

Illustrative Practice Note 6: Governing Body Responsibility for Recruiting a Chair

November 2017

What does the HE Code of Governance say?

1. Element 7

The governing body¹ must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.

a. It therefore should:

- ensure that the governing body has sufficient skills, knowledge and independence, including through the appointment of an independent Chair, to enable it to discharge its responsibilities;
- ensure it has rigorous and systematic processes agreed by the governing body for recruiting and retaining governors (including the Chair), on the basis of personal merit and the contribution they can bring to a governing body.

b. In turn, it could:

- satisfy itself that plans are in place for an orderly succession of its membership, so as to maintain an appropriate balance of skills and experience with the progressive refreshing of key roles;
- have written role descriptions and an analysis of the skills, experience and attributes required for membership; and
- widely advertise vacancies in order to increase the pool of talent available.

Why is it important?

2. The two most important leadership roles within a university are the Chair and the Vice-Chancellor. The Chair's job is to lead the governing body and ensure that it governs the organisation effectively and has a collaborative relationship with the Executive. The Vice-Chancellor leads the staff, implements strategy and manages the institution.
3. Chair succession planning is not widely discussed in most institutions because there are few formal mechanisms for addressing the issue, except where institutions have decided to have a Chair's annual review with the Deputy Chair² or equivalent.

¹ In different universities, the governing body is variously called the Council, Court, Board of Governors or Board of Trustees. In this document, the term 'governing body' is used to cover all these variants.

² Throughout this document the term 'Deputy Chair' is used. For those institutions that do not have such a position, this should be taken to mean a senior, respected and trusted member of the governing body charged with carrying out certain tasks on behalf of the governing body. It may also be a small group of senior members.

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4. Chair succession planning rarely appears at the Nominations Committee if the Chair is presiding over it, yet it would be appropriate for such a discussion, if occasionally the Chair absented themselves. So, it is unsurprising that there is no rulebook of best practice for Chair succession planning. This may be just as well, because there is no single answer on how to go about it: good practice depends very much on institutions' individual situations. Nevertheless, with the average tenure of a Chair being three to four years, it is a process that institutions will regularly have to engage with. This is an area where the role of the University Secretary³ is particularly important, since they can have private conversations with the key players, act as a prompt at various stages of the process, ensure that any university regulations are complied with, make the appropriate resources available and, overall, ensure that the process is both efficient and effective.

Planning

5. Over the last few years, the requirements for governing bodies, and Chairs specifically, have become more demanding. Accordingly, ensuring there is a process which fully captures the complexities required for the role has become more necessary. These increasing demands have led to some institutions reporting difficulty in attracting the appropriate candidates.
6. The style of leadership required by institutions has also changed. For some institutions, it used to be that Chairs presided over governing body meetings and had some ceremonial duties. Now, Chairs may be required to act as some, or all, of the following:
 - partner – with the Vice-Chancellor (and senior staff) at the heart of the 'top team';
 - team builder – focused on succession planning, recruiting and developing governing body members; handling conflict within the governing body and mediating where necessary;
 - networker – making connections and influencing at a senior level in partner and other stakeholder organisations;
 - campaigner – championing and advocating for the needs and views of service users/members;
 - organiser – facilitating and sustaining governing body processes, including leading on and improving governance practice; and
 - strategist – enabling the governing body to develop, shape or refresh its strategy.

So, a greater range of skills and experience is now required.

7. Because the choice of candidates can be limited, it is sensible to allow plenty of time to plan for the next Chair succession – a task that will usually fall to the current Chair, working closely with the Deputy Chair, supported by the University Secretary. This needs to include an early definition of the profile and criteria for selection, which may well have to be developed and revised as the institution's outlook changes. This will be particularly important where the appointment is not solely at the discretion of the governing body.⁴

³ Throughout this document, the term University Secretary is used for the most senior member of the executive charged with overseeing the governance of the institution.

⁴ Such as institutions with particular requirement for elections of the Chair and those where a church has a particular role in appointing the Chair of a university it originally helped to establish.

8. It is clearly important to think through where the institution is at the time that a new Chair is appointed – if the institution is going into a time of change, that implies a need for a different person than would be required in a more settled period. The appointed Chair has a huge impact on the values, leadership and culture of the institution – those at the top of the leadership hierarchy set the tone for what is acceptable throughout the institution, so it is important to select a Chair who embraces all of the institution’s key values.
9. Having considered the needs of the institution, it is helpful to have a discussion as to whether the institution wants to remunerate its Chair. This practice is still relatively rare within UK Higher Education Institutions (HEIs), although a number of institutions are now considering it. Arguments against this practice include that this will hinder the independence of the Chair, that it will detract from the notion of public service that underpins much of the governance of UK HEIs, and there are issues about affordability. Those who argue for such a position to be paid suggest that it increases accountability, broadens the pool of potential candidates and fosters more active engagement.
10. To make planning easier, it is important for an incoming Chair to give the governing body a general sense of the parameters by which their term will be set. It is often not helpful to set a firm date for tenure because it can be destabilising, but it is worth setting expectations. For example, it is useful to be clear whether a Chair expects to remain for two or three terms, at least in principle, or whether they would expect to wait for the appointment of the next Vice-Chancellor before retiring.

Recruiting candidates in advance

11. It is sensible to recruit at least one non-executive well ahead of time with the capacity to become the Chair in the future. However, no absolute commitment should be made to incoming non-executives, since the institution’s circumstances and therefore the role specification of the next Chair may well change. Recruiting a non-executive on the basis that they will become the next Chair could easily lead to disappointment. At the same time, it is good practice to have at least one non-executive with Chair qualities in the ranks – even if only in case of emergency.

Timetable defined by timing of Vice-Chancellor succession

12. The timing of the Chair’s succession will ideally be determined by Vice-Chancellor succession. The aim would be for the moves to be a year or two apart, to ensure an orderly handover. Whether the Chair or the Vice-Chancellor’s departure comes first is entirely dependent on the circumstances, business needs and plans of the two individuals.

Appointment process

13. The process is likely to be initiated by the Chair, possibly after an institutional effectiveness review or, for those institutions that have them, the individual annual review of the Chair with the Deputy.
14. Ideally, the timing will be quietly understood well in advance; an effective governing body will discuss succession planning every year. As the person ultimately responsible for governing body composition, the Chair will preferably be seen to be initiating the succession process, although it will usually be executed by the Deputy, acting on behalf of the governing body. If the Chair does seem to be overdue for a move, it is up to the Deputy to make the point discreetly in a private conversation – and then deal with the appointment process. The first step would usually be agreeing who is to be involved. The process is not usually confined to the Nominations Committee, since there is benefit in engaging a broader group. Some institutions have found it helpful to use ESFs.

University of York

At the University of York, the specification for the new Chair was developed by the Registrar, in consultation with the Vice-Chancellor and the Nominations Committee. The university used an Executive Search Firm (ESF) to advertise the post and identify a shortlist. This was then followed by a panel interview with the Search Committee (including the Vice-Chancellor). The recommended candidate was then appointed to the university Council for a year, after which the exiting Chair will retire. The expectation is that his successor will then be elected to the position of Chair. This period of participating in the work of the Council is intended to ensure a smooth transition from one Chair to the next.

University of Glasgow

At Glasgow, there is a position on the governing body of Chancellors Assessor (in effect the senior independent board member). He was responsible for leading the process. The specification for Chair was shared with the full Court and the post was advertised. This was supplemented by the use of network contacts – via the board, the alumni network and executive team networks.

Regent's University London

At Regent's University London, the Vice-Chancellor met shortlisted candidates for one-to-one discussions. The Nominations Committee saw that these meetings were an important step in ensuring that candidates had insight into Regent's current vision and strategic challenges, and that the Vice-Chancellor had the opportunity to make first-hand assessment of their true passion for and interest in the university.

A few days later there was an opportunity for committee Chairs (or Vice Chairs, in their absence) to informally meet shortlisted candidates so that the candidates had an opportunity to understand the nature and character of how trustees engage with and support Regent's. It was also an opportunity for several trustees (beyond the members of the Nominations Committee) to gauge the interest and motivation of the candidates toward the university.

A week later they held the Nominations Committee selection day, comprising two interviews per candidate: an initial lifecycle interview to really understand candidate values, motivation and sense of purpose (i.e. the elements most relating to character and organisational fit), followed later in the day by a capability interview to understand their likely contribution as Chair. Outcomes of the first interview informed the second. They decided not to have a large panel interview, but to use paired 'assessors' to undertake the lifecycle interview and the capability interview. Therefore, different pairs saw each candidate for each interview, with the addition of the Vice-Chancellor and another governing body member at the second interview. This ensured a well-rounded multi-rater approach as throughout the process the assessing team openly shared insights, questions and ideas about candidates in each of the 'wash-up' sessions scheduled. This process also allowed an opportunity in between interviews to 'sell' the Regent's experience to candidates through a tour of the Regent's Park campus, and the chance to meet directorate members and student representatives.

They also held a date for a follow-up meeting over dinner with the recommended candidate(s) – subject to their availability – in advance of the board decision, to be made at the board's strategy day held a week later.

15. It is worth considering that before handing over the succession process to the Deputy, the Chair might privately sound out each non-executive director, including the Deputy, to see if anybody wishes to be a candidate. If a governing body member has little chance of being appointed, this would be the time for the outgoing Chair to tactfully set their expectations, thus avoiding potential embarrassment.
16. Having agreed who is involved in the process, it is important to establish what the expectations of a new Chair will be – both in terms of the role they will be expected to play and the sorts of skills and experiences they will hopefully have. ESFs can help with developing these ideas, but some institutions have found it helpful to ensure that these expectations are endorsed by the whole governing body.
17. The process of recruitment should be transparent and may involve the use of advertising, and/or recruitment consultants. However, the use of networks (whether directly or via social media) can be helpful supplements, and there are some online resources that might be useful (e.g. Women on Boards, university alumni networks etc.). It is likely that the University Secretary will also play a key role, both in coordinating internal stakeholders and governing body members and providing information.

Bournemouth University

At Bournemouth, the Chair's role description (see Annex) was circulated to all board members along with an invitation to submit nominations to the Clerk for the role of Chair. Only independent members were eligible to stand, but all board members could make a nomination and vote in the election. Members could self-nominate, but all nominations had to be seconded by one other member. All nominees were asked to provide a written election statement (of no more than 300 words) for inclusion in the online ballot paper. An online secret ballot took place to elect the Chair. The agreed tie-break provision was that independent board members would cast a second vote. The board agreed that in the event that the board was unable to confirm an appointment, a second process would have been run, but with the option of widening it to include external candidates.

18. It is helpful to develop a job description and clear prospectus that sets out nature of the institution, challenges and opportunities, the benefits of the role, authority, accountability, legal responsibilities and liabilities, terms of tenure, duties, support provided, abilities and experience needed. Ideally, this will be considered and endorsed by the whole governing body.

Northumbria University

Northumbria takes the view that it is important to publish as much as possible about the vision and mission of the university, since they found that the more they talk about their journey, the better the candidates that come forward.

19. Given the demands and expectations on Chairs, there are benefits in developing a 'prospectus' making the case as to why someone would want to take the job on – usually based on the ability to put something back into society, making a real difference to people's lives and operating in a unique and interesting environment.
20. Good governance requires more than the development of processes, since it is built on strong relationships, honest dialogue and mutual respect. Therefore, the Vice-Chancellor will need to be kept closely enough involved for the Nominations Committee to know if the relationship with the new Chair is going to work.
21. The handling of the appointment process will set the tone for the relationship between the Vice-Chancellor and the new Chair. Getting the chemistry right is more art than science, which means that the head-hunter or Deputy must have a close understanding of the personal characteristics of both the Chair candidates and the Vice-Chancellor.
22. The Vice-Chancellor is central to the process, but cannot control it.

King's College London

At King's College London, the process was managed by the non-executive members of Council, and was an open process with the use of advertising and ESFs. The brief for the specification for Chair was developed after full and open discussion within the Council on direction, opportunities and challenges facing the college. The Council was fully briefed at each stage of the process. The college agreed that although the shortlisted candidates had the opportunity to meet the Vice-Chancellor, Director of Finance and Secretary for a briefing on the college's situation, none of the Executive team could participate in the final interviews. The Nominations Committee then submitted its preferred candidate to Council, and their recommendation was accepted.

23. Regulators will expect to see evidence that a systematic succession process is under way, but clearly not the confidential details of this process. It is obvious that the premature release of names will drive away potential candidates. If the Nominations Committee senses that the appointment might be controversial, it will then be useful to take confidential informal soundings about the individual from major stakeholders, without necessarily revealing the institutional name or that an appointment is on the cards. It can of course be hard for a Nominations Committee to know whether a Chair candidate might be controversial. The ESF also has a role to play in taking soundings.

University of East Anglia (UEA)

At UEA there were separate discussions within the Executive team and the Nominations Committee as to which Council members might make suitable candidates for Chair. Both discussions identified the same preferred candidate. Accordingly, all members of Council (except the preferred candidate) were approached by the Secretary and asked if they had a view as to the suitability of the preferred candidate. Since there was unanimous support for the preferred candidate, the position was offered. Before accepting, the preferred candidate asked for a clear briefing from the Secretary to the board that set out the challenges and expectations of the role. Having considered that, the candidate then accepted.

Taking office

24. Handover will usually be short, and so there is a need to be very clear about who is doing what.
25. Power transfers surprisingly fast from the outgoing to the incoming Chair. It helps for there to be complete clarity about which of them is responsible for what — and when responsibility changes hands. There is little room for ambiguity.
26. The best time to set expectations about tenure is at the moment of taking office. Delays can lead to misunderstandings. It is up to the new Chair to initiate that discussion.

Conclusion

27. Institutions will need to take a sensible, pragmatic view of succession planning. Each governing body, rightly, will have its own approach.
28. However, several key points emerge. Governing bodies probably need to give greater priority to planning than previously, due to the increased demand for exceptional candidates for this increasingly critical role, and the importance of setting the right tone for the future.
29. It is desirable for Chair succession planning to be:
 - considered by the Nominations Committee well in advance on a continuous and confidential basis;
 - coordinated with Vice-Chancellor succession;
 - initiated by the Chair and then executed by the Deputy, supported by the University Secretary;
 - based on a clear statement, agreed by the whole governing body, of what the expected role is to be and what competencies and experiences are required; and
 - undertaken with a clear, transparent and rigorous process that paves the way for clean handover and an appropriate working relationship between the new Chair and the existing Vice-Chancellor.

Annex

Role Description of Chair of the Bournemouth University Board

1. Leadership

- a. The Chair is responsible for the leadership of the university board. As Chair of its meetings, he/she is responsible for ensuring that the necessary business of the university board is carried on efficiently, effectively, and in a manner appropriate for the proper conduct of public business.
- b. The Chair should ensure, inter alia through a good working relationship with the Chairs of the university board's committees, that committee business is carried on in a proper manner, efficiently and effectively, and that regular and satisfactory reports are presented to the university board.
- c. The Chair should ensure that the university board acts in accordance with the instruments of governance of the university and with the university's internal rules and regulations, and should seek advice from the Clerk in any case of uncertainty.
- d. The Chair should ensure that the university board exercises collective responsibility, that is to say, that decisions are taken corporately by all members acting as a body. The Chair will encourage all members to work together effectively, contributing their skills and expertise as appropriate, and will seek to build consensus among them.
- e. The Chair should ensure that the university board approves and operates a procedure for the regular appraisal/review of the performance of individual members of the university board, and should participate as appraiser/reviewer in that process. The Chair should encourage members to participate in appropriate training events such as those organised by the Leadership Foundation.
- f. The Chair will be formally and informally involved in the process for the recruitment of new members of the university board, and should encourage all members to participate in induction events organised by the university.
- g. The Chair will be responsible for the appraisal/review of the performance of the Vice-Chancellor and will make recommendations to the Remuneration Committee accordingly. The Chair will also set and agree the Vice-Chancellor's objectives.
- h. The Chair will be responsible for the appraisal/review of the performance of the Clerk to the university board, taking care to ensure that any other duties the Clerk may perform for the institution are excluded from consideration, and will make recommendations accordingly. The Chair will also set and agree the Clerk to the board's objectives.

2. Standards

- a. The Chair is responsible for ensuring that the university board conducts itself in accordance with accepted standards of behaviour in public life, embracing selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- b. The Chair shall ensure that the Clerk maintains an up-to-date register of the interests of members of the university board, and shall make a full and timely personal disclosure. The Chair shall ensure that any conflict of interest is identified, exposed, and managed appropriately, in order that the integrity of university board business shall be and shall be seen to be maintained.
- c. Since the university is a charity, the Chair shall be responsible for ensuring that the university board exercises efficient and effective use of the resources of the university for the furtherance of its charitable purposes, maintains its long-term financial viability, and safeguards its assets, and to receive assurances that proper mechanisms exist to ensure financial control and for the prevention of fraud.
- d. The Chair is responsible for ensuring that regular reviews of the effectiveness of governance take place, in accordance with the CUC Higher Education Code of Governance and other best practice guidelines as appropriate.
- e. The Chair will be responsible for implementing the discipline and dismissal of board members. The Nominations Committee is responsible for making recommendations to the board in respect of the removal of any of its members from office in the event that a member breaches the terms of their appointment.

3. The business of the university

- a. The Chair is responsible for ensuring that the university board exercises control over the strategic direction of the university, through an effective planning process, and that the performance of the university is adequately assessed against the objectives which the university board has approved.
- b. The Chair should at all times act in accordance with established protocols for the use of delegated authority or Chair's Action (ensuring that such protocols are drawn up if none exist). All instances of the use of delegated authority or Chair's Action should be reported to the next meeting of the university board.
- c. The Chair should endeavour to establish a constructive and supportive but challenging working relationship with the Vice-Chancellor, recognising the proper separation between governance and executive management, and avoiding involvement in the day-to-day executive management of the university.
- d. The Chair will be a member of the Remuneration Committee, the Development Funding Committee and the Finance & Resources Committee (or equivalent) and will also chair the Nominations Committee and the Honorary Awards Task Group. The Chair will also attend and play an active role in the university's annual graduation ceremonies and other events as required, such as the annual Vice-Chancellor's Staff Awards.

- e. The Chair, along with other specified members of the board, will be an authorised signatory for documents as set out in the university's policies and procedures. These include documents signed under seal and deeds (in accordance with the contract signing procedures and the university's financial authority limits) as well as the annual financial statements of the university.

4. The external role

- a. The Chair will represent the university board and the university externally. The Chair will be a member of the Committee of University Chairs.
- b. The Chair may be asked to use personal influence and networking skills on behalf of the university (the 'door-opening' role).

5. Personal

- a. The Chair will have a strong personal commitment to Higher Education and the values, aims and objectives of the university.
- b. The Chair will at all times act fairly and impartially in the interests of the university as a whole, using independent judgement and maintaining confidentiality as appropriate.
- c. The Chair is expected to attend all meetings of which he/she is Chair or a member, or give timely apologies if absence is unavoidable.
- d. The Chair will make him/herself available to attend induction/training events organised by the university or other appropriate bodies such as the Leadership Foundation.
- e. The Chair will receive feedback on his/her performance as Chair via an appraisal/review procedure from other members of the university board at least once every two years. This may take the form of an anonymous 360° appraisal process, externally facilitated if appropriate.
- f. The likely overall time commitment required of the Chair for the effective conduct of the duties of the post is 50 days per year, with the bulk of the workload taking place during university term-time.
- g. The office of Chair is not remunerated, but the Chair is encouraged to reclaim all reasonable travelling and similar expenses incurred during university business, via the Clerk.