



Chair of the Board Research

A Survey of Scottish Public Service Organisations

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Chair of the Board

Summary of Results

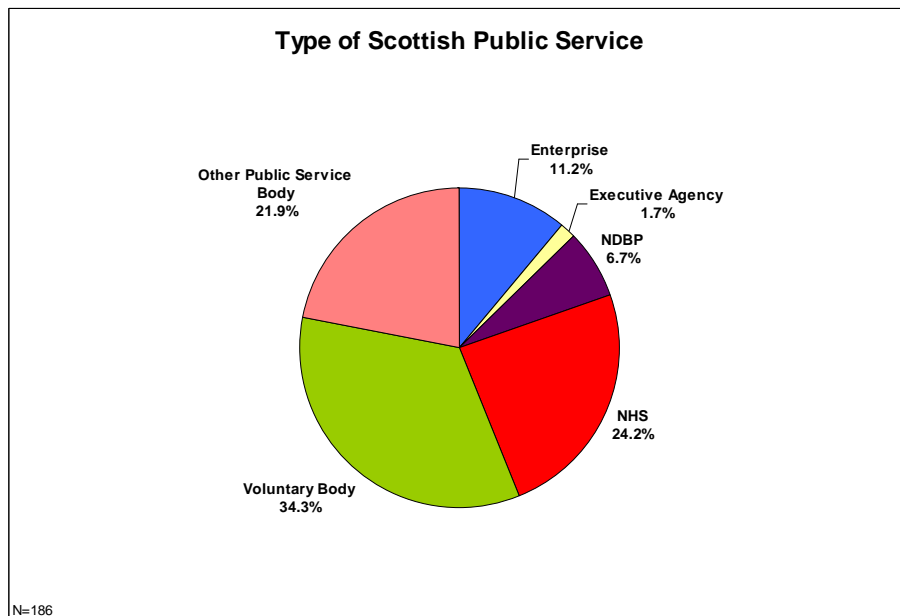
Introduction

Around 280 Scottish public service organisations were contacted to take part in the survey into Chairman. Members from public services bodies such as the National Health Service, Higher Education establishments, and Voluntary Sector organisations were encouraged to ask other members of their Board to complete a short questionnaire.

Sample Characteristics

In total 186 completed questionnaires were returned either electronically or by other means, which is a sizeable number to undertake detailed analysis. The types of public service bodies responding are shown in the chart below.

Chart 1



The key characteristics of the respondents are as follows:

- Nearly three-quarters (71.6%) are aged 50 or over
- 62.6% are male

- The highest education level was either undergraduate or post-graduate (71.4% of the sample)
- The majority of respondents are British (95.6%)
- Nearly half of the respondents (41.4%) sit on one Board only. On average respondents sit on two Boards.

Respondents were asked to answer questions based on one Board that they sit. The Boards that respondents are a part of comprise of the following characteristics:

- Nearly half (48.6%) of respondents are Non-executive Directors, 13.9% are the Chair, 9.4% are the Deputy Director, 9.4% are Executive Directors and 2.8% are CEOs. Others comprised of other Directors/Officers and members.
- 88.3% have 9 or more members
- A large proportion of Board meetings either take place monthly (47.8%), quarterly (30.48%) or bi-monthly (20.1%)
- The majority of Board meetings (84.0%) last for less than half a day.

The Chair

Respondents were asked to rate the Chair in terms of their effectiveness on a number of different aspects:

- Strategic decisions
- Governance
- Risk
- Style
- Qualities
- Performance.

Within each of these headings were a number of statements where respondents rated the Chair (ranging from 1=Not at all true to 9=Very true). In the following sections, where appropriate, average scores are reported.

Overall, the Chair's effectiveness was seen as positive in most areas by the majority of respondents, particularly with respect to the following:

The Chair

- Is trustworthy (average = 7.96)
- Displays integrity (7.91)

- Displays (little) concern for stakeholders (7.53) – scale reversed
- Clearly delineates his/her role from that of the CEO (7.47)
- Encourages open debate (7.46)
- Clearly delineates the role of the board from that of management (7.44)
- When appropriate discusses sensitive issues with CEO (7.42)
- Promotes governance best practice in the organisation (7.38)
- Pays sufficient attention to the political context the board is working in (7.36)
- Is easy to talk to (7.34)
- Works well with the CEO (7.30)
- Encourages consensus (7.29)
- Follows through on governance initiatives (7.25).

Areas where the Chair was rated not as strongly on, which maybe due to the way the Board operates include:

The Chair ...

- Drives through risk management protocols (average = 6.10)
- Determines the spread of skills/experience required on the board (6.10)
- Evaluates the performance of the board as a whole (6.04)
- Effectively evaluates the performance of non-executive members (5.80)
- Clarifies the skills/experience required of each board member (5.73)
- Determines organisation strategy (5.47)
- Encourages feedback on his/her performance (5.34)
- Asks board members to determine items for the board agenda (4.87).

However, not all respondents were positive. A small group of respondents (approximately 1 in 8 of the overall sample; 12.4%), were identified as being fairly negative in their perception of the Chair's effectiveness. This 'negative' group scores the Chair low on average with respect to the following:

The Chair ...

- Utilises well the skills/experience of board members (average = 3.77)
- Effectively evaluates the performance of non-executive members (3.71)
- Evaluates the performance of the board as a whole (3.62)
- Drives through risk management protocols (3.59)
- Encourages challenge (3.59)
- Handles tensions/sensitivities well (3.55)

- Determines the spread of skills/experience required on the board (3.41)
- Chair clarifies the skills/experience required of each board member (3.00)
- Asks board members to determine items for the board agenda (2.91)
- Encourages feedback on his/her performance (2.32).

This small 'negative' group is more likely to have the following background characteristics compared to the majority:

- Aged between 50 to 59
- Working in the NHS or Other Public Service Body (as categorised in Chart 1)
- In a Board position that is not Chair or Non-Executive Director
- Have a 'professional only' qualification.

Board Effectiveness

Respondents were also asked to rate the effectiveness of the Board (statements ranging from 1=Not at all true to 9=Very true). Again, the results overall are positive, and generally:

The Board ...

- Is attentive to corporate reputation (average = 7.77)
- Is diligent in governance application (7.47)
- Is attentive to risk management (7.39)
- Benefits from the Chair's contribution (7.27)
- Is (not) divided (7.24) – scale reversed
- Has freedom to operate in governance within the established policy framework (7.11)
- Performs effectively (6.97)
- Emphasises enhancing stakeholder relations (6.89)
- Has freedom to operate in strategic decision making within the established policy framework (6.89)
- Is well balanced in terms of member skill/experience (6.87)
- Challenges the Chair when necessary (6.83)
- Contributes effectively to policy development (6.66)
- Has clear criteria for board member replacement (6.31).

The 'negative' group of respondents identified above score Board effectiveness lower, particularly with respect to the following:

The Board ...

- Has clear criteria for board member replacement (average = 5.43).
- Has freedom to operate in strategic decision making within the established policy framework (5.41)
- Contributes effectively to policy development (5.39)
- Performs effectively (5.23)
- Benefits from the Chair's contribution (4.50).

CEO Effectiveness

Respondents were also asked to rate the effectiveness of the CEO (statements ranging from 1=Not at all true to 9=Very true). Again, the results overall are positive, and generally:

The CEO ...

- Displays (little) concern for stakeholders (average = 8.11) – scale reversed
- Is (not) undermined by the Chair (7.72) – scale reversed
- Effectively pursues 'accountable officer' responsibilities as required by the board (7.71)
- Respects the Chair (7.53)
- Delineates duties from that of the Chair (7.53)
- Effectively pursues 'accountable officer' responsibilities concerning the interface between the organisation and Ministers (7.53)
- Drives the strategy (7.40)
- Communicates well with the board (7.37)
- Has an open relationship with the Chair (7.27)
- Determines the vision (7.15)
- And the Chair are of a like mind (6.67)
- (Does not) adopt a different style to the Board compared to the management team (5.19) – scale reversed

The 'negative' group of respondents identified previously score CEO effectiveness lower, particularly with respect to the relationship with the Chair:

The CEO ...

- Respects the Chair (average = 5.43)

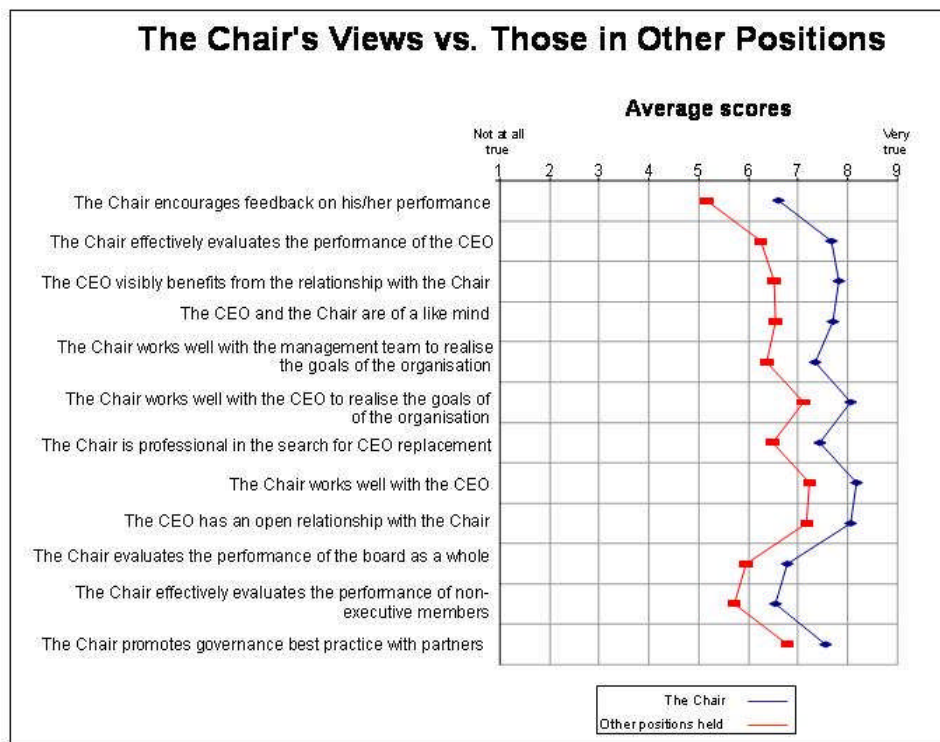
- Has an open relationship with the Chair (5.19)
- (Does not) adopt a different style to the Board compared to the management team (4.40) – scale reversed
- And the Chair are of a like mind (4.29)
- Visibly benefits from the relationship with the Chair (3.82).

Views of the Chair vs. Those in Other Positions

- Generally speaking, the Chair rates his/her own effectiveness (where a self-response was given), Board effectiveness and CEO effectiveness higher than those who hold other positions on the Board. Although the profiles are basically the same, the gaps between the perceptions of the Chair and non-Chairs are statistically significant for statements relating to the working relationship with the CEO.

The chart below displays the largest gaps between the views of the Chair and those who hold other positions.

Chart 2



The results show that the Chair is significantly more positive than non-Chairs with respect to:

- The Chair encourages feedback on his/her performance

- The Chair effectively evaluates the performance of the CEO
- The CEO visibly benefits from the relationship with the Chair
- The CEO and the Chair are of a like mind
- The Chair works well with the management team to realise the goals of the organisation
- The Chair works well with the CEO to realise the goals of the organisation
- The Chair is professional in the search for CEO replacement.

Age and Gender Comparisons

Earlier, a significant proportion of those in the 50-59 age group were identified as being less positive than those in other age groups. The gaps are particularly large in some areas when comparing the 50-59s against those aged 60 or over, where those in the older group score significantly higher on the following:

The Chair ...

- Is easy to talk to
- Is professional in the search for CEO replacement
- Utilises well the skills/experience of board members
- Encourages open debate
- Draws out relevant contributions from each of the board members
- Drives through risk management protocols
- Handles tensions/sensitivities well
- Displays integrity.

Gender was also used as a comparator, and although the differences are not as strong, males within the sample tend to rate the Chair lower than their female counterparts on the following:

The Chair ...

- Is easy to talk to
- Draws out relevant contributions from each of the board members
- Utilises well the skills/experience of board members
- Handles tensions/sensitivities well
- Is disciplined.

Discussion Points

Overall, the results are positive and they show that the Chair, the Board and the CEO are operating effectively. However, there are some issues where a minority of respondents question the effectiveness of the Chair, and this needs to be addressed. This group is typified with people who are more likely to be aged 50-59, are less qualified, are in less senior roles, and are more likely to work in the NHS or Other Public Service Body.

Clearly, in their eyes there are development needs for the Board, especially with respect to:

- Evaluating the performance of the Chair and members of the Board
- Determining skills/experience required on the Board
- Encouraging challenge
- Effectively handling tensions and sensitivities
- Determination of the Board agenda
- Relationship between CEO and the Chair
- The contribution of the Chair.

On the other hand, there could be development needs for these respondents.

Another aspect relates to age, where those in the 60 or over age band – predominantly Chairs and Deputy Chairs – are perceived to have a generally more positive outlook than those in the 50-59 age group. In other words, the older Chairs are viewed as being more effective, which raises the issue of selection and future succession.

In summary the research has shown that there are issues to explore both in relation to Chairs'/Non-Executives' selection and succession planning, and Board and Chair/NED performance review and development.

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