Beyond Professionalisation: Enhancing the governance culture for Australian university governing boards

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Note: The views expressed in this presentation are those of the author and should not be taken as a reflection of the views of the Australian Universities Quality Agency.
This paper examines emerging norms of good practice for Australian university governing boards and issues that university governing boards could address to develop effective governance cultures.

It firstly considers the ways in which support for many Australian university governing boards has become professionalised over the past decade.

At the same time, longstanding tensions or ‘paradoxes’ (Cornforth 2003) persist. To ‘tame’ these tensions requires formative processes of deliberation and debate rather than standardised prescriptions.
Outline of presentation

1. The need to demonstrate quality in governance
2. Defining ‘quality’ in board governance
3. Professionalisation of university governing boards in Australia
4. Positive and negative impacts of professionalisation
5. Beyond ‘professionalisation’: boards as ‘communities of interpretation’ (Abdo 1998)
6. Sketch of a reflexive process
1. The need to demonstrate quality in governance

Why should university governing bodies be concerned with improving and demonstrating the quality of their governance activities?

- To reassure governments that lack confidence in institutional governance
- To give credibility and consistency to internal efforts to create a culture of continuous improvement (Askling, Lycke & Stave 2004)
- To signal a contiguous relationship between the board and the institution
- To address a turbulent external environment
Australian higher education environment

- Issues of financial management, fraud and academic integrity within universities
- A nervous financial climate and concerns over future numbers of international fee-paying students
- Unpopular moves to remove institutions’ ability to charge compulsory fees for student services
- A difficult industrial relations climate
- New National Governance Protocols
- Other Federal Government reforms that may see many institutions lose considerable amounts of research or other funding
- External quality assurance audit of each Australian university including a public report
2. Defining ‘quality’ in board governance

- ‘Fitness for purpose’ test, perhaps with aspirations to excellence (wisdom)

- An effective board will minimise ‘constraining’ factors such as a lack of relevant skills, a lack of information and organisational knowledge, a lack of goal consensus, and informal norms against criticising management (Lorsch and Maclver 1989)

- Effective board members have some sense of ‘proximal accountability’ (Jensen 1998), feel empowered to make a positive contribution, and recognise different stages in the institutional life cycle
Defining ‘quality’ in board governance cont’d

- Use of explicitly professionalised practices, such as the induction and ongoing development of members, review of the performance of the CEO and review of their own performance

- A growing recognition that such practices are not sufficient of themselves to secure effective governance. Although they may provide a basis from which to proceed, ‘higher order’ approaches are needed to secure a ‘quality culture’ in governance. Such approaches are based in reflexive attention to issues of value and meaning.

  …perhaps the focus should shift away from a sole focus on questions of codification, representation and the composition of the governing body to issues of communication, roles, trust and the ability of broader systems of governance to bring to bear the most appropriate expertise and experience to policy matters and to understand the conditions under which a university can flourish. (Coaldrake, Stedman & Little 2003)
Acknowledge the paradoxes of governance

Cornforth (2003) argues that boards of all types will face common ‘paradoxes’ of governance

Three major paradoxes:
- The tension between representative and professional boards
- The tension between performance and conformance
- The tension between controlling and partnering management
Focus on process not codification

- A model for quality in governance should not attempt to ‘argue away’ the difficulties and tensions in achieving a quality governance culture.

- To ‘tame’ these tensions requires the use of open-ended reflexive and deliberative activities, to animate practices that could otherwise operate in a mechanistic or reductionist manner.

- Such activities will need to acknowledge the various meanings that the term ‘university’ has for board members.
3. Professionalisation of university governing boards in Australia

Markers of ‘professionalisation’:

- a process involving the establishment of a normative discourse and cognitive base for conduct
- an increase in requirements for membership based on expertise
- an increase in the legitimated power of the group
- the growth of networks among group members

(Gornitzka and Larsen 2004)
Historically, in Australia, many board members did not feel well treated...

“A lot who left after their two year appointment didn't seek to be re-appointed, I think out of frustration, a feeling of being redundant, a feeling of not being able to contribute, a feeling that the vice-chancellor really was going to do what he was going to do anyway.”

“Council does make real decisions, I suppose, but a lot of the stuff is just rubberstamping of executive decisions. There's not a lot of strong debate.”
Development of a normative framework

Factors:

- Regulation of size of membership
- AVCC conferences
- AVCC proposals for codification
- Study tours
- Academic conferences
- Networks of board chairs (chancellors)
- External quality audit
- National Governance Protocols + financial incentives
External Quality Audit

In Australia, external quality audit of universities is conducted by the Australian Universities Quality Agency (AUQA):

- Emphases the importance of self-review
- The first cycle - ‘whole of institution’ audit
- AUQA does not impose externally prescribed standards but audits institutions against their own mission and objectives, in a context of quality improvement
External Quality Audit cont’d

Indicative scope includes:

- Governance, Organisational Leadership
- Planning, QA systems
- Teaching & Learning
- Research
- Community Engagement
- Internationalisation
- Understanding Students and Stakeholders
- Academic and Student Support
- Human Resources, Facilities, Infrastructure
Findings from quality audits of universities

All published AUQA reports address university governance. The reports of 11 institutions contain commendations for good practices of governing boards, including:

- The extent of performance monitoring
- Processes for board self-evaluation
- Board involvement and clarity over its role in strategic planning
- Board leadership in the development of quality processes
- Board management of subsidiary companies
- Board processes for review of the vice-chancellor’s performance
- A Charter of Corporate Governance

Example: ‘AUQA commends the University Council for demonstrating its leadership and commitment to quality assurance by itself participating in a process of self-reflection and improvement.’
An evolving situation

Recommendations and affirmations from AUQA reports suggest that some university governing bodies continue to experience:

- A lack of performance monitoring and external benchmarking information
- Problems with decision-making and management of risk
- The absence of processes to review their own performance or that of the vice-chancellor
- A non-empowering culture

Some recommendations have a normative element

Example: ‘Council has yet to embrace contemporary practices of accountability and quality enhancement for its own governance practices.’
Conclusions regarding professionalisation

- Growth in normative discourse
- Growing emphasis on expertise (financial, managerial and legal) as the basis for governing body membership
- Formalization of networks of chairs of governing boards
- Increase in legitimated power (??)

The evidence points to a growing professionalisation of university board governance in Australia. Whether this will lead to more effective governance is less clear. And, progress is patchy, so the claim of increased professionalisation must be somewhat qualified.
4. Positive and negative aspects of professionalisation

Positives:

- Assists with empowering features - more comprehensive but also more focused information, standardized definitions of board responsibilities and tasks

- Good selection and training processes for board members probably improve governance

- Some of the practices associated with professionalisation of university governance in Australia, such as involving board members in strategic retreats and workshops, can assist in providing a ‘space’ and a license for university boards to engage in reflexive deliberation on the nature of their interactions

- Adoption by governing boards of the institution’s own ‘quality agenda’ can also legitimate the use of such a ‘reflexive’ space for dialogue on fundamental issues
Positive and negative aspects of professionalisation cont’d

Negatives:

- May operate in a reductionist way to stifle internal, more organic efforts to improve governance
- Not sufficient in itself – may not require ‘higher order’ processes
- Imposition of standard requirements for the size and role of governing boards seems misaligned to the increasing diversity of Australian university missions and resourcing
- Board roles are emphasised, notwithstanding evidence that many governing body members are already thoroughly familiar with these
- May attempt to stamp out ‘paradoxes’ of governance by removing elements that are blamed for their existence, e.g. student and staff representation
- Uses a business model that is unlikely, in a university culture, to ever achieve complete closure in respect of core values
On balance………..

The professionalisation of university governing bodies in Australia may have a positive impact on board effectiveness, but only if governing boards themselves – supported by their universities - take up the challenge of encouraging reflexive processes for discussion of questions of value and paradox
5. Beyond ‘professionalisation’

Proposition: Development of a quality culture for university governing boards requires board members to reflexively understand and engage with differing values and views of the institution that is being governed.
So, what type of object is a university?

Boards as a 'community of interpretation'
Board members are likely to see three distinct ‘objects’ as being governed:

1. The university as a business
2. The university as a community resource
3. The university as a uniquely traditional institution
Different ideas about the nature of the ‘object’ being governed:

Each of these ‘objects’ has its own repertoire of values and each uses different ‘regimes of justification’ (Boltanski & Thévenot 1991) or ‘frames’ (Morgan 1986) concerning governance:

- If the university is viewed as primarily a business, board members’ ideas about governance will use a ‘commercial’ logic, emphasising efficiency and the rights of managers to manage.

- If the university is viewed as a public resource, a 'civic' logic applies, using themes such as need for community engagement, wide stakeholder representation, and inclusive governance practices.

- If the university is viewed as a uniquely traditional institution, a ‘transcendent’ logic applies, involving governance by an elected leader subject to internal laws of debate and challenge.
The idea of different 'regimes of justification' can be used to understand why board members interpret governance functions and accountability relationships in different and sometimes contradictory ways.

Reflexive acknowledgement and exploration by governing board members of these varying ‘regimes of justification’ is one way to assist in ‘taming’ some of the tensions of governance.
6. Sketch of a reflexive process

- Discussions by board members about the paradoxes and tensions in governance and acceptance of the need to ‘tame’ such tensions and divergent views, without suppressing their presence
- An identification of the ideas of a university and priorities for university governance held by each board member
Sketch of a reflexive process cont’d

- **Board consideration** of the ways values map onto the strategic directions for the institution. Commit the board to undertaking a reality check on strategic plans and to debunking obvious ‘puffery’

- Design governance practices that, from time to time, allow various repertoires of value to be foregrounded

- Reflection by board members on findings from the research literature on governing boards and accountability: How can a sense of accountability to others be made more 'proximal' (Jensen 1998) or immediate? How can boards best plan to meet inevitable life cycle changes in their members' sense of involvement?

- Bring board members up to speed rapidly and efficiently, noting the constraints on members’ time
Sketch of a reflexive process cont’d

- Develop a ‘negotiated engagement’ for each member. Questions for consideration might be:
  - How can council members' contributions, and their satisfaction with their own involvement, be maximised?
  - What would board members like to learn from their involvement with the university?
  - How can board members get a sense of what's best about university life?

- Commit to ensuring that each the board member should be able to use a strategy of 'voice' rather than 'exit'

- Dialogue with academic staff at various levels about changing pedagogies and professional norms of academic practice
Commit the board to ensuring that it enters into processes for quality assurance and improvement - at least as deeply as the rest of the institution.

Make sure the board has at least one ‘improvement’ goal it is working on, whether it is improving the gender balance, keeping a better handle on risks, or allowing more time for reflection on the political landscape.
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Thank you!