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# Asking the right questions: why constructive challenge is key to board effectiveness

*Constructive challenge is essential to board effectiveness and therefore good governance. The best boards understand its value and are proactive about consciously developing it as part of their culture.*

Asking the right questions is key to good governance. They can provide robust challenge, unearth new perspectives, improve understanding and decision-making, aid the exchange of ideas and information, help build trust and relationships, and identify and mitigate risk.

It's the responsibility of chairs and other senior leaders to create an environment in which people feel comfortable, confident and equipped to make their contribution. As we wrote last year, building trust is a key element in creating this sort of culture.

## Constructive challenge and board effectiveness

In the wake of the financial crisis of 2008, Sir David Walker conducted a review of the banks and other financial institutions, looking at their corporate governance. One of the main findings of his 2009 report was that what had gone wrong was less about the regulatory framework and structural issues and more about culture and board behaviour. Just a few years later, the 2013 report of Sir Robert Francis's public inquiry into the serious failings at Mid Staffordshire NHS Foundation Trust revealed much the same picture.

Constructive challenge is what Sir David Walker and Sir Robert Francis found missing; the practice of asking questions in board and committee meetings with the purpose of providing scrutiny, putting an idea to test, assuring decision-making or to put something on public record. Constructive challenge is a concept and practice that cuts to the quick of the fundamental purpose of boards - to assure decision-making, effectively assess risk and provide robust scrutiny. It is also vital to helping build relationships and creating positive group dynamics.

Constructive challenge is only constructive if the challenge is genuine - what is the purpose of assurance? If you are about to commit an organisation, public or otherwise, to a decision you have a duty as a board member to ensure the scrutiny of that decision has taken place and was of sufficient quality. Board meetings are a safeguarding act.



## Creating a culture of asking questions and providing challenge

Effective constructive challenge is cultural board behaviour and is essential to boards across all sectors - but it's especially vital when it comes to public institutions.

Constructive challenge isn't always present at a cultural level - or at least not consistently or to a high standard - which reveals something of its character; constructive challenge requires cultivation. It isn't something that regulatory frameworks or central policy can foster. Active participation by all board members, executive and non-executive, is a must; providing challenge cannot and should not be the domain of a few board members. The chair has a role to play in promoting a culture of openness, debate and challenge and aiding the effective contribution of all board members, particularly non-executives. They should ensure all items receive constructive challenge. We will be writing more about the role of the chair in this in one of our upcoming Illuminations.

One of the common barriers to creating a culture of constructive criticism is a lack of technical, subject matter, understanding. Another is confidence and the two are intrinsically linked. One of the challenges for boards to navigate is that non-executive directors often lack certain areas of subject matter understanding. Executive directors should engage with and support non-execs to develop this knowledge but also understand the right questions to ask and challenges to make. The chair here too has a role in facilitating this constructive relationship between execs and non-execs.

In the NHS where non-execs cannot be active serving members of the NHS, this lack of specific knowledge in certain areas is a challenge. Our series of board assurance prompts were developed intentionally to help support NEDs and address this. They are free tools for boards to use to help them devise and frame questions, but also to elicit quality responses and to understand what a good answer looks like.

## Asking questions - a key responsibility and skill

In our experience a culture of constructive challenge is one of the key distinctions between what we would describe as an immature board and a mature board. Mature boards recognise and value constructive criticism and all board members and management understand that it isn't about lack of trust, it's about fostering both consensus and shared accountability. There is real value to be created from it and sometimes a mindset flip is needed to realise that. It is an area we focus on when we work with boards on development.

What constructive challenge really boils down to is the art of asking questions; the right questions, in the right way, at the right time. In our 12 years supporting hundreds of boards we have seen a strong correlation between board members being good at questioning and the quality of an organisation's governance. The best board members ask good questions of each other, of the organisation and of themselves.

Lawyers, journalists, doctors, even police officers, are all taught how to ask questions. It is a fundamental part of their training. The same cannot be said of board members and yet so much of their role relies on asking questions. When we work with boards on their development we run sessions that cover topics such as what good assurance looks like and the delineation of exec and non-exec roles. Board members need governance skills, not management skills. Asking better questions is one such skill and it's one that can be honed, something which our next Illumination will explore.

## Illuminations

- Constructive challenge is key to board effectiveness and therefore good governance.
- Asking questions is a key part of constructive challenge and is a skill all board members should have and one that can be trained and honed. There are practical tools, like our series of BAPs, that can help, but practice is also very important.
- Effective boards recognise and value constructive criticism and all board members and management understand that it isn't about lack of trust, it's about fostering both consensus and shared accountability.