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Maximising Board governance effectiveness in small and medium-sized Australian independent schools

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Maximising Board Governance Effectiveness

in Small and Medium-Sized Australian Independent Schools

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Abstract

My experience of working with boards of independent schools has led me to conclude that boards often struggle to know how they might make their governance more effective. Very little has been written and few empirical studies have investigated governance of independent school boards in Australia, despite the considerable responsibility and power entrusted to them. This study asks how well such boards are governing and what they could do to engender fully effective governance.

Currently, there are no standards or instruments for assessing the effectiveness of board governance. This study identified seven governance effectiveness factors (GEFs) from the literature on governance in schools and other non-profit organisations. These factors were used as assessment instruments in seven case studies of school boards in small to medium-sized independent schools. The research was predominantly qualitative and involved four research methods: a survey, semi-structured interviews, a review of board documents and observation of board meetings.

The data were explored by assessing the GEFs within each case and across cases. The findings showed that five boards demonstrated poor governance effectiveness, one was very poor and only one was effective. Three unexpected themes emerged from the data, showing how boards can move towards governance by delegating operational management of the school to the principal. These involve boards understanding, first, the nature of governance and developing the intention to govern effectively, second, when and how to make the difficult transition from operational management to governance, and third, how to adapt their approach to governance as they gain experience with it. A model of this transition process and a framework to guide managers and researchers through key decisions were developed. These fill a critical gap in the literature on board management in independent school governance.

Declaration

I certify that this thesis does not, to the best of my knowledge and belief:

1. incorporate without acknowledgement any material previously submitted for a degree or diploma in any institution of higher education;
2. contain any material previously published or written by another person except where due reference is made in the text of this thesis; or
3. contain any defamatory material;
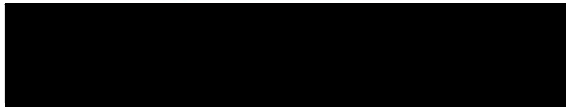
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List of Abbreviations

ACS	Anglican Schools Commission
ACT	Australian Capital Territory
ACNC	Australian Charities and Not-For-Profits Commission
AIS	Association of Independent Schools
AISWA	Association of Independent Schools of Western Australia
AISSA	Association of Independent Schools of South Australia
ASIC	Australian Securities and Investments Commission
CEN	Christian Education National
CEO	Chief Executive Officer
CSA	Christian Schools Australia
DOC	Department of Commerce (Western Australia)
GEF	Governance Effectiveness Factor
ISCA	Independent Schools Council of Australia
NAIS	National Association of Independent Schools (US)
NSW	New South Wales
PA	Parent Association
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
SWOT	Strengths, Weaknesses, Opportunities and Threats
UK	United Kingdom
US	United States

List of Key Terms Relating to Schools

Autonomous Independent School.

An independent school that is not part of a larger system of independent schools. Typically one school (sometimes with multiple campuses) reporting to a board. (i.e. non-systemic independent school)

Independent School.

A non-government run school that is independent to the state school system.

Independent Public School.

A government school that has delegated limited governing responsibilities to a local council and increased decision making responsibility to the principal.

Large School.

Over 800 students

Medium Sized School.

Between 200 and 500 students

Public School / Government School

A school operated by the government

Small Sized School.

Less than 200 students

Systemic Independent School.

An independent school is part of a larger independent school system (e.g. Anglican Schools Commission)

Note: The focus if this study is on small and medium sized autonomous independent schools.

Chapter 1: Introduction

1.1 Introduction

Boards of independent schools are responsible for overseeing the school's management and long-term development, and are accountable to parents and students, founding bodies (such as a church), financial and government regulators and ultimately the broader community in which students live and work. Typically this small group of directors, thus a board is entrusted with a very broad range of expectations and responsibilities. As small and medium sized independent school boards comprise parent volunteers they often struggle to find expertise in governance and the school will lack the human and financial resources required to support effective governance. Although there have been many studies of similar issues in other non-profit sectors and a few studies of independent school boards generally, mostly in other countries, the research literature so far has very little to say about the specific challenges faced by the boards of smaller independent schools.

Given the difficult circumstances that boards often find themselves in, this study aims to examine the governance effectiveness of seven smaller independent schools. Using a set of seven criteria for effective governance in this context, board operations are examined through a survey, interviews, researcher observations and document analysis. The findings should guide both future researchers and board members seeking to improve their approach to the challenging activity of governing a small school faced with limited resources and a complex external environment.

This thesis begins by considering the definition of governance and its difference from management. It then develops a framework for assessing governance effectiveness and based on a qualitative approach applies this to seven case studies of Western Australian independent schools. The findings lead to a model of how schools' transition from operational management to governance as they grow, along with a comprehensive framework to guide boards and future researchers through this challenging process. The findings, model and framework are expected to have theoretical and practical relevance to independent schools in other Australian and international locations. While not targeting public schools, public independent

schools and 'systemic' schools, many of the findings will also contribute academically and practically to them and the non-profit sector more generally.

The remainder of this chapter presents the study's aims and key research questions, relates these to previous research, defines the scope of the study and describes structure of this thesis.

1.2 Research Aim

Recent decades have seen rapid growth in the independent school sector of many Western countries (ABS, 2018: Caldwell, 2010). Governments in Australia, Europe and the United States (US) now provide partial funding to independent schools in order to broaden educational choices and reduce reliance on public schools. In Australia and other nations, independent schools are legally required to be overseen by a board. However, for several reasons these boards often struggle to understand their role in governing the school. First, government regulation of the board is usually limited to assessing compliance with basic financial and educational standards, leaving boards to develop their own understanding and approach to governance. Second, board members tend to be volunteer parents, often with little experience in governance, education, business management and relevant professions such as finance or law. Third, most schools start small, further limiting the size of the parent pool from which board members are recruited. In Australia, 14.5 per cent of primary and high school students are educated at independent schools (Australian Bureau of Statistics [ABS], 2018). How well their boards govern these schools, and what practical steps boards can take to improve their effectiveness, are therefore important questions concerning the education of a substantial number of future citizens.

The existing studies of independent school boards (e.g. Clarke, 2017; Gilchrist, 2015; Gobby & Niesche , 2019; Payne, 2004; Austin, 2007; McCormick, Barnett, Alavi and Newcombe, 2006; Grant, 2006) are consistent with a larger body of research on governance of non-profit organisations in showing that boards typically see their role as supporting the chief executive officer (CEO; the principal in a school) to manage the organisation's day-to-day operations (e.g., Leggett, Campbell-Evans and Gray, 2016, Austen, Swepson, & Marchant, 2012; Gobby & Niesche, 2019). However,

governance is in many ways the opposite of this approach: governing involves oversight or stewardship of the organisation's long-term mission, and a governing board typically delegates operational management to the CEO, who reports to the board (Renz & Anderson, 2014). A governing board holds ultimate authority over the school but focuses on the 'big picture' issues of its mission and accountability to key stakeholders (Fisman, Rakesh, & Edward, 2009). In the private sector the latter are typically business owners or shareholders (Andringa & Engstrom, 2002; Bartlett & Campey, 2012; Cornforth, 2012; Leggett et al., 2016), but non-profit organisations usually exist to help service recipients, such as parents (Gann,2017) (on behalf of students) in a school. Some must also consider the interests of a founding organisation such as a church (Andringa & Engstrom 2002).

Existing studies suggest that effective school board governance improves students' educational outcomes and promotes more effective and efficient school management (Slate et al, 2004; Moody 2011; Mountford, 2004). Since independent schools are typically founded on ideological principles, for example, religious or community values, keeping the school focused on long-term fulfilment of its mission is another key benefit of the governance approach to board operations (Bartlett & Campey, 2012; Bambach, 2012; Carver & Carver, 2001; Siciliano, 2008).

This study examines the effectiveness of governance in small to medium-sized independent schools, with the primary aim of advising boards how to shift from operational management and principal support to governance. Current research on school and non-profit governance provides only general frameworks of little practical use to boards. While many conceptual and empirical academic studies and reports from consultants or government bodies consider non-profit governance from different angles, no systematically researched and practically useful framework could be found.

1.3 What is Governance Effectiveness?

The literature review uncovered many different and often competing views on the nature of governance arising from a broad variety of academic disciplines. These views were often based on different assumptions or about human nature and society or prescriptions about what governance should be as well as empirical investigations.

The latter often focus on the private sector, particularly larger corporations, although concepts from these studies are increasingly applied to non-profits and smaller organisations. While there have been some attempts to provide a holistic view of effective governance, previous studies tend to emphasise only one or two factors and as a result there is little agreement in the literature.

Below, a working definition of governance is drawn from a dictionary description of the term's everyday use and refined to highlight three elements common in the literature and relevant to the independent school context: accountability, mission focus and oversight of the school principal (Section 2.2). An analysis of the distinction between 'governance' and 'management' (Section 2.3) follows as these terms have overlapping uses in management research. Five broad theoretical frameworks for governance that have been influential in various disciplines are then compared (Section 2.4), followed by a review of the management literature (Section 2.5). This leads to an 'operational' or working definition involving seven Governance Effectiveness Factors (Figure 2.6) which is used to focus the data collection and analyses in later chapters.

1.4 Research Questions

Two interrelated components underpin the research question for this study.

1. **How effectively are small and medium sized independent schools governing?**

2. **How can these boards improve their governance effectiveness?**

To answer these questions, it was first necessary to define governance and differentiate it from management. Boards often confuse these terms (Andringa et al., 2002; Bartlett & Campey, 2012; Bush & Gamage, 2001; Oliver, 2009; Tricker, 2015), and while the literature provides many different governance definitions that originate from a variety of different paradigms (e.g. financial economics and management) it does not provide a *widely accepted* definition or comparison of them. The definition of governance developed in Chapter Two involves "*making decisions to steer the organisation's overall proceedings to ensure organisational accountability, mission fulfilment and CEO oversight*".

The next step was to identify factors contributing to governance effectiveness by reviewing previous studies and reports on governance. Existing models and frameworks tend either to offer very general advice to boards or focus on a narrow set of factors reflecting authors' assumptions, conceptual perspectives or experience of 'best practice' in different contexts. Effectiveness governance, as presented in this thesis, is based on demonstrating key GEFs. Identifying the GEFs was therefore crucial to this thesis and led to a more comprehensive and practically useful framework. As the concept of governance means different things to different people an overview of the main GEFs identified in chapter are listed below so readers with expertise in other paradigms of study of governance can more fully understand how governance effectiveness is viewed in this study. The following is a summary of key factors emerging from the review.

1. **Focus:** Whether a board has a strategic focus on the school's values, mission and strategic direction or an operational focus on managing daily activities.

2. **Approach to governance:** The board's understanding of how governance differs from management (in overseeing strategy, accountability and CEO performance), and its use of published models of governance.

3. **Roles:** Separation of the board's role in ensuring external accountability, mission fulfilment and CEO oversight from the principal's role in operational management and staff accountability.

4. **Relationships:** Creating positive relations with the principal, with the parent community and among board members.

5. **Competence:** The level of governance and management competence among board members; recruiting, training and inducting members.

6. **Processes:** The policies and business processes boards use to manage their operations.

7. **Context:** Consideration of how external and internal environmental factors affect the school.

Identified GEF factors were used to assess the governance effectiveness of boards in seven schools, using a multiple case study design. Targeted questions for each governance effectiveness factor (GEF) are shown in Table 1.1.

Table 1-1 Questions Targeting Governance Effectiveness Factors (GEF Questions)

GEF 1: Operational v Strategic Focus

To what extent is the board focused on achieving the school's mission and strategic direction?

GEF 2: Governance Approach

What approach or model of governance (if any) has each board adopted? How does this contribute to its effectiveness?

GEF 3: Governance Role

How do boards understand their role in relation to the principal?

GEF 4: Board Relationships

How do the board's relationships with key stakeholders and the principal, and relationships between board members, assist governance?

GEF 5: Competence to Govern

Do boards have the competence to govern effectively? What do they do to improve their competence?

GEF 6: Board Processes

In what ways do boards' policies and business processes influence their effectiveness?

GEF 7: Consideration of Context

What contextual factors do boards consider when governing? How is their response to these helping governance?

1.5 Previous Research

There have been few previous studies of independent school governance. In Australia, Payne (2004) highlighted the tensions and conflicts arising as 'alternative' independent schools' boards sought to become more 'businesslike' and less involved in educational matters. McCormick, Barnett, Alavi and Newcombe (2006) highlighted the lack of research on Australian independent school governance and presented a broad-brush framework of contextual factors affecting boards. Ten years later, Leggett, Campbell-Evans and Gray (2016) found little new research and suggested only minor modifications to McCormick et al.'s framework. Leggett et al. highlighted several key issues faced by independent schools including the tendency

for boards to lose strategic focus, for example focusing instead on immediate operational issues such as building maintenance, and problems in relationships between board members and the Principal.

Recent Australian studies of school governance have focused more on 'independent' public schools where governance is now partially devolved to the school (Austen, Swepson, & Marchant, 2012; Gobby & Niesche, 2019). These may face many similar issues to autonomous independent schools, for example, in the need to build good relations with parents and recruit suitably qualified board members.

Finally, several reports or guides from Australian consultants and other authors provide general practitioner-focused advice for boards (Bradfield Nyland, 2002; Codrington, 2015; Resolve, 2011). However, these lack systematic consideration of previous research on governance in schools or non-profit organisations generally.

Overall, Australian studies and reports so far provide little detailed guidance relevant to independent school boards or researchers interested in governance. International studies of independent school governance are also rare, and such schools tend to face different context in terms of their legal structure and accountability to government, for example.

Many international studies of *non-profit governance* are relevant to independent schools. In comparing non-profit with corporate governance, authors have highlighted the focus on stakeholders rather than shareholders, the key role of service recipients among stakeholders and the importance of service outcomes rather than profit (e.g., Andringa & Engstrom, 2002; Bartlett & Campey, 2012; Cornforth, 2012; Leggett et al., 2016; Ostrower & Stone, 2010). However, these studies do not always reflect the particular issues faced by smaller non-profit organisations such as independent schools.

Overall, the literature so far provides no comprehensive framework for independent school governance based on a systematic review of previous research or empirical study of board operations. At the same time, it is widely accepted that boards of schools and other non-profit organisations tend to see their role as operational management in support of the CEO or principal (e.g., NAIS, 2018; Carver, 2006), thereby failing to understand the true nature of governance. This study examines

independent school boards' understanding of governance using the framework outlined above and provides an empirically grounded model of how boards can transition from operational management to governance as schools grow in size and 'governance intentionality'.

1.6 Significance of the Research

In 2017, over half a million students were enrolled in independent schools (ABS, 2018), representing a sizable proportion (14.5 per cent) of the 3.5 million enrolled in Australian primary and high schools. Nearly one in five upper secondary students (19.4 per cent) attended an independent school. Independent school enrolments have grown significantly in recent decades, being only 4.1 per cent in 1970 (Independent School Council of Australia, 2019; ABS, 2006, 2014, 2018). Their growth in the last decade has been twice that of Catholic and government schools (Independent School Council of Australia, 2019).

Boards of these independent schools are entrusted with ultimate responsibility for the school. They have legal obligations under the Western Australian school registration processes (Department of Education, 2018b). They must ensure the school operates within its budget, the requirements of government funding agencies and business law. They may also be accountable to any founding organisation, such as a church. However, their fundamental duty is to ensure the school's educational outcomes reflect national standards, the expectations of parents and the values underpinning the school's mission. Significantly, despite their broad range of responsibilities boards often have difficulty recruiting members, especially those with relevant educational or business competences.

The literature reflects the researcher's experience as an independent school manager in suggesting that boards do not often understand the governing role. They tend to focus on operational matters rather than on overseeing strategic fulfilment of the school's mission, as defined by parents and other stakeholders, and they tend to follow rather than lead the principal. Government regulations regarding registration provide little direction on the board's role, and while professional associations (e.g. the Association of Independent Schools [AIS], the Independent Schools Council of Australia, Christian Schools Australia [CSA] and Christian Education National

[CEN]) provide advice, this varies in approach and seems to have little influence on boards. It appears boards rarely question their approach to governing or managing the school.

Many independent schools are quite small: 38 per cent have less than 200 students (Independent School Council of Australia, 2019. This study focuses on small and medium-sized independent schools (under 800 students), since most schools start out as small and lack understanding of governance as a result of their board's limited competence. As they grow, governance becomes increasingly important for directing the school's resources towards future development.

Those who have had the privilege of working with boards of small and medium-sized independent schools, or attending conferences on independent school governance, will have observed an alarming number of boards struggling with these issues. Many boards will have looked for answers in the limited body of academic knowledge with little success. Their efforts may appear ill-directed owing to ignorance about what governance involves or how to translate it into practice.

Previous studies suggest good governance improves student outcomes and keeps schools focused on the 'big picture' of their mission and long-term goals, rather than becoming side-tracked by operational decision-making. However, governance is a complex concept and academic research presently offers little of direct value to boards or researchers interested in developing governance in smaller independent schools or non-profit organisations. The field lacks a systematically researched and practically useful framework clarifying the nature of governance and empirically grounded guidelines for supporting the difficult paradigm shift from operational management to governance. This study aims to fill these gaps in knowledge by providing new frameworks that target the effective governance of small and medium sized independent schools.

1.7 Scope of the Study

For practical reasons this study examines independent schools in Western Australia (WA), although the research questions are equally relevant to independent schools in other regions of Australia and other countries. The findings are expected to have much relevance in other locations, and also to schools in larger public or private

systems, such as government, Anglican or Catholic schools whose boards have some discretion over school direction and funding priorities. For example, in Australia 'independent public schools' with limited self-governance have recently appeared. The literature suggests many of the present findings will apply to other non-profit boards, many of which face similar issues to school boards.

The selection of schools for this study reflects the researcher's perception of where governance is least understood, that is, in small and medium-sized independent schools. Independent schools in Australia are privately rather than government controlled. In keeping with the *Australian Education Act 2013* (Commonwealth) to receive government funding, however, they must be non-profit organisations and have relevant legal status (e.g. an incorporated association or company limited by guarantee). They are sometimes called 'autonomous' schools, being self-managed rather than part of a larger school system and having a local constituency: "many parents and community groups find that self-governing schools are more accountable to their immediate communities than is possible for schools that are part of large centralised systems" (Independent School Council of Australia, 2018, p5.). According to McCormick et al. "The institutional role of an independent school board is likely to be quite different, and considerably more significant than the role of a board of a systemic school" (2006, p.440).

Small and medium-sized schools are defined here as having less than 800 students. In the researcher's experience, their boards are likely to have few resources, little understanding of governance, difficulty in attracting members and other challenges less commonly experienced in larger schools. Small schools (less than 250 students) are expected to experience these issues in even greater degree.

Practical concerns limited the number of case studies to seven boards, but these included a broad mix of schools: small and medium, metropolitan and rural, and religious and community focused. The results are therefore expected to apply to independent schools in general, within the limitations noted in Chapter 7.

1.8 Thesis Outline

Chapter 2 involves a literature review focused on identifying a set of factors contributing to governance effectiveness to guide data collection and analysis and

help boards and researchers understand this complex concept. It begins by examining the definition of governance, finding no consensus on this and consequently proposing the integrative definition cited above. It then examines the distinction between governance and management and considers three broad conceptual frameworks for understanding school and non-profit governance. The main part of the review considers studies identifying factors underpinning effective governance, in schools or non-profit organisations generally. A framework of seven factors is proposed.

Chapter 3 describes the predominantly qualitative case study methodology used to examine governance effectiveness in seven boards. This study addresses the research questions using four sources of data, two concerning the perceptions and experiences of board members and school principals (a survey and interviews) and two involving more objective methods (review of board documents and observation of board meetings). This chapter examines key assumptions behind the methodology, considers the scope and limitations of each research method, and addresses the reliability, validity and generalisability of the findings.

Data analysis is covered in two chapters. Chapter 4 describes a *within-case* analysis using the seven GEFs to assess each board's functioning. Chapter 5 reports a *cross-case* analysis, looking at each GEF in turn based on a qualitative approach. Each research method is qualitative, supported by some quantitative questions within the survey.

Chapter 6 discusses the findings of Chapters 4 and 5, beginning with a summary of these in relation to each GEF. It then introduces three unanticipated themes emerging from the data concerning the process by which boards transition from operational management to governance: the need to develop governance intention; the timing and steps involved in making the transition; and the need to subsequently review and adapt the board's model of governance over time. A model of the transition process and a Transition to Governance Framework are presented to summarise the study's key findings.

Chapter 7 discusses further issues emerging from the data analysis, including the usefulness of the GEFs, the value of Carver's widely used model of Policy

Governance, the role of board culture and approach to conflict, the governance competences needed by the principal and board chair, the role of industry associations, the nature of governance accountability and the value of board member training. It then summarises the study's findings and contribution to the literature, reflects on the quality of the research methods, and outlines key limitations. The thesis concludes with statements of its contribution to governance practice and research.

Figure 1.1 below summarises the key topics of each chapter.

Ch 6

Summary of findings on GEFs, emerging themes, Transition to Governance Framework.

Ch 3

Method: qualitative case studies based on GEFs.

Ch 7

Further discussion, academic & practical contributions, quality of methods, limitations, future research, conclusions.

Chs 4 & 5

Within- & cross-case analysis using GEFs.

Ch 2

Literature review to identify governance effectiveness factors (GEFs).

Figure 1-1 Summary of Thesis Chapters

Chapter 2: Literature Review

2.1 Introduction

The long-term success of any organisation is strongly influenced by the effectiveness of its governance and non-profit organisations such as independent schools increasingly recognise its critical role in a highly competitive marketplace for services (Curry, Kinder, Benoiton, & Noonan, 2018). This chapter reviews the literature on governance in corporate and non-profit organisations generally and independent schools specifically, with the aim of developing a framework of 'governance effectiveness factors' (GEFs) relevant to the latter. The review examines both the *meaning* of governance and the specific *factors* likely to make governance effective in independent schools. It begins by reviewing the concept of governance and its role in organisations, focusing on studies of non-profit organisations and independent schools. The second half draws on this literature to identify seven factors considered important to effective governance, summarised in a framework presented in Figure 2.6.

In 1997 Carver, a leading authority whose model of governance is still widely used by boards, observed that "though possessed with ultimate organisational power the governing board is understudied and underdeveloped" (Carver, 1997, p. 8). However, research on non-profit governance remained limited until recent years when outsourcing and privatisation of government services created growth in the non-profit sector. Increasing scrutiny of non-profit organisations reflects their significant public and private funding and impact on social services (Cornforth & Brown, 2014). However, the growing non-profit governance literature has been dominated by studies of the human services and health sectors (Ostrower & Stone, 2010) and school governance remains largely overlooked. Independent school governance is even less studied, although informative contributions from academics and practitioners can be found.

Non-profit governance is a challenging research topic, as Cornforth observed: "empirical research on non-profit boards suggests governance is a complex,

inherently difficult and problematic activity" (cited in Othman et al., 2016, p. 2). Researchers have proposed a wide range of factors contributing to effective governance, often using different and sometimes incompatible assumptions and terminology. While some common themes can be identified, the field remains highly fragmented.

Very little empirical research has been conducted on the effectiveness of boards in independent schools, particularly in Australia. Further, authors tend to focus narrowly on topics such as relationships with school heads (Land, 2002; Leggett et al., 2016) rather than fully considering the broad and complex concept of governance. Therefore, this review draws widely on studies of both non-profit and school governance.

Effective boards demonstrate effectiveness in key areas. Within the body of knowledge on board effectiveness, key factors that contribute to effective governance are identified and discussed. A problem encountered was identifying what the effectiveness factors are as different factors are emphasised by different researchers. This chapter therefore reviews and shows what the literature collectively states as factors contributing to governance effectiveness. In doing so it shows what governance effectiveness looks like and reveals the GEFs.

This chapter begins by defining governance and comparing its role in for-profit and non-profit organisations. It then introduces school governance and examines the independent school context. The major focus of this chapter is on factors contributing to effective governance in non-profit organisations generally and school boards specifically. Section 2.3 considers both broad frameworks of governance and individual factors arising in studies in Australia, New Zealand, the US, the United Kingdom (UK) and Europe. Seven common factors are distilled from these studies and individually discussed in Section 2.4. The final section presents a framework summarising these GEFs which is used to analyse the seven case studies described in Chapters 4 and 5.

2.2 What is Governance and How Does It Differ in Non-profit Organisations?

Governance is important for both corporate and non-profit organisations but may have different priorities in each context. This section examines the origins of the term 'governance' before focusing on non-profit governance and its differences from corporate (for-profit) governance. Although there is no commonly accepted definition of governance in the academic literature, a number of important elements can be identified, and these are incorporated into a conceptual definition used in this study.

Definitions of governance tend to reflect the theoretical approach of authors (L'Huillier, 2014) and the different assumptions of their fields of study. Agency theorists for example often see governance as controlling managers of large corporations in order to minimise their inherent self-interest and maximise the returns to shareholders, the principals (funders) of the business. Stewardship theorists on the other hand assume managers are motivated to achieve the company's best interests, emphasising facilitation and empowerment of employees rather than monitor and control (Davis et al. 1997, p25). These different assumptions make for very different approaches to board governance.

Governance research has expanded rapidly in recent decades and now extends across a diverse range of academic fields and industry sectors (both private and non-profit). Reviewing the range of definitions used in this literature is a complex activity beyond the scope of this study. Rather, the aim in this chapter is to develop a definition suited to research on independent schools. For this purpose a wide range of studies was reviewed, including the broad theoretical frameworks discussed in Section 2.3 and more specific approaches, models and framework s for the practice of governance in non-profits and schools covered in Sections 2.4 and 2.5. Table 2.1 below provides an overview of these theories and perspectives.

Table 2-1 Theories and Perspectives of Governance Reviewed Here

Theory / Approach	View of Governance
Policy Governance Approach	Board follows a set of formal policies covering its operations and relationship with the school managers..
Carver's Policy Governance Model	Comprehensive approach to policy governance for non-profit boards focussed on the roles of board, CEO, meeting procedures and strategies for meeting organisational goals.
Corporate / Entrepreneurial / Business Governance Approaches	Related approaches commonly adopted by for-profit organisations, characterised by concern with short-term innovation, market share focus, niche dominance, efficiency and best practice.
Shareholder Governance	Shareholders are the most important stakeholder and the board's goal is to maximize their returns.
Representative / Constituent Approach	Multiple stakeholder groups are represented on the board, linking it to a range of organisational constituents.
Emergent Cellular Model	Boards of highly networked organisations emphasising cooperation, innovation and creativity.
Hybrid Governance Framework (Bradshaw, 2009)	A board's governance is typically seen as a hybrid of up to four prototypical governance models towards which boards are pulled by internal and external forces.
Social Constructionist Approach	The CEO and board work in partnership, helping each other to function more effectively. More common in non-profits.
Community Governance Approach (Bartlett & Campey, 2010)	The board works with the organisation's community (e.g. service recipients) as an equal stakeholder to enact a common vision. More common in non-profits.

Broad Theoretical Frameworks Used in Governance Research

Resource Dependency Theory	The board acts in response to the organisation's dependency upon multiple resources obtained from the environment.
Stewardship Theory	The board is a cooperative steward for the organisation. If left to its own devices the board will seek be a good steward for the organisation.
Agency Theory	The relationship between CEO and the board should be viewed as a principal-agent relationship characterised by control mechanisms.
Behavioural Theory	Governance should be viewed in terms of the interactions and decisions among actors.
Stakeholder Theory	Governance performance is contingent on the relationships with its external stakeholders.

Given the variety of theoretical and practical nuances attached to the term 'governance' a helpful starting point in understanding it is to examine its everyday (non-academic) usage. The Oxford English Dictionary (2018) provides a well-researched definition from this viewpoint, defining governance as "the action and

manner of governing a state, organisation etc.". It lists several meanings for 'govern', but in relation to 'organisation' defines it as "to regulate proceedings of". However, 'regulate' has connotations of rule setting and autocratic control, a focus at odds with modern theories of management and perhaps less relevant to governing an independent school or other non-profit organisation. 'Regulation' and 'rule setting' may be elements of governing but do not fully capture its essence as described in the academic literature.

Governance itself comes from the Greek word '*kubernao*', meaning '*to steer*'. This is the preferable perspective for boards of non-profit organisations, although, as both the academic literature reviewed below and the data collected in this study suggest, many boards focus on regulation in the form of management control rather than stewardship. For example, Bartlett and Campey (2010) suggested that non-profit boards in reality *direct*: "rather than steering their organisations through guidance, discernment and leadership, they invariably direct management, meddle in day-to-day issues, and provide little in the way of longer-term planning and leadership" (pp. 23–24).

Wider understanding of governance as a process of steering rather than regulating therefore appears important to the non-profit sector. This distinction is a key theme in the present study.

Further understanding of the governance process is gained by considering three distinct but interrelated elements commonly attributed to it in the literature. Renz and Herman (2016), among others, describe governance as a process of assuming *overall accountability* for outcomes to relevant stakeholders and ensuring board policy decisions guide the organisation accordingly. Others emphasise setting and retaining focus on the organisation's overall direction through its *mission and strategy* (e.g., Fisman, Rakesh, & Edward, 2009). A third common emphasis is on *CEO oversight* (Carver & Carver, 2001, Carver, 2006, Covey, 2011). These three elements apply to all industry sectors but may take different forms in corporate and non-profit sectors. How they operate in the non-profit sector is discussed below.

2.2.1 Accountability

The accountability of an organisation's managers to its owner(s), stakeholders, service recipients, staff and the public is central to governance, although different theories of governance give these parties different emphases. For a manager of any functioning social system accountability is a key requirement involving formal and informal mechanisms including policies, procedures, cultural norms and managerial behaviours to assess relevant accountabilities, highlighting 'the potential complexity of the web of accountabilities' in organisations (Frink & Klimosky, 2004, p3). This is not just a requirement for the organisation as a whole: Frink and Klimosky (2004) emphasise that all individuals must perceive themselves accountable. This reminds us that while boards are accountable as a whole, each member must feel accountable and board processes and cultural norms must reinforce this feeling. Fry's (1995) notion of 'felt responsibility', the subjective feeling of individual responsibility, makes a similar point.

One view, as presented by Bovens (2007), sees accountability as a relationship between actors and a forum. The forum asks questions of the actors and the actors justify their actions to the forum. He highlights a traditional view of accountability characterised by control and monitoring. This is not inconsistent with agency theory discussed in section 2.4 below.

Accountability involves meeting the expectations of external and internal stakeholders (ISCA, 2018) who may include government regulators, funding or investing groups (including shareholders), legal and industrial relations bodies, industry associations and client advocacy groups. Government is a key element of this in today's regulatory environment non-profit organisations "are increasingly brought under a neoliberal agenda and operate under business criteria" (Onyx, Cham, & Dalton, 2016, p. 188) leading to increased governmental bureaucratic controls and accountabilities. At the same time, there is also a "growing consensus that self-regulation is a viable route to strengthening accountability, transparency, and the quality of activities and services provided by non-profit organizations" (Dalton, 2018, p. 229). Thus while non-profits are subject to similar government controls as businesses they can largely self-regulate their approach to service provision.

Non-profit organisations typically see service recipients as their primary source of accountability and the literature increasingly portrays non-profit governance as the board holding accountability for the organisation's service outcomes rather than leaving it to organisational managers.

Studies of US non-profit boards particularly stress the board's legal or moral accountability to the public or specific service recipients, government, funding bodies and organisational members (e.g., Andringa & Engstrom 2002; Lauchlin & Andringa, 2007; Oliver, 2009; Renz & Herman, 2016), responsibilities that are often left to organisational managers. As Provis (2013) observed, "while a governance body delivers results through delegation to the organisation's CEO and staff, the governing body cannot delegate accountability for success or failure" (p. 54).

Thus, a board is accountable to the organisation's internal and external stakeholders. Howe (2000) identified four aspects of this accountability:

- *Performance accountability*—Boards are accountable for the organisation's mission, CEO performance, finance (budget, audit and investments), program oversight and support or fundraising.

- *Organisational accountability*—Boards are accountable for the decisions and actions of organisational managers.

- *Legal and moral accountability*—Boards have a duty of care and duty of loyalty, acting in the organisation's interest rather than self-interest and ensuring ethical behaviour in board members and organisational members.

- *Public accountability*—Boards must be accessible and responsive to anyone with an interest in the organisation.

2.2.2 Who is Accountable – To Whom and For What?

Board members have both collective and individual accountability, making board accountability a complex activity. In an independent school, parents can hold their board *collectively* accountable for financial oversight and mission fulfilment, yet courts can hold an *individual* board liable for their actions, inactions and decisions.

When boards ratify their decisions collectively, a normal procedure, in effective board procedure, the entire membership becomes legally liable.

Independent school boards are accountable to a range of both internal and external stakeholders besides parents and the courts (Howe, 2000). Internal stakeholders include: any founding body such as a church or other owners (e.g. members or shareholders), students and staff. External stakeholders differ according to each schools unique context (Howe, 2000) although all have responsibilities under government legislation. Some may be accountable to local communities for environmental issues such as traffic or protection of surrounding land (e.g., a wetland). More generally, schools' social responsibility can be seen to include the wellbeing of their students and the community, raising the issue of public trust discussed below. Balancing accountability to both internal and external stakeholders in such circumstances is complex.

Within this broad range of stakeholders, non-profit organisations typically emphasise accountability for the organisation's mission and performance as it affects service recipients and any organisational owners. In a school, this would involve parents (on behalf of students) and any founding body, such as a church or community group.

2.2.3 Public Trust

Often neglected in discussions of both corporate and non-profit boards is the broad issue public trust, the broader community's legitimate interest in the aims and practices of organisations (O'Brien, 2019; O'Neil, 2003). A recent example relating to public trust is the requirements of schools to address public perceptions of their role in the 2020 coronavirus epidemic, including their potentially conflicting responsibilities to students, families (including working parents) and staff as well as government requirements. A second example is the recent Australian Royal Commission into child abuse, which found a prominent private school put its reputation ahead of protecting the welfare of students (ABC, 2016).

More generally, communities see schools as having responsibilities for the wellbeing, safety, ethics and morals and cultural values exhibited by students and staff.

O'Neil (2003) identified a deep 'crisis of trust' in organisations amongst the public, and a culture of suspicion towards the boards and managers who run them. O'Brien (2019) sees a similar loss of trust, suggesting boards need to go beyond technical compliance with legal and regulatory requirements by interlocking these with discussions of their managerial, ethical and social responsibilities. He suggests boards identify their values, mission and code of conduct through discussions with community stakeholders in order to restore public trust.

2.2.4 Focussing on the Organisation's Mission

In the non-profit literature governance typically involves "…decisions and actions linked to defining an organisation's mission" (Wood, as cited in McCormick, Barnett, Alavi, & Newcombe, 2006, p. 430). The board firstly defines the mission based on consultation with organisational owners, service recipients and other key stakeholders. It then establishes policies and control mechanisms, allocates power to the CEO, determines key decision-making processes and makes strategic plans that further this mission (Carver, 1991). As Young (2002) puts it, *"…the ultimate test of accountability for a non-profit organisation is whether its leadership can responsibly interpret, and honestly and energetically promote, the organisation's mission"* (p. 3). In reality, however, day-to-day management issues and the perceived need to report on a plethora of operational measures often distracts a board from its mission focus (Andringa, Flyn, & Sabo, 2002; Bartlett & Campey, 2010, 2012).

Fisman et al. (2009) emphasises the board's role in 'disciplining' the organisation:

> Establishing a clear and focused mission, and using it as the discipline to decide what to do and what not to do, [may be] the most important function of governance ... every decision an organisation makes should be completely aligned with its mission. (pp. 39–40)

An unclear or misguided sense of mission will not produce long-term organisational success, no matter how effectively daily operations are managed. Boards therefore need to set the mission and retain focus on it by setting strategic goals and monitoring the organisation's progress towards these. The literature suggests non-profit boards typically focus on operations and overlook this longer-term, broader perspective (e.g., Bambach, 2012; Carver & Carver, 2001; Siciliano, 2008).

2.2.5 Overseeing the Principal

The third key element of board stewardship involves overseeing the CEO's execution of the board's strategic goals. The CEO is accountable for organisational management, but the board is ultimately accountable for the CEO's work as much as any other aspect of school functioning (Carver & Carver, 2001; Chait, 2003). However, oversight is not the same as control, and a good working relationship between the board and CEO is more of a partnership or collaboration than a line management arrangement (Fishel, 2014). As Balch and Adamson (2018) emphasise in relation to American schools, "school boards and superintendents will function more effectively … if they work as a team with common goals" (p. 2). If at times communication, trust and cooperation between these two parties is compromised, it is the board's role to rebuild the relationship.

The exact form of the relationship between the board and CEO depends to some extent on the specific model of governance chosen. For example, policy-driven approaches tend to promote a 'hands-off' approach, while a community governance model encourages a more collaborative or even democratic focus. These and other common conceptual models of governance are discussed below.

2.2.6 An Integrated Definition of Governance

Considering the elements above leads to the definition used in this thesis, where governance is:

> *Making decisions to steer the organisation's overall proceedings to ensure organisational accountability, mission fulfilment and CEO oversight.*

As suggested above, non-profit boards often fail to oversee the organisation's accountability, strategic direction and CEO, focusing instead on operational management. The next section explores the boundary between governance and management in more detail.

2.3 The Governance–Management Distinction

Confusing governance with management appears to be common among non-profit boards (Andringa et al., 2002; Bartlett & Campey, 2012; Bush & Gamage, 2001;

Oliver, 2009; Tricker, 2015) and it is therefore important to examine the similarities and distinctions between these activities.

Robbins, Bergman, Stagg and Coulter (2015) defined management broadly as "coordinating and overseeing the work activities of others so that their activities are completed effectively and efficiently" (p. 12). Management texts often define management in terms of Fayol's (cited in Coubrough, 1930) four specific functions of planning, organising, leading and controlling. Arguably, boards are involved to some extent in each of these functions, contributing to the confusion regarding their goals.

Modern definitions of management also tend to involve focus on strategic *mission fulfilment* and sometimes *accountability* (to shareholders or government regulators), further clouding the boundary with governance. However, the word 'overall' in the definition above (Section 2.2.4) indicates a critical difference: the board *oversees* management of the organisation, with managers taking their direction from, and being accountable to, the board as the ultimate source of responsibility for organisational performance (Bartlett & Campey, 2012; Bush & Gamage, 2001; Carver & Carver, 2001; Howe, 2000; Tricker, 1984). In Tricker's (1984) words, "if management is about running the business then governance is about seeing that it is run properly" (p. 7), particularly in relation to its stakeholders' interests. Critically, this requires boards to clearly distinguish their oversight role from the CEO's executive management role, a common source of confusion and tension between these parties (Carver & Carver, 2001; Harrison et al., 2013, 2014; Puyvelde, Brown, Walker, & Tenuta, 2018).

Bartlett and Campey's (2010) seven distinctions between governance and management (Table 2.2) further differentiate these practices.

Table 2-2 Differences between Management and Governance (Bartlett & Campey, 2010)

Governance	Management
Focus on the present and the future	Focus on the past and present
Focus primarily on leadership questions	Focus primarily on management questions
Vision orientation	Task and detail orientation
Seeks to establish and monitor policy	Seeks to implement policy
Predominantly proactive	Predominantly reactive
Focus on initiating	Tends to administer
Sets the agenda	Follows the agenda

Although the line between the elements contrasted in Table 2.2 is somewhat subjective they do illustrate the higher level and future-oriented 'big picture' focus of governance. A governing board is an initiator, setting the agenda for management and overseeing but not managing execution of the organisation's mission.

This distinction becomes more critical as small organisations grow. Small organisations have few paid managers, making a governance perspective difficult as boards are naturally drawn into operational management. When a growing organisation's board fails to focus on its mission through over-managing operational and financial issues it may inadvertently lead the organisation in the wrong direction (Andringa et al., 2002). An Australian study of independent schools found their boards sought to become more 'businesslike' as they grew, but in practice became more regulatory rather than taking on the stewardship role of governance (Payne, 2004). Such schools can be efficiently run but ineffectively governed.

Confusion about this distinction is often identified in studies of independent schools (Austen, Swepson, & Marchant 2012; Payne, 2004). For example, Thomasson (cited in Bush & Gamage, 2001) observed that

> The development of a shared responsibility for the running of schools has not been all plain sailing; indeed the flotsam and jetsam of inappropriate, sometimes over-zealous, and frequently misguided concepts of governance and management are evident in those places and among those people whose responsibilities have been

anything but shared, where the differences between governance and management have been ill-understood. (p. 41)

Two studies have examined this issue in Australian independent *public* schools. Gobby and Niesche (2019) report confusion about governing responsibilities but an earlier study of independent public schools in the Australian Capital Territory, New South Wales and Victoria found the governing-managing distinction well understood. As one respondent reported, the board "creates the policies and it is then very interested in the accountability, but it does not involve itself in the implementation" (Gamage, as cited in Bush & Gamage, 2001, p. 41). However, such role separation may be easier in government schools because boards hold limited authority over the school's operation and the principal is primarily accountable to the government.

Overall, the limited literature on independent schools is consistent with a larger body of research on non-profit organisations in suggesting that boards typically have limited understanding of governance and how it differs from management. The present study investigates this issue in the Western Australian independent school sector, using a framework for operationally defining and assessing governance drawn from studies reviewed in Section 2.3.

2.3.1 Distinguishing Non-profit and Corporate Governance

Non-profit organisations, while having many similarities to corporate or for-profit organisations, also face unique differences and challenges. As noted earlier, the concept of governance is relevant to both corporate and non-profit organisations (Tricker, 2015) but the practice of agency theory may take a different form in each. While governance research is often divided into non-profit and corporate sub-fields, it appears non-profit boards are often unaware of this distinction and may employ concepts of governance from the commercial world without recognising important differences. Bartlett and Campey (2010, p. 6) point out that non-profits have:

- no traditional shareholders

- a different taxation environment and different accountabilities to government

- primary responsibility to a membership or a group of moral owners such as service recipients

- a tendency to operate as communities

- a vision and mission related to serving others rather than shareholder returns.

Bartlett and Campey's (2010) point regarding the absence of shareholders may change in the future as a growing number of non-profit organisations are choosing the legal status of a corporation with shareholders rather than the traditional structure of an incorporated association with members. However, this is not yet common in Western Australian independent schools, indeed, despite an internet search, no examples are known to the researcher.

The problems highlighted by Bartlett and Campey (2010) may be lost on government bodies regulating governance. For example Australian Standard 8000 (Standards Australia, 2003) covers governance in both corporate and non-profit organisations but has been criticised for bias towards corporate organisations and treating non-profit governance as an afterthought (Hough, McGregor-Lowndes, & Ryan, 2004).

The major difference between sectors relates to their different purposes. Corporate governance has the overarching goal of 'maximising shareholder wealth' while non-profit organisations typically prioritise 'service provision', usually services involving public rather than private good. This fundamental distinction has many consequences. For example, while all organisations deal with complexity when managing stakeholder relationships, non-profit governance may be more complex because it involves a "broader range of stakeholders" (Myers 2004, p. 641) although some for-profits with high profiles and socially sensitive operations may also have a very extensive and complex group of stakeholders. Instead of shareholders, a non-profit can have clients, other beneficiaries, funders and members, each with unique interests.

Drucker (1990) interviewed members of non-profit boards and found they perceived their role to be quite different from a corporate board's since they had:

- subtle differences in processes (e.g., election of members to the board)

- different types of relationships (e.g., with donors or service recipients)

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- governing approaches unique to the non-profit sector (e.g., Carver's policy model, discussed in Section 2.5.2.2).

These differences affect the board's mission, marketing and fundraising strategies, use of volunteers and approaches to constituent groups, giving non-profit boards a very different outlook to corporate boards.

McFarlan (1999) similarly identified unique features of non-profit boards in their missions (typically service driven) and measures used to assess the mission, leadership styles (e.g., servant leadership) and board composition (typically elected from a membership). For example, corporate boards choose business professionals while non-profit boards are frequently more diverse.

Hodgkin (1993) found non-profit boards needed to constantly question their existence in terms of the real need for their services where corporate boards' focus on shareholder wealth was more obvious and unchanging. Hodgkin also identified differences in non-profit boards' measures of success (more subjective); decision-making environments (e.g. use of community members), moral accountability to the public (greater) and other constituencies (conflicting interests and needs), and fundraising responsibilities (requiring grants or donations).

The recruitment of board members features in many such comparisons. Many non-profit boards elect members, although there is a growing trend towards direct appointments, common practice in the private sector (Lyons, 2001). Elected members tend to be volunteers committed to the organisation's cause, thus creating a more democratic ethos than in corporate boards with appointed members. This ethos can provide an important role-modelling of 'democracy in action' for students and parents (Goodlad, Soder, & McDaniel, 2008).

Overall, these studies suggest corporate and non-profit approaches to governance are quite different in their:

- goal or mission (profit v. service)

- board composition (appointed v. elected, business professionals v. volunteer service recipients or community members)

- accountability (to shareholders v. service recipients)

- fundraising foci (profit v. grants, donations or fees)

- marketing strategies (focused on selling v. giving).

Summarising these differences, Steane and Christie (2001) viewed corporate governance to have a *shareholder* focus and non-profit governance to have a *stakeholder* focus. Consistent with the authors cited above, Steane and Christie's (2001) extensive study of over one hundred Australian for-profit and non-profit boards found the latter tended to lack strategic perspective and focus on operational matters more than corporate boards:

> Generally, non-profit directors are influenced by agendas and motivations that can be differentiated from the influences upon director activity in the corporate sector … While strategic issues feature significantly as a task of the non-profit board, they distinguish themselves from their corporate counterparts by engaging in operational management. (p. 48)

This neglect of the organisation's long-term mission may reflect a paucity of professional or business expertise on the board and a consequent tendency to adopt business processes without full understanding of the corporate context in which they originated.

This focus on business processes taken out of context may be reinforced by some academic studies of non-profit governance. For example, Bradshaw (2009) highlighted the role of innovation, efficiency, effectiveness and best practice in non-profit governance, but overly focusing on these goals can distract a non-profit board from its service mission.

This emphasis on such business processes has led some to question whether non-profit organisations are becoming too corporatized or process-focused (e.g., Dart, 2000; Payne, 2004) and ignoring their service mission. While non-profit boards need good business processes and a strategic outlook, they also need to understand the differences between for-profit and non-profit governance and especially the need to focus on service goals rather than business goals (Dart, 2000; Carver & Carver, 2001)

2.3.2 Board Governance in Schools

Good governance is as important to schools as other non-profit organisations. The studies reviewed below show school boards are often ineffective in recognising their accountability to parents, setting the school's strategic direction or overseeing the principal.

School boards have a particular responsibility to oversee educational outcomes. An independent school's mission typically highlights specific religious or ideological values to be cultivated in students (Howe, 2000; Oliver, 2009), but they must also follow government-approved national curricula. Those with senior cohorts may further consider tertiary education entrance requirements and the expectations of employers and society when discussing educational outcomes. Boards should also ensure such goals fit within the school's budget and resources.

As emphasised above, governance requires steering the school to fulfil its mission within the context of its broader accountabilities. Boards therefore need to look beyond classroom issues (Goodman, Fullbright, & Zimmerman, 1997; Oliver, 2009) and school operations, and should not manage employees directly other than to oversee the principal's performance (Oliver, 2009).

The sections below introduce the Australian independent school context then review general frameworks and more specific studies of factors contributing to effective non-profit and school governance.

2.3.3 The Independent School Context

2.3.3.1 A Growing Sector

As noted in Chapter 1, the Australian independent school sector has grown substantially in recent years as part of a trend away from government schools and towards systemic or independent non-government schools (ABS, 2018: Caldwell, 2010). In 2017, independent schools enrolled about 14.5 per cent of Australian primary and secondary students, up from 4.1 per cent in 1970 (ABS, 2018).

A similar trend is found in many other Western countries (OECD, 2004). In the Netherlands, for example, independent schools receive the same state funding per

student as public schools, a high proportion of which are religious schools (Ladd & Fiske, 2009). Sweden's independent school sector has similarly experienced robust growth, and government funding now matches the cost of sending a pupil to a local public school (Ministry of Education and Research, 2008). The UK independent school sector grew from 6.5 per cent to 18 per cent of students in the 20 years prior to 2018 (Independent Schools Council, 2018). In the UK, state funds are largely given to local councils through school district boards that act as 'autonomous suppliers' to public schools (OECD, 2004), accountable to the government for expenses and learning outcomes.

As noted in Chapter 1, Australia has also recently decentralised public education by giving some schools limited self-governance, including some flexibility to set their strategic direction and greater operational decision-making authority (e.g., Department of Education, n.d.). These 'independent public schools' have a board and share many of the challenges faced by fully independent schools, even though their boards have less autonomy and narrower accountability. The findings of this study may have some relevance to such schools.

2.3.3.2 Autonomous Independent versus Systemic Independent Schools

This study examines small and medium-sized independent schools that are *autonomous*, in that they lack the support of a school network such as the Anglican Schools Commission (ASC) or the Catholic school system. Boards of autonomous schools face different issues from boards of systemic schools. For example, the ASC has its own board, which delegates some aspects of governance to local school councils. The ASC is still involved in budget approval, system-wide policy setting, senior appointments and major capital expenditure decisions of the schools within its system. In contrast, boards of autonomous independent schools are fully accountable for their school. Typically comprising members of the parent community, they are lacking the policies and support of a large system and need to develop their own governance processes. Smaller independent schools are especially disadvantaged in their capacity to do this as they struggle to recruit members with relevant expertise from a small parent group and cannot afford professional school managers to relieve the principal of operational matters. Industry associations such as the AIS offer

guides, seminars and training but small independent schools still need to find time, member competences, school staff and other resources for developing governance.

2.3.3.3 Financial Pressures

Australian independent schools receive around half the government funding per student given to government schools (Donnelly, 2011). Parents must therefore pay substantial fees to fill the gap, and boards need to budget carefully and monitor revenues to keep fees down. The schools in this study had budgets between $2m and $20m. A 2011 survey of Australian non-profit organisations, of which 81per cent were independent schools, found 21 per cent had budgets between $5 and 10 million and 20 per cent between $10 and 20 million (Resolve, 2011), typically reflecting budgets of smaller and medium schools respectively. The remaining 59 per cent have budgets in excess of $20m, most being larger independent schools, which are not part of the present study. Larger schools will experience economies of scale while smaller schools, such as those in the present study, face pressures to raise income by increasing student numbers or fees.

The Australian government's *Review of School Funding Report* recommended increased funding for independent schools, particularly those with disadvantaged students (Gonski, Boston, Greiner, Lawrence, Scales, & Tonnock, 2012). While this led the government to allocate some additional funds ("Stakeholders welcome funding", 2012), it took a second review (Gonski et al., 2018) to substantially increase funding with a $24.5 billion package. However, financial pressure remains a reality for many smaller independent school boards.

Grant's (2006) study of four independent Australian primary school boards found their operations were limited by immediate financial concerns that took the focus away from important developmental activities such as strategic planning. Grant suggested boards focus more on their mission, using "critical reflection and proactive behaviour" (2006, p.39) to prevent financial issues from distracting them. It appears that this advice is equally relevant today: despite receiving significant funds from governments and parents it appears independent schools commonly experience financial pressures, particularly the smaller schools.

2.3.3.4 Accountability

School boards may be simultaneously accountable to the government, the law, parents (on behalf of students) and religious or other ideological groups that oversee or fund the school. They also have broad accountability for ethical and prudential behaviour in the public interest faced by all organisations.

In Australia, independent school boards are accountable to state governments through the registration process for their operations and expenditure, and to the state or federal government for their business operations. Western Australian schools, for example, must register every three to seven years and address standards for financial viability, enrolment and attendance, student numbers, instruction time, staffing, school infrastructure, curriculum, student learning outcomes, levels of care, and disputes and complaints (School Education Act 1999 [WA]). Boards are required to ensure their members are "fit and proper persons" and must report on areas of student risk to do with child abuse, for example (Department of Education, 2017, 2018a; *School Education Act 1999 [WA]; Fit and Proper Person Requirements Act – 2011 [Cwlth.])*).

As a result of recent legislative reform most independent schools in Australia are also required to be registered charities with the Australian Charities and Not-For-Profits Commission (Brand, Fitzpatrick, & Lombard, 2013). Charities must meet additional standards relevant to governance (ACNC, n.d.; Belyea, 2013). Further, as charities independent schools must choose one of two legal structures, each with its own rules and requirements for governmental and legal accountability (ASIC, n.d.). They can register as either a company (under the *Australian Corporations Act 2001 [Cwlth.]*) or an incorporated association (under state legislation, e.g., the *Associations Incorporation Act 2015 [WA]*). These options are equally popular amongst independent schools (Resolve, 2011). Companies are administered by the Australian Securities and Investments Commission (ASIC) and their liability is limited to the amount company members undertake to contribute if the organisation is dissolved (ASIC, 2011). Associations are administered by state authorities such as the Western Australian Department of Commerce (DOC). Associations have limited exposure to personal legal liability, can apply for government grants and can hold property as if

they were individual persons (DOC, 2010). All seven schools in this study were Incorporated Associations.

Finally and perhaps most importantly boards are accountable to the school community for setting and following the school's mission (Gann, 2017). However, it appears that in practice this responsibility is often poorly understood and translates primarily into operational decision-making. Slate, Jones, Wiseman, Alexander, and Saenz (2008) observed that "too often mission statements exist only on paper rather than being a lived philosophy and commitment to the ongoing development of an effective educational institution" (p.27). Under a governance approach, the mission does not just influence operational decisions but underpins strategic goals that focus the board's activities. These goals should centre on educational outcomes, with growth, funding, facilities or other operational issues seen as means to the educational goals. Boards are accountable to parents as key stakeholders in such outcomes, on behalf of their children, as well as to any founding church or institution. This form of accountability is a key theme in the present study.

2.4 Broad Theoretical Frameworks For Research On Governance

This study has the pragmatic goal of advising independent school boards on how to make their governance more effective. Research on how boards in schools and other non-profits approach governance is reviewed in the next section, where the conclusion is that boards tend to focus on helping the principal to deal with operational matters rather than taking the oversight role that is the essence of governance. Oversight implies a long-term strategic perspective on the school's mission and an attempt to steer the principal and school staff towards this. This requires a strategic focus and ownership of the strategic plans and direction. Before turning to these studies it is helpful to examine five broad theoretical frameworks that have made significant contributions to the governance literature indirectly used in this study. Four of these - Agency, Stewardship, Resource Dependency and Stakeholder theories – are often seen as normative theories, prescribing what governance should be rather than describing what it is in practice (although the normative theories have also led to studies comparing their guidelines to actual practice). A fifth framework, Behavioural Theory, has both descriptive and normative elements and draws on multiple theories such as group dynamics and

conflict resolution which are widely discussed in the field of Organisational Theory. While the present study does not adopt the assumptions made in these theories, a brief overview is included as they provide useful perspectives on where boards might focus.

2.4.1 Agency Theory

Agency theory concentrates on the socially legitimate relationship between a principal, who owns or funds a business, and an agent who is contracted to the principal to run the business. Principals delegate decision-making authority to agents, who use the principal's resources (including finances) but make decisions at some length from the principal and usually carry little personal risk relative to the principal for poor decisions such as financial losses. Agency Theory derives from Jensen and Meckling's (1976) view of corporations as a nexus of contracts among self-interested and potentially opportunistic parties. Important research questions include how risk is shared between principal and agent and how differences of opinion, interest and motivation between principals and agents can be managed. Agency theory has been influential in many disciplines including political theory, organisational theory, management, accounting, finance, economics and law. A major research focus has been on how company executives (as agents) can be motivated and compensated to meet the expectations of shareholders (as principals, funding the company) or more broadly how principals control agents. Corporate governance then involves the shareholders assuring themselves that the firm fulfils its responsibilities to them through return on investment (Shleifer & Vishny, 1997).

Principals can also be business owners who delegate operational management to a CEO, executive group or board. In non-profits principals might be a community organisation, a church or a government body funding community groups. Independent schools created by a church, cultural group or other community group are similarly principals. Where a group of parents establish a school to deliver a particular curriculum or mode of instruction (e.g. Montessori or Steiner schools), school staff are the founders' agents.

In non-profits, agency relations can be complicated because the board is also an agent governing on behalf of the service recipients, an issue important in the present

study. Government can also be viewed as a principal where it provides significant funding to non-profits (Guo, 2007). Therefore, non-profit organisations can have multiple principals (Child & Rodrigues, 2003). An independent school can also have a founding body, service recipients (parents on behalf of pupils), and a state government as principal.

The potential for conflicts of interest between a board and its principal, the so-called 'Principal's Problem' (Voorn; Van Genugten, & Van Thiel, 2019), is therefore highly relevant to the present study. Agency theory assumes agents act out of self-interest rather than the principal's best interests, and that principals cannot always know what agents do. The central problem is therefore how principals can control their agents. As Hendry (2002, p.99) puts it, "if people in general are self-seeking and opportunistic economic utility maximizers, if the interests of principals differ from those of their agents, and if principals have incomplete knowledge of their agents' actions, how can they ensure that their agents act, as agreed, in the principals' interests and not in their own?". In an independent school board, this may require members to be responsible to a founding church *and* to parents who may have different views of their child's needs to those of the church. Equally, if the parent group is seen as the principal, individual board members (who tend to be parents) should put aside self-interest and take responsibility for the collective interest of parents.

The need to control agents in this way brings 'agency costs', the costs of dealing with the negative aspects of the principal–agent relationship (Jensen & Meckling, 1976). Board members may have a very different perception of their roles to the principal's wishes (Mallin, 2007), and the resulting conflicts of interest lead to time and energy costs, distracting the board from other aspects of governance.

An imbalance in the power distribution between principal and agent is another potential problem raised by Agency Theory (Eisenhardt, 1989). Viewing parents as principals requires boards to listen more to them than to the school principal in setting the school's mission. Similarly, a founding group such as a church may devolve too much power to the board and remain unaware of critical developments in the school (e.g. a new strategic direction). However, the descriptive research on boards, discussed in the next section, suggests that the biggest problem concerning

power and control is that boards are subservient to the school's principal (CEO), not its principals ('owners') in the Agency Theory perspective.

A limitation of Agency Theory in the non-profit context is that the roles of principal and agent are often less clearly formalised and less focused on simple performance measures (such as financial gain) than in corporate boards. Indeed, where Agency Theory sees an inherent conflict of interest between principal and agent, other normative theories propose partnership or collaboration between boards, service recipients (e.g. parents) and/or founding bodies. This is based on the assumption that a fundamental human drive is to work together to solve problems. This is due to the assumptions behind Agency theory being derived from an economic view of human nature in which collaboration is less important than control in corporations focused on returns to owners or shareholders. The partnership viewpoint is further discussed in relation to Stewardship Theory (Section 2.4.2) and social constructionist approaches to non-profit board operations (Section 2.6.2.7).

Agency Theory highlights one aspect of a board's operations, the control of agents by principals, while the theories below address complementary aspects in the board's need to: collaborate closely with key external parties such as service recipients (Stewardship Theory, Section 2.4.2), or with a wide network of stakeholders (Stakeholder Theory, Section 2.4.5); to positively or negatively influence external parties who can provide (or hinder) access to financial, material or promotional resources (Resource Dependency Theory, Section 2.4.3); or the board's need to look into its internal social dynamics (Behavioural Theory, Section 2.4.4). The position taken here is that none of these prescriptions for board focus constitute the 'one right way' to govern a non-profit, but rather all are potentially important aspects of governance that boards should consider in developing their own approach in their particular context.

In summary, Agency Theory raises three important issues for school boards. The first is to clearly identify on behalf of whom they govern. This is a question of who 'owns', in a moral as well as a financial sense, the school's goals: who identifies its mission and guides the board's oversight of school operations towards this? Such principals could include a founding body, pupil's parents, government funders, the local community or the public generally. Without clarity on this aspect of

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governance, role ambiguity will hamstring the board. Second is the need to be continually alert to potential conflicts between the interests of the board and its principal(s). The board should not become lost in its own agenda or issues, but focus its energy on its principals and their interests as reflected in the school's mission. Third, where multiple principals exist boards need to remain aware of potential conflicts between their interests. Although these three themes are addressed where relevant in the present study, it was evident here, as in previous studies (e.g., Austen, Swepson, & Marchant 2012; Bambach, 2012; Payne, 2004), that boards see themselves primarily accountable to the school principal rather than either the founding church or the parents, and very rarely to a government funding body or the public to any substantial degree. The Agency Theory concept of a principal or organisational 'owner' can greatly help boards clarify their role.

2.4.2 Stewardship Theory

Stewardship Theory provides a broad perspective which assumes that managers, if left to their own devices, will act as responsible stewards of the assets they control, considering the organization's best interests more important than their personal goals (Donaldson & Davis, 1989). Where Agency Theory views organisational members as self-interested and opportunistic, stewardship identifies a natural human tendency towards cooperation and achievement of the long-term collective good. In contrast to Agency theory's origins in an economic theory of organisations, Stewardship Theory is grounded in psychology, sociology and the management concept of a leader who succeeds by engaging staff, rather controlling them. In this perspective, a board is a steward for the organisation, taking a guiding or steering role reminiscent of the original meaning of governing as 'steering' noted in Chapter 1, in contrast to the controlling or power role highlighted in Agency Theory.

Consequently, where Agency Theory is concerned with the principal's lack of power over an agent and need to manage conflicts of interest with the agent, Stewardship Theory emphasises the role of collaboration and partnership when managers are committed to the same organisational values and motivated to achieve organisational goals. Governance should therefore be a cooperative activity (Brennan & Solomon, 2008) in which principal and agents share a psychological contract (Davis, Frankforter, Vollrath, Hill, 2007). Stewardship is a widely recommended approach

for non-profit boards (Renz & Anderson, 2014; Brennan & Solomon, 2008), and is highly compatible with the oversight view of governance adopted in this study.

Stewardship is particularly relevant in independent schools as a means of promoting trust between the board and the school's principals ('owners'). Boards following this approach prioritise the interests of students and parents while giving due consideration to those of any founding body, government funders and the community in which the school operates and pupils will often later live. This approach to governance is further discussed in Section 2.3.1 below.

Stewardship Theory, and for similar reasons Stakeholder Theory (below), challenge the tendency for boards to become more 'businesslike' by taking a distant and 'top-down' regulatory approach to governance focussed on controlling school staff (Payne, 2004). These theories suggest a view of 'businesslike' that is closer to the heart of the non-profit sector, in which boards act as stewards on behalf of key stakeholders (Brennon & Solomon; 2008; Renz & Anderson; 2014). The tension between these two views is a theme in many parts of this study.

2.4.3 Resource Dependency Theory

Resource Dependency Theory (RDT, Pfeffer & Salancik, 1978; Hillman, Withers & Collins, 2010) is a subfield of organisational theory looking at how organisations can secure critical resources in the external environment by developing relationships with actors and organisations including suppliers, logistics and transport firms, financiers, consultants, subcontractors, alliance partners, professional associations, public media, law courts and governments, who may have considerable power to help or constrain the organisation. A board's ability to co-opt a range of such resources reduces their uncertainty about, and dependency on, environmental factors beyond their control, and provides competitive advantage relative to other organisations (Johnson, Daily & Ellstrand, 1996). Boards must therefore develop strategies to improve their contact with such agents, gaining advantage while minimising dependency on them. RDT has been used to examine a diverse range of corporate strategies that can improve resources while retaining autonomy, including diversification, alliances, networking, mergers, acquisitions, joint marketing and political action.

Resource Dependency Theory has been used to explain why non-profit organisations have become more corporatized in recent decades as government services in areas such as health and welfare have been replaced by a highly competitive non-profit sector contracting to government departments or running independent service centres. Such organisations must increasingly adopt corporate management strategies to acquire resources. They are often highly dependent on governments or other donors for a significant proportion of their budgets (Salamon, 1989), and increasingly compete with the for-profit sector for essential resources. Non-profit boards increasingly need to focus on finding resources, particularly funding but also business contacts and expertise in order to remain competitive with other agencies seeking the same resources (Miller-Millensen 2003). Building relationships with external parties and revitalizing their missions to adapt to the changing environment requires board members to be more entrepreneurial, strategic and active in the outside world.

In the RDT literature becoming more outward looking involves board members taking on 'boundary spanning' roles in which they develop relationships based on mutual exchange, gather and interpret information from external parties that can assist school management, represent their organisation externally and recruit new members (Middleton, 1987). The literature reviewed below suggests non-profit boards typically focus on day-to-day school operations and are therefore unlikely to have significant engagement with the school's external environment.

RDT complements the Agency Theory focus on principal-actor transactions by highlighting the need to reduce dependency and uncertainty in the supply of external resources as a second key area of board focus (Hillman & Dalziel, 2003). School boards need not only to consider their 'owners' expectations but to engage broadly with parties outside the school to secure resources, including funding, to increase their competitiveness. In the Governance Effectiveness Factor framework developed below, this outward focus is relevant to the Context factor.

2.4.4 Behavioural Theory

The theories above point to the importance of non-profit boards identifying the expectations of the organisation's owners, developing cooperation with them, and

looking for resources in the external environment, but they generally provide little insight into important behavioural aspects of board operations (Van Ees, 2009; Westphal & Zajac, 2013). Behavioural Theory (Cyert & March, 1963) began the exploration of psychological and sociological aspects of managerial behaviour in corporations and has produced much research on governance, including non-profit governance in more recent years.

Behavioural Theory research topics include the impact of personality, knowledge and organisational position on executive decision-making, executive team-working and the effects of power and organisational structure. Research on governance under this framework includes studies of interpersonal power and influence (including interpersonal dynamics such as ingratiation, flattery and bargaining), the effects of perceptual framing (biases) and past experience in decision-making, board appointment processes, CEO-board relationships, the influence of members' social contacts outside the organisation, the evolution of social norms in boards, and conflict between self-interest and the firm's economic interest (Pfeffer & Salancik, 1978; Kahneman & Tversky, 1979; Di Maggio & Powell, 1983; Zajac & Westphal, 1998; Rindova, 1999; Daily, Dalton & Cannella, 2003; Westphal & Stern, 2007). Behavioural Theory research has close links to Agency Theory and Resource Dependency Theory, since a board's psychosocial processes affect its orientation towards organisational owners and actors in the external environment.

Many studies of non-profit governance, including those reviewed below, have addressed behavioural aspects of non-profit board governance, although most do not adopt the underlying premises of Behavioural Theory, Agency Theory or Resource Dependency Theory. The present focus on school governance necessarily restricted the scope for review of behavioural studies, although a few reviews including Behavioural Theory research are cited below (e.g., Renz, 2006; Ostrower & Stone 2006). Topics of these reviews include the composition of boards, the relationship between boards and managers or staff, member roles and responsibilities, board effectiveness, and the link with organizational effectiveness.

2.4.5 Stakeholder Theory

Stakeholder Theory (Mitroff, 1983; Freeman, 2010) views an organisation's relationships with its external stakeholders as critical to its performance. Stakeholders can include service or product recipients ('customers'), employees, suppliers, business service providers and consultants, business owners and funders, creditors, trade unions, industry associations, business partner organisations, local communities and potentially society as a whole given the issues of public trust outlined above. Stakeholder Theory was in part a counter to a view of corporations in which shareholder wealth was the primary concern, as noted in relation to Agency Theory above. Stakeholder research has examined who is a stakeholder and how boards and managers incorporate the interests of a diverse group of parties, most external to the organisation. Specific issues include the role of the board, the ethical basis of stakeholder management, the role of power and social legitimacy in stakeholder networks, and the resolution of conflicting interests. Stakeholder Theory also intersects with research on corporate social responsibility and business ethics.

Regarding boards, Stakeholder Theory implies a fundamental interconnection with external stakeholders that requires treating them as partners rather than as subordinates in a hierarchical relationship (Bartlett & Campey, 2010). Stakeholder management is further considered in Section 2.5.5.2 below on Board Relationships.

2.5 Factors Contributing to Effective Independent School Governance

Governance has been defined above as stewardship of the organisation's accountability, mission and CEO. The literature surveyed below suggests boards of schools and non-profit organisations often perform poorly in each of these areas.

This section begins by reviewing studies of broad frameworks for governance in schools or non-profit organisations generally, and then draws upon empirical and conceptual research to identify more specific factors contributing to effective independent school governance. These form a framework used to guide data collection and analysis in this study, comprising seven factors with summary labels such as 'Roles' or 'Processes' (Figure 2.6).

2.5.1 Previous Frameworks of Non-Profit or School Board Effectiveness

Three very general frameworks of governance have been proposed by authors emphasising the fit between board functioning and a school or non-profit's context. All three are 'contingency' theories, in which there is no one right way to manage an organisation, rather management should focus on adapting to the organisational context Scott (1981).

McCormick et al. (2006) used previous studies of school and corporate governance, leadership and group processes to develop a theoretical framework for independent school governance in Australia focused on the role of the external environment, the school context and the board's context within the school (Figure 2.1). In their view, effective governance primarily requires boards to consciously examine these elements of their context as part of their 'group process'. While all board members have leadership responsibilities, McCormick et al. suggest "a form of leadership may be exhibited which may be termed group leadership" (p.436). This includes:

- Leadership behaviours (e.g. being transformational or transactional or being task or group focussed)

- The board's collective cognition (the "processing of group members' ideas and information" p.437)

- Collective efficacy (the board's self-belief in its abilities)

This emphasis on effective group processes is consistent with several cooperative approaches to governance such as the stewardship and social constructionist models reviewed below, and to the discussion of the role of teamwork and culture in relation to the Board Processes element of the governance framework developed below. However, this framework does not address many other aspects of governance important in the literature. The present study provides a response to McCormick et al.'s call for further research to…

…enrich our understanding and lead to modification of the framework and the eventual development of a valid, empirically derived normative model that can

provide guidance for governance practices in independent schools (McCormick et al, 2006, p. 441)
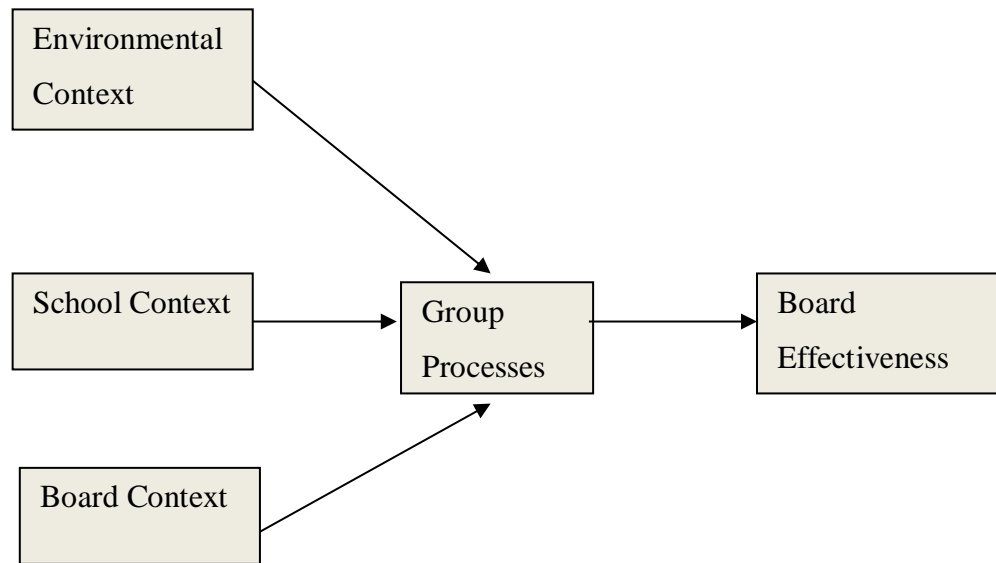
Figure 2-1 McCormick, Barnett, Alavi and Newcombe's (2006, p. 439) Framework for Future Research

The second broad framework is Ostrower and Stone's (2010) 'contingency' model of board effectiveness in non-profit organisations (Figure 2.2), in which the board's context affects their attributes, roles, policies and processes, and ultimately their organisation's effectiveness. Like McCormick et al.'s (2006) model, this is a useful reminder of the need to consider context but omits many other aspects of governance.
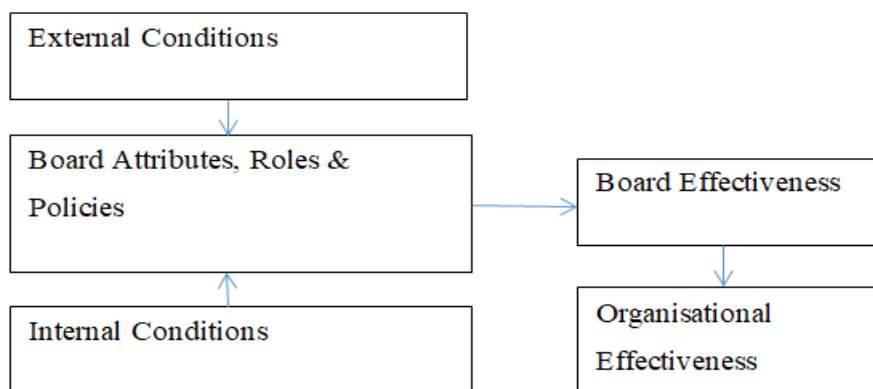
Figure 2-2 Influences on Non-profit Boards: A Contingency Approach (Ostrower & Stone, 2010)

The third broad-brush framework comes from a consultant's report on non-profit governance for the Victorian Department of Human Services, which identifies four key components of board effectiveness:

- the context of the organisation

- the nature of the organisation (e.g. a school, hospital)

- the perceptions of stakeholders

- formal professional standards

    (Bradfield Nyland Group, 2002, pp. 29–30).

Bradfield Nyland (2002) also highlight context, and suggest using industry quality standards (e.g., ISO 9000) as the basis of effective governance. However, as noted above in relation to the Australian Standard on governance (AS 8000), quality standards are developed for corporate rather than non-profit governance and their usefulness in this context is therefore limited (Hough et al., 2004).

These three broad frameworks remind us of the importance of group processes and context and provide some broad areas to consider but are too general to guide boards in developing governance. The next section draws on a wide range of studies to identify more specific factors relevant to boards considering this.

2.5.2 Factors Contributing to Effective Independent School Governance

A review of consultants' reports and academic studies of school and non-profit governance in Australia, the US and the UK was undertaken to identify factors contributing to effective school governance. This review does not include the more specific prescriptive models of governance such as Carver and Carver's (2001) model, which is covered under Approach in Section 2.5.2.

Authors used a wide range of concepts and terms that were initially difficult to reconcile, but eventually a set of seven "Governance Effectiveness Factors" (GEFs) emerged as the best fit. These were labelled and defined as follows:

1. **Focus:** Whether a board has a strategic focus on the school's values, mission and strategic plan or an operational focus on managing daily activities.

2. **Approach to Governance:** Understanding how governance differs from management (in overseeing strategy, accountability and CEO performance), and use of specific published models of governance.

3. **Roles:** Separation of the board's role in external accountability, mission fulfilment and CEO oversight from the principal's role in operational management and staff accountability.

4. **Relationships:** Creating positive relations between the board and the school principal and school community; relations among board members, including relations with the chair.

5. **Competence:** The level of governance and management competence among board members; recruiting and training of members.

6. **Processes:** The policies and business processes boards use to manage their operations.

7. **Context:** Systematic consideration of external and internal factors affecting the school.

The seven GEFs are noted in brackets in the following review, and then discussed in detail at the end of this section.

2.5.2.1 Australian Studies

There has been little research on the specific requirements for board governance in Australian independent schools. McCormick et al.'s (2006) framework, noted above, highlights the effects of environmental factors on board functioning but does not offer recommendations for effective governance. Four other publications identify specific factors relevant to effective school governance.

Payne (2004) examined the historical development of 13 independent schools in WA's 'alternative' school movement, finding that their view of governance developed over time. As the schools grew, their boards saw them "less as communities and more as businesses … the emphasis went away from parent involvement and towards efficiency and commercial practices … [and] as a result tensions and dilemmas rose out of these changes" (Payne, 2004, p. iii). These tensions arose as the board assumed power over the principal, and its focus on

processes and regulations distanced it from the school community. Payne (2004) concluded that "it was not the structures or individuals that were crucial in the governance processes but the playing out of the tensions and dilemmas" (p. iv). Her study highlights the importance of 'steering' rather than 'regulating' the school and cultivating relationships with the principal and school community (**Focus**, **Relationships**).

Austen (2007) investigated governance in Queensland independent schools, highlighting the different governance models used (e.g. Policy Governance) (**Approach**) and how business processes (**Processes**) affect their effectiveness. Austen recommends aligning board processes and approach with the organisation's values: for example, non-profit models of governance may need adaptation in faith-based schools (**Approach, Context**). Adapting the governance approach to the school's context is further discussed in Chapters 5 and 6.

The Association of Independent Schools of South Australia's (AISSA's) governance committee provides advice on areas such as board roles and responsibilities, risk management and how to develop policy (AISSA, 2007, pp. 3–5). Four broad areas are highlighted:

- mission and vision **(Focus)**
- clear roles and responsibilities **(Roles)**
- financial accountability **(Focus, Processes)** and
- high-level decision-making **(Processes)**.

Resolve's (2011) study of non-profit governance in Australia is relevant here since most (80 per cent) of the respondents were from independent schools. A consultancy specialising in non-profit boards, Resolve built on Carver and Carver's (2001) governance model and Andringa and Engstrom's (2002) US model of non-profit governance in identifying 12 characteristics of effective non-profit boards:

- The board's role is clear and distinct from the roles of staff **(Roles)**.
- The board has a governance focus **(Focus, Approach)**.
- Members understand the board's role and focus **(Focus, Roles)**.

- The board links with the organisation's moral owners (**Focus, Relationships**).

- The board adopts clear policies reflecting its mission or purpose (**Processes**).

- The CEO is the one agent of the board (**Roles**).

- Policies are organised into a board handbook. (**Processes**).

- The board chair 'manages' the board (**Processes**).

- Board committees serve board needs and speak to the board, not for the board (**Processes**).

- Board meetings are well planned (**Processes**).

- Board members are carefully selected and inducted (**Processes**).

- The board takes responsibility for improving itself (**Processes**).

Finally, in his handbook for Australian school boards, Codrington (2015) identified four key areas of governance:

- school oversight (**Focus**) – the school takes responsibility for the state of the school

- effective board processes (**Processes, Competence**) – the board adopts the best possible processes for the board

- incorporation of ethos (**Focus, Approach**) – the board directs and enhances the schools ethos and values

- fulfilment of governance duties (**Role**) – the board fulfils its required duties as the governing body. (Codrington, 2015, p.40)

Along with these areas, Codrington believed governance requires the board to have effective communication and a positive reputation among parents (**Relationships**), a focus on outcomes (**Focus**) and good planning (**Processes**).

Finally, as noted above independent public schools (IPSs) have recently emerged in Australia, government schools run by boards and with increased responsibility given to the principal, providing partial autonomy over school direction and operation (Bush & Gamage, 2001; Clarke, 2017; Gilchrist, 2015; Gobby & Niesche, 2019).

While, studies of these do not suggest specific factors directly relevant to independent schools, some relevant aspects of IPS-sector research are cited in relevant sections below.

2.5.2.2 New Zealand

Robinson and Ward (2005) found in their survey of 32 New Zealand independent schools that boards often lacked formality and good relationships. Many took an ad-hoc approach that failed to treat governance as a formal activity: more effective boards had formal rules **(Processes)**, clear role definitions **(Roles)** and effective meeting procedures **(Processes)**. Boards with good community relationships **(Relationships)** based on regular communication **(Processes)** were also more effectively governing.

2.5.2.3 The United Kingdom

Only two studies of school governance in the UK suggested multiple specific factors behind governance effectiveness. Other authors have focused on legislative responsibilities **(Processes)**, including Baxter, (2016) and Baxter and Wise (2013), who also highlight the importance of democratic representation in board member elections (**Relationships**).

First, a 2010 UK ministerial report (Gordon, 2010) identified five key factors behind school board effectiveness in its recommendations:

- Governing bodies should be clear about their purpose and follow a defined set of principles for governing **(Focus, Approach)**.

- The governing body's strategic management role should be separated from the head teacher's role of day-to-day management (**Roles**).

- Stakeholder representation on governing bodies is essential (**Focus**, **Relationships**)**.**

- Governing bodies need relevant skills for their tasks **(Competence)**.

- The training of governing body chairs, members and clerks needs to be improved **(Competence)**.

Gordon also presents a number of more general principles for school governance:

- clear strategic direction **(Focus)**

- promotion of the school's ethos and values **(Focus)**

- probity and value for public money **(Focus)**

- effective scrutiny of plans, policy and performance **(Processes)**

- holding the principal to account, providing both robust challenge and support **(Role, Relationships)**

- decisions should be based on good quality information **(Processes)**

- accountability to parents and other key stakeholders **(Role)**

- mechanisms to identify stakeholders' needs **(Relationships)**

- effective partnerships with other schools **(Relationships)**

- self-evaluation by the board and external reviewers, continual improvement of the board's operations **(Processes)**.

A second study by Gann (2017) emphasised three factors: understanding and fulfilling a board's governing role (**Roles**); developing a strategic focus (**Focus**); and maintaining good relationships with parents and other community members (**Relationships**).

2.5.2.4 The United States

Four US studies suggest factors relevant to this study. First, the Centre for Public Education (as cited in Moody, 2011, p. 75) called for changes in how boards interact with the school leader (principal):

- The board should cultivate a trusting and collaborative relationship (**Relationships**).

- The board should make the school leader the CEO and instructional leader of the school, reporting to the board (**Role**).

- The school leader should be evaluated according to mutually agreed goals **(Role, Processes)**.

- The board chair should ensure effective communication with the school leader and among board members (**Relationships**).

Second, Moody (2011) highlights effective and cooperative relationships between school leaders and the board. He sees schools as political environments, with the relationship between school leaders and their board being especially political. His analysis showed cooperation between school leaders and the board improved school performance. The need for school leaders and boards to cooperate is a theme in the literature in many countries (**Relationships**; Chambers, 2012; Grady & Bryant, 1991; McCormick et al., 2006; Moody, 2011; Mullins, 2007; Payne, 2004).

Third, Neale's (2007) case study of a US school board identified six general areas underpinning good governance:

- Understanding the environment **(Context)**

- Educational knowledge **(Competence)**

- Strong interpersonal relationships with key stakeholders **(Relationships)**

- Board member analytical, insight and evaluation skills **(Competence)**

- Appropriate use of board power and influence **(Role, Competence)**

- Effective strategic planning **(Focus).**

Fourth, Dervarics and O'Brien (2011) compared boards of schools with higher and lower performing students. The former tended to have a strong vision to focus their work (**Focus**), to work in partnership with the principal (**Role**, **Relationships**) and to seek continuous improvement (**Processes**), indicating that good governance improves academic performance. A qualification to this is that academic performance as measured by conventional tests may not be the primary goal of independent schools emphasising religious or community-focused values - although academic achievement per se generally remains important.

Finally, like Dervarics and O'Brien, Goodman et al. (1997) examined the effect of school board functioning on student achievement. They found good educational outcomes arise when:

- The board focuses on student achievement, avoids micromanagement and develops a trusting relationship with its school leader (Focus, Role, Relationships).

- The board helps the school leader to act as both a CEO and instructional leader (Role, Relationships).

- The school leader is evaluated through mutually agreed procedures (Role, Processes).

- The board chair communicates effectively with the school leader, board members and community (Relationships, Processes).

- The budget provides adequate resources (Processes).

- The board holds retreats for self-evaluation and goal-setting purposes (Processes, Relationships).

- Monthly school board meetings guide the school leader in setting the agenda (Processes).

- Board members serve for long terms (Processes).

- The school leader has relevant experience (Competence).

Conversely, poor governance was exemplified by six factors: board micromanagement; confusion between board and superintendent roles; poor communication; interpersonal conflict; lack of trust between superintendent, board or board members and; a focus on personal rather than school interests.

2.5.2.5 Study Not Specific to a National School System

One study reviewed in this section took an international outlook rather than focusing on one national education system. Land (2002) reviewed the literature from many countries, finding "many school boards do not embody the characteristics that have been described in the literature as essential for school board effectiveness" (p. 247). He identified four important characteristics underlying this:

- appropriate overarching concerns - e.g. on student achievement and policy making (**Focus, Approach**)

- good relations - e.g. superintendent, board members, interagency, government and the public. (**Relationships**)

- effective performance - e.g. policymaking, leadership and budgeting (**Processes**) and

- adequate evaluation and member training (**Processes**, **Competence**).

2.5.2.6 Studies of Non-profit Board Governance

Many studies of non-profit governance are mentioned elsewhere in this review but two identify specific elements of governance effectiveness are relevant here. Walsh (2002) compared eight diverse US boards to identify best practice, finding four key factors:

- ensuring a clear focus for the board **(Focus)**

- confronting the 'big questions', such as 'why should we continue to exist?' **(Focus)**

- treating the CEO as a partner **(Role)**

- having a competent board chairperson **(Competence)**.

Secondly, BoardSource, a large US consultancy to non-profit boards, presents in their handbook "common denominators for boards to operate at an exceptional level" (BoardSource, 2010, p. 22). Two key elements are frank and open relationships between the CEO and board **(Relationships)** and choosing board members who are motivated and committed **(Competence)**.

2.5.2.7 Summary

The studies discussed above highlight the critical role of a school's board in ensuring accountability and overseeing the school's strategic direction and CEO. A consistent theme of studies in Australia, the UK and the US is that school boards often fail in these areas.

A board range of factors underpinning effective governance of independent schools were identified but the seven GEFs appeared to capture their key elements well. One factor rarely noted in this section was **Context**, but the frameworks described in

Section 2.4.1 remind us that schools are influenced by their environment and that systematically considering contextual factors is important to a board's accountability and strategy responsibilities. Another observation was that authors tend to have in mind a single model of governance rather than encouraging boards to choose between different models as the **Approach** factor suggests. This is further discussed in Section 2.5.2.

The seven GEFs provide the conceptual framework for this study. They elaborate the definition of governance above in that **Focus** concerns *mission oversight*, **Roles** concerns *oversight of the principal,* and **Approach** covers understanding of how governance differs from management and use of prescriptive models of governance such as Carver and Carver's (2001) model. **Relationships**, **Competences**, **Processes** and **Context** are factors boards should address to meet the objectives underpinning their **Focus, Roles** and **Approach**. *Accountability* is relevant to all factors, but especially:

- **Focus** (accountability for mission fulfilment and educational outcomes)

- **Roles** (accountability for the principal's performance)

- **Relationships** with parents (accountability for service delivery), and

- **Processes** (for monitoring financial, legal, governmental, ethical and prudential obligations).

2.6 Review of the Governance Effectiveness Factors

This section explores in detail studies and reports related to the seven GEFs, drawn from the literature on governance in schools and non-profit organisations generally.

2.6.1 Focus: On Strategy or Operations?

Central to board governance is a focus on the organisation's mission rather than operational management. Boards need to be future-focused (Bryson, 2018: Ingram, 2009; Robbins et al., 2012; Wheelen, Hunger, Hoffman, & Bamford, 2017; Herman & Renz, 2000) and their members need to be effective strategists with a future vision, a plan to achieve it and processes to oversee the plan. This involves the interrelated concepts of mission, vision and strategic planning.

Authorities on strategic planning suggest beginning by identifying the organisation's *mission* (Bryson, 2018; Bryson, Ackermann, & Eden, 2014; Wheelen et. al., 2017). In *Mission Based Management*, Brinckerhoff (2009) suggests "mission must *always* be first in a non-profit organisation" (p. 1), and Siciliano (2008) notes that a mission focus is important to board members' satisfaction. However, non-profit boards often fail to understand the importance of mission: "Many boards fail to give their companies a sense of purpose, a compelling vision, or a distinctive reason for existence. Without a clear vision and mission, a company is rudderless" (Coulsen-Thomas, 1994, p. 32). Similarly, Morgan, a director general of the UK Institute of Directors, considers "a shared vision and sustained commitment in the boardroom is vital if outcomes are to match expectations" (as cited in Coulsen-Thomas, 1994, p. 33), and Grace (2003), author of many books on strategic planning in boards, observes that "among all the many duties of not-for-profit board members, setting and advancing mission is perhaps the most important" (p. vii).

The terms 'mission' and 'vision' are often used in similar ways in the literature, for example with *vision* rather than mission being central to board focus (e.g., Bartlett & Campey; 2010, Resolve, 2011). Although these terms are widely confused (Cady, Wheeler, Brodke, & De Wolf, 2011), mission tends to refer to the organisation's purpose and vision to a desirable future state consistent with this purpose. In this study, the term 'mission' is used to cover both perspectives on organisational purpose. A clear statement of its purpose "enables the non-profit board and management to build a core community that can see what the organisation wants to achieve in the long term" (Bartlett & Campey, 2010 p. 17).

A related element of strategic planning relevant to schools involves the organisation's *values* (e.g., Bartlett & Campey, 2010). Independent schools, like other non-profit organisations, may hold certain values central to their identity as stated in handbooks, websites and communications with their communities. The mission or vision should reflect values that communicate at a deeper level: "values are what click with people" (Grace, 2003, p. 16). Seidman (as cited in Sound Governance, 2010, p. 1) similarly suggested, "you have to enlist and inspire people in a set of values. People need to be governed both from the outside, through compliance with rules, and from the inside, inspired by shared values". Independent

schools in this study viewed religious or community values such as 'spiritual maturity', 'community', 'learning God's way' and 'global stewardship' central to their mission.

Theorists also emphasise that strategy is made in consideration of the organisation's *environment* (Chew, 2009; Child, 1972; Miles & Snow, 1978). For example, Chew (2009) demonstrated how UK non-profit organisations proactively formulate strategy to meet the evolving challenges of competition against other non-profit organisations for funding or clients.

Strategy should inform the board's *operational decisions*, such as choosing board members with the right skills and experience and creating appropriate board processes (Ferkins, Shilbury, & McDonald, 2009). In a governance approach, all board decisions are related to the organisation's mission: operational processes are not seen as an end in themselves (Carver & Carver, 2001).

However, it appears that boards often lose track of their school's strategic direction, for example becoming preoccupied with legal or fiduciary accountabilities that leave no time to consider mission, direction or strategic progress (Bartlett & Campey, 2010). They may become distracted by the bureaucratic and operational concerns arising as the organisation grows (Andringa et al., 2002). Ingram (2009), President of the American Association of Governing Boards of Universities and Colleges, suggested boards regularly assess their activities against their mission "to ensure the organisation is not drifting away from its original purposes … The mission sets the stage for … strategic planning as well as the board's many other responsibilities" (p. 1).

It appears boards often fail to be involved in developing strategy, leaving it to organisational staff instead. Resolve (2011) found that non-profit organisations' mission, vision or values statements were developed by the board in only 60 per cent of cases, with the principal or CEO taking responsibility in over a quarter of cases. Ferkins et al. (2009, p. 245) similarly found New Zealand Football Association boards were often under-involved in strategy. A board that 'rubber stamps' strategy rather than developing it fails in its oversight role and is less likely to be committed to the strategy.

Another widespread problem is an over-emphasis on planning. Grace (2003), emphasised that boards do not just create the mission and strategic plan but are responsible for advancing it. Boards may plan well but fail to oversee strategic advancement through overly focusing on operational issues: "they invariably direct management, meddle in day-to-day issues, and provide little in the way of longer-term planning and leadership" (Bartlett & Campey, 2010, pp. 22–23). A similar problem has been observed in the corporate strategy literature: a common failure to regularly check organisational outcomes against strategic goals, to adjust both operations and goals as changes are needed, and to relate strategy to all aspects of organisational management (e.g., Mintzberg, Lampel, Quinn, & Ghosal, 2002).

Strategic planning also often fails to question assumptions about the future and look beyond the status quo. Beare (2001) suggests that when school boards think strategically they should consider that the whole concept of schooling may change in the near future. He encourages boards to imagine schools as not necessarily having buildings or functioning within set hours, but becoming "a service or process, rather than a geographic location or campus", as the internet provides greater flexibility and family lifestyles increasingly extend over greater distance and time. Such schools may be "self-governing or networked schooling units" (p190) embedded in strategic alliances. Such radical changes may seem a long way in the future, but schools that best adapt to future challenges will be those with greater strategic foresight. The 2020 global coronavirus epidemic has shown how quickly long held assumptions about school functioning, and that of the social and economic context, can be rendered ineffective.

In summary, previous authors consistently stress the need for boards to focus on the school's mission and strategic goals, and to evaluate progress towards that. However, it appears boards are often distracted by accountability requirements, internal bureaucratic processes or operational issues. In addition, Boards need to be increasingly innovative as they strategically plan for the future of their school.

2.6.2 Governance Approach

The conceptual approach to governance used by a board is perhaps the dominant concern in the non-profit literature. There are many models of non-profit board

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governance and little agreement about the relative merits of each (Brudney & Murray, 1998; Robinson, 2001; Lyons, 2001; Tricker, 2015), although a common theme is the need to separate governance from operational management. This section begins with a framework for classifying models of governance.

2.6.2.1 Bradshaw et al.'s Framework for Classifying Governance Models

Bradshaw, Hayday and Armstrong's (2007) widely cited framework characterises models of governance along two dimensions: established versus innovative, and unitary versus pluralistic:

- *Established*: oriented towards sustaining continuity and maintaining established ways of doing things

- *Innovative*: oriented towards change and innovation (e.g., increased efficiency or fundamental social change)

- *Unitary*: applies to a single organisation

- *Pluralist*: applies to a network or group of related organisations, stakeholders or constituents.

The resulting combinations are described in terms of five models (see Figure 2.3):

1. Policy governance

2. Entrepreneurial

3. Constituency

4. Emergent cellular

5. Hybrid/vector.
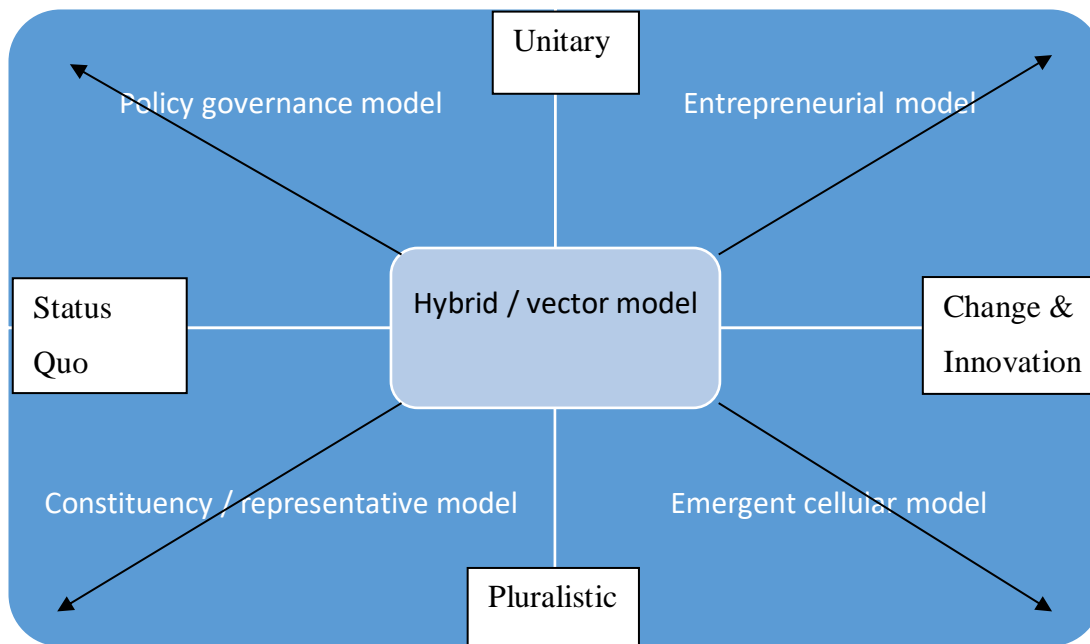
Figure 2-3 Models of Non-profit Board Governance (Bradshaw et al., 2007, p. 19)

2.6.2.2 The Policy Model

Bradshaw et al. (2007) describe *policy governance* as the dominant approach to non-profit governance around the world. This model emphasises clear separation of CEO and board roles and is typically found in organisations focused on *stability*. The board acts as a trustee, focused on developing and monitoring policy, while the CEO is responsible for executing it. Policy governance follows classical management theory in emphasising top-down control, rational planning and delegation (Bradshaw et al., 2007). However, this model has been criticised for focusing on a fixed vision at the expense of change and entrepreneurial innovation (Hough, 2002; Dart, 2000; Ralston-Saul, 1995).

The policy model most widely used in non-profit organisations is John Carver's Policy Governance model, in which detailed policies guide the board and CEO in their respective roles (Carver & Carver, 2001; Carver, 2006). Carver sees the board's role as achieving the purpose set by the organisation's 'owners', which in the case of non-profit organisations are typically its service recipients. The board has ultimate authority over all aspects of the organisation, including the CEO. Policies keep the

board focused on the organisation's mission, and operational matters are delegated to the CEO.

A criticism of policy models is that boards of smaller organisations are necessarily drawn into operational matters because of a lack of administrative staff (Fishel, 2008):

> There has been something of a reaction against this separation of powers approach, partly because many small organisations could not endorse a model which proposed a somewhat distant board handing down strategy for staff to implement—it did not reflect the reality of the small organisation, where there are very few staff to undertake the implementation and where board members typically fulfil voluntary operational roles as well as monitoring and direction-giving roles. (Fishel, 2008, p. 12)

Policy models have also been criticised for promoting too much focus on business processes and bureaucracy at the expense of long-term, strategic goals furthering the organisation's mission (Bassett & Moredock, 2008). This criticism may reflect how board's *implement* such models rather than the model itself: Carver, for example, clearly intends boards to focus on 'ends' related to its mission, not 'means'. Conversely Bassett and Moredock (2008) suggested a board can have too much distance from operations, for example, diminishing its focus on financial concerns.

A third criticism of Carver's model is that the high level of delegation to the CEO limits the board's ability to collaborate with this person (Bartlett & Campey, 2010). However, this may also be a problem of implementation since boards can cultivate good social relationships with the CEO, creating a partnership arrangement, while still holding the occupant of that role to account. Carver emphasised the need for a *balance* of power between board and CEO roles (1996, 2007).

Despite these criticisms, many large and small non-profit organisations have adopted the policy approach as their guide to governance. Policy governance models improve role clarity and accountability at the board level by providing a systematic, rule-based model that is widely endorsed and can be modified to suit the organisation. Their applicability to smaller organisations with limited operational staff is an important topic in the present study.

2.6.2.3 The Constituent Model

In the *constituent* or *representative* model, multiple stakeholder groups are represented on the board, creating a clear link between the board and those it represents. Under this model, the board gives primary attention to the views and wishes of the represented constituents. Customary ways of doing things govern board processes, although there are sometimes written documents detailing roles and responsibilities. This model can lead to conflicts of interest between different constituents, which then need to be managed by the board (Cornforth, 2003; Kreutzer, 2009). Further limitations of this approach are that boards can become large and unwieldy and representatives may change frequently, thereby reducing vision, focus and commitment among members and creating uncertainty for the CEO (Bradshaw et al., 2007).

2.6.2.4 The Entrepreneurial Model

The *entrepreneurial* model of governance is also known as the *business* model or *corporate* model (Bradshaw et al., 2007; Dart, 2000; Payne, 2004). Key characteristics are a focus on short-term innovation as a means of increasing market share and niche dominance. The board therefore seeks to leverage proprietary resources to gain a return on investment, and it may be dominated by investors. Efficiency, effectiveness and best practice management are important secondary goals. This model is not greatly applicable to independent schools, which tend to have a more ideological and less market-focused or commercial mission.

2.6.2.5 Emergent Cellular

The *emergent cellular* model involves interconnected stakeholders or organisations with a strong commitment to joint innovation and creativity. These networks comprise units or 'cells' such as self-managing teams, autonomous business units or operational partners that can operate alone but also interact with other cells. There is strong emphasis on communication between cells, and the board organises regular meetings between cells in different areas of the network. This model is not greatly applicable to independent schools except to highlight the role of inter-school collaboration, although it has some relevance to systemic schools having partial independence but also interdependence.

2.6.2.6 Hybrid/Vector

At the centre of Bradshaw et al.'s (2007) framework is the *hybrid* model. Using the mathematical notion of vectors (lines of influence), Bradshaw et al. argue that boards are pulled simultaneously towards each of the four models above, with one or more having a stronger pull than others. A board should therefore consider the advantages and disadvantages of each model explicitly and potentially adopt a hybrid. This process may be influenced by the board's openness to innovation and its ideological perspective.

This notion of reviewing alternative models and creating a hybrid is further explored when considering the Approach GEF in the data analyses reported in chapters 4 & 5.

2.6.2.7 Other Board Governance Models

Four other non-profit governance models were found in the literature. In the *principle-based* model, the board works with the CEO or other senior leaders to establish rules or principles defining board structure and function. The focus is on board processes, function, evaluation and structure (Totten & Orlikoff, 2002). This model is to some extent a simplified version of Carver's Policy Governance model, in that it clarifies principal and board roles but has less focus on policy and the distinction between ends (strategy) and means (operations). It may therefore be a useful interim approach for boards starting at a very operational level. It could also be argued, however, that its process focus can lead a board away from its oversight or stewardship role.

The *social constructionist* approach is the opposite to the policy model in that the CEO and board work in *partnership*, helping each other to function more effectively. This would appear to address the criticism that the policy approach is too top-down since boards delegate operational issues to the CEO while remaining socially distant (Oliver, 2009). Such a partnership would require clear separation of ultimate authority and negotiation of role boundaries if it is not to be dominated by personality issues or power struggles.

Some authors suggest boards *should* be involved in operations (an *operational* model*)*, especially in the organisation's start-up phase when "board members have to

roll up their sleeves and become more operationally involved than they would once the key staff team are in place and systems have been established" (Fishel, 2008, p. 12). Small school boards also tend to lack knowledge of governance, instead 'making it up as they go along' and usually becoming preoccupied with more urgent but less strategic aspects of school operations. Indeed, all boards must spend some time on the more significant operational issues (Carver & Carver, 2001; Fishel, 2008), but small school boards may not see the need for, or may lack the resources for, true governance.

The models of board functioning discussed above reflect governance as defined here to varying degrees, depending on the extent of their focus on stewardship of the organisation in terms of accountability, mission fulfilment and CEO performance. For example, policies in and of themselves may or may not address these goals. Boards with an entrepreneurial focus on market share and commercial returns may well prioritise this mission but limit accountability to owners (or shareholders) and regulatory bodies, minimising their interest in service recipients, consumers or the public interest. Boards with constituent or emergent cellular models may need to focus more on defining a common mission and negotiating roles and relationships between members, leaving less time for formal attention to accountability.

2.6.2.8 Models of School Board Governance

Only one publication with a specific model for school board governance could be found. The US-based National Association of Independent Schools (NAIS) advocates a *corporate model* (Bassett & Moredock, 2008), suggesting a desire to make schools more businesslike. In this model, the board:

- chooses its members and their successors

- is largely focused on the school's strategic direction

- has only one employee to hire, evaluate and fire the head of school

- redirects all constituent complaints to the head of school rather than being a 'court of last resort' (Bassett & Moredock, 2008).

This model closely follows Carver and Carver's (2001) Policy Governance model, which is widely used by non-profit boards throughout the world, including

independent school boards. Basset and Moredock (2008) see its strength in providing clear differentiation between the roles of board and principal, and endorse its use in independent schools.

Bassett and Moredock (2008) describe another model used in independent schools, the *parents' cooperative model,* in which parents select board members. However, they suggest this model may lead to a conflict of interest with the principal's authority, and focuses too much on short-term operations rather than long-term direction. They also suggest this model may lead parents to focus on short-term operational issues which are viewed as 'crises', distracting them from longer-term strategic concerns:

> [It is] inclined on too many occasions toward a crisis posture that undermines school leadership and board governance. Schools that begin with this model, as they grow in maturity in leadership, governance, reputation, and program, often seek to evolve to other models, having learned that governance is most effective that is focussed on the long term and strategic, not the operational (Bassett & Moredock, 2008, p. 3).

2.6.3 Choosing the Right Model

The conceptual model of governance that a board chooses will significantly affect its effectiveness. However, there are relatively few studies exploring the advantages and limitations of the models described above in relation to how they affect non-profit organisations, and even fewer providing guidance for schools apart from the NAIS adaptation of Carver and Carver's (2001) Policy model.

Bradshaw et al.'s (2007) review suggests that the choosing between models is less a question of which is best than a case of fitting the model to the organisation's context, which often leads to a hybrid model. Cornforth (2004, 2012) similarly finds that governance models tend to be one-dimensional, focusing on particular aspects of the board's role, and suggests advisors to boards draw on multiple theoretical perspectives. Boards should therefore be prepared to create their own hybrid model, suited to their circumstances, and may need to refine or adapt it according to their experience of it over time.

2.6.4 Roles of the Board and Chief Executive Officer

The governance focus on accountability and mission fulfilment requires the board to set and meet the school's strategic goals, create policies, meet legal and ethical obligations, oversee resource management and build relationships outside the organisation. In this, the board effectively *leads* the school community (McCormick et al., 2006). In many models of governance, most notably the widespread Carver model, and also Agency Theory, the CEO *executes* the board's policies and manages the organisation on behalf of the board.

It appears non-profit boards often lack this separation of board and CEO roles (Andringa & Engstrom, 2002; Houle 1960, 1997; Millesen & Wright, 2008), resulting in role ambiguity and conflict: "conflict emerges when either side views the other as competing for some of its rightful authority … the best paradigm for smooth relationships is to see the two important roles as parallel and not competing" (Andringa & Engstrom, 2002 p. 3). Role ambiguity is a major source of conflict between boards and school principals (Daugbjerg, 2014; Gann, 2017; Williams & Tabernik, 2011).

Separation of roles also involves clarifying the power relationship between parties (Brudney & Murray, 1998; Gann, 2017). It appears many boards see their role as *supporting* the CEO to manage the organisation (Carver & Carver 2001; Fishel, 2008). This can draw boards into micromanagement and, ultimately, work or information overload (Walkley, 2012). Lacking independence, they may be subject to the principal's whims (Carol et al., 1986), and the resulting tensions, frustrations and dissatisfactions can lead to role stress and general loss of effectiveness (Mullins, 2007).

Reversing this power relationship to give the board full authority over the school and render the CEO accountable to the board is likely to require a paradigm shift, a significant challenge to board members' deeply entrenched views about 'ways of doing things'. Training may be of considerable help in this. Millesen and Wright (2008) found training and ongoing feedback about the board's role as governors rather than managers was effective in changing the board's role.

At the same time, as Andringa and Engstrom (2002) suggested, these important roles should be "parallel and not competing". Carver (1997, 2006) similarly stressed that organisational effectiveness is greatly influenced by the *balance* of power between board and CEO: when either party holds too much power, the weaker party loses motivation and initiative, and governance is less effective. This need for balance constitutes a paradox of governance (Monks & Minrow, 2011): a balanced working relationship is often problematic because of the complex nature of board governance (Moody, 2011). Such a relationship requires tact and careful negotiation of role boundaries.

The board chair has a critical role in monitoring and managing role separation and the power balance. In Resolve's (2011) survey of Australian non-profit boards, the board chair was more often considered responsible for creating role separation (62 per cent of respondents) than was the board as a whole (27 per cent).

2.6.5 Board Relationships

School boards need effective relationships with parents and other stakeholders and the principal and other school staff, and also depend heavily on good relationships among members.

According to McGregor (1995) boards should be seen as social groups with a 'human side'. Senior & Swailes (2016) depict interpersonal relationships, as the unseen bulk below the tip of an otherwise invisible iceberg. Managers frequently find the organisation's human side harder to deal with than its formal side. Payne (2004) in her study implies that relationships especially the effective resolution of tensions and dilemmas in independent school boards was more important to effective governance than other factors such as formal roles and competence.

2.6.5.1 Relationships with External Stakeholders

Governance research has been criticised for overlooking the vital role of external stakeholders (Chelliah, Boersma, & Klettner, 2015; Cornforth & Brown, 2014; Freiwirth, 2014; Freiwirth et al. 2016, Puyvelde et al., 2018). More generally, stakeholder theory (Freeman, 2010 views an organisation's relationships with its external stakeholders as critical to its performance. The fundamental interconnection

between boards and external stakeholders requires boards to treat stakeholders as partners rather than as subordinates in a hierarchical relationship, as organisational charts typically depict (Bartlett & Campey 2010, p. 14).

Government is usually a key stakeholder for schools and other non-profit organisations. The school–government relationship has changed substantially in recent decades as governments contract out services to non-profit organisations and focus on funding and regulating service providers (Phillips & Smith, 2012). As noted above, independent schools receive significant government funding. School boards therefore need to understand government priorities and influence them where possible, for example, through industry associations. Schools are also accountable to governments through their registration requirements and funding arrangements, and often to local government for operational issues to do with land use, traffic and so on.

Other external stakeholders include a school's founding organisation, for example the church in some schools studied in this research, local community groups with whom they may interact out of joint interest (e.g. sporting clubs), unions and, most importantly, parents.

2.6.5.2 Relationships with Parents and the School Community

Good relationships with parents are critical to board governance. The term 'parents' is used loosely here to include non-parental guardians, foster parents, grandparents and other carers of students, sometimes collectively called the 'school community'. Under a governance approach to school board operations such as the Carver model, parents most directly represent the interests of the school's service recipients, the students. The board is thus ultimately accountable to this group for educational outcomes (Codrington, 2015).

Discharging this accountability requires understanding students' and parents' views of the education provided, which in turn requires good relationships with the parent body. This is helped by having board members elected from the parent body, as were most members participating in this study. However, boards can easily lose sight of other parents' views and must ensure they are seen to represent and listen to the whole parent community. They need to regularly explain the importance of their work and justify their decisions, requiring regular interactions with the parent

community. As the Association of Independent Maryland Schools (2001) suggests, "misunderstandings about school decision-making processes [are common and] ... independent schools must communicate their procedures to parents, who, in turn, share the important responsibility to become informed members of the school community" (p. 88).

2.6.5.3 Relationships between the Board and the School Principal

The relationship between the board and school principal was considered the most crucial factor affecting school performance in a US study of over 700 schools (Mountford, 2004). Mountford observes that "one only has to spend one or two hours with a board or the superintendent before hearing a horror story in which the other party is to blame" (Mountford, 2004, p. 705), and describes role confusion as a major issue. The importance of separating board and principal roles, and of maintaining a balance while giving the board ultimate authority, was stressed above (Section 2.5.2). The board-principal relationship was rated the most important of 51 governance factors in a survey of chairpersons of New Zealand school boards (Youngs, Cardno, Smith, & France, 2007). The social aspects of this relationship are as important as the formal roles defining it and are primarily considered here.

Boards can have too much cordiality in their relationships. Board members need to challenge each other to improve accountability and develop their capacity to work with the difficult issues governance brings (Robinson & Ward, 2005). Gordon (2010) similarly suggests boards must challenge the CEO. This challenge inevitability impacts the relationships between them.

Under the Agency Perspective it could be argued that the relationship between the Board and the Principal (CEO) is going to be characterised by tensions since they are agents for different aspects of the organisation (Du Bois et al., 2013). The board is responsible for the service provided while the principal is responsible for operational aspects of service provision but not the outcomes.

Chambers (2012) identified the grave consequences of a lack of trust between the board and operational leader, suggesting it is "the first order of business ... [for a board] to build a relationship of trust" (Carter & Cunningham, 1997, p. 93). This could involve a 'shared leadership' or partnership approach (Ferkins et al., 2009)

within the context of clear role separation and the principal's acceptance of the board's ultimate authority over the school.

The board must also have realistic expectations of the principal. McCurdy (as cited in Mountford, 2004) finds relationships become strained when boards want "quick fixes and are very demanding of the superintendent's time" (p. 705). The principal's competence is an essential element of this relationship: while a good CEO can guide an ordinary board (although this is not conducive to good governance), a capable board cannot make up for an incompetent CEO (Fishel, 2008, p. 7). Independent schools should seek a board-oriented principal aware of the nature of governance (Andringa & Engstrom 2002, p. 5).

Different models of governance may imply different degrees of separation between the board and principal. The somewhat hierarchical Carver model may lead some boards to a more distant relationship than the more egalitarian community governance model would suggest (Resolve, 2010). However, it is important to keep the formal and social properties of the relationship separate. Although the principal is accountable to the board, it is still possible for these parties to work in partnership. As noted above, this may require tact and ongoing negotiation of the role boundaries.

2.6.5.4 Relationships between Board and School Employees

While the relationship with staff may not be as crucial as the relationship with the Principal, boards may also lose sight of the importance of effective relationships with other school staff. Boards have a key role in setting the tone of school relationships (Carol et al., 1986; Land, 2002; Resolve, 2011): for example, members using power in a "dominating or oppressive manner" can disrupt a school's democratic foundations (Mountford, 2004, p. 704). Boards have overall accountability for school staff, who must implement the board's plans, and the importance of ensuring good relationships with staff cannot be overestimated (Neale, 2007).

2.6.5.5 Relationships among Board Members

Relationships between board members are obviously critical to board performance (Holland, & Jackson, 1998; Forbes & Milliken, 1999). Forbes and Milliken (1999) argue, that the extent of cohesive relationships in a board affect present and future

board performance and highlight that different viewpoints, ideas and opinions should be considered and worked through. A culture based on teamwork and cooperation, therefore, is important, especially given the complex nature of non-profit governance (discussed further in Section 2.5.7 Processes below). They proposed a model of board dynamics to show how these dynamics impact on board performance. Their work highlighted that boards work as groups and therefore the usual group process issues and challenges apply. Two key criteria were identified including task processes and board cohesiveness, and they argued there is a relationship between both of them. That is, this relationship negatively impacted cognitive conflict - differences in viewpoints about how the tasks are to be performed.

Social status also influences relationships on governing boards. It is not uncommon for the Chair, the CEO or another board member to be held in higher esteem than others. When some members are held in higher esteem they may hold greater power over the board's decisions (Block & Rosenburg, 2002; Hart-Johns, 2006).

The social status of individual board members can affect a non-profit board's effectiveness. Block and Rosenburg (2002) observed that boards' ability to govern can become skewed if some members are held in higher esteem because of their length of service, credibility or professional standing in the community. The board chair has a critical role in ensuring some members or groups do not dominate other members. The chairperson needs to be competent, therefore, in establishing and maintaining a healthy board culture and setting the ground rules for effective relationships (Harrison, Murray, & Cornforth 2013, 2014; Puyvelde et al., 2018).

The quality of relationships between board members also impacts on board turnover and retention. As Forbes and Milliken (1999) observe, board members experiencing low levels of cohesion in the board are less likely to stand for re-election and may resign from the board.

The role of the Board Chair in supporting board members is also critical. This may require stepping back to encourage member participation. Bezemer, Nicholson, and Pugliese (2018) suggest that having board chairs directly involved in decision-making at meetings can lead to reduced member engagement and chairs should instead take a supportive role.

2.6.5.6 Relationships and Board Capital

Hillman and Dalziel (2003) assert that board success in monitoring management and providing resources (two main roles of the board) is moderated by the board capital (competence, experience and expertise of board members). They argue however that board capital may be negatively or positively impacted by the quality of the relationships. For example, "Perceived conflicts of interest … may negatively affect the relationship between board capital and monitoring" (p. 392). They argue that conflict may however also be associated positively with resource acquisition. Hillman and Dalziel (2003) also argued that *homogenous* relationships are associated with higher board and firm performance asserting "the degree of homogeneity rather than the type of relationship is important" (p. 392).

2.6.5.7 Summary

The literature identifies important contributors to effective governance in the relationships between a board and (i) external agencies, notably government, (ii) parents, (iii) internal staff and employees, and especially in relationships with (iv) the school principal. The latter are often the most problematic and depend crucially on creating role clarity, a balance of power, trust and realistic expectations, and on having a competent, board-oriented principal. Boards maintain relationships with many external stakeholders (government agencies, suppliers, legal and financial service providers, churches and other bodies) and must consider accountabilities to all these. The most important stakeholders are their service recipients, parents. Board governance should focus strongly on the needs and views of this group, which requires cultivating good relationships with them.

2.6.6 Board Competences

School boards seeking to govern rather than manage the school will need knowledge and skills in many areas, including models of governance, strategic thinking and planning, meeting procedures, teamwork, organisational management, risk management, finance and law. The literature on non-profit governance has much discussion of these competences, but it is important to recognise that independent school boards primarily comprise parents and recruiting members with specific skills or experience is therefore often quite difficult. Further restrictions are that members

need to be available for evening meetings and have some understanding of the school environment (Provis, 2013). Smaller schools may have a very small pool of parents with relevant competences on which to draw.

In Resolve's (2011) survey of Australian non-profit boards, mostly independent school boards, one in four participants believed the board did not have a good skill set. Interestingly, Gilchrest and Knight's (2015) study of governance in independent Western Australian *public* schools highlighted a similar lack of board competence, even though these boards had the assistance of a government school system.

2.6.6.1 Frameworks for Board Members' Skills

The non-profit literature proposes a wide range of competences for board members, although these come from a variety of contexts and perspectives on governance. McDonnell (n.d.) suggests board recruitment should have the same degree of rigour as staff recruitment and emphasised four general areas of knowledge and skills:

- personal or interpersonal skills (e.g., communication, teamwork)

- governance (e.g., the nature of governance and difference to management)

- technical skills (e.g., educational, accounting, legal, human resources) and

- strategic thinking (the ability to propel the organisation forward).

Balduck, Rossem and Buelens (2010) identified three general areas of psychological and social competence for governance of sports clubs by volunteer board members: *cognitive intelligence* (e.g., a long-term vision, an attitude of professionalism), *emotional intelligence* (e.g., emotional understanding of self and others contributing to being reliable and honest) and *social intelligence* (e.g., listening to others, building social rapport).

Forbes and Milliken (1999) developed a process model that asserts that despite board members possessing the necessary skills to effectively govern, they do not always use them when governing. It is not just possessing the skills themselves therefore that is important, it is the actual use of these skills that positively impact governance effectiveness.

Neale's (2007) case study of a US school board identified five broad areas of competence underpinning good governance:

- contextual (ability to read and understand the environment)

- interpersonal (relationships and communication)

- analytical (insight and evaluation)

- political (use of power and influence) and

- strategic (visioning, planning).

Erakovic and McMorland (2009) studied New Zealand non-profit board members' perceptions of their expertise in six areas (Figure 2.4). Leadership, planning and professional skills (e.g., accountancy or law) were the most commonly cited, followed by industry knowledge (including education when governing a school) and organisational development. The least cited aspect was members' reputation in the field. It appears that these boards have relatively good skill sets, at least in members' self-perceptions.

Skills Board Members Bring to Boards
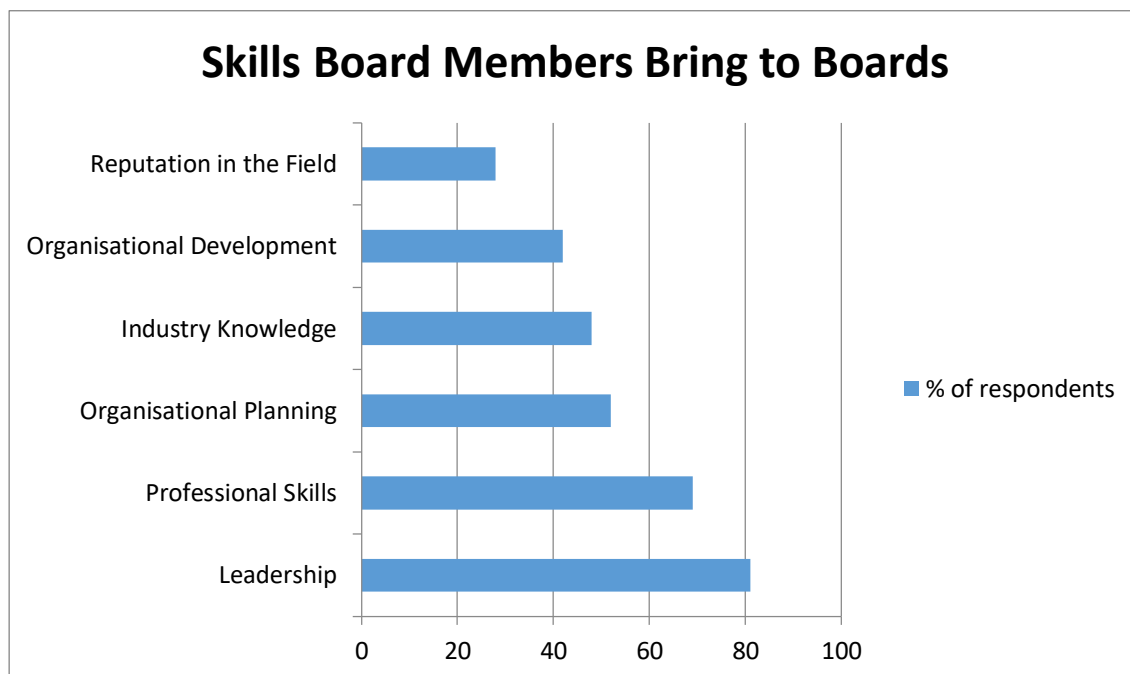
* Note: participants could choose more than one response.

Figure 2-4 Skills Members Bring to Non-profit Boards (Erakovic & McMorland, 2009)

Erakovic and McMorland (2009) also suggests that the boards overall competence and expertise should include industry knowledge. For independent schools this could involve recruiting an educator with a good understanding of this sector: a former or current principal from another independent school, for example, who was willing to work with the serving principal.

Nicolson and Kiel's (2004) framework (as cited in Miller & Abraham, 2006) for non-profit board effectiveness focuses on members' 'intellectual capital', incorporating human, social and cultural components. Nicolson and Kiel (2004) see effectiveness not as a function of these types of capital alone but rather of the dynamics of the board as a whole, since individuals must share their competences for them to be effective. The quality of members' *interactions* is therefore more important than mere possession of competence.

Although not often mentioned in these studies, accounting and finance competences are essential for boards of Australian independent schools since these schools receive substantial government funding (Donnelly, 2011; Dowling, 2007). Boards must report on the use of these funds and prepare submissions for future funding, and financial accountability is required for compliance with registration requirements. This is particularly relevant in the light of recent and past scandals involving fraud in independent schools (Buckingham-Jones, 2019; Gosh, 2007).

Collectively, the studies above identify a very broad range of member competences:

- governance

- business or industry expertise

- organisational development

- leadership

- planning

- strategic thinking

- educational knowledge

- legal expertise and risk management

- financial

- trends in the business and political environment

- meeting procedures

- social intelligence

- interpersonal skills

- political skills

- emotional intelligence.

Given the difficulty of recruiting parent volunteers for independent school boards, especially in small or regional schools, this list may be overly idealistic in many cases.

2.6.6.2 The Case for Non-Experts on School Boards

In the UK, there has been significant debate in recent decades about the type of competences needed on non-profit boards, including independent school boards. On the one hand, for example, the general secretary of the largest UK teachers' union suggested school boards should not use volunteers, since "an essential public service in which there is massive investment of public money should not be in the hands of untrained volunteers, however well-meaning" (Sallis, 2008b para. 4). On the other hand, boards can become too 'expert' if, professionals and business people bring corporate approaches that are inappropriate or unhelpful to non-profit organisations: "juries are not composed of lawyers, and governing bodies should beware of any tendency to let more power slip to experts or to strong professional interests" (Sallis, 2008a, p. 3).

Ranson, Arnott, McKeown, Martin and Smith (2005) strongly supported the use of parents as important stakeholders, since schools "will not become effective learning communities until they truly become cosmopolitan … and they will only realise that vision when democratic governance is strengthened" (p. 357). A challenge for boards is therefore to ensure both good stakeholder involvement and relevant member competences.

This dilemma is in part a consequence of increased private school funding by many Western governments, which creates an increasingly competitive marketplace in

which schools feel a need to develop entrepreneurial and business management skills (Cunningham & James, 2011). One response to this has been the growing use of board members appointed from outside the non-profit sector (Sergeant & Nicholls, as cited in Cornforth, 2004).

This dilemma underpins an ongoing debate in the non-profit governance literature. Small independent schools are likely to be more interested in increasing their competences than losing representativeness, but as Payne (2004) and others have observed, as schools grow they tend to become dominated by business values that may conflict with their service missions. Boards therefore need to keep an eye on how they balance these competing values. This may be another argument for a hybrid model of governance, as suggested by Bradshaw et al. (2007), for example, one combining both 'corporate' and 'service' values in a mix of policy and constituent or partnership models.

2.6.6.3 Board Members' Time, Confidence and Training

Selecting the right board members requires examining not only specific competences but also candidates' time commitments, their confidence in fulfilling the role and what training or induction programs could improve their competence.

Independent school boards' reliance on parent members limits not only their skill set but also members' ability to give sufficient *time* to the role (Johnson & Poklington, 2004). This is even more an issue in small or regional schools with a small recruitment pool.

It appears board members often lack *confidence* in their ability to undertake the role. Brown, Hillman and Okun's (2012) survey of 591 members of boards of 64 non-profit organisations found that the best predictors of members' confidence and level of participation were gender, experience on non-profit boards, 'mission attachment' and training. Independent school boards often had difficulty finding members with previous experience in boards of any sort.

Training can be a practical solution to deficits in board members' competence and confidence (e.g., Gazley & Nicholson-Crotty, 2018; Gilchrest & Knight, 2015). However, boards often assume members have relevant skills rather than seek to

systematically develop them, as Robinson, Ward and Timperley (2003) found in UK and New Zealand schools, where many lay board members reported struggling to perform their roles. The availability of training and development, including mentoring, coaching and leadership development, as well as formal training, is therefore a prominent issue in the present study.

2.6.6.4 Competence and Governance Theories

As mentioned in section 2.4 Hillman and Dalziel (2003) identified linkages between Agency Theory and Resource Dependency Theory in that boards monitor management on behalf of shareholders (agency theory) and provide resources (resource dependency theory). They assert however that their success in this is moderated by the competence of board members (refer to as board capital). They assert board capital (competence) impacts on the board's ability to perform it monitoring and resource provision functions. They also assert that relationships impact on board capital (discussed in section 2.6.5.6).

2.6.6.5 Summary

A wide variety of competences have been proposed by previous authors, covering the general areas of knowledge about governance and strategy, general management skills (especially for overseeing the principal's management), professional skills (in finance and law, for example) and interpersonal skills. The present study seeks board members' views on the role of these and other competences.

There is debate about whether lay board members should be appointed to non-profit and school boards, with critics pointing to their lack of competence and proponents to the richness and representativeness brought by service recipients (such as parents in schools). Independent school boards largely comprise volunteer parents and may need professional or business competences help develop their governance. It may be necessary to recruit members with specific areas of expertise (e.g. legal, financial) and to intentionally develop their collective skill base. Equally, they should guard against losing the representativeness and service ethos characterising most schools before they grow to the size where governance becomes feasible.

2.6.7 Board Processes

Studies have identified a wide range of business processes and practices that can improve governance effectiveness, including properly constituted policies, effective meeting procedures, use of standing committees, processes for budgeting, planning and performance monitoring, selecting a principal, recruiting members and orienting and training board members. Attention to the board's culture is also recommended. These areas of board process are examined below.

2.6.7.1 Policies

Well-run boards document key operational processes and policy decisions in written policies. Carver's (1991, 1997) widely used model places policies at the *centre* of governance: the board's authority rests in formally documented policies and decisions approved at properly constituted meetings. General areas of policy include the school's mission, governance processes, the role of school staff and the limits of acceptable staff behaviour (ethics and prudence; Carver & Carver, 2001). Policies ensure both the board and CEO are clear about their roles and criteria for evaluation. In a governance approach, it is important to emphasise that policies exist only to further the board's work towards the organisations' mission, not as ends in themselves as bureaucratic boards may assume.

2.6.7.2 Meeting Procedures

Boards are more effective when they follow good meeting procedures. A survey of 1,980 US non-profit board members and senior executives found a strong correlation between meeting practices and effectiveness in other areas of governance (Puyvelde et al., 2018). Key principles from this study included

> … making sure that board meetings (a) are well run and start and end on time, (b) focus on strategy and organizational policy, and (c) allow adequate time for board members to ask questions and explore issues. In addition, board members need to be well prepared for meetings, and receive the information necessary to make informed decisions (p. 1307).

Resolve's (2011) *Governance Operations Survey* of Australian non-profit board members found significant departures from these principles; for example, meetings

regularly ran over time (38 per cent of respondents) and boards often distributed board papers less than three days before the meeting (23 per cent). Nearly a quarter of surveyed members did not enjoy board meetings (24 per cent). Even such simple practices as adhering to the agenda can improve member satisfaction (Hart-Johns (2006).

2.6.7.3 Documentation

Important board policies and processes should be formally documented but non-profit boards are often run very informally (Mueller, 2015). The degree of documentation recommended tends to reflect an author's emphasis on formal policy; for example, Carver (2006) proposes extensive policy documentation but Andringa and Engstrom (2002) suggest "it is possible to capture every ongoing policy the board will ever need in about 15 pages" (p. 5). It is likely small schools' boards will start off relatively informally but should give documentation high priority since, as Carver in particular emphasised, a board's authority rests in written statements not verbal or assumed understandings.

2.6.7.4 Standing Committees

A board should consider using standing committees when key functions requiring detailed consideration can be efficiently delegated to a small subgroup of members. Eadie (2007) considered standing committees essential to non-profit boards, particularly for strategic planning and monitoring performance of the board and CEO. Financial oversight is another common use.

2.6.7.5 Human Resources: Training and Development, Recruitment, Induction

Another important area involves the board's human resource (HR) processes, including training and development of members and recruitment and selection of the school principal and board members. Jansen and Kilpatrick (2006) examined boards of 32 top-performing corporate organisations in the US and highlighted processes for selecting the CEO and developing leadership skills among board members, committee chairs and the CEO as vital contributors to board effectiveness. Although training involves time and financial cost the best-run boards invested in member development, regardless of the model of governance they used.

In independent schools and other non-profit organisations, board members are usually volunteers, often with full-time jobs and family responsibilities. This increases the need for training but reduces the time available for it (Resnick, 1999). The present study examines how boards deal with this important dilemma.

Resolve's (2011) *Governance Operations Survey* of Australian non-profit boards found 92 per cent had difficulty finding new board members, making recruitment of suitable members the most important single area for improvement. Similar conclusions have been reported in other studies (e.g., Johnson & Poklington, 2004; Bush & Gamage, 2001; Jansen and Kilpatrick, 2006; McDonnell, n.d.). As schools grow, this challenge intensifies because specific qualifications—in business, finance, law or information technology, for example—become crucial to effective governance and operational oversight (Kreutzer, 2009). Moreover, school boards often have mandatory limits on the length of service, making recruitment processes even more important.

When recruiting new staff, boards should have an induction and orientation process explaining the school's context and mission, the board and principal's roles, expectations of members, key areas of policy, meeting procedures, accountabilities and ethical requirements amongst other topics. Well-run boards often present these in a board handbook.

2.6.7.6 Culture and Teamwork

Culture refers to a social group's values and customary ways of doing things (Buse, Bernstein, & Bilimoria, 2016; Johnson et al., 2017). For example, a culture can be formal or informal and hierarchical or collaborative (Buse et al., 2016; Drogendijk & Holm, 2015; Mueller, 2015).

As with any formal group, a board's culture—the implicit assumptions, values and rules governing members' behaviour—plays a key role in its effectiveness. Hart-Johns (2006) described her experiences of serving on six boards with diverse cultures, noting the dangers of certain collective behaviours such as avoiding long-term challenges or losing strategic vision during times of enforced change. She emphasised the need to mediate the influence of strong personalities, promote high-level rather than operational thinking and foster creativity rather than a bureaucratic

mindset. Ferkins et al.'s (2009) study of NZ sporting associations similarly suggested that a board's culture should support its long-term strategic outlook.

A related concern for non-profit boards is teamwork (Hart-Johns, 2006). Non-profit boards face complex challenges in satisfying multiple stakeholders and advancing missions based on a service ethos, unlike corporate boards focused on profits or shareholder returns. Such challenges call for dialogue among members with different perspectives and expertise, which is strongly facilitated by a teamwork ethos in the board. Belbin (1992), an authority on teamwork, contrasted solo leaders with team leaders, those who encourage shared rather than individual power. Team leadership encourages board members to work collaboratively, increasing board unity and problem-solving capability while reducing tension, conflict and miscommunication.

Conversely, members can have too much sharing. Leslie (2010) warns non-profit boards to be on the lookout for 'groupthink', where members

> place allegiance to fellow board members ahead of the non-profit's best interests [and as a result] undermine social norms that facilitate sound governance procedures…. [Groupthink] blinds directors to conflicts of interest, and may also induce directors to refrain from adequately monitoring ongoing business relationships with board members (p.1)

Another important part of maintaining a healthy culture in organisations is managing tensions in the board relationships. Leslie (2010) asserts that the board Chair has a vital role in shaping the culture. She argues the Chair must adopt processes where tensions are appropriately managed. She states the board chair has a key role in ensuring members work harmoniously yet challenge each other in a positive way when appropriate. She also believes members of high status may seek to dominate discussions. The Chair has an important role when chairing meetings to not let high status members dominate meetings or remain beyond challenge. She argues, therefore, that the actions of chairs within the board processes are vital in creating a positive culture.

Similarly, Forbes and Milliken (1999) highlight "because boards are large, episodic, and interdependent, they are particularly vulnerable to "process losses" - the interaction difficulties that prevent groups from achieving their full potential" (p.

492). They highlight that while board processes of a high standard are essential to board effectiveness, even the best of board processes can be negatively impacted by group dynamics, intra-group conflict issues and other relational issues (see section 2.6.5.5)

2.6.7.7 Board Monitoring and Self-Evaluation

Self-review is critical to developing governance given its complex and challenging nature and widespread misunderstanding of it among non-profit boards. Even when governance has been developed, self-monitoring remains vital to ensuring the board adequately oversees the school's accountabilities and progress towards long-term goals (Carol et al., 1986; Gann, 2017; Panel on the Non-Profit Sector, 2015). For example, board self-evaluation has been found to improve students' academic success (Goodman et al., 1997). Under a governance approach, boards would regularly examine all the GEFs identified here: their strategic focus, model of governance, role in the school, relationships with stakeholders and staff, relationships among board members, competences for governance and the school's environmental context.

There is some debate about whether the board should be evaluated as a whole or whether individual members should be evaluated as well, perhaps by the chair or an external reviewer (Land, 2002). It appears the 'board only' model is more common, but this leaves a board with the problem of managing rather than 'carrying' underperforming members (Land, 2002). It is possible volunteers on independent school boards would find personal review threatening, particularly if the reviewer lacked interpersonal skills and used a judgemental rather than coaching or developmental approach.

Ingram (2009) suggested that boards go through developmental cycles that regularly bring a need for renewal or major overhaul of their approach to governance. Regular self-review can help determine where a board sits in this cycle. This may particularly help smaller schools as they change and develop through growth phases, but also applies to large schools responding to changes in their environment and resources.

2.6.7.8 The Chair's Role

A final important topic involves the critical role of the chairperson (Harrison, Murray, & Cornforth 2013, 2014; Puyvelde et al., 2018). Boards that give the chair a clear role are likely to have better processes and govern more effectively (Bush & Gamage, 2001). However, recruiting chairs with appropriate skills can be a significant challenge in non-profit organisations (Harrison, Murray, & Cornforth 2013, 2014), especially small ones. Training should therefore be a priority for board chairs new to the role.

2.6.7.9 Policies and Processes Are Not an End in Themselves

In her study of independent alternative Australian schools, Payne (2004) found that as schools grew their boards focused more on business practices and efficiency, including the development of policies and procedures. It is important to reiterate that board policies and processes exist only to further the board's accountability and oversight roles (Carver & Carver, 2001; Walkley, 2012). A practitioner's manual for non-profit governance compares two hypothetical boards, both with good processes but differing in strategic thinking (BoardSource, 2010). Board A runs smoothly and has good overall oversight, while Board B's meetings are more contentious and livelier, occasionally delving into management issues but mostly examining

> … the big questions about performance, future funding, organisational perceptions, value–laden concerns.… Board B devotes time to what matters most for the organisation and its development. Board A … is much more dependent on management for strategic early warnings and actions to be taken. (p. 190)

Thus, good processes alone do not guarantee good governance. BoardSource argues that board members should be *intentional,* focusing on "future-oriented inquiry" (p. 190) and seeing processes only as a means to long-term mission fulfilment.

However, non-profit boards often lack good business processes (Zhu, Wang & Bart, 2016; Bush & Gamage, 2001; Resolve, 2011; Robinson & Ward, 2005; Robinson et al., 2003). Governing is a more complex activity than managing, especially in non-profits which tend to have a broad range of stakeholders and a complex service-oriented (rather than profit-driven) mission. Boards seeking to adopt governance will therefore often need to substantially improve their processes.

2.6.8 Consideration of Context

The consideration of context is an important factor discussed in the literature. All other factors that contribute to effective governance are influenced by context. A key factor in effective governance is the board's ability to read and foresee changes in its environment (Neale, 2007). Consideration of context is essential to forming and implementing strategy in the strategic planning literature (Nicholson & Kiel, 2004; Hill & McShane, 2008; Jones, George, Barrett, & Honig, 2016; Narayanan & Fahey, 2001; Samson & Daft, 2017). However, this aspect of board operation is often missing from the literature on non-profit or school governance. The sections below identify key factors in a school's internal and external environment that should be systematically monitored.

2.6.8.1 Trends in the Internal and External Environment

Writers often separate an organisation's *internal* and *external* environments (e.g., Nicholson and Kiel, 2004; Hill & McShane, 2008; Jones et al., 2016; Narayanan & Fahey, 2001; Nguyen, Larimo & Wang 2019; Argostini, Nosella & Fillipini, 2016). *External* factors are found in both the broader 'mega-environment' shaped by legislative, economic, sociocultural, broader corporate social responsibility expectations, and political forces, and the local 'task environment' of an organisation's competitors, customers and suppliers (Munro & Belanger, 2017; Jones et al., 2016; Samson & Daft, 2017, Cooper, 2017). These contextual factors impact on board accountability and effectiveness (Cooper, 2017; Harrow and Phillips, 2013; Ticker & Parker, 2013; Jones et al., 2016; Samson & Daft, 2017). Consideration of competition is an example of a contextual factor having a growing impact on non-profit organisations (Harrow & Phillips, 2013; Tucker & Parker, 2013, Hardy & Ballis, 2013). This competition can conflict with their original mission and values influencing their current and future implementation (Harrow & Phillips, 2013).

A study of Australian healthcare boards found an understanding of the external circumstances was particularly important in guiding boards effectively (Chambers, 2012), and this applies also to Australian schools faced with a changing funding and demographic context. *Internal* factors include the school's financial resources;

physical resources such as buildings and location; culture; and human resources including managers, teachers and volunteers.

Governments are obviously a key external influence and boards should consider the impacts of all levels of government (American National School Boards Foundation, 1999, as cited in Land, 2002). Recent research from the Australian Institute of Company Directors (2016), for example, shows that while the non-profit sector is constantly growing non-profit organisations are less confident about ongoing government funding. They found non-profit organisations are beginning to realise that governments are experiencing tighter budgets and as a result non-profit organisations are increasingly seeking additional sources of funding (Australian Institute of Company Directors, 2016).

In Australia, independent schools are partially funded by federal and state governments, registered by state authorities and require local councils' permission for building approvals. Boards need to keep an eye on trends at all these levels including the political forces shaping events. The *economic* environment is obviously also important. An understanding of *sociocultural* and *technological* trends can help boards prepare students for the future: in Australia, multiculturalism and social networking technologies are examples relevant to schools. Demographic trends affecting the student population and changes in a school's competitors are other obvious candidates to consider. Finally, the effects of socio-economic background on educational achievement may be an important concern in some areas: much research over the last 50 years has linked underachievement to socio-economic disadvantage (Thomson, 2018).

While aspects of the *internal* environment such as finances, buildings and staffing are frequently part of the principal's operational management role a governing board will oversee their long-term development. A school's culture is an important but often overlooked aspect of this (Sarros, Cooper, & Santora, 2011; Skipper, cited in Grant Thornton, 2007). Lack of collaboration and hostility between students or staff can lead to a toxic culture where a positive school culture underpins collaboration, commitment and ultimately educational success. A positive culture values group members and seek continuous improvement in their work (Peterson & Deal, 2009).

2.6.8.2 The Stability and Complexity of Environments

A useful perspective on the role of environments is Bradshaw's (2009) model relating major governance approaches to environments that are simple versus complex and stable (or certain) versus turbulent (or uncertain), as shown in Figure 2.5.
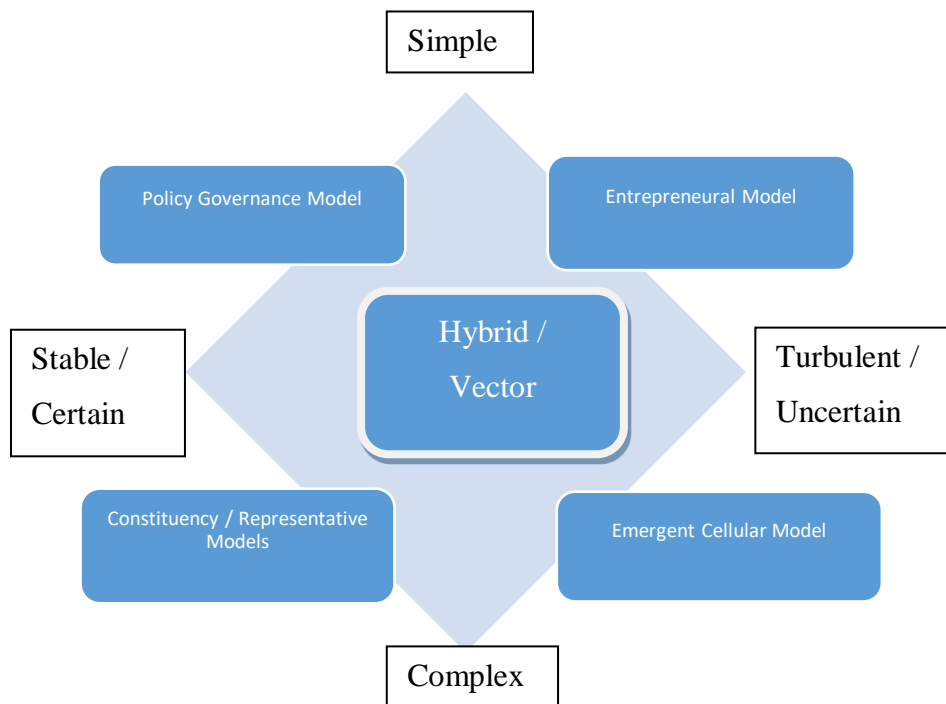
Figure 2-5 Governance Approaches and Dimensions of the External Environment (Bradshaw, 2009, p. 68)

As an example, a school in a simple and stable environment should adopt a policy governance approach while a complex and uncertain environment calls for an emergent cellular approach. Whether independent schools see their environment as simple and stable is an interesting question for the present study, given the predominance of the Carver and Carver (2001) policy model in non-profit organisations.

2.6.8.3 Scanning the Environment

Understanding important environmental influences on a school is a good first step, but boards need to find ways to routinely detect changes in the complex world around them. The organisational strategy literature and the school culture or climate literature provide a variety of relevant tools.

One is the well-known SWOT analysis developed by Humphrey in the 1960s to capture an organisation's strengths, weaknesses, opportunities and threats (Humphrey, 2005). A PESTEL (political, economic, social, technological, environmental and legal) analysis is useful in scanning the external environment (Narayanan & Fahey, 2001), and scenario analysis can help prepare for a small number of potential future scenarios (Fahey & Randall, 1997). A cultural web audit (Johnson, Scholes, Whittington, Angwin, & Regner, 2017) can help boards identify key values in the school's culture.

Tools for analysing a school's culture or climate include the Comprehensive Assessment of School Environments scale, the Organisational Health Inventory and the Organisational Descriptive Questionnaire (Roach & Kratochwill, 2004), and the Systems View of School Climate (Rudasill, Snyder, Levinson, & Adelsen, 2017). In addition, the contribution of Barnett (2018) is useful in assisting boards to consider the interconnectedness of different aspects of their environment.

Barnett's (2018) view of the university environment as an 'ecology' where a multitude of interconnected influences affect organisational outcomes is also relevant to schools and other non-profits. He finds universities are typically "falling woefully short of {their} responsibilities and {their} possibilities in the world" (p1) by failing to intentionally consider important ecological zones to do with seven 'ecological frames': knowledge, learning, culture, the natural environment, social institutions, human subjectivity and the economy. While the ensuing complexity means "there is no sure way forward" board members should show concern for the organisation's whole ecosphere. School boards could employ Barnett's ecological frames to help analyse their environments.

2.6.8.4 Life Cycle Analysis

A final contextual factor is the size of the school (number of students) in the context of its long-term trajectory or life-cycle. Many smaller schools are growing or seeking to grow into larger schools. While the board governance literature focuses primarily on large organisations (Huse, 2000; Lynall, Golden & Hillman, 2003), lifecycle models can help understand smaller organisations growth needs. These suggest boards of smaller organisations necessarily do things very differently to boards of larger organisations.

Drawing upon concepts from Agency and Resource Dependency theories, Bonn and Pettigrew (2009) argue that the key roles of the board directors must change over time depending on where they are in their lifecycle. They argue that much of the research on governance tends to focus on 'mature' organisations yet "organisations face different pressures and threats at different stages of their organisational life cycle and are therefore unlikely to have the same corporate governance requirements throughout these life cycle stages" (p2).

Quinn and Cameron (1983) developed an influential organisational lifecycle model by integrating nine previous models. This suggests organisations typically go through four stages.

1.   The entrepreneurial stage, focused on formation and creativity.

2.   The collectivity stage, focused on commitment and cohesiveness.

3.   The formalisation and control stage, focused on institutionalisation and rules.

4.   The elaboration of structure stage, focused on growth and decentralisation.

As organisations move through these stages they change their internal culture and orientation to their external environment. Quinn and Cameron found that the transition between stages often created employee resistance, requiring managerial intervention. These insights are important to boards of smaller schools undergoing transition. However, there is little in the literature that can guide non-profit boards in this. Consistent with Quinn and Cameron's model, an extensive study of Canadian non-profits (Dart, Bradshaw, Murray & Wolpen, 1996) found that boards tended to

focus more on systems, structure and formality as they mature through their lifecycle. Conversely, Lynall et al (2003) showed how board composition typically remains static in terms of expertise across the life cycle. Independent schools tend to rely on parents for board members, and as the school grows the pool of potential parents grows which often expands the range of expertise available. However, it appears boards need to focus explicitly on seeking out expertise to assist with formalisation and 'professionalization' as they grow.

2.7 A Conceptual Framework for Effective Governance

Governance was defined earlier in this chapter as a process of overseeing the organisation's accountability, mission focus and CEO. The review presented in the last two sections identifies seven factors contributing to governance effectiveness in independent schools and other non-profit organisations, as shown in Figure 2.6. This conceptual framework extends the frameworks of McCormick et al. (2006) for independent school governance and Ostrower and Stone (2010) for non-profit governance by incorporating findings from numerous reports and studies of governance. It is used to analyse boards in this study and can help guide boards in developing governance as discussed in Chapter 6.

The seven factors can be summarised as follows:

Focus: Keeping the organisation focused on its mission is the most important element of board governance in any sector. Boards should clarify the organisation's mission, develop a strategic plan for fulfilling it and oversee the plan's implementation and regular review. The mission and strategic goals should be developed in conjunction with key stakeholders, notably parents in the case of school boards, where educational outcomes are the principle concern. Previous research suggests many non-profit boards focus on operational management rather than strategic oversight.

Approach: Many prescriptive conceptual models of non-profit governance have been published. The most commonly used in non-profit organisations is Carver and Carver's (2001) Policy Governance model, but Bradshaw et al.'s (2007) well-known framework identifies four prototypical models: the policy, entrepreneurial, constituency and emergent models, and the present review uncovered a further four

more specific models. Each model has its own focus and limitations. Non-profit boards often have very little understanding of the nature of governance and should begin by researching the major alternatives. They should choose one to suit their context and purpose, although given the relatively narrow focus and limitations of each, a hybrid may be more appropriate.

Roles: In most governance models, the board has ultimate authority for all aspects of the organisation, including the CEO's operational management. However, in reality many non-profit boards see their role as supporting the CEO in day-to-day operational management. Role ambiguity is common, leading to tension between the parties and poor governance. Role clarity, a balance of power and realistic expectations of the CEO are key principles. Changing from a principal support role to a school governance role can constitute a significant paradigm shift in a school board's outlook, competence and functioning, but may be the most important single step towards effective governance.

Relationships: Good relationships with key stakeholders are vital to effective governance. For school boards, relationships with *parents* (and other school community members) are critical to ensuring the school understands and meets the needs of its service recipients, the students. Relationships with any *founding body*, such as a church, are also obviously important, and boards may need to develop working relationships with key *government* agencies.

The board's working relationship with *the principal* is also critical. Policy and other governance models can result in a distant 'line management' relationship, but governance is better understood as a partnership between board and principal (within the formal reporting arrangement). Finally, a board should cultivate good relationships and a teamwork approach among its *members*. The board chair has a key role in overseeing all the board's relationships and developing trust among all participants in the governance process.

Competence: Previous studies identify a wide range of competences for non-profit or school governance, including knowledge of governance and management, educational expertise, organisational and professional (e.g. accounting or law)

competences, and social or interpersonal skills. In part, this reflects the nature of non-profit governance as a complex activity dependent on social relationships.

How much non-profit boards should acquire generic business competences has been widely debated. Independent school board members are typically volunteer parents, who do not necessarily possess business experience but bring representativeness, enthusiasm and diversity to a board. Boards of smaller schools often have trouble recruiting members, although co-opting non-parents with specific areas of expertise can help. In this context, training is an important option for developing board competence, as is a good induction program for new members.

Processes: Good business processes underpin the effectiveness of any board but are even more critical in the complex and challenging process of governance. The literature identifies a wide a range of process issues relevant to governance, including policy development, meeting procedures, documentation, attention to human resources (recruiting, training and developing members), and building a board culture based on trust and teamwork. The board chair has a critical role in overseeing all these activities.

Board self-monitoring and self-evaluation is particularly vital given the complex nature of governance and the ongoing need to adjust board functioning to meet strategic goals and environmental changes. Boards should regularly consider all the GEFs (their focus, model of governance, role in the school, relationships, processes and competences for governance and environmental context), ensuring these further the school's mission and strategic goals.

Context: Regular consideration of the external and internal environment is a key element of contingency frameworks of non-profit board governance. The literature suggests key external areas include trends in government, politics and the broader economic, social and technological developments that affect a school's future. Internal aspects include staffing and the school's culture. Boards may also review how their model of governance fits with an environment that may be simple or complex and stable or turbulent. Boards should regularly 'scan' their environment, and a number of simple tools for this were identified from the literature on strategic management and school culture.

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┌─────────────────────────────┐
│ **Approach**                │
│                             │
│ Model of governance adopted │
└─────────────────────────────┘
                                          ┌────────────────────────────┐
                                          │ **Strategic Focus**        │
                                          │                            │
                                          │ Vision, mission, values,   │
┌─────────────────────────────┐          │ strategic direction        │
│ **Roles**                   │          └────────────────────────────┘
│                             │
│ Of the board & Principal    │
└─────────────────────────────┘

┌─────────────────────────────┐
│ **Governing Relationships** │
│                             │
│ Relations with principal and│          ┌────────────────────────────┐
│ parents, relations among    │          │                            │
│ board members               │          │ **Board Governance**       │
└─────────────────────────────┘          │ **Effectiveness**          │
                                          │                            │
┌─────────────────────────────┐          └────────────────────────────┘
│ **Competence to Govern**    │
│                             │
│ Members' expertise & skills │
└─────────────────────────────┘

        ┌─────────────────────────────┐
        │ **Board Processes**         │
        │                             │
        │ Policies, processes, member │
        │ recruitment & training,     │
        │ meeting procedures,         │      ┌────────────────────────────┐
        │ documentation               │      │ **Consideration of Context**│
        └─────────────────────────────┘      │                            │
                                             │ Internal & external        │
                                             │ influences                 │
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Figure 2-6 Governance Effectiveness Factors

2.8 Chapter Summary

This chapter reviewed the literature on governance in non-profit organisations and schools, primarily focusing on implications for independent schools. While there is no commonly accepted definition of governance, the studies reviewed suggested three fundamental elements: steering the organisation towards achieving its mission, accountability to stakeholders (especially parents as service recipients in schools) and overseeing the CEO or principal's administration of the organisation. Previous studies suggested non-profit and school boards do not often have a good understanding of governance and its difference from management. This chapter presented the development of a framework for understanding the factors behind governance effectiveness in independent schools.

As a first step towards this, previous frameworks for board governance in non-profit organisations and independent schools were reviewed, along with studies identifying specific factors contributing to governance. Seven key GEFs were drawn from this review, labelled Focus, Approach, Roles, Relationships, Competence, Processes and Context in the framework shown Figure 2.6.

Previous studies suggest boards often focus on operational management instead of strategic goals, lack accountability to key stakeholders and fail to oversee the principal's work. Boards tend to lack understanding of the nature of governance and the conceptual models used to guide boards. They may fail to proactively cultivate relationships with parents and the principal, or relationships among members. Boards should also consider and develop members' competences, adopt good business processes, and regularly consider the school's changing external and internal environment.

The framework developed for this study guided the seven case studies of independent school boards presented in Chapters 4 and 5 by providing an 'operational definition' of governance effectiveness to structure the data collection and analysis.

Chapter 3: Methodology

3.1 Introduction

This chapter describes the research approach and design of this study, including the rationale for the design, the specific data collection and analysis methods and the processes to ensure that the study was conducted in an ethical manner. Brennon and Solomon (2008) proposed that "broader approaches to corporate governance and accountability research beyond the traditional and primarily quantitative approaches of prior research" (p892) were to be encouraged. They identified that research in board governance was moving away from "testing established hypotheses derived from finance theory" focussing more on "developing new theoretical models" (Brennon & Solomon, 2008, p. 893).

Consistent with this view, the study was predominantly qualitative, based on case studies of boards of seven small to medium-sized, autonomous independent schools in WA. The data collection and analysis procedures addressed the research questions presented in Figure 1.1, based on the GEFs identified from the literature review and depicted in the framework shown in Figure 2.6.

Figure 3.1 shows the methodological framework for this study. The GEFs guided development of the survey and the semi-structured interviews targeting board members' subjective perceptions of governance, while observation of meetings and review of board documents were used to gain more objective evidence of the board's activities. Findings from all four sources were analysed together, using both within- and across-case analyses. Data collection and analysis were combined in an iterative approach whereby data collection was modified to examine emerging themes in more detail.
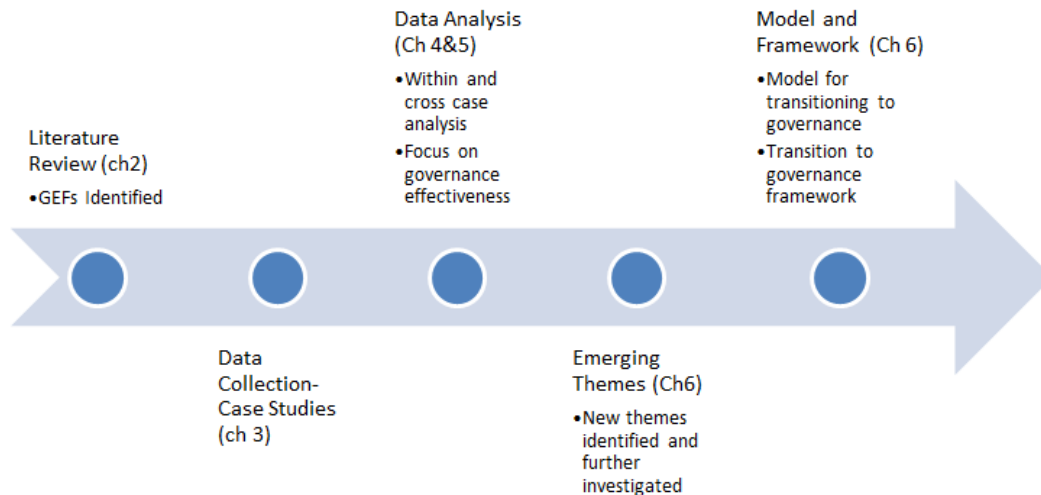
Figure 3-1 Methodological Framework

3.2 Perception and Reality

The research methods were chosen to provide both subjective and objective evidence. Board member's survey and interview responses gave subjective views of their board's operation that might not be shared by other members. For this reason, they are complemented in this thesis with more objective evidence from observation of meetings and review of formal documents (Figure 3.2).

Social desirability bias can lead participants in social science research to report what they think they *should* say rather than what they really believe (Preisendörfer & Wolter, 2014). This is especially so in organisations and other institutionalised social groups. Argyris and Schon (1974) highlighted the tendency of organisational members to portray a socially desirable image of their work or the organisation's situation, that is, an 'espoused theory' that may differ from their 'theory in use', the private beliefs actually guiding their behaviour. Interviews and surveys therefore have the potential to produce socially desirable impressions rather than an accurate reflection of board members' activities and opinions. While a researcher's observation of board meetings and review of board documents can also involve subjective bias, investigation of discrepancies between these and the first-person reports of interviews and surveys can provide a more objective picture (Figure 3.2).
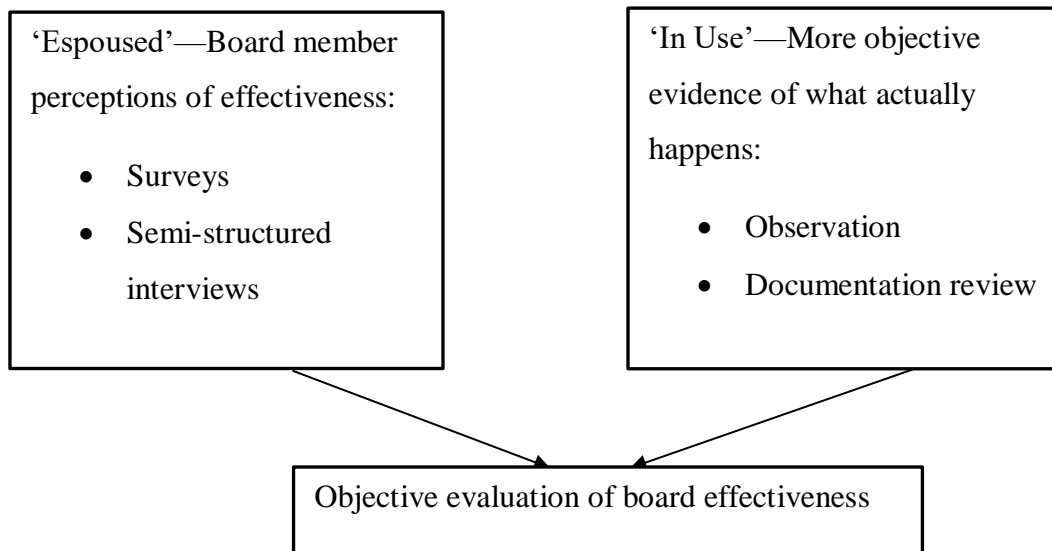
Figure 3-2 Perceptions and Potential Evidence of Effectiveness

Comparison of the views obtained from all four methods can further help surface the objective reality underpinning each. Therefore, each case was investigated in depth using all data sources, with the researcher being mindful of the potential for bias in each. Besides the survey responses, the researcher gained insight into each case through interviews with board members and the principal (typically around eight interviews per case), multiple site visits (at least three), observations of board meetings (at least one) and review of documentation (e.g., policies, procedures, agendas and minutes). This broad familiarity provided a better chance to 'read between the lines' of each type of evidence.

3.3 Pragmatic and Positivist Approach

Approaches to social science research can be broadly divided into positivist and constructivist paradigms, reflecting different views about reality and researchers' means of knowing it. Positivists believe a single objective view of reality can be obtained from multiple participants, while constructivists focus on how individuals construct different subjective views of what is real to them (Silverman, 2016). A third approach increasingly gaining acceptance, the pragmatic approach, looks beyond these philosophical assumptions to focus on how actors make decisions about real-world problems with the aim of contributing to better decision-making, new policies or other forms of social change (Salkind, 2010). Pragmatic research uses

both quantitative and qualitative methods according to the nature of the problem and context (Creswell & Poth, 2018).

This study takes a primarily pragmatic approach, although the underlying worldview is largely positivist in that a single, objective view of effective school board governance is sought. While individual researchers and board members may have different views on what defines and influences effectiveness, and how effective a given school is, the factors shown in Figure 2.6 above are drawn from the literature and should therefore provide an appropriately objective starting point for comparing boards. Subjective differences between individuals are important and discussed where relevant but the focus is on how board governance can be understood as an objective concept, since the aim is to provide conceptual and practical recommendations that generalise to practitioners in a wide range of contexts beyond those studied here.

3.4 Qualitative Research Focus

Qualitative research is today widely accepted as a valid approach to generating academic theory (Gehman et al., 2018; Fusch, Fusch & Ness; 2018 Brennon & Solomon, 2008). Qualitative research methods allow researchers to unpack complex organisational phenomena and obtain theoretical insights that challenge existing theories (Bansel, Smith, & Varra, 2018; Creswell & Poth, 2018; Eisenhardt, Graebner, & Sonenshein, 2016; Shaw, Bansal, & Gruber, 2017). This study used qualitative methods, since "qualitative researchers are interested in understanding the meaning people have constructed, that is, how people make sense of their world and the experiences they have in the world" (Merriam & Tisdell, 2016, p. 6). This study sought a general description of the meanings members attached to their board's operations rather than a focus on differences between individuals' experiences and meanings—a 'nomothetic' rather than an 'idiographic' approach (Cone, 1986).

Qualitative research typically seeks to develop new insights through an inductive approach (Silverman, 2016), a process of open-ended discovery that contrasts with the deductive approach of verifying hypotheses drawn from previous research (Levitt et al., 2018). A hallmark of this approach is integration rather than separation of data collection and analysis, often in an iterative approach (Hill, 2008) leading to

'discovery' throughout the study (Caiata-Zufferey, 2018; Eisenhardt, 1989; Yin, 2013). As noted above, data collection and analysis were conducted jointly for this study, allowing the researcher to incorporate unanticipated themes as they emerged. Findings from the survey, semi-structured interviews, observations and documentation review in each case were re-examined in the light of evidence from other cases and methods in a continual process of learning over approximately 18 months of data collection and initial analysis. For example, when early surveys and interviews suggested boards often lacked the intention to develop governance and tended to minimise or ignore the need for strategic planning, these issues received more focus in the interviews, observation of meetings and review of documents. Another example was an early suggestion that boards changed their approach as their school grew, a theme not found in the literature review. This led to a greater focus in subsequent interviews, observations and document analyses on the process of transitioning from operational management to governance as schools grow. The model and framework presented in Chapter 6 largely emerged from these unanticipated findings.

This open-ended approach to analysis was built on a systematic literature review to uncover factors considered to influence governance effectiveness in previous studies of schools and other non-profit organisations. While some researchers (e.g., Giles, King, & de Lacey, 2013) suggested literature reviews should *follow* data collection to avoid influencing this process, the absence of a detailed framework of school or non-profit board governance in the context of this study suggested developing one prior to data collection and analysis.

The researcher is often recognised as a key element in the qualitative research process, unlike quantitative research where he or she is typically assumed to have no influence on the findings (Clayton, 2010; Flick, 2018). It is therefore important for qualitative researchers to reflect on how they may unconsciously influence findings, particularly when they actively participate in the social world studied, even when they seek to be unobtrusive observers. In the context of this study, this issue mainly arose in observing board meetings, where the researcher remained as unobtrusive as possible. Occasional discussions with board members outside meetings occurred, for example when board chairs sought informal feedback on meetings. The researcher

endeavoured to remain objective in such discussions, and also in the interviews, and did not observe any significant influence of his presence on the data collected.

Although the study was conducted in a predominantly qualitative framework, some quantitative data was obtained from a survey to deepen the researchers understanding of each case. Here survey respondents were asked to provide qualitative responses as well as rate their boards' effectiveness in some areas on a five-point scale. Owing to the small sample size in each case, these responses were not analysed statistically but used as an aid to understand each case (see Chapter 6). The researcher also rated each case on each GEF to help summarise impressions of the case's effectiveness drawn from all four sources of data. Again, these were not analysed statistically. It is increasingly common for qualitative studies to involve some numerical data (Grix, 2010), and a growing body of literature and research highlights the benefits of complementary use of qualitative and quantitative data (Cameron, 2016; Creswell & Plano Clarke, 2007; Leech & Onwugbuezie, 2008). For example, Lieberman (2005) advocates including quantitative questions within a qualitative study.

The study's inductive focus on developing new theory was preceded by a review of previous studies with diverse perspectives and assumptions about governance. Many positivist studies use a literature review to identify hypotheses or propositions for empirical testing of causal relationships, a deductive process. Here, the literature review is used to aid data collection and analysis by identifying very general areas (called "Governance Effectiveness Factors") for empirical investigation, since no existing framework for school or non-profit governance could be found. Without such a framework it is likely the questions asked would have been limited by the awareness and experiences of researcher and respondents. Governance is a complex subject and, as indicated in the literature review, different academic definitions and theoretical perspectives involve quite different views of the practices a board might follow. The literature review, above, aimed to map out the territory to be explored rather than identifying specific causal propositions to be empirically tested.

In summary, the study used predominantly qualitative data to develop an objective model of independent school board governance, endeavouring to take into account board members' different perceptions of their board's functioning (and willingness to reveal actual rather than publicly-espoused views), while recognising that respondent

subjectivity necessarily limits qualitative research. The study had inductive aims and used a literature review to develop a broad framework to guide data collection and analysis but did not involve testing of causal hypotheses.

3.5 Positivist Qualitative Research

Combining a positivist understanding of reality with a qualitative methodology is a relatively new approach to research. Historically, positivism has been associated with quantitative research methods and more subjective research (interpretivist studies for example) with qualitative methods (Su, 2018). Positivist qualitative research (PQR) is a more recent development combining these seemingly contradictory perspectives or paradigms in "a uniquely useful and extensively adopted genre of academic inquiry" (Su, 2018, p20). PQR has been defined in these terms:

> Ontologically, it assumes an objective external reality that is apprehensible although not readily quantifiable. Epistemologically, it focuses on identifying regularities, relationships, patterns, and generalizable findings from this reality. Methodologically, it emphasizes the application of systematic protocols and techniques to develop and test theoretical models or propositions based on the canons of scientific rigor (Su, 2018, p27).

Growing support for this approach in business research is shown in the number of top journals publishing positivist qualitative studies, including Harvard Business Review (Lacity et al., 1995), Academy of Management Journal (Hallen & Eisenhardt, 2012), Administrative Science Quarterly (Lawrence & Dover, 2015), Organization Science (Cattani et al., 2013), the Strategic Management Journal (Joseph & Ocasio, 2012), the Journal of International Business Studies (Orr & Scott, 2008), MIS Quarterly (Levina & Ross, 2003), Information Systems Research (Jarvenpaa & Leidner, 1998) and the MIT Sloan Management Review (Su et al., 2016).

A common positivist qualitative methodology is the case study, where understanding of 'best practice' can be gained from multiple business cases (Su, 2018 p28). Recent examples of positivist qualitative case studies include a study of performance and organisational networks by Hallen and Eisenhardt (2012), a study into symbiotic

leadership and symbiotic relationships by Davis and Eisenhardt (2011), and a study into supplier internalisation strategies by Su (2013).

PQR expands the scope of qualitative research and increases qualitative researchers' opportunities for developing new theory (Su, 2018). It brings greater depth and subjective enrichment to positivist research, can be easily integrated into positivist studies (Su, 2018) and promotes innovation and creativity in both fields (Bansal & Corley, 2011).

In summary, PQR has emerged as a synergistic field of inquiry combining research approaches previously regarded as incompatible.

3.6 Case Study Approach

This study adopted Eisenhardt's (1989) comparative case study approach, a ground-breaking model for building theory from case study research widely adopted by scholars and researchers. Eisenhardt (1989) considered theory generated using this approach to be "novel, testable and empirically valid" (p. 532). While continuing to evolve in minor ways (Eisenhardt & Graebner, 2007; Eisenhardt et al., 2016), this remains a highly regarded approach to building theory from case studies. A hallmark of Eisenhardt's (1989) approach is her staged use of within-case analysis followed by cross-case analysis, allowing iterative movement between these levels as the researcher builds a mental picture of the phenomenon under study and its contextual variations.

In a business research case study, the researcher immerses her or himself in the case organisation as an unobtrusive observer (Shekhar Singh, 2014, Davies, 2005). Data analysis involves examining cases from different angles as the researcher uncovers propositions leading to new theory. These are then linked together to create a theoretical argument showing how the propositions together explain the studied phenomenon (Gehman et al., 2018). The present study examined governance from different angles by comparing data from surveys, interviews, observations and document analysis, and by comparing each case in terms of the seven GEFs. While this approach to data analysis can be time consuming, it provides insights into phenomenon that other methods are less likely to uncover (Eisenhardt et al., 2016; Gehman et al., 2018; Hancock & Algozzine, 2016; Phophalia, 2010).

A case study usually focuses intensively on a single case or a small number of individual cases (Harrison, Birks, Franklin & Mills, 2017; Stewart, 2014; Yin, 2013): rather than studying a hundred organisations for one hour each, a researcher might study five for a hundred hours each. This study compared seven cases covering a range of school sizes, locations, social contexts and approaches to board operations.

Case studies have several advantages over surveys and similar cross-sectional forms of research. First, the real-life context is more apparent, and case studies deliberately study its influence on the phenomena of interest. Second, case studies are better suited to addressing descriptive and exploratory questions. Third, they are also useful in building theory based on previous research (Eisenhardt et al., 2016; Gehman et al., 2018; Hancock & Algozzine, 2016; Soy, 1996; Stewart, 2014, Yin, 2012, 2013). Case analyses and comparisons therefore suited this study's inductive approach to theory building.

Ellinger, Watkins and Marsick (2009) highlighted four characteristics of case studies that were implemented in this study:

- Bounded - boundaries are set by the research problem or questions. Here, only boards of autonomous, small or medium-sized independent schools were studied.

- Embedded - cases are embedded in larger systems. Here, the cases were examples of the Australian independent school sector and the religious or community-focused groups typically running such schools.

- Multiple methods - researchers use multiple methods to collect data. In this study, surveys, interviews, observation and documentation review were employed.

- Multi-site - single, or multiple sites as the basis of cross-case comparisons. Here, seven schools in different geographical locations and social contexts were analysed and compared.

3.7 Limitations of Case Studies

Like all research methods, case studies have limitations. Phophalia (2010, p. 19) describes four types of limitation that are relevant to the present study.

Cost. Generally, the intensive nature of case studies creates substantial costs in collecting, organising and analysing data. Here, observing board meetings and interviewing members involved time and financial costs, limiting the number of cases that could be studied.

Generalisability. Generalisability in qualitative research involves conceptual more than empirical analysis of how concepts apply outside the studied cases (Silverman, 2016). This study followed Eisenhardt's (1989) two-stage model in which common features from initial *within-case* analyses were compared in a *cross-case* analysis, providing a more holistic and generalisable perspective (Noor, 2008) of governance in small to medium independent schools. The generalisability of the findings is addressed in Chapter Seven

Based on limited information. This study was limited by the number of schools involved, persons surveyed or interviewed, meetings observed and documents available for review. It was also limited by how much each respondent knew about the 'bigger picture' and how much he or she chose to reveal, which are normal limitations in case study research.

Possibility of subjectivity and bias. The aim of objectivity and the necessary involvement of subjectivity in the research methods were discussed in Section 3.2 above. In general, subjective variation enriched the study by uncovering differences in board members' views of the actual or desirable processes underpinning governance. However, subjectivity can also involve biased perceptions or responses. These biases are not just restricted to the respondents. They can be also be present in the researcher, particularly in qualitative research (Kayman & Othman, 2016, Denzin 1978). Kayman and Othman (2016) highlight the need for researchers to use multiple methods to counter potential biases which could impact on reliability and validity. As mentioned above in Section 3.2.2, the data from the four research methods could be cross-referenced to identify subjective biases or influences unique to each data collection method, with observation and documentation analysis providing a more objective check on findings of the questionnaires and interviews. A more detailed discussion of how bias is reduced in this study is found in Section 3.11 on reliability and validity.

Besides these specific limitations, case study research gains vigour when it produces strong emergent theory based on well-grounded accurate data and clear research questions (Eisenhardt 1989; Mir & Jain, 2018). These considerations were kept in mind when designing the data collection and analysis processes discussed below.

3.8 Within- and Cross-case Analyses

Leading scholars of case study research advocate analysing case studies both individually (within each case) and across cases (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 2013, 2012). Within-case analysis enables the researcher to build familiarity with the data, using initial impressions to begin theory generation, while cross-case analysis involves reviewing all the evidence from multiple perspectives (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Gehman et al., 2018). In relation to this, Chapter 4 reports the seven within-case analyses and Chapter 5 the cross-case comparisons.

Eisenhardt (1989 first championed this two-stage process as a way of reducing subjectivity in the analysis process. Influenced by recent studies of bias in information processing (e.g., Tversky & Kahneman, 1973), she observed that "people are notoriously poor processors of information" (p. 540) and proposed within-case analysis as a process of data reduction to "help researchers to cope early in the analysis process with the often enormous volume of data" (p. 540). In this study, within-case analysis required synthesising primary data and field notes relating to surveys, interviews, document analysis and observation of board meetings. Thus, the researcher becomes "intimately familiar with each case as a standalone entity … [which] allows unique patterns of each case to emerge before investigators push to generalise patterns across cases". In Chapter 4, cases are analysed using the GEFs to build a more holistic summary of each board, focused on its understanding of governance and approach to board functioning.

The aim of the subsequent cross-case analysis is essentially to examine the same data from a different angle to counteract any tendency for subjectivity to distort the final impression. Eisenhardt (1989) proposed three tactics for reducing bias, of which comparison across categories or dimensions is most relevant here. Following Eisenhardt's (1989) model, the categories called GEFs were identified from the

literature and were used to structure the cross-case comparison presented in Chapter 5.

A key element in this comparison is obviously the researcher's choice of cases. Yin (2012, 2013) emphasised *systematic* case selection, whereby cases are likely to produce either similar results or contrasting results for predictable reasons. This study used similar schools in that all were small to medium independent West Australian schools, and five of the seven were metropolitan, but within these bounds a broad mix of school types allowed comparisons of, for example, size and religious versus secular orientation.

Yin (2013, 2012, 2002) and Eisenhardt (1989) viewed the "replication logic" linking findings from one case to others to be a critical feature of case studies. Researchers attempt to logically "reconcile evidence across cases, types of data, different investigators, and between cases, [to] increase the likelihood of creative reframing into a new theoretical vision" (Eisenhardt, 1989, p. 546), while also preserving the complexities of each individual case (Greckhamer, Misangyi, Elms, & Lacey, 2008). Here, a replication logic is implied in the use of seven different schools in different geographic and social contexts (including different socio-economic contexts and religious versus ideological contexts), four different types of data (survey, interview, observation, documentary) and the use of between-case analyses to develop a conceptual model and framework of governance effectiveness.

Finally, the analysis presented here employs Eisenhardt's (1980) concept of "enfolding literature" as "an essential feature of theory building" (p. 544). Essentially this involves comparing findings with previous studies that both confirm and contradict the present findings. Contradictory results were seen as opportunities for new theory building, "forcing researchers into a more creative, frame-breaking mode of thinking than they might otherwise be able to achieve" (p. 544) as well as identifying limits to the study's generalisability. In this study, Chapter 5 compares the present findings to previous studies, noting both similarities and differences, while Chapter 6 presents new theoretical perspectives on governance.

3.9 Selection of Cases: Purposeful Sampling within Bounded Contexts

Qualitative researchers should set bounds on the contexts from which cases are drawn, using purposeful rather than random sampling (Clayton, 2010). In this study, cases were small or medium-sized autonomous independent schools—those trying to govern effectively without the resources enjoyed by larger schools or those in systematic networks (such as religious or government schools).

Patton's (1990, 2015) approach to purposefully seeking information-rich cases has been very influential in qualitative research (Gentles et al., 2015, Patton & Appelbaum, 2003). In this study, all cases were purposely chosen to be information-rich, in that the researcher could spend considerable time observing board meetings, collecting survey and interview data, reviewing relevant documents and following up with further questions to board members or school staff. Other schools approached were less open to having meetings observed, board documents reviewed or providing access or time for surveys and interviews.

Purposeful sampling, unlike random sampling, is used to seek out the people and settings where the processes being studied are most likely to occur (Denzin & Lincoln, 2005; Patton, 2015). For this study, the aim was to ensure a roughly even mix of boards from small and medium-sized (not large) independent schools, and of boards from religious and community schools. Table 3.1 shows how the seven cases fit into these categories.

Table 3-1 Size and Religious or Community Orientation of Cases

School Size	Religious Schools	Community or Non-Religious Schools
Small (250 students or less)	Case C (70) Case A (250)	Case F (110) Case E (200)
Medium (251–800 students)	Case D (520) Case G (790)	Case B (500)

Pseudonyms are used throughout the thesis, particularly in Chapters 4 and 5, to help the reader identify cases as rural vs metropolitan and small vs medium size. For

example a 'Small, Metropolitan, Christian School' would have a pseudonym of 'SM,M,Ch'.

Size was important since the researcher's experience and anecdotal evidence suggested small schools typically struggle to govern effectively. Large schools were therefore excluded from the study, and small and medium schools were sampled approximately equally to allow comparison of the two stages of growth. A small school was defined as one with 250 or fewer students. Small schools are typically 'single streamed' with one class per year, often combining two years within this class (e.g., years four and five). Most small schools had only a kindergarten-to-year-six range although one spanned kindergarten to year ten. Medium schools had 251 to 800 students and were typically double-streamed, with two classes per year. Most offered kindergarten to year twelve education.

Independent schools each have their own distinct values underpinning curricula and teaching methods. Community and religious schools, the two largest groups of autonomous independent schools in Australia, tend to have different approaches to governance (as shown by the 'focus' factor in Table 1.1), and consequently religious and non-religious schools were sampled as equally as possible.

Two other criteria were also applied. Schools had to be:

1. fully independent, not part of a larger system such as the public system (including the so called 'independent' public schools) or the Catholic or Anglican Schools.

2. non-profit.

3.10 Recruitment Procedure

Cases were selected from the AISWA online member list (AISWA, n.d) and the *Private Schools Directory* (n.d.) complied by Australian Directories, a private publisher. The principal or board chairperson of the school was called to informally seek support for the school's participation. In about half the cases, the first contact was the principal. There was some evidence of 'gatekeeping' whereby school principals, board chairpersons or administrative staff assumed responsibility for access to the school. Where gate-keeper resistance appeared high, schools were not

pursued. When the first contact was the principal, the process usually took a little longer because of this person's stringent gatekeeping role. Despite this, most principals eventually agreed to discuss participation with the board chair after arrangements about confidentiality and ethics were put in place.

Three of the four metropolitan schools invited the researcher to explain the study in a board meeting before committing to it. Some boards did not return the call even after a follow-up, and some responded with "not at this time" because of disruptive events such as a change of principal. Other schools were keen to participate but did not meet the selection criteria.

Ten boards were ultimately selected to take part. However, despite agreeing to this, three did not return the survey form, despite prompting by follow-up calls, and dropped out of the study. The remaining seven participated fully in the study.

3.11 Reliability and Validity

In social science, reliability refers to the extent to which research produces consistent results over time or is replicable by other researchers (Dudovskiy, 2018). While this can be assessed numerically in quantitative research, in qualitative studies reliability can only be assessed by examining a researcher's consistency, care and transparency in collecting data, analysing it and drawing conclusions (Davies & Dodd, 2002). Findings should be "reflected in an open account that remains mindful of the partiality and limits of the research findings" (Cypress, 2017, p. 254). Validity refers to "the extent to which an account accurately represents the social phenomena to which it refers" (Hammersley, as cited in Silverman, 2016, p. 439), and is similarly assessed by logical inference rather than numerical analysis in qualitative research.

In case study research, reliability and validity are increased through a 'replication logic' (Eisenhardt, 1989; Gehman et al., 2018; Harrison, Birks, Franklin & Mills, 2017; Reige, 2003; Tellis, 1997; Yin, 2013,) as discussed in Section 3.7 above. When similar results are obtained from each replication, reliability and validity are strengthened (Yin, 2002, 2013, Greckhamer, Misangyi, Elms, & Lacey, 2008). In this study, evidence from surveys, interviews, observation and documentation was compared to triangulate important findings. For example, where board members indicated in the survey that they engaged in strategic planning, interviews could

reveal the specific methods and areas of strategic planning, documentation could be viewed to further identify the existence and quality of strategic plans, and observation of meetings might further corroborate these sources.

These methods also helped to view board operations from different perspectives. Questionnaires provided confidential and often well-considered insights, interviews allowed deeper probing and questioning, observations of board meetings revealed the social tensions and values unstated in written or verbal sources, and formal documents showed how chairs and members presented themselves as the board's public face and how this might differ from the viewpoint of an observer. These diverse forms of data helped identify each board's character and facilitated a more holistic and accurate comparison between cases.

Replication is particularly reliable when found in multiple cases since each is a complete study in itself, with evidence drawn from a variety of sources (Reige, 2003; Reige & Nair, 1997; Stewart, 2014; Tellis, 1997,). When multiple cases point towards a single conceptual explanation, reliability and validity are strengthened. In this study, common patterns were observed in smaller schools and medium schools, and differences between these groups met expectations about how factors such as governance intention should differ according to size.

Reliability and validity were also increased as a result of the GEF framework developed from the literature review to guide the data collection and analyses, and by focusing the planning of these activities on questions attached to the GEFs.

The reliability of the survey was improved by piloting a draft with three board members from different non-participating schools. After completing the survey, the researcher sought participants' feedback to identify improvements. Trial interviews were similarly conducted with these board members, gaining valuable feedback on the interview template. These trial participants also gave helpful insights on the researcher's templates for analysing meeting observations and board documents.

Case study protocols or rules also increase a study's reliability (Eisenhardt, 1989; Reige, 2003; Reige & Nair, 1997; Yin, 2002, 2013). Yin (2002, 2013) recommended using protocols to ensure consistency when designing case study data collection methods. In this study, the seven GEFs were effectively used as protocols in

designing surveys, semi-structured interviews and the templates for recording observations and reviewing board documents. As noted above, the GEFs also provided consistency in data analysis processes.

Finally, consistent with Kayman and Othman's (2016) view that the use of multiple methods reduce bias and increase reliability and validity, the researcher's many years of experience in school management is likely to have significantly improved the reliability and validity of the study findings (Moch & Gates, 2000). This researcher could formulate research questions and relate to board members' responses more accurately than researchers lacking such experience.

3.12 Research Methods

Tellis (1997) identifies six main sources of evidence used in case study research: documents, archival records, interviews, direct observation, participant observation and physical artefacts. This study adopted four of these: surveys, interviews, observation of board meetings and content analysis of written documents. As noted in Section 3.5, these offer both relatively objective evidence of behaviours and group viewpoints (from observing meetings and some documents) and more subjective individual perceptions and opinions (from surveys, interviews, meeting observations and some documents). The use of multiple methods helps ensure rigour in the process. Other advantages of multiple methods in identifying differences between members' espoused and in-use practices, and in triangulating the findings, were also discussed in Section 3.10.

3.12.1 Procedure

The four methods were not run sequentially but overlapped somewhat in time. To maximise rigour in the process right from the beginning of the study, three board members and three principals from non-participating independent schools were consulted to pilot test the survey and interview questions. Improvements to the wording and sequence of questions were made in response to both participants' answers and their verbal feedback on completing the questionnaire.

The further ensure rigour the timing of when each method was used was important to this study. Finalised surveys were administered before the interviews to allow the

latter to be further refined. As survey responses to some questions were found to be quite broad, or opened up areas for further probing interview questions were able to be added as required to elicit more detail in these areas. In addition, the semi structured interviews were used as a guide only, allowing the researcher to probe deeper into areas where initial responses did not provide the depth sought. Rigour was also enhanced by ensuring board meetings were observed after the surveys and interviews were finished. At this stage the researcher had already gained data from multiple methods including numerous board member perceptions about how meetings were run. This provided the opportunity for the researcher to intentionally look for what had previously been raised. Consistency in the process was ensured in that all the data collection methods (surveys, interviews, document review and observations) in that templates were created for each method based on the GEFs and applied in the same way to each board.

In the three non-metropolitan schools, travel requirements meant the interviews and observations were made within one or two days. This did not, however, restrict the researcher's ability to review the interviews prior to the observation. By observing board meetings soon after the interviews this helped the researcher look for specific issues and areas while they were still current. The documentation review was conducted when materials were provided during the period of the study.

All boards proved very helpful in facilitating the data collection methods. Some methods proved more helpful than others for certain GEFs (Table 3.2). For example, documentation was very helpful in gaining a sense of the board's business processes but less so in identifying informal relationships between board members and observation was useful in seeing how a meeting was chaired (processes) but less useful in identifying a boards approach to governance. Table 3.2 below shows the researcher's evaluation of the efficacy of data collection methods for each GEF. When data from multiple methods were considered together it added to the overall rigour of the process. The researcher was provided with a rich overall picture of the governance effectiveness of each case individually and also how the cases collectively demonstrated effectiveness in these areas.

Table 3-2 Efficacy of Data Collection Methods for Each GEF

Methods GEFs	Surveys	Interviews	Board observation	Documentation review
Strategic focus	**	**	**	**
Approach	**	**	*	*
Role	**	**	*	**
Relationships	**	**	**	*
Competence	**	**	*	*
Processes	**	**	**	**
Context	**	**	*	*

** = very helpful. * = somewhat helpful

Note: This is the researcher's evaluation of the efficacy of data collection methods for each GEF.

3.12.2 Survey Questionnaires

The purpose of the survey questionnaire was to provide an opportunity for board members to share their initial perceptions of governance effectiveness reflecting on their own effectiveness, and the board collectively.

Survey questionnaire research involves "the collection of information from a sample of individuals through their responses to questions" (Check and Schutt, 2012, p160). Questionnaires are widely considered an effective research method, especially when combined with interviews (Grix, 2010), because they offer a quick, economical and anonymous means of gathering opinions from a broad group of individuals. Once the pilot testing process had been completed, the survey questionnaire (Appendix C) was sent to all board members (around 70) and the seven principals of the case study schools. All the principals responded and approximately half of the board members (Table 3.3).

The survey questions (Appendix C) examined board members' and principals' perceptions of the GEFs identified in Figure 2.6. Many open-ended questions invited participants to comment on their perceptions of their board's governance. While this was predominantly a qualitative study, the survey provided the opportunity to seek some quantitative data to explore individual perceptions of governance experiences in key areas. This complimented and supported the qualitative data. Therefore some questions sought ratings of the board's effectiveness in key areas using a five-point

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scale. These ratings provided means and frequency distributions to help interpret qualitative responses.

The issues addressed in each question relate to the GEFs derived from the literature review in Chapter 2. The questions for each GEF are based on the issues identified in the literature review, sometimes interpreted in light of the researcher's experience (Moch & Gates, 2000) as the CEO of a group of independent schools, the state coordinator of an Independent School Association, and member of school boards.

Table 3-3 Survey Responses by Case

Case	A	B	C	D	E	F	G	Total
Board Members	7	3	3	6	5	3	3	30
Principal(s)	1	1	1	1	1	1	1	7
Total Responses	8	4	4	7	6	4	4	37

3.12.3 Semi-structured Interviews

The purpose of the semi-structured interviews was to provide the opportunity for the researcher to probe deeply into GEF areas, discuss matters specific to each board, and to identify data that could only be gained from face to face discussion. Semi-structured interviews (Appendix E) further added to the rigour of the process and allowed further inquiry into key findings from the survey. According to Jamshed (2014) semi-structured interviews involve respondents being asked to answer pre-set open-ended questions contained within a semi-structured interview guide. A semi structured interview guide is used as "a schematic presentation of questions or topics" that "need to be explored by the interviewer" (p87). In this study the open-ended questions were developed around the GEFs.

A strength of the semi- structured interview is that the predetermined questions ensure both reliability and validity. Greater reliability is established in that the important questions are consistently asked between all interviewees, and validity is ensured by basing the questions on the main themes or topics (Creswell, 2007; DiCicco-Bloom, 2006; Jamshed, 2014), in this instance the GEFs which target the main research questions. A major strength of the semi-structured interview is the ability to engage in 'probing' questions where additional questions are asked to seek

more information or to clarify unclear responses (Ponto, 2015; Singleton & Straits, 2009). Probing questions were used extensively in the interviews, significantly contributing to the overall rigour of the process.

Interviews allow a researcher to develop rapport with the interviewee who consequently provides more personal detail and focused, thoughtful replies, thus creating richness that surveys generally lack (Gillham, 2010). Rapport also encourages interviewees to offer information they may be less comfortable to present on paper. A limitation of interviews is in the time required to collect and analyse the data (Gillham, 2010).

Board members' perceptions of their board and school's workings were an important focus of this study and interviews are well suited to exploring these in depth. Because of board member availability, however, only a sample of three to five members from each board (apart from the principal) could be interviewed. This included all board chairs. A total of 25 board members (including all chairpersons) and seven principals were interviewed. The 32 interviews were recorded and transcribed.

As mentioned above, the interviews were intentionally conducted after the surveys had been returned and even though the surveys were anonymous they did alert the interviewer to areas to probe in the semi-structured interviews. Being semi-structured, the interviews allowed the flexibility to probe respondents as required since the goal was to investigate points arising from the survey, which differed for each school. For example, survey responses identifying specific aspects of the school's operations were more deeply investigated. Interviewees were also asked to express their views about the board's effectiveness in relation to each GEF.

There is debate in the literature about how many qualitative interviews is enough (Baker & Edwards 2012; Dworkin, 2012). One review of the literature on the number of interviews in qualitative research found "an extremely large number of articles, book chapters, and books recommend guidance and suggest anywhere from 5 to 50 participants as adequate" (Dworkin, 2012, p1319). Most academics on this subject have a 'it depends' approach citing variables such as "the scope of the study, the

nature of the topic, the amount of useful information obtained from each participant… and the qualitative method and study design used (Morse, 2000, p3).

Interviews are usually conducted in person or using appropriate technology. Either way, interviews require an intensive time investment on the part of the interviewer and the interviewee. The number of interviews that can be feasibly conducted may be limited by costs and time and as a result interviews are usually impractical for large samples (Ponto, 2015). In this study it was not always possible or practicable to interview all board members for each board. In seeking a representative sample, the interviewer sought to interview at least the chair, the school principal and at least one other board member as summarised in the table 3-3).

Table 3-4 Interview Responses by Case

Case	A	B	C	D	E	F	G	Total
Board Members	2	5	2	4	3	1	1	18
Board Chair	1	1	1	1	1	1	1	7
Principal	1	1	1	1	1	1	1	7
Total Interviews	4	7	4	6	5	3	3	32

3.12.4 Observation of Board Meetings

The purpose of observing meetings was to view and explain the 'board in action'. Here the researcher saw first-hand how each board governed and gained a sense if the perceived reality of board members was different to the perceived reality of the researcher. Miller-Millensen (2003) observes that "until actual behaviour is observed and explained, linking board activity to organizational performance will continue to yield ambiguous results" (p. 533). Observation has long been a valued method in qualitative research (McKechnie, 2008; Parker 2007, 2008; Smit & Onwuegbuzie, 2018) and is one of the most common methods used in case study research (Mason, 2018; Yin, 2013) because it can provide more objective information than other methods (Hancock & Algozzine, 2006). Observations may be the primary source of data (Smit & Onwuegbuzie, 2018) or used to supplement other sources (Jamshed, 2014). In this study, observation of board meetings is used to supplement the data from surveys, interviews and documentary analyses.

Werner and Schoepfle (1987) contrast descriptive observation, aimed at describing the whole scene observed, with selective observation, focussed on some aspects while ignoring others. Smit and Onwuegbuzie (2018) see descriptive observation as a tool for identifying aspects a more narrowly focused researcher may overlook, creating a "heightened awareness" (p2; see also Guba & Lincoln, 1989) that extends one's understanding beyond the obvious (Wolcott, 2005). The present study used a descriptive approach to observing board meetings.

Bezemer, Nicholsen and Pugliese (2014) called for more observational studies of Australian boards but also identified the problem of gaining access to meetings. In the present study the researcher was able to attend at least one board meeting for each case. He attended as an observer, not participating in the meeting and often seated at a separate table. The chair informed members of the researcher's status and purpose, and at times asked the researcher to leave the room to maintain confidentiality (e.g. when discussing the Principals performance or remuneration). At other times, confidential items were moved to the end of the agenda and the researcher left early. Notes were taken with the permission of the board chair, using a structured template (see Appendix F).

A copy of the agenda was obtained and the researcher noted the time spent on each item along with important phrases used by members and key interactions between them, for example the display of dominance or the body language and tone of voice used in discussing significant points. Discussions of topics not on the agenda were noted in terms of the subject, time taken and member introducing them.

For most schools one board meeting was observed, although two meetings were attended in two schools because boards invited the researcher to provide informal feedback on the study findings. These were viewed as opportunities to make further observations.

These observations were primarily used to confirm or refine findings from the surveys, interviews and documentary review. Observations are, of course, the most direct method of observing board governance in action; however, the time required, and the difficulty of recording interactions did not permit extensive observation. The observational evidence addressed all seven GEFs but most commonly involved board

Processes, governing Relationships, governance Approach or member Competences. The researcher found data gained from observations to be particularly useful in gaining a fuller understanding of the strategic focus, relationships and group dynamics, and the meeting process (table 3.2.).

3.12.5 Document Review

The purpose of documentation review was to seek evidence of actual planned structures and systems. Viewing documents such as policies, procedures, agendas, minutes, strategic plans etc was valuable in validating survey and interview responses and in identifying anomalies. Document review is a common research method in case studies (Yin, 2002, 2012) and is often used to corroborate evidence from other sources (Tellis, 1997). Yin (2002, 2012) considered documentary evidence extremely important for ensuring validity and consistency in case studies. Another strength of document review is its perspective on the organisation's formal, objective language, values and behaviours rather than on individuals' subjective perceptions (Hancock & Algozzine, 2006).

The documents reviewed for this study included publicly available records such as school policies, and internal documents such as minutes. However, some schools did not record even basic policies or minutes in written documents, and others would not provide certain documents considered confidential. Some had much of this information on their website for public view or access via password by board members.

A list of documents relating to each GEF was created, and the researcher made notes on the content of each. These were subsequently reviewed, and common themes tabulated, consistent with standard thematic analysis procedures for documentary research (Guest, 2012; Nuendorff, 2017). The resulting formal perspective on the board's operations was compared with the subjective perceptions of members in interviews and questionnaires in drawing conclusions about each GEF. Quite a few instances of mismatch between documents and the primary sources were detected. For example, in surveys and interviews participants commonly espoused plans and goals that were not found in the documentary evidence. These mismatches suggested

interpretations of some survey and interview responses as biased or resulting from poor memory or misunderstandings, as discussed in Chapters 4 and 5.

3.13 Data Analysis

Survey responses were initially screened for missing or ambiguous data and open-ended responses. Closed-question responses were analysed with frequency distributions and rating scales with means and frequency distributions. Interviews were transcribed and considered alongside survey responses, observation field notes and document review templates when undertaking coding and thematic analysis.

Coding is "the process of analysing qualitative text data by taking them apart to see what they yield before putting the data back together in a meaningful way" (Creswell, 2015, p. 156). It is acknowledged that coding by the researcher is to a certain degree subjective. The coding categories and the selection of data within those codes could vary between coders (Spencer, Ritchie, Ormston, O'Connor, and Barnard, 2014; Luker, 2008) which raises potential reliability questions (Richards, 2015). To mitigate this, and to ensure greater reliably Richards recommends "interpreting a code the same way across time" (2015, p117). One strategy employed in this study to mitigate this was to make notes as a reminder why certain data had been coded into certain categories to aid in following a consistent approach over time.

In this study broad code names were initially identified for specific categories which were consistent with the GEFs. Data gained from interview and survey responses, documentation review and observation were initially placed into these broad categories. These categories then gave an initial view of what the data looked like and were examined more closely which resulted in numerous specific coded categories (for example). Similar codes were then placed again into emerging categories which resulted in themes being revealed.

Data were analysed thematically to identify patterns in "top-down" and "bottom-up" approaches (Saldana, 2015). Predetermined categories covering the seven GEFs identified in the literature review revealed top-down patterns and new themes emerging from the findings constituted bottom-up patterns. The latter include the concept of governance intention, the process of transitioning from operational

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management to governance and the need to adapt governance, as discussed in Chapter 6.

Since all four data sources were analysed using the GEF framework, the findings were more easily structured than in more open-ended qualitative studies. This helped to build a holistic and consistently organised picture for each case (Chapter 4) as the different viewpoints gained from the interviews, questionnaires, observations and documents were compared for each GEF. It also allowed comparison between cases using consistent criteria (Chapter 5).

In addition to the qualitative analyses, the researcher made quantitative ratings of each case's effectiveness according to the seven GEFs as an aid to summarising the large amount of information gained from the four sources of data. These were not analysed statistically except to present mean scores for each case and GEF: their primary use was to communicate the overall impression gained from reviewing all the data relating to each case and GEF.

Although the factors presented in Figure 2.6 provided a sound framework for within and cross-case analyses, they did not cover all aspects of the findings, and several new themes emerged from these analyses. These are discussed in detail in Chapter 6.

3.14 Ethical Considerations

Research today is bound by the regulations of university ethics committees and legal jurisdictions (Mason, 2018). ECU's ethics guidelines concur with Cooksey and McDonald's (2011, p. 372) principles concerning researchers' responsibility to uphold:

- participants' rights to confidentiality, privacy and anonymity

- a duty of care and minimisation of harm and risk

- cultural and social sensitivity

- respect for intellectual property ownership

- avoidance of conflicts of interest

- equity and fair treatment.

This research was approved by the Edith Cowan University Human Research Ethics Committee (ECU Ethics Committee Project Number 3100). Survey and interview participants were provided with a standard information sheet describing the nature of the research, measures taken to ensure to anonymity and participants' right to withdraw at any time (Appendix A). Informed consent to participate was obtained and, for interviewees, consent to have the interview recorded.

It is common for qualitative researchers to develop rapport with participants, which can lead to communication of sensitive information (Lichtman, 2009) and create an ethical dilemma. An important principle in this study was to hide the identity of each school and participant. School names and locations were omitted from the data, analyses and reports, and schools are identified in this thesis only as, for instance, 'Case A'. Names and other identifying information relating to individuals were also removed from the data.

3.15 Chapter Summary

This chapter outlined the research methodology, a predominantly qualitative and pragmatic (though largely positivist) approach to studying independent school boards based on the seven GEFs identified from the literature review (Figure 2.6). Four methods were used to collect data, providing more subjective data from questionnaires and interviews and more objective data from observations and documents.

Each of these methods had an important role in the data collection process. Surveys provided an opportunity for board members to indicate their initial perceptions of governance effectiveness. The semi- structured interviews provided the opportunity for the researcher to probe deeply into these areas, discuss matters specific to their board, and to identify data that could best be gained from face to face discussions. This is where board members had the opportunity to more fully share their experiences of governance. The review of documentation gave a sense of the level of structure and systems that existed. The documentation review was valuable in validating survey and interview responses, and in identifying anomalies. Observation of the meetings completed the overall picture by showing the 'board in action'. The

observations were used to both confirming and question the perceptions of governance effectiveness of the participants.

In cross-checking the findings from these sources, consistent use of the GEFs to guide data collection and analysis and the use of multiple cases were key contributors to the study's reliability and validity. This approach provided a more reliable and rich description of the reality of each board's approach to governance through recognising that subjective influences are present to varying degrees in each data source. Data analysis involved evaluating each board's effectiveness in relation to the seven GEFs, then examining differences between boards in a cross-case analysis. The data also revealed themes not foreseen in the literature review, which were incorporated into a new model and framework of the transition to governance in small to medium independent schools.

Chapter 4: Within-case Analysis

4.1 Introduction

The next two chapters examine the role of governance in the seven independent school boards studied. Governance is operationally defined by the seven GEFs identified from the literature review in Chapter Two, representing three core elements of organisational accountability, mission fulfilment and principal oversight. The GEFs allow a more comprehensive assessment of governance than previous studies focused narrowly on board–principal relationships and accountability to key stakeholders.

As Chapter 3 explains, data analysis used the two-stage approach: a within-case analysis (Chapter 4) followed by a cross-case comparison (Chapter 5). This chapter analyses each board's governance according to the seven GEFs, followed by a brief summary and table showing each case's strengths and weaknesses. The summary table helps structure the cross-case analysis in Chapter 5.

4.2 Within-case Analysis Process

Each board faced unique challenges and showed unique features in its approach to governance, including its Focus on operations versus strategy, its Role in relation to the principal and its Relationship to parents as its key stakeholders. Each case study presented below begins with an introduction highlighting the school's context and nature of the board. This is followed by analysis of the seven GEFs based on member perceptions uncovered in the surveys and interviews, supplemented with more objective evidence from observations and documentation review.

Table 4.1 lists the GEFs as summarised in Chapter 2 (Section 2.3). Context (GEF 7) is not assessed directly here but is covered in Chapter 5. Since Context affects many if not all other GEFs in each case, a more focused analysis was made possible by comparing whole cases.

Table 4-1 Summary of GEFs

Focus	Whether a board has a strategic focus on the school's values, mission and strategic plan or an operational focus on managing daily activities.
Approach	Understanding of how governance differs from management, use of published models.
Roles	Separation of the board's role (in external accountability, mission fulfilment and CEO oversight) from the principal's role in operational management.
Relationships	Creation of positive working relationships between board and principal, board chair and members, and board and community. Relationships among board members, including power balance and tensions.
Competence	The level of governance and management competence among board members; recruiting and training of members.
Processes	Use of policies, formal business processes for board management including meetings, subcommittees and documentation.
Context	Consideration of external and internal factors affecting the school.

To summarise each board's effectiveness and enable comparisons across GEFs and cases, the researcher rated each GEF using the 10-point scale shown in Table 4.2. Mean scores are shown in the tables that follow. To examine the influence of outliers on these, means were also calculated excluding the cases with the highest and lowest scores (Grubbs, 1969; Schubert, Zimek, & Kriegel, 2012). In most cases the difference between the actual means and the top and tailed means was between 0 and 0.2, apart from two cases differing by 0.4: Competence rose from 4.8 to 5.2 and Context dropped from 4.4 to 4. As these differences were judged to have little practical significance, the 'top and tailed' means are not reported in the tables in Chapters 4 and 5, rather means based on the full set of cases are used.

Table 4-2 GEF Rating Scale

0–2 Very poor	3–4 Poor	5–6 Moderately effective	7–8 Strongly effective	9–10 Excellent

4.2.1 Case A: Small to Medium-sized Metropolitan Christian School (SM,M,Ch)

Table 4-3 Case A Overview

Board Size[1]	8-10 (Flexible)	School Size	250 students (small to medium)
Elected or Co-opted	Most elected parents; recent change allowed some co-opted non-parents	Involvement in School Operations	High
Chair Elected	Yes	Location	Suburban Perth
Member Tenure	3 years	Strategic Plan	No
Constitution Status	Recently reviewed	Effective GEFs[2]	2
Contextual Factors	Founded and overseen by local Protestant church	Poor GEFs[3]	4

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case A was a low-fee autonomous independent Christian school in a low-middle socio-economic level suburb, founded by a co-located Protestant church (Case F is another case in this study founded by the local church). It had a good relationship with its founding church. Its constitution required it to report to the church council, a significant arrangement because the Australian Charities and Not-for-Profits Commission closely monitors the relationship of government-funded schools to 'parent' churches. With 250 students, Case A was on the boundary between small and medium schools as defined in this study.

The board had access to resources for developing governance as a member of the AISWA association and CSA. However, this board had only just started to explore these resources and was rated 'effective' in only two of the seven GEFs.

4.2.1.1 GEF 1: Focus

Board A saw the school's mission as developing Christian values in students, thereby reflecting the faith of its moderately conservative Protestant founding church. Survey and interview responses suggested board members were well aware of these values and appeared to use them in making decisions. In the board meeting observed by the researcher, the principal raised probing questions on whether the school's activities

were consistent with these values. The board's Policy and Procedure Handbook described its focus in these terms:

> The aim of the school, together with home, church and community activities is to train the whole person through instruction, example and experience … to be spiritually mature and effective members of the Body of Christ.

However, while this mission was widely accepted it was not thus far pursued with a longer-term strategic focus. This case, and most others discussed below, showed a tendency to exert influence over the operations and meddle in the day to day operations. Despite strong awareness of its values and mission, little evidence of long-term strategic thinking or planning was found in the surveys, interviews, documentation review or board meeting observation. Instead, strategic development was devolved to the principal while the board focused on operational matters. There was no mention of strategic matters during the board meeting and the observed focus was largely on monitoring day to day operational matters.

Although several survey responses mentioned a desire for growth, and two interviewees suggested the principal planned to expand the school to incorporate a middle school and eventually a high school, no evidence of systematic planning towards this was found in the board's minutes for the previous three years, or in other documents made available to the researcher. When interviewed, the principal confirmed his primary role in setting strategic direction and produced a draft plan begun two years earlier, containing strategic objectives, proposed actions, performance indicators and columns for budget, timelines and accountability. However, five board members appeared unaware of this plan and the board meeting minutes did not mention it. During the interviews no board members, other than the board chair and the principal mentioned having seen any current strategic planning documents. The board chair was clearly aware of this problem, suggesting that following the current restructuring the board would take a more strategic role:

> I want to take steps to make it more of a governance board. The main thing is what we do other than get involved in the day-to-day running of the schools … the board should really have a strategic role in setting direction and planning for the future. This is how I would like it to look. Currently it hasn't really functioned in that sense … in practice the board members haven't mentally given up those

[operational] responsibilities, they have tended to hold on to them and [continually] tried to discuss them.

Moving to a governance focus would require the board taking charge of the school's strategic development rather than delegating it to the principal.

4.2.1.2 GEF 2: Governance Approach

The board chair was aware of Carver's Policy Governance approach for non-profit organisations and had introduced some relevant policies but was keen to expand this. He commented, "in my own mind we are not following any specific style of governance, but I have been talking with a principal from another school about their approach and have sought advice from CSA about governance approaches". Interestingly, three of the seven board members surveyed or interviewed were vaguely aware the board was following an approach advocated by CSA but three others were unable to describe their approach and two felt the current approach did not need changing. Two expressly stated the board approach needed to change. Only one specifically reported "moving from a managerial approach to a governance approach", but this anonymous response may have been from the chair. It seems the latter's intentions had so far led to little awareness of the governance approach among board members.

It also appeared the chair intended implementing only some elements of the Carver model. Observation of a board meeting and a review of recent board minutes showed some small influences, for example open-forum discussions to address broader issues beyond the immediate operational matters. This opportunity to talk about 'anything' during the 'open forum' of the board meeting did not however result in strategic matters being discussed during the observed meeting. Overall, the board's approach thus far lacked the depth of Carver's model. Further, observation of the chair explaining this model in a meeting suggested he had little support: members' tone of voice and body language in questioning it suggested deep resistance to change.

Having grown from small to medium in size, the school was now at a time when a transition from operational management to governance was appropriate, but Board A was at an early stage in understanding this difference or choosing a relevant model.

4.2.1.3 GEF 3: Roles

A governance approach would require board oversight of the principal's work, but there was little evidence of this. There was no formal appraisal of the principal and it appeared members saw their role as supporting the incumbent in operational issues (further discussed in Section 4.2.1.4 Relationships, below).

Interestingly, while the chair had produced a draft board handbook specifying member and chair roles consistent with governance principles, three interviewees considered these roles were not adequately communicated to board members. The principal's role included drafting the strategic plan but the board had no role in its development or implementation. The chair admitted his understanding of the board's role was still "developing", and overall it appeared members' understanding of this could be also much improved.

The board's role in relation to its parent church was not formally addressed in the handbook and was not mentioned in board minutes. However, the constitution required the principal to be on the founding church's council, as he was. This could present him with a potential conflict of interest as the school board reported to the church council.

4.2.1.4 GEF 4: Relationships

The survey and interview responses showed strong respect for and good *relations with the current principal*, whose competency, decision-making, servant leadership style and personality were held in esteem. He was described in terms such as "very warm, genuine and relational".

However, *relationships with the parent community* were not uniformly seen positively. While three respondents considered the board well-respected, two found it very distant from its community. Two commented: "I would think (from the makeup of the school) there would be a reasonable percentage who don't know the school board even exists—or what it does", and "the board could do much more to discover what stakeholders think". Under a governance approach, accountability to the parent community, as key stakeholders, would be an important consideration.

All respondents saw *relationships among board members* as generally positive and demonstrated a high degree of respect for others' views:

> The board has a number of strong people serving on [it]. People will not hold back to speak their mind if they don't agree with something, and we often disagree … this is healthy and we all get on very well.

4.2.1.5 GEF 5: Competence

Survey and interview responses suggested the board's competence, particularly in financial and legal areas, had until recently been quite limited but this had to some extent now been addressed. Where the board's constitution had previously required the church minister, the principal, the school bursar, five elected church members and two elected parents, this had recently been amended to add a second minister and replace the elected parents with three co-opted members with competences required to expand the boards overall skill base. Only one of these was a parent.

Co-opting had helped expand the board's skill base:

> The main skill areas we target for co-opting board members include education (e.g., external principal), legal (e.g., lawyer) and financial (e.g., accountant or someone with financial skills)…. They have voting rights. The church members still outnumber the co-opted members—but of course you don't vote in blocks.

The power to co-opt non-parents had clearly improved members' confidence in the board's competence to govern.

It appears the board made limited efforts to develop its members' competences since only three respondents considered their training adequate and four observed that the board lacked induction processes.

4.2.1.6 GEF 6: Processes

Overall the board's processes appeared suitable for a small school but growth had now brought a need for more formal business policies and processes. As the principal held a high level of trust and responsibility, the board met for only two hours every two months and, as noted earlier, primarily provided operational support. There was a sense that things were going well and that the board did not have to do much. There

was no formal review of the principal or the board's work, and members appeared comfortable with this:

> There is an informal sense of how the school is progressing and how the principal is performing.… The board has an easy job and has a good principal who is performing well.

Board members also knew the chair and principal met regularly outside board meetings, adding to their feeling of confidence in the current arrangement.

A review of board documents identified some effective business processes, including:

- detailed agenda and associated documents provided several days before meetings

- tightly chaired meetings that followed the agenda

- consistently short meetings (under two hours)

- some use of subcommittees (though only occasionally, with some members apparently unaware of this).

Some business processes were formally documented in the new handbook created by the chair, which had policies and processes typical of the Carver and Carver (2001) policy model covering:

- the board's constitution, role and function

- conduct of board meetings

- the board–principal relationship

- board meeting aims and execution

- limits on the principal's role

- communication with staff

- a code of conduct

- other relevant policies.

However, members often appeared confused about the board's policies and processes. Although all had the handbook, two reported lacking knowledge of policies and processes. Three said they knew the process for appointing a principal but three others said there was no such process, and that the handbook did not mention it. Some members appeared unaware of the subcommittees for constitutional review, governance and policymaking that the chair identified in his interview.

A proposed induction process would ensure new members read the draft handbook and related policy documents, although members did not bring their handbook to meeting observed. Moreover, the handbook was thus far quite brief and had not yet been adopted or even much discussed by members, although the chair had presented sections of it at recent meetings. It appeared during a recent meeting that the chair was struggling with this and faced resistance to change in his attempts to explain the rationale and process for formalising the board's operations in this way.

4.2.1.7 Case A Summary

Table 4-4 Summary of Case A Effectiveness

GEF	Focus	Approach	Roles	Relationships	Competence	Process	Context
Rating	3 Poor	4 Poor	3 Poor	7 Effective	7 Effective	3 Poor	4 Poor

In overseeing a Christian school transitioning from small to medium size, this board had taken a very operational approach and, despite its chair's desire to adopt the Carver Policy Governance approach, little progress had been made in moving from operational management to governance. Strategic development was seen as the principal's role and board members were often unaware of his intentions, although the chair expressed a desire to address this. Members had an optimistic perception of the board's present effectiveness but were unclear about many aspects of its role, approach to governance, policy and business processes. Good relationships between the board members, chair and principal underpinned a fairly informal approach to board operations.

Significant barriers to developing governance lay in the board's failure to formally oversee the principal's management and particularly his strategic plans. Members

generally lacked an understanding of governance and appeared resistant to change. The chair had made some positive steps, notably in considering the Carver model and drafting a handbook, and the board could now broaden its competence by co-opting members outside the parent group, but many key policies and processes remained to be developed. Some members recognised the need to develop relationships with the parent community which would improve accountability to these key stakeholders.

Overall, as Table 4.4 suggests this board was in the early stage of transitioning from an operational, principal support focus to a governance focus, although the school had grown to the size where this would be highly beneficial. The chair had begun introducing aspects of governance but had limited goals and faced strong resistance as members did not understand its nature and benefits. The board was rated poor on four GEFs and moderately effective on a fifth.

4.2.2 Case B: Medium-sized Metropolitan Community School (M,M,Cty)

Table 4-5 Case B Overview

Board Size[1]	8	**School Size**	500 students (medium)
Elected or Co-opted	All co-opted. Parents, some non-parents and a Parent Association representative	**Involvement in Operations**	High
Chair Elected	Yes (but recent chair 20 years in this role)	**Location**	Outer suburbs of Perth
Member Tenure	Indefinite	**Strategic Plan**	No
Constitution Status	Not recently reviewed	**Effective GEFs**[2]	None
Contextual Factors	International Baccalaureate curriculum	**Poor GEFs**[3]	5

 (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case B was a medium-sized autonomous community-focused school with primary and secondary campuses in an outer suburb of Perth. Board members were all parents of students, although the board had some unique methods for selecting and retaining members (see Section 4.2.2.5). Unlike the other cases studied, this school followed the International Baccalaureate curriculum, which influenced its focus. It

was a member of AISWA but showed little recognition of governance and was not rated effective in any GEF area.

4.2.2.1 GEF 1: Focus

Interviews, survey responses and observation of a board meeting showed members gave strong attention to the school's mission and values, although unlike other cases studied, these were community-focused and strongly humanistic rather than religious: "we seek to nurture individuality and self-worth in all members of our community while providing opportunities to strive for personal excellence, develop resiliency and demonstrate initiative".

However, like Case A, strategic planning was largely the responsibility of the principal. Board members reported having placed a high degree of trust in a recently departed, long-serving principal who provided strategic recommendations to the board. One stated, "Our previous principal was a very good lateral thinker. We tended, therefore, to work hand-in-hand with the principal's vision". As a result, the board did not perform regular strategic analysis or planning. The meeting observed by the researcher considered only current or short-term future issues—three-quarters of the time was devoted to discussion of operational and financial matters with the principal. Minutes of the previous three meetings and other board documents reviewed similarly showed little evidence of strategic planning: the board's keen sense of purpose had so far not been translated into a long-term focus.

4.2.2.2 GEF 2: Approach

Board B appeared to lack understanding of governance or awareness of relevant models for it, and its operational focus precluded oversight of strategy or the CEO. Some survey and interview responses suggested strong frustration with this operational focus: "We currently oversee management and finances with little direction in relation to policy… we do not spend much time on these matters in relation to other matters" and "Our main role is the monitoring and oversight of the campuses…we should be looking more at the bigger picture". Three survey respondents disagreed that "the board has an effective governance approach". As noted above, the board meeting attended by the researcher was dominated by reports from the principal and the business manager, a "hands-on" or operational governance

approach attributed to the previous chair of nearly 20 years, an educator who was apparently unfamiliar with modern approaches to governance.

4.2.2.3 GEF 3: Roles

There was considerable confusion over how the board's role differed from the principal's role in school management. Apart from the principal's job description and some very general statements in its constitution, the board had not formally identified its role in relation to the principal. Survey respondents had various views on this. Three thought the board was currently effective (apparently assuming its role to be operational), one was neutral and three found it ineffective. The latter suggested in interviews that they wanted a more strategic focus. As one commented, "there appears to be no difference between the roles of the board and the management team … Because of the board's management focus … the boundaries are extremely blurred".

This confusion had surfaced as a result of a new appointment to the principal role. The previous incumbent had been admired and trusted by staff and had expected "direct involvement of the board with management issues" (interviewee), leading members to see their primary role as assisting the principal in managing school operations. A formal role description existed, but a lengthy and emotional discussion in the observed board meeting showed the previous principal had developed and assumed certain responsibilities not included in it. The formal oversight central to governance was missing.

The new principal did not want this high level of board involvement in operations and had asked the board to clarify its role. However, this was more an issue over how school operations were managed between the two parties than how the board could take a governance role overseeing accountability, strategy and the principal's work. While not fully understanding a board's governance role, the principal clearly wanted the board to be less involved in operations and sought this to be stated in his job description and apparent in his dealings with the board.

4.2.2.4 GEF 4: Relationships

Interview responses and meeting observations suggested that while some board members perceived there was a good *relationship with the principal* the tension over the board's role observed in the meeting indicated that it needed to be addressed. During the observed meeting the principal was visibly upset, expressly stating his frustration with board over his perception of a lack of clarity of the board's expectations of his role.

Survey and interview responses revealed that all board members bar one saw the board's *relationship with the school community as positive*. Interestingly, the dissenter did not see relating to the community as important:

> The board has a fairly low profile with the community … the communication between the Parents & Friends Association and the board was low but our role is not to communicate with parents, it is to do with governance and oversight of the school.

This view is inconsistent with the view of governance developed in this study, where good relationships with parents are vital to a board's accountability to service recipients as key stakeholders.

Relations between board members in responses to questions about other GEFs suggested conflict among board members. Three respondents identified deep tensions involving one particular member, and a fourth referred to the "normal challenges" of member relationships. It appears one individual was constantly in conflict with the chair on numerous issues. One interviewee (the person in conflict with the chair) spoke at length about this, suggesting a new chair was required to deal with it. Other board members indicated full support for the chair, but did not support the complaining board member. It appeared the obvious tensions present among board members absorbed board time and energy that could have been better invested elsewhere.

The board made some effort to strengthen member relations. For example, a long-standing tradition involved starting meetings with a short informal dinner, which all respondents valued. Members often acknowledged a strong interpersonal bond

developed over many years, suggesting the conflict some identified was only one part of the picture.

4.2.2.5 GEF 5: Competences

Board B recruited members for an indefinite term, and all had served for over five years (one for over 20). Several respondents felt this reduced the board's effectiveness when a member's contribution declined and he or she did not move on, which could be remedied by a fixed term. One suggested the board could usually plan for departures by identifying the competences required in replacements, but three strongly disagreed. One observed that longer-serving members tended to have more power than newer members but had competences more suited to operational management than governance.

An unusual aspect of Board B's membership policy was that it was the only board where all members were invited—in all others, at least some were elected by parents. Three respondents supported this policy on the grounds it allowed the board to recruit specific competences, but three others wanted elections in order to improve accountability. One commented, "Parents have no involvement in [the board selection] process and the board has set up processes to protect themselves".

When asked whether "the board has the knowledge and skills to govern", three respondents disagreed while two identified members' skills as a key strength. The latter may, however, have had a more operational view of the board's requirements.

The chair appeared the most competent member in board management skills and expressed a desire to build the skills of other members. It was apparent that two others had senior management roles outside the board that likely required governance-related competences, but their influence was not strong. The majority of others had backgrounds where an understanding of governance was unlikely.

Only one survey respondent believed board members had received adequate training on board processes and member responsibilities, and three others indicated confusion about their role. One observed that "longer-serving board members have a very limited view and have grown into their roles rather than being trained".

Overall, members appeared to have little knowledge of governance as defined in this thesis, although, as noted in Section 4.2.2.1, some saw a need to become less operational and more focused on policy and strategy. They were divided about the effectiveness of the board's competences, but there was clearly room for a review of its membership policies and training and development activities.

4.2.2.6 GEF 6: Processes

Members generally perceived that the board had good business processes. However, some survey responses and the document review suggested it was missing formal policies and processes, such as principal appraisal, that are relevant to a medium-sized school in addition to those concerning strategy noted in Section 4.2.2.1. Members sought to follow a long-standing policy manual but found it was extremely verbose, had many gaps and mixed policy with procedural matters.

Survey and interview responses repeatedly referred to the recent selection process for the principal as an example of effective processes. However, all survey respondents indicated that the board did not formally or regularly evaluate the principal's performance, as noted in Sections 4.2.2.2 and 4.2.2.3. Two saw board meetings as a forum for monitoring the principal's performance through *informal* observation. Similarly, most survey respondents could not identify board self-review activities, and the documents provided to the researcher showed no evidence of this.

There was some recognition of the need to improve board policies and processes as the school grew. The board chair stressed this when interviewed, and his intentions were reflected in survey and interview comments from members describing a move towards more "businesslike" processes. One specifically attributed this emphasis on "business management" to "the development and growing size of the school".

4.2.2.7 Summary of Case B

Table 4-6 Summary of Case B Effectiveness

GEF	Focus	Approach	Role	Relationship	Competence	Process	Context
Rating	5 Moderately effective	2 Very poor	4 Poor	4 Poor	5 Moderately effective	4 Poor	4 Poor

Being medium-sized this autonomous school could greatly benefit from a governance approach and some board members were clearly aware of its lack of attention to policy, strategy and other aspects of governance. The board had had a long history of acting as a support to a former principal with a charismatic leadership style, leaving it with a strongly operational focus and an informal approach to self-management. Strategic direction was seen as the principal's job and most members appeared satisfied with this.

The new principal was attempting to create a more 'businesslike' approach, but there was clearly work to do in developing policies and processes. For example, the appointment process for board members and the competences needed attention. More importantly, there was little understanding of the nature of governance or its implications for the board-principal relationship, strategic planning or accountability to parents, for example.

Overall, this board had not yet begun to consider governance and was therefore ineffective in all but two GEFs (Focus and Competence).

4.2.3 Case C: Small Remote Rural Christian School (S,R,Ch)

Table 4-7 Case C Overview

Board Size[1]	6	School Size	70 students (small)
Elected or Co-opted	Elected parents and non-parents	**Involvement in Operations**	Very high
Chair Elected	Yes	**Location**	Remote rural town in northern WA
Board Member Tenure	3 years	**Strategic Plan**	No
Constitution Status	Not recently reviewed	**Effective GEFs[2]**	None
Contextual Factors	Isolated geographical location	**Poor GEFs[3]**	7

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case C was located in a small town remote from the city and other towns. The smallest school in the study, it had very limited resources. It had experienced slow but steady growth from about 50 to 70 students in the last five years. This autonomous, parent-managed Christian school took in both Christians and non-

Christians. Its constitution required Christian parents to be full members of the school association and non-Christians to be associate members.

This school was a member of AIS and CEN. The school's managers had previously collaborated with a larger independent metropolitan school but the board chair felt they gained little from this and the relationship had ceased.

4.2.3.1 GEF 1: Focus

This board had a simple mission in "the provision of Christian-based education". In survey and interview responses, members described their goals as teaching from a Christian perspective while encouraging students to make their own decisions about Christian values and increasing student numbers. Some observed that the goal of growth was complicated by a need to retain a significant proportion of Christian students as required by their constitution. Members generally thought these goals did not need to be formally documented.

Like Cases 1 and 2, the board had an operational outlook and gave no attention to strategic planning. It had a highly informal approach to board meetings (discussed in Section 4.2.3.2 below), and members felt their primary role was to monitor operations closely to ensure the school followed Christian values.

4.2.3.2 GEF 2: Approach

Members of Board C clearly had little awareness of governance as defined in this study. Like the two previous cases, they saw the board's role as "supporting the principal to manage and run the school", as one member put it. Members were very satisfied with this role and considered the board effective in it. Observation of a board meeting and a review of the standing agenda confirmed its operational, hands-on focus. The standing agenda had an operational focus and during the observed meeting there were no discussions of any matters of a long-term strategic nature. It appeared the school did indeed function well on the day-to-day level: in effect, the principal had organised board members to help him run the school when professional managers were unaffordable.

It was observed that the only push to be more strategic was from Principal. In a meeting observed by the researcher the current acting principal had expressed

concern about the board's lack of governance, asking members to consider moving beyond operational management and offering a report with recommendations and justifications. Although his presentation was at a level appropriate to boards in other schools, it gained little interest in this context and the chair quickly introduced the next topic. This observation appeared to indicate little interest on the part of the board to change the status quo with regards to their current approach. Interviews revealed that board members were unaware of the nature of governance, published models of it, or the developmental support available from AIS and similar bodies. Their geographical isolation and limited resources may be at least partly behind this.

4.2.3.3 GEF 3: Role

The principal was seen as "an exceptional principal" in one member's words, and tended to make all important decisions with the board demonstrating trust and support for this. He regularly discussed with the chair which problems should be brought to the board. Although four of the six board members described the board's role as overseeing and supporting the principal to operationally manage the school, the support role dominated and there appeared to be little oversight. For example, there was no formal performance appraisal process for the principal.

All six members surveyed believed they understood their board's role and believed they were effectively fulfilling it. Four clearly had a very operational view of their role as supporting the principal, and were reluctant to change this.

The acting principal running the school during the study revealed in the interview his concern about the board's understanding of its role as focused on supporting the principal. This prompted him to present an extensive report at his last board meeting (observed by the researcher) in which he requested the board take responsibility for the quality of students' education: "The quality of the education should be central to the governing board … and not be left to the principal alone … this would not be fair on the principal". However, members appeared confused as to what this meant and did not appreciate or agree with his proposal.

4.2.3.4 GEF 4: Relationships

Survey respondents all suggested the board had good relationships *with the principal* (on leave at the time), who, as noted above, was accorded a high level of respect and trust. There appeared, however, to be strong tension with the relief principal. One member described this relationship as 'cordial' but three noted that members did not always want to pursue the relief principal's ideas, which was consistent with observations of the meeting described above.

The chair actively sought to recruit members she knew well, such as friends from the church who met the board's constitutional requirements. Most members viewed the relationships *among board members* as positive, and one described their ability to openly consider different views as a major strength.

The board's relationship *with parents* appeared to be in need of attention. Some board members suggested parents considered the board out of touch with the school's needs because a number of members did not have school-aged children. Two suggested the parent community did not understand the board's role in managing the school.

While most members expressed strong views about the board's support for *school staff* and that the support of the principal often made them visible to staff during the school day they appeared unaware of downside of this. Only the acting principal spoke of this negatively, indicating that he felt the boards 'visibility' was often intrusive and created tensions with staff and parents.

4.2.3.5 GEF 5: Competences

All six members surveyed reported having sufficient knowledge and skills to govern effectively, but interview responses revealed significant limitations in their competences in areas such as business literacy, planning, strategy, finance and legal responsibilities. Only one member came from a professional background and the rest had little understanding of business processes. Three highlighted a need for more members because of the difficulty of gaining a quorum and the high workload. Three believed the board's succession planning was ineffective and only one thought it was easy to find new members.

As noted above, the researcher observed a board meeting in which members had not understood or responded to the acting principal's concerns about their lack of governance. When the acting principal left, members indicated that they had not understood the presentation, further highlighting the need to improve basic business literacy and governance-related competences in this board.

Recruiting board members was difficult as members were focused on finding candidates eligible according to their constitution rather than to the specific competences the board needed. Only full members of the school association could apply and these tended to be local Christians committed to the school as a community resource rather than parents of its students. Several members, including the chair and deputy chair, were aged over 60 or 70.

Unsurprisingly given the school's size, location, resources and informal approach, Board C did not provide training and development opportunities for members. Overall this board appeared to lack many key skills required to effectively govern the school.

4.2.3.6 GEF 6: Processes

Board C had very simple and informal business processes, which is not surprising given its context. It had little documentation as members were less concerned with details than outcomes and took their own notes on important matters. AIS and CEN policies were acknowledged to meet registration requirements, but one member suggested they were seen more as guidelines than policy.

The monthly meetings followed the same standing agenda focused on the principal's report, which he handed out in the meeting and summarised verbally. The chair's role at the observed meeting could be described as loose. No agenda or supporting documents were provided in advance of the meeting. Interestingly, all respondents considered their meeting procedures effective: one commented that their simplicity "was popular with board members and consistent with its remote town culture". They seemed content to continue without formal policies or business processes. While aware these were less formalised than in other schools, they were considered appropriate here: "Many of our practices work well in our context, but probably wouldn't work as well elsewhere".

There was no formal review process for Board C. Two respondents suggested the board monitored its own performance informally and one cited a reduction in unpaid fees as a key achievement, again highlighting the operational focus.

A major difficulty for the school was finding good staff, particularly as the need for Christian teachers often required recruiting from other country regions. The board was very involved in helping the principal with this, for example, by acting as a selection panel. Interviewees reported having examined this issue but had so far made no changes to their recruitment strategy. One observed that this had at times led to poor quality staff and a waste of the board's time in dealing with the consequences.

4.2.3.7 Summary of Case C

Table 4-8 Summary of Case C Effectiveness

GEF	Focus	Approach	Role	Relationship	Competence	Process	Context
Rating	2 Very poor	1 Very poor	2 Very poor	3 Poor	1 Very poor	1 Very poor	4 Poor

This small Christian school's board was easily the most informal in this study, reflecting the relaxed subculture of its remote small-town setting. Its focus was on supporting the principal in operational matters and members had little understanding of governance, including their role in overseeing strategy and CEO performance. There was considerable room to improve the board's business processes by conventional standards. At the same time, and perhaps also as a consequence of its cultural setting, Board C appeared highly collaborative and members appreciated its informality.

Despite the obstacles, moving towards governance would offer benefits even for such a small school. The acting principal observed that having oversight of the principal rather than merely supporting him or her, and taking a more strategic approach to the school's development would be important steps forward. Greater documentation of meetings and board processes would be a helpful short-term improvement: other board policies and processes could be developed over time.

Overall, Board C was poor or very poor in all GEFs. Becoming more effective would require learning about the nature of governance, developing the intention to implement it broadly and finding the resources for this.

4.2.4 Case D: Medium-sized Rural Christian School (M,R,Ch)

Table 4-9 Case D Overview

Board Size[1]	8 to 10	School Size	520 students (medium)
Elected or Co-opted	Elected parents	Involvement in Operations	Sets operational goals, delegates to the Principal
Chair Elected	Yes	Location	Large rural centre
Member Tenure	3 years	Strategic Plan	Draft on hold
Constitution Status	Not recently reviewed	Effective GEFs[2]	5
Contextual Factors	Long-term use of consultants on governance	Poor GEFs[3]	Nil

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case D was a medium-sized, parent-run autonomous Christian school in a large rural centre some distance from Perth. It belonged to the AIS and CEN, but unlike other schools in this study Board D had a history of engaging consultants to help develop its governance. It had focused on one element of this at a time and was presently reconsidering its conceptual model of governance, previously based on the Carver model.

4.2.4.1 GEF 1: Focus

This board identified its mission as providing Christian education in a strong school community culture developed in partnership with parents. Interviewees all believed the board focused strongly on this mission.

However, the board had a largely operational focus and thus far had paid little attention to the strategic development of its mission. Members were, however, conscious of the need to develop strategy. A draft plan created two years earlier identified some general goals but had been put on hold while the board refined its governance model. This process had since been completed, and the chair suggested in his interview that it was time to return to the strategic plan.

4.2.4.2 GEF 2: Approach

Unlike other boards examined in this study Case D had some awareness of published models of governance, and it had developed a hybrid approach based on two particular models. This was the second time the board had examined its approach to governance, having researched different options and adopted Carver's Policy Governance model five years earlier. Consultants had recommended Carver as the most prevalent non-profit model, and board members strongly believed it had helped clarify roles and improve the board's business processes. Despite this success, after working with it for some years members had felt further improvements were needed.

Their experience of using this model left them feeling that there was limited attention to strategic direction. The narrow focus on policy in this board's implementation of Carver was also found to distance the board from the principal, school management and the parent community. With the help of its consultants the board had examined other non-profit governance models, eventually leading them to amalgamate their policy-based model with the community model, focused in this case on relationships with parents. They also sought to change the relationship between board and principal to be more of a partnership: under the Carver model the board delegated much to the principal, who reported back on outcomes but felt distanced from the decision-making (further discussed in Section 4.2.4.3 below).

Overall, the new model aimed to give all the board's key stakeholders a stronger role in fulfilling its mission. Board D's experience showed that as the school grew it sought to be more businesslike. While Board D's internal processes were very businesslike, its new approach had clearly returned the governance focus to the parent community.

The board had invested significantly in training by consultants to ensure members understood the new approach, and all interviewees were able to knowledgeably discuss this. Unlike other schools participating in this study, members regularly discussed and sought to improve its approach to governance in board meetings. The new emphasis on combining Carver-inspired policies with a community focus appeared to have significantly improved its governance effectiveness.

4.2.4.3 GEF 3: Roles

The survey, interviews and observations suggested the new principal–board relationship was well received. The principal appeared to accept reporting to the board while valuing the closer partnership with it. The board's roles were clearly defined in policy documents, and overall members considered the board effective in fulfilling these roles.

These policies reflected governance as the board understood it, leaving operational matters to the principal while the board defined the school's goals. While being supportive of the principal, the board avoided getting too involved in operations: the principal's role at board meetings was to demonstrate achievement of board goals rather than report on daily operations. The principal's performance was regularly reviewed and the new partnership arrangement had led the board to give him more support than before. The board continued to hold the principal accountable, yet the relationship remained collaborative, based on open discussion and exchange of information.

Policy documents confirmed the clear separation between these roles. While the principal was encouraged to challenge the board to improve its operations, and the board to challenge the principal regarding school operations, it was clear that governance was the board's domain and school management the principal's responsibility.

4.2.4.4 GEF 4: Relationships

As mentioned above, the *principal–board relationship* was clearly defined and actively cultivated, largely to the satisfaction of both parties. However, this had been made possible by working through some challenges: the principal and the chair mentioned an ongoing need to examine their role boundaries and frank discussions were required at times. The principal and the board members interviewed saw this as a strong relationship.

The board's recent focus on *engaging the school community* had been greatly facilitated by giving one board member a liaison role. This involved organising community events with guest speakers, food and activities; hosting similar functions

for staff, board and parent association (PA); regular newsletters for the parent community; birthday cards for staff; and attendance at major events to increase board visibility. The liaison officer had also started working closely with the PA, for example, helping members organise a coming fete.

The relationships *between board members* were also viewed by respondents as positive and productive. Candid discussions in meetings were frequent and encouraged, but no tensions were mentioned by respondents or observed by the researcher. The chair and board members appeared to exhibit significant mutual respect.

4.2.4.5 GEF 5: Competence

Board D members had varied backgrounds but were typically professionals, some with significant financial or business experience. This board had little trouble recruiting suitable members, in part because of its recent refocus on the school community. It had a good induction process, including a document outlining the board's role and its relation to the principal in overseeing school operations. It offered training and development programs to help members understand its approach and policies.

This board had also used consultants to train members in governance, purchased booklets on governance for members, and frequently considered their training needs in meetings. Members perceived the board and their colleagues as very competent in skills relevant to governance.

One limitation observed was that the principal suggested he would like the board to have greater educational experience: it appears at least four members did not fully appreciate the educational issues facing the school.

4.2.4.6 GEF 6: Processes

Board D's use of the Carver Policy Governance model for five years had resulted in well-established policies and processes, documented in a handbook available to members in both electronic and printed form. It regularly reviewed and refined these in meetings, and continually assessed its compliance with them.

The observed meeting had a detailed agenda including standing items assessing policy compliance, which was circulated well in advance along with supporting documents. However, new items were introduced and the meeting ended very late. Well into the evening the principal requested a discussion of his remuneration, and board members surprisingly agreed to this, devoting 40 minutes to the item (with the researcher and principal absent). All members appeared unprepared for this and other items not on the formal agenda. Overall, however, it was clear that, unlike other cases observed in this study, the board was less concerned with school operations than whether it and the principal followed board policy.

4.2.4.7 Summary of Case D

Table 4-10 Summary of Case D Effectiveness

GEF	Focus	Approach	Roles	Relationships	Competence	Process	Context
Rating	5 Moderately effective	9 Excellent	7 Effective	8 Effective	6 Moderately effective	7 Effective	7 Effective

Board D oversaw a medium-sized Christian school. The board had a good understanding of governance and its difference from management and had continuously improved its approach in recent years. It was by far the most effective board in this study and the only one rated excellent in any GEF (in Approach). It had examined different governance models, consciously choosing one to suit its size and organisational maturity, and it reviewed this yearly, recently modifying its model to improve community engagement and better include the principal.

However, it was not fully effective in some areas: notably, it lacked future focus and a strategic planning process. It had good processes but there was room to improve its meeting procedures. Overall, it was judged effective or better in all GEFs.

4.2.5 Case E: Medium-sized Metropolitan Community School (M,M,Cty)

Table 4-11 Case E Overview

Board Size[1]	9	School Size	200 students (small)
Elected or Co-opted	6 elected parents, parent association representative and two teacher representatives	Involvement in Operations	High
Chair Elected	Yes	Location	Suburban Perth
Member Tenure	3 years	Strategic Plan	No
Constitution Status	Recently reviewed	Effective GEFs[2]	None
Contextual Factors	Very complex internal challenges	Poor GEFs[3]	4

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case E was an autonomous, parent-run community school in metropolitan Perth. Its board faced a very challenging internal context since a previous set of members had all resigned when it became clear that their attempt to terminate the principal was strongly opposed by parents. Families had left the school, provoking a financial crisis and possible deregistration and closure of the school. A new board had been quickly created but it operated under considerable pressure to restore the school's reputation and operational management. Two interviewees described this event:

> There was a crisis at the school where the previous board had tried to sack the principal. They had suspended [the Principal] in what was effectively an immoral and a hastily convened community meeting where the board was called to account for their actions. After a lot of criticism from most of the people on the board they ALL resigned at that meeting. Effectively there was no board and no principal.

> We were putting out fires all over the place … the issues were great. The crisis escalated with one thing leading to another. For example, government loans for capital expenditure were delayed as a result of the government being aware of the school's overall crisis … People were constantly suggesting that the school was going broke, convincing parents to leave … The people that went off the board went to the WA Department of Education casting doubts about our financial viability and [other issues mentioned]. The Department of Education wanted a full financial audit.

The board had spent the last two years resolving these existential issues. Current members had all joined the board simultaneously and with no handover from the previous board.

4.2.5.1 GEF 1: Focus

This school's mission focused on its parent *community*. While most schools have a strong community focus this school sought to elevate this focus more than the other schools. When significant tensions arose in the school community this impacted the core of what this school valued.

Survey and interview responses showed that the new board had worked hard to re-engage the parent community following the crisis precipitated by the previous board, for example, through frequent newsletters and presentations on parent nights.

However, Board E's preoccupation with short-term survival had so far left little time for planning towards longer-term goals such as growth in student numbers, and its focus was very much operational and short-term.

4.2.5.2 GEF 2: Approach

Board members had little knowledge of governance and had not considered any published models of governance. The board's use of policies and its businesslike approach to processes accorded with aspects of Carver and Carver's (2001) Policy Governance model, and its parent focus fitted the community governance model. It was also consistent with the constituent model identified in Chapter Two in that it comprised two elected teachers and seven elected parent representatives. However, these similarities were accidental rather than the result of conscious design based on an understanding of governance.

Interestingly, the board's focus on survival had not led to any broader understanding of the role of governance in preventing such crises in the future. Clarifying their conceptual model of governance, having a more strategic focus and taking formal responsibility for the two school directors' performance (see Section 4.2.5.3 below) were key areas for development.

4.2.5.3 GEF 3: Roles

The new board had divided the principal role into two directorships, with the former principal becoming the Director for Education and the administrative component being given to a new Director of Administration. Both reported to the board, giving it oversight of these roles via detailed reports to board meetings and regular individual meetings with the board chair. However, there had so far been no formal review of the directors' performance.

Surveys and interviews suggested most board members lacked understanding of the board's governing role. This was better understood by the chair, who was slowly seeking to educate members in meetings but faced resistance from some who did not see the need for change.

4.2.5.4 GEF 4: Relationships

Respondents perceived the board had a mostly positive relationship *with the two directors*, although some tensions with one (concerning ongoing performance issues) were identified. Respondents reported a strong desire to support both directors but found one challenging to work with. The lack of process to assist in dealing with these matters added to the tension.

Having spent two years restoring the broken relationship *between the school and its parent community,* respondents felt parents were now very supportive and respected the board' willingness to tackle difficult issues. The board was now seen to represent parents well. This is a good illustration that good relations with parents and other stakeholders are critical to governance.

Relations *among board members* were generally good but some tension was evident, perhaps unsurprisingly given the pressured context. In particular, some members were unhappy with a small group comprising the chair and two members. This group had business experience and made decisions between board meetings to help the board cope with demands created by the recent crisis. While acknowledging their achievements, some respondents felt left out of the decision-making since this group tended to inform the board of its decisions rather than consult the board as part of its deliberations.

4.2.5.5 GEF 5: Competence

The board's understanding of governance was poor, largely because the hasty election of all nine members during the crisis had not allowed recruitment for specific areas of expertise. The chair had qualifications in business and law and two other members had professional or business experience, one having served previously on boards. However, the other six members knew little about governance, and as a new board all had faced a steep learning curve.

A further problem for this board was that several board members were considering leaving at the end of their current term because of the workload. It faced losing considerable hard-earned expertise but had so far done little about this.

The board therefore needed to consider succession planning and its broader recruitment strategy. Interestingly, it had found it easier to recruit members since its financial crisis brought the parent community together and made them aware of the board's value:

> We have a very positive relationship with the school community. We had five nominees for three board positions last year. People are seeing the value of participating and want to be involved.

> Trying to get parent interest to join the board is a challenge—when pending disaster makes people feel threatened, they are more likely to put their hand up than now where things are chugging along nicely.

> [Because we are a] … small community, they have more direct visibility with community members, and can see the best and worst issues that need to be dealt with.

However, the board had not considered how this pool of ready candidates could be used to obtain missing competences in key areas such as finance, strategy and governance.

As an aid to future recruitment, the board had recently changed its constitution to ensure only half its members' terms expired at one time, a necessity as all current members had joined simultaneously.

Training and development were low priorities due to the board's crisis outlook—they had not considered that such activities could expedite the school's recovery by improving their skills, consistent with their lack of a long-term strategic perspective.

4.2.5.6 GEF 6: Processes

Having faced a financial crisis, the threat of deregistration and the loss of a principal, Board E had necessarily taken a very businesslike approach in developing essential policies and business processes and had made significant progress in a very short time. One member described the magnitude of this challenge:

> We have done a fantastic job turning the school around and demonstrating why it shouldn't have its registration terminated … We have needed to drag the school into the twentieth century as far as financial reporting, cash flows go … and we have written or re-written policies and changed the constitution … What saved the school from further decline was that a new board emerged that were very committed to overcoming the crisis … [this required] a massive time commitment during that first 18 months—particularly the first 12 months…. Sometimes we were meeting three times a month.

Unfortunately, as stated by two board members during interviews, this workload had left them feeling exhausted or even burnt out: "It's a bit of grind ... I will not be continuing [on the board] after the AGM" one stated. Because of its crisis mindset, the board did not review its processes or long-term outcomes, although after two years of intense pressure and significant progress in turning the school around this was clearly now relevant.

Members acknowledged that their policies still had significant deficiencies and the chair expressed a strong desire to improve processes. This was the aim of the working group mentioned above, but, as noted above, board members did not always agree with this group's priorities and lack of consultation.

The observed board meeting had an agenda but this was not distributed to all members beforehand. Survey and interview responses suggested meetings frequently departed from the agenda and ran over time. At the observed meeting three members spoke too much and two did not contribute at all, suggesting a need for tighter

control by the chair. The meeting focused on directors' reports and monitoring of school operations.

Overall, Board E's business processes were sound given its highly complex and demanding context. In two years, it had developed many essential policies and processes, far more than would normally be expected of a voluntary board. However, it still lacked key elements of governance and relevant processes, including a formal review of the directors and self-evaluation, and members were suffering from the high workload, with some considering leaving the board.

4.2.5.7 Summary of Case E

Table 4-12 Summary of Case E Effectiveness

GEF	Focus	Approach	Roles	Relationships	Competence	Process	Context
Effectiveness	4 Poor	4 Poor	4 Poor	5 Moderately effective	4 Poor	5 Moderately effective	3 Poor

This medium-sized community school's recent existential crisis had led to the creation of a new board with little previous experience of board operations, and members had faced many serious issues in the last two years. Its focus had clearly been operational, and members showed little understanding of governance. A great deal had been achieved in this time: the board had created effective if basic business processes, rebuilt their relationship with the parent community and effectively developed two new director roles.

To move towards a broader governance approach as the school regains its momentum, attention should be given to formalising a governance model (for example a combination of the policy and community models), taking a strategic oversight of the school, developing board member competence (including planning processes for training, recruitment and succession planning), addressing workload concerns and reviewing the effectiveness of the directors and the board itself.

Overall, Board E was rated poor in four GEFs and moderately effective in Approach, Relationships and Processes.

4.2.6 Case F: Small Metropolitan Community School (M,M,Cty)

Table 4-13 Case F Overview

Board Size[1]	6 to 8	School Size	110 students (small)
Elected or Co-opted	Elected parents and 1 teacher representative	Involvement in Operations	Very high
Chair Elected	Yes	Location	Middle to upper class area of Perth
Member Tenure	3 years	Strategic Plan	Developing
Constitution Status	Not recently reviewed	Effective GEFs[2]	1
Contextual factors	Board has high level of professional skills	Poor GEFs[3]	4

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Board F oversaw a small autonomous, parent-run community school in a middle to high socio-economic–level suburb of Perth. With one hundred students, it was the second smallest school in this study. Board F was a member of AIS.

Although a small school, the board was not planning to grow since its small income meant it could not afford better premises in its catchment area, which had high land values. It owned a multilevel building suited to its current size but lacked ovals or grassed play areas.

The board comprised parents and a staff representative. Reflecting its egalitarian community-building ethos, a student position was constitutionally specified, although currently unfilled due to concern about the time demands on senior students.

4.2.6.1 GEF 1: Focus

Survey and interview responses indicated the board was firmly grounded in community values, although so far it had not formally articulated these or created a mission statement. This school was heavily engaged with the local geographical community as well as the parent body, seeing both as key stakeholders. The school actively sought to be part of local community events and activities, and board members were encouraged to help organise and participate in such events.

While four of the six respondents agreed that the board had "a strong focus on the achievement of strategic goals", three were unable to clearly describe its mission and the board was only in the initial stages of developing a strategic plan. Like most others in this study, especially the smaller schools, its focus was strongly operational.

4.2.6.2 GEF 2: Approach

Members had little understanding of the nature of governance or published models of it. Their focus on the school community's interests broadly reflected the community and constituent models discussed in Chapter 2, but this did not result from knowledge of these.

Members believed that their community focus should include school staff, and they therefore gave the principal significant practical help and volunteered to help with school operations. In this regard, they saw themselves as supporters of the principal rather than overseers of the school's direction and management. The principal approached board members directly for assistance with tasks such as organising events or excursions and members considered this part of their role in a small school with a tight budget. This board was therefore the most 'hands-on' in this study. In this regard it was similar to board C, which was also highly hands-on, but differed in having a more collaborative approach to working with the principal (Case C did not work closely with the principal).

Board F's community focus had resulted in a more representative board membership than most other boards in this study, having a teacher (Board E also had this) and a student representative position (the latter currently unfilled).

As in many other cases the focus on operational support for the principal was accompanied by a lack of strategic thinking and planning. However, the board chair reported having recently begun a draft strategic plan, although apparently with little input from members so far (and not made available to the researcher).

While this board had little formal knowledge of the difference between management and governance, most survey participants believed their community focus formed an effective foundation for board operations. While this outlook led to a good understanding of their key stakeholders' needs, future development of the board

would require developing an understanding of governance, taking formal oversight of the principal and adopting a more strategic focus for the board's work.

4.2.6.3 GEF 3: Roles

Interviews and surveys revealed that members generally saw their role as assisting the principal in maintaining a healthy financial position, managing school assets, overseeing staff working conditions and promoting the school. An example of this support role was observed in a meeting that involved detailed planning for a school float in a street parade, with tasks being allocated to individual members.

Although the principal reported to meetings, the board did not formally oversee her or conduct regular performance management; rather, any oversight was ad-hoc and informal.

Only two respondents could clearly articulate the board's role within the school (citing principal oversight and overall accountability), and three expressed confusion, for example, "I am not sure of my role—but I try to support and participate as an interested community member". This appeared to stem from the absence of a written statement of the board's role.

4.2.6.4 GEF 4: Relationships

The principal expressed her appreciation of the board's support and board members reported a *good working relationship with the principal* and respect for her ability to run a school with few resources.

Consistent with the board's community focus, survey and interview responses suggested it had a good relationship *with the school community*. Interviewees spoke at length about the board's community spirit, identifying it as a highly visible and respected part of the parent community. However, one disagreed in suggesting that "there is not much engagement with the families in the school". This member referred to a lack of *formal* engagement through parent meetings and formal communications rather than being visible. Overall, the perception of the board members was that it had positive relationships with the school community, yet it appears that this based mostly on its visibility rather than formal methods of school

community engagement (e.g. meetings, written communications etc.). This appears to suggest an opportunity to improve engagement with the school community.

Relations *among board members* were seen as positive in the survey and interviews. Members shared a keen sense of common purpose and enjoyed working together in school and local community engagement activities, such as the float in a local community street parade. There were no signs of intra-board tension.

4.2.6.5 GEF 5: Competences

Board members had varied but predominantly professional skills, representative of the broader parent group's middle or upper socio-economic level. However, while all six respondents agreed the board had the necessary intellectual capacity, two acknowledged that they personally lacked knowledge or skills necessary for an effective board such as strategic thinking and understanding of governance or effective board processes. It appears none had prior knowledge or experience of board governance.

There was little attention to board member training and development, with no budget allocation or mention of training in the minutes. Being a very small school and requiring members to be either a parent or teacher limited their ability to recruit members with competences relevant to governance.

4.2.6.6 GEF 6: Processes

This board had few formal policies or processes and while respondents cited a few written policies these could not be produced when requested. Despite all but two board members having professional backgrounds, the board's operational focus and its collaborative, small school culture resulted in a very informal approach to its operations.

Survey participants agreed their meeting procedures were effective, but observation suggested meetings were well focused in some ways and not others. Documentation included the agenda, minutes and principal's report, although relevant documents were not always provided in advance. Much of the observed meeting was conducted in an ad-hoc way. A member asked, "do we have an agenda tonight?" as only some had received the emailed agenda. Another asked, "who is going to do the minutes?"

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The main items were the principal's report, the logistics of a school camp and a treasurer's report recommending changes to the kindergarten student intake, which was news to members yet received only cursory discussion before acceptance. Other topics involved a wide range of operational issues: floats for pageants, raffles, fashion shows, concerts, school camps and zoo excursions.

Only one survey respondent believed the board had processes to evaluate its own performance, succession planning for board members or processes for appointing the principal, suggesting these elements of formal policy were missing.

As with other small schools in this study, members were happy with their board's informal, hands-on style and had little awareness of the nature of governance.

4.2.6.7 Summary of Case F

Table 4-14 Summary of Case F Effectiveness

GEF	Focus	Approach	Roles	Relationships	Competence	Process	Context
Rating	3 Poor	4 Poor	2 Very Poor	7 Effective	5 Moderately effective	2 Very poor	4 Poor

This board oversaw a small and very community-focused school. Members often had professional experience, but none had significant knowledge of governance. As a result, the board focused on operational support for the principal to the detriment of strategic development, and did not formally oversee or evaluate the principal. Business and meeting processes were ad-hoc and very informal, and the board lacked written policies and documentation of processes. Training and development of board members received little consideration. The board had positive relations with the principal and school community and good internal relations.

Overall, while this school's small size reduced its resources, the board's lack of understanding of governance limited its potential for future growth and development and its ability to guide the principal in this. Board F was rated poor or very poor in four GEFs and only effective in Relationships.

4.2.7 Case G: Medium-sized Metropolitan Christian School (M,M,Ch)

Table 4-15 Case G Overview

Board Size[1]	8 to 10	School Size	790 students (medium)
Elected or Co-opted	Elected parents	Involvement in Operations	High
Chair Elected	Yes	Location	Outer suburbs of Perth
Board Member Tenure	3 years	Strategic Plan	Draft
Constitution Status	Not recently reviewed	Effective GEFs[2]	None
Contextual factors	Recent financial crisis owing to board mismanagement	Poor GEFs[3]	4

Notes: (1) Members specified by constitution; (2) Scores of 7 and above; (3) Scores of 3 and below.

Case G was in a low socio-economic level outer suburb of Perth. Like Case A, it was established by a co-located autonomous Protestant church, and the school board reported to the church council.

This school had grown rapidly into a medium-sized kindergarten-to-year-twelve school and appeared likely to become a large school. However, board oversight had not kept up with the school's growth. About 18 months earlier the board realised the school was in a major financial crisis, providing a 'wakeup call' to examine its focus, approach, roles and processes. The board employed a consultant who helped to guide the change process, and during this period the long-serving principal resigned.

The financial crisis appeared to indicate a lack of governance oversight since the board had accepted recommendations from the school bursar for capital expenditure decisions without sound information and reporting on potential risks. Board members lacked the financial competence needed to oversee such decisions. This school was a member of AISWA and CSA.

4.2.7.1 GEF 1: Focus

The board had a good sense of mission based on its founding church's Christian values and educational philosophy, but while all six survey respondents believed the board was well aware of these values only three considered it a strong focus of their work. It appears the board's focus on operational management precluded discussion

of how the school's values affected educational outcomes and long-term development.

The board focused strongly on school operations and business processes, and its recent crisis had led to a stronger financial focus than apparent in the other boards examined here. A draft plan identifying strategic goals had been developed with the consultant's help, but despite being the focus of an annual meeting this had yet to be actioned as the board had been diverted by its financial problems. Only three respondents mentioned this plan or otherwise saw strategy as a focus. One commented: "Strategic planning was one of the problems for us … as indicated in the [external consultant's] review, we did not put enough pressure on management to implement our strategic plans". However, in the meeting observed by the researcher, the board chair discussed this plan at length and members agreed to give it more attention.

4.2.7.2 GEF 2: Approach

This board was in the initial stages of developing its understanding of governance. Following the financial crisis, the chair had investigated Carver and Carver's (2001) Policy Governance model, which he had previously used as senior minister of the parent church, and he had now begun developing members' awareness of it in meetings. However, the survey and interview data indicated members were divided in their understanding of the need for change and what approach to governance might suit them. One suggested "we lack a depth of understanding in this area [governance approaches]", while others felt this was not a priority given more immediate operational concerns. Overall, only three felt the board's approach was effective, and it appears these considered only its current operational focus.

At the observed meeting, the chair read from a Policy Governance publication that members had previously received and led a twenty-minute discussion of it, proposing to make discussing Carver and Carver's (2001) model a regular agenda item. Two members expressed difficulty in understanding Carver's model but still felt this was the right way forward.

The chair appeared unaware of the Carver model's lack of attention to long-term strategic development, or the possibility that, as in Case D, its focus on processes

could distract a board from engaging with the community or having an effective relationship with the principal.

Unsurprisingly given the consultant's findings, all respondents agreed the board had not previously provided effective governance, suggesting acceptance of their responsibility for the school's financial crisis. They identified a need to monitor the school better, particularly its finances, and had taken steps recommended by the consultant such as reviewing the board's constitution, composition and role in relation to the principal and other school staff.

4.2.7.3 GEF 3: Roles

As with most other cases discussed in this thesis the board had long seen its role as primarily supporting the principal to manage daily operations, and it lacked oversight and formal appraisal of his performance. The relationship between board and principal was now in a state of transition, with the board taking responsibility for its lack of financial accountability and formally overseeing the principal.

Prior to the financial crisis, the board treasurer role was given to the school bursar since board members lacked relevant financial training. This had since changed so that the treasurer could not now be a school employee. An accountant had been appointed and was supported by a financial subcommittee of the board, although the subcommittee members appeared to still be developing their financial skills.

4.2.7.4 GEF 4: Relationships

Surveyed members spoke very positively about *the new principal*, and the principal spoke positively about the board. Relationships *between board members* were also generally positive. There was a sense of achievement and group cohesion in having taken decisive action to remove the previous principal and change the constitution and board composition in response to the crisis.

However, board members perceived these events to have created tension *between the board and the parents* although this was expected to improve over time. The crisis, the consultant's review of the principal and board's performance, the board's subsequent changes and the principal's resignation were all sensitive topics. Only one respondent believed the board's relations with the parent community were now

positive. As another explained, "there have been some in the school community who have been critical of the board following the financial crisis, some of which was justified". Interestingly, some members felt, as one put it, that "the board does not need to maintain a close relationship with the community. That is not our role!" It appears the board was not proactive in engaging with parents as key stakeholders as a priority.

4.2.7.5 GEF 5: Competences

The board had taken steps to improve its competence. The constitution was reviewed and changed to allow for members who did not attend the founding church, in the hope of broadening board competence. Most current members had no formal qualifications, and the others' qualifications were in areas of little relevance to governance, such as theology. While the board had improved its financial competence, the consultant's report also called for legal and risk management expertise, but finding such persons remained a challenge and only two respondents believed the board had sufficient intellectual capacity, knowledge and experience. Some highlighted the need to develop expertise in strategic oversight and planning. The board chair's knowledge of the Carver model was limited but he had begun discussing this approach to governance at the observed board meeting.

It appeared this board did not systematically consider its approach to recruitment, did not offer formal training or development to members and, like most others in this study, lacked an induction process.

4.2.7.6 GEF 6: Processes

In response to the consultant's review, the board had begun performance management for the principal and created a subcommittee to oversee finances. The chair had produced a draft handbook covering board policies and processes, which was to be expanded over time and used for inducting new members; previously only a handful of policies had been documented. Survey respondents suggested a need for formal evaluation of the board's own performance and a more systematic approach to succession planning.

Four of the six survey respondents felt the board's meeting processes were sound. The observed meeting was effectively chaired, taking less than two hours including 20 minutes of policy discussion and a twenty-minute tour of a new building. The agenda covered the strategic plan, the draft handbook and reports from the principal and treasurer.

4.2.7.7 Summary of Case G

Table 4-16 Summary of Case G Effectiveness

GEF	Focus	Approach	Role	Relationships	Competence	Process	Context
Rating	4 Poor	4 Poor	5 Moderately Effective	3 Poor	6 Moderately effective	5 Moderately effective	4 Poor

Following a financial crisis, the board of this fast growing, medium-sized Christian school had improved its financial management and business processes although this remained a continuing priority. However, the crisis and review of the board by consultants had not led to a more strategic, less operational focus. The board's relationship with the principal and relations among members were generally positive, but tensions from the crisis lingered in the parent community and the board had not engaged effectively with this key stakeholder group.

The board's overall understanding of governance was still in its infancy. The chair had begun to introduce the Carver model and strategic planning but encountered some resistance to this, perhaps because of ignorance of the governance approach. Board G was still in the early stage of transitioning from its operational focus and had a long way to go to achieve effective governance.

4.3 Chapter Summary

Table 4.17 summarises the GEF ratings for each case. All boards apart from Case D demonstrated relatively little understanding of governance as defined in this study. Only Board D followed a published model of governance, although the chairs of two others had begun attempts to introduce the same model. All boards, including Board D, lacked the critical element of strategic oversight, although a few chairs and other members were aware of this and expressed an intention to address this. Most

members saw their role as supporting rather than overseeing the principal. Some boards' policies and business processes were not well developed, and most lacked important competences. Several boards lacked good relationships with their parent community, thereby diminishing their ability to be accountable to service recipients.

Overall, Board D was the most effective, being 'moderately effective' or better in all GEF ratings. A standout feature of this board lay in *intentionally* researching, adapting and adopting its approach to governance, aided by an external consultant. This intentionality had clearly increased Board D's effectiveness in most GEFs. Intentionality is a major theme in the framework for school governance proposed in Chapter 6.

Four boards (A, E, F and G) were at an intermediate stage with three or four areas rated above 4 and three or four below 4. Of these, two boards (E and G) had recently faced a financial and reputational crisis providing a strong incentive to improve their operations. Boards A, E and G were particularly aware of some of their key limitations, such as a lack of strategic planning or CEO oversight, and were attempting to improve these areas. However, none of these four boards had a good understanding of governance.

The remaining two boards were far from implementing a governance approach to board operations. Board B had only two areas rated above 4 and Board C was by far the least effective, with poor or lower ratings in all but Context and the only rating of 1 given in this study (for both Competence and Processes). It lacked even a basic understanding of a board's role and had little intention to examine its approach to this.

Overall, only 7 of the 49 ratings shown in Table 4.10 above were 'effective' or 'excellent' (above 6 out of 10). There is clearly considerable room to improve boards' approach to governance in all cases but D, but even the latter needed to focus more on strategic oversight.

Unsurprisingly given their small resource base, the four small schools (A, C, E and F) tended to have lower ratings than the medium-sized schools (B, D and G). The need to transition away from operations to a stronger governance focus as small and medium sized independent schools grow is a major theme of Chapter 6.

Chapter 5 examines the status of governance across the seven boards in more detail, beginning with an examination of boards' overall understanding of it and then presenting a detailed analysis of each GEF.

Table 4-17 Governance Effectiveness Summary

GEF	Focus	Approach	Roles	Relationships	Competence	Processes	Context
Case A (SM,U,Ch)	3	4	3	7	7	3	4
Case B (M,U,Cty)	5	2	4	4	5	4	4
Case C (S,R,Ch)	2	1	2	3	1	1	4
Case D (M,R,Ch)	5	9	7	8	6	7	7
Case E (S,M,Cty)	4	4	4	5	4	5	3
Case F (S,M,Cty)	3	4	2	7	5	2	4
Case G (S,M,Ch)	4	4	5	3	6	5	4

Rating	Very poor 0–2	Poor 3–4	Moderately effective 5–6	Effective 7–8	Excellent 9–10

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Chapter 5: Cross-case Analysis and Discussion

5.1 Introduction

This chapter presents a comparison of the seven cases analysed individually in Chapter 4. The case summaries from Chapter 4 were first compared to identify patterns in their understanding of governance and overall approach to it. Second, the ratings in Table 4.17 were used to investigate cross-case patterns in each GEF, looking down the columns where Chapter 4 looked across the rows. This two-stage analytical process follows recommendation for multiple case research by authors such as Eisenhardt (1989) and Greckhamer et al. (2008).

As discussed in Chapter 3, examining the data from two different angles can reduce subjectivity and assist in summarising substantial amounts of data from multiple sources (surveys, interviews, document analysis and observation in this study). The cross-case analysis presented here used Eisenhardt's 'category' tactic whereby cases are compared using categories or dimensions—here the GEFs. A second goal of this stage was to compare findings with the literature, looking for both similarities and differences. The latter may indicate opportunities for new theory or limits to existing findings.

5.2 Comparison of Cases: Overall Approach to Governance

The overriding impression gained from the analysis presented in Chapter 4 was that members of most boards studied were unaware of the nature of governance as described in the academic literature. The chief exception was Board D, which had a good Focus, Approach and understanding of its Role having followed Carver's Policy Governance model in recent years and recently adapting this to improve Relationships with the parent community. Board G's chair was in the preliminary stages of persuading members to follow the Carver model but faced resistance, and Board A's chair expressed the same intention but members seemed to have little awareness of this at the time of data collection.

Interestingly, Cases E and G had both faced financial crises that had threatened their existence and caused the principal's resignation (in School E, the principal was later

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reinstated as a co-director). While they were necessarily focused on their school's 'resuscitation' and had improved their business processes to some extent, neither had made progress towards a governance-based approach despite a serious failure of governance. The chair's unsuccessful attempt to persuade Board G to adopt the Carver model was the only sign of interest in this.

Also pointing to limited awareness of governance was that Board D's extensive use of Carver's model had not led to effective oversight of the school's strategic direction or engagement with the parent community, its key stakeholder group. While Board D was in other ways a 'role model' for governance in independent schools, it was two steps short of being fully effective in this regard.

The other boards similarly lacked oversight of their school's strategic direction, and all but D appeared to lack oversight of the principal's activities, a critical element of governance in most published models. Indeed, boards tended to see themselves as serving the principal. Changing this attitude might be the first step for any board seeking to adopt a governance approach.

The third key aspect of governance, accountability, was to some extent well practised in regard to boards' responsibility to parents as service recipients. Five boards appeared to have good relations with their parent or school community (including non-parents in some Christian schools), although this was considered poor by members of two others. However, such relationships were seen more as good 'customer service' than a step towards upholding the board's accountability to service recipients for educational outcomes. No boards appeared to take this seriously, perhaps because members lacked educational expertise as the principals in Cases C and E observed.

Accountability to other stakeholders was similarly limited. The two schools experiencing financial crises had improved their budgetary monitoring but appeared not to see this as an issue of *accountability* to fee-paying parents or taxpayers as part-funders of their schools. Boards generally gave little attention to prudential or ethical issues, which was due perhaps to their lack of governance competence and operational focus. For similar reasons, they did not hold the principal accountable for

managing the school's educational processes, physical infrastructure and staff (including issues such as recruitment, staff development and working conditions).

More fundamentally, these boards rarely reflected on their own role, accountabilities and performance. They tended to have informal meeting procedures and limited documentation of policies, decisions and processes, again reflecting their limited competence (most members were volunteer parents). Small schools further lacked resources for taking operational management away from the principal and board.

These limitations in boards' capacity to govern were common to both religious and community-based schools, metropolitan and regional schools and schools with catchments in higher or lower levels of socio-economic development.

Overall, it appears small and medium-sized independent school boards would benefit greatly from a better understanding of governance. To examine the key issues in more detail, the discussion below focuses on how well schools in this sample approached each GEF.

5.3 Comparison of Cases against Governance Effectiveness Factors

5.3.1 GEF 1: Focus

Table 5-1 Cross-case Effectiveness: Focus

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross- Case Effectiveness
Rating	3	5	2	5	4	3	4	3.8 Poor

The ratings in Table 5.1 support the conclusion that boards generally did not have a strong strategic focus.

Focusing on the organisation's long-term mission and strategically planning to achieve it are key aspects of governance noted in the literature (e.g., Bryson, 2018; Bryson et al., 2014; Leggett et. al., 2016; Wheelen et al., 2017). While board members surveyed and interviewed for this study were consistently able to articulate their school's mission and values and considered their boards well focused on this,

they considered these only in relation to operational matters and either did not appreciate the need for strategic planning or left it to the principal, having little involvement or oversight themselves. This appears to be a key area of governance missing in independent school boards.

5.3.1.1 Focus on Mission

The literature in general recommends beginning the strategy process by developing a brief statement of the organisation's purpose (mission statement), often accompanied by statements of a 'vision' of its desirable future state and its most important values. All schools participating in this study had written mission statements (see below), and although few board members could recall the statement clearly, all could describe the school's distinctive ethos. This generally corresponded with the focus observed in board documents (Table 5.2) and the general outlook of the board meetings observed.

Table 5-2 Areas of Board Focus According to Documents and Respondent Data

	Documented Areas of Focus[1]	Self-Perceived Areas of Focus[2]	Percentage Reporting "Strong Mission Focus"[3]
Case A (SM,M,Ch)	Operations, board structure and competence, developing a governance approach	Christian education, changing governance approach	91%
Case B (M,M,Cty)	Operations, monitoring	Operations, monitoring	80%
Case C (S,R,Ch)	Operations, support of principal	Operations, principal support, Christian education	87.5%
Case D (M,R,Ch)	Changing the governance approach, policy monitoring, community engagement	Changing governance approach, Christian education, policy monitoring	80%
Case E (S,M.Cty)	Operations, crisis remediation, board process improvement	Operations, developing board policies and processes	100%
Case F (S,M,Cty)	Operations, principal support	Operations, principal support	83.5%
Case G (M,M.Ch)	Board process review, crisis remediation, principal recruitment	Board policies and processes, crisis aversion	50%

Notes: (1) From document review. (2) From survey and interviews. (3) Agreement that: "the board strongly follows its mission (or vision)".

Respondents indicated that their school's mission and values were infused throughout the board's work and motivated them to serve on it. As two put it, "our school ethos is entrenched in my mind and our board works to support it", and "this infiltrates everything we do as board members". They believed their ethos distinguished them from other schools through its religious values (Cases A, C, D and G), community-building focus (Cases B, D and E) or unique pedagogical approach (e.g., the International Baccalaureate curriculum; Case E).

Examination of the written mission statements showed a concentration on quality schooling, nurturing of students and developing skills and personal qualities (Table 5.3).

Table 5-3 Focus of Mission Statements

Main Features of Mission Statement

Case A (SM,M,Ch)	Developing gifts for Christian service in church and community; cooperation rather than competition
Case B (M.M.Cty)	Innovative educational programs; nurturing individuality and self-worth; personal excellence; community
Case C (S,R.Ch)	Christian curriculum, educational partnership with parents; parent involvement
Case D (M,R,Ch)	Making known the lordship of Christ; excellence in education; equipping for works of service
Case E (S,M,Cty)	Reggio curriculum; students the main contributor to own learning; values-based learning
Case F (S,M.Cty)	Stewardship; lifelong learning; cooperation and peaceful environment; partnership with community
Case G (M,M,Ch)	High academic standards; lordship of Christ, self-discipline; development of gifts

Although the management literature views mission, vision and value statements to underpin *strategic* action, their use in these case studies was more operational. Attention to these in any context is helpful since independent schools tend to be based on a particular ideological ethos more than other schools or organisations are. However, as noted above, there was little evidence of mission statements being used

to set long-term goals, although this may have been done implicitly by the three principals with responsibility for strategic oversight (Cases A, B and F). Using mission statements strategically would require turning very general goals such as "Christian education", "personal excellence", "high academic standards" or "community" into the concrete long-term objectives of a strategic plan.

5.3.1.2 Strategic Planning

No boards yet had a strategic plan. Two seemed unaware of the value of explicit long-term planning (C and E) whether conducted by the principal or board. Three others consciously allowed the principal to set the strategic direction and report on it to the board (A, B and F). Chairs of the remaining three had expressed an intention to make their board more strategic but had not yet produced a working plan (A, D and G).

Interestingly, four chairs reported having begun a strategic plan in recent years but had subsequently left it on hold and far from finished (A, D, F and G). Board D, otherwise the case closest to governing effectively, had developed a skeleton plan a few years earlier but left it "on the back burner". In the meeting observed by the researcher this board showed a reactive approach to the future by pursuing opportunities recently brought to their attention rather than proactively seeking them.

However, there was a significant gap between members' perceptions of their board's strategic focus and the reality observed in the documents reviewed (Table 5.4) and meetings observed. Over half the members surveyed on each board believed their board focused on strategic goals, but long-term plans were mentioned in the minutes of meetings only occasionally. These tended to involve opportunistic ad-hoc decisions rather than systematic planning towards strategic goals based on considered analysis of the school's values and context. It appears board members and sometimes chairs had little understanding of strategic management and may have exaggerated their efforts to convey a positive impression.

Table 5-4 Evidence and Perception of Strategic Planning by Case

	Documented Strategic Plan	Degree of Focus on Strategic Goals[1]	Evidence of Long-term Planning in Minutes
Case A (SM,M,Ch)	No (draft commenced)	65%	Some
Case B (M.M.Cty)	No	80%	Some
Case C (S,R,Ch)	No	50%	No
Case D (M,R,Ch)	Partly—brief planning document, intending to focus on strategic plan in near future	60%	Some
Case E (S,M,Cty)	No	100%	Some
Case F (S,M.Cty)	No (draft commenced)	67%	Some
Case G (M,M,Ch)	Yes (11-point plan but not yet implemented)	50%	Some

Note: 1 Percentage of respondents agreeing with this statement.

Further evidence for a gap between perception and reality was that some respondents explicitly cited a lack of strategic focus. Others identified "increasing student numbers" or "instilling the values of the school in students" as strategic goals but these were not reflected in board documents. Perhaps such goals were implicit in operational decisions but no attempt to strategically coordinate decisions was found, and observations of meetings showed a similarly operational focus.

It was noted above that four boards had begun a strategic plan but the process had stalled for between 18 months and three years. In two boards, specific reasons were cited: Case D wanted first to refocus its governance approach and Case G was recovering from a financial crisis. Although these may partly be reasonable explanations, the timeframes involved were long. Further, it appears the other two boards were simply overtaken by operational priorities. These points, along with the gap between perception and reality mentioned above, give rise to the conclusion that all boards found strategic planning difficult.

Another possible explanation lies in Mintzberg's (1990) observation that much strategic planning is conducted to make managers look competent or in touch with professional norms rather than because of a strong desire to achieve long-term goals. Boards may be similarly motivated by appearances more than a genuine intention to act strategically. Whether the intentions stated by the participants in the case studies would eventually lead to strategic oversight of the school is unknown, but only Board D showed a strong and realistic intention to develop this aspect of governance.

The boards studied also faced significant *practical* barriers to long-term planning. Members tended to be volunteer parents with family responsibilities after hours. Boards often faced pressing operational concerns with little time for preparation and meetings. Boards that focused on supporting the principal tended to routinely leave longer-term issues to that person, and the financial crises recently faced by two boards presented further obstacles.

A similar lack of attention to strategy is often reported in the non-profit literature. For example, Bartlett and Campey (2010) found non-profit boards were often overly focused on operations to the detriment of strategy. This appears to reflect widespread ignorance of the nature of governance as a fundamentally strategic process.

There is some debate about whether boards of smaller organisations should be involved in governance at all. Fishel (2014) observed that studies of non-profit board governance often do not reflect the reality of small organisations where board members are *necessarily* involved in managing day-to-day operations since the organisation lacks funds for managerial salaries. While approaches to non-profit governance such as Carver's Policy Governance model and the change-focused models identified by Bradshaw et al. (2007) suggest boards should not be directly involved in operations (see Chapter Two), this ignores the realities typically faced by small organisations. Interestingly, there was little difference between small and medium-sized schools, despite the latter's greater resources, with the partial exception of Board D which clearly had both the intention and the capacity to undertake strategic planning.

While conscious examination of strategic direction may be useful in organisations of all sizes it appears an *evolutionary* approach to developing this may be more

practical in boards of smaller schools with limited resources. Such a transitional model of governance is developed in Chapter 6.

In summary, board members had a good general understanding of their school's mission and used their mission in making operational decisions but its value in setting the school's strategic direction was little considered. Only Board D appeared likely to develop a strategic outlook in the near future. A few others had begun considering strategy but had made little progress so far and tended to see it more as longer-term operational planning than stewardship of the school's mission. Shifting away from their familiar operational focus to a more strategic outlook seemed quite challenging to all the boards discussed in this study.

5.3.2 GEF 2: Governance Approach

Table 5-5 Cross-case Effectiveness: Approach

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Approach	4	2	1	9	4	4	4	4 Poor

The most effective approach to non-profit board governance has been widely debated, with many conceptual models proposed but little consensus on which is the best (Austen et al., 2011; Bassett & Moredoch, 2008; Bradshaw, 2009; Fishel, 2008; Lyons 2001; Oliver, 2009; Totten & Orlikoff, 2002). On the other hand, authors have routinely stressed the importance of boards choosing a compatible model (Bradshaw et al., 2007; Carver, 2009; Cornforth & Brown, 2014; Renz & Anderson, 2014; Tricker, 2015). Unsurprisingly, given their limited understanding of governance, board members participating in this study showed little awareness of the published models, with the exception of three chairs who were familiar with Carver's Policy Governance model (A, D and G), the most widely used model in schools and other non-profit organisations (Bradshaw et al., 2007). Only Board D made significant use of this model.

As discussed in Chapter Two, Carver's model has been criticised for lacking emphasis on strategic oversight (Hough, 2002) and for distancing the CEO / Principal (Bartlett & Campey, 2010) and stakeholders (e.g., parents) from the board (Bassett & Moredock, 2008). Related criticisms involve being too top down, focused on a single vision of the organisation's future, and being resistant to change and innovation by rigidly following policies or rules (Dart, 2000; Ralston-Saul, 1995). Board D had initially found Carver's model very helpful in clarifying the board's role and formalising its policies and processes, but later discovered its top-down approach demotivated the principal and distanced the board from parents. Board D had also failed to focus on the school's strategic direction. Carver's model therefore appears to be a useful tool primarily for developing the Approach, Roles and Processes GEFs. His strong emphasis on helping the organisation achieve its purpose is consistent with the Focus factor, but a fuller understanding of strategic development might be necessary. In addition, boards could recognise that Relationships with the CEO and service recipients (or other stakeholders) may need more direct attention than Carver's model implies. The value of Carver's model to school and non-profit boards is further examined in Chapter 7.

Austen et al. (2012) examined the value of multiple governance models, including Carver and Carver's (2001) Policy Model, for non-public schools but found none adequately highlighted these schools' unique ideological focus, for example its religious or community-based values. The GEF framework emphasises the school's mission and values in the Focus factor and these could also be incorporated in the conceptual model specified under Approach.

Boards could also consider adopting a hybrid model as recommended by Bradshaw et al. (2007). A constituent model is suited to independent schools and could form part of such a hybrid. Six of the seven school boards in this study took a constituent approach whereby most members were elected from their parent community or school association. Having a constituency focus along with a policy focus in the board's conceptual model of governance would help entrench the importance of relationships with service recipients in board operations. A partnership outlook was evident in the three boards that actively cultivated relationships with parents (A, C and F), but formally representing this in board documents and policy would further

strengthen this key aspect of governance in the eyes of board members, school staff and parents.

Overall, most boards in this study had reflected little on their approach to board operations and lacked awareness of the nature of governance or published models of it. Only Case D appeared to match Bassett and Moredock's (2008) view of a "mature" school board that "often seek[s] to evolve to other models, having learned that governance is most effective when it is focused on the long term and strategic not the operational (n.p.)".

Interestingly, while most boards had access to guides to school governance from bodies such as AIS, CEN and CSA, they had learned little about models of governance from these sources. Such materials could greatly assist in evaluating models of policy or community governance, for example.

Boards generally demonstrated little or no intention to research different approaches to board functioning: most assumed, without conscious reflection, that their role was to support the principal or otherwise manage school operations. As mentioned, only Board D had a strong intention to adopt a specific model of governance. Although two other chairs had some understanding of Carver's model they had yet to instil strong governance intention in their boards' approach and it appears that neither had researched other models of governance. Bradshaw (2009) recommended boards intentionally choose an approach that matches their context. For example, he suggested the Carver and Carver (2001) model is best suited to simple and stable environments and a less structured approach suits complex environments (see Figure 2.5). No boards here were aware of this way of thinking about governance.

In summary, of the many models and approaches discussed in Chapter 2, Carver and Carver's (2001) model was most attractive to these small independent schools, although two had informally made some movement towards a constituent or partnership model. Only Board D had intentionally considered its approach.

5.3.3 GEF 3: Board and Principal Roles

Table 5-6 Cross-case Effectiveness: Roles

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Roles	3	4	2	7	4	2	5	**3.8** Poor

Table 5.6 supports the conclusion that boards generally had little understanding of their role in overseeing the CEO, as commonly recommended by governance authorities (Carver, 2006; Chait, Ryan, & Taylor, 2005; Oliver, 2009). Some authors recommend that the CEO be seen as a partner with the board (e.g., Walsh, 2002), which need not be incompatible with the board's oversight role as Case D here illustrates.

Non-profit boards often lack clarity about their role in relation to the CEO (Daugbjerg, 2014; Walkley, 2012). Fishel (2008) considered that "for many board members, clarifying their role and responsibilities is the biggest step they can take to improve their effectiveness and satisfaction" (p. 6). Although developing a strategic orientation and consciously choosing a model of governance are also important, a critical first step for many boards participating in this study would be taking full control of the school by overseeing the principal.

Only Boards D and E had made the principal formally accountable to the board, and only D formally reviewed the principal's work. School E's egalitarian community ideology made the principal more of a partner and perhaps explains that board's failure to oversee his work.

Four boards saw their role as primarily supporting the principal (A, B, C and F), and two of these appeared particularly subordinate (A and F). A fifth board (G) had previously acted in support of the principal but as a result of a recent financial crisis was now reviewing this arrangement—a good illustration of the rationale for making CEO oversight central to governance. In these five boards, members tended to hold the principal in high regard and trust his or her expertise in school management. In

several cases, this deference appeared to be assisted by the principal's charismatic leadership style, a style associated with both high performance and excessive power in the leadership literature (Dalglish & Miller, 2010). Excessive deference to a charismatic leader can result in passivity, poor performance and unethical behaviour among subordinates (e.g., Harris & Jones, 2018).

A few members of these boards suggested they evaluated the principal informally by personal observation, but most seemed not to see evaluation, whether formal or informal, as their role. A number appeared confused about the boundaries of the board's role. Not surprisingly, these principals did not generally see a problem with their role. An exception was the acting principal in Case C who wanted the board to take more responsibility for educational outcomes. Only Board D gave new members an induction covering the separation of board and principal roles.

Taking oversight of the principal therefore appears to be a vital first step in moving the five 'subservient' boards towards governance. As School D demonstrates, this does not—and indeed should not—prevent the two parties from working as partners in running the school, although negotiation and continuing refinement of the role boundary will likely be needed. The board–principal role relationship is a formal arrangement but also has a social dimension, which is considered in the next section.

5.3.4 GEF 4: Relationships with Key Stakeholders and between Members

Table 5-7 Cross-case Effectiveness: Board Relationships

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Governing Relationships	7	4	3	8	5	7	3	5.2 Moderately effective

Governance research highlights the importance of positive relationships between a board and its internal and external stakeholders (Chelliah et al., 2015; Cornforth & Brown, 2014; Freiwirth, 2014; Puyvelde et al., 2018). Developing relationships with key stakeholders, notably the principal and the parent community in a school context, is essential to effective school governance for a variety of reasons. The board oversees the principal but must also generally work harmoniously with that person,

functioning more as partners than manager and subordinate despite holding ultimate accountability. Similarly, the board is accountable to parents as service recipients and must engage with them to understand their needs and concerns. Board D is a useful example here, having had distant relationships with both principal and parents but subsequently revising its governance approach to improve the inclusion of both parties.

Relationships between board members are a third area of interest in this study. Failure to maintain positive relationships can lead to tension, dissatisfaction, conflict and reduced productivity in a board (Grady & Bryant, 1991; Miller-Millensen 2003; Mountford, 2004; Mullins, 2007). Good conflict resolution processes are particularly important to school boards due to the complex nature of governance and the changing role of boards in relation to the principal and parents as schools grow (Payne, 2004).

Similarly, Forbes and Milliken (1999) argue that the extent of cohesive relationships in a board affect present and future board performance. There were instances in nearly all boards where tensions existed impacting negatively on group cohesion. For example, Board A had tensions existed in new board members who felt they weren't inducted properly, Board B experienced tensions over perceptions of inadequate process with regards to board tenure, Board C had deep tensions between the acting principal and the board over the approach to governance, Board D had tensions about the way meetings were run, Board E had tensions relating to the way decisions were often made outside of meetings, Board F had tensions relating to its processes and Board G had tensions about the changes to approach sought by the chair. All these examples suggest areas where the board can work through these issues to reduce tension in an effort to increase cohesion and positively impact board effectiveness.

Table 5.7 shows ratings for boards' *overall* approach to relationships, with three being considered effective and a fourth moderately effective. Below, the three key areas of board relationships are considered individually.

5.3.4.1 Relationships with the Principal

Overall, relationships between the board and principal appeared quite positive. This is partly expected given that five boards functioned to support the principal and could

therefore be expected to face fewer role conflicts. Minor tensions were reported in two boards: board C had trouble accepting the ideas of a relief principal and Board D needed to work on board–principal role boundaries from time to time. Some tension and readjustment might be expected in any such relationship, even where the role descriptions are clearly delineated. This appeared to be well understood by both parties in the most effective relationship studied (Board D).

The quality of this social relationship is influenced by *how* the formal role relationship is implemented, as shown in Case D where an emphasis on accountability to the board left the principal feeling isolated and unsupported. This improved when the board revised the working relationship to a partnership rather than a top-down model, maintaining accountability but keeping it more in the background. Board F's collaborative, community-building ethos also led to something of a partnership arrangement with the principal in activities, although the board did not oversee this work. Two other boards (C, E) had a moderate level of partnership in their working relationship with the principal but all others tended to defer to him or her.

The above experiences of 'partnering' with the principal are consistent with the partnership approach. The majority of governance approaches as discussed in chapter two highlight that an important part of the boards governance role is to oversee or monitor the principal. The exception being the partnership model where such a partnership approach appears to be inconsistent with the *monitoring* role advocated in the other approaches to governance. While these models initially appear to be at odds, this section points out that oversight of the Principal (a primary role for a board according to the great majority of governance models) can be performed within a partnership approach, as Board F successfully demonstrated. While the board has ultimate authority it can work collaboratively with the Principal within this framework, an approach that can be very effective as highlighted here. A challenge, therefore, for boards who seek to have a partnership approach with their Principal is to also establish and maintain appropriate systems that ensure principal oversight. This would require a hybrid governance approach to be adopted.

5.3.4.2 Relationships with the Parent Community

Members of five boards generally reported good relationships with their parent communities (B, C, D, E and F), two having intentionally worked to improve this in recent times (D and E). In contrast, boards A and G seemed to have very little engagement with their parents. These were both medium-sized schools, consistent with Payne's (2004) view that as schools grow they tend to view themselves less as communities and more as businesses. In the third medium-sized school (Case D) the board had previously lost contact with parents but was now addressing this.

This relationship was entrenched in the ideology of some boards. Board D had intentionally added a community focus to its governance model and dedicated a board member to cultivating relations with parents and community groups. In contrast, Boards A and G maintained a distance from the school community, although some members thought this was a mistake. Interestingly, in two boards (B and G) at least one member thought engaging parents was not the board's role.

Also interesting is that Schools E and G had both faced a financial crisis causing parents to leave the school, but where Board E had strongly re-engaged with parents, Board G had given this low priority and was still concentrating on reforming its business processes 18 months after the crisis.

5.3.4.3 Relationship with the Parent Association

Three schools (A, B and E) encouraged parents to join the PA and their boards tended to communicate through the PA rather than directly with parents (although most members were parents). This typically involved written communication, although Boards B and E had formal PA representation and the chair of Board A met regularly with the PA Head. Direct communication with parents in these three schools was the principal's role, leaving the board relatively distant from the parent community.

Overall, relationships between the board and the parent community were generally positive but there was room for improvement in all cases, particularly the two that had given this area little conscious attention. Even in the others, however, this relationship was viewed more as a contributor to the smooth running of the school

and parent satisfaction than an issue of the board's *accountability* to parents for educational outcomes, as a governance approach would emphasise (e.g., Carver & Carver, 2001).

5.3.4.4 Relationships between Board Members

Most respondents reported good relations among members of their board, although minor or moderate tensions were suggested by some members of Boards A, B and E. On Board A, these appeared to lie within the normal range expected on a board. On Board E, the chair and two others comprised an ad-hoc working party (to expedite recovery from its financial crisis) and some members thought this group had too much power and should consult rather than inform the board. Some Board B members indicated strong differences of opinion about board recruitment, membership and tenure. If appropriately managed, such differences could be a source of constructive debate and help replace conventional thinking with innovative ideas.

Overall, respondents thought the relationships between board and principal, board and parents and among board members were good, and the researcher's observations in meetings, although limited, supported this. However, three boards were rated as poor at relationships: C lacked engagement with the principal and parents, G lacked engagement with parents and B revealed tensions among members. Although this was one of the more effective GEFs, all boards had room to improve.

5.3.5 GEF 5: Board Competence

Table 5-8 Cross-case Effectiveness: Board Competency

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Board Competence	7	5	1	6	4	5	6	**4.8** **Poor**

The ratings in Table 5.8 suggest board competences were at least moderately effective in five cases but very poor in one.

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The importance of board members' competence for governing has been stressed by many authors (e.g., Gilchrest & Knight, 2015; Hillman & Dalziel, 2003; Provis, 2013). Analysis of the GEFs shown in Table 5-8 above suggests board members in this study had little understanding of governance and strategy. When asked directly about their competences both survey and interview respondents often thought their boards did not have the required skills or knowledge, particularly in four boards (B, C, E and G). Some specifically identified competences for governance or strategic planning, although it appears many considered only those relevant to operational support for the principal. Three boards (A, D and F) appeared to have good competences, including governance expertise in the case of D. Two boards were particularly aware of their deficits and were taking steps to improve by broadening their membership criteria (A and G). Some boards (A and G) sought to increase their overall competence by recruiting external members with, for example, financial or legal skills. Although Goby (2019) warns that recruiting non-parents with specific competences can reduce a board's engagement with parents, boards A and G had retained a majority of parents. Only Board A systematically analysed its competence needs and employed a targeted recruitment strategy.

McDowell (n.d., in an article for the Canadian Society of Association Executives, suggested that "the single biggest determinant of the quality and competence of governance is who you have serving as directors" (n.p). Competences in strategic thinking, planning, finance and business management are highlighted in the literature on non-profit boards (e.g., Balduck et al., 2010; Neale, 2007). Such boards often face the problem of finding members with skills in critical areas such as finance or law (Erakovic & McMorland, 2009). This was also the case here, particularly in the two schools recovering from financial crises that they could have avoided with better financial expertise on the board. Many boards lacked general business expertise, and only one had a good understanding of governance.

Education is obviously a school's core business but surprisingly only one board (Case E) had a teacher representative. Board C's acting chair had described education as central to the board's work in the meeting observed by the researcher but members appeared confused by this viewpoint. School D's principal similarly indicated that he would like the board to have greater educational experience.

However, it appears most boards concerned themselves little with educational matters. This may be because members rarely had educational qualifications or recent experience of teaching and therefore lacked a framework with which to guide educational policy and operations.

The principal was often assumed to have oversight of the school's educational approach and process, but in a governance framework, educational issues are also the board's concern. Even if the principal consciously undertook the oversight role and had recent teaching experience, up-to-date knowledge of trends and time to devote to education rather than administration, additional educational competence would help the board oversee the principal's work and better relate to school staff and parents. An interesting take on this was Board E's splitting of the principal role into a Director for Education and a Director of Administration, both reporting to the board. This and Board A's teacher representative were the only conscious attempts to ensure the board had educational competence other than the principal's. Further adding to the argument is that the principal's role is increasingly seen as that of a CEO rather than an educator.

Overall, while some individuals had relevant individual competences boards in this study had relatively poor competence. Only a few intended to address the gaps, and most lacked understanding of the set of competences needed to effectively govern an independent school.

5.3.5.1 Recruiting Board Members

In this study, boards typically comprised parents (including parents of former students or grandparents) and their capacity to recruit members with relevant competences was often limited. This was exacerbated by the smaller parent body in small schools, and sometimes by a constitutional requirement for members to belong to the PA or founding church. Board B gave members an indefinite term, and since most stayed on for some years recruiting to upgrade its competence was difficult.

Recruitment can be even harder in regional areas, especially in smaller towns. In this study a school in a small remote town had a very small potential recruitment pool where another in a larger regional town had little trouble recruiting.

Recruiting members with targeted competences was difficult when all members were elected, as was the case in most boards here. Board B co-opted all its members and Board A had some co-opted and some elected members.

Non-profit boards increasingly seek members outside their organisation's immediate context (Sergeant & Nicholls, as cited in Cornforth, 2004) but Board A was the only one in this study to recruit outside its parent group (including former parents) or founding church. It had successfully co-opted an experienced educator and a financial expert, and members spoke very highly of the co-opting strategy. No boards could temporarily co-opt members, which can provide a short-term solution when a specific competence is needed.

No board kept a detailed list of the competences they possessed or required. Boards A, D and G had a prescribed position requiring accounting or finance skills, although Board G had only recently created this following its financial crisis.

Some boards also found it hard to recruit members owing to the workload:

> We have seen a lot of people on the board that put their hand up but they tend to come and go. So it needs a certain amount of commitment ... What we haven't done well is to recruit to the board. We have a quorum, but it would be good to have more to spread the workload around. (Board C interviewee)

Interestingly, Board E had found its financial crisis had brought the parent community together and made them more aware of the importance of the board's role. Increasing parents' awareness of the board's role may be a useful 'advertising' strategy for other boards.

5.3.5.2 The Chair's Expertise

The board chair's competence is obviously important but takes on a critical role in the context of limited member competence. Most chairs were elected by the board, which can help produce a competent incumbent. The researcher's observations suggested that all apart from one chair possessed more of the board competences listed above than other members. When asked what the board did well, most respondents cited the chair's approach to his or her role in their answer. As noted in Section 5.3.2 above, three chairs were attempting to move their boards to a

governance approach based on Carver's model and had at least some understanding of this model.

5.3.5.3 Training and Development, New Member Induction and Succession Planning

Assuring competence also involves the human resource management functions of training and development, new member induction and succession planning—processes that were usually absent in the boards studied here. Only Board D took a systemic approach by offering members training and development, providing an induction process and using a recruitment strategy. Other relatively minor development activities involved members reading chapters of a book on governance (Board G), presentations by consultants (Board D) and sending members to industry association annual conferences (several boards).

New member induction was generally limited. Three chairs (A, D and G) had produced a handbook outlining the board's constitution, role, policies and processes, although two of these were still in the draft stage.

Succession planning was not observed on any board. Recruitment was reactive rather than driven by policy and planned well in advance.

5.3.6 GEF 6: Board Processes

The literature on non-profit governance often stresses the role of good board processes (e.g., Dart, 2000; Lyons, 2001; Payne, 2004). For example, eight of Goodman et al.'s (1997) nine characteristics of effective school boards involve business processes, as do two of Land's (2002) four characteristics of governance, and processes are central to McCormick et al.'s (2006) school governance framework. These processes include board policies and business processes, meeting procedures, agendas and minutes for meetings, and planning and review activities.

Table 5-9 Cross-case Effectiveness: Board Processes

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Board Processes	3	4	1	7	5	2	5	3.8 Poor

Table 5.9 shows that three boards were rated moderately effective in Processes, one effective and the rest were poor or very poor.

Two of the smaller school boards (C and F) were comfortable with very informal and ad-hoc business processes, lacking even basic meeting procedures and documentation. Two boards of medium-sized schools were focused on improving their processes in response to school growth (A) or deficiencies highlighted by a recent crisis (G). Members' responses and the researcher's observations and document review suggested four boards had reasonably effective policies and processes (B, D, E and G), although all boards had notable deficiencies in areas such as meeting procedure or policy documentation. Carver's emphasis on policy and business processes had influenced two boards (D and G) and it may be that other boards also saw policy and processes as the essence of governance, a view at odds with the definition used in this study.

The differences between boards tended to reflect their culture—their unique 'way of doing things' developed over time—as well as the school's environment and approach to board management or governance. This variation can be seen in their meeting processes.

5.3.6.1 Meeting Processes

Board C's very informal approach to meetings reflected the slower, more relaxed culture of a remote town. It used little documentation because members were less concerned about details and preferred to take notes of important matters. Meetings focused on the principal's written report, which was handed out then spoken to, and the agenda was not closely followed. In contrast, Board D, also in a rural school, had considerably refined its processes since adopting the Carver Policy Governance model. The agenda was very detailed, with expected outcomes and timelines, and documents—including the principal's report—were sent out in advance and taken as read unless questions were raised. The difference was partly due to School C being much smaller than School D.

Most other boards circulated documents in advance, with the principal highlighting and discussing only important points. The majority of meetings focused on day-to-day operational issues in the school, often those raised in the principal's report. As

two members of Board E commented, "we are often distracted by operational matters, internal politics and simple issues" and "our focus is often on 'business' rather than the 'core business'".

Discussing the principal's report was typically seen as key to the board's role of overseeing operations. In some cases it also helped fulfil the board's mission to uphold its religious or community values.

5.3.6.2 Use of Policies

Use of policies is central to many models of board governance. Carver and Carver (2001), for example, identified four broad areas of policy: the organisation's mission, governance processes, roles of staff and the limits of acceptable staff behaviour (ethics and prudence). Use of policy varied greatly among cases examined in this study. Board D had extensive policies as prescribed in the Carver model, while Boards A and G had handbooks documenting many essential policies but missing areas such as principal appraisal and member roles or tenure. Board C, the least developed, had adopted CEN's policy and procedure manual as a reference for the principal and also for registration purposes, but appeared not to have adopted any of its policies or developed its own. Board E fell between these extremes: a small number of policies written by the principal had been sent to board members and the parent community for comment but were taken as approved if no comment was made, which was the normal outcome. The other boards also made little use of written policies and members were often unaware of what policies existed or when they were applied.

Most boards relied more on implicit understandings among members than on formal policies. Board A members, for example, had a shared understanding of budgeting and financial reporting but no policy to formalise it:

> The board is presented with a budget at its meetings and the board has to approve it before the money is spent … [but there is] no official policy in place to ensure the principal doesn't spend above the budget—unless the principal decides to inform us between meetings there is no process.

Some boards recorded policy decisions in the minutes of meetings but had not collated these into a manual or handbook. Four boards had formalised their

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viewpoints into written policies, including two doing so after experiencing a financial crisis - a lesson other boards had yet to learn.

The better boards focused on understanding and implementing policy in meetings, an approach appreciated by most members:

> The policies are going well, we are working through the manual. ... We are trying to do a bit in each board meeting so it is not a policy we stick on the side and forget about. (Board G member)

> We do review our policies regularly. We try and be proactive and review a policy - I found this a rather dull challenge to begin with but as you get into it, it begins to get a bit more interesting. (Board D member)

While the latter found reviewing policy boring, another praised the chair for motivating members to attend to policy:

> If you have a chair who is passionate about the policies it will rub off. He is also very good at identifying where there might be a problem ... The chair loves what he does, he is really into it. I find policy a bit dry but because he can be passionate about policy then it kind of rubs off on you. (Board D member).

5.3.6.3 Documentation

Among the documents held by boards were agendas and minutes for board and subcommittee meetings, the principal and treasurer's reports, written policies and processes, planning documents and the parent (or school) association constitution. Four chairs had produced a board handbook (A, B, D and G), typically containing important policies along with an overview of the school structure and board roles, sample budgets and financial reports, a calendar of events and similar items. Interviewees found this extremely useful in understanding the board's role and gaining the confidence to participate effectively. However, members of one board were not always aware of their handbook, another board's handbook was an incomplete draft, and members did not always bring their handbook to meetings or show knowledge of its contents.

The degree to which each board provided documentation covering policies, board meetings, board processes, role descriptions and the like is summarised below.

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Non-existent   **Extensive**

<-->

C   F   BEG   A   D

Figure 5-1 Level of Board Documentation

Overall, most boards had some formal policies and processes that improved their effectiveness, but the boards of a small metropolitan school (F), a small geographically remote school (C) and one medium-sized metropolitan school (A) were rated as poor or very poor in this regard. Two of these had a very informal, ad-hoc approach to board processes. There was, however, much room for improvement in all but one board.

5.3.7 GEF 7: Context

Table 5-10 Cross-case Effectiveness: Context Consideration

Case	A SM,M,Ch	B M,M,Cty	C S,R,Ch	D M,R,Ch	E S,M,Cty	F S,M,Cty	G M,M,Ch	Cross-case Effectiveness
Context	4	4	5	7	3	4	4	4.4 Poor

Table 5.10 suggests boards in this study were generally poor at considering their internal and external context in decision-making. This is not surprising since they were poor at strategic planning: consideration of context is usually a key component of effective strategy.

Consideration of organisational context is also a central feature of many frameworks for governance (Block & Rosenburg, 2002; Fishel, 2008; Hill & McShane, 2008; Land, 2002; McCormick et al., 2006; Ostrower & Stone, 2010; Samson & Daft, 2017). While boards of Western Australian independent schools share some common environmental features each also faces unique influences regarding its future.

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Around 80 per cent of board members surveyed agreed that environmental factors were appropriately considered when governing. However, examination of the factors identified suggested respondents may have overestimated their effectiveness. When asked what factors should be considered by boards, responses tended to reflect the school's immediate internal and external context rather than general trends in social values, technology, educational philosophy or government (see Tables 5.10–12 above). The pattern of responses suggested boards rarely employed active environmental scanning as recommended by non-profit governance authorities such as Bradshaw (2009), Land (2002) and Sarros et al. (2011).

5.3.7.1 Internal Environment and Culture

Table 5.11 shows the main internal contextual factors respondents believed should be considered in their board's decision-making. Responses to an open-ended question in the survey were categorised using Waddell and Jones' (2013) list of the internal environmental factors affecting an organisation. Responses primarily referred to the environment within the board rather than the school.

Table 5-11 Internal Environmental Factors

	Case A SM,M,Ch	Case B M,M,Cty	Case C S,R,Ch	Case D M,R,Ch	Case E S,M,Cty	Case F S,M,Cty	Case G M,M,Ch
Values[1]	✓	✓	✓	✓	✓	✓	✓
Norms	✓		✓			✓	
Behaviour (Chair and Principal)	✓	✓		✓			✓
Shared Expectations		✓		✓	✓		✓

Note: 1) Categories adapted from Waddell and Jones (2013)

All schools participating in this study distinguished themselves from other schools by their religious or community-focused *values*, and it is not surprising that members thought such values should influence board decisions. The influence of values was also seen in responses to other questions, showing members' strong adherence to their sense of mission and values-based motivation to serve on the board.

Norms or implicit 'rules of conduct' and *shared expectations* were less relevant according to respondents, likely reflecting the informal, loosely planned approach of

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many boards. Frequent meetings, member absence and turnover, difficulty in recruiting new members, high workloads and the voluntary nature of membership tended to make rules and explicit expectations less acceptable or enforceable.

Respondents sometimes interpreted this question as an invitation to comment on the boards internal functioning rather than how boards *should* monitor their immediate environment. Board members' *behaviour* was mentioned in about half the boards. Respondents from two boards expressed strong views on negative aspects of the principal (Board E) or board chair's (Board B) that influenced their board, while in two boards (A and F) respondents praised their leaders' style, personal qualities or approach to decision-making. In three other cases leadership was not a strong influence because the principal and chair fulfilled their roles adequately and the board worked well as a team, without needing strong guidance.

Shared expectations about board members' conduct were similarly considered important in about half the boards. These involved expectations about 'unwritten rules', for example whether members paid attention to key values (e.g. Christian or community values) or acted responsibly (e.g., by reading paperwork prior to board meetings).

The overall impression from the responses summarised in Table 5.10 was that members did not take a systematic view of internal environmental influences but reacted to issues as they arose. As boards generally failed to reflect on their work processes and outcomes it is not surprising that they overlooked environmental factors that might significantly improve their governance (and self-management) at operational or strategic levels. Only Board D had incorporated a sound level of self-review, which was an outcome of its strong intention to oversee the school's direction rather than managing day-to-day operations.

5.3.7.2 External Factors

Setting strategic direction is a key element of the present definition of governance, and responding to the changing external environment is as critical to independent schools as any other organisation (Chew, 2009). However, as with internal factors, the pattern of results did not suggest boards participating in this study considered

their external environment in any systematic way; rather, they reacted to specific threats and opportunities at an operational level.

Waddell and Jones (2011) divided an organisation's external environment into immediate and general factors. Table 5.12 shows respondents' perceptions of the *immediate* factors—staffing, customers, competitors and market differentiation—that should affect boards' decision-making. No respondents to this open-ended question thought competitors were important, and the other three categories were cited equally by members of four of the seven boards.

Table 5-12 Immediate External Environmental Factors

	Case A SM,M,Ch	Case B M,M,Cty	Case C S,R,Ch	Case D M,R,Ch	Case E S,M,Cty	Case F S,M,Cty	Case G M,M,Ch
Staffing[1]		✓	✓	✓		✓	✓
Customers	✓	✓			✓	✓	
Competitors							
School Differentiation	✓		✓	✓	✓		✓

Note: 1) Factors adapted from Waddell and Jones (2013)

Lack of interest in *competitors* is consistent with these boards' lack of strategic focus. The four responses concerning *school differentiation* reflected each school's unique mission, values and educational philosophy but, as suggested above, these were considered in making operational decisions rather than long-term strategy. Parents (as *customers*) were considered relevant only on some boards, reflecting the 'moderate' attention to this aspect of the Relationship GEF identified above. School *staffing* was often delegated to the principal but was mentioned by boards of four schools, generally in relation to specific operational issues to do with recruitment or performance management.

Table 5.13 (below) shows respondents' perceptions of *general* external environmental factors. Under a governance approach, oversight of the school's legal and moral accountability to customers and staff would be the board's responsibility rather than the principal's, and school differentiation against competitors would underpin its strategic oversight. No board saw more than two of these areas as important, and one saw none as important, suggesting all would benefit from more systematic attention to the immediate external environment.

Table 5-13 General External Environmental Factors

	Case A SM,M,Ch	Case B M,M,Cty	Case C S,R,Ch	Case D M,R,Ch	Case E S,M,Cty	Case F S,M,Cty	Case G M,M,Ch
Economic[1]	✓		✓	✓	✓	✓	✓
Technological							
Sociocultural							
Demographic			✓				
Political	✓	✓		✓	✓	✓	✓
Legal		✓					

Note: 1) Factors adapted from Waddell and Jones (2013)

Economic and political or governmental issues were the dominant *general* issues considered important for boards (Table 5.13). Economics primarily involved seeking new sources of revenue because most schools anticipated shortfalls in coming years. Political issues tended to reflect the different priorities for school funding under Labor governments, which are seen to prioritise government schools, and Coalition governments, which are seen to focus more on private schools. Some boards actively maintained relationships with contacts in local government (e.g. to assist with building applications), state government (e.g. regarding registration) and Commonwealth (e.g. regarding ongoing and capital funding). Awareness of all these influences was relatively strong in specific areas that might affect each school's current operations, but systematic scanning of general economic and political trends was not evident. Other general developments in technology, education or social change, for example, were scarcely considered at all, and despite discussion in the education literature on the importance of current changes in the demographics of Australian students (Diem, Hilme, Edwards, Hayes, & Epstein, 2019), even this seemingly relevant and specific factor was rarely considered.

In summary, it appears no board had anything like the SWOT analysis commonly used in strategic planning; rather all took a short-term, reactive and operations-based approach to considering their context. Only one was reasonably effective in this GEF (Board D). Overall, there was significant room for improvement as these schools transitioned to governance.

5.4 The Effect of Ideological Orientation, Location and Socio-economic Status

The school's ideological orientation, location and social economic status had less effect on its governance effectiveness than did its size. The four *religious* schools (A, C, D and G) were no different to the three *community* schools (B, E and F) in having poor governance effectiveness.

The two *regional* schools were equally difficult to separate from their metropolitan counterparts since Board C was the least effective and Board D the most effective in this study. Board C was, however, in a smaller and more remote town, which presented additional barriers to recruitment, training and other developmental opportunities.

Socio-economic status did not greatly influence governance effectiveness. For example, Board C at the lower end of the socio-economic scale was the least effective but Board F at the higher end was the second-least effective. Consistent with their socio-economic status, Board C had the smallest proportion of professionals and Board F the highest. Of greater relevance was that these were the two smallest schools in the study.

5.5 The Effect of School Size

School size clearly affected the GEFs and is particularly relevant to identifying governance 'maturity' in small and medium-sized independent schools. Table 5.14 (next section) shows that the four small schools (250 or fewer students) had lower ratings than the medium-sized schools on all GEFs except Relationships, the latter reflecting the greater involvement of parents and the closer working relationships between the board and principal in a small school. Small schools had significantly lower scores on Roles and Processes, reflecting their focus on supporting the principal and preference for very informal meetings and processes. They also gave less attention to their Approach: of the three chairs aware of the Carver model, two were in medium-sized schools and the third was on the boundary between small and medium (having 250 students). Small schools also had significantly more problems

with Competence, largely due to the difficulty of attracting members with suitable expertise in a small parent pool.

These findings are consistent with the suggestion that governance is less relevant to smaller organisations because they lack the resources for it (Fishel, 2008). However, boards of the smaller schools in this study lacked even a basic understanding of governance, consistent with the findings of previous studies of small schools in Australia (Chambers, 2012) and the US (Moody, 2011) and small non-profit organisations generally (Bartlett & Campey, 2010; Chelliah, Boersma, & Klettner, 2016). They were therefore not in a position to consider how they could develop governance with current or future resources. Chapter 6 examines this issue in more detail, where it is suggested governance is not an 'all or none' proposition but can be introduced in stages as a school grows.

5.6 Chapter Summary

Table 5.14 (below) presents the GEF ratings for each case and cross-case averages. Board effectiveness was poor in all areas except Relationships, which was rated moderate. Roles and Processes were the least effective areas, with the majority of members showing little understanding of governance and all boards demonstrating significant deficits in their documents. Of particular interest are the poor ratings for Focus, Approach and Roles, which reflect a board's understanding of governance as oversight of the school's strategic direction (Focus and Approach) and supervision of the principal (Roles).

Three of the remaining GEFs—Competence, Processes and Context—were also rated poor: only in Relationships did these seven boards achieve a moderately effective average rating.

Comparing cases, one was effective, five poor and one very poor. Board D stands out as by far the most effective in governing, although rating only seven out of ten Boards A, E and G form a second tier, having made recent attempts to improve their processes and relationships, with A and G also interested in implementing the Carver model adopted by Board D. Case C was by far the least effective, rated as very poor.

Overall, of the 49 ratings only seven were 'effective' and one 'excellent', and five of these seven involved Board D.

Smaller schools were less effective in all GEFs except Relationships, reflecting their lack of resources and competence. These boards tended to see their role as helping the principal to manage school operations and had informal cultures and processes. However, medium-sized schools were still poor in the three key governance areas of Focus, Approach and Roles, with the exception of two having effective separation of board and principal roles (D and E). Small schools had better parent Relationships because of their smaller size.

Overall, Table 5.14 reinforces the conclusion from the cross-case summary (Section 5.2) that most school boards in this sample had not begun to move from operational management to governance. They lacked strategic oversight, accountability for the principal and, in some cases, relationships with and accountability to the parent community. Most also lacked formal processes for self-management and review, reflecting gaps in their members' business experience and competence. Only one board had an effective understanding of governance, and it appears that apart from two chairs members of all others generally had little awareness of what was missing in their approach to board operations.

Table 5-14 Summary of Governance Effectiveness Ratings

GEF	Focus	Approach	Roles	Relationships	Competence	Processes	Context	Average Case Rating
Case A (Small)	3	4	3	7	7	3	4	4.4 Poor
Case B (Med)	5	2	4	4	5	4	4	4.0 Poor
Case C (Small)	2	1	2	3	1	1	4	2.0 Very poor
Case D (Med)	5	9	7	8	6	7	7	7.0 Effective
Case E (Small)	4	4	4	5	4	5	3	4.1 Poor
Case F (Small)	3	4	2	7	5	2	4	3.8 Poor
Case G (Med)	4	4	5	3	6	5	4	4.4 Poor
Average	3.7	4.0	3.8	5.2	4.8	3.8	4.4	4.2 Poor
Small Schools	3.2	3.2	2.7	5.5	4.2	2.7	4	3.6 Poor
Medium Schools	4.6	5	5.3	5	5.6	5.3	5	5.1 Moderately effective

Scale	Very Poor 0–2	Poor 3–4	Moderately effective 5–6	Effective 7–8	Excellent 9–10

Chapter 6: Summary of Findings and Emerging Themes

6.1 Introduction

This study investigated governance in independent school boards using a definition and model of effective governance drawn the literature. Chapters 4 and 5 presented findings from seven case studies that showed significant gaps in most boards' understanding and implementation of governance: instead of governing, boards tended to help the principal to manage the school's operations. This chapter begins by summarising the comparisons of cases and GEFs conducted in previous chapters but its primary focus is on broader themes emerging from these analyses. Collectively, these themes highlight the *process of transition* from operational management to governance identified by comparing boards at different stages of evolution. Three themes are identified and combined in a model of this process, which is further developed into a framework designed to guide small or medium schools (and other non-profit organisations) to undertake this transition.

6.2 Are Boards Governing Effectively?

The summaries of Chapters 4 and 5 suggest that boards are generally poor in governance effectiveness. Table 6.1 presents a summary of findings concerning the seven GEF questions underpinning this study (Section 1.3).

Table 6-1 Summary of Findings Regarding the GEF Questions

GEF 1: Operational v Strategic Focus	**Poor**
To what extent is the board focused on achieving the school's mission and strategic direction?	Boards clearly had a strong general sense of their school's mission but focused on present operational needs and demonstrated little strategic thinking or planning.
GEF 2: Governance Approach	**Poor**
What approach or model to governance (if any) has each board adopted? Does this contribute to its effectiveness?	Most boards had little understanding of governance or governance models. Only one had intentionally researched and adopted a formal model and was consequently the most effective on all GEFs. Two other boards' chairs had begun introducing the same model but one faced resistance and neither had so far made significant changes. Other boards' members occasionally expressed a need to be more strategic or broadly accountable, but most members and chairs did not appreciate the need to move beyond operational management.
GEF 3: Governance Role	**Poor**
How do boards understand their role in relation to the principal?	Five boards saw their role as supporting the principal to manage daily operations, in two cases appearing quite subservient in this regard. Strategic direction was delegated to the principal (when not overlooked completely). Only two boards had formal oversight of principal, and only one of these conducted a performance review. Only two gave new members an induction to this separation of roles, and a number of members expressed confusion about the board's role. Principals did not generally see a problem in this area.
GEF 4: Board Relationships	**Moderately Effective**
How do the board's relationships with key stakeholders and the principal, and relationships between board members, assist governance?	Board members generally reported good *relations with the principal*, which involved a high degree of respect and trust, although minor tensions were reported on two boards. One board saw the principal as a partner, and two others had some degree of partnership but tended to defer to the principal in important decisions.
	Relationships with parents were varied. Two boards had little engagement with the community, and one had members who did not think this was the board's role. One board experienced tension with the parent community arising from an earlier financial crisis but made little effort to improve relations. Boards in two medium-sized schools had recently made a conscious effort to improve relationships with parents, one as a result of a financial crisis and the other having reflected on its overall approach to governance.
	Relations between board members were generally considered good, although minor tensions were identified on two boards and a moderate degree of power imbalance was suggested in a third.

GEF 5: Competence to Govern	**Poor**
Do boards have the competence to govern effectively? What do they do to improve their competence?	Only three boards were judged to have good competence by their members but only one clearly had good competences for governance as defined in this study. Respondents from the other four boards considered competence only in relation to operational management needs, for example, in finance, law or general management. Most had significant limitations in these areas *and* in governance.
	All boards largely comprised parents, thereby limiting their ability to recruit members with relevant competences. Small schools were particularly disadvantaged by a lack of suitable candidates. Constitutional requirements for board membership sometimes further limited the pool of candidates. High workloads on several boards were reported to increase turnover and exacerbate the skills shortage.
	Two boards were taking steps to improve their competence, one by coopting members with relevant skills and another by systematically reviewing its needs in a targeted recruitment strategy.
	Training and development were used to improve member competence by only one board, which also used a formal induction process and succession planning. Training was used a little by one other board, but none otherwise sought to develop member competences with these practices.
GEF 6: Board Processes	**Poor**
In what ways do boards' policies and business processes affect their effectiveness?	Boards tended to lack formal processes for managing meetings, financial monitoring, policy development and review, strategic planning and review, monitoring areas of accountability or reviewing their performance. Three were moderately effective in this area and four poor. Six boards had few written policies or formal processes, although two had good basic processes and were developing this area. Many boards lacked effective meeting procedures. One larger school's board had extensively documented policies and business processes and was consequently effective in most other GEFs. This was the only board to regularly reflect on its approach and outcomes.
GEF 7: Consideration of Context	**Poor**
What contextual factors do boards consider when governing? How is their response helping governance?	One board appeared effective in systematically considering its environment when making decisions and five were considered poor. This GEF includes *internal* factors (e.g., norms, behaviours and shared expectations), *immediate external* factors (e.g., staffing, customers, competitors and school differentiation) and *general external* factors (e.g., economic, technological, sociocultural, political and legal). A governance approach would involve systematic oversight of these factors but contextual consideration here was highly reactive, focusing on specific threats, particularly those involving government funding or related political issues.

6.2.1 School Size

The problems identified in Table 6.1 were particularly acute for the four small schools, as shown in Table 6.2 below. Their boards had little strategic oversight, being more operationally focused and less aware of what governance involves, although Board A's chair had begun investigating this. One of the three medium-sized school boards (Board D) had employed consultants to develop and refine their approach to governance, and Board G's chair had started to develop a basic understanding. Expressed comments stated in the interviews, together with the cross case analysis revealed that these medium-sized boards had experienced significant tensions in their relationships with the principal or parents and school growth had made them more proactive than the smaller schools, but for two this had so far not led to good governance.

Table 6-2 Comparison of Board Effectiveness in Small and Medium-sized Schools

School Size	Focus	Governance Approach	Context Consideration	Governing Relationships	Board Competence	Role Fulfilment	Board Processes
Small Schools	Consideration of mission / vision, poor planning	Operational focus, less aware of nature or models of governance	Consideration of internal and external contexts	Mostly positive but some issues	Varies but often deficient in many areas	Poor separation between board and principal	Underdeveloped
Medium Schools	Consideration of mission / vision, poor planning	Becoming more aware of and starting to implement governance approach	Consideration of external, weaker on internal context	Some tension and significant issues	Varies but some strategies to improve board competence	Better but incomplete separation between board and principal	Increasing from a partly developed base. Some intention to improve

6.2.2 Summary

Six of the seven boards in this study were not governing effectively, focusing on school operations and tending to support rather than oversee the principal. Only one demonstrated a good understanding of governance and effectiveness across most GEFs. This picture is consistent with the lack of governance identified in previous studies of schools and non-profit organisations (Austen et al., 2012; Bartlett & Campey, 2010; Blythe, 2017; Chelliah et al., 2016; Du Bois, Puyvelde, Jegers, & Caers, 2013; McCormick et al., 2006; Ostrower & Stone, 2010; Payne, 2004). For example, Land (2002) in the US concluded that "many of the school boards do not embody the characteristics that have been described in the literature as essential for school board effectiveness" (p. 249), and Cornforth (as cited in Othman, 2016) found effective governance to be "a complex and inherently problematic activity poorly understood and practiced by many non-profit boards" (p. 2). Upon considering the wide variety of ways boards avoid governance, Carver and Carver (2001), the leading authority on non-profit governance, described it as an "arduous, complex task … [that] requires strong commitment not to take reactive refuge in rituals, reports and approvals" (p. 10).

6.3 Emerging Themes

Regarding the GEFs, besides the conclusions drawn from the literature discussed above, three new themes emerged during the analyses described in Chapters 4 and 5. The discussion below primarily concerns the need for the boards of small and medium-sized independent schools to:

1. develop the *intention* to govern rather than support the principal to manage school operations

2. *transition* from operational management to governance at the right stage in their growth and with understanding of the steps involved in this paradigm shift in outlook

3. continually monitor and *adapt* their approach to governance as they grow.

6.3.1 Theme 1: Governance Intentionality

A major theme emerging from the analyses presented in Chapters 4 and 5 was that boards generally showed little *intention* to improve their functioning. Apart from Board D only sporadic attempts to review the board's purpose and operations were observed and these typically involved aspects of operational management rather than transitioning to governance.

Ignorance about the nature of governance (and often management as well) among members, who were mostly volunteer parents or educational staff, was clearly a contributing factor regarding this. Three board chairs were aware of Carver's model and appreciated its emphasis on organisational purpose, its use of policy to guide decisions and its value in developing board processes. However, only Board D had strongly embraced Carver's approach and the other two chairs were facing significant resistance from members. Six of the seven boards saw their role as operational management and five followed the principal's leadership in this.

In keeping with the definition of governance provided in Chapter 2, Carver's model (2001), states that boards should steer their organisation to achieve its 'end goals', thereby fulfilling the boards long-term mission rather than managing day-to-day operations. Thus, boards follow the organisation's *owners*' view of its purpose and goal: in the case of a non-profit school, its owner is its parent community as service recipients, along with any founding organisation such as a church. However, it appears that these two tenets would require a paradigm shift in most independent school boards' self-image: relinquishing day-to-day administration to focus on longer-term oversight and supervision of the principal were a bridge too far for most members and many board chairs.

As noted in Chapter 2, Carver and many other authors have found avoidance of governance to be widespread by those on both corporate and non-profit boards (e.g., Carver, 2006, 2009; Chelliah et al., 2015; Cornforth & Brown, 2014). Boards of for profits and in particular non-profits often seek to rubber stamp the CEO or senior managers' decisions, 'meddle' in management issues, become drawn into staffing issues and in other ways micro-manage the organisation (Renz and Herman, 2016; Walkley, 2012). Members may be more interested in enhancing their own status or

advantaging their own networks or interests. Boards may be dominated by individuals or in other ways subject to ad-hoc or inconsistent decision-making (Brinckerhoff, 2012), and they often lack a long-term outlook (Bryson et al., 2014; Ferkins et al., 2009). They overlook financial and legal accountabilities, problems in their products or services, or their legal and moral responsibilities to staff (Provis, 2013; Renz & Herman, 2016). In these and many other ways boards become distracted from steering the organisation towards fulfilling its underlying purpose.

Many such deficiencies were found in the boards examined for this study. However, while ignorance about the nature of governance may be involved, it appears from the studies discussed above that the *intention to govern* is often missing. As the two chairs who had attempted to introduce Carver's model discovered, the real barrier seems to be moving from immediate operational concerns to a broader and less easily defined or readily managed *stewardship* role. Educating boards about the nature and advantages of governance might not be sufficient: developing their intention to delegate operational decisions and take responsibility for the school's long-term development is both more important and more challenging.

This intention to govern was clearly visible in many facets of Board D's functioning: for example, in its continuing use of consultants to help it grapple with this difficult transition; its enthusiastic and considered adoption of Carver's model; its continuing use of this model to assess the board's effectiveness; and its review of this model after some years and subsequent decision to become more strategic and inclusive of the principal and parent community. For over five years, Board D had actively cultivated a stewardship mindset rather than an operational focus. It sought to renew this focus when operational matters threatened to distract it—as Carver notes, boards cannot entirely ignore operational matters. A conscious and continuously cultivated intention to govern appears to be critical.

As a consequence of its strong intention, Board D was effective in all GEFs, although not fully effective in many. Some board processes could be improved, and it had a long way to go in achieving the chair's stated intention of taking a more strategic outlook. However, its strong intention to govern augers well for such improvements.

Governance intentionality therefore stands out as the major new theme emerging from this study. How governance differs from management appears to be a difficult concept for board members and experts alike, considering the many viewpoints from both mentioned above. Examples would be the wide range of ways in which boards depart from governance despite decades of research and published advice; the continuing debates among writers about its true nature; and, in this study, the difficulty chairs experienced in 'selling' governance contrasted with Board D's ongoing consideration, refinement and recommitment to its approach over five years, assisted by training and external experts. Board D clearly had a strong intention to oversee the school on behalf of parents and the founding church, and to deal with the complexities of this task.

The importance of governance *intentionality* has previously been raised only superficially in practitioner-oriented publications of US organisations, for example BoardSource (2010). The present findings suggest that as a critical first step in developing governance, and a partial explanation of why so many boards fail to make the paradigm shift to governance, this concept deserves stronger attention in academic research.

Below, the role of governance intentionality in each GEF is considered. Governance is most important in the first three GEFs—Focus, Approach and Roles—and in the board's Relationship to parents (and the founding church, where relevant). Relationships with the principal and between board members, Competence, Processes and Consideration of Context are necessary supports for governance but also important in operationally focused boards: intentionality in these areas is not by itself a sign of intention to *govern*.

6.3.1.1 GEF 1: Strategic versus Operational Focus

All school boards in this study had sowed the seeds of governance intentionality by having a regularly articulated sense of purpose in their mission statements and board meetings: respondents typically saw their school's mission infusing the board's work.

However, while this mission focus was applied to operational issues, boards were too focused on these and paid little attention to their school's strategic direction. All

lacked a long-term planning and reviewing process and displayed little strategic thinking. Articulating strategic goals would bring in other elements of governance, for example, systematic consideration of service recipients' views, accountabilities to other stakeholders (e.g., government, the education profession and the public) and the board's role in overseeing the principal's execution of strategy.

Research shows that strategic intent (Hamel & Prahalad, 2010) is often missing in organisations in all sectors, causing them to lose sight of their purpose by overly focusing on immediate issues and drifting away from their mission over time (Mintzberg, 1990). This is exacerbated when boards fail to set strategic goals and monitor progress towards them (Andringa et al., 2002; Bartlett & Campey, 2010); when key actors—the CEO and the board, for example—have different views about the organisation's direction; and when managers fail to realise the consequences of changes in the external environment, such as new competitors, technologies or social changes. Avoiding strategic drift requires conscious and continuous focus on the school's mission, how its trajectory fits with its environment and stakeholders, and how the principal's work and the board's functioning support its mission. Strong intent to infuse strategic thinking throughout the board's work is needed.

Strategic *intent* was visible on Board D, consistent with its overall understanding of governance, but had not yet led to effective planning or review of progress in fulfilling its mission. Four other boards had drafted very basic plans between 18 months and three years earlier, but for various reasons had put them aside. The others appeared to have no intention to move beyond their operational focus. Intentionality in this GEF was therefore judged weak, consistent with its rating as the least effective in this study (Table 5.9).

6.3.1.2 GEF 2: Governance Approach

Boards generally demonstrated little or no intention to research different approaches to board functioning: most assumed, without conscious reflection, that their role was to support the principal or otherwise manage school operations. As mentioned, only Board D had a strong intention to adopt a specific model of governance. Although two other chairs had some understanding of Carver's model they had yet to instil strong governance intention in their boards' approach and it appears that neither had

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researched other models of governance. Bradshaw (2009) recommended boards intentionally choose an approach that matches their context. For example he suggested the Carver model is best suited to simple and stable environments and a less structured approach suits complex environments (see Figure 2.5). No boards here were aware of this way of thinking about governance.

Agency theory was applicable to all boards in the study and was useful in considering who the owners were. Agency theory helped understand why potential conflicts between the principals (owners) and the board exist (principal's problem). This was evident in Board E where the parents as principals (owners) and the board (agents) had opposing views about the sacking of the school principal. Agency theory helps identify and understand potential role conflicts as was the situation in Case E where the school principal was also in a principal (owner) role as a council member of the founding church to who the school board reported to.

Similarly the application of stewardship theory was also relevant to all of the studied cases. Without any prompting or pre-knowledge of stewardship theory all board members across the all cases indicated a sense of perceived stewardship of the resources they controlled and had a desire to perform their entrusted roles responsibly.

Resource dependency theory in this study highlighted that all cases were dependent on the government for a significant proportion of their funding as well as the permission to operate as a school (school registration). This impacted on how the schools related to government. Schools in this study were required to report and provide evidence to government on a regular basis. The schools in this study, being dependent on government for resources, therefore set up structures that ensured they continued to receive government funding and keen to maintain their funding and registration they behaved in a manner that confirmed their awareness of ongoing government scrutiny.

Interestingly, industry groups such as the AIS, CSA and CEN provide materials on governance, including the prototype Carver model and alternatives, but interviewed members and chairs were generally unaware of these and the one chair who was saw

seen no merit in using them. Most boards showed little intention to research the different approaches to governance.

6.3.1.3 GEF 3: Board and Principal Roles

Only two boards had formally separated their role from the principal's and most others primarily assisted the principal. Three had draft handbooks, which apparently defined their board's role, but members did not always make use of or even know of these. While some members of the five boards following rather than leading the principal complained about role ambiguity, at the time of this study these boards showed little intention to address this.

6.3.1.4 GEF 4: Governing Relationships

Behavioural theories assist in understanding the behaviours and group dynamics of boards and its members. Issues such as power, influence, biases, experience, relationships and conflicts of interest all have their roots in behavioural theory and impact on all cases in this study.

A key aspect of governance intention in schools is including the *parent community* in decision-making, in keeping with their student-focused missions. Some boards did indeed engage well with parents, particularly the three that had a community focus enshrined in their mission and a proactive attitude to building the relationship. Two others were re-engaging with parents after becoming distant through overly focusing on policy or responding to a financial crisis, and two boards maintained their distance from parents. However, in four of the five effective boards, parent engagement appeared to be driven more by a desire for good 'customer relations' than an intention to be accountable to service recipients, a core aspect of governance.

Most boards maintained good relationships with *the principal,* but this typically reflected a desire to help the principal rather than governance intentionality. Only two boards formally supervised the principal, and both also endeavoured to maintain a good working relationship with the incumbent, although Board D had recently reinvigorated its relationship with the principal who felt distanced by his subordinate role under the Carver model. Apart from these cases, while boards considered this

relationship important—the principal was a board member and often the focus of meetings—they did not view it from a governance perspective.

6.3.1.5 GEF 5: Member Competence

Most boards had limited intention to develop governance competence, partly due to ignorance about governance and partly to difficulty in recruiting members with relevant competences. Boards' educational competence is also crucial to their governance, but no boards and only two principals showed any intention to improve this. Board A had a strong intention to develop its management competences through systematically reviewing its needs and co-opting members but this was not linked to governance intention. Only Board D aimed to expand members' competence in governance, having sought substantial advice and training from a consultant with whom it had worked over several years.

6.3.1.6 GEF 6: Board Processes

Boards generally had little intention to improve their business processes. Board D's strong intention to govern had led to relevant polices, decision-making processes and meeting procedures inspired by Carver's model. The chairs of Boards A and G hoped the Carver model would similarly improve board operations through policies and business processes but so far had not linked this to a fuller understanding of governance. Indeed, their understanding of Carver's model thus far may have overly emphasised the role of policy and process at the expense of strategic oversight, principal supervision and stakeholder accountability: Carver (e.g., 2001) explicitly placed the former 'means' as subordinate to the governance focus on organisational 'ends', in this case educational outcomes. Only Board D had clearly made this link.

Some boards demonstrated an intention to develop board processes further, for example, by drafting handbooks, but these were far from demonstrating governance intention.

6.3.1.7 GEF 7: Consideration of Context

All boards considered the *internal environment* primarily in the context of ensuring that the school's values and mission meshed with the parent community (and founding church where relevant. Members of about half the boards desired greater

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consideration of the school's culture, behavioural norms and shared expectations. Concerning the *external environment*, most boards kept in touch with developments in government funding and related political trends and four demonstrated good consideration of their parent group. However, none intended to conduct routine environmental monitoring in the context of developing and monitoring strategy or maintaining stakeholder relationships under a governance approach.

6.3.1.8 Summary of Governance Intentionality in the Governance Effectiveness Factors

Overall, apart from Case D, boards in this study showed little intentionality relevant to governance in the seven GEF areas. The beginnings of this were present in two chairs' interest in improving their Approach and in one board that had developed effective oversight but not formal appraisal of the principal (Role). Five boards maintained good Relationships with parents, a step in the right direction but not one undertaken as a responsibility to service providers under a governance approach. The few boards intending to develop aspects of the remaining GEFs generally sought to improve operational decision-making rather than governance.

The variation in governance intentionality is illustrated schematically in Figure 6.1, which confirms the previous conclusion that most boards lacked the intention to govern.

No intention   **Strongly intentional**

<-->

          C   FEGBA   D

Figure 6-1 Governance Intentionality in Boards

6.3.1.9 Developing Governance Intentionality

Board D's intent to govern arose from actively considering the limitations in its previous operational approach, a process of self-review that appeared to be quite challenging to other board chairs and members in this study. The literature suggests school boards are not often effective in evaluating their knowledge and mindsets (e.g., Goodman et al., 1997; Resolve, 2010). Land (2002), for example, found

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independent school boards were poor in *self-evaluation* because members considered their own election to be the main criterion for the school's success. Carver (2001, 2006, 2009) highlighted a range of similarly self-interested or misguided motivations among members of non-profit and corporate boards. In the independent schools studied here, board members were at least focused on the school's mission when making operational decisions but rarely saw a need for broader reflection on their own purpose. The two smallest schools (Cases C and F) best exemplify this problem: both were well run on a daily basis, aided by significant board member assistance, and members could therefore reasonably question the need for any paradigm shift in board functioning.

The literature on managerial learning highlights the crucial role of a *reflective mindset* in both professional work (Schon, 1983; Daudelin & Seibert, 1999) and organisational management (Mintzberg, 2004, 2010). Indeed, Mintzberg sees reflection as *the key* to managerial learning, since without it managers become lost in operational details and do not learn from their experience. It appears this applies to boards as well, and to individual members as well as the board as a whole. The lack of self-reflection in school boards has been raised by Goodman et al. (1997) and Grant (2006) but appears to deserve greater attention in research studies.

However, while reflection may identify problems such as ambiguity about the board's role in relation to the principal or the board's ultimate focus, it appears unlikely boards will turn to governance without a good understanding of how it differs from operational management, how it might be implemented and what benefits that would bring. Board D had sufficient self-awareness—stemming initially from a previous chair's desire to govern well—to realise the need for change but needed the assistance of a consultant to understand governance and take the initial steps towards it. This included presentations to the board, training and written reports over several years.

It is significant that two board chairs had met *resistance* in attempting to promote governance. This may be partly because members—typically volunteer parents—had little background understanding of business but, as argued above, governance is an inherently difficult concept for many people including experienced business practitioners and writers. Implementing governance requires an effective

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communication strategy, like any other organisational change (Senior & Swales, 2016). Consultants with a background in governance and the ability to engage school board members could considerably assist this understanding as Case D demonstrates.

However, intention involves more than understanding. Much organisational change research highlights a tendency to resist change among managers and employees, even when the need is self-evident. Individuals may have a vested interest in or psychological attachment to old ways of doing things, or they may be unwilling to put effort into learning new ways (e.g., Dunford, Palmer, & Buchanan, 2017; Senior & Swales, 2016; Waddell, Creed, Cummnings, & Worley, 2017). This may apply also to school board members. The organisational change literature recommends the use of external change 'champions' to reduce resistance (e.g., Dunford et al., 2017; Senior & Swales, 2016; Waddell, et al., 2017), a role that consultants or members of effective boards, such as Case D in this study, could fill.

Creating governance intention can be seen as an instance of *culture change*, in which customary 'ways of doing things' (Schein & Schein, 2016) and values or behaviours previously taken as self-evident are given conscious scrutiny and replaced with quite different values and practices. Principles of culture change relevant to boards include gaining stakeholder commitment (Kotter, 2012), consciously 'unlearning' or letting go of old values and ways and allowing sufficient time for new ways to become customary (Forsyth, 2019; Lewin, 1947). Board D particularly illustrated the benefit of developing governance intention over time, with continuous reinforcement of key principles, particularly those affecting their Approach, by external consultants and the board chair. Gaining stakeholder commitment involves all board members, the principal and, to a lesser extent, parents. The unlearning component, particularly relevant to delegating operational decisions to the principal, is likely to be a big challenge for boards and they may need to consider removing members who are not comfortable with taking full responsibility for the school.

A significant barrier to delegation involves finding the *resources* for school management, especially in small schools. If governance stretches school resources too much, boards can introduce it in stages, for example, assuming responsibility for oversight of the principal, school strategy and parent engagement while continuing to provide more operational assistance than is fully desirable. As schools often grow

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without recognising the resultant challenges and opportunities, boards should intentionally monitor growth and adjust their goals, resources and approach to board operations accordingly. This is further discussed in Sections 6.3.2 and 6.3.2 below.

In summary, governance intention is unlikely to arise spontaneously within a board unless it develops good understanding of governance and faces the significant psychological and practical barriers to its implementation. Particular challenges involve undertaking self-reflection and acknowledging limitations in the board's customary approach; understanding the complex concept of governance and explaining its rationale to board members who may have little relevant background; dealing with resistance to change; implementing a paradigm shift in outlook; potentially changing the board's culture and; finding resources for operational management within the school. The present findings suggest engaging consultants or other parties with relevant experience, such as board chairs or industry association members, would be very helpful if not essential in embarking on this significant transition.

6.3.2 Theme 2: Transitioning to Governance

Once a board has developed intention it needs to know when and how to transition to governance. It is acknowledged in the literature that "non-profit boards perform qualitatively different functions as they mature or develop"…and "when the board transitions to different phases, there is a corresponding shifting of governance functions" (Miller-Millensen, p. 541). Timing is often a key concern because the transition may require finding staff to help the principal manage school operations in place of the board, which in a small school can be financially difficult.

In this study three schools had grown from small to medium size (over 250 students), but two of these had yet to develop governance intent although one chair was introducing governance to his board. Conversely, the three smallest schools were so constrained by their budgets that developing governance seemed a distant prospect. The remaining school was on the border between small and medium and its chair had also begun discussion of governance. These considerations suggest the transition to governance should be considered when a school reaches around 150–200 students.

Boards of smaller schools need to be aware of this 'tipping point' in order to plan ahead.

At this point, boards need to understand the transition process. Perhaps the most crucial step is to *make the principal accountable* to the board, thereby giving it ultimate authority over the school. Some boards saw the need for this step but were unsure how to go about it. The key appears to be having both parties agree to a period of transition with clear expectations about how their interactions change as the principal assumes greater autonomy and the board becomes less operational.

The next step would involve *reviewing the board's focus and choosing an approach* to governance based on published models. As emphasised above this may not be a simple or quick process. Boards may need to consult their parent community and other key stakeholders, systematically consider their context and develop a more strategic approach to fulfilling the school's mission.

The final stage would involve considering development of the board's *Competences, Processes* and *Relationships* to support its new Role, Focus and Approach. Relationships include those with the principal and parents, and those among board members.

The concept of transitioning to governance has so far been little addressed in the literature. Some authors (e.g., Andringa et al., 2002; Carver & Carver, 2001, Carver & Carver, 2009) identified boards' need to move away from their operational focus as their organisations grow, but there is little discussion of when this should take place or what process might be followed. In the organisational strategy literature, Mintzberg (2011) described knowing when to change and when to keep things stable as a fundamental dilemma of management, and this appears to be equally true regarding small school boards. Consciously asking whether a transition to governance is warranted and knowing what steps that would involve should be important board concerns as small schools grow. Figure 6.2 below summarises the key transition issues.
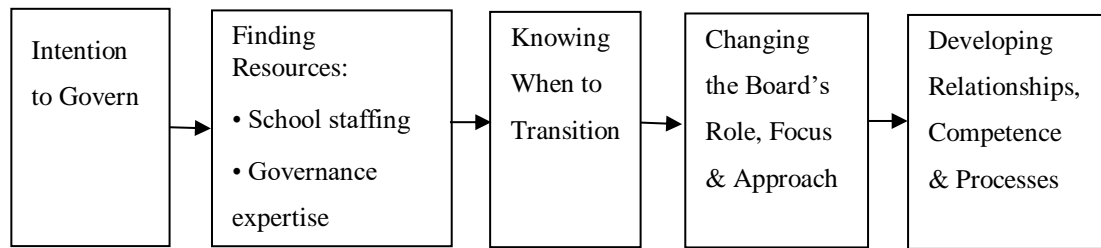
Intention to Govern	→	Finding Resources: • School staffing • Governance expertise	→	Knowing When to Transition	→	Changing the Board's Role, Focus & Approach	→	Developing Relationships, Competence & Processes

Figure 6-2 The Governance Transition Process

The theme of transition is further considered in Section 6.3.4.

6.3.3 Theme 3: Adapting the Governance Approach

The example of Board D demonstrates that even when boards have developed governance intention and begun the transition they may need to adapt further their approach as they become more familiar with governance and its fit with the school's context. Boards should be cautious about adopting an off-the-shelf model: many school and non-profit boards take one such model as a first step towards governance, initially finding many advantages but later learning its limitations (Bradshaw, 2009; Cornforth, 2012). Boards should 'do their homework' in considering alternative approaches and may need to adapt their initial model (or hybrid of models) to the school's mission, stakeholders and culture. In this refinement stage, Board D had sought to include the principal and parents better than their Carver-inspired policy model initially suggested and had discovered a need to shift their focus from policy and processes to strategy.

A factor observed to affect a board's adaptation is its *flexibility,* that is its openness to change and improvement rather than being rigidly set in its ways. While most boards explored in this study did not appear *very* rigid there was often significant room to consider new ways of approaching tasks and roles (Figure 6.3). One board, the most informal board in the smallest school (Case C), was very rigid. Members were keen to maintain the status quo, as one observed: "We have a system that we feel works for us and we are pretty happy with it". Only two boards, one in the largest school (Case D) and one in a smaller school (Case A), openly sought to understand different approaches to governance and improve business processes, making changes to their operations in a mindset of continual improvement. The other

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boards appeared open only to relatively small changes fitting a narrow view of their purpose.

Rigid   **Flexible**

<--->

                              C   EBFG   A   D

Figure 6-3 Board Flexibility

Open-mindedness and flexibility are hallmarks of the intentional governance mindset introduced in the discussion above. Many boards had a 'business as usual' mindset that would act against any suggestion of transitioning to governance. However, flexibility is required not just in shifting to governance but in continuously adapting the board's approach in response to its past performance (in relation to strategic goals), evolving understanding of governance and changing context. The end point of the transition is not so much a steady state of rigidly defined governance duties as the beginning of an era of continuous adjustment and improvement. This may include further significant changes to the board's governance model as the school grows from medium to large, as suggested in the framework presented below. Board members need to be comfortable with this more open mindset.

6.4 A Framework for Transitioning to Governance in Small to Medium-sized Independent Schools

Combining the three themes above—the need for governance intention, knowing when and how to transition, and continually adapting the board's approach and other GEFs after transition—leads to the development of a conceptual model of the process for transitioning to governance in independent schools, which is shown in Figure 6.4.
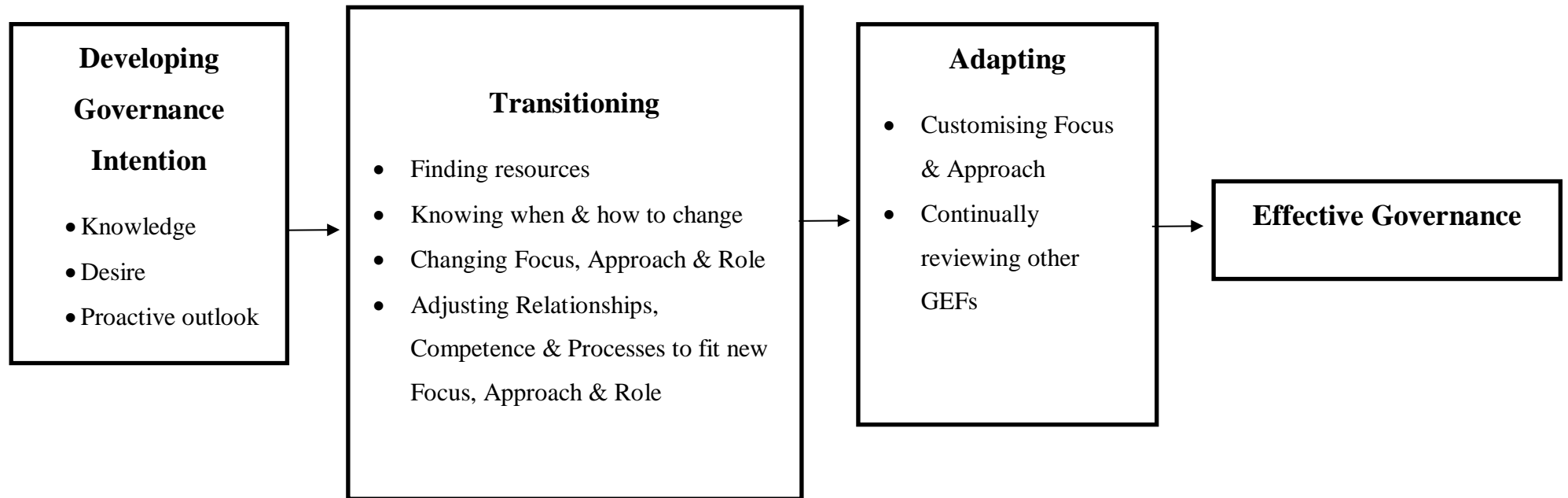
Figure 6-4 A Model for Transitioning to Governance in Non-profit Organisations

A more detailed version of this model is presented in the framework at the end of this section.

6.4.1 Shifting Away from an Operational Focus

The discussion and model above show how shifting a board's focus from operations to governance is not a quantum leap but a staged transition. Figure 6.5 shows how time spent on operational issues might give way to governance-related concerns as schools grow over time. The percentages here are presented as a guide only and should be varied according to each school's context. They are primarily intended to illustrate the finding that smaller boards are overly involved in operational decisions and need to become more strategic as the school grows. The figures illustrate what this might look like as a guide to managers. While not based precisely on data (time allocations per se were not measured, the study being largely qualitative), they are consistent with the observed emphases in smaller and larger schools as discussed in previous sections and chapters.
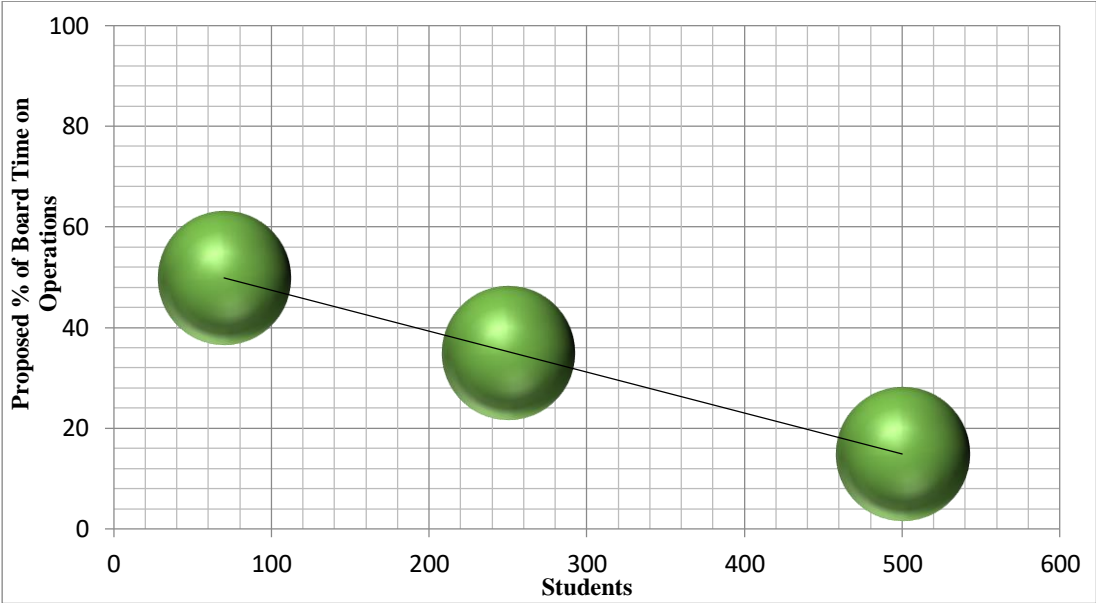

Figure 6-5 Time Allocated to Operational v. Governance Issues as Schools Grow

Figures 6.6 and 6.7 show further suggested breakdowns of the board's time in schools with approximately 100 and 500 students. Small schools are heavily involved in operations yet need to consider their context and still be strategic. They must also continue to be intentional in each GEF area. In the early phase of transition, a board is engaged in reviewing its approach, role and developing a

governance model, taking authority over the principal and developing a strategic outlook.
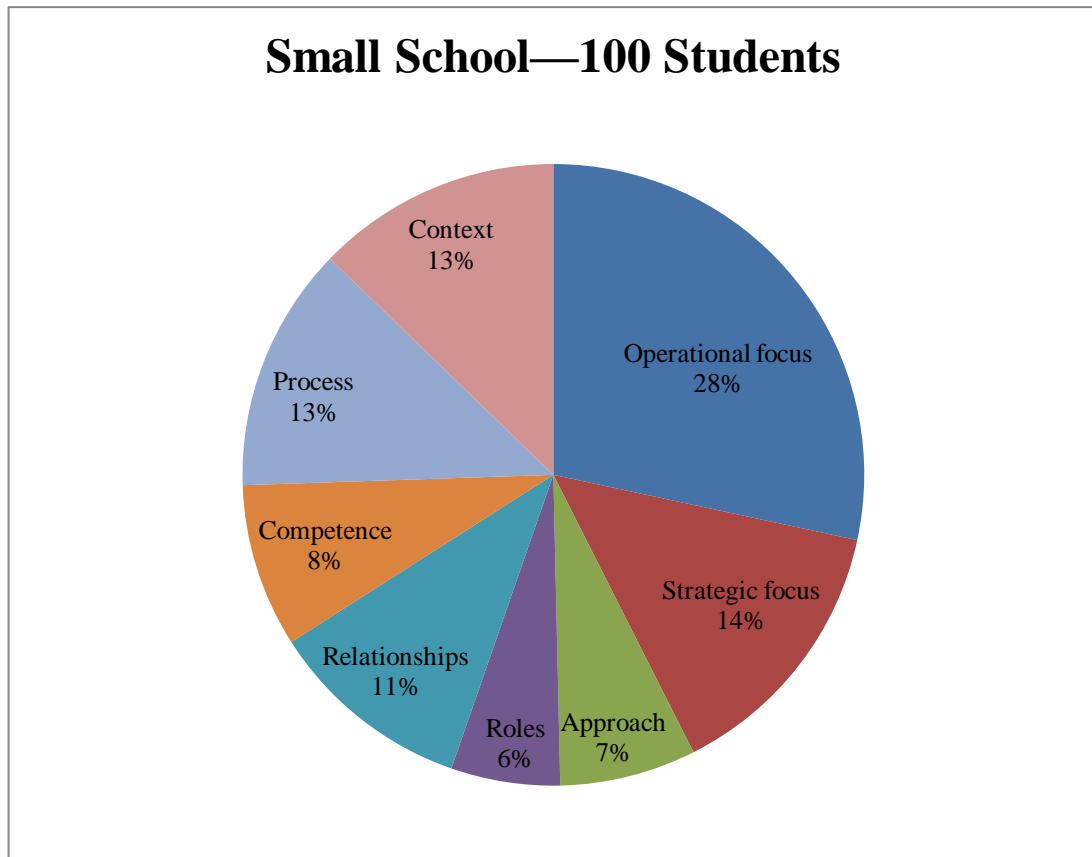

Small School—100 Students

Context 13%
Process 13%
Competence 8%
Relationships 11%
Roles 6%
Approach 7%
Strategic focus 14%
Operational focus 28%

Figure 6-6 Time Allocation for Boards of Small Schools

As the school grows to medium size (Figure 6.7), time allocations would reflect the specific developmental issues faced but would likely concentrate more on Processes, Competence and Focus than previously, setting up the policies and processes underpinning its strategic oversight role. Regular review of its Approach and Roles is also recommended. The principal is now in a CEO role, overseen rather than supported by the board. Members have developed a governance model and understand why operational management is largely delegated to the principal. The board regularly reviews but still maintains a good relationship with the latter and has good relationships with and accountability to parents. Members work together to seek consensus decisions, so the board "speaks with one voice" (Carver & Carver, 2001) wherever possible.

As student numbers approach 500, the board has matured in its governance competence: its Focus is on longer-term fulfilment of the school's mission and other GEFs receive attention when needed but otherwise take a subsidiary role. The board reviews its Approach from time to time, reviews progress towards strategic goals (Focus) annually or more often and keeps a close eye on other GEFs.
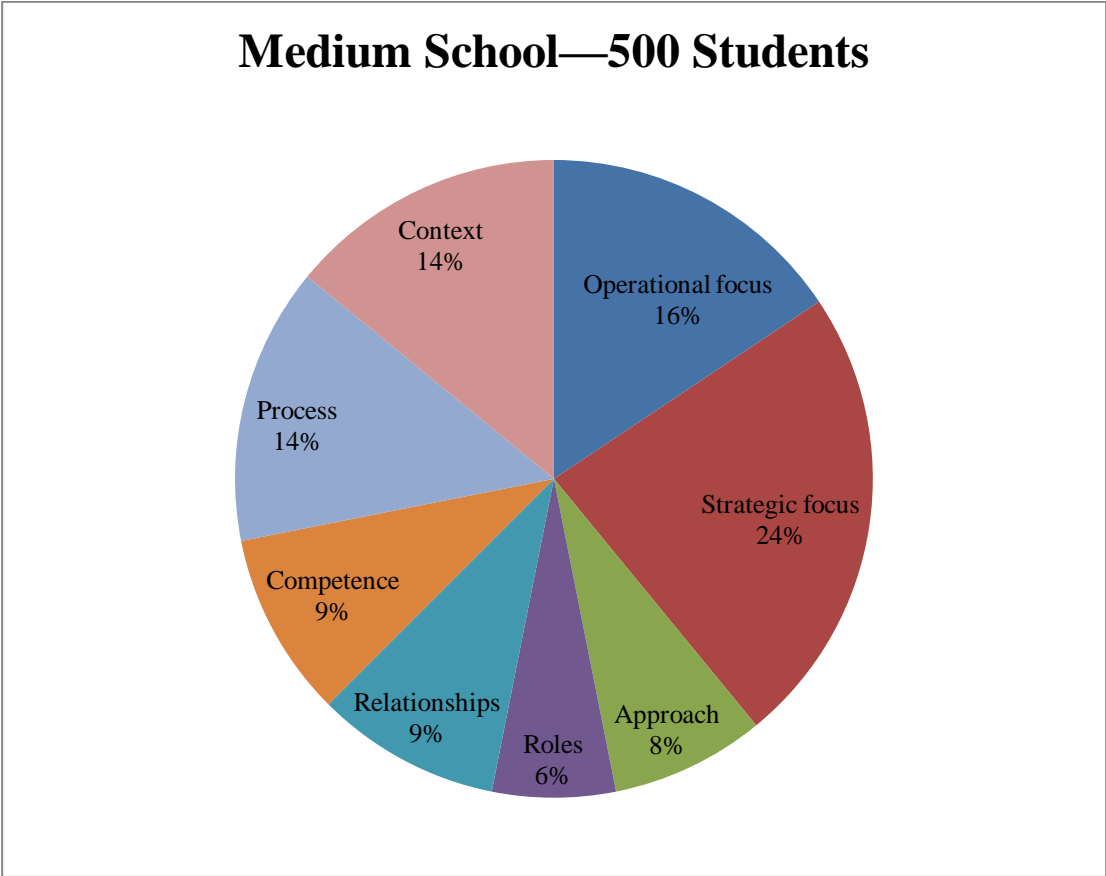

Figure 6-7 Time Allocation for Boards of Medium Schools

It is likely that separating 'operational' from 'strategic' or 'governance' activities is not always as easy as these figures suggest, and it is important to remember that well-governing boards may still be drawn into difficult operational issues. At such times members should keep sight of their primary role in addressing strategic goals that advance the school's mission. As the school further transitions from a medium to a large school the time allocated to operational focus would continue to significantly diminish.

6.5 The Transition to Governance Framework

The framework presented in Figure 6.8 combines all the factors in previous figures. It is intended to help board members in independent schools and other non-profit organisations make the difficult transition to governance, and to guide further research on how governance emerges as such organisations grow.
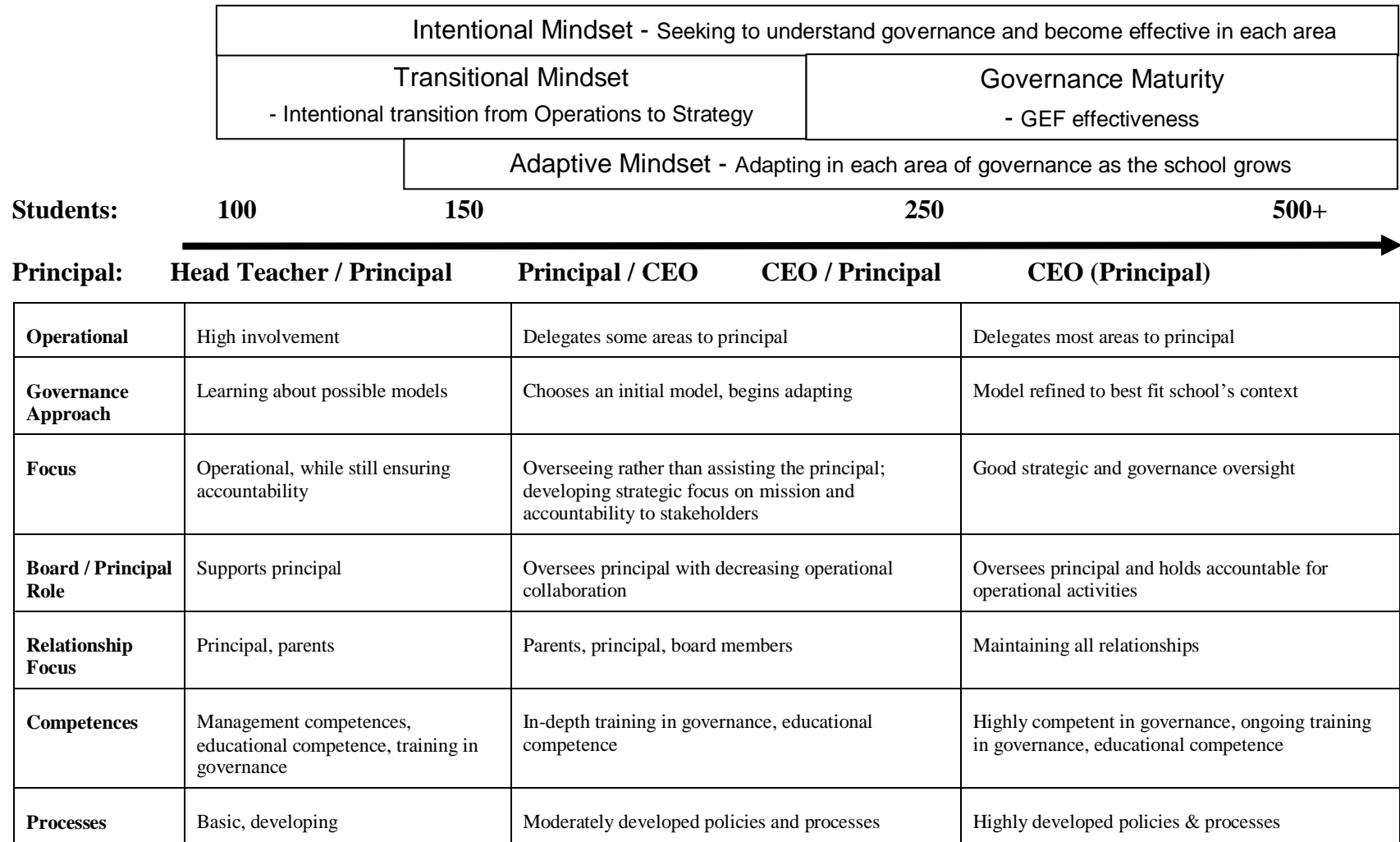
	Intentional Mindset - Seeking to understand governance and become effective in each area	
	Transitional Mindset - Intentional transition from Operations to Strategy	Governance Maturity - GEF effectiveness
	Adaptive Mindset - Adapting in each area of governance as the school grows	

Students: 100 150 250 500+

Principal: Head Teacher / Principal · Principal / CEO · CEO / Principal · CEO (Principal)

	Head Teacher / Principal	Principal / CEO — CEO / Principal	CEO (Principal)
Operational	High involvement	Delegates some areas to principal	Delegates most areas to principal
Governance Approach	Learning about possible models	Chooses an initial model, begins adapting	Model refined to best fit school's context
Focus	Operational, while still ensuring accountability	Overseeing rather than assisting the principal; developing strategic focus on mission and accountability to stakeholders	Good strategic and governance oversight
Board / Principal Role	Supports principal	Oversees principal with decreasing operational collaboration	Oversees principal and holds accountable for operational activities
Relationship Focus	Principal, parents	Parents, principal, board members	Maintaining all relationships
Competences	Management competences, educational competence, training in governance	In-depth training in governance, educational competence	Highly competent in governance, ongoing training in governance, educational competence
Processes	Basic, developing	Moderately developed policies and processes	Highly developed policies & processes

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Figure 6-8 Transition to Governance Framework

This framework is not intended to be prescriptive but rather offers a guide to the factors schools should consider at each stage of the transition. In this sense it offers an '*emergent*' approach to implementing governance. Mintzberg (1990, 2004) observed that good organisational strategy is not always formally planned or conducted by experts in planning but emerges from decisions made by operational staff who best understand the organisation's customers and internal processes. Small school boards should have this awareness and, given sufficient knowledge of governance, should be able to identify when and how to undertake the transition to governance.

Figure 6.8 shows how a school board's role might change as it grows from 100 to 500 pupils. It also identifies the changing role of the principal, who is often called a Head Teacher in very small schools lacking the resources for a full time administrator. As the school grows this person becomes a full-time principal, taking on the role of CEO as administrative duties increase and delegating educational matters to senior teaching staff or an assistant principal becomes possible (Principal / CEO). Eventually he or she becomes a CEO first and a principal second (CEO / Principal), and the final stage of CEO (Principal) reflects an almost exclusive focus on executive management of the school. Note that these are not formal titles in use in schools but labels used here to reflect the changing emphases.

The changes in the seven governance effectiveness factors shown here summarise the findings presented in previous chapters concerning the effects of school size.

6.6 Chapter Summary

This chapter began by summarising the findings of the cross-case analysis presented in Chapter 5. The overall impression gained was that most boards rate poorly in most GEFs. They tend to lack understanding of governance and focus on operational management rather than strategic development of the school's mission, typically supporting rather than overseeing the principal and in some cases lacking interest in parents' views of the education provided. Only one school stood out as governing effectively.

While the analyses in Chapters 4 and 5 primarily focused on the GEFs, three new themes emerged that can help boards and future researchers understand the shift from operational support to governance. First, it appears that independent school boards find governance a difficult concept, consistent with the findings of previous studies showing that it is not well practised in many non-profit or corporate organisations. Governance requires a paradigm shift in board thinking, a letting go of operational focus to consider the broader, longer-term and often more complex issues involved in realising the school's mission. The most successful case in this study had used external consultants to help understand the nature, benefits and process of this shift, but two other board chairs in the early stage of this were struggling with member resistance. Developing the *intention to govern* therefore emerged as a key prerequisite to successful change.

A second theme, also well illustrated by Board D, is that boards do not adopt governance in a single step but go through a *transition process* over time. Key questions for boards are when to start this transition and what steps are involved. Progress depends not only on the strength of their intention but also on the school's resources: handing operational management to the principal requires administrative staff that small schools cannot often afford. It appears that governance becomes practically feasible when schools reach about 100–150 students. Finding external expertise in governance can be extremely helpful in planning this transition.

The transition process initially involves making the principal formally accountable to the board, reducing focus on operational issues, taking oversight of the school's mission and strategic progress, and developing a model of governance that fits the school's context. Having laid this groundwork for governance, a board can then develop the relationships, competences, policies and processes required to support its new approach.

The third theme was the need to continually *adapt* a board's governance approach, again well illustrated by Board D, which had initially used Carver's model as a base but over time found limitations that required modifying it. Boards should expect to develop a model suited to their own context but are advised to follow Board D's example in starting with a published model and later adapting it as members' knowledge of governance evolves and they learn from experience what works best.

A flexible, open-minded approach of continuous improvement in governance is suggested.

The third section of this chapter introduced a framework for navigating the transition to governance in small schools. The six stages in this process are developing an intention to govern; finding resources; knowing when to transition; changing the board's Role, Focus and Approach; developing the board's Relationships, Competence and Processes; and adapting the new Approach as the school develops. Guidelines for the time boards should allocate to operational versus governance matters, and among the GEFs, were presented for small and medium-sized schools. Finally, all these issues were summarised in a framework designed to help schools and non-profit organisations plan and manage the transition from operational focus to governance.

Previous authors have described governance as "complex and inherently problematic" (Cornforth, as cited in Othman, 2016, p. 2) or "arduous" (Carver & Carver, 2001, p. 10), but so far there has been little advice on how smaller non-profit organisations can face its many challenges. The Transition to Governance Framework guides boards through these by identifying key decisions and stages of the change process.

Chapter 7: Concluding Discussion

7.1 Introduction

The GEFs identified in the literature review, and used extensively throughout the study, summarise what was already known about governance effectiveness. Initially, emerging issues are discussed drawing upon this knowledge: the usefulness of the GEF factors; the value of Carver's model; the role of board culture, teamwork and conflict resolution; competences for the principal and board chair; the role of industry associations; the nature of accountability in governance; and training and development for boards.

Key findings are then discussed along with the contribution of this study to literature. Following this is a reflection on the study's research methods and limitations before making important recommendations when discussing implications for practice and future research. The chapter ends with a concluding statement.

7.2 Emerging Issues

7.2.1 Usefulness of the Governance Effectiveness Factors

The GEFs identified from the literature review presented in Chapter 2 show what was known about governance effectiveness and appeared to cover important considerations for the boards in this study, and the study's findings did not suggest any additional GEF areas. However, three important refinements of the researcher's initial view of these factors arose during the data analyses.

One was that consideration of Context was found to be interwoven with the other GEFs, for example boards naturally considered contextual factors in making routine decisions. However, none used a systematic environmental scanning process, normally part of a strategic review process. This proactive form of consideration may therefore be best covered under the Focus GEF. Future users of this framework may therefore consider whether Context should be a separate GEF.

A second observation was that strategic Focus, Approach and Role most directly separated governance from operational management. It is therefore recommended that boards give these areas primary consideration when beginning the transition and later modify their Relationships, Competences and Processes to support their new governance model. Most boards in this study had given at least some attention to the latter GEFs but this was not driven by an intention to govern the school.

A third insight was that Relationships between the board and *parents*, and in the case of religious schools their parent church, are central to oversight of the school's service delivery and should therefore ideally be developed as a board *begins* the transition to governance. While the board's relationship *with the principal* is also important, most boards already had a good relationship. Although this may require further attention when the principal is formally accountable to the board, this could be left to a later stage of the transition process. And while good working relationships *between board members* are vital under a governance model—since boards face many complex and difficult issues on which a consensus is highly desirable—these should be developed over time and may therefore be best left to a later stage of the transition to allow time for reflection, training and development. A useful future development of the model and framework in Chapter 6 may therefore be to separate internal board relationships from those with external stakeholders, prioritising the latter where service recipients or other stakeholders are critical to a particular model of governance.

A final observation was that although accountability is central to definitions of governance it was not systematically considered by any board, even the otherwise effectively governed Board D. Although the GEF model incorporates accountability under relevant factors, in practice its absence could be overlooked because it is only one part of each factor. Future development of this model could therefore involve foregrounding accountability as a core component of the Approach GEF, for example, by explicitly listing the board's accountabilities in its governance model. These accountabilities are further considered below.

7.2.2 Findings in Relation to the Five Broad Governance Theories

This section relates the study findings to the five broad theories of governance from the fields of economics and organisational theory outlined in Chapter 2: Agency Theory, Resource Dependency Theory, Behavioural Theory, Stewardship Theory and Stakeholder Theory. Each contributes a particular perspective of value to school boards, although none in this study were aware of these theories and their practices rarely reflected recommendations made by their authors.

Agency Theory

Agency theory stresses that boards are agents on behalf of an organisation's principals or owners. In the private sector these are primarily funders such as shareholders or private founders, but identifying principals in the non-profit sector is less straightforward. Many authors also see the public as a principal, in that governments licence and regulate business in keeping with the public interest. Agency theory suggests boards take responsibility for selecting and evaluating agents to ensure their decisions do not conflict with the interests of the founding body or society (Miller-Millensen 2003; Fligstein & Freeland, 1995). However, such conflict is considered inevitable as agents also have an element of self-interest when serving principals.

In the present study, boards of the two schools founded by parent churches had reasonable awareness of the church's goals but tended to pay more attention to the school principal's needs in day-to-day management of the school. In case G for example, the founding church exercised its influence by having in the schools constitution a requirement that the school's chair of the board was the churches senior minister. Agency Theory suggests a boards' primary goal is to address the church's interests when considering school matters, and it should be involved in setting the school's mission. In practice it appears churches give schools considerable scope to operate within broad parameters, but the board bears the responsibility of ensuring good fit with the founding body's goals.

A second important stakeholder group in non-profits is service recipients, here the parent community (on behalf of students). However, while most board members were parents, their focus remained more on the principal's goals for the school:

conscious attention to the interests and views of the parent community as a whole should be visible in board meetings according to the Agency Theory perspective. The wider society in which students will spend their lives is the third stakeholder group, which although perhaps harder to represent in a narrowly constituted board, takes on an important role in non-profits where services such as education frequently generate issues of public interest. Finally, since Australian independent schools are now publicly funded to a substantial degree, consideration of the government of the day's interests is suggested by Agency Theory. However, overall boards in this study did little to systematically consider issues arising from their responsibilities to founding body, parents, the public or governments as principals.

Agency theory therefore highlights the need for boards to visibly incorporate their principals' ('owners') interests when developing the school's mission and ensuring its activities reflect it. Monitoring the school principal (CEO) is a key element of this. The board should evaluate the school's progress against measurable objectives, keeping in mind its own role and the principal's role in meeting them. Allocating resources in ways that support the school's mission is also critical. Boards in this study were generally far from this level of operation, even excluding the focus on 'owners'' interests.

Agency Theory primarily sees a board controlling the organisation, where other theories emphasis cooperation. Control is important not only for achieving strategic goals, but also for avoiding crises. Gibelman, Gelman and Pollack (1997) found a lack of board control allowed the chief executives of five non-profits they studied to misappropriate funds. In the present study, two schools had experienced financial crises through poor financial management that went undetected by the board. Accountability was emphasised in the definition of governance developed in Chapter Two, and remains a key aspect of board governance even under the theories below that reject other aspects of the Agency Theory viewpoint.

Agency theory considers conflicts between the board and its principals as inevitable. Many board members here identified signs of conflict with external parties, notably parents. In one serious incident, all board members had resigned as a result of conflict with the parent group. Further, in the board's relationship with school managers it speaks on behalf of its principals and school managers are in effect its

agents. Agency Theory therefore also suggests board members inevitably face conflict with organisational managers, who control vital information and make important decisions about the operational agenda (Zaid, 1969). Therefore, boards need to develop skills and mindsets for managing the competing values of all these external and internal parties.

In summary, Agency Theory sees a board as a body independent of the organisation but with ultimate control over it, acting as an agent on behalf of its owners and taking a long-term, strategic view of their interests (Fama & Jensen, 1983). While discharging this responsibility is more complex in non-profits than shareholder or privately-owned companies, independent school boards focussed on their principals' ('owners'') long-term interests and exerting control over the school while remaining independent of school management, would exhibit a level of governance professionalism rarely seen in the boards studied here.

Resource Dependency Theory

Resource Dependency Theory (RDT) highlights boards' outward-facing role in helping the organisation learn about and respond to resource constraints in the external environment. In their focus on helping the school principal manage school operations, the boards studied here tended to neglect their links to the wider community apart from those arising from having parents or church representatives as members – and even this did not mean these groups' interests were necessarily well represented in board decisions given their focus on the principal.

Two broad aspects to the external orientation underpinning RDT can be identified. First, a key role for non-profit boards involves identifying and developing relations with funders. Board members in this study had some links with government departments, but these were relatively few, and not systematically cultivated. Many boards expressed a desire to reduce their dependency on government funding by finding new funding sources. For example, it appears that professional associations could be used to greater advantage in this, for example, by providing a mechanism in which independent schools can exchange ideas or strategies they have successfully used to source alternative income streams. Again, boards' focus on internal school

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operations tended to preclude the outward orientation that RDT identifies as a critical element of governance.

The second function highlighted by RDT is 'boundary spanning', networking with key external parties who can assist the organisation's mission in multiple ways (Middleton 1987; Miller-Millensen, 2003). One involves developing 'exchange relationships' with key external constituencies. For school boards, these might be local community groups, sporting or artistic groups, local councils, schools, universities, other non-profits, or employers. Such parties can enhance the school's educational activities, operational development and supply of future students, and provide job or personal development opportunities for existing students.

A second goal of boundary-spanning is gathering and interpreting information from the external environment in order to remain competitive and reduce uncertainty. In schools this might involve information about competitors, trends in educational delivery, developments concerning the student body, political issues and so on. Board members bring in this information, sift and sort it, resolve conflicts in it and pass key points on to school managers. Learning about the external environment underpins the Context GEF discussed above, and the RDT concept of boundary-spanning further highlights the need for board members to get out of the boardroom and engage with the wider world. Those without experience of private sector boards might find this a novel and challenging aspect of board membership.

Boundary-spanning can also involve representing the organisation: serving as ambassadors, advocates and community representatives and otherwise enhancing the school's public image. One board in this study with a community-focused mission was systematically developing links with its local community, but generally board members did not see external representation as an important activity. A fourth boundary-spanning activity involves recruiting new board members with relevant expertise or contacts. Again, this was not a focus in boards studied here, in part because small schools have a limited range of parents to recruit from, although one was considering looking beyond the parent group.

Together, all these boundary-spanning activities integrate the organisation with its social environment and key constituent groups (Houle, 1997; Ingram, 2003). While

two schools in this study had a community focus as part of their governance model, none were systematically reaching out to the broad range of external parties suggested by RDT, rather their focus was internal and generally operational rather than strategic.

A third element of RDT besides seeking resources and using boundary-spanning activities to engage with external parties involves adherence to the legal and regulatory requirements of external bodies, an aspect moderately well addressed in boards studied here. However at times this was seen as the role of school managers, and boards often lacked systematic oversight of it.

Overall, Resource Dependency Theory identifies a significant area of neglect in most boards studied here, particularly highlighting the board's need to seek new forms of funding and better mesh with their changing external environment by engaging with a wide range of parties who can help develop the school and its staff and students.

The three broad theories discussed below provided more diffuse guidance on independent school governance than Agency Theory and Resource Dependency Theory.

Behavioural Theory

Behavioural theory highlights board members' behaviours and group dynamics as a critical influence on the board's effectiveness. Board member behaviours were discussed most directly in relation to board culture, social dynamics, teamwork and conflict resolution (Section 7.2.3), and in relation to the competences of the board chair (Section 7.2.3). They are directly influenced by member training and development programs (Section 7.2.8), and to some extent by member recruitment strategies (Section 5.3.5) and members' workloads and time pressure (Section 7.2.9). Behavioural qualities underpin the social skills necessary to good relations with the school principal and external parties such as those identified by Resource Dependency Theory. Issues of power and social status, perceptual bias, personality, member competence, conflicts of interest and other behavioural factors were raised above, but a thorough account of behavioural factors is beyond the scope of this study.

The key message of Behavioural Theory, taken as a whole, for the present boards is that attention to how members interact is vital. While a board's focus is necessarily on the school's mission, it should also look inward, reflecting on the role of its culture, social skill set and interpersonal dynamics in achieving its goals.

Stewardship Theory

Stewardship theory sees the board taking a cooperative approach to working with key stakeholders, with both parties focussing on the organisation's success rather than their individual self-interests. Where Agency Theory follows economic theory in assuming individuals are self-interested utility maximisers, Stewardship Theory builds on a psychological and sociological view in which people are motivated towards collective good.

Community schools best illustrated this belief in the present study, and most boards had some focus on parents as service recipients, unsurprisingly given that members are mostly parents themselves. However, parents were not normally seen as formal (or even informal) partners, systematically involved in determining the school's mission or overseeing school managers' pursuit of it. Two boards in this study had some emphasis on co-operation with their parent community (e.g. case D had board position dedicated to community relations), although neither were aware of Stewardship Theory or the related social constructionist and partnership models of governance (Section 2.4).

Stewardship theory also highlights consideration of staff interests in board discussions, but only one board here, case A, had a staff representative. Overall, boards' focus on helping the principal manage the school precluded seeing staff as an important element of board decision-making. Boards' emphasis on day-to-day operational decisions further precluded them from steering or taking oversight of the organisation's long-term direction as highlighted in the concept stewardship (and equally emphasised in different ways by Agency Theory and Resource Dependency Theory).

Stewardship is a promising model for non-profits since it promotes joint oversight of a service by managers and service recipients, along with staff and other key stakeholders, and should be considered by these boards when looking to refine their

governance model. This does not preclude also adopting the emphasis on controlling agents or engaging with external parties in the two theories above. A hybrid model Bradshaw et al.'s (2007) specifying the place of these different goals could be developed.

Stakeholder Theory

In Stakeholder Theory the organisation is embedded in a network of external parties whose interests overlap with the organisations, including service or product recipients ('customers'), employees, suppliers, business service providers, consultants, business funders, creditors, trade unions, industry associations, partner organisations, local communities and potentially society as a whole where issues of public trust arise. Fundamental to this theory, as applied to governance, is that the organisation is embedded in a large network of stakeholders, and the board therefore has a responsibility to engage with them in developing and fulfilling their mission. Where different groups of stakeholders are highlighted in Agency Theory (principals) and Stewardship Theory (service recipients, staff, society), stakeholder theory invites consideration of all groups who influence the organisation's long-term outcomes.

No boards in this study took such a broad view of their responsibilities, indeed most had little concept of responsibility towards any external party except in regard to parents, the founding church (neither fully 'external') and their basic legal and regulatory accountabilities. The suggestions above about including key stakeholders specified in the Agency, Resource Dependency and Stewardship theories provide a step towards this broader view of a school as vitally embedded in a network of external influences. This view further reinforces the gist of Resource Dependency Theory that board members need to work outside the boardroom to develop an outward-facing perspective.

Summary

Each of these theories provides a 'mindset' or lens that independent school boards can use to frame their governance practice when formalising their approach, as suggested in Chapter Six. The five theories highlight boards' responsibility to:

-	strategically control the school and the principal on behalf of those most directly profiting from the school - the students and parents (Agency Theory)

-	look outward - engaging with external parties who can provide financial and non-financial resources – to further the school's mission, reduce environmental dependency and uncertainty, and improve competitiveness (Resource Dependency Theory)

-	look inward – evaluating its own functioning in terms of board culture, social dynamics, teamwork and resolution of conflicts

-	be willing to engage cooperatively with parents (along with staff and relevant community members) - jointly identifying and working towards the school's long-term mission (Stewardship Theory)

-	increase its capability to see its place in a network of influence - working with a broad range of external parties who can help or hinder achievement of its mission (Stakeholder Theory).

Boards seeking to improve their approach to governance are encouraged to examine their practices through the five mindsets of control, looking outward, looking inward, engaging, and networking. None constitutes a complete theory of governance by itself, and some can be seen as responsibilities while others appear more as choices. Differing degrees of each mindset may be relevant at various stages of growth and in different external contexts, but all should be considered by an independent school board.

7.2.3 The Value of Carver's Model

Carver's Policy Governance model appears to be the best-known approach among both profit and non-profit organisations and chairs of three boards in this study looked to it as their primary source of guidance in developing governance. Criticisms of this model were noted in Chapter 2, and Board D's experience of its limitations was discussed in Chapter 4. It may be that some of these criticisms and limitations reflect local interpretations and implementations of Carver's principles.

Many of Carver's principles provide a good starting place for boards with little prior experience or understanding of what governance is and is not. Carver and Carver (2001) recommend the board:

- Govern *on behalf of the organisation's 'owners'*. In independent schools this is best understood as the service recipients (the parent community) and any founding group such as a church. More broadly, the community in which parents live and in which students will live and work after leaving school could also be considered a service recipient. The board's primary relationships are therefore *outside* the school and members need to know what these groups think.

- Understand governance as a *focus on helping the organisation achieve its purpose* or mission. Focus on the 'ends' rather than the 'means' involved in operational management. In a school this concerns the skills, knowledge and attitudes students acquire, and how this can be achieved at an affordable cost to parents.

- The board takes *full authority over and accountability for the school*, including authority over the CEO (principal). This does not preclude working in partnership with the principal.

- The board *formally delegates areas of decision-making to the CEO*, ensuring both parties are clear about their role and checking that its expectations are met. Board instructions must be clear and set clear criteria for evaluation. At the same time, boards do not micro-manage but empower the CEO to be creative and innovative as much as possible.

- The board *manages school staff only through the principal*. For example, the board oversees the principal's management of the school's treasurer, teachers and administrative staff.

- Ensuring the board's *authority* rests in *formally documented policies and decisions* approved at properly constituted meetings. General areas of policy focus include the school's mission, governance processes, roles of school staff and the limits of acceptable staff behaviour (ethics and prudence).

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- The board *speaks with a single voice* rather than passing on one or more individual's views. Individuals have equal power to influence decisions, and subcommittees and all other groups, formally constituted or otherwise, are accountable to the board as a whole.

- *Meetings* are run to guarantee production of the *outcomes the board sets* for itself and the CEO. Board policies and processes exist to support these goals and ultimately the schools' purpose, not as ends in themselves. Operational decisions are made in the context of the board's strategic focus.

- The board *monitors its work* regularly (perhaps even monthly), and *the CEO's work* at least annually. Monitoring should involve a wide range of feedback sources—such as staff, parents and possibly students, experts, industry associations and community members—"boards should invest a great deal of energy in gathering wisdom, spending perhaps half their time in becoming educated" (Carver & Carver, 2001, p. 40). Reports should be straightforward and transparent. The CEO is evaluated through indicators of the school's performance developed from these sources, not his or her direct actions per se.

- Board *meetings* are for members to "learn together, contemplate and deliberate together and decide together ... not for reviewing the past, being entertained by staff, helping staff do its work, or performing ritual approvals of staff plans" (Carver & Carver, 2001, p. 32). The CEO is not the central figure, and the chair acts as custodian of the board's processes and functioning.

Boards may decide to vary such principles but can at least use them as a reference in developing their understanding and approach to governance. Equally, boards are advised to consider the limitations of *any* published model, to research alternatives—the community model, for example, may be useful in schools—and to develop their own model reflecting their particular mission and context.

7.2.4 Other Governance Models For Independent School Boards

The question of "what is the best model" naturally occurs to school board members when advised of the many alternatives to choose from. A key theme of this study is

that there is no one right way to run a school board and that the best approach must take account of the school's specific context. Of the published governance models relevant to non-profits reviewed in Chapter 2 only Carver's was known to boards in this study, in keeping with its high-profile status in the non-profit sector generally, and while this is an excellent place to start, several other models could be considered by boards in developing an approach more suited to their unique context or in addressing limitations of the Carver model.

Of particular value might be Bradshaw et al.'s (2007) recommendation to combine elements of different models in a hybrid model, which would help address more of the diverse goals for governance identified in Section 7.2.2. Bradshaw et al. describe Carver's model as promoting stability and unity in governance at the expense of readily incorporating the interests of multiple stakeholders and promoting change.

Of the other models in Bradshaw's (2007) typology the entrepreneurial and constituent models appear most relevant to small and medium-sized independent schools depending on their mission and goals. An entrepreneurial model might appeal to schools seeking to grow rapidly through change, innovation and 'market' focus This orientation might include the Resource Dependency Theory emphases on engagement with external parties to secure funding and other resources including exchange relationships, diversity of student recruitment avenues and other ways of reducing dependency, and gaining strategic advantage over competitors.

However, the constituent model appears closer to the ambitions of schools in this sample. Two of these had a strong community focus and most others saw themselves as immersed in and reflecting certain values of the local community. This approach would involve recruiting community members to the board and working in partnership with a range of community groups to define and operationalize the school's mission, consistent with Stewardship Theory. In this study, for example, Board D had a strong policy model but was attempting to combine it with a community focus.

Stakeholder Theory invites a broader view of stakeholders than Stewardship Theory, where the school is embedded in a network of parents, staff, government at all levels, community, sporting, artistic or religious groups, unions, suppliers, employers and

other groups with an interest in the success of its mission or operations. Boards might also consider this perspective when developing their governance approach.

Ultimately, each of these models has its limitations as well as advantages, further highlighting the value of boards systematically considering which is the best for their circumstance, and of being prepared to adapt it as circumstances change.

7.2.5 Board Culture, Social Dynamics, Teamwork and Conflict Resolution in Governance

Board members in this study appeared generally satisfied with their working relationships with other members, although some conflicts were noted in three boards. The possibility of 'social desirability' bias in some positive self-reports is raised in the next section and may be involved here. More importantly, most boards had yet to grapple with the difficulties of governance. Governing boards face more complex and challenging dilemmas or issues than boards focused on school operations but need to find consensus in making decisions and speak with a single voice to all stakeholders. Good relationships among members are both more important and more difficult as the inevitable tensions and conflicts emerge.

In her study of independent alternative Australian schools, Payne (2004) found that as schools grew their boards saw the school less as a community and focused more on business practices and efficiency, a change producing dilemmas and social tensions between members (and with the principal and school community). Many other aspects of the governance role can reduce harmony and cooperation among members, including the substantial 'paradigm shift' in thinking required as two boards contemplating governance in this study had found.

Boards are social groups with a 'human side' (McGregor, 1985) or 'shadow system' (Senior & Swailes, 2016) comprising their culture, interpersonal relationships, politics and leadership, sometimes depicted as the unseen bulk below the tip of an otherwise invisible iceberg. Managers frequently find the organisation's human side harder to deal with than its formal side. Payne (2004) found that effective resolution of tensions and dilemmas in independent school boards was more important to effective governance than individual members' formal roles and competence. Key

elements of the board as a social group are its culture, social dynamics, capacity for teamwork and conflict resolution skills

Culture refers to a social group's values and customary ways of doing things (Buse, Bernstein, & Bilimoria, 2016; Johnson et al., 2017). For example, a culture can be formal or informal and hierarchical or collaborative (Buse et al., 2016; Drogendijk & Holm, 2015; Mueller, 2015). Two boards of small schools in this study had a very informal and collaborative culture (C and F), although most others were still relatively formal. Two boards reflected their school's community ethos in their collaborative culture (E and F), one (Board F) having a particularly egalitarian approach to decisions.

Social status can also be an issue on governing boards. When some members are held in higher esteem than others because of their length of service, credibility or professional standing they may hold greater power over board decisions (Block & Rosenburg, 2002; Hart-Johns, 2006). The principal is one obvious example, and the present findings suggested many board members saw the principal as a charismatic figure. An 'elite' group of such persons emerging in one school in this study had left other members feeling disenfranchised. It is important to remember that boards govern on behalf of parents in the first instance, and expertise in business, education or other professions is useful only to the extent that it supports this.

Teamwork skills are a common topic in corporate training programs and non-profit boards would benefit greatly from this as they grapple with the challenges of governance (Hart-Johns, 2006). For example, when a board holds ultimate authority over the school and principal and works on behalf of parents it needs to speak to these parties with a single voice: conflict among members is inevitable but can be very debilitating. At the same time, diversity of opinion is to be encouraged as boards grapple with complex, ill-defined issues affecting the school's broader mission and the board's accountabilities, calling for creative and innovative thinking (Torchia, Calabro, & Morner, 2015).

Given the complexity, uncertainty, individual power struggles, and social nature of governance, boards may find *conflict resolution skills* very helpful. Developing these through training would improve both internal consensus and relationships with

external stakeholders. Conflict resolution skills may be critical in developing governance intention, given the resistance observed in two boards during this study.

Conversely, a degree of task (rather than relational) conflict is important to the creative process needed when boards seek to resolve complex, ambiguous or socially contested issues. As Robinson and Ward (2005) pointed out, boards can have too much cordiality: members need to challenge each other to improve accountability and develop their capacity to work with the difficult issues governance brings. Gordon (2010) similarly suggested a board needs to challenge the CEO, something rarely observed in this study. Indeed, the agency theory perspective (Du Bois et al., 2013) introduced in Chapter 2 reminds us that boards and non-profit organisations' CEOs are *inherently* in conflict since they are agents for different aspects of the organisation. The board is responsible for the service provided while the principal is responsible for operational aspects of service provision but not the outcomes. These two perspectives can be in conflict on any issue the board faces.

The *board chair* has a key role in ensuring members work harmoniously yet challenge each other in a positive way when appropriate. Chairs should cultivate a culture with good balance between formality and conviviality while minimising hierarchy and power imbalance. They should not let high status members dominate meetings or remain beyond challenge and accountability and should help the board move beyond groupthink (Leslie, 2010). Boards in this study used social gatherings and refreshment breaks to reduce social barriers and tensions. Chairs also have a responsibility to ensure that members are respected for their ability to contribute in areas relevant to their personal expertise.

A good induction package and board handbook can help reduce social problems by helping new members feel informed and included on the board. Boards should also regularly review their culture, power imbalances, and approach to teamwork and conflict.

7.2.6 Competences of the Principal and Board Chair

The competences needed by a principal and board chair under governance are quite different from those needed for the operational focus of most boards explored in this study. While the principal and chair's competences were not specifically investigated

in the survey or interviews, some general principles became evident. The principal needs to be competent in the CEO role: accepting of the board's oversight, willing to negotiate the often-grey boundaries between the two roles, and capable of maintaining a positive relationship or partnership with the chair and board members, in and out of meetings. A principal with an education background may also need training to develop specific competences—in finance and human resource management, for example.

The board chair is perhaps the most important individual in the school under a governance model and needs a wide range of competences when a board seeks to move beyond its operational focus (Harrison, Murray, & Cornforth, 2013, 2014). She or he needs to understand governance, the GEFs and published models of governance. Steering the transition requires the capacity to cultivate governance intention, engage the principal in partnership while managing his or her role in meetings, and lead the board in reviewing its Focus, Approach, Role and Processes. The chair can also take a leadership role in developing the board's internal and external relationships. A good grasp of the formal policies and processes needed by a governing board is critical.

This is quite a substantial set of capabilities, especially for chairs lacking business experience. Training and development are therefore recommended (discussed further in Section 7.2.8 below), perhaps supplemented by assistance from other board chairs, consultants or outside experts. The model and framework presented in Chapter 6 should help chairs navigate the complexities of the transition process.

7.2.7 The Role of Industry Associations

All schools belonged to one or more groups such as the AIS, the CSA or CEN. The governance resources offered by these associations vary but typically include sample policies and procedures, annual conferences and access to advice (often for a fee). Survey respondents and interviewees, including principals and board chairs, were usually aware of these resources but interestingly only Board D had used them for guidance. This may reflect a general lack of interest in developing their board's approach, a lack of knowledge of governance or a lack of governance intention.

Three boards sent a member to the annual AISWA 'Briefing the Board' conference but this seemed to have a negligible impact on their awareness of governance.

Along with member training and development and consultants' services, the resources, advice and contacts of industry associations could greatly help boards to understand and manage the transition to governance. Associations also play a crucial role in spreading understanding of the difference between governance and management and giving legitimacy to the former through conferences, seminars, training sessions and newsletters. The present findings suggest these associations could play a stronger a role in helping small and medium-sized schools to understand the nature and advantages of governance, gain support from members who have made the transition and manage the particular issues faced by smaller schools.

7.2.8 Government Regulation of School Governance

Chapter 2 noted the role of government in assessing boards during the school registration process. Registration standards refer to very general aspects of governance related to some of the GEFs identified here. For example, the Western Australian government standards require the separation of management and governance "in line with contemporary best practice organisation design" (Department of Education, 2017, p. 45) but offer little guidance on what this involves. Most board chairs in this study found their last registration assessment had identified shortfalls in governance. It appears from the findings above and inspection of the guidance for non-government schools that the registration requirements could be better explained.

A board is required to take responsibility for the development and implementation of the school's strategic direction, effective management of financial resources, monitoring and improvement of student learning, student care and legal compliance (Department of Education, 2018b) amongst other things. The board must "take ultimate responsibility and establish to the Director General's satisfaction that it has the necessary oversight, information and capacity to do so" (Department of Education, 2018a, p.53). Boards with effective governance as depicted in the frameworks developed above are expected to exemplify best practice design, accountability, oversight, knowledge and capacity.

7.2.9 Understanding Governance Accountability

Accountability is one of the three key elements of governance as defined in Chapter 2, and arguably the most important since a board is ultimately accountable for all other elements. However, boards in this study had very narrow perspectives on their accountability, in many cases focusing on their accountability to (not for) the principal. Some took limited accountability for financial and legal matters but most trusted the principal or school managers to address these matters and lacked adequate oversight, which had led two schools into financial crises

Equally significant from a governance perspective is that while boards understood and strongly embraced their schools' mission, they did not usually hold themselves accountable for its *fulfilment*, focusing instead on operational matters. As often stressed above, independent school boards' primary accountability is to their *service recipients*, parents (on behalf of students) and a founding church in some cases. This makes accountability a more complex notion than in businesses seeking profits for owners or shareholders. School boards need to understand and focus on the needs of parents (Gann, 2017), along with any founding church. In non-profit governance, accountability extends well beyond the governmental, financial and legal requirements faced by the private sector and boards must devote significant resources to meeting the needs of stakeholders in ways not regulated by government.

Parents were well represented on all boards and many boards related well to the parent community but none saw this relationship in terms of *accountability* or had formal processes to ensure it. Rather, parent relationships were seen as a means to retaining parents or gaining their help to run the school. For the two schools with accountability to founding churches (Cases A & F) this form of accountability was usually monitored informally by church representatives rather than formally by the whole board.

Also missing from all boards studied here was a sense of accountability for students' *education*, as noted in Chapter 5. Under Carver's model, for example, school boards are accountable for choices about educational outcomes while operational aspects of the teaching program are the principal's concern. Goodman et al. (1997) found that effective school boards focused on educational outcomes but less effective boards

tended to micro-manage the school. Educational philosophy and other broad parameters of the educational process may also be legitimate governance concerns, for example, boards need to be satisfied that the principal's advice reflects standards and foci consistent with trends in the educational community. Interestingly, when Board C's acting chair had pointed out the importance of education to the board's work members appeared not to understand his point. School D's principal had also wanted its board to have greater educational experience. Boards need good educational expertise in order to acquit their responsibilities for educational outcomes and the principal's work.

Board oversight of educational outcomes clearly underpins its mission fulfilment (the Focus GEF). As noted in Section 5.3.1, mission statements referring to 'Christian education', 'personal excellence', 'high academic standards' or similar educational goals may capture key areas of aspiration but need further clarification if a board is to evaluate progress towards its strategic goals. In an independent school this typically involves a mix of ideological and educational parameters, introducing further complexity to board governance.

A sixth area of accountability is to public interest, in terms of the board's responsibility to ensure *ethical and prudential behaviour* among staff and students. Unsurprisingly, given their operational focus, boards did not proactively consider whether their policies and expectations paid sufficient attention to inappropriate behaviour. Incidents tended to be dealt with by the principal and only rarely referred to the board. Boards rarely held the principal accountable or maintained policies relevant to public interest accountabilities.

A final group for whom a governing board is ultimately accountable is *school staff*. While boards should not be directly involved in staffing matters according to most models of governance (e.g., Carver & Carver, 2001), they should be aware of their responsibilities to staff when supervising the principal. These include recruiting and managing processes and legal or ethical issues relating to salaries, working conditions, industrial relations and health and safety. A board should also assure itself that the principal's relationships with staff are sufficiently positive and comprehensive that she or he can represent staff views in board discussions. If not,

the board can include this important group directly through one or more staff representatives.

The two schools that had suffered financial crises illustrated some common deficiencies in their understanding of accountability. These boards lacked diligence in overseeing the principal and the school's finances, and arguably also overlooked parents' interests and those of the founding church as a result. They may have breached common ethical standards for financial oversight. Both had responded to their crisis by improving *financial* oversight by the board but in other ways fell well short of the systematic approach to accountability underpinning governance.

7.2.10 Training and Development for the Transition to Governance

Training is critical but often poorly implemented when boards seek to develop governance (Gazley & Nicholson-Crotty, 2018; Gilcrest & Knight, 2015; Gordon, 2010; Land, 2004). Boards in this study demonstrated poor levels of competence and members often recognised their limitations but they made little use of training and development. An exception was Board D's extensive use of consultants to educate members and mentor the board on its governance journey over some years. It seems likely the two other board chairs struggling to explain the Carver model to members would benefit from some form of external expertise, whether consultants or other board chairs. As emphasised above, governance involves an inherently difficult paradigm shift for most boards, making training in *models of governance* such as Carver's virtually essential. The Transition to Governance Framework presented in Chapter 6 offers a useful starting point for identifying a board's training needs in relation to governance.

Besides governance itself, at least some chairs of boards in independent schools would benefit from training in *basic business management processes*, legal and financial duties and meeting procedures relevant to boards. Beyond these basics, training in *visioning, strategic planning* and *strategic leadership* is recommended as all boards in this study appeared to struggle with this critical area of governance.

Training or other forms of development in *soft skills* would also help board members make the paradigm shift to governance, especially for chairs. Relevant areas include teamwork, conflict resolution, reflective practice and methods of creating effective

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dialogue with stakeholders, for example open space technology meetings (Harrison, 2008).

A related area for development involves *conceptual thinking* tools. Organisational change experts distinguish between 'soft' and 'hard' problems (Senior & Swailes, 2010), the latter being more common in technical disciplines where problems are well defined, and solutions can be found using logic and evidence. As Carver (2001, 2006, 2009) emphasised, governance requires boards to think conceptually and take a long-term perspective in dealing with complex and difficult issues such as defining and fulfilling the organisation's purpose, understanding service recipients' perspectives, setting boundaries on the behaviour of the CEO and school staff, setting standards for ethical behaviour and prudential management, and structuring and monitoring the board's oversight of these issues. Soft problems may involve multiple social agents, often with divergent perspectives, and issues characterised by poorly defined goals and methods for resolution.

A final developmental option relevant to board chairs and school principals is *leadership development*. Relevant topics include differentiating leadership from management and using social skills rather than management authority to achieve goals and gain consensus. Modern models of leadership such as servant (Greenleaf, 1988) and transformational leadership (Avolio, Waldman, & Yammarino, 1991) have particular relevance to boards of non-profits in the human services sector. Long-term developmental programs can also help board chairs (and principals) understand and develop their personal style through building on existing strengths and developing new skills for gaining commitment from others.

The case of Board D strongly highlights the value of working with an *external consultant* in developing governance. This may be a long-term relationship, in keeping with the model of transition as a multi-stage process developed in Chapter 6. An alternative is to use members or chairs of boards that have been through the transition. Members of the parent community may also have relevant skills, adding to the value of co-opting members as discussed in Chapter 5.

Small schools may lack funds for significant member training, development or use of consultants but as they grow towards the size where governance is both valuable and

feasible it becomes important to examine their governance competences. This skill set is likely to be very different to that required in operational management, and correspondingly harder to recruit for. Therefore, developing existing members should be considered as an alternative. As a side benefit, training may also help members see whether they are suited to the new approach and motivate them to move aside if not.

7.2.11 Board Members' Time and Workload

Independent school board members are typically parent volunteers, a factor which limits the time they have available for meetings and other board duties (Johnson & Poklington, 2004). A heavy workload or a shortage of time was reported by three boards, notably Board E whose members were all new but had to deal with a serious financial and political crisis within the school. Members had put in substantial hard work to address these issues, but as a result more than half felt burnt out and were not planning to continue past the end of their term. While other boards did not face such serious issues, workload was clearly a problem for some members. This deters parents from volunteering for boards.

One cause of workload stress appears to be the tendency to micro-manage the school, which, as often observed in this study, can be very helpful to a small school unable to afford administrative staff. Moving to a governance approach could help with this by requiring the board to delegate such work to the principal. However, governance is itself a complex and challenging activity and not necessarily less time consuming than operational management. Useful tactics for boards include optimising members' competences through targeted recruitment strategies and training and development, as noted above, and developing processes that minimise meeting time, including effective meeting procedures and use of subcommittees. Board chairs should monitor workloads to ensure they are evenly distributed and within reasonable limits. It may also be useful for boards to reflect on the number of members they require, bearing in mind the busy lives of parents and the number needed to achieve a quorum.

Overall, workload appears to be an important practical issue for boards to keep in focus as they transition to governance. More research on how effective boards of small schools deal with workloads could be very valuable.

7.3 Research Findings and Contribution to the Literature

This study asked whether boards of small and medium-sized independent schools were effectively governing their school. The researcher's experience of school management suggested the difference between governance and management was often poorly understood by boards.

7.3.1 Literature Review and Research Design

An extensive review of academic studies and practitioner-focused publications uncovered many perspectives on governance. Analysis of common themes suggested a definition of governance as:

Making decisions to responsibly steer the organisation's overall proceedings to ensure organisational accountability, mission fulfilment and CEO oversight.

This definition differentiates governance and management by contrasting oversight with direct control: a board holds ultimate authority over the organisation but delegates operational matters to the CEO and concentrates on the 'big picture' of the organisation's purpose or mission. A common theme in the literature is the tendency of boards to focus on operational management rather than governance in this sense. It appears many boards have little appreciation of this distinction, and those with a basic understanding often lack any intention to relinquish their 'hands-on' approach. This study aims to help such boards by clarifying the nature of governance and the process by which boards develop it while devolving operational management to the principal.

To help boards navigate this challenging transition, a framework of GEFs was identified from a systematic literature review by distilling elements from previous frameworks and empirical studies of schools and non-profit organisations, including the few targeting independent schools, notably McCormick et al. (2006). The seven GEFs provide a more comprehensive framework than McCormick et al.'s three factors—many governance studies focus narrowly on a particular model or approach rather than considering all factors affecting governance effectiveness. The literature on both corporate and non-profit boards suggests effective governance is relatively

rare, but there is presently little guidance for independent school boards considering a shift to governance.

Using a multiple case study approach based on Eisenhardt's (1989) recommendations, seven boards of small to medium-sized independent schools were assessed against the seven GEFs to ascertain their governance effectiveness. This involved qualitative analysis of each factor followed by some quantitative ratings by the researcher to summarise each board's effectiveness in that GEF. Cases were chosen to include small and medium-sized, metropolitan and regional, and religious and community-focused schools. Data collection involved four research methods: surveys, interviews, observation of board meetings and review of board documents. The findings were drawn from both within-case and cross-case analyses as recommended by Eisenhardt (1989), Yin (2012) and others.

7.3.2 Findings Regarding the Governance Effectiveness Factors

Findings relating to the targeted questions for each GEF showed boards generally had little awareness of governance, being rated as poor in all GEFs except Relationships, which had a moderate rating. Boards tended to focus on school operations rather than long-term strategy and mission fulfilment, and to support rather than oversee the principal. They rarely reviewed their operating processes or approach to running the board. Many had good relations with the parent community but did not see themselves as accountable to service recipients. Most were limited by their management and governance competences, and often lacked the policies and business processes required to facilitate governance objectives. Consideration of their internal and external environment, like other GEFs, tended to be reactive rather than systematic.

A notable exception to this picture was Board D, which had focused on shifting from operational management to governance over some years with the help of consultants. It had built on Carver's model, subsequently modifying its approach to address limitations that had become apparent over previous years. It had well-developed policies and processes and was judged effective in all GEFs although it had room to improve in one or two. Two other boards' chairs were interested in developing a governance approach but had yet to convince members of its value.

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Looking beyond this case, four boards were rated 'moderately effective' or better in Competence, three in Relationships, two in Processes and one in Approach and Roles. Only seven of the 49 relevant ratings reached the 'effective' level and five of these were for Board D. Boards were consistently ineffective in multiple GEFs, but effective governance is considered to require effectiveness in all component areas.

7.3.3 Are Independent School Boards Governing Effectively?

The conclusion above broadly supports previous studies whose findings suggest independent school boards often fail to understand or effectively practise governance, whether in Australia (Austen et al. 2012; Grant, 2006; Resolve, 2011), New Zealand (Robinson & Ward, 2005), the UK (Thomasson, as cited in Bush & Gamage, 2001; Gordon, 2010) or the US (Dervarics & O'Brien, 2011; Moody, 2011). Similar observations have been made about non-profit organisations generally (Andringa et al. 2002; Carver & Carver 2001,Carver 2006, 2009; Renz, 2007, 2011; Renz & Herman, 2016). Overall, it appears boards of independent schools in many countries have much to learn about governance.

7.3.4 Emerging Themes

Several new themes emerged from the data analysis that together highlight the *process* by which boards shift from operational management to governance. These arose when comparing three groups of boards at different stages of governance development: (i) the highly developed Board D; (ii) three boards (A, E and G) showing progress primarily in GEFs less directly related to governance; and (iii) three boards rated poor in many GEFs, including one small remote school that was poor in all but one. Comparing these groups led to a model of the transition process and a more specific framework guiding boards through the various stages.

The most important emerging theme was the lack of an *intention to govern* rather than manage schools. Seeing their role as advisors to the principal rather than overseeing the school's direction, most boards did not consider their own functioning or consciously examine the concept of governance. Governance is a more complex and challenging activity than operational management and the literature shows it to be widely misunderstood or ignored by boards. Boards therefore need to understand what governance involves and develop a clear intention to change deeply entrenched

beliefs about their role and focus. This need for intentionality is so far missing in the governance literature.

The second theme is the need to understand *the process of transition* to governance. The first step is knowing when to change: schools need to be large enough to have sufficient resources for the transition. Some of the smaller schools in this study were in the start-up phase where the principal has little choice but to rely on the board for operational support, a point often missing in discussions of governance in schools and non-profit organisations generally. The present findings suggest a school becomes ready for transition when it has around 150–200 students.

A model with five stages was developed to guide the change process: developing intentionality; finding resources (including expertise in governance); knowing when to transition; changing the board's focus, approach and role; and, finally, developing its relationships, competences and processes. The latter two stages may overlap to some extent.

The third emerging theme was the need to *adapt the board's approach* to governance over time. There is little evidence to suggest there is one best approach for governance in independent schools. Most authors encourage adoption of a specific published model, such as Carver's Policy Governance model, but the present findings, especially the example of Board D, suggest boards should customise any such model and constantly refine it to fit their context.

So far, the literature on school and non-profit governance has had little to say on when boards are large enough to transition to governance, the process they might follow or their need to adapt their approach over time. The GEFs indicate the areas boards should consider and, when combined with the three emerging themes, lead to a Transition to Governance Framework (Figure 6.7) designed to guide boards and researchers through the complex process of developing governance. The framework illustrates which GEFs to focus on at each stage, taking into account the size of the school. Recommendations for allocating board time and adjusting the role of the principal at each stage are also presented.

This framework extends the narrowly focused conceptual models of previous studies by providing a tool identifying specific facets of governance on which to focus at

different developmental stages, thereby helping boards to assess their progress in this challenging transition. The framework is based on both a systematic review of the literature and empirical findings.

7.4 Research Methods

7.4.1 Reliability: Consistency, Care and Transparency

As discussed in Chapter 3, reliability in case studies stems from the consistency, care and transparency shown in the data collection and analysis. In general, the checks on reliability proposed in Chapter 3 appeared to work although some aspects of the findings may warrant confirmation in future research.

7.4.1.1 Use of Multiple Data Sources

A major contribution to reliability was the use of multiple data sources: a survey, interviews with board members, including the chair and principal, observation of board meetings, and review of documents. In general the various sources gave consistent findings as often noted in Chapter 4: many findings were visible in three or four data sources. Survey and interview responses were often corroborated by observations or document analysis. Interview questions tended to probe deeper into survey findings, often giving similar perspectives but sometimes revealing limitations in, for example, survey respondents' willingness to open up, thoughtfulness when completing the survey or interpretation of key terms (discussed below).

Significant contrasts in findings from the different methods were noted in Chapter 4, where, for example, survey responses suggested a board had good strategic oversight or understanding of its role, relationships, competences or processes but interviews, meeting observations or document analysis cast doubt on its efficacy. In many cases members of a board were not unanimous in their views, as often noted in Chapter 4. In part this appeared to reflect variation in respondents' *understandings* of terms such as 'governance' or 'strategy', or different *expectations* of a board's role in relation to the principal or parents and correspondingly different views of the competences needed. While respondents could have been given a definition of governance and the recommended focus, approaches, roles, competences and board

processes identified from the literature, the aim here was to understand how board members *themselves* viewed these factors. Strong divergence in opinion was taken as a sign that the board had not addressed this area well. In some cases, it appeared to suggest divergent groups: for example, members with organisational experience versus those lacking it, chairs and principals versus 'ordinary' members or even new and younger versus longer-serving older members. Such differences would be less a sign of unreliability than a source of further insight and questions for future investigation.

The researcher's immersive approach to getting to know each board was a considerable help in interpreting differences in responses. As suggested above the more objective data sources (observations and document analysis) at times pointed to bias in the more personal and subjective sources (surveys and interviews), typically making the board look more competent than it really was. For example, when survey responses suggested a board had a strategic focus or clear policies this was not strongly evident in meeting observations or board documents. Such 'social desirability' bias is very common in social science research methods using self-reports (Paulhus, 1991), and may lie behind the results of other surveys showing highly positive self-reports of board members' competences (e.g., Erakovic & McMorland, 2009).

While each form of data collection has its limitations (discussed further below), overall the multiple source approach appeared to significantly improve the reliability of the final picture presented in Chapters 5 and 6.

7.4.1.2 Value of the GEFs

A second key contributor to reliability is that the criteria for assessing governance (the GEFs) came from a systematic review of the literature (Chapter 2). Minor modifications that could improve the GEF framework's validity in future studies were noted above, but as a contributor to reliability the current model appeared to be very effective in providing consistent categories with which to assess and compare boards' governance effectiveness, as illustrated in many figures and tables in Chapters 4 and 5.

Employing a standard set of questions for each GEF when designing the survey, interviews, observations and document analysis addresses Yin's (2013) recommendation for the use of 'protocols' to increase consistency in multiple case studies. It also helped triangulate (compare) the findings from multiple methods as noted above.

7.4.2 Validity: Credibility, Objectivity and Rigour

Validity in case studies represents the extent to which findings accurately represent the social phenomenon investigated. Reliability contributes to validity, for example exploring multiple cases and using multiple methods increases the likelihood that the objective reality is accurately represented (Eisenhardt, 1989; Yin, 2002, 2013). In qualitative research, validity is often interpreted as trustworthiness (Shenton, 2004), credibility or confidence (Lincoln & Guba, 1985) in the findings. In social science, a researcher's familiarity with the social context can increase credibility but also brings a need for objectivity to counter personal biases.

7.4.2.1 Credibility

The researcher's previous work experience as a teacher and deputy principal in independent schools should increase the credibility of the research questions and data collection questions used here. For example, it helped gain access to school boards and ensured that the questions asked reflected the language, cultural perspectives and key concerns of board members, parent communities and founding churches. As noted above, it also helped interpret contrasting responses from individuals or research methods. Familiarity with the small school context also greatly helped an appreciation of how resource limitations affected boards' ability to recruit members, formalise policies and business processes, understand the complex concept of governance and replace operational support of the principal with strategic oversight of the school. Substantial knowledge of school management also helped make the model and framework presented in Chapter 6 relevant to boards wishing to make this difficult transition.

7.4.2.2 Objectivity and Rigour

While observations and document analysis lack respondent biases, such as social desirability bias, they are still open to subjective influences including the researcher's preconceptions about the findings. Many of Eisenhardt's (1989) recommendations for multiple case studies were followed to improve this study's objectivity and rigour:

- A *well-defined focus* (the definition of governance and the GEFs) helped structure the large volume of data.

- A *systematic approach to data collection* involved the use of multiple methods with differing degrees of subjectivity versus objectivity and open versus closed questions, as well as the researcher's systematic note-taking and the two-stage analysis process.

- *A priori specification of the key construct* (governance effectiveness) gave a solid grounding for emergent theory.

- The *iterative two-stage analysis* helped avoid premature or false conclusions.

- The researcher was *open to revising the key construct* according to findings (discussed above), emergence of new themes (Chapter 6) and research questions (this chapter).

- Similarities and differences between the *findings and emergent theory* and a broad range of *literature* (Chapters 5 and 6) were identified.

- *Tabular display tools* were used in the analysis process (Miles & Huberman, 1984).

- The model of the transition process (Figures 6.2 and 6.4) and framework for managing it (Figure 6.8) appeared to be *parsimonious, testable and logically coherent* summaries of key findings.

7.4.3 Generalisability

Compared with quantitative cross-sectional research, case studies necessarily employ a relatively limited sample of organisations and caution is recommended in generalising beyond the present group of independent small to medium-sized

schools. However, the key finding of a lack of knowledge of or interest in governance is consistent with previous research on independent schools in Australia (Austen et al., 2012; Goby, 2019; Payne, 2004), the US (Curry et al., 2018) and the UK (Baxter, 2016), and with much research on non-profit organisations in these countries (e.g., Artz, 2012; Carver & Carver, 2001; Carver, 2006, 2009; Cheliah et al. 2015; Cornforth & Brown, 2014).

Other aspects of this study's findings lend support to its generalisability. There were more similarities than differences in the sample even though schools ranged in size from 70 to 790 pupils, included urban and regional schools in upper and middle socio-economic locations, and had both religious and community value bases.

Conversely, as there were only three non-religious schools, two regional schools and one high socio-economic school participating in this study, further research is clearly needed to confirm the generalisability of results to Australian and international independent schools with different demographic characteristics. How much they might generalise to *non-independent* schools is considered below.

Since non-profit organisations in general often suffer from poor board governance, for example lacking CEO oversight and strategic focus (Carver& Carver, 2001; Carver 2006, 2009; Renz, 2011; Walkley, 2012), it appears this study may also have much to offer this sector beyond independent schools.

In general, few characteristics of the present sample appear to present significant barriers to generalisation of this study's findings. Although further research is needed to explore the extent of this it appears that the main conclusions, the GEF framework, the transitional process model and the guiding framework would be practically useful to many boards outside the schools studied here, potentially to a wide range of schools and other non-profit organisations.

7.4.4 Improvements to the Research Methods

Although most aspects of the data collection appeared to work well within the limits of time and access to schools or board members, a few improvements can be considered in future studies. Focus groups could enrich the data at a small cost in time, and could be used within a school (e.g., before a board meeting) or, where

practical, to provide an interesting forum for discussion among members (or chairs) of multiple boards.

This study aimed to compare board members' understanding of key areas of governance with a model developed from the literature. Members had a wide range of views on the GEFs which did not always overlap with academic concepts of governance. An alternative research strategy would be to directly explore board members' understandings by asking them about the difference between governance and operational management, and perhaps subsequently about their understanding of strategy, role separation, accountability, relationships, competences, policy and processes. This could produce a more detailed map of members 'mental models' (Byrne & Johnson-Laird, 2009) or 'implicit theories' of board function than was possible in the context of this study.

A second alternative would be to explain the concept of governance and ask how closely respondents' board operations match this, and what advantages and challenges they might see in moving to it. This could be done after collecting data on respondents' 'naïve' view of the board's role, perhaps presenting the present model at a board meeting structured as a focus group. Many schools were motivated to participate in this study in the hope of gaining feedback on their operations when the researcher presented key findings to the board. Since respondents' expectations were limited by their operational mindset, the approach may help both members and future researchers by introducing a model of governance and explaining the transition process described in Chapter 6.

Another improvement to data collection would be to use multiple raters to assess each case on the seven GEFs, using standardised case summaries such as those presented in Chapter 4. Multiple raters using a standard scoring template could also improve objectivity in the document analysis. Such rating panels were beyond the resources of the present study.

7.5 Limitations of this Study

This study was limited by its focus on Western Australian schools. Schools in other Australian states may have different avenues of funding, curriculum requirements, demographics, geographical influences and opportunities to access professional

networks and associations. Future research is needed to investigate the effects of such differences.

As noted above, the study is similarly limited by the particular mix of small or medium, religious or community-based, metropolitan or regional schools studied. Whether the results generalise to independent schools in different contexts or to larger schools is a question for future research, although the major findings support previous studies with different samples of schools. Similar considerations apply in generalising findings to systemic (rather than independent) schools and non-profit organisations generally.

The data collected may be limited by several factors. Not all board members returned their surveys, and only a small number could be interviewed. The possibility of bias in their responses has also been raised in Sections 7.4.2.1 and 7.4.2.2 above. Boards may have withheld confidential or sensitive information and may not have provided other documents through practical limitations in finding or copying them: many had limited approaches to document storage. Only one meeting could be observed for each school and although the researcher attempted to be unobtrusive it is possible that his presence altered the discussions.

Finally, another limitation is in the nature of the questions and the survey. It is acknowledged that there are many ways of constructing research instruments. There may, for example, be instances in which the prepared questions in the semi structured interviews may not go deep enough and instead rely on the accompanying 'probing' questions to ascertain the deeper data.

Limitations of the research methods were considered above. Another is that because the study was cross-sectional rather than longitudinal it was not possible to study how boards changed over time.

7.6 Implications for Practice

All boards in this study showed strong commitment to their school's mission, and most members were highly motivated. This is a good start, but findings regarding the GEFs, the process model and the Transition to Governance Framework suggest most had a long way to go in developing effective governance. In summarising the many

recommendations to boards suggested by this study it is important to emphasise the need to contextualise each board's approach to the school's circumstances, and to review and adapt it over time.

Since most boards in this study had developed well in only one or two GEFs, it is strongly recommended that boards consider all seven factors in a systematic review process. This may also help cultivate governance intentionality. Feedback from many chairs following a brief presentation of the findings to each board indicated that merely asking members to reflect on each GEF renewed their will to develop governance and ultimately increased the board's effectiveness.

A systematic review of a board's governance effectiveness would similarly benefit from external feedback from a consultant or chair of another board with governance experience. The present findings at times showed a mismatch between respondents' perceptions of effectiveness in some GEFs (e.g., Relationships, Processes, Competences) and the reality depicted in more objective evidence from documents, meetings and some interviews. An external perspective on these issues could greatly help correct members' misperceptions about the board's performance. More specific practical suggestions for boards in relation to each GEF are listed below.

7.6.1 Focus

- Focus on oversight rather than operational management, refining members' understanding of the difference and cultivating governance intention.

- Clarify the school's mission and vision in ways that allow it to be assessed.

- Develop a strategic focus to ensure mission fulfilment as the school grows.

- While maintaining a focus on oversight, it is appropriate for boards of smaller boards to have limited operational involvement.

- Develop a strategy to transition away from operational involvement as the schools moves through its life cycle and grows in student numbers.

7.6.2 Approach

- Consider the school's size and resources in deciding when to transition to governance.

- Intentionally research and adopt a governance model (or hybrid of models) suited to the school's context.

- Whatever approach to governance is adopted ensure that strategic planning and all areas of governance accountability are given appropriate consideration.

- Initially consider the implications of the selected governance model for the board's Focus and Role, and subsequently for its Relationships, Competence and Processes.

- Review this model regularly (at least yearly) and adapt it as the board improves its understanding of governance and the school's context.

7.6.3 Roles

- Ensure the principal is accountable to the board and receives regular (at least yearly) feedback on his or her performance, preferably in a formal mode.

- Create a policy clearly separating the roles of the board and the principal (and other management staff, such as the bursar).

- In a small school, work closely with the principal in providing operational support, while maintaining governance accountabilities, and aim to transition the board role fully to governance as resources permit.

- Consider altering the constitution to avoid conflicts of interest e.g. in situations where the principal is also a board member of the parent church to which the school board is accountable (Case A).

7.6.4 Relationships

- Pay attention to group dynamics and how all board members interact in an effort to build positive relationships, a culture of teamwork and a cohesive board.

- Actively work to maintain positive relationships with the principal as a partner.

- Consider training in team building to strengthen relationships between board members.

- Examine whether the board's culture supports teamwork and consensual decision-making.

- Learn to resolve tension and conflict between members (e.g., through training).

- Identify and eliminate actual or potential board member behaviours motivated by self-interest or increasing individual power.

- Actively engage the parent community to discharge the board's accountability to service recipients, to help in recruiting members and to help parents understand the board's role in governing the school.

- Actively seek to strengthen relationships with other stakeholders, e.g. a founding church.

7.6.5 Competence

- Conduct an audit of the board's current and desired collective competence, including professional competence (e.g., financial or legal) as well as general management and governance competence (e.g. strategic thinking). Use a targeted recruitment strategy to fill gaps.

- Consider recruiting board members from outside the parent community to fill gaps in knowledge or experience. Changing the constitution may assist.

- Ensure new members receive induction, particularly to explain the board's Focus, governance Approach and Role in relation to the principal.

- Ensure the principal is competent to act as the school's CEO and provide opportunities for him or her to develop competence in areas such as finance or human resource management as needed.

- Ensure the board chair is competent to steer members towards governance by stimulating governance intention, developing members' understanding of the GEFs and the transition process, researching and explaining models of governance, managing the principal's role in meetings, leading members to build good internal and external relationships, and implementing the board policies and processes needed for governance.

- Engage in board member succession planning, particularly for key roles such as the Chair, Deputy Chair and ensuring board competence in key areas (i.e. strategy, legal and financial).

7.6.6 Processes

- Ensure written policies and business processes are in place that seek to achieve the board's goals, particularly through clarifying its Focus, Approach and Role and ensuring its Competence.

- Regularly (at least annually) review board performance in all GEFs.

- Regularly (at least annually) reflect on its accountability to:

    i. stakeholders including service recipients, the founding church (if relevant), other local community members and staff

    ii. public standards concerning education, ethics and prudence and other relevant areas of public interest.

- Ensure well planned meetings, with the agenda and supporting documents distributed beforehand and proceedings accurately minuted to clarify policies, decisions and actions. Ensure that the chair has good facilitation skills and the principal understands his or her role in discussions.

- Regularly update the board handbook (policy manual) and encourage members to refer to it in meetings.

- Include a code of conduct for members in the handbook and ensure members' views on it are regularly considered.

- Implement subcommittees and working groups as appropriate to increase the board's efficiency.

7.6.7 Consideration of Context

- Regularly (at least annually) scan the internal and external environment for issues affecting the school's future in relation to the GEFs.

- Ensure the governance approach adopted is appropriate for the environment in which it operates.

- Ensure the board considers the schools position with regards to actual and projected student numbers and it its position in its organisational life-cycle in determining the balance of operational and strategic focus.

7.7 Implications for Future Research

A number of implications for future research were mentioned earlier in this chapter, including the need to replicate the findings and test the model and frameworks in different schools and geographical or sociocultural settings. When boards have the resources to transition to governance, and what practical and conceptual issues they face in this process, have also emerged as key concerns receiving little research attention so far. A longitudinal study of boards transitioning to governance could explore this process in more detail than possible in this cross-sectional study. How governance intention emerges in this process has also received little research attention so far.

Concerning research methods, different approaches to gathering data from board members were discussed, including asking respondents to explain their understandings of governance or seeking their views on an authoritative definition of it. Whether members' perceptions of their board's functioning in the GEF areas are generally accurate or biased also emerged as important in developing governance capacity. Future studies should use multiple methods to triangulate findings rather than assuming the accuracy of questionnaire or interview responses.

Another important gap in the literature is the role of *conflict and tension* in relationships between the board and the principal, between board members and, perhaps less frequently, between the board and parents. Future studies should examine the hypothesis that boards can expect more conflict when transitioning from an operational to a governance focus, since this often requires letting go of a deeply entrenched mindset and overturning the power relationship between board and principal. Conflict may also be engendered by the more complex, ambiguous and often socially contested nature of the issues boards face when governing. How boards can and should deal with conflict, the chair's leadership role in this and the board's culture are therefore key areas for investigation. Finally, options for

developing members' conceptual and interpersonal skills are so far largely unexplored in the literature.

Research extending the present findings could examine how the GEFs and the transitional model and framework presented in Chapter 6 might be adapted to schools in larger systems, including government and church-run systems. For example, government schools in WA are increasingly run on a semi-autonomous basis as Independent Public Schools (Clarke, 2017; Gobby, 2019), and this is also true to varying degrees in large school systems such as the Catholic or Anglican systems (Leggett et al. 2016).

The findings of this study could help *non-profit organisations in other sectors* navigate the paradigm shift from operational management to governance, a challenge widely faced among non-profit organisations (Carver & Carver, 2001; Carver, 2006, 2009; Renz, 2011; Renz & Herman, 2016; Willems, Jergers, & Faulk, 2016). Indeed, it appears there is little in the present findings that does not apply to small to medium-sized non-profit organisations in general. Their generalisability outside education is therefore an important subject for future research.

7.8 Concluding Statement

Previous research has suggested boards of non-profit organisations often fail to govern effectively. However, there has been relatively little research on this issue in independent school boards, and none focussed on the specific challenges faced by small to medium-sized schools. How well boards of these schools understand, and practise governance were the key questions of this study.

A review of the literature failed to identify a widely accepted definition of governance and discussions of it covered diverse areas. Synthesising these led to a definition focused on accountability, oversight of the school's strategic direction or mission and oversight of the principal. Previous studies have suggested school and non-profit boards frequently take a narrow view of their accountability, focus on operational management rather than governance and act to support rather than oversee the CEO or principal.

Previous studies have conceptualised governance in a variety of frameworks but these tend to be difficult to reconcile with other models and too broad to be of practical value to board members. A framework of GEFs was therefore developed to translate the definition above into seven distinct and assessable components. This was employed in case studies exploring governance effectiveness of seven boards of small or medium-sized independent Western Australian schools.

The findings show boards typically have little understanding of governance, focusing instead on supporting the principal to manage the day-to-day operations of the school. Boards were rarely effective in more than one or two GEFs. None had a strategic focus or broad interest in accountability, and most did not hold the principal accountable. Around half showed some interest in improving the board's operations, but this generally involved operational management rather than governance. The one exception had consciously developed a governance outlook over multiple years and was generally effective in this, although it had still to develop strategic oversight. Small schools were predictably particularly disadvantaged by their lack of resources, including board member competence. While all boards had a good sense of their school's mission, providing a good base on which to build governance, none had developed this into the strategic focus needed for effective governance.

Several unanticipated themes emerging from the data analysis offer guidance for boards and suggest directions for future research. One is that moving from operational management to governance is not a simple, single-step process. Boards first need to develop the *intention* to make this challenging transition: chairs or other 'change champions' need to instil understanding of how governance differs from management in members, and they may encounter resistance from members attached to the old paradigm.

Boards then need to consider *when and how* to make the transition, considering their size and resources. The first step is likely to involve overseeing the principal and otherwise accepting responsibility for the school's educational services and long-term development of its mission. In terms of the GEFs, boards should first change their Focus (from operations to governance), Approach (by developing a specific model of governance) and Role (overseeing instead of supporting the principal), later adjusting their Relationships, Competences and Processes to fit the new approach.

Finally, boards should *regularly review* their effectiveness in each GEF and *adjust their governance model* according to how it works and fits with their context over time.

Combining these process-oriented themes led to a model of the transition process and a framework for making key decisions aimed at guiding boards and future researchers. This study therefore adds to the body of knowledge on independent school governance by offering a more specific model of what governance involves, by showing how boards typically misconstrue their role in overseeing the school's direction, and by offering guidance on how to work through this difficult paradigm shift in outlook. The findings suggest greater attention to the transition process is needed in both the academic and practitioner literatures. The model and frameworks developed in this study should provide a good starting point for this.

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Appendices

Appendix A: Information Letter to Study Participants

<div align="right">Researcher: Matthew Bambach</div>

<div align="right">6304 5278</div>

Dear Board Member

Re: Research in Board Governance Effectiveness (Independent Schools in WA)

I am a PhD candidate in the School of Management at Edith Cowan University, Perth. I am conducting research into the effectiveness of board governance in independent schools in Western Australia and seek your voluntary participation and assistance.

Permission is being sought from your board to allow the researcher to: conduct interviews with board members, request board members and the Principal to complete a survey, review selected documentation (such as selected agendas, policies and minutes & subject to confidential information being omitted) and to observe part or all of a board meeting. The researcher will provide a summary of the feedback obtained from your organisation to the board chair.

The remainder of this letter contains information about my research and provides details about anonymity and confidentiality and what happens to the information you provide. If you have any questions please contact me on (08) 6304 5278.

Title of the project:

Board governance effectiveness in independent schools – an analysis.

Contact details:

Matthew Bambach
School of Management
Edith Cowan University
Joondalup Campus
Ph: (08) 6304 5278, e: m.bambach@ecu.edu.au

Description of the research:

The researcher aims to answer the following questions:

1. Are small to medium-sized Western Australian Independent Schools Boards effectively governing?
2. What can boards of small to medium-sized Western Australian Independent Schools do to maximise their governance effectiveness?

Confidentiality of information:

The researcher will ensure the highest levels of confidentiality. No organisation or individual will be specifically identified without written consent. A summary of the information provided from your organisation will be provided to your board chairperson.

Results of the study: Results will be primarily used as part of a PhD research project. Participating organisations will also be provided initially with a summary of the responses from their organisation and later with an overall summary of the findings and recommendations arising from the research project.

Withdrawal of consent:

Any participating organisation may withdraw their consent at any stage by notifying the researcher.

Potential benefit to you and others:

All boards can benefit in discovering how to maximise their governance effectiveness. Participating organisations will be provided initially with a summary of the responses from their organisation and later with an overall summary of the findings and recommendations arising from the research project targeted at enhancing board governance effectiveness in WA Independent schools. Hopefully each participating board will find the information from this study extremely useful.

Questions and or further information:

If you have any questions or require any further information about the research please contact Matthew Bambach (see contact details above).

If you have any concerns or complaints about the research project and wish to talk to an independent person, you may contact:

Research Ethics Officer
Edith Cowan University
270 Joondalup Drive
Joondalup WA 6027
Phone: (08) 6304 2170
Email: research.ethics@ecu.edu.au

I look forward to analysing the information provided to me by those who complete the survey. Thank you for your assistance with my research.

Yours faithfully,

Matthew Bambach

Researcher

Appendix B: Statement of Informed Consent

"Board Governance Effectiveness in Small to Medium-sized Independent Schools in WA"

(Researcher: Matthew Bambach)

This form is to be completed by all participants in the above mentioned research project.

I am a participant in the study conducted by Matthew Bambach into board governance effectiveness.

I _____ agree to participate in the study. Furthermore I:

- Have been provided with a copy of information letter, explaining the research study

- Have read and understand the information provided

- Have been given the opportunity to ask questions and have had any questions answered to my satisfaction.

- Am aware that if I have any additional questions I can contact the research team.

- Am aware that participation in the research will involve surveys, interviews, documentation review and observation of a board meeting.

- Understand that the information provided will be kept confidential, and that the identity of participants will not be disclosed without consent

- Understand that the information provided will used primarily for the purposes of this research project and understand how the information will be used.

- Understand that data collected for the purposes of this research may be used in further approved research projects provided all identifying information is removed.

- Understand that I am free to withdraw my consent from future participation at any time, without explanation or penalty

- Freely agree to participate in the project.

Participant :   Date :

Researcher: Date :

Appendix C: Survey Questions

Board Governance Effectiveness in Small to Medium-sized Independent Schools in WA

Board Member Survey

Thank you for agreeing to being part of this research. This research is part of a PhD Thesis by Matthew Bambach. Please take a few minutes to think about the governance effectiveness of your school board.

Some questions request your comments. In most cases the responses to questions involve a brief description or deciding on a number from 1–5 or 1–3 as follows:

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

Or

1	2	3
No	Yes	Don't Know

Please read each statement carefully before deciding the degree to which you agree or disagree with the statements.

The survey will take about 20–30 minutes to complete. Please return the completed survey reply paid (no stamp required) to:

Matthew Bambach
School of Management
Edith Cowan University
Reply paid 75533
JOONDALUP WA 6027

or via email
m.bambach@ecu.edu.au

Thank you very much for your time.

Board Member Survey

School Focus

1. I know the school's **mission** well enough to explain it to others.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

2. I know what the school's **vision** is well enough to explain it to others.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

3. I know what the school's main **strategic goals** are well enough to explain them to others.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

4. The school board is very focused on achieving the school's **mission.**

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

5. The board is very focused on achieving the school's **vision**.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

6. The board is very focused on achieving the school's **strategic goals**.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

7. Please feel free to add any other comments on your board's focus on mission, vision and strategic goals.

_____

_____

_____

Governance Approach

Some boards have chosen to adopt a specific approach or model to governing (e.g., Carver's Policy Governance model). Some adapt these models to their organisation. Some boards are strategic in approach, others are operational.

8. The board uses a specific (or adaptation of a specific) approach to governance (e.g. Carver's Policy Governance Model).

1	2	3	4	5	6
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Don't Know

9. The current governance approach or model is the most effective approach for our board.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

10. What can be done to improve the governance approach adopted by your board?

_____

_____

_____

Environmental Context

(Environmental factors include among others: legislation, competitors, suppliers, funding, staffing and organisation culture).

11. What environmental factors do you think school boards should consider in their governing task?

_____

_____

_____

12. My board appropriately considers environmental factors in governing.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

Relationships with Stakeholders

13. The board has good relationships with its key stakeholders (e.g., Principal, school community).

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

14. The relationship between current board members is always good.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

15. The relationship between the board and the Principal is good.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

16. The relationship between the board and the school community is good.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

17. The relationships between the board and those mentioned above influence board effectiveness.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

18. The stakeholders view the board as effective.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

19. Please feel free to add other comments on your board's relationships?

_____

_____

_____

Board Roles, Responsibilities & Duties

20. Please describe what you believe is the role(s) of your board.

_____

_____

_____

21. The board is effective in fulfilling its role(s) as a governing board.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

22. I understand the role(s) of the board.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

23. I understand my role(s) as a board member.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

24. Our board has sufficient knowledge and skills to effectively govern.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

25. Please describe how you see your role(s) as a board member.

_____

_____

_____

26. Please rank in order of 1–5 (1 is the highest) the statements that best describe the role of your board:

Rank Between 1 & 5 (1 High)

Figurehead for the school	
Protectors of the school	
Guiders of the school	
Developers of the school	
Other (please state)_____	

27. Describe the main areas of **difference** between the roles of your board and your management team (i.e., the management team being your senior paid employees).

_____

_____

_____

28. Describe the main areas of **similarity** between the roles of your board and your management team.

_____

_____

_____

29. Briefly describe the skills, experience and knowledge that you bring to your role of board member.

_____

_____

_____

30. The board has the intellectual capital it requires to effectively govern.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

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31. I have the skills, knowledge and ability to contribute effectively as a board member.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

32. What training, help or support would make your role as a board member more effective?

_____

_____

_____

Board Processes

33. Describe what your board actually does in the board room (where does it focus its energy? What types of matters does it regularly discuss?)

_____

_____

_____

34. Our board has an effective meeting procedure.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

35. Our board uses subcommittees.

1	2	3
No	Yes	Don't Know

If yes in what areas:

_____

_____

_____

36. Board members receive adequate training on board processes and responsibilities.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

37. The board uses good processes to evaluate its own performance.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

38. Describe the processes (if any) the board uses to evaluate its own performance.

_____

_____

_____

39. The board has a succession plan in place for board members.

1	2	3
No	Yes	Don't Know

40. The board has good processes in place to appoint the Principal.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

41. The board has good processes in place to monitor the Principal's performance.

1	2	3	4	5
Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

42. What processes improvements would you recommend for your board?

_____

_____

_____

43. What board's processes work particularly well in your board and contribute to its effectiveness.

_____

_____

_____

Further Comments:

44. Please feel free to add any other comments about improving effectiveness in this board or school boards in general (feel free to add an attachment if additional space is required).

_____

_____

_____

Thank you for your time and contribution to this research.

Matthew Bambach
Researcher

Please return to (no stamp required):
        Matthew Bambach
        School of Management
        Edith Cowan University
        Reply Paid 75533
        JOONDALUP WA 6027

        Or via email
        m.bambach@ecu.edu.au

Appendix D: Example Record of Survey Responses (Case E)

Board Member Survey Responses

Responses Received: 6

Knowledge of board mission

I know the schools mission well enough to explain it to others
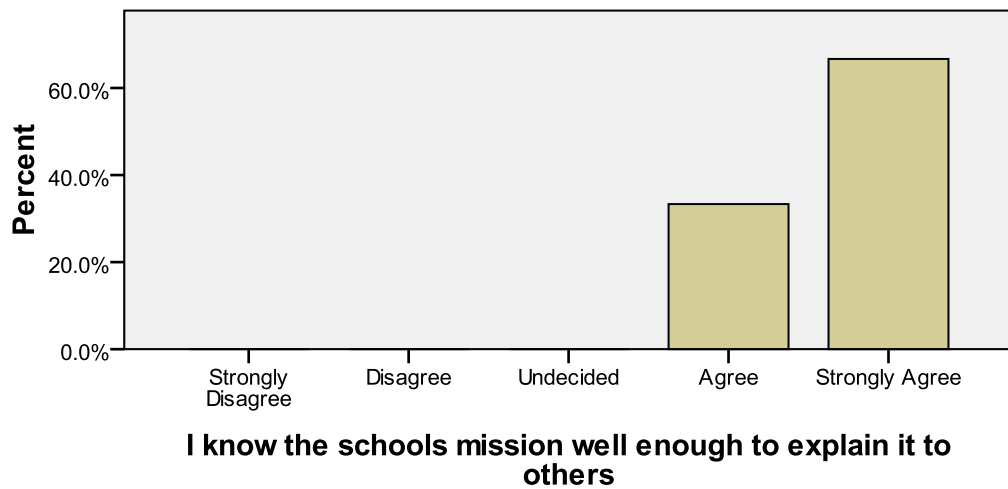
Able to articulate board vision

I know the school's vision well enough to explain it to others.
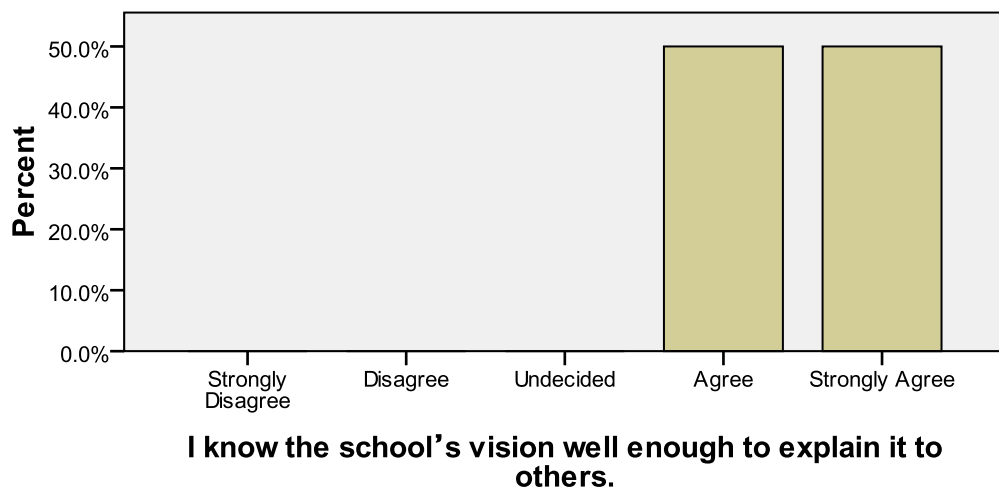
Able to articulate strategic goals
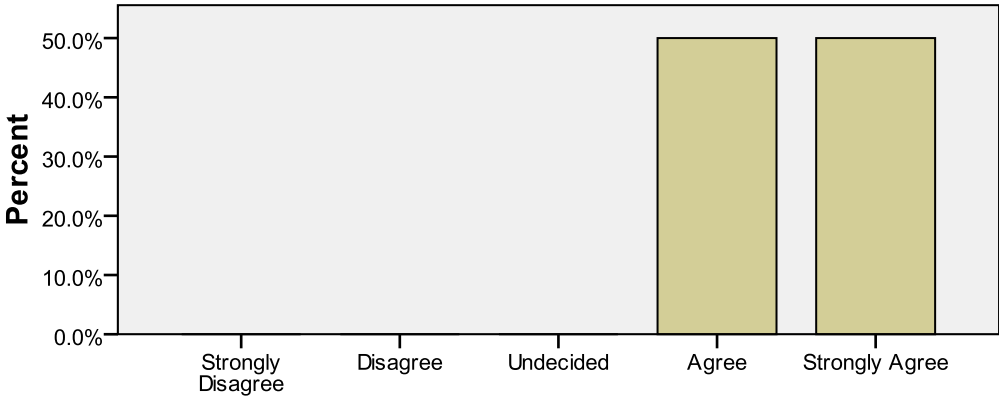
I know what the school's main strategic goals are well enough to explain them to others.

Board's focus on goals
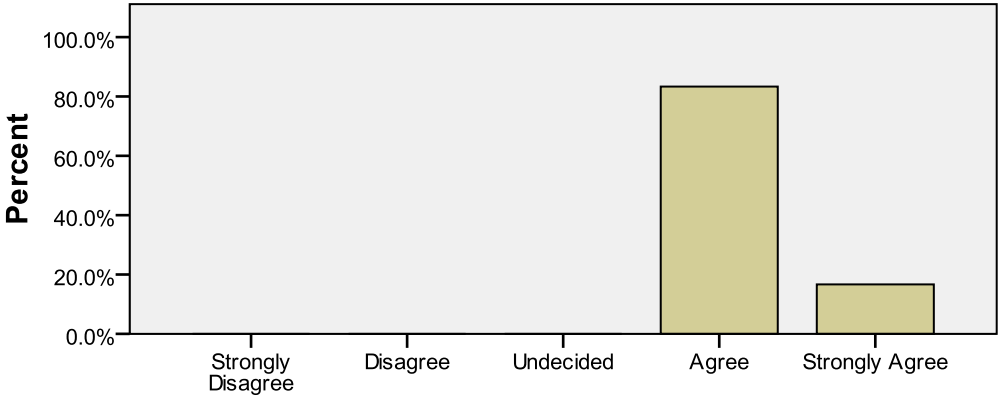
The board is very focussed on achieving the school's strategic goals.

Board's focus on achieving vision
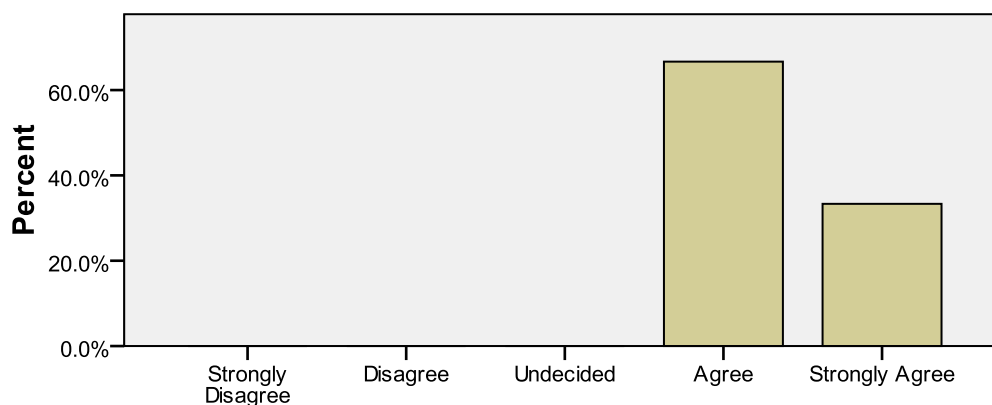
The board is very focussed on achieving the school's vision.

Board's focus on achieving mission
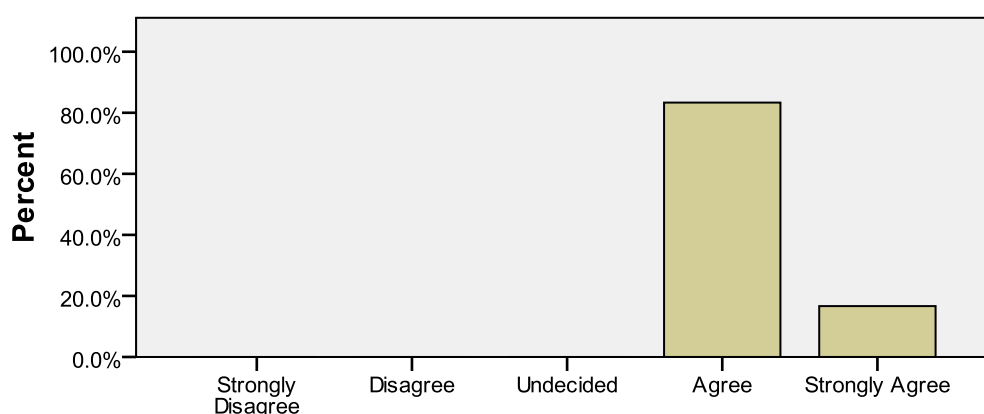
The school board is very focussed on achieving the school's mission.

Comments regarding board's focus on mission, vision and strategic goals.

I am a new board member. I have joined the strategic planning meeting and will have our first meeting on Monday. I intend to become more involved in the schools strategic planning and through more discussion at meetings. I will be able to see the boards support for the vision.

I am the staff representative on this board and on the strategic plan committee.

Can be distracted by operational matters, internal politics and simple issues.

I think at times the boards focus is more on 'business' than the core business of the school 'education'.

The board has adopted a specific governance approach
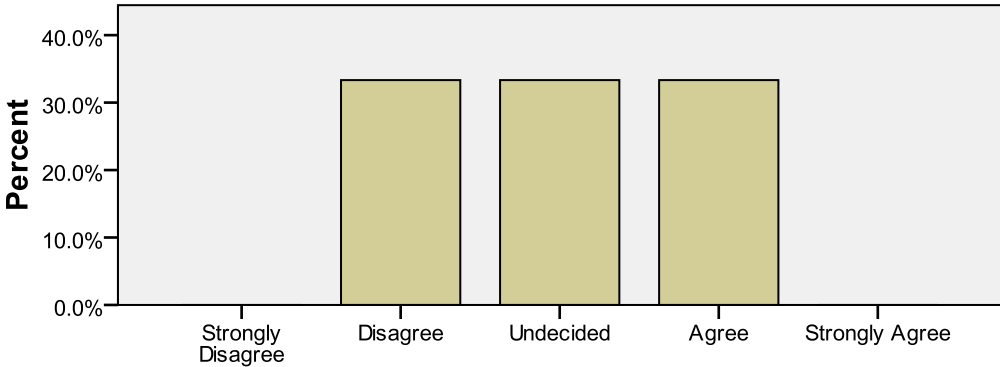
The board uses a specific (or adaptation of a specific) approach to governance (e.g. Carver's Policy Governance Model).

View of effectiveness of current governance approach
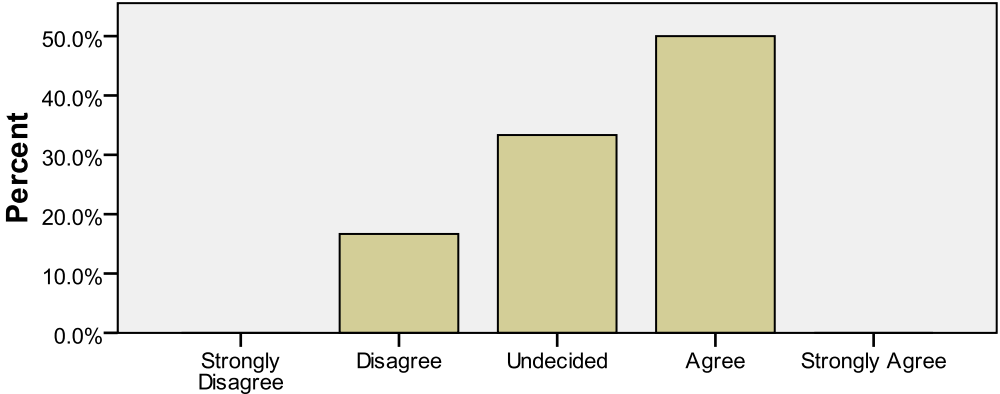
The current governance approach or model is the most effective approach for our board.

Ideas to improve the governance approach.

Our board runs very smoothly under the guidance of our chair. Communication lines are very clear. I don't know if a specific model is used, but it runs very effectively with open communication channels.

Continued work on policies, financial planning and reporting. Communication

Look at other models. Explore what might be a better long-term model.

Environmental factors that should be considered in governing.

School culture, families, staff needs and requests, communicating effectively to the school community, government decisions regarding funding, grants.

Legislation, funding, culture, staffing and marketing

Legislation, competitors, suppliers, funding, staffing and culture.

Organisational culture, funding, staffing, stakeholders, school mission / vision.

Legislation, changing scene in incorporated bodies, alternative funding, their role in governing.

Funding, legislation, misunderstanding, parental bias.

Consideration of environmental factors
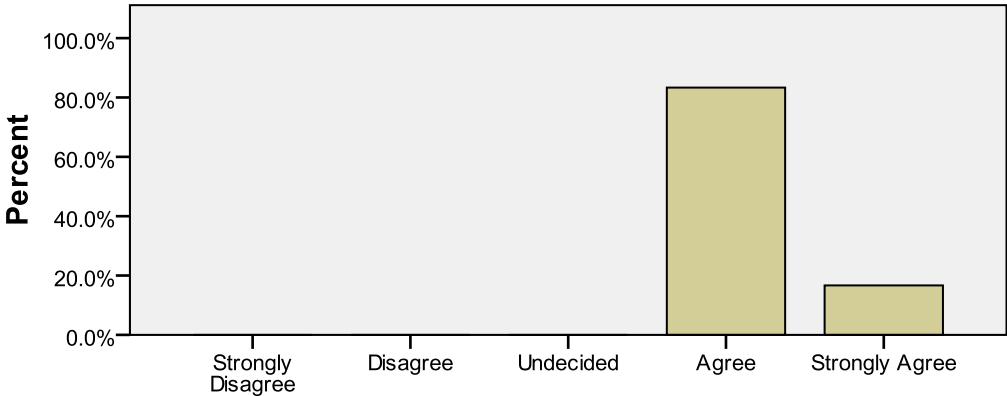
My board appropriately considers environmental factors in governing.

Good relationships with stakeholders

The board has good relationships with its key stakeholders (eg Principal, school community).

Good relationship with Principal / CEO
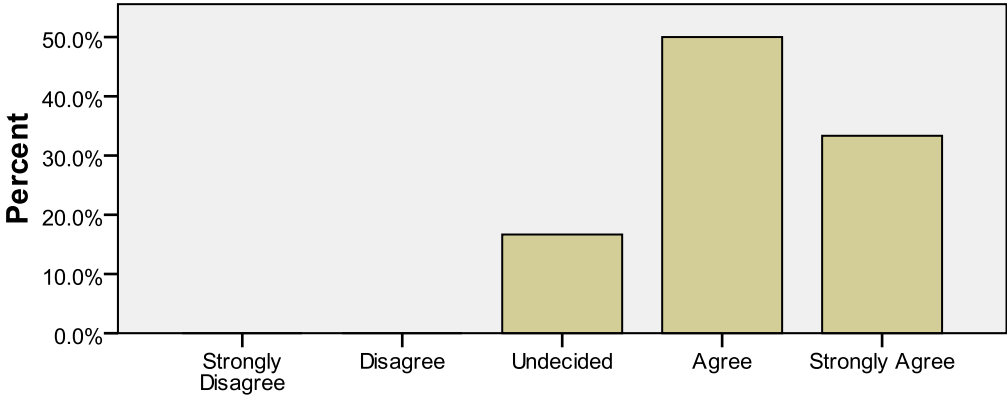
The relationship between the board and the Principal is good.

Good relationship with the school community
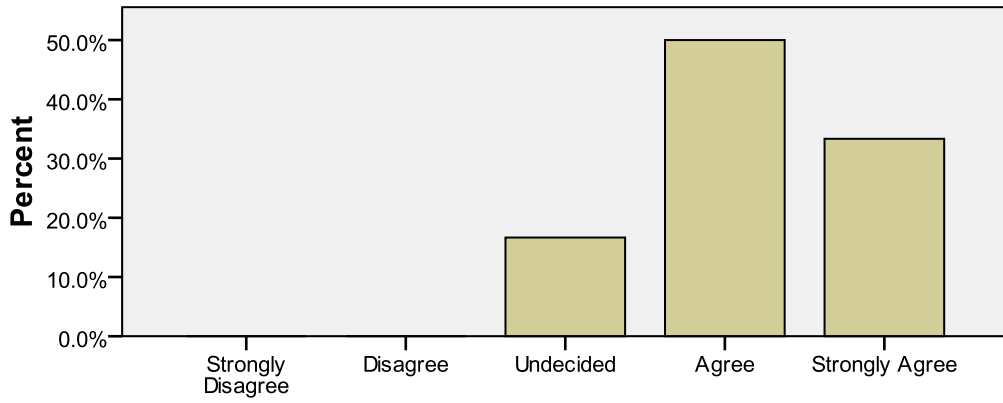
The relationship between the board and the school community is good.

Relationships' impact on board effectiveness
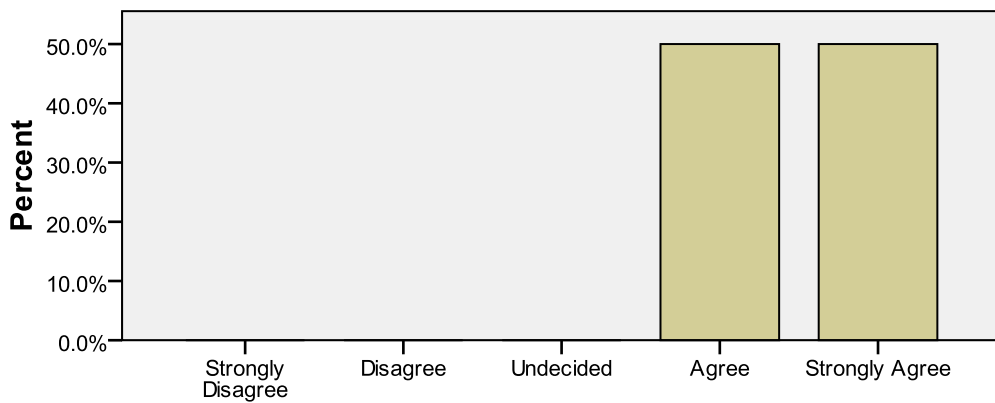
The relationships between the board and the Principal / school community influence board effectiveness.

Stakeholders view board as effective
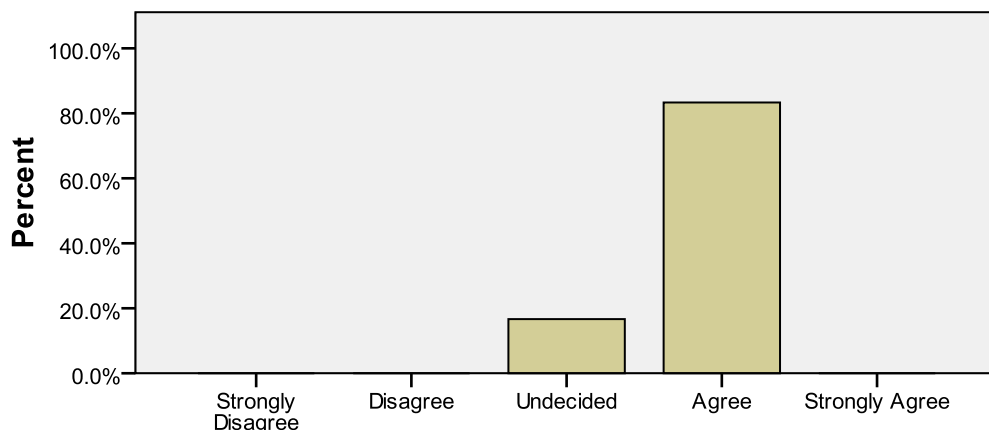
The stakeholders view the board as effective.

Comments regarding board's relationships with stakeholders

Our two co-director Principals are board members. The present board has a lot of respect from the community for their strong commitment and passion for the school and for the work they dedicated to helping the schools recovery from the previous board.

Strong working relationship, common purpose forged by past difficulties with previous board.

Effective board management requires maximum openness, honesty and transparency from all parties.

Probably one of the better community boards I have been on as it works (no doubt due to past conflict) united and respectfully.

Role of the board

Guidance for the future of the school through thorough strategic planning. Ensuring clear communication of school policy and ongoing planning to the community of parents.

Guide the direction of school, assist management in areas such as finance and strategic planning.

The governance of the school outside of educational goals and day-to-day management.

Provide governance, provide strategic plan, ensure vision is followed, guide management, act as a 'fall-back' to ensure management acts properly especially re finances.

To manage the overall strategic direction of the school, manage its finances prudently and employ key staff e.g. Principal, stay informed in relation to educational direction.

To maintain a focus on the educational philosophy of the school and supporting the school to achieve their goals.
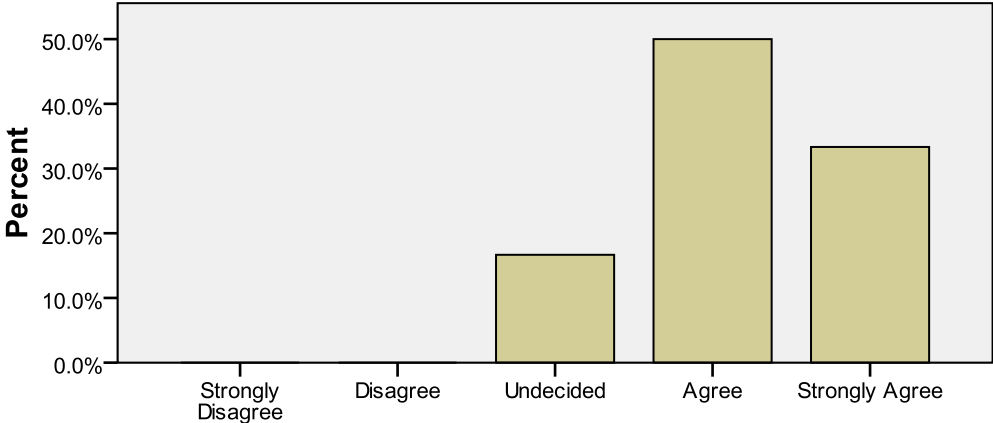
Effective as a governing board

The board is effective in fulfilling its role(s) as a governing board.
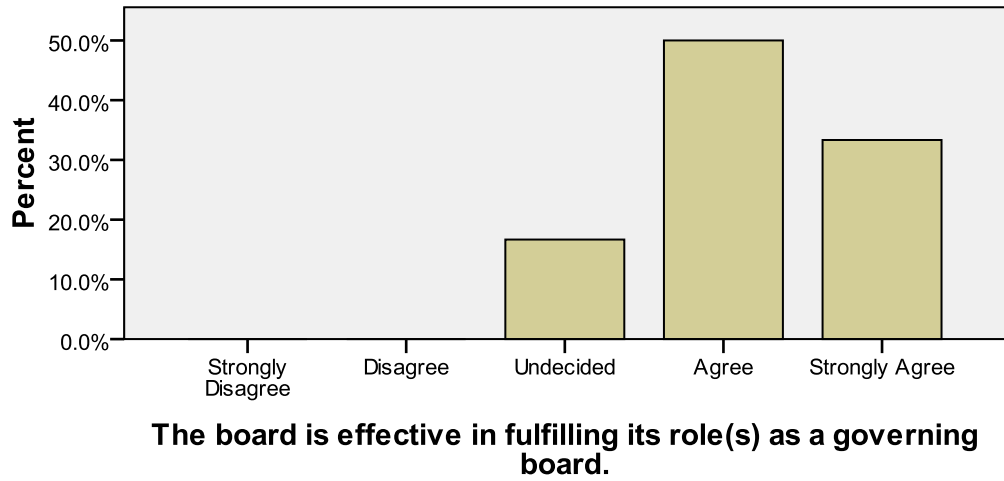
Understands the board's role
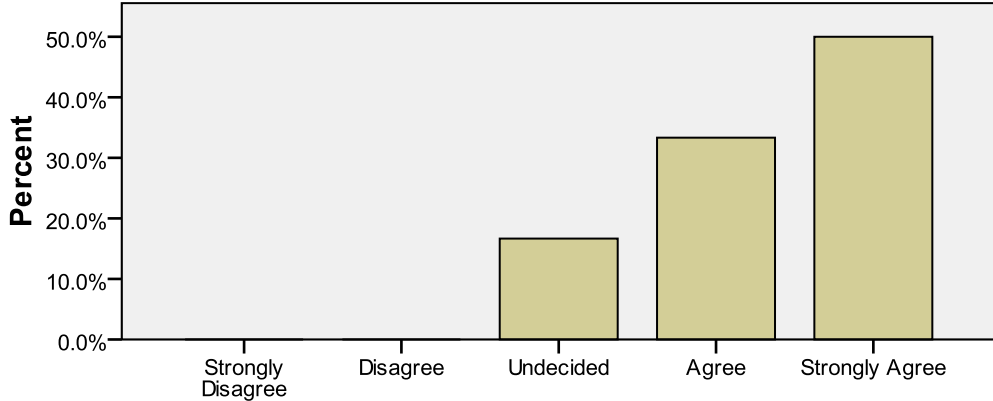

I understand the role(s) of the board.
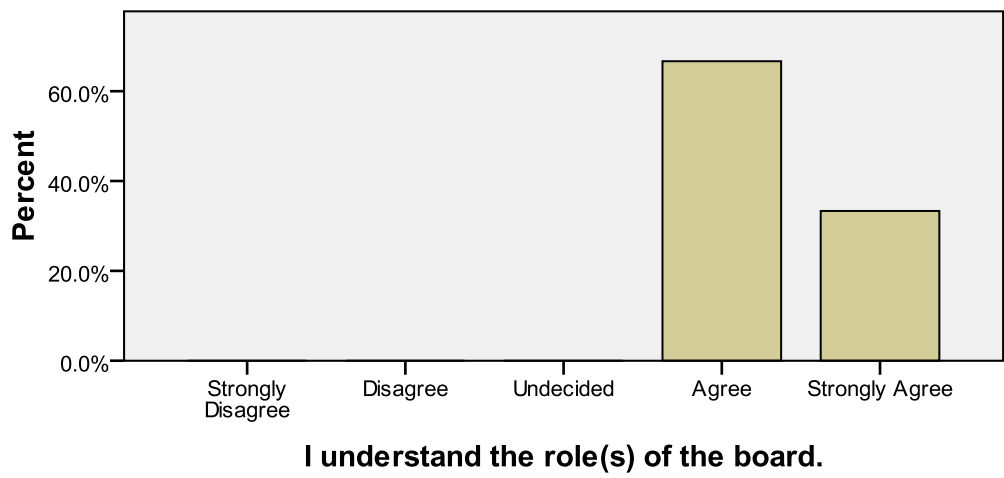
Understands own role on the board

I understand my role(s) as a board member.

Board has sufficient knowledge and skills to govern effectively

Our board has sufficient knowledge and skills to effectively govern.

How board members see their role as board members.

I am a recent addition to the board. I look forward to my involvement as a member of the strategic planning group and as chair of the fundraising committee.

Be open minded, represent community, follow board decisions, confidentiality. Provide assistance in my areas of expertise.

I strongly agree with our policy to include staff representatives, but have some difficulty in using my position effectively and choosing appropriate avenues for issues (admin? Principal? board?).

Use my skills (legal, governance & financial) to assist management when required, develop strategic plan, review proposals put forward by management – but not act as management.

Contribute strategic comment on various issues as they arise. To inform board members of items that may affect strategic direction, governance and fiduciary duty.

As a provider of information.

Average rank of statements that best describe the role of the board (1 highest)

Role	Av. Ranking	Ranking
Figurehead	4.2	(4, 4, 5, 4, 4, 4)
Protectors	2.2	(3, 1, 4, 1, 1, 3)
Guiders	2.2	(1, 2, 2, 3, 3, 2)
Developers	2.2	(2, 3, 3, 2, 2, 1)
Other	3	(5, 1)

Other:

- Approachable group of people who can represent the community's needs (5)

- Communication hub – connecting all parties inside to outside community (1)

Areas of difference between the roles of the Board and Principal / Senior Management

The reports of the management team are presented to the board for question or comment. The board therefore offers a second (not higher) level of clarity on schools issues that have been addressed by management.

Board role and assisting, not managing. Provide stability and represent community.

Different skill base – representing parents – voted representatives.

Board governs and provides direction to management which runs the school.

The management team is operational and the board is mostly strategic.

Board – big picture / finance. Management team – day-to-day development and business.

Areas of similarity between the roles of the Board and Principal / Senior Management

The main similarity is that the board and management share the common goal of the ongoing good for the school community. Both groups therefore work this goal.

Foster school culture, enhance outside communities perspective of school.

Shared goals and vision.

Working together and using skills when required to assist in management (eg legal skills used to review lease documents).

Some involvement in operations by board.

Communication with the community / budgets / cash flow

Individual skills, experience and knowledge brought to the role of board member

My children, 6 & 4 years old attend _____ (school A) and therefore I am on the board as a parent representative. I have a law degree, worked in Japan as a teacher, worked in trade and I am now studying teaching. I am a keen organiser and therefore enjoy fundraising activities.

Finance, real estate, project management.

Staff member with experience in all areas of the school – developing middle school into High School.

B.Ec, MBA, MComLaw, FCPA, FCIS. Currently director of 2 listed companies, 20 years plus experience as a company secretary and CFPO for listed companies, plus 10 plus years on community boards (sporting and school).

Business and management background and 20 years experience on NFP Boards including currently a National and State NFP Board.
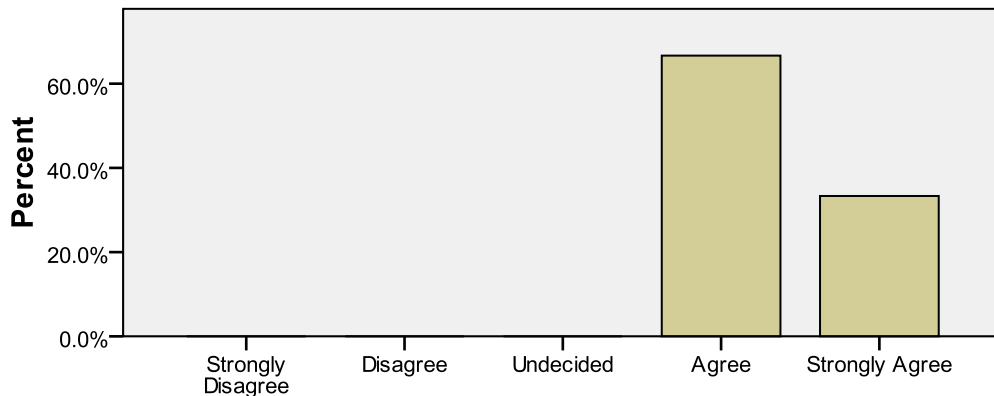
Education, business, parent.

Board has sufficient intellectual capital to govern effectively
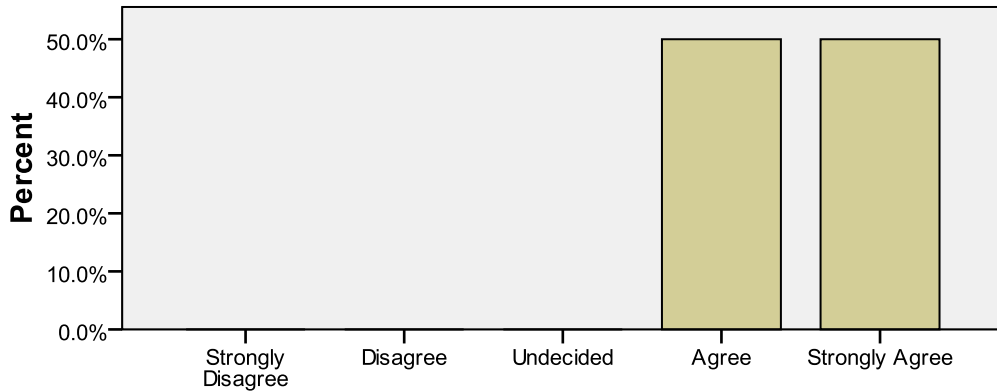
The board has the intellectual capital it requires to effectively govern.

Individual board members skills and abilities contribute to governance effectiveness

I have the skills, knowledge and ability to contribute effectively as a board member.

Suggestions for training to make board roles more effective

Better understanding of school. Philosophy of Reagio(?).

Unfortunately my role is uncommon and actually discouraged by school board advisory folk. There is little precedent other than our own previous members.

None. As I have many years working with and as a board member.

There is a choice to attend (training) and most don't.

What the board does and discusses in the board room.

We follow an agenda which everyone has had a chance to contribute to. All members understand that they are welcome to contribute ideas. Reports: Financial, strategic, OH&S, Directors – all are tabled with an opportunity to comment.

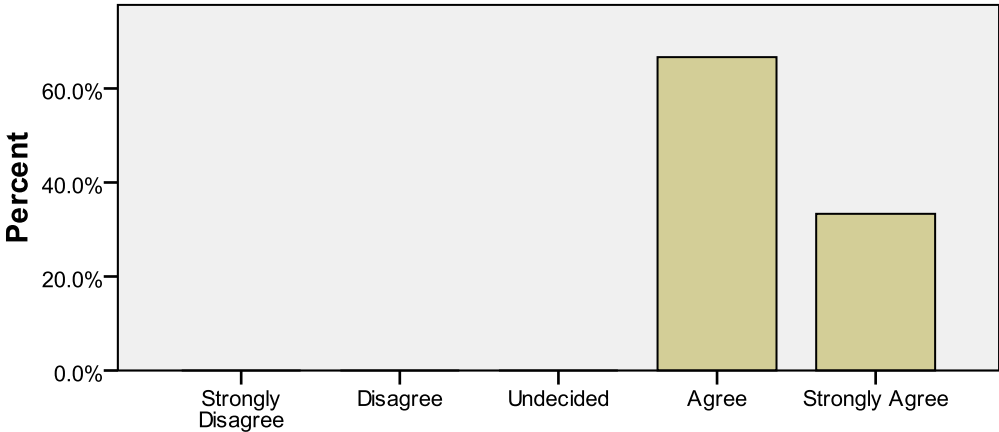Finance, OH&S, strategic plan, fund raising, marketing.

Conflict resolution, strategic plans, capital works, finance.

Evolves as required. Last couple of years very traumatic so worked through review of school, improving information flow, updating policies & procedures. Currently working at strategic plan for next five years but also reviews regulars such as monthly management reports, finance reports especially cash flow projections, OH&S professional development.
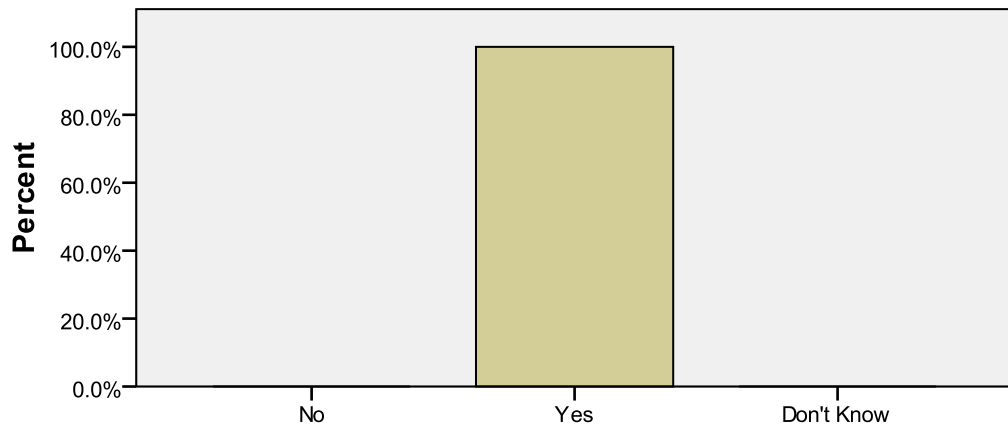
Operational issues, finance.

Financial control, policy, strategic planning, communication and marketing.

Effective meeting procedures

Our board has an effective meeting procedure.

Uses subcommittees

Our board uses sub-committees.

Areas of sub- committees

Strategic planning, financial, fundraising.

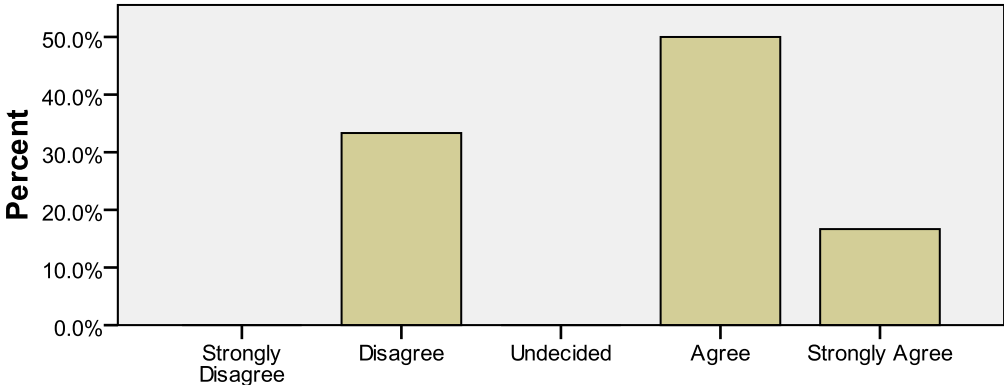Fundraising, finance, strategic plan, HR.

Finance, fundraising, strategic plan.

Strategic plan, fundraising, finance.

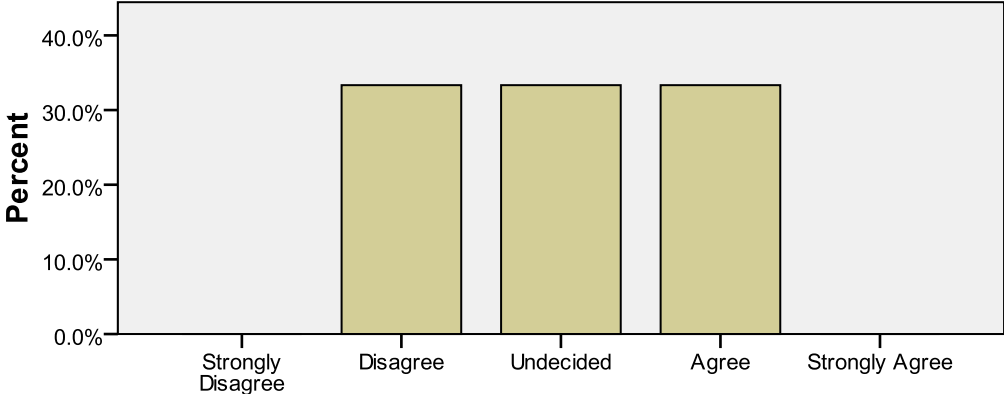Finance, strategic planning, fundraising

Strategic planning, finance, ITC

Adequate board training on processes and responsibilities

Board members receive adequate training on board processes and responsibilities.

## Good processes used to evaluate performance

The board uses good processes to evaluate its own performance.

Processes used to evaluate performance

AISWA offers board review. Community forums are held to allow the community to contribute to strategic planning discussions.
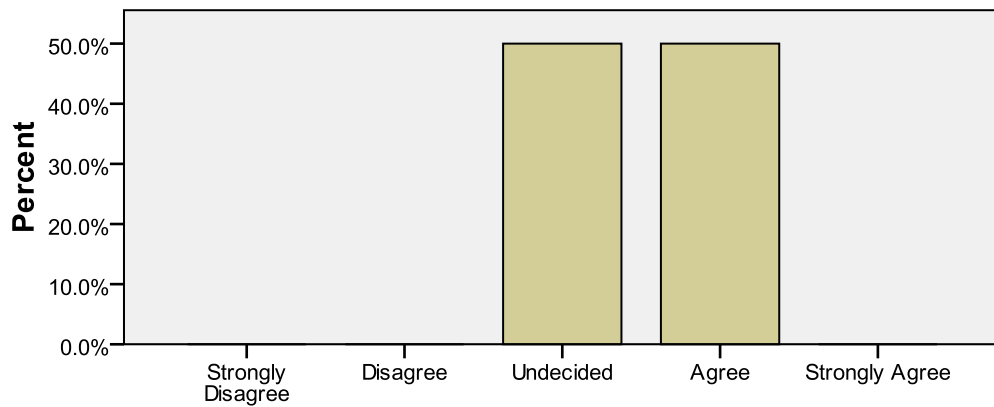
Not formal but we have been under intense scrutiny from community to deliver on range of actions mandated at AGMS's and have delivered. Community support, which is very strong our best guide.

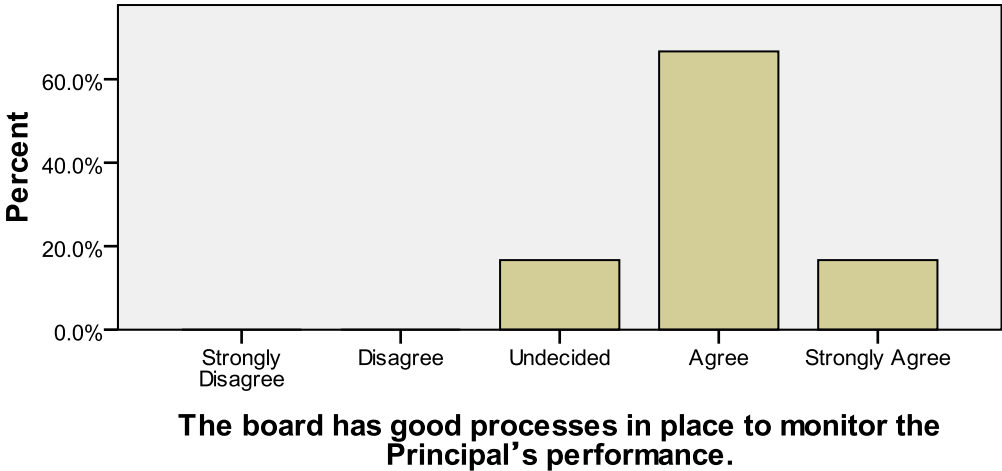## Succession plan in place for board members
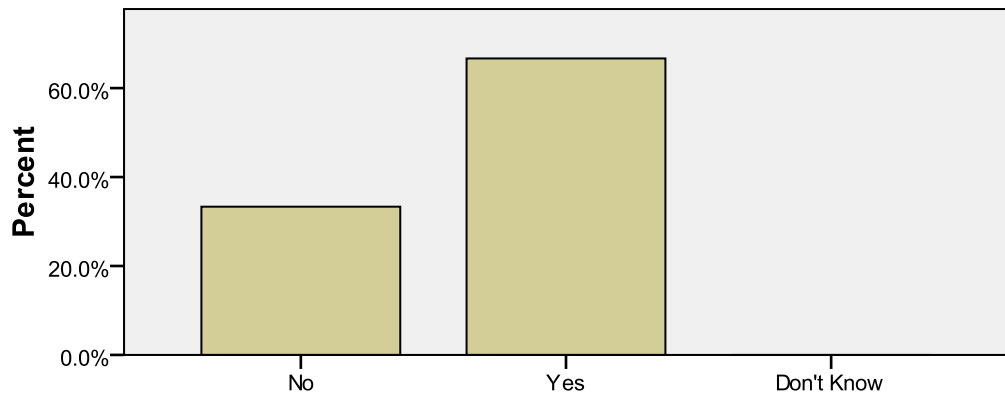
The board has a succession plan in place for board members

Good processes to appoint the Principal

The board has good processes in place to appoint the Principal.

Good processes in place to monitor the Principal's performance

The board has good processes in place to monitor the Principal's performance.

Processes improvements recommended for the board.

I haven't been involved in the appointment of the Principal and hope that I don't need to be as we have two excellent directors.

Better use of time, oversee not micro-manage, study papers beforehand.

Suspect some board members don't review monthly reports fully before meetings and arrive fully briefed.

To become more strategic and have a better understanding of governance.

Board's processes that work particularly well and contribute to its effectiveness.

The opportunity to communicate openly, and the knowledge that all opinions are welcomed for comment. The organisation, led by the chair. The strong relationships between the chair and the directors / Principals.

Significantly improved reporting across all areas.

Open communication, strong leadership.

Use of subcommittees saves time and focus' energy. Chairman usually sets fairly tight deadlines for achieving targets.

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Good agenda sent out in advance, reports sent out in advance, opportunity for input into the agenda always available.

Check in / check out procedure.

Additional comments regarding enhancing board effectiveness in general

I think it is important for boards to remain open and apolitical, not creating 'factions', but taking on board all comments and suggestions.

Keeping personal and vested interest out. Represent community as a whole and fairly.

The board has worked very well to overcome a time of crisis. Its challenge is to move forward and let go of the past.

Appendix E: Semi-Structured Interview Template

Note: Being semi-structured the interviewer used this template as a guide and would add probing questions as appropriate.

General Questions	Record of Response
How did you get involved in this school board the first place?"	
How long have you been involved?	
Why do you serve on the Board? Do you enjoy it?" What do you find rewarding about being on the Board? What are the challenges?	
What do you do? What are your responsibilities and what sort of contribution do you try to make?	
Is this a good board to be part of? Why / why not?	
Do they do their job well? (probe: areas where effective, possible improvements / less effective)	
Do you think the board does things differently now to one /three/ five years ago? (probe: why? effectiveness)	

Areas of board work (Effectiveness Factor Areas)

Areas used as prompts for questioning: Probe 'effectiveness' and 'what actually is going on / how things are done by this board'

Area of Board Work	Record of Response
Relationships (between board members, Principal, chair, school community)	
Focus of the board work – Main Areas o Vision (setting & achieving) o Mission (setting and achieving) o Strategic planning (time devoted to, setting & implementation of strategic direction, areas of focus)	
Role of board, individual roles, your role	
Processes (meetings, board policies, procedure, documentation)	
Model of governance (if known)	
Competences – training / development, recruitment	
Environmental / Context Factors – External / Internal	

Other questions

Follow-up questions (e.g. from surveys / observations / documentation etc).

Area of follow up	Record of Response
Follow up questions ● ● ● ●	
Is there any other information regarding this board or other aspects impacting on the effectiveness of this board that you think would be useful for me to know?	

Thank interviewee for their time!

Appendix F: Board Observation Record Template

Researcher Observation of Board Meeting – Case (Insert):   **Date:**

Factors contributing to effectiveness of this meeting:

Factors contributing to ineffectiveness of this meeting:

Timing: Appropriate time on each agenda item / meeting length:

Chairing of the meeting: What is done well & can be improved?

Preparation for this meeting :
(E.g. When were the minutes for the last meeting sent out. When were the agenda & materials sent out / rec'd. Did board members have the opportunity time to do the required reading, action items etc.).

Main outcomes of meeting - Summary (e.g. staff appointment, setting goals etc.)

Main focus of this meeting – Summary (operations of school, strategic direction, reporting, monitoring etc)

Did this meeting achieve what it set out to achieve?   ALL   MOST   LITTLE

Observations relating to Governance Effectiveness Factors

- Process

- Focus

- Relationships

- Competency

- Context Consideration

- Board Roles

Other observations:

Appendix G: Semi Structured Interview Example Transcript

Note: This record is de-identified and confidential information has been removed. In this interview the word 'the board' is sometimes referred to as 'the committee'.

<u>**Motivation and Governing Challenges**</u>

Question:

How did you get involved in this schools governing committee in the first place? & How long have you been involved?"

Answer:

There was a crisis at the school where the previous board had tried to sack the Principal, they had suspended her in what was effectively was immoral and at hastily convened community meeting the committee was called to account for their actions. After a lot of criticism from most of the people on the board & they ALL resigned at that meeting. Effectively there was no committee and no principal.

...I've served on the board 3 years. Everyone came on at the same time at the time of Turmoil.

...I have a son at the school. I wasn't wanting to go on the board it just happened.

Question:

You say you didn't want to serve on the board why do you serve on the Board? Do you enjoy it?"

Answer:

Let me first give you some background. A lot of parents of took offence. There was an attempt by the previous committee to take over the school and this was badly done. A lot of anger and disappointment. They didn't look at x's rights or contract. An interim person was put in place to do a review and run the school.

Another AGM was called and the current people on the board are the people that were elected at that AGM.

So we felt we had to join – we kicked them (the board) out.

Question:

What do you find rewarding about being on the Board? What are the challenges?

Answer:

...it was a massive time commitment during that first 18 months – particularly the first 12 months. Sometimes we were meeting 3x a month. The people that were on the committee were trying to hijack the school. Flowing on from this was massive amount of work. The people that went off the committee went the department of education casting doubts about financial viability, about the principal's competence. The department of education wanted a full financial audit. We were putting out fires all

over the place. It was at a time the school was doing renovations and the government then didn't want to pay up on the loans, so we had to restructure the loans, renegotiate leases. People were constantly suggesting that the school was going broke. Convincing parents to leave (30 or 40 students left).

We brought an auditor in. We undertook a full independent review of the school. A pretty onerous time. Much more onerous than now.

Question:

And what about what you find rewarding about serving on the board?

Answer:

Turning the board around and keeping the school open I guess.

Individual Role:

Question:

What do you do?" What are your responsibilities and what sort of contribution do you try to make?

Answer:

I am here because of my financial skills I suppose. Now I attend a monthly committee meeting and a finance committee once a month. Everyone on the committee does different things. It's a bit of grind.

Question:

Why do you say that?

Answer:

I'm busy and I'm tired. It's been an enormous time commitment. Too much!

Question: (Linked back to Motivation)

So why stay on the committee?

Answer:

…We all joined at the same time and made a commitment that we should stick at least one term out to kick start the board again.

Board Performance

Question:

Does the committee do their job well?

Answer:

We have done a fantastic job turning the school around from demonstrating why it should have its registration terminated. The school had major financial problem. This was a result of losing the 30 – 40 students from the grief x caused.

We have needed to drag the school into the 20th century as far as financial reporting, cash flows go.., and we have written or re-written policies and changed the constitution.

Competence

Question:

How would you describe your boards' capabilities?

Answer:

We are only as good as the people on the committee at the time. It is recognised that some board members have done most of the work X, Y & I. Others have not had the necessary expertise to do as much. X is resigning. I will only do another year or so. We can't afford too many half or 2/3 people coming off the committee at the same time as it may go off the rails because of lack of understanding of what it is all about.

Question:

Are there any specific areas you feel member skills are lacking?

Answer:

Many of the really important skills are covered but by a limited number of people. ...Not many of the board members are financially minded...But x is brilliant... some tend to just remain silent when we talk about the finances.

Relationships:

Question:

Please describe how you see the relationships between the board and the school community.

Answer:

The relationships with the school community are pretty good. Take the first 6 months out where there was constant criticism from a disgruntled group – There wasn't a week that went on where were lots of accusations of the board or management hiding things or protecting the Principals etc. It is hard to believe there was such a concerted battle. But the disgruntled group has disappeared. In the last 18 months we have only had a couple of disgruntled parents over normal things (fees etc.). At the time we had to have confidential meetings with parents coping allegations from every angle even after people left people were battling away. Incredible orchestrated affair People causing grief over the individual teacher sexuality, suitability of teachers, allegations of students molesting other students etc. we were

having to investigate just about everything possible that needed to be investigated. At worst there is an apathetic view - but a good relationship with the community.

Question:

Please describe how you see the relationships between the board and the school Principal.

Answer:

*The current relationship with the principal is good. We have our moments with the Principal. A bit of conflict over style of operations between the Principal and the Chair – They have a robust relationship – different philosophies. Not without a healthy admiration of the Principals role…..
(Other comments not shown).*

Question:

Please describe how you see the relationships between board members.

Answer:

A terrific relationship between board members. Rarely had any issues beyond people putting forward their views.

Question:

What are the strengths and weaknesses of the board?

Answer:

We have good strengths in the financial area because of the people we have on the board. Any commercial aspects of the school we have had a very good group of people.

Weaknesses – that this board might dissipate – as we all started on the same day. We had two people start last year – this will help a bit. If there are areas you don't have expertise that is a problem. Trying to get parent interest in join in board – when pending disaster and people feel threatened they are more likely to put their hand up than now where things are chugging along nicely. We have a Principal and financial controller on who both have voting rights and we have a teacher rep... I think we had to get one and they also have voting rights. (Other comments not shown).

Focus

Question:

What are the main areas of focus of the board? Do you discuss strategy, vision and mission?

Answer:

We have done some work on updating strategic plans such as the building plan.. going through a growth stage lot of work getting it to middle school from a primary school and now we have children in year eleven.

Our vision is growth. Lots of work on building plans rather than where it is going. If the school doesn't have a religious or some other background that gives some guidance and body to step in when things go array you are open to going off the rails. We tend to let management deal with those issues.

Process

Question:

So what do you spend your time on in board meetings?

Answer:

We have had conversations on how we keep on track after we are gone. You get people who may want to. A group of people may push for a school for special kids - high achievers, music the arts. We are looking to get a board where not everyone has people at the school. A couple of board members who don't do as much, but are there.

Question: (back to competence)

What do you think could be done about this?

Answer:

Perhaps we should have board members who don't have kids at the school but can keep the school on track with its direction and philosophy. Who don't do as much - but are there to add - hey this is where we started from …

X started the school and guides the history and philosophy. The direction has come from her. I lot of people would say it is her school. It's not.

Another view- If you could work out the average term of people in the school – say five years. Collectively that group should be able to move in the direction they want to go. You can't have a group of select people on the community come in and tell them where they should be going if that is not where they want to go. Community governance.

Question: (Approach)

Can you tell me what you mean by Community Governance?

Answer:

It is meant to be a community school. The community is supposed to have a strong role. It is not like a Catholic school where someone from external can drag parents in line. Prone to do massive swings in what they are about. But in the early days In the earlier days X did what X wanted. X was the founder and ruled the roost. We are now what I consider to be a community school.

Question:

How did you achieve this?

Answer:

The first fundamental change was when a group of people tried to move it in another direction. It is not just moving the principal – but also the founder. To an extent it was X's school. X put up the money etc…(other comments not shown).

Question: (Back to board process)

Please tell me what your board processes are and what you think about them.

Answer:

Time management is always a problem. SAS Major as the chair. To an extent X tries to keep the time frame shorter. He tries hard to let people have their say and encourage people to have their say particularly if there is vote. The biggest problem is that you can't get people to do the work they are supposed to. People turn up at board meetings with their board pack that they were supposed to have read and they haven't. It is a pain in the arse!!! Are real view is that they should come and having read it – they don't. so you then have people picking through financials and asking stupid questions. It is something that is really important if you want to get it done. The other thing for us is that we have tried to create an atmosphere where we delineate 'what decisions should we make and what decisions should the management make. At one stage, because of all the flack, there was a point where the expectation was management wanted the committee to do everything. The Principal need to get back … confidence. At one stage it was as if we managed the school. We had to say no - You manage the school. I think we should help them with advice and provide expertise. We didn't have any educational expertise. We have to be careful that we don't fall into the same trap that the parents do, and think we are experts in education when in fact you know bugger all. I always draw the line when the questions are to do with education that you make sure you are actually listening to the people that have had 30 or 40 years' experience … (other comments not shown).

Board Role

Question:

What do you see as the main role of your board and how well do they perform this role?

Answer:

It depends on what type of school it is. In some schools it is maintaining the mission, vision and the strategic plan and making sure it doesn't go off the rails whereas in these community school I suppose it is the same – but if five or so new people come onto the board those people don't know the history , the mission statement, the philosophy of the school it is very hard for those people to do that. My personal view is you are there to help the management of the school. A certain amount of governance is required – check on the financial ensure they are sound, are things happening that shouldn't happen. Most people are no executive directors – you only really know what is presented to you anyway. If the Principal and bursar wanted to head off in a particularly direction you don't really

know there are problems until you are audited at the end of the year. I see it as Governance and assistance and we do an Ok job.

Other:

Question:

Is there anything else about your board and how it's governed that you would like to share?

Answer:

I think board members should leave their personal issues with their children at home. Where people's motivation to things is to push a barrow this is a problem. Not so much an issue on the current committee but was related to the issues in the previous committee.

There was issues e.g. up to date financial information to the board. We saw the same fundamental flaws in how the school was run. The previous committee only demanded and criticized – they didn't help despite having competent people on the board. Why haven't we g t this, why haven't we got that. You are not providing this so therefore you (Principal) aren't any good. They should have been saying – how can we help you, One of us is an accountant. Can we come down and help your bursar, can we look at you software.

If you sit back and criticised what has happened. If every time someone forms a subcommittee and you say no I can't do that then what is the point of being there.

Question:

Well that about it I for tonight. Thank you so much X for coming in this evening and sharing all these things with me. Do you mind if I have any further questions if I give you a follow up call?

Answer:

Not at all…

Appendix H: Observation of Board Meeting - Example Summary

Researcher Observation Summary of Board Meeting – Case (D):

Attendees: There were seven of the ten board members present**.** Plus the Principal and the Bursar.

Factors contributing to effectiveness of this meeting:

Structured agenda divided into sections

- Association matters
- College matters
- Mission
- General

Allocation of times for agenda items

The agenda included a review of two board policies, core values discussion and alternative finding sources.

They included meeting evaluation on the agenda.

The use of the data projector during discussion of financial reports was effective.

Factors contributing to ineffectiveness of this meeting:

Poor chairing

Did not stick to time allocations (the meting finished after 11pm after nearly three hours and only got through just over half of the agenda)

To many items on the agenda.

Many items appeared to be items that did not need to come to the board.

Allowed a major item (e.g. principal remuneration) which was not on agenda to be raised and discussed at length by the board.

Wasn't clear what matters were matters for discussion and were matters for decision (all mixed together on the agenda).

The proposals requiring decisions were not clear. Comments form board members: "what are we actually voting on?" ".Can you please clarify what we just agreed to"

Dealt with a lot of association matters which could be dealt with separately to the board meeting.

The principal's report went for 50 minutes. This was largely the Principal reading from his report. He went through each item on his long report. Minimal evidence of strategic discussion or focus other a running through some of his goals.

Several important items on the agenda (review of policies) were carried forward to th e next meeting due to a lack of time.

Board members appeared agitated by the poor chairing and the lateness of the meeting.

Towards the end of the meeting there were visible yawns and it was clear that people wanted the meeting to end quickly (it was approaching 11.30pm).

The meeting having spent most of its time discussing the principals report (50 mins) and later his remuneration (40 Mins). Many items were carried forward to the next meeting including future funding sources and a review of its core values.

Timing: Appropriate time on each agenda item / meeting length:

Unquestionably very poor.

The planned two and a half hour meeting went for nearly four hours.

Section one Association matters allocated 7.30 – 9.20 but went from 7.30 – 9.55

Section two 9.20 – 10.05 but went from 9.55 - 11.05pm with important items carried forward to the following meeting. With evaluation and closing prayer the meeting closed at 11.20pm.

Section three and four were also carried forward to the next meeting.

While there were time allocations on the agenda allowing for a two hour meeting the meeting went for nearly four hours and only got half way through the agenda.

There was little evidence of time being allocated to strategic or long term matters other than a discussion of the goals allocated to the principal and review of the board calendar.

The Principal's report and an unplanned discussion on his remuneration dominated the meeting collectively taking up one and half hours.

Fifteen minutes was allocated to discuss the financial report and the budget.

Chairing of the meeting: What is done well & can be improved?

The chair did not tightly control discussions. This contributed to only two of four sections on the agenda being discussed at the meeting.

The chair allowed the previously circulated (only by 24 hours though) Principals report to be read through item by item at the meeting. Board members then invited by the Chair to ask questions. Some questions asked were about day to day matters including school events, and

the school's website with the majority relating to agreed goals he had been set. The chair remained silent during this Q&A time despite the significant 'blowing out' of the allocated timing in the meeting that was obvious to all by this stage. Despite some robust discussion there was no guiding of wrapping up of the discussion other than at the end the discussion the Chair thanked the principal and moved onto the next item.

Preparation for this meeting :

(E.g. When were the minutes for the last meeting sent out. When were the agenda & materials sent out / rec'd. Did board members have the opportunity time to do the required reading, action items etc.).

The extensive agenda (divided into four sections with time allocations) was circulated by email to all board members five days in advance. This included the minutes form the month before (given little time to think about the actions). Several items of paperwork however were emailed with 24 hours of the meeting including the extensive Principals report and the monthly financials.

A verbal request was made during the meeting by the principal for a pay increase. There was no preparation for this, nor any documentation. Surprisingly the board chose to spend considerable time on this at the meeting – and made a decision. But this was at the cost to the meeting's agenda

Board members, including the chair, appeared to not clear prior to the meeting on what matters needed decisions. They appeared to make decisions as required as they went along rather than planning for decisions to be made.

Main outcomes of meeting - Summary (eg staff appointment, setting goals etc)

The Principals report was reviewed and discussed in detail.

The financial position of the school was reported on and discussed

The principals performance was discussed

A request from the Principal to have his salary discussed and a decision made (not on the agenda)

Several items were deferred to the following meeting including alternative funding sources and a discussion on core values.

In the evaluation of the meting it was acknowledged that the timing was "well out"

Main focus of this meeting – Summary (operations of school, strategic direction, reporting, monitoring etc)

Operations of the school – evidence by time spent discussing the principal report with a focus on operational matters

Monitoring of the principal – With the Principal ad myself invited to leave the room, a verbal report was shared by the Chair of a 'cup of coffee' meeting he had had with the Principal to discuss his role. This culminated in a motion to increase his salary.

Oversight of the financials. The previous months financials appeared well put together and also appeared to be knowledgably discussed by three of the board members present.

Observations relating to Governance Effectiveness Factors

Process

The board whilst having a planned agenda did not adhere well to its predetermined agenda or timings.

The meeting was formal in the sense that it had formal meeting conventions (show of hands, motion proposed and seconded etc.).

Part of their processes was to review its own adherence to policy as evidenced on this agenda.

They briefly evaluated their meeting performance at the end of the meeting

Focus

The strategic plan was not on the agenda. There was no mention of 'strategic plans or strategic planning" during the meeting (despite the creation of draft strategic plan two years earlier).

They were however quite focussed on the goals they had set for the principal, particularly those based in the core values and faith position of the school.

Approach

The Chair raised the Carver Approach and the Community governance during the meeting and the non-verbal reaction to this suggested that board members knew what he was talking about. There processes included a review of board policy at meetings consistent with the

policy governance approach.

Relationships

There were no obvious tensions observed in the meeting other than some frustration about the timing of the meeting surfaced in people body language (yawning looking at watches etc) towards to end. Despite the poor chairing of the meeting this appeared to not visibly impact on the relationship between those present. Interactions were cordial and at times involved laughter and joking with each other suggesting positive healthy relationships.

Despite some candid questioning and discussion with the principal during the presentation of his report there appeared to be respect for each other's roles in the process. The observed interaction between all - before, during and after the meeting - was of a positive nature.

Competence

The principal made a statement in his report that he felt the board should have greater educational expertise. This led to robust questioning and discussion during the meeting. There were divergent opinions expressed for and against. While the discussion did not lead to an outcome I suggest this was likely be something the Principal was likely to continue to raise.

Despite expecting a well-run meeting based on previously analysed surveys and interview data that the meetings were well chaired, the observed meeting left me questioning their responses.

The appeared to be financial literacy in the board with knowledgeable discussions involving three to four board members probing deeply into the financials during the Bursars presentation.

Context Consideration

The following matters relating to context was observed:

- A planned discussion on the agenda of alternative funding (based on a view that the

government may reduce funding for independent schools),

- Questioning and discussion on the school's parent culture during the principals report

- Questioning and discussion about the demand for independent / Christian schooling in the region.

Roles

The principal acknowledged during his report that he was much happier with the move to a governance approach that enabled him to work more closely with the Principal and members of the board.

Two newer members appeared to not fully understand their governing role as evidenced by the type of operational questions they directed at the principal, yet the remaining board members questions appeared to be more focussed on goals suggesting they had more awareness of their oversight role.

The financial questions deeply probed the bursar, demonstrating awareness of the boards accountabilities in this area.

Other:

The strategic plan was not on the agenda. There was no mention of 'strategic plans or strategic planning" during the meeting (despite the creation of draft strategic plan two years earlier).

Further data on this meeting includes initial notes, the agenda and some of the meetings supporting documentation.