Good Governance and Board Leadership
La bonne gouvernance et le Leadership du conseil d'administration
Fostering and sustaining trust
Favoriser et maintenir la confiance

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Outline of the presentation
Plan de la présentation

1. What is trust and why is it important?
2. The link between good governance and trust.
3. The current climate of trust/distrust.
4. Universities and perceptions of trust.
5. Critical areas of governance that foster or undermine trust.
6. Trust in Board leadership.
7. Board governance practices that foster and sustain trust.

Un question – a question

– When you think about trust, what comes to mind?

Qu'entendons nous de la confiance?
What do we mean by trust?

1. Trust is about relationships, gauging intentions, interactions and reciprocity.

2. Trust involves concepts of risk, dependency and vulnerability.

3. Trust reflects expectations about shared values, and the way in which people will act towards each other.

Trust defined
La définition de confiance

"Trust is the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community".

Francis Fukuyama *Trust: The Social Virtues and the Creation of Prosperity. NY: Free Press,* 1995.

L'implication de la confiance

What does trust imply?

"When we trust other people, we expect that they will fulfill their promises, either because we know that they have usually done so in the past ...or because we believe that we shall fare better if we presume that others are trustworthy."

E. M. Uslaner *The Moral Foundations of Trust*. NY:Cambridge University Press, 2002.

Deux perspectives
Two perspectives

External/externes

What is the level of trust between the university and its external stakeholders eg the public, government, media?

Internal/internes

What is the level of trust within the university between and among the Board, the administration, the faculty, the staff and the students?

Why is the existence of trust important (macro level)?

L'importance de la confiance au niveau macro

"A nation's well-being, as well as its ability to compete, is conditioned by a single pervasive cultural characteristic: the level of trust inherent in the society."

Francis Fukuyama *Trust: The Social Virtues and the Creation of Prosperity,. NY: Free Press,* 1995.

La confiance et la société civile
Trust and civil society

- A strong and functional civil society with well-governed and well-managed organizations, characterized by trust, is a firm foundation for addressing social and economic problems.

- Universities make up a large and influential part of civil society.

- **Universities** should be **role models** of organizations which **warrant trust** because of **exemplary governance and management**.

Why is the existence of trust important (organizational level)

L'importance de la confiance au niveau d'organisation

1. The organization functions more effectively.
2. The focus can be clearly on institutional priorities.
3. There is a higher degree of engagement.
4. Job satisfaction is enhanced and turnover is reduced.

La confiance et l'engagement
Trust and engagement

"You can't feel properly engaged if you don't trust the people who you engage with on a regular basis. Engagement breeds trust; trust supports engagement. It's a two-way flow; both parts are critical."

John Helliwell, cited in Eric Weiner, *The Geography of Bliss.* NY: Hachette Book Group, 2008.

Trust in the workplace
La confiance au travail

- Workplace variables like skill required, task variety, freedom of decision-making and level of trust have significant influence on job satisfaction (a measure of subjective well-being).

- Satisfaction significantly higher where management seen as trustworthy.

- Change in trust in management has a much greater effect on satisfaction than change in income.

J. F. Helliwell & H. Huang, Well-Being and Trust in the Workplace. *Journal of Happiness Studies*, 12 (5), 2011

La gouvernance et la confiance
Governance and trust

Considering what we have learned about trust and what it implies, and how satisfaction and engagement are enhanced in workplaces characterized by trust, we can deduce that the way in which the Board functions, the way it is led and the way it interacts with the community, internal and external, can have a profound effect on the level of trust the outside community has in the university and the level of trust within the institution.

The current climate of trust
La conjoncture actuelle de la confiance

1. Diminished trust in many organizations and individuals.

2. Perception of contribution of failures of management and of governance to diminished trust.

3. Demands for higher levels of accountability from public, government, external and internal stakeholders.

Evidence of declining trust
La preuve du déclin de la confiance

2005 US Poll reported in Covey, 2006	Percent
Trust in government	27
Trust in media	22
Trust in large companies	12
Trust in political parties	8

Stephen M. R. Covey, with Rebecca Merrill,
The Speed of Trust, NY: Free Press, 2006

Canadian survey on trust in professionals – Postmedia News, 2010

	2003 - percent	2010 - percent
Soldiers	57	68
Pharmacists	91	66
Doctors	85	63
Airline pilots	81	62
Teachers	79	58
Justice and police	73	55
Journalists	31	32
Local politicians	14	30
National politicians	9	25
CEOs	21	25

Edelman Trust Barometer 2015 – how much do you trust that institution to do what is right (Canada)?

	2014 - percent	2015-percent
NGOs	67	67
Business	62	47
Media	58	47
Government	51	49

La situation au sein de la communauté universitaire

How do universities fare?

- Universities are among the most trusted of public institutions.
- Canadian universities are trusted to do the right thing with the public funding they receive by over 50% of respondents.
- That percentage is relatively stable over a 10 year period.
- Canadian universities appear to enjoy greater external trust (74%) than in some other countries eg USA (57%, England 59%).

David H. Turpin *The President's Leadership Dilemma: Exploring the Tensions Between University Autonomy and Public Accountability*. AASCU, July 2014.

Trust in governance (Turpin 2014)

" How confident are you that these governing boards ensure that universities are held accountable for funding they receive from their provincial government?"

- About 40% expressed confidence
- About 33% were somewhat confident
- About 20% were not confident – increase from 14% in 2004

Reasons for distrust (Turpin, 2014)

In his survey Turpin found a decline in trust in universities since 2004. The main reasons cited included:

1. Mismanagement (25%)
2. Quality of education (21%)
3. High cost of tuition (17%)
4. Lack of preparation for jobs (13%)

Critical areas of governance where trust can be fostered or undermined

1. Presidential search (open, closed), hiring, severance.
2. President's performance, review and renewal, compensation and expenses.
3. Budget – responsibility centred, activity based?
4. Program priorities.
5. Investment policies and oversight.
6. Pension plan.
7. Decisions about partnerships, donations, property.
8. Others?

The importance of leadership
L'importance du leadership

1. In all the areas cited, the role of the Board and those entrusted with leadership of the Board (Chair, Secretary, Executive Committee) are critical.

2. "Tone at the top" is very important.

3. What is the relationship between trust and leadership?
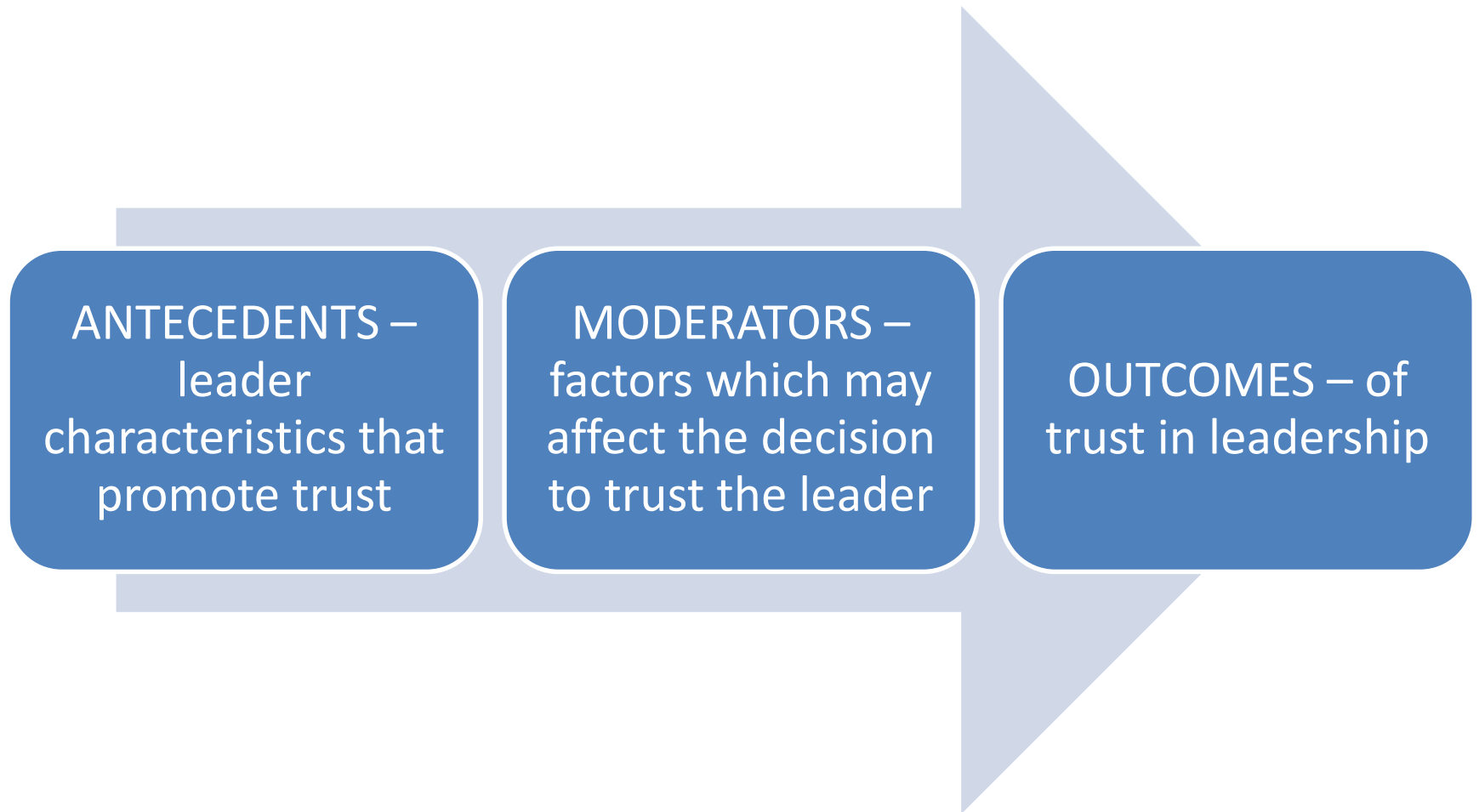
La confiance et le leadership
Trust and leadership

- Trust is the key leadership competency of the new global economy…..Leadership is getting results in a way that inspires trust.

  Stephen M. R. Covey, with Rebecca Merrill.*The Speed of Trust,* NY: Free Press, 2006.

- A key component in a leader's ability to be effective…….is the degree to which subordinates and co-workers trust him or her.

  C. S. Burke, D. E. Sims, E. H. Lazzara and E. Salas. "Trust in Leadership: A Multi-level review and integration." *The Leadership Quarterly*, 18, 2007).

Framework for trust in leadership (adapted from Burke et al., 2007)

ANTECEDENTS – leader characteristics that promote trust

MODERATORS – factors which may affect the decision to trust the leader

OUTCOMES – of trust in leadership

Antecedents of trust
Antécédents de la confiance

The antecedents of trust are the characteristics of leaders that promote trusting relationships.

QUESTION

What are the characteristics of Board leaders that you think will promote trust within the university?

Characteristics of leaders that will promote trust – ability
Caractéristiques de leaders qui encouragent la confiance - abilité

1. Credentials and experience.
2. Ability to articulate ideas and invite critique.
3. Clear communication – listening as well as conveying information and expressing views.
4. Skilled in encouraging consensus, resolving differences.
5. Clear grasp of procedure.

Characteristics of leaders that will promote trust – benevolence
Caractéristiques de leaders qui encouragent la confiance - bienfaisance

1. Fostering a positive and respectful climate for discussion.

2. Mentoring and coaching.

3. Operating in a consultative way.

4. Being patient and empathetic.

Characteristics of leaders that will promote trust-integrity
Caractéristiques de leaders qui encouragent la confiance - intégrité

1. Modeling personal accountability.
2. Acting fairly, consistently, respectfully.
3. Emphasizing organizational values in decision-making.
4. Encouraging diversity – in membership, in points of view.
5. Highlighting expected conduct, ruling on perceived or actual conflicts of interest.

Moderators of trust – individual, group and institutional factors

Modérateurs de la confiance – facteurs individuels, de groupe et institutionels

The moderators of trust include the attributes of members of the community, their dispositions and tendency to trust, the attributes of the leadership and institutional factors.

QUESTION

What are the attributes of the university community that you think will affect the development of trust?

Modérateurs de la confiance
Moderators of trust

1. Board leader's reputation.

2. Past experience.

3. Organizational climate:

    - relations among Board members

    - relations between Board chair and President

    - relations between Board and academy

Outcomes of trust
Résultats de la confiance

1. Enhanced functioning of the Board and the institution.

2. Higher levels of engagement and satisfaction.

3. Positive internal and external perceptions of the university and its governance.

4. Focus of attention on key issues.

Board governance practices that promote and sustain trust – the top 10

1. Transparency, competence and diversity in the selection and renewal of governors.
2. Orientation, education/training and support of governors.
3. Clear strategic vision and goals.
4. Establishment of a robust policy framework with well-understood division of responsibilities between Board, administration and Senate, especially re the critical areas.
5. Processes and procedures that ensure organizational fairness.

The top 10 (continued)

6. Code of conduct re conflict of interest, confidentiality and fiduciary duty.

7. Regular evaluation of Board performance.

8. Risk management and mitigation.

9. Compliance, timely and accurate reporting.

10. Oversight of Presidential hiring, performance and compensation.

Summary
Résumé

1. Trust is important at both the macro and organizational level.
2. Diminished climate of trust, although universities are among the most trusted institutions.
3. Well-managed and governed universities serve as role models, function more effectively and efficiently.
4. There are a number of critical areas of governance where trust can be fostered or undermined.
5. Boards should ensure practices that promote and sustain trust.
6. Sound Board leadership plays a key role.