

Ethical Standards Commissioner

HARNESSING BOARD ROOM DIVERSITY – **sportscotland**

The difference that diversity
makes to your board's governance

May 2019

BODY: sportscotland

CATEGORY: Holistic

KEY LEARNING POINTS FROM THIS CASE STUDY

- *Learn about how to design inclusive spaces that harness the diversity of your board*
- *Having recruited new types of board members how to integrate and change the way things are done to make the most of the new intake.*
- *What is passionate chairing and the difference it makes for empowerment of others.*

Background

sportscotland is the national public body set up under a remit from the Scottish Government to promote and enable sporting of all sorts in Scotland. Its core purpose is to shape and create the sporting system of Scotland to be world class. This involves investing Scottish Government and National Lottery resources in to the sporting system.

sportscotland's current operating context is that sport is gradually moving up the political agenda in the last decade. Ten years ago there was quite a 'games' focus with making the most of firstly the Olympic Games in London and then in 2014 there was the Commonwealth Games in Glasgow. The latter was 90% funded by the Scottish Government. Then, in the last few years the linkages between sport and health benefits are becoming more far reaching as our society wakes up to talking about mental health. Which in turn demands that to truly create a sustainable world class sporting system, Scotland needs to be thinking through all the inclusion, usages and pathways that people need to remain part of the sporting system. To do this thinking well *"it is absolutely crucial for the board room to be made up of people from such a variety of socio-economic backgrounds and diversity of Scottish society that they can think widely about the sporting system."* David Cameron, Board Member.

sportscotland's work ranges from sports development at the community and grassroots all the way to the high performance areas of world class sports people. It runs three national training centres through a wholly owned subsidiary charitable company. It works locally, regionally, nationally and globally through a network of partnerships with regulators of sport, accreditation authorities, education partners, clubs and other public bodies.

This case study shows how investing in the time and effort of quality strategic discussion spaces alongside the board's business meetings harnesses the talents and diversity of thinking from everyone. The returns on this investment, after a few years, are now being felt as moving from a reactive, operational style, to a pro-active, visionary leading style.

Main areas with diversity focus for **sportscotland** and the difference that they make to the way diversity is harnessed

Area of focus	Activities
EQUALITY DRIVEN CHAIR APPOINTMENT	<ul style="list-style-type: none"> Ministerial clear direction to have a chair driven by the equality focus Innovative public appointment process attracting and testing in different ways.
DIVERSITY DRIVEN MEMBER APPOINTMENTS	<ul style="list-style-type: none"> A very well planned appointment process focusing on talent rather than just skills Calculated appetite to take on board a group of members who are new to governance
BOARD STRATEGIC DISCUSSION EVENINGS <i>Whole evenings with everyone, 'off line' from the day to day business, discussing key themes.</i>	<ul style="list-style-type: none"> Developing a program of the themes and issues that get below the surface of the day to day normal business. Setting aside before each board meeting, whole evenings for these discussion meetings for all Board members and Executive together with occasional experts. Producing discussion summaries to keep the thinking going forward Making sure the discussions are held under clear Chatham house conditions with mixed small groups at the heart of the facilitation design.
BOARD EFFECTIVENESS REVIEWS <i>Annual appraisals are respectful and rigorous</i>	<ul style="list-style-type: none"> Self performance pro-forma paperwork that asks each board member to consider all sorts of dimensions of their contribution Face to face appraisal meetings with the Chair and each member each year. Records of those meetings that capture and implement the training and development of each member.

The key elements in achieving the difference and how the activity is maintained

EQUALITY DRIVEN CHAIR APPOINTMENT

In 2015 the Minister responsible for **sportscotland** was very clear in their ambition that their priority was to appoint a Chair who 'has a passion for sport and promoting equality and social change through sport'. The design and attraction strategy of this round is written up as a [good practice case study](#) in public appointments.

The resulting Chair, Mel Young, has been consistent that promoting equality and social change through sport is a main driver for **sportscotland's** work. He is also passionate

about it and that passion has a leadership impact on the whole board. Being passionate as Chair, in the role of leader of the Board's work has a direct effect of motivating others and offering a role model for others. The way Mel is Chairing the board is a source of serious inspiration which brings out the best from each board member. According to other board members, they say that Mel's behaviour is very clear that *'he cares about you and your contribution... he makes sure you are included, he makes sure you are developing, he takes it seriously, he is determined about recruitment and he asks us each what we think about him and his Chairing. For someone like me who is new to governance and public appointments, Mel's passion for change is a very good introduction to what this is all about.'* Susie Sandilands Board Member.

DIVERSITY DRIVEN MEMBER APPOINTMENT ROUND

Following on from the Chair recruitment process the next members round was also driven by focusing on diversity of thinking. The Chair and appointing minister were willing to take a calculated risk. With an overall board strength of 12, they were prepared to deliberately bring on at least 3 people who wouldn't come with pre-existing governance experience, but would bring many other strengths of perspective.

The focus was very much about targeting a wide talent pools of different skills such as; digital technologies, social media, the links between commerce and sport. The recruitment panel went to great lengths to make sure applicants understood that 'high level' experience was not essential and that they wanted to particularly attract applicants with volunteering and community backgrounds. There are lots of good practice aspects to the effort and techniques in attraction and assessment that were used in this round which are included in the second [good practice case study](#). Overall the round was so successful, with such strong appointable candidates that the Minister approached the Commissioner to make the case for five appointments to be made rather than just the four planned for.

At this point the Board Chair decided to make a major shift to the way that the board dynamics work, so that it would be much more inclusive. He wanted to *'create the conditions that would enable their talents to flourish, be welcomed and grow.'* Mel Young Board Chair. He instigated the ongoing pattern of Board Strategic Discussion evenings.

BOARD STRATEGIC DISCUSSION EVENINGS

Since February 2017 alongside each board meeting, the night before, the Board have a discussion evening. Each discussion evening is a planned, highly facilitated event, many include presentations from invited experts so that there can be a decent depth of discussion about the subject. There is a note of the discussions which is included in the subsequent set of Board papers, and the discussions result and can inform any actions being taken, but it is primarily a very open discussion. In fact at each evening it is emphasised that Chatham house rules apply, where everyone can speak freely and directly. The discussions happen at small tables, where Board Members, Executive and invited others are mixed. They have 3 or so questions to debate. *"We are trying to create the same space where you can have constructive conflict, disagreements, where you can have the level of discussion where everyone is learning... so that we are all moving forward in our understanding of these important areas."* Mel Young Board Chair

For example at the June 2017 discussion they explored Sport for Change – a perfect fit or a mismatch? Where they brought in an external speaker who led using sport deliberately for another outcome – like playing football in a war zone to develop peace. And by contrast in the October 2017 discussion they explored the area of High Performance – Improving the British System of sport, which looked at the ethical issues amongst the top levels of sports.

These themes are linked to the long term social and political picture of how sport is used in our society. Governance is all about the long term picture as well as the short term practicalities. It is the job of the board to constantly consider the right positioning of the organisation. For example the links between sport and the Scottish Government's [National Performance Outcomes](#) of creating a healthier Scotland may seem straight forward, but when you get into the questions about whether **sportscotland** should prioritise community development type sport or prioritise top athletes, there are financial and capacity issues to work out.

These discussion evenings co-create a strength and depth across the board that can be very important. At one evening they invited along the Head of the World Anti Doping Agency and looked in depth at the issues. As a result **sportscotland** has a very clear stance of zero tolerance, which all the board members feel united and sure about.

The board members and Chair interviewed for this case study think that the investment made in these discussion evenings is making them more effective as a board and more efficient. This is mainly because they experience the board focus moving more upstream of issues, they are collectively able to be more pro-active than reactive in an arena which can be quite fast moving. They say that they can see the impact of a discussion transforming into operational action 6 months or a year later. They also experience that the next morning in the board meeting, the meeting is more efficient because everyone feels connected from the night before, and more effective because board members feel more and more comfortable asking questions and scrutinising in areas which they might not have before. For example board members explained how they were quite nervous about their first board meeting, then because of the discussions they felt less nervous and more informed. One of the Board members we spoke to for this case study explained that through these board and executive discussions, where they have all learnt so much, they have all broadened and deepened the areas of scrutiny and challenge that they can contribute.

Harnessing diversity of thinking isn't about getting everyone to speak up in the board meetings per se, but it is about getting everyone to contribute to the working brain of the whole board. This is known as the cognitive bias of the [Dunning Kruger Effect](#). These regular discussion evenings create that capacity to contribute without fear or worry because the level of trust and the depth of connection are fostered.

One of the board members who has been on the board for years before these discussions started said that either of these initiatives of diversifying the membership, or the investment in strategic discussions would have had a positive impact, but done together these measures have '*a multiplying effect*' changing the main board meetings themselves. He said that the many public body main board meetings "*can often be dominated by the art of the probable and the art of the pragmatic, whereas we are now much more often also discussing in the domain of the possible.*" David Cameron, board member.

These discussion evenings cost £90 per person, which adds up to a total investment of about £2000 per evening. In total this might be as little as an additional governance cost of £10k per year. We don't yet know how this compares to other public bodies governance costings as each public body will have different governance costings depending on their geographical membership, locations and processes. We have not conducted a return on investment analysis.

BOARD EFFECTIVENESS REVIEWS

Under the Ministerial Code of Practice for Public Appointments, within the duty for Succession Planning, Board Chairs carry out an appraisal for each board member. In **sportscotland** this is called an Effectiveness Review. Each year, each Board Member first of all fills in their own self-assessment of their performance, their observations and feelings about aspects of their governance collective duty, such as how they feel about financial information, how they feel about risks facing **sportscotland**, and where they see their own contribution and development going. The Chair then meets with each person, face-to-face and holds a full discussion about their performance, taking notes and concluding with what actions they and he are going to take. Through these appraisal meetings the Chair can then re-organise the governance arrangements to keep stretching each board member. For example, in the cases of the board members who joined with no governance experience, enabling each one to deepen their learning about governance through training courses available through [Chartered Institute of Public Finance and Accountability](#) (CIPFA) and appointing them to appropriate sub-committees where they can stretch their skills, such as Chairing sub-committees.

The diversity in governance indicators in evidence

- Board discussions are characterised by members airing disparate viewpoints which are welcomed and afforded equal weight.
- The board understands, reflects and engages effectively with its diverse stakeholders in part through these strategic discussion events
- Strong personalities and cliques do not dominate debate or decision making
- Board members listen intelligently and learn from others in areas where they have less knowledge or experience

This has the impact of:

- Thoughtful analysis of diverse inputs allows a broader range of options to be generated that take into account a wider range of factors
- Different skills, knowledge, experience and perspectives are deployed allowing more comprehensive challenge.
- The diverse attributes of the whole board are enhanced over time by the particular strengths of diverse individuals.

Which in practice means that;

- Board members are satisfied that robust testing of ideas precedes implementation.
- When planning appointments or succession, all Board members can show how their skills have developed. In this case through the Effectiveness Reviews
- The organisation is better able to lead and adapt in times of change or crisis by leveraging broader expertise /support. In this case having explored such a wide range of topics that dig deeper into the underlying issues and ethics.

Checklist for actions that boards that wish to replicate these activities can use

- ✓ Consider and identify what type of passion and leadership your board needs from the Chair role and recruit for it.
- ✓ Open up the board member mix to a healthy balance of board members from a variety of backgrounds, not just going for idea that everyone needs core skills, plus their specialisms.
- ✓ Develop your board members individually through proper appraisals that seek out their true continual role development.
- ✓ Set up regular strategic discussion spaces with the Board and Executive plus invited others.
- ✓ Place equal priority of time on the very long term key issues of the context, equal to the day to day governance of the current strategic plan.

Further contact / information

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