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Governance Perspective: Governance is Governance

16 Sep 2020

If you are asked to join a board or supervising committee of some kind, think twice before you say "no, you haven't got the time". If you do say no you will never know what you might have learned. For board membership is taxing, demanding, painful, unpredictable, involving but above all a learning experience. That is what I found in thirty years of sitting on some complex boards supervising some great organisations.

What did I learn? Some of the most valuable lessons came from business colleagues on the board. It was Ken Dayton, a major Minneapolis businessman, philanthropist and governance guru who insisted: "Governance in the not-for-profit sector is absolutely identical to governance in the for profit sector". It was a leading merchant banker, Bob Boas, who said of his involvement with English National Opera: "Running an opera company is far harder than running a business". It was Lord Browne, former Chairman of BP who summed up his years on the British Museum board where the turnover was some £50 million per year, warned: "Running the BM is twenty times more complex than running a £50milion business". As the American Ken Dayton always insisted "Governance is governance".

There are many aspects of governance that apply universally across all sectors. In my book I drew some 200 observations from my experiences on each board I served on. I refused to whittle them down to "Tusa's Twenty Principles of Good Governance". It

is not as easy or as glib or as convenient as that. But certain observations about good practices and board behaviour did emerge.

For instance. Observing guidelines and regulations required of a board member will not make you a useful member. A Board which ticks all the boxes of board obligations will not be a good board. All the difficulties that arise in governance fall into the areas of good judgement, personal interaction and human psychology. No rules exist for getting these questions right. That is why good governance is so challenging.

It takes time but time spent is well spent. Make sure you have the right Chair and not just someone with money. The Akram Khan company, a leading dance company say "We spend as much time choosing our board members as we do choosing our dancers". Take time choosing the right chief executive; if they don't appear first time round, don't appoint, wait. Once you have got chair and CEO make sure they really fit; an amazing number don't and disaster follows. Chair and CEO should work on the basis of "partnership but separation" - which means "close cooperation until I have to sack you." It's not a contradiction but it does involve necessary tension. Too many boards don't understand that.

Most people are recruited to boards for a particular skill. In my case, I was often seen as the "media board member" because of my years at the BBC. I was rarely asked for my media opinions. I was involved in every issue a board faced because every member is responsible for the whole institution. A good board member brings their skills, their judgement and their humanity to the table. In the board room, every member is equal and equally responsible for the organisation they supervise. There are no stupid questions in the board room.

The experience of governance is challenging for supervisory boards have full and final responsibility but little actual power. Getting that balance right can be satisfying; getting it wrong deeply painful. Sometimes you lick your wounds on others you will glow with quiet satisfaction. Meeting the challenge and learning from it could be a great learning experience which you would not get anywhere else. Besides the job has to be done.

Sir John Tusa is the author of ' Boardroom"	"On Board: The Insider's Guide to Surviving Life in the
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