

The Roles of Chairs and Chief Executives in the Governance of UK Public Bodies

The roll-out of private sector corporate governance mechanisms to the public sector has stimulated relatively little research and the evidence basis is therefore limited (for discussion, see Cornforth (Routledge, 2003) and Taylor and O'Sullivan (2009 - Corporate Governance)).

It is more difficult to specify the role of corporate governance in the public sector which stretches beyond financial performance to embrace performance management generally and also functional governance (eg clinical, educational or information governance). Those used to profitability as the performance metric may struggle with the implications of the non-financial performance metrics now characteristic of the public sector (Power, 2004 - Human Relations). Ambiguities arise: eg are the independent Chair and Non-Executive Directors there to advance the interests of the government of the day or some broader conception of the public interest?

Within UK central government (including the Devolved Administrations), more activity and spending has been undertaken by executive non-departmental public bodies, public corporations and limited liability companies. Private-sector style corporate governance has been imposed or voluntarily adopted, thereby creating Chairs, Chief Executives and Non-Executive Directors. The declared objective has been to improve efficiency and effectiveness through better governance, managerial delegation and improved incentive structures. This insulation from Ministerial and Parliamentary politics links up with wider trends of 'depoliticisation' (Flinders, 2007 - BJPIR). The legitimacy of such bodies is aggressively challenged, as evidenced by the popularity of political commitments to a 'bonfire of the quangos' in the name of enhanced democratic accountability. Yet such bodies remain an important part of the public sector.

This research is funded by the British Academy and fieldwork will be completed by February 2012. The researchers are a long-term accounting academic (David Heald) and a former National Health Service Chief Executive (David Steel) who, on retirement, has returned to academia where he was previously a public administration specialist. Interviews are being scheduled with the Chairs and Chief Executives of 15 UK public bodies, of varying legal status but all of which have adopted the corporate board model. The sample is not representative of the large number of such bodies, having been chosen to reflect importance and functional spread. Although categorisation is not always clear-cut, five are regulatory, five are funding and five are service delivery. The plan is to have separate one-hour interviews with each Chair and Chief Executive, following pre-distributed sets of questions which are mostly common. Where an organisation declines to participate, that will be replaced. Where only one of the pair will agree to be interviewed, that body is kept in the sample.

The research questions on which answers are sought are the following:

- (1) How Boards distinguish between governance and management, and whether this differs between normal times and crises
- (2) How Boards conceptualise the strategic component of governance, given that much is determined by statute and Ministers (eg remit, powers, performance measures and survival)

(3) How Chairs and Chief Executives differentiate their roles and to what extent this depends on personal characteristics and experience rather than the policy context and operational substance of the organisation

(4) How Chairs and Non-Executive Directors evaluate (a) the success or otherwise of their public body; (b) their own contribution to that success or otherwise; and (c) whether their role is worthwhile

The opportunity to present the fieldwork results at this Conference would be beneficial both to the researchers and to the Conference discussions the Panel. Although the fieldwork site is the United Kingdom, these are generic questions applicable to other countries which have adopted the corporate board form as the governance mechanism for public sector activity.