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Are councils leaving universities exposed?

In the second part of our examination of higher education governance, we suggest a modernisation path for a sector facing some of the biggest challenges in its history.

Last week we looked at the state of governance in the higher education sector and argued that a new model must be found to prevent the sector continuing to be hamstrung by outdated culture and structures.

Higher education has historically struggled to handle challenges where good governance would have helped, we argued, and although the four-yearly governance review process should provide an opportunity for root-and-branch reflection, it is not currently framed that way.

Disconnected from stakeholders

On the face of it, existing governance structures should be able to guarantee strong leadership and stewardship of a university and chart its course in volatile times. However, many governing bodies seem disconnected from the voices of those stakeholders and partners on whom they rely, and dependent on trust in the vice chancellor as the dominant personality rather than on balanced, assurance-based governance that includes those voices as active ingredients. Good governance is about so much more than compliance with codes. It requires a mindset that takes a more holistic view of what governance in higher education needs to look like and how that can be achieved.

This must start with the council of governors, usually made up of independent lay members and representatives from staff and students. Independent lay members come from a range of backgrounds but they are often time-limited and find the time they can offer consumed by elaborately orchestrated and lengthy meetings. This makes active connection to and understanding of the rapidly moving heart of universities a difficult task.

Discussion about the pay of members of governing bodies has been a long-standing distraction from addressing the fundamentals about whether councils and their members are truly equipped to meet the needs of modern governance. Too little time has been devoted to development of capacity as being of equivalent importance to the way business is transacted.

In addition, the average size of a university council is 20 members, with many even larger than that. Compare this to the average size of a FTSE 100 company board of 11 members. Large numbers sitting around a table make it difficult to have proper debate and discussion.



New balance of power

The vice-chancellor is responsible for providing the council with information on executive decision-making and the workings of the university and, due to information asymmetry at meetings, members often do not have the necessary knowledge or information to monitor and scrutinise the issues. Hence, the VC has tended to acquire more power and influence over councils' decision-making than is healthy, raising the risk of council meetings becoming just a rubber stamping of the executive intentions.

Diversity and inclusion

Whatever the reason, the cadre of council members in place at UK universities, looked at objectively, struggles to meet reasonable expectations around diversity. This contrasts sharply with the composition of its student population and staff. According to the Higher Education Statistics Agency (HESA), in 2017/18 57% of enrolled students were female, 25% were of ethnic origin compared to council members who were 94% white, 61% male and 84% were over the age of 55.

The whole picture

It is still too rare for any university to consider its governance as a whole, top to bottom, and comprehensively covering all forms of governance including academic, digital, people and cultural. The power of a board of trustees can come from attending to this whole picture objectively, and stress-testing connectivity and accountability in a way that can be uncomfortable for the executive. This may require a more professional mindset from trustees, making the most effective use of time and perspective. This in turn raises questions about the way business is conducted outside formal sessions as well as within them.

Welcoming stakeholder voice

Learning needs to be imported more systematically from other large complex organisations where stakeholders can exercise much greater power and have visible influence in formal and informal governance arrangements. This puts positive pressure on governors not just to be active advocates or scrutineers, but also to act as agents who ensure diverse voices and engagement activities from outside the boardroom have impact within it.

Fixing higher education governance will not be straightforward. It will require new mindsets, boldness and courage. GGI is committed to playing its part in facilitating change across the sector in the months and years ahead.

Illuminations

- Universities are large corporations with unique and complex operational dynamics. The Council of Governors needs to be reformed to make it an effective governing body, knowledgeable about the issues and the university, capable of robust oversight of the executive including the VC and representative of the people it serves: staff, students and communities.
- The recruitment of governors needs to be a less opaque and more transparent process conducted without fail in the public domain.
- Board development and capacity building need to be planned as an integral part of the whole cycle of business for the board.
- A new era of governance based on enabling clearer outcomes will need old mindsets to be challenged and this may well need an overhaul of what contribution is expected of trustees.
- The OfS needs to play a more active role in pushing universities to truly independent reviews where governance expertise is more important and rigorously applied.

If you have any questions or comments about this briefing, please call us on 07732 681120 or email advice@good-governance.org.uk.