
The Business of Governing Schools

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ABSTRACT In September 2015, the Secretary of State for Education asked for more business involvement in schools, and in particular for business leaders' help to improve failing schools. This article questions the twenty-year campaign by all governments to engage business expertise and values in the governance of schools.

The Valuing of Business Values and Practices in Schools

There we were in the early 1990s at a London conference for school governors sponsored by the *Times Educational Supplement*, with a schools minister of John Major's Conservative government as guest speaker. 'What did we need most from our new, stakeholder-based governing bodies?', he asked. More business values. More business governors. More business-like governing bodies.

The cry has not changed since. Government's fixation on the need to transpose business values into schools has, if anything, grown since the 1990s. The formation of city technology colleges and grant-maintained schools in the 1990s simultaneously drew schools away from local authority input and towards big business engagement. Some of the biggest companies provided support to their staff who volunteered to be governors following the 1986 (No. 2) Education Act which established the stakeholder model. Of course, there was self-interest in this, because it gave local companies a profile in the neighbourhood's schools, and it offered their staff free experience in matters of finance, personnel, health and safety, strategic planning and so on – a whole raft of practical, hands-on, in-service experience it would be impossible to buy elsewhere. But it benefited schools, too, bringing in expertise in areas that head teachers and other education professionals had never had. (When I was supporting schools in the London Borough of Tower Hamlets to disaggregate their budgets in the early 1990s, a primary school head teacher confided in me that her caretaker did all the finance work, as he was the only staff member who knew how to work the computer.) Some of these businesses provided their own training, too. BP and Rolls Royce, among others, bought in specialists

from the burgeoning world of freelance education consultancy to train their staff who were governors. British Gas even published its own magazine for staff who were school governors, the enticingly named *Gas Governor*.

It became common practice for politicians, and therefore others, to talk about 'business governors', although no such creature actually existed. There were some 'sponsor' governors in maintained schools, who came from organisations supporting the school in one way or another, but these were not necessarily even from the profit-making sector.

Two processes seemed to be under way here. People who worked in the private for-profit sector were valued for the experience and expertise they would bring to advise school staff in areas in which, with the advent of local management of schools, they were woefully inexperienced and undertrained. At the same time, they would bring with them 'business values'. Concepts such as 'value for money' and 'quality control and assurance', and practices such as 'strategic planning' and 'holding staff to account' were largely foreign to – and distrusted by – schools. Of course, much of this would be of benefit to schools. Good management practice had not been much studied in schools or local authorities up to this point. Models of leadership and management translated from business environments would form a critical part of the new headship development courses created by the National College for School Leadership.

The Dangers of Business Approaches in Schools

However, skilled business people from banks, the legal profession, human resources departments, and other industries – from national companies appearing often on the governing bodies of secondary schools, and from smaller, more local organisations in primary schools – did not always understand the operational/strategic divide any better than school leaders – sometimes a lot less well. For sure, they were keen to develop the policy of successive Conservative, Labour and Coalition governments to accelerate the move towards state-funded schools free of local authority 'interference'. It was often 'business governors' who supported, or even led, entrepreneurial head teachers to seek grant-maintained, then foundation, then academy status, providing the confidence in being free-standing that public-sector employees may have been short in or entirely lacked.

Too often these 'business governors' were revelling in the opportunities to practise their skills in an environment where they would not be personally accountable or even open to much question. Accountants would be found popping in to see their school business manager every Friday afternoon to go through the school accounts. Builders, surveyors and architects all over the country were wandering around schools testing lintels and tut-tutting over the sash windows. Health and safety experts compiled long lists of essential repairs for local authorities or school premises committees to attend to, always as matters of the greatest urgency. And lots of governors wanted to interview and appoint job applicants.

Not only did this endanger that strategic/operational divide that we are now having to re-establish with today's governing boards, but it also had the effect of under-valuing those governors who did not possess the specific practical skills and qualifications that schools seemed to value so much – although they might very well have much more subtle and useful strategic skills – of challenging, holding to account, monitoring and evaluating, communicating, for example. Knowing the school and its community – understanding the aspirations of its parent body, knowing the history and reputation of the school and its neighbourhood, being able to talk and listen to the residents – seems to be an absolutely essential skill for every governor. But this was not always the case for 'business governors', although it was far more likely to be there in the 'representative' governors – parents and co-opted community governors.

Even our current secretary of state may suffer this confusion. 'What makes your contribution so important isn't the particular group you represent, it's the skills, expertise and wisdom you bring to the running of a school', she said in a speech to the National Governors' Association Manchester conference on 27 June, 2015. But, as has been noted elsewhere (Blog: Distant Ramblings on the Horizon: cogitations on technology and learning, 'Ducking the Issue', 28 June, 2015)[1], governors are not there to 'run' the school: 'The academy model has broken the local democratic link ... The stakeholder model, on the other hand, given the specificity of the connection between parents (in particular) and the school, is a strength of the system, and a weakness of the Multi-Academy model'. Neither are governors there to manage the finances, despite a perhaps ambiguous comment by the secretary of state in the same speech, but to oversee and monitor and evaluate its management by the head teacher and business staff.

So is the business model appropriate for schools? Are people from business backgrounds necessarily the right people to govern schools? After all, the most valuable commodity that 'representative' governors bring to a school is their commitment – a quality not necessarily observable in business governors. It's *their* school. Here is an observation by Mansell and Hackett in *The Guardian* in March 2013:

The state of Swindon academy, one of seven academies that have received warning letters from Ofsted, suggests that having experts on the governing body is not always a guarantee of success. Sir Michael Wilshaw, the chief inspector, has been complaining that some governors are not up to scratch, but Swindon has a line-up other schools might envy. Mary Curnock Cook, the chief executive of Ucas, the university admissions service, has been a governor there for five years. The chair is Sir Anthony Greener, a former chair of the now abolished Qualifications and Curriculum Authority. Fellow governors include Colin Fraser, recently retired deputy head of Marlborough College (£31,000 a year for boarders) and Marlborough's director of science, Nic Allott. From industry, there is

Mike Godfrey, who until a couple of months ago was chief engineer at Swindon's Honda plant. He had worked for Honda for 27 years. The blame-hunters might direct their attention at United Learning, the academy sponsor which runs its schools from the centre. United Learning is now run by Jon Coles, a former senior civil servant at the DfE.

Once again, in a subsequent report on the academy, an Office for Standards in Education, Children's Services and Skills (Ofsted) team leader fails to distinguish between the operational and the strategic: 'The local governing body manage the academy's finances effectively', they now assert (February 2015).

Is it possible that people from business and industry, sometimes interfering inappropriately in operational matters, may at other times be guilty of letting things run too long before intervening? In an earlier example, it is possible that such governors shared the view of Lord Rawlinson, one-time chair of London Oratory School, at a time 'when the school underwent an official inspection and was found to be satisfactory in every respect bar one: the governors apparently did not come up to scratch. Rawlinson was furious. The job of a governing body, he argued, was to do as little as possible while the headteacher and his staff were doing a good job – which they manifestly were. Only if and when the school was not being run properly should the governors interfere' (Heald, 2006). Ironically, London Oratory was the school which then Prime Minister Tony Blair and his wife chose for their children's education. It has very recently been criticised for its (strategic) failure to ensure that its admissions policy meets statutory requirements. Rawlinson's view, expressed here in an addendum to his obituary, rather invites the question as to how the governors would know that the school was not 'being run properly'.

One business value, then, might be 'letting managers get on with it until things are palpably going wrong.' Is this perhaps supported by some earlier American research into the composition of voluntary boards? Results from the USA on research into boards of lay people in the voluntary sector suggest:

- the proportion of business people on boards was either not significantly related to organisational performance, or the relationship was negative;
- there is a positive relationship between involvement in strategic planning and organisation performance;
- ratings of organisational effectiveness are positively related to the extent to which board members feel informed about their responsibilities and duties (from Hudson, 1995).

Business doing Business

If business values and skills are to be imposed on schools, we should have some view on how well they have held up in their own sector. How has the business model fared in the United Kingdom over recent years?

In the financial sector, for example? Quite apart from the sector's major responsibility for the 2008 crash, the number of scandals initiated by the banking industry in subsequent years has wrought havoc with the reputation of the free market. Since the deregulation of the industry in the late 1980s, confirmed by the following Labour governments' actions, the banking sector, nationally and internationally, has run riot among developed nations such as Iceland and Spain, and brought poorer nations to their knees. The Greek crisis? The demise of the Celtic Tiger? Libor? Payment Protection Insurance? Little more need be said. The banking industry is not one we would want our school governors to emulate. Similarly, accountancy as well as banking must take large parts of the blame for a long-term failure in scrutinising companies such as Enron and Lehmann Brothers, whose collapses foreshadowed the crash.

How about retail, then? The current pattern of the major supermarkets is the over-payment of senior staff and the chronic underpayment and/or underemployment of all others, leading to the subsidy of 'hardworking' people by the government through tax credits. Tesco, Sainsbury's and ASDA (owned by the notorious American company, Walmart) figure among the worst offenders here. Morrisons, among others, has long required suppliers to provide impromptu payments whenever it needs a financial boost – in July, the Groceries Code Adjudicator wrote to the retailer asking it to explain an email sent to suppliers to fund recent investments it had made (Butler & Goodley, 2015). For a long time it has been standard practice for some supermarkets to charge suppliers in such ways, exercising their perceived (but now weakening) stranglehold on the market. Free market economics may not be working here as envisaged by neo-liberals – or perhaps they are. In other retail areas, we see the standard practice of employing and massively underpaying foreign workers in subhuman conditions to provide the cheapest possible goods for the British market – while billionaire owners live in foreign tax havens.

The press? The less said about phone hacking and, for example, the interesting relationship between the *Daily Telegraph* and HSBC (leading to a less than conscientious coverage of the bank's travails so that the newspaper's valuable advertising contract was protected), the better. The grip held by wealthy billionaires, many of them 'non-dom' tax avoiders, on the tabloids and most of the broadsheets means that we are unlikely to get disinterested coverage of political and financial affairs from our newsagents or our online news feeds.

The energy providers? The BBC reported in July that a year-long investigation by the Competition and Markets Authority had found that the 'Big Six' energy companies collectively charged households £1.2bn a year more than they would have in a properly competitive market.

The defence industry is currently under scrutiny for paying bribes to purchasers. Some estate agents seem to be finding inventive ways of charging both vendors *and* purchasers for their dubious services. And so on and on.

All such practices have continued under successive governments, made up of political parties who fell over themselves in the lead-up to the 2015 general election to show themselves as uncritically friendly to the country's business

community. In all, as one of the few independent news sources reports, it is possible to identify a massive £93 billion as the amount of hidden subsidies, direct grants and tax breaks provided to British (and foreign) business here.

An IPSOS MORI poll published on 5 January 2015 encapsulated the issue. Who, it asked, would you generally trust to tell the truth? Here is an extract of the results:

Politicians generally: 16%
Government ministers: 19%
Estate agents: 22%
Bankers: 31%
Business leaders: 32%
Civil servants: 55%
'Ordinary people': 62%
Teachers: 86%
Doctors: 90%

To sum up, an index of boardroom behaviour compiled by the Institute of Directors has revealed a crisis in corporate governance in the United Kingdom. 'The reputation of corporate Britain took an almighty kicking during the financial crisis, and several years later, is still on its knees', said the Institute of Directors' own director general. 'Any attempt to restore public faith in business must start with good corporate governance, but focusing solely on how companies report compliance with a framework, while not looking at underlying behaviour, will simply not do the job.' There are uncomfortable shades of Ofsted's compliance demands here. Perhaps the country's businesses could do with an injection of the far more trusted doctors and teachers to help them towards more ethically acceptable and financially sustainable governance?

Professionalising School Governance

Nevertheless, there have been frequent demands from Ofsted as well as the Department for Education for more 'professional' school governors – even to the extent of suggestions that they be paid: 'The emphasis on business-like school governance became, twenty-five years on from the 1988 Act, a demand for more "professional" governing bodies. The DfE adopted a "more professional standard of school governance" as one of its aims, and this was echoed by senior officers of Ofsted' (Gann, 2015).

In early 2013, Mike Cladingbowl, Director of Ofsted, appearing before the Education Select Committee enquiry into governance, called for school governors to be 'increasingly professionalised and work in federations to cater for groups of schools in the future'. He spoke of new 'advanced skills governors' who would help spread best practice between governing bodies; plans to 'look at different structures' and of being 'more creative' with the way in which governance services are delivered. He said such changes could mean that fewer school governors are needed overall.

‘You could ensure that expertise in one governing body is deliberately and directly shared with another – a kind of advanced skills governor’, Cladingbowl said. ‘You could have a smaller group of governors looking after a larger group of schools, either through a federation of schools or a federation of governors. It is possible to have a small number of governors who know what they’re doing. You don’t need large numbers, you just need key people’ (House of Commons Education Committee, 2013).

All this was of a piece with the drive towards skills-based governing boards. Michael Wilshaw, the Chief Inspector, had been sounding the same or similar notes, suggesting, again, smaller, more ‘professional’ governing boards, with some paid governors. Cladingbowl was once head of the most improved school in England, so he knew what he was talking about. But here, perhaps, he misconstrued the way that school governance works. ‘Governors are not, and never have been, intended to be another professional weapon in the armoury of the DfE and Ofsted in the war that they are waging on schools that do not do their best by our children’ (Gann, 2015).

The Choice between Democratic Accountability and Quality

The key element that is in danger of disappearing from the debate here, I suggest, is that of democratic accountability. The tendency for politicians to favour efficiency over democracy is daily more evident. It has been suggested that Tony Blair’s premiership was marked by his move to a preference for effectiveness of government over democracy, a position he has been consolidating in his international dealings in recent years. In 2014, at a joint National Governors’ Association/BELMAS conference on school governance in Birmingham, the then Conservative chair of the Education Select Committee, Graham Stuart, said that he was ‘less interested in democratic accountability than in quality’. Now this is a fine aspiration when you happen to control the definitions of effectiveness and quality, or when there is a clear consensus on what these terms mean in practice. But in education, as in other fields, this is far from the case. Democratic accountability – the capacity of the public to hold their politicians answerable for the provision of tax-funded services – is fast being whittled away in pretty well every area of state provision.

Democratic accountability is, of course, a route – possibly the only effective route – towards quality in schools, *provided that quality is defined in such a way as is acceptable to the community the government is supposed to be serving*. The alternative leads towards a ‘Mussolini might have been a dictator, but at least he got the trains running on time’ mentality. (In case you’re tempted, historians are now pretty well agreed that he didn’t even achieve that.)

Three Core Values of Governance

What, then, might the values of governance be? This would make the subject of an enthralling and strategic debate for your governing board on an away day. I

want to offer, in the context of this exploration of the business of governance, three values: challenge, scrutiny and accountability.

The governing board's primary functions are to provide a strategic framework for the school – its ethos, its vision and its direction – and to hold the professional leadership of the school to account for its performance – a performance taking into account Ofsted's expectations, but the elements of which are to be defined overall by the governors themselves.

Here is an example of good value-orientated governance from a small federation of two village church primary schools, faced with an approach from 'business'.

The staff of the schools reported to the governors that the teachers of Years 5 and 6 had taken up an unsolicited offer from Tesco. With transport and an escort provided free of charge, the children were taken to and toured around their local store. They were shown behind the scenes in the warehouse and the bakery, addressed by staff, and given a goody bag of Tesco goods before being taken back to the school. What was the governing board's response? Rightly, they expressed appreciation for the exercise – a valuable insight for the children into modern-day business practices. But a question was posed. Had the staff talked to the children about what might be the motivation for Tesco to make this offer – one seemingly being replicated nationwide in our primary schools? The parent governors certainly had, and had explored with their children what the desired commercial outcomes might be for Tesco – not a reason to reject the offer, but a very good reason to explore it critically. Has the school not got a duty to be open with its children about some of the retail giant's less endearing qualities – the current investigation into their 'optimistic' profit forecasts of the last couple of years, for example; employment policies of paying below the living wage and offering zero hour contracts; and their relationships with wholesalers which require significant investments by the supplier to enable them to feature on the most prominent shelves, or indeed anywhere in their stores.

The creeping commercialisation and business orientation of state-funded education suggests that senior leaders and governors of schools need to develop robust, ethical guidelines to ensure that children and parents understand that businesses often have more than purely altruistic motives for engaging with their local schools.

Let us then approach the drive towards 'business' and 'professional' standards in the governance of state-funded schools with a healthy scepticism. Democracy, as well as effectiveness, has to be served in the provision of public goods such as education and health.

Here is a model I presented to the Select Committee on Education in response to its consultation on school governance in 2013:

What Might it Be Like?

What might a more democratically accountable *and* educationally robust structure for the piecemeal system we have now look like?

At local level, we could seek a partial restoration of the local coordination of educational provision. The challenges faced by educational establishments should be addressed by the creation of Local Education Boards to cover all areas of England, co-terminous with local authority boundaries. These would replace both existing local authorities' responsibility for schools and the regional schools commissioners with their head teacher boards.

The Boards would be partly directly elected by the public and partly elected by governors of existing educational establishments. Boards would be responsible for:

- the oversight of the efficiency and effectiveness of all educational provision from early years to further education (re-establishing local input to colleges of further education), including all independent and private providers;
- ensuring universal access to high-quality comprehensive provision and public accountability;
- enabling cooperation between educational providers from all sectors;
- ensuring fair admission arrangements and equality of access (including the provision of transport);
- ensuring provision of appropriate education for children regardless of need;
- disseminating best practice amongst all providers;
- enabling innovation in educational practice;
- providing information to the public and an appeals process in the event of unresolved complaints.

Boards would be responsible directly to parliament for their performance, and subject to inspection against agreed criteria, including achievement levels across the locality.

Boards would also take responsibility for ensuring multi-agency approaches to children's social care, working with local authorities while current arrangements obtain.

The Boards would provide oversight and some level of standardisation, while enabling and encouraging innovation and experimentation within a controlled environment. No extra costs need be caused by this structure, as they would replace many of the functions currently carried out by local authorities (see Gann in House of Commons Education Select Committee, 2013)

At school level, the status of all schools currently academies or free schools would be required to reflect their position as community-based charities – whether as stand-alone academies or as members of a chain or multi-academy trust. They would be required to be membership charities, with membership including:

- any parent or carer of any child enrolled in the school (or those aged 16+ who are enrolled), would automatically take up membership;

Other individuals could apply for membership, for example:

- any member of the community served by the school who would like to be a member;
- any individual with a connection to the school who would like to be a member;
- any person with a skill or quality that the school would find helpful, and who would like to be a member.

Membership duties and responsibilities would include annual election of a third or a quarter of the board with local responsibility for the school (in chains and multi-academy trusts, this would be a step in the election of the overall collective trust board). Members would receive an annual report from the board on the school's performance across a wide range of measures agreed by the membership, at an annual general meeting. In order to involve staff and to observe rules on employee engagement with charity governance, employee membership might offer a distinctive category of membership, either non-voting, or voting for a limited form of board membership.

All grouped academies would be limited geographically and to an optimum size of around two dozen, and would have overall governance developed on these lines.

This membership, above all, would be empowered to hold the board to account on an agreed set of performance standards and, ultimately, under extreme circumstances (where the board's probity or effectiveness is seriously compromised) to remove it altogether. It allows any member of the community, and encourages parents, to become 'social shareholders' in the school. They will have already made a financial investment in the school through paying taxes and council charges. By investing their time and interest, care and responsibility in the school, their returns include a successful and energising school, a vibrant community and a generation of young people with the skills and qualities to lead that community into the future.

Two Questions for the Secretary of State

The two questions the secretary of state needs to address are:

- Who should decide who gets to be a school governor?
- To whom should school governors be accountable?

Perhaps once these questions have been amicably settled, school governors can get on with minding their own business.

Note

[1] <https://cogitateit.wordpress.com/2015/06/27/ducking-the-issue/>

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