

Presentation to School Trustees and Principals

Improving the crop, yield and performance of School
Boards

Peter Cox



Objectives

- Give some overall thoughts on ingredients of effective governance
- Run through my own “A to Z” for boards
- Have some discussion about how best to manage the big issues facing school boards



Introduction

- School boards have a key role in NZ's future
- Education is \$12.3bn of total Budget of \$73bn
- Big responsibility for Board members
- You can make a difference
- But it requires...
 - Skill and commitment
 - A willingness to learn
 - “For things to change first I must change”
 - Teamwork



Some opening thoughts....

- Understand what the role of the Board is
- Understand the difference between governance and management
- There are different characteristics between elected and selected boards
- There are special characteristics of school boards
- “Special Character” school board positions
- Expanding roles and responsibilities
- Impact of stakeholder activism, social media etc

Boards must...

- Use resources wisely
- Identify and manage the risks
- Delegate authority wisely
- Maintain systems of accountability
- Engage meaningfully with stakeholders
- NZ Institute of Directors: Four pillars of adding value:
 - Determination of purpose
 - An effective governance culture
 - Holding to account
 - Effective compliance

Challenges

- Economic environment – middle NZ under stress
- Significant growth in compliance requirements: e.g. health & safety
- Growing stakeholder expectations: parents, pupils, teachers, community, government etc....
- Board structure, behaviour, dynamics and personalities
- Defining and understanding board and management boundaries
- Role creep
- Competition for talent at all levels
- Social changes:
 - Demographics (population growth, ageing, ethnic mix etc)
 - Family structures
 - Working families
 - Public scrutiny
 - Technology and social media
 - Drug and alcohol issues
- and the earthquakes, of course.....

A- Z for Effective Boards

A = Acceptance

Before contemplating going on to a board:

- Know what you are letting yourself in for
 - Time
 - Commitment to hard work
 - Ability to understand reports and financial information
 - Addressing difficult issues with attendant stress
 - Tolerance and willingness to work in a team
- Do your homework
 - Read the website thoroughly
 - Ask around
 - Read all available information
- Understand your responsibilities
 - Role of trustees
 - Role of Board
 - Role of principal and staff

A – Acceptance cont...

- Is this school suitable for you?
 - Understand its financial position
 - Consider the board capability & performance
 - Management capability & performance
 - Can you make a difference?
- Are you suitable for this school?
 - Motivation
 - Skills
 - Commitment
 - Time availability
 - Training
 - Conflicts

B = Best Practice

- Board needs to set the benchmark for behaviour and culture
- Strive for excellence in governance and management and monitor performance
- Seek advice from other schools or organisations you respect
- Use resources wisely and effectively
- Benchmark against the best
- Ensure there is a culture of continual training and education
- Documentation of policies and standards
- Communicate

C = Code of Conduct

- Board Charter
 - What we will do and how we will do it
 - Role of board
 - Board procedures
 - Committee structures and purposes
 - Induction, evaluation etc
- Code of conduct, Ethics & Whistleblowing
 - How we behave
 - Establish robust procedures
 - Monitoring
- Conflicts of interest
 - Disclosure and management
- Compliance programs
 - Establish and monitor

D = Development

- A culture of curiosity and continual learning
- Encourage team participation
- Induction processes
 - Governance procedures and practices
 - Particular school characteristics and requirements
- Balance of skills
 - Diversity of backgrounds, skills and experience
- Invite input from outsiders
- Evaluations
 - Chair
 - Board
 - Staff

E = Effectiveness

- Attributes of an effective organisation:
 - A positive environment (“Culture”)
 - Clear and common objectives
 - Competent people at all levels
 - A diversity of views is encouraged
 - Sound and effective processes
 - Good leadership at board and senior management
 - People are engaged and participating
 - Good information and internal & external communication
 - Debate is encouraged
 - Teamwork
 - Supportive and inclusive behaviours
 - Continual reviews and monitoring of performance (formal and informal)



F = Finances

Good understanding is fundamental:

- Schools are asset rich and cash poor
- Understand your cash flow cycles
- Have good budgets and performance monitoring
- Regular and accurate accounts
- Ensure there is tight control over capital expenditure
- Careful management of projects to avoid overruns
- Sound internal management and financial controls
- Implement a finance and audit committee
- Unrelenting vigilance

G = Golden Rules

For directors and trustees:

1. You must be honest
2. You must use your powers only for the purposes for which they are given and not any improper or collateral purpose, and
3. You must be competent

H = Hard

- There will inevitably be some difficult issues to manage.
- Can be mitigated by good policies and clearly defined procedures.
- Boards may need to manage or at least monitor.
- Issues can include
 - Conflict and internal disagreements
 - Non-compliance with established policies and procedures
 - Funding shortages
 - Adverse financial cycles
 - People and personality issues, competence concerns
 - Behavioural and social issues
 - Impact of natural disasters
 - Unwelcome media exposure

I = Induction

- Structured induction essential.
- Need to have all board members at same level of understanding about the role and issues etc
- Induction should cover matters such as
 - Board structure and functions
 - Board's philosophy
 - Operations and facilities
 - Financial position
 - Information pack (accounts, policies etc)
 - Particular characteristics or issues of the school

J = Jargon

- Don't be bluffed!
- Every sector has its own
- Ask the dumb question that everyone else wants to ask but is too shy to
- Try throwing in some of your own!
- Ask for a schedule of common acronyms and abbreviations

K = Knowledge

- Board should encourage continual learning
- It is a personal responsibility to have the requisite skills
- Training available through Institute of Directors, Institute of Management and other courses
- Listening to alternative views
- Reading
- Networking – learn from others

L = Leadership

- Understand the different roles of:
 - Chair
 - Principal
 - Staff
 - Board members
- Board will set the standard for the school around behaviour and expectations of performance
- Build and encourage a positive school community

M = Meetings

- Plan the workload for the board and board members
- Have an annual board workplan
- Use committees where appropriate
- Effective meetings
 - 1/3 on monitoring current activities
 - 1/3 on short term future
 - 1/3 on longer term
 - Well prepared & chaired
 - Good reports circulated in advance with clear recommendations
 - Clear minutes with identified follow up actions

N = Not-for-profit

- Have different characteristics (e.g. value proposition) from commercial enterprises
- Objectives and roles may be less clear so need to be defined
- Wide variety of stakeholders with high expectations
- Must be run in business-like manner
- Specific guidance available through Institute of Directors

O = Objectives

- Ask “what will success look like?”
- Set SMART objectives:
 - **S** - specific
 - **M** - measurable
 - **A** - achievable
 - **R** - realistic
 - **T** - timely

P = Planning

- Ensure the board and management set appropriate plans:
 - Strategic (longer term)
 - Business and operational (short term, action-related)
 - Financial (short and long term)
 - People (training, succession etc)
 - Disaster (managing and recovery)
 - Implementation of strategy is harder than setting it!

Q = Quality

- Board should set high standards in areas such as:
 - Planning and monitoring
 - Policies
 - People management
 - Risk management
 - Compliance programs
 - IT management

R = Reporting

- Reports need to be timely and accurate
- Beware the paper war - understand what is the minimum required for effective monitoring:
 - Operational
 - Personnel
 - Financial
 - Planning
 - Technology
 - Regulatory & compliance

S = Staff

- The biggest challenge and opportunity
- Ensure there are good policies and a positive environment around performance monitoring
- Key issues include:
 - The competition for talent
 - Succession planning
 - Principal selection
 - Leadership characteristics, setting a positive climate for learning
 - Setting the school culture and values
 - Encouraging personal development

T = Trouble

- Be prepared!
 - All boards will face it
 - Prevention is better than cure
 - Risk identification is important and a key board role
 - Ensure there is adequate and appropriate insurance
 - Chair and Board must front up and give right leadership
 - Clear understanding of role of Chair, Board and Principal in a crisis situation
 - Seek independent reports where necessary
 - Media management and training is useful for key people

U = User

- Remember why you are there!
- Ask: *Will this make the boat go faster?*
- Look at the big picture from time to time:
 - How are our trends?
 - What are our results telling us
 - Are we getting better?
 - Or.....?

V = Value

- Your people are your greatest asset
- Optimise use of board members' time
- Make every dollar count
- Education is a long term activity

W = Walk around

- Does the school “feel” right?
- What is the mood around the school grounds?
- Is there a good level of respect for the leadership?
- Are there many complaints?
- How are relations with your neighbours and other schools?
- What do outsiders say and think about your school?
- How well regarded are your sports/cultural teams?

X = X-ray

- Read all reports closely
 - What are they not telling you?
 - Do they line up with your gut instincts?
- How is your staff turnover?
- Read between the lines on the financials:
 - Are you comfortable with them?
 - What are the trends?
 - Can you stay within budget or always overspending?
 - Monitor cash carefully – always ensure you have at least the next 3 months covered

Y = Youth

- Managing board composition (age, experience, gender etc)
- Encourage young people to get involved and help them upskill
- Have rotation policies
- Succession planning

Z = Zero tolerance

- Not just drug and alcohol!
 - Will it pass the “Campbell Live” test?
 - Set high board standards:
 - Governance
 - Management
 - People
 - Financial controls
 - Strive for excellence:
 - Academic achievement
 - Sporting and cultural performance
 - Good citizens
- Sometimes its easier said than done....

Conclusion

- Good luck!
- Get advice if you don't feel comfortable