

NAVIGATING THE WAY TO SUCCESS
THROUGH GOOD GOVERNANCE: THE
IMPORTANCE OF SUPPORTING AND
ENABLING GOOD GOVERNANCE IN A
TURBULENT HE SECTOR

Lisa Baker and Tory Cliffe, University of Lincoln



British universities Vice-chancellor of De Montfort University prevalence resigns

As universities practices which Departure raises fresh questions about higher education governance standards

[Marie-Bénédicte Dembour](#)

7 March 2015

The student concerned specifically asked the Chair of Council, the University's highest governing body, for the OIA outcome to be sent to all the members of Council. The University decided instead that it would be appropriate and sufficient for its lawyers to 'brief' Council. A number of

way of proceeding and requested for members of Council. This was refused it to conclude that members of Council ob, even if the increasingly pressing council led senior management to

Reading University in crisis amid questions over £121m land sales

Exclusive: University reports itself to regulators over loan taken from agricultural trust

reient and the document eventually to be circulated (less than twenty-four hours before the 'briefing' of Council took place).

2018: The turning point?

It's been a bad year for universities.

The row over vice-chancellors' pay has been a blow for universities, with the highest-paid leaders stepping down, in a moment that was both symbolic and significant.

Tuition fees have been frozen and an impact on the economy has cast a cloud of financial uncertainty.

From Monday, a new higher education regulator for Students charged with ensuring value for money.

Instead of being seen as undisputed force for good, universities face accusations of looking out of touch and out of step.

It's a very unfamiliar and uncomfortable position that will want to escape in 2018.

So how will universities reverse out of the swamp?

Finding an identity

Universities remain an aspiration for families, a priority for a modern economy and a major export business.

But somewhere along the way they seem to have suffered some kind of identity crisis. What are they for? Who are they meant to serve? And who should pay for them?

Maybe their biggest challenge is to find a renewed sense of purpose and to make a new contract with the public about how they can support one another.

2018: The turning point?

Is there a crisis in higher education?

Changing governance technology in their

Senior-level meetings in HE are in urgent need of transformation. By adopting a more digital approach, universities can bring their board meetings into the 21st century, providing much more transparency into their governance in the process and helping to ward off criticism that decision-making has been driven purely by a commercial agenda.

One of the key triggers

the introduction of league tables for universities. This heightened competition for

research funding, and ensured the universities that were posi

Paper forms and paper records are not accessible and mean that it is hard to see where decisions came from and how they were formed. The use of online board portals to replace paper or PDF-based board packs for senior meetings will make it much easier to demonstrate clearly who said what in the meeting and provide insight into how certain decisions were reached.

Education Technology: "Is there a crisis

Author



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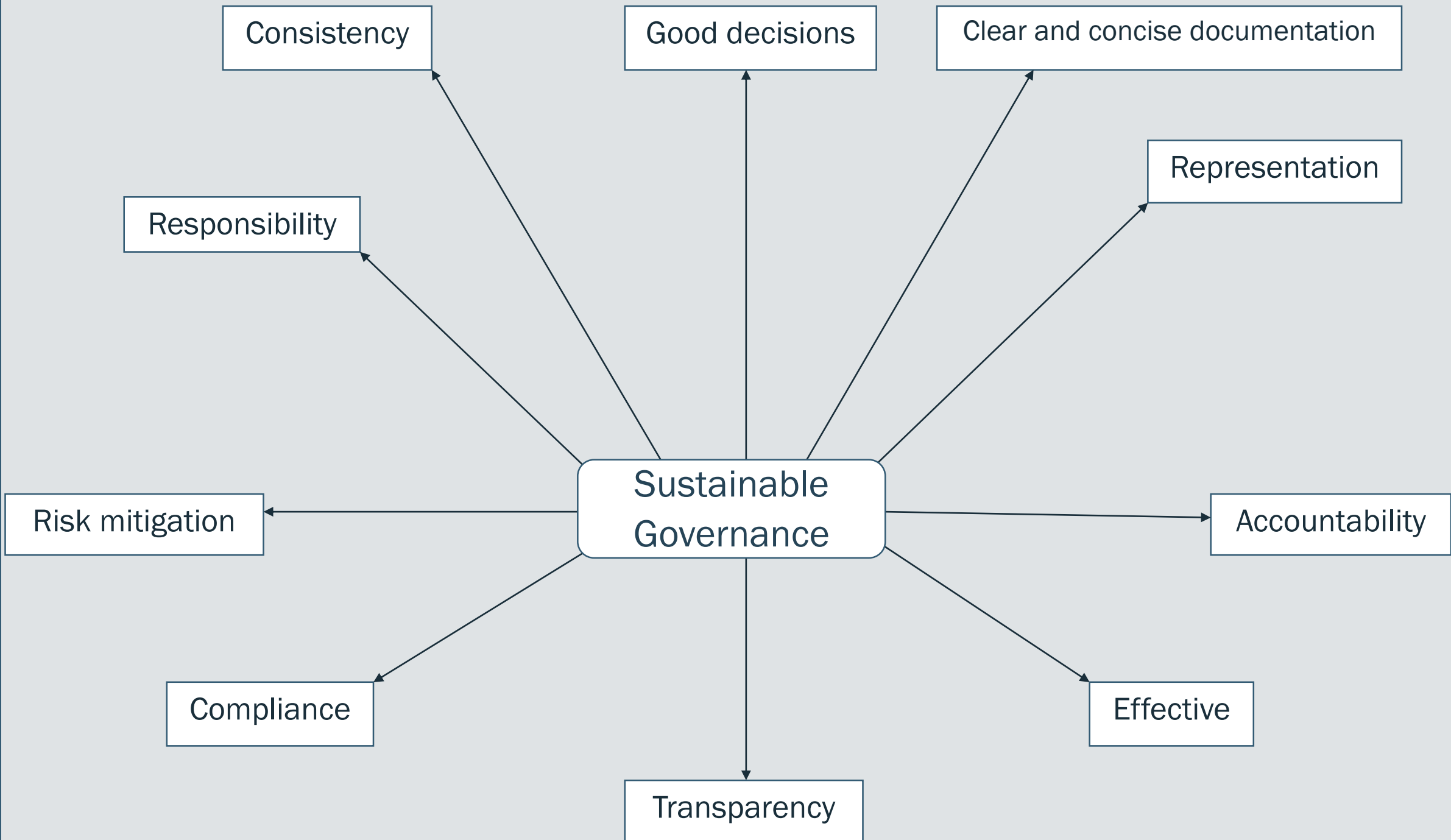
I've [written here before](#) about Governance issues in universities in England, Scotland and further afield. It does seem to me that getting Governance right remains a critical issue for universities and is particularly important in a period of significant challenge and regulatory turbulence.

These examples show how much universities can suffer when Governance goes wrong. Despite the relatively low profile of Governance, it is a critical factor in institutional success and, while good Governance can't compensate for poor management, poor Governance can seriously hinder a university's progress and drag an institution backwards for months or years. At the very least a Governance-generated crisis can represent a major diversion for university leaders and governors and result in significant lost opportunities or missed targets.

When boards and committees are well-educated about their position in their governance setting, their decision-making will be more informed

- *How Boards Act: Consolidated vs Distributed Influence.* This dimension looks at the extent to which power is widely dispersed among board members or held in the hands of a few.
- *How Boards Decide: Convergent vs Divergent Thinking.* Do boards engage predominantly in decision processes in which the discussion is divergent (messy and creative) or convergent (calculated and focused on outcomes)?
- *What Mindsets Boards Have: Academic vs Corporate.* Given the fact that in the US most board members have corporate backgrounds, to what extent do they bring that perspective into the boardroom or adopt an academic one?
- *How Boards Perceive the Role: Partner vs Critic.* Some boards see their primary role as to challenge whereas other boards see their primary role as one of supporting the institution.

Sustainability starts and finishes with governance, a University cannot flourish without adherence to its principles. Good governance informs and facilitates decision-making which, in turn, enables a University to grow and prosper. Coupled with accountability and transparency, governance (as an overarching framework) allows a University be sustainable in the long-term.



Workshop

- Using case studies, you are tasked to spot early red flags, engage in conflict resolution and attempt to solve problems caused by poor governance. There will be three key areas: financial governance; strategic plan; and accountability and transparency in relation to leadership.

Example 1: Poor Governance regarding a University's expansion

	Financial Governance	Strategic Plan	Transparency and Accountability of Leadership
Red Flags	<ul style="list-style-type: none"> The satellite campus was openly being called “ambitious”. Academics feeling they have been marginalised in the pursuit of profit. The University had taken out loans to start work on the campus. 	<ul style="list-style-type: none"> Apparent lack of consultation about the ambitious satellite campus. Claims of fears that the satellite campus was being driven by institutional greed. 	<ul style="list-style-type: none"> Claims from the Academic Board that decisions were taken in breach of rules. Claims that this was the latest sign of challenges facing the University.
Conflict Resolution	<ul style="list-style-type: none"> The Audit Committee and internal and external auditors should have raised concerns to the Council if there were financial implications, or any potential wrongdoings. 	<ul style="list-style-type: none"> It would be usual for a planned expansion to appear in a University's strategic plan. The Academic Board have received regular updates against the Strategic Plan. 	<ul style="list-style-type: none"> A lawyer investigated academics' claims of misconduct by leadership. The independent investigation should have been shared with the Academic Board, who had raised the complaint.
Problem Solution	<ul style="list-style-type: none"> Were queries over anticipated costs not communicated to the Academic Board as part of an update report? The reporting line of where the decisions were made should have been communicated to the Academic Board. 	<ul style="list-style-type: none"> Ultimately, the Strategic Plan may need to be revisited, with wider consultation and communication of the outlined plans. There should be a balance in the Strategic Plan of the University's business aims and academic aims. 	<ul style="list-style-type: none"> The investigation found no breach of the constitution. The leadership should have communicated this widely and addressed concerns that were raised. Consultation should have taken place whereby suggestions could have been anonymously submitted to be addressed by the Senior Leadership Team.

Example 2: Poor Governance regarding Vice Chancellor's Remuneration

	Financial Governance	Strategic Plan	Transparency and Accountability of Leadership
Red Flags	<ul style="list-style-type: none"> Claims that the University hadn't complied with its financial regulations – which was true, given the VC travelled first class instead of economy. 	<ul style="list-style-type: none"> The UK's highest paid VC was at the modest-sized institution. 	<ul style="list-style-type: none"> Claims went back to 2016 of the VC's expenses being improper.
Conflict Resolution	<ul style="list-style-type: none"> Union Leaders should have been involved fully from their first complaints aired in November 2017. Economic travel should have been a priority for the University at all levels. There should have been follow up proposed resolutions to the No-confidence vote. 	<ul style="list-style-type: none"> There should have been more consultation regarding the VC's portrait which was costly for the University. There should be a clear schedule of delegation regarding who can make decisions over large spends at the University – the Strategic Plan should look to ensure where the University's money would be spent. 	<ul style="list-style-type: none"> An investigation should have taken place into the Union's demands for the VC to resign in November 2017. The membership of the Council should have been reviewed to given a wider representation outside of business executives.
Problem Solution	<ul style="list-style-type: none"> The VC should not have been given £600k in 3 months prior to resignation. The membership of the Remuneration Committee should have been reviewed. The CUC Code of Remuneration would have been in place in time for some of the latter events. 	<ul style="list-style-type: none"> Governance should play a key role in the newest Strategic Plan, if it wasn't already. 	<ul style="list-style-type: none"> Outcomes of the HEFCE report should have been followed through in a timely manner. Questions should have been raised by other colleagues or by lay members regarding the £200k pay rise over 5 years.

Example 3: Poor Governance regarding Student Complaints

	Financial Governance	Strategic Plan	Transparency and Accountability of Leadership
Red Flags	<ul style="list-style-type: none"> Some of the perpetrators had their punishments changed. Was sufficient resource in place for colleagues who were required to process the complaint? 	<ul style="list-style-type: none"> Was the Strategic Plan prepared to deal with crises? 	<ul style="list-style-type: none"> The Head of PR was the official investigator. The Vice Chancellor didn't publically apologise until July 2019.
Conflict Resolution	<ul style="list-style-type: none"> Explanations for the changes in punishments should have been communicated alongside any financial implications. The financial implications of the complaint becoming high profile could have been mitigated if the process had been robust. 	<ul style="list-style-type: none"> The University should consult with students regarding the student experience as part of the Strategic Plan. 	<ul style="list-style-type: none"> The Head of PR should have been removed as the investigator as soon as the potential for conflict was realised. The Vice Chancellor should have recommended an appropriate body.
Problem Solution	<ul style="list-style-type: none"> A legal expert had to be called in to review the complaints process; a cost that could have been avoided. It is possible that their professional services required further training and/or resource, as reflected in the recommendations of the review. 	<ul style="list-style-type: none"> The University should consider student experience in their next Strategic Plan. The University must ensure that the recommendations of the review are implemented and embedded within their Strategic Plan. 	<ul style="list-style-type: none"> A new independent investigator should have been appointed. The review should take into account students' views of the handling of the complaint.

Sustainable Governance:

- Is political – its about identifying who makes which decisions, who they consult about those decisions and explaining why to each of these elements.
- Engages stakeholders – who is consulted, who is asked to present to decision-making bodies, who holds the budget, where the accountability comes from, and, of course, student involvement on the appropriate bodies.
- Delegates appropriately – a Board of Governors may make the final call, but who will implement the decisions on the ground? Not only are powers delegated, but other, more appropriate bodies are empowered.
- Is strategic – everyone involved in the structure should be aware of their role, their position in the governance structure, and, importantly, that all bodies and members are aware of the common targets and plan for the University (the Strategic Plan).

We have the framework...

Good governance is at the heart of the higher education (HE) sector in the UK, and will continue to be of the highest importance as it continues to develop. To support members of governing bodies, this HE Code of Governance (the Code) has been developed after wide consultation with CUC members and HE stakeholders.

CUC HE Code
of Governance

- **Autonomy as the best guarantee of quality and international reputation.**
- **Academic freedom and high-quality research, scholarship and teaching.**
- **Protecting the collective student interest through good governance.**
- **The publication of accurate and transparent information that is publicly accessible.**
- **A recognition that accountability for funding derived directly from stakeholders requires HEIs to be clear that they are in a contract with stakeholders who pay for their service and expect clarity about what is received.**
- **The achievement of equality of opportunity and diversity throughout the institution.**
- **The principle that HE should be available to all those who are able to benefit from it.**
- **Full and transparent accountability for public funding.**

This Code identifies the following primary elements of governance that underpin the values and beliefs outlined in the previous section:

- 1** The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.
- 2** The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.
- 3** The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.
- 4** The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments.
- 5** The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities.
- 6** The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.
- 7** The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.



THANK YOU

Any questions?