

## **Audience focus from the top**

### **Madeline Hutchins (Consultant, trainer and board member of Always Learning)**

In my career I've seen the inside of around 400 arts organisations in terms of their boards; I've been a board member and employee for around eight organisations, but in my work as a consultant and trainer, either on organisational reviews or on one-day away days, it has been for around 400 organisations.

One of the first boards I was on was for Battersea Arts Centre when Jude Kelly was there as director, and it was a fascinating time then in the early 1980s. What I hope I can bring to this session is a lot of experiences of how others have chosen to do what I think is still such a difficult thing to do, making the board part of the organisation, part of the team and to make sure they are addressing the right issues and in a way that feels comfortable with the ethos of our organisation.

What we are going to be looking at during this session is the vehicle, or the vessel of the board as part of our structure into which we can pour the marketing issues.

This is what we are going to cover in this session; our goal is an effective arts board with good board and staff relationships, and in order to get that, I am going to get you to:

- picture your board
- check out the vehicle we are in
- look at some maps and models
- examine different ways of seeing, check out about role and context
- look at some guiding principles
- look at the practical aspect of meetings and how they actually work and can work better

Just to check first, let's check the vehicle you are all in, or aspire to be in. Are most of you in companies limited by guarantee? What other structures have we got in the room? Charities?

Other structures:

- Charities – (a charity in itself isn't a legal structure, but it is an overlay onto another structure)
- Local authority
- Sole Trader
- Scottish Arts Council – charter

The focus for all of you is very similar. You might have trustees, directors, council committees etc, but what we are going to talk about today will be applicable.

We are looking beyond all the legal 'have to do things' that your structure brings with it today; there are plenty of other resources that will give you that type of information. We can influence how we do things in our organisations, and how effective our boards are.

One of the speakers yesterday quoted Peter Drucker 'giving attention to the right things' – this is how we make boards more effective.

I want you to picture your board, either in your current board, or project yourself forward to a future board meeting, either current or ideal. I want you to be imagining or

remembering that moment when you are putting together the papers for a board meeting. You have to decide the information, how to present it, how does it feel when you are compiling it? What expectations do you have? What are your thoughts about this? Let's fast forward to the meeting itself: how many people are there? What time of day is it? What space is the meeting held in? What experience, skill and knowledge have the board brought to the table? What are they going to think about your reports? Is it all going to meet your expectations of the meeting? What is the quality of the discussion and decision-making going on? How in touch are the board members and what are the outcomes of the meeting going to be? How are you going to feel about those outcomes?

### **Your board: dysfunctional or effective?**

I wonder if some of you might be able to tell me what type of board you have? Are they dysfunctional or effective, or somewhere in-between? I have two colleagues who work for major arts organisations; the first said that he will be pacing up and down his kitchen at 2am in the morning trying to get rid of the feelings of frustration and anger after his board meetings – what a waste!

My other colleague says she always comes home singing after board meetings! She feels energised and inspired by the quality of the discussion and she finds the process of putting the papers together and presenting them gives her a rhythm of working throughout the year.

**Q** Don't you think it depends on how big your organisation is? If you have a small board and little formality, lead by its founder, unpaid staff and lots of volunteers isn't it going to be more effective?

**MH** That's a particularly special case isn't it? The founder is the 'f word' of governance, when an organisation is founder-artist lead, there are a particular set of circumstances there.

**Q** One board I was involved in was very hands-on, and in another organisation I just went in and delivered a report and went out again. I think the state an organisation is in can determine how effective the board is.

**MH** What I find is that a dysfunctional board can pull an organisation down unnecessarily, and I find it a bit odd that we haven't sorted this out. I also think a consultant will also have a more jaded view of boards as they will have seen more of them when they are dysfunctional as opposed to when they are being effective.

### **Understanding the vehicle we are in: the charitable company limited by guarantee**

The structure most of us are in has an inherent complexity in it because of where it comes from. Charitable status goes back to 1601 and the legal structure of limited company goes back to the 19<sup>th</sup> century, post South Sea Bubble, in order to protect money being invested in the railways and it hasn't changed much since. So, here we are in the 21<sup>st</sup> century in this bolt-together vehicle of a steam engine and a half timbered war ship. It isn't ideal; it's very complex, because of this logic of 'disinterested management', e.g. that the organisation is best protected if the board members are not staff members. Is that the situation for most of you? It is particularly strange and complex situation.

In most cases, our board members are off-site, unpaid, part-time and usually from a different business to the arts organisation itself. This doesn't sound like a formula for success, does it?

There is a lot of choice relating to whom we have as board members, how many we have. We can change our mem and arts, but we often don't and we need to review more often that our board and our legal structure fit for what we are trying to do. Maybe we should review it systematically, e.g. at the end of a business planning cycle?

We need to have fitness for purpose, form following function. We are stuck with the form, but how we tune it, how we describe the role of the board members, and what we expect from them, can be tailored to our own organisations.

### **Some interesting models**

GMO – Governance, Management and Operation

The Carver Model of Governance

[www.carvergovernance.com](http://www.carvergovernance.com)



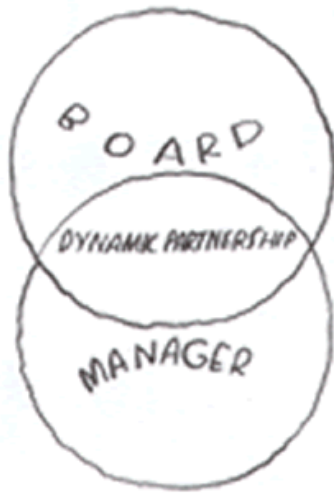
This is a model developed by John Carver in the USA. What he says is that boards should do less and achieve more and the only bit of this picture they should be concerned with is governance, the big picture stuff, eg setting aims and objectives, appointing CEO, monitoring etc.

I think we have a much more hands-on approach in the UK and our boards tend to be a lot smaller. Boards in arts organisations in the USA tend to have around 60-70 members and the real work is carried out in sub-committees.

But I think it can very useful to look at a set of board papers and ask ourselves, 'how much of this stuff we are asking our board to look at is big picture stuff?' Are they looking at high level marketing strategies, alongside the other big issues and policies? Is your board mired down in discussing operational issues, and if so, does this distract them from the bigger picture issues and discussions.

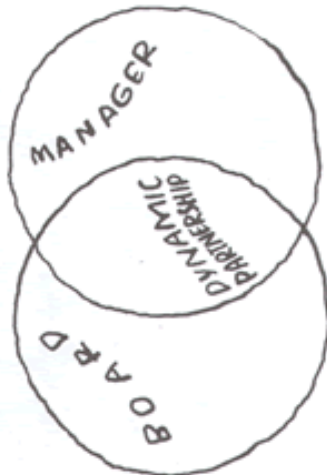
### **UK voluntary sector model**

I think this is a more relevant model for us to look at that is seeing some distinct things the board does, and some distinct things the senior staff do, but saying that there is a huge amount of overlap. My guess is that you would feel deeply uncomfortable in a way in which the chief executive didn't agree. You would want to go back round that and get some consensus between board and CEO on major decisions, and not just rely on voting power.



Within this scenario the board need to trust the CEO and they need to respect the role and responsibilities of the board. Getting that quality of a relationship working is essential and if that relationship breaks down that's when the board starts to become dysfunctional.

**Radical one – if we turn it sideways**



What if we say, there is a strong interdependence here, and neither side can do their job without the other. What I like about this model is that it leads neatly into this one by Carol Taylor. She says there is a danger of seeing the board on the other side of the fence – them and us – what is important is being on the same side of the net, as your partner in doubles tennis. What I like about the tennis analogy is that it recognises that you can play singles tennis, where you can make decisions on your own, and that you can play doubles where you make decisions together.

Sometimes the picture you carry in your head can be really important in how a board operates. We are caught up in the language of seeing the board as on the outside; yes, they do provide an external perspective, but we must see them as on the inside and on our side.

**MH Do you think of your boards as insiders or outsiders?**

**A** I work for an audience development agency and our board is made up of representatives from our members. They are inside but those board members have that external perspective and that is why they are there. However, I am on the board of a dance company and I feel very much on the inside there, and responsible for the strategic things. I think, because of the different natures of the organisations, and nature of the board director's the boards have different roles.

**MH** **This really demonstrates that if you are involving your users or audiences in your structure this will cause a duality of interest.**

Yes, because we are a charity as well, there are some issues with the Charity Commission as well, in relation to the 'disbursement of the bounty of the charity'; this means that the people on the board, who are potentially clients, cannot be seen to operate in the interest of themselves and their organisations and they cannot restrict the benefit of the charity to their organisations.

**MH** That problem also existed in the old structure of The Pre-Schools Playgroup Association, where only the parents of the children at the playgroup could be on the management committee. Therefore, by the rules of the charity, they could never set the rates for the playgroup as they all had a vested interest; this structure obviously did not work.

I think, as board members, we need to be more aware of the roles we are taking on and how many hats we have on (our potential conflicts of interest). Once, when I was doing some training, we asked somebody how many boards they were on, and they said 27! I don't think you can act in the best interests of this many organisations. This relates to all your dealings with this charity.

It's interesting that local authorities have now mostly decided that their councillors cannot be directors of organisations they fund, and they tend to have different relationships with boards of organisations.

### **The role of critical friend**

There has been real sharpening of the role of School Governors and they use this key role of 'critical friend'. This means you want to nurture, be friendly etc, but you also can give critical feedback, either positive or negative.

One thing we need to remember is that the board have taken on the final legal responsibility for the company and the Ltd company frame doesn't protect directors 100% - they can still be liable financially if and when things go wrong.

### **Do you see your board as a gain or a drain?**

I often ask organisations this question, and linking to this is the question why have a board? What do you think about this? Why do you think people join boards? The latter links to why people give blood – it's because they are asked, and a neighbour often asks them. When the motivation is wrong, the board will not work. I've been given some wonderful reasons by people as to why they have joined boards: 'to meet Judi Dench', 'to balance my portfolio of interests before the election', 'get me out of the house, so that I can talk to grown-ups'.

### **Motivations for joining boards**

One of the key issues is that if you have board dominated by people from a certain demographic – rich, middle class, white – this does not reflect what your organisation is about. It makes it very difficult if you are trying to sell new marketing ideas to your

board, and it is also way outside our equal opportunities and diversity policies. In this situation, let these people work on a fundraising group and don't make them directors of the company.

A core thread about successful boards is that they have a number of other ways of creating leads and getting connections to other potential board members; they have other ways of moving people into the organisation.

### **Volunteers becoming board members**

Moving active volunteers into positions as board members can cause some problems. For example,



The volunteers who are tearing tickets one day, come in as management committees members the next day. It's about respecting roles and understanding their responsibilities.

Do you think audience members make good board members? There is a lot to be said for people who know the geography, know the area etc and I think as boards have got professionalised, we've forgotten how valuable people with these skills can be.

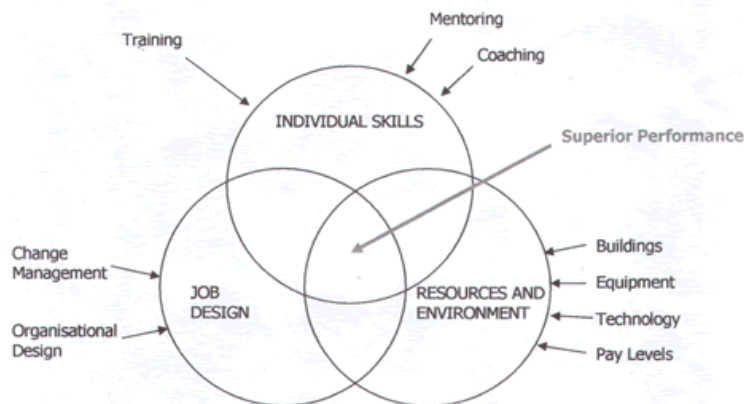
### **Why have a board? What are we looking to get from this board?**

- Free skills
- Objectivity – they walk in other worlds
- Mentor to the organisation, not just to the CEO
- Our eyes and ears – other life experiences
- Keeping a focus or frame
- Your social network – marketers
- Ambassador role
- Diversity – this is a group, not an individual

### **Role and context**

I feel that very skilled and knowledgeable board members are rendered incompetent if they do not understand the role or context they are in

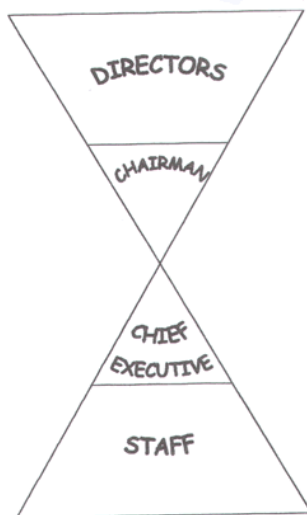
# Boyzatis Competency Model



This is a model developed by Boyzatis, and he is looking at three interrelated areas that have to fit together well in order to get superior performance that fits in the middle. The top one is individual skills, what the person brings, and then it is up to us to do the other bits properly: role design, eg we need to be clear about what this person does, and then the other bit is having the resources and also understanding the environment and the context – this is the bit we really need to make clear to new board members, and they need to respect the culture of our organisations.

When board members are not given enough of these frames, then they cannot act effectively. We can help by sorting out these frames.

## Guiding principles – the hour glass approach



This is a classic hourglass model, where all communication between staff and board members is through the chief executive; there is no direct communication between paid staff and board members – it is all filtered through this closed neck.

The logic is to open up this neck and open up the communications between particular staff and particular members of the boards and this could happen through sub-committees. A model I have been finding works well in arts organisations is where

there are deliberate relationships, say between the marketing person the staff and marketing expert on the board, e.g. it can be a mentoring relationship. This does bring with it a lot of complexity, it has to be planned and managed and it only works well if there is a lot of trust, particularly on the part of the chief executive.

There needs to be a lot of communication, and if you can make it work it makes best use of human resources. If this type of communication and relationships happens without any structure then it can be a disaster. You need some rules and boundaries written down. One of those rules is about collective responsibility. The board makes joint decisions, so the board member and the member of staff cannot make decisions on things through their own working relationship and their discussions.

I have an example of a small arts organisation in Plymouth, and they were running first aid training for their staff, and the board suggested that they ran such a session just for them. It was a really positive bonding session – it was non-threatening, hierarchical training and the positive effects of running it lasted for around two years.

### **Skills for board members**

It is important that the board members skills enable them to engage properly with the organisation's mission, aims, and values. You would be surprised, but I have worked with organisations where some board members are opposed to public funding. Often, I think tension in an organisation comes through a lack of fit with the organisational values, and this shows up when board members were perhaps brought in because of their money etc.

Board members also need to have enough time to get through the business properly. Look at board membership and the skills you need across the lifetime of the current business plan and don't expect them to be around indefinitely.

There is a terrible danger in this in that all your board members might be retired, e.g. they have got the time. You can manoeuvre around this, for example, when you hold your board meetings matters. If you hold them in the evening, you open them up to different types of people. Whether or not you pay board members' expenses is a really important thing as well; care and attendance allowance, loss of earnings allowance. There are huge equal opportunities issues here. If you, as an organisation, don't actively promote the fact that these are on offer, you are not going to widen the types of people joining your boards.

The key skills, for me are, being able to:

- Listen
- Question
- Challenge

Other stuff follows on; then you should look for professional and life skills, avoid cloning, and you need to look for motivation – why do people want to join your board, what is their motivation for doing so?

### **Processes for meetings**

I wanted to go through some techniques for meetings, which might help you get marketing focus in the meetings. These are some quotes that come from a book called *Volunteers on Management Committees*:

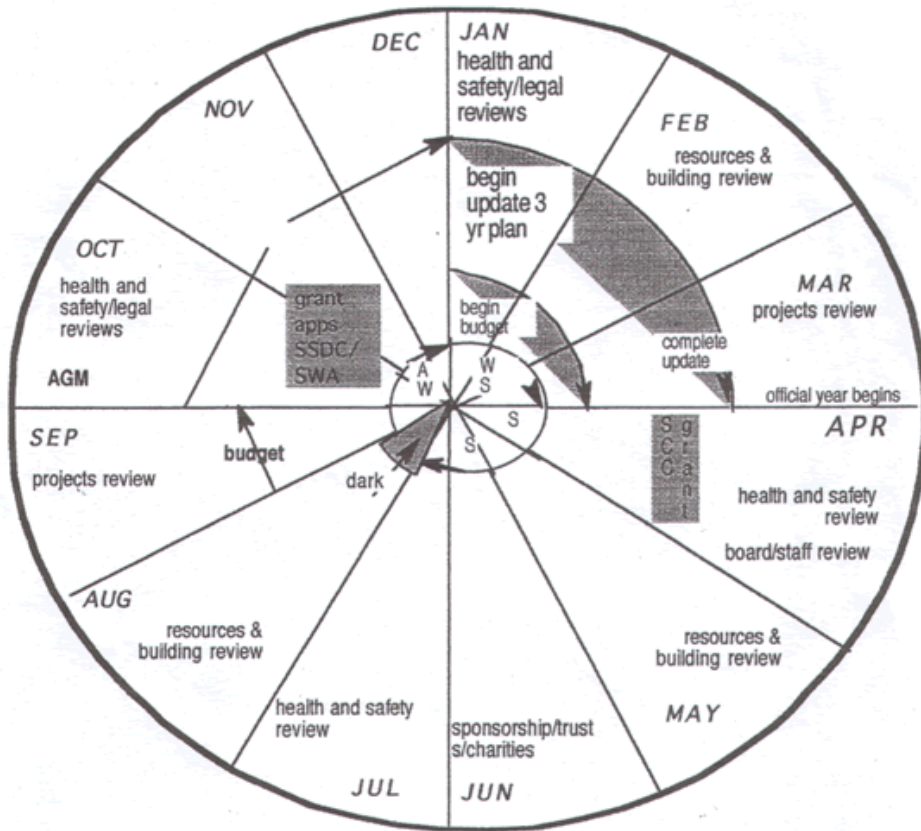
'I don't have to be doing this you know, I could be playing badminton'

'I get a forest of papers for each meeting, but not the information I need'



We have to be careful with our relationship with board members. Perhaps after an AGM, or their first board meeting, you could ask them where are they on their energies and enthusiasms, and where do their interests lie? What would you like to engage in within our organisation?

The idea of a year plan of meetings and agendas also helps keep focus.



**key:**  
 AW - autumn/winter season  
 WS - winter/spring  
 S - summer  
 SSC - Somerset county council  
 SSDC - South Somerset district council  
 SWA - South West Arts

This is like a clock face; what I like about the circle is that you can see it continues. On the inside you can plan all those things you have to do – when you submit your accounts, when you need to hold your AGM by, when your funding applications need to be in. On the outside, you log what is going to be on the agenda for each meeting, otherwise you could choose to put things on the agenda during slack times. The more frequent meetings (one a month) enabled this organisation to have different types of meetings and agendas. This is where you could have major reviews of areas including marketing. There is a huge value in getting this sense of flow on the agenda and at the strategic level.

This also links to this idea of creativity and strength. There is something about that formality of board meetings which means that a lot of our creativity goes out of the meeting, and many of them are particular boring. We could be using Powerpoint, stickies on paper etc, playing videos etc. As long as the business of the meeting is minuted, that is fine. You could have a particular speaker in, widen the debate, bring in a new idea; this should increase your shared understanding of a particular issue and improve the quality of the decision-making.

I've been involved in devising a publication with All Ways Learning and it's called '*Working Together*' and we looked at the care and attention of planning which goes into board retreats. The same level of attention to detail should be given to board meeting planning, e.g. location, time, tea/coffee, how should we shape the agenda, flag the papers in advance, put questions into the papers, give people a way in. We have a huge toolkit of creativity and if we bring some of this into board meetings we will energise them.

### **Planning meetings**

We need to look at board meetings as markers in a journey, within a continuum. This comes from a publication called '*Meeting Together*' and it talks about the meeting continuum. In terms of the time and effort, you need to put 40% in before, 20% during and 20% afterwards (if you are a staff member). Looking at it this way, makes the meeting work better, and the quality of the discussion in the meeting will depend on the quality of the planning.

If you look at it as if you have a year's worth of board, then you look at how you plan the whole year, how you get specific issues on the agenda, for example, marketing and audience development.

Another model to look at is the dashboard; look at it as if it's the dashboard on a car, with lots of instruments on it and if you know what your performance indicators are you devise a way of doing that visually on an A4 sheet with diagrams, and graphics etc. This is how you report to the board and provide the information in the way your organisation wants to present it.