.

▪ Appendix A

Response by Role

Table 17: Chair Responses

Characteristic of board behaviour	Average
Fostering a culture of constructive challenge	5.94
Using evidence to enhance the quality of decision making	5.79
Promoting effective working relationships with executive management	5.74
Working to agreed deadlines	5.56
Assessing the adequacy and relevance of the information it receives	5.53
Shaping organisational outcomes	5.53
Articulating organisational values	5.42
Shaping agendas and meetings	5.42
Strategic management	5.37
Securing strategic deliverables	5.22
Making appropriate interventions	5.22
Providing feedback and 'reality checks' for the public body	5.05
Promoting effective working relationships with the sponsoring department	4.89
Increasing citizen awareness of public body activities	4.84
Taking a structured approach to succession planning	4.84
Encouraging ongoing CPD of board members	4.33
Making use of technology in supporting board processes	3.84

[1=Not Effective, 7=Very Effective]

Table 18: CEO Responses

Characteristic of board behaviour	Average
Promoting effective working relationships with executive management	5.00
Working to agreed deadlines	4.93
Articulating organisational values	4.80
Fostering a culture of constructive challenge	4.80
Assessing the adequacy and relevance of the information it receives	4.53
Shaping organisational outcomes	4.47
Securing strategic deliverables	4.43
Using evidence to enhance the quality of decision making	4.36
Promoting effective working relationships with the sponsoring department	4.33
Encouraging ongoing CPD of board members	4.33
Strategic management	4.31
Shaping agendas and meetings	4.27
Making appropriate interventions	4.20
Providing feedback and 'reality checks' for the public body	4.00
Making use of technology in supporting board processes	3.73
Taking a structured approach to succession planning	3.73
Increasing citizen awareness of public body activities	3.60

[1=Not Effective, 7=Very Effective]

Table 18: NED Responses

Characteristic of board behaviour	Average
Working to agreed deadlines	5.57
Promoting effective working relationships with executive management	5.55
Strategic management	5.54
Assessing the adequacy and relevance of the information it receives	5.54
Fostering a culture of constructive challenge	5.50
Using evidence to enhance the quality of decision making	5.47
Articulating organisational values	5.46
Securing strategic deliverables	5.45
Shaping organisational outcomes	5.43
Making appropriate interventions	5.38
Promoting effective working relationships with the sponsoring department	5.36
Shaping agendas and meetings	5.31
Providing feedback and 'reality checks' for the public body	5.13
Increasing citizen awareness of public body activities	5.00
Encouraging ongoing CPD of board members	4.89
Taking a structured approach to succession planning	4.83
Making use of technology in supporting board processes	4.44

[1=Not Effective, 7=Very Effective]

Table 19: ED Responses

Characteristic of board behaviour	Average
Working to agreed deadlines	5.56
Promoting effective working relationships with executive management	5.44
Strategic management	5.33
Shaping agendas and meetings	5.22
Using evidence to enhance the quality of decision making	5.11
Shaping organisational outcomes	5.11
Articulating organisational values	5.00
Fostering a culture of constructive challenge	5.00
Making appropriate interventions	4.89
Assessing the adequacy and relevance of the information it receives	4.78
Securing strategic deliverables	4.67
Encouraging ongoing CPD of board members	4.56
Promoting effective working relationships with the sponsoring department	4.44
Providing feedback and 'reality checks' for the public body	4.33
Increasing citizen awareness of public body activities	4.11
Taking a structured approach to succession planning	4.11
Making use of technology in supporting board processes	3.89

[1=Not Effective, 7=Very Effective]

Table 20: Prior Private Sector Experience

Characteristic of board behaviour	Average
Promoting effective working relationships with executive management	5.70
Articulating organisational values	5.60
Strategic management	5.50
Working to agreed deadlines	5.38
Fostering a culture of constructive challenge	5.34
Using evidence to enhance the quality of decision making	5.33
Shaping organisational outcomes	5.30
Shaping agendas and meetings	5.20
Making appropriate interventions	5.17
Assessing the adequacy and relevance of the information it receives	5.13
Securing strategic deliverables	5.10
Providing feedback and 'reality checks' for the public body	5.00
Promoting effective working relationships with the sponsoring department	4.93
Increasing citizen awareness of public body activities	4.90
Encouraging ongoing CPD of board members	4.54
Taking a structured approach to succession planning	4.53
Making use of technology in supporting board processes	3.97

[1=Not Effective, 7=Very Effective]

Table 21: No Prior Private Sector Experience

Characteristic of board behaviour	Average
Fostering a culture of constructive challenge	5.49
Working to agreed deadlines	5.49
Assessing the adequacy and relevance of the information it receives	5.40
Promoting effective working relationships with executive management	5.37
Using evidence to enhance the quality of decision making	5.36
Strategic management	5.27
Shaping organisational outcomes	5.25
Articulating organisational values	5.18
Securing strategic deliverables	5.17
Shaping agendas and meetings	5.15
Making appropriate interventions	5.12
Promoting effective working relationships with the sponsoring department	5.05
Providing feedback and 'reality checks' for the public body	4.80
Encouraging ongoing CPD of board members	4.77
Taking a structured approach to succession planning	4.65
Increasing citizen awareness of public body activities	4.54
Making use of technology in supporting board processes	4.25

[1=Not Effective, 7=Very Effective]

Final Draft