

Appointing a Balanced, Inclusive and Skilled Board

Rationale

The Governance and Leadership Framework (GLFW), under Principle 4, states that the Board should be made up of individuals with the right balance of skills, knowledge and experience to meet the needs of the organisation. This includes expertise in key business areas as well as representation of the diversity of the club and communities it serves.

The potential impact of appointing a skills-based Board is set out under the GLFW Success Indicators:

- The Board takes a holistic view and makes effective decisions.
- Technical committees have clear lines of responsibility.
- Recruitment of Board members is in an open and transparent way.
- Clear role descriptors are developed for all Board members.
- Board has completed a skills matrix and identified individual and collective training needs.
- Maximum and rolling terms are agreed for Board members. The organisation is clear about future needs and where future Board members may come from.
- A strong Board that provides good leadership and makes tough decisions.
- Members' satisfaction survey results are improved.
- Good discussion and debate at Board meetings - decisions are taken and discussion is not reopened.

Evidence from sport and other sectors has shown that the appointment of male and female Board members helps create an inclusive Board and significantly improves the quality of decision-making. Appointments remain focused on skills but a proactive approach to diversity has added tangible value to the Board. The impact of an inclusive Board includes:

- Higher quality debate and questioning
- Wider perspectives and views, providing insight into different participants, communities and consumers of the sport
- New and broader skills – business, marketing, finance
- Communities visible in the Board room - role models
- Balance of risk assessment
- Meetings stay on track
- Better decisions

Process

As the organisation establishes its mission and strategic priorities, it will become clear what knowledge and skills will be needed at Board level. As well as knowledge of golf, these might include business expertise in areas such as retail or customer relations; communications and digital media; finance and accounting.

The GLFW sets out minimum expectations which should be considered in appointing the Board:

- Board composition reflects the organisation's community and diversity of society
- There are 8-12 Board members

- Board members are chosen on the basis of the competencies, ability, leadership, integrity and experience
- Challenge and discussion are encouraged and conflict is resolved appropriately

Board size

Size matters – the number of Board members will correlate to the complexity of an organisation’s functions as well as its capacity. This applies to clubs, National Governing Bodies and multi-national corporations. The UK Corporate Governance Code states that “the Board should be of sufficient size that the requirements of the business can be met and that changes to the Board’s composition and that of its committees can be managed without disruption, and should not be so large as to be unwieldy.”

Boards may be composed of individuals who have been elected on a representative or technical basis, for example voted into position by members from a designated section of the club. This can provide valuable insight into participant groups and different parts of the business. It also enables engagement of members in the decision-making process as recommended in the GLFW.

Board composition

The Board’s functions can be distilled into three core areas:

- Oversight – ensuring rules, strategy, finance and risk are rigorously managed by staff and committees. This is the Board’s fiduciary duty.
- Insight – understanding the landscape (golf, wider sport, digital communications, regulation such as GDPR or accounting, local and national political changes, economic shifts etc) and explaining how these affect the club.
- Foresight – scanning the horizon, bringing new ideas to the debate and planning for the long term whilst the club continues to function.

Having individuals on the Board with similar backgrounds, knowledge, characteristics and skills will make it very difficult to fulfil these Board functions effectively. It also creates risk blindness as there is a lack of diversity on the Board.

The Chair might want to think about the composition of the Board 3 years hence, envisaging the skills and knowledge that might be needed further into the future.

In terms of Board roles, the following should be considered to ensure there is clear leadership, informed discussion, appropriate challenge and effective scrutiny from a range of perspectives:

- Chair
- Vice Chair
- Senior Independent Director (who might be the Vice Chair)
- Non-Executive Directors who may include sub-committee Chairs and Ladies and Club Captains
- Senior executive (CEO, COO, Club Manager)

Appointing the Chair

The Financial Reporting Council states that the Chair “should demonstrate the highest standards of integrity and probity, and set clear expectations concerning the company’s culture, values and behaviours, and the style and tone of Board discussions. “

Clubs should seek to appoint an individual who clearly demonstrates independence, i.e. is not bound by any one section, and has experience of facilitation and leadership on Boards or committees. The Chair position will have the same duties and responsibilities as other Board members with additional Chairing responsibilities clearly defined in the role description.

Skills matrix

Once the strategic priorities have been agreed, it is worth spending time creating a skills matrix. This is a list of the essential and desirable skills, as well as the knowledge and experience needed on the Board. At club level this might look like:

Core Competencies	Business Skills	Sporting Knowledge
Analytical Listening Chairing/facilitating Negotiating Written and oral communication	Finance and accounting Enterprise and business development Marketing and communications Property, planning and facilities	Green keeping Pro coaching and technical golf developments Rules of the sport Talent and player pathways Handicapping

Preparing to appoint Board members

The existing Board should prepare thoroughly for any appointment process, considering possible changes to the articles, identification of key skills, the development of role descriptions and a transparent appointment process.

Changing articles – if the current articles prohibit appointments on the basis of skills, for example, individuals are elected solely on the basis of their section, the articles may need to be amended.

Identification of key skills – having created a skills matrix, the Board can assess its current members against the essential skills and knowledge, and seek to appoint individuals with skills and knowledge that are currently missing.

Role descriptions – these will set out the role, duties, responsibilities and time requirements. The role description will also incorporate a person specification that lists the competencies and key skills sought.

It is important to be honest about the time involved in being a Board member and, if this is clearly deterring potential candidates, think carefully about why. It may be a result of previous volunteers striving to do as much as possible, giving up 3-4 days a week; or a lack of governance structure that ensures the Board can delegate operational matters to relevant sub-committees. It is no longer acceptable to expect the Board to be both strategic and operational, at the club several times a week on Board matters, and be effective.

If someone with the skills and knowledge desperately sought by the Board cannot commit to the Board programme of work, they could be appointed as advisers with no voting rights. They may not be required every meeting but could attend in an advisory capacity for the items in which they are experts.

The role description should also specify that Directors will be expected to sign up to the Board Code of Conduct and demonstrate the club's values and standards at all times.

Transparent recruitment process – the Board can appoint a Nominations or Selection Committee which oversees the recruitment process. The Committee should include men and women, and receive training or a briefing on recruitment. Applications or nominations can be submitted to the Nominations/Selection Committee which reviews each one against the skills matrix and person specification.

The Committee should shortlist the candidates who meet the role requirements and arrange interviews. The same questions must be asked of every candidate and a scoring system should be used to rate candidates so that there is transparency in the selection decision feedback can be given to candidates who do not go forward.

Depending on the articles, the Nominations/Selection Committee can make recommendations to the Board who have the final decision; or make recommendations to the membership who have the power to elect at a General Meeting. If any candidates are rejected, the process should be repeated.

In a club environment

Most clubs are dependent on members to stand for election as Committee or Board members and this need not change even when aiming to build a skills based Board. A Nominations or Selection Committee should still be appointed by the Board to manage the process and assess potential candidates against the role specification and skills matrix.

Some appointment options are set out below:

Appointed through an open recruitment process

Prior to the AGM or in advance of an EGM, positions on the Board are advertised across the club and role descriptions made available to all members. This will help members understand the role and its responsibilities as well as encouraging individuals to stand for election. This is an open process so any eligible member can apply to join the Board. Within the advert, a desire to ensure women and men are appointed can be highlighted, as can the need for specific knowledge, e.g. greens, handicapping etc. There are no representative positions.

Individuals submit an application to the Nominations Committee which shortlists against the person specification and skills matrix. Shortlisted candidates are interviewed by the Nominations Committee which can either make the final decision or make recommendations to the Board to make the final decision.

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Members nominate individuals by submitting information about the candidate's skills, knowledge and experience (set out against the person specification). This information is shared with members who vote at a General Meeting for however members of the Board are sought.

Appointed through a shortlisted election

Individuals can be nominated for the Board in the same way as in an open election but this information goes to the Nominations Committee. The Committee then shortlists candidates based on skills, knowledge and experience, presenting the shortlist to the membership who vote at a General Meeting. Members can choose to reject any shortlisted candidates.

Ex-officio

Individuals in key leadership positions, for example, Chairs, Captains or key sub-committees, e.g. Greens may be appointed on the basis of their Chair/Captain positions. This ensures the Board has access to essential insight from these member groups however it should not apply to the majority of Board roles. Maintaining Board positions without portfolio enables the Board to appoint people on the basis of skills and independence from any section or role.

Co-option

Where a gap in skills or knowledge has been identified but there is no option to elect, individuals can be co-opted on the Board. This would need to be clear in the articles and whoever is co-opted must meet the person specification, as they would share the same duties as all directors.

If there are low numbers of applications

There are many reasons why a club may not receive large number of applications or nominations. These situations rare and many clubs have experienced a significant increase in the number of members interested in contributing on the Board or a committee. In the unlikely event there a low numbers of applications or nominations, the club could consider the following:

- Time - if there are skilled people but they don't want to commit the time, advisory roles can allow them to contribute without the burden of attending every meeting.
- Articles that enable flexibility - if no one (or very few) applies or is nominated, the articles are best written to allow some flexibility. For example, no more than 8/10/12 members rather than a set figure, as this may cause problems appointing to the exact number. The size of the Board should still be set on the basis of what the club needs, rather than assessing whether there are skills currently available. It is acceptable to have more than one recruitment drive in a year if insufficient numbers appear first time.

The key to the process is the information provided in advance - strategy and vision that members have contributed to, and so feel connected to the club's future success; role descriptions that are unambiguous, clear in terms of commitment and responsibilities; communications that encourage and motivate people to play a part

and do not favour one section over another etc. Smaller Boards can be effective provided there is a robust governance structure where sub-committees have sufficient delegated authority to deliver alongside staff.

- Quorum – this will also be set out in the articles and this is usually a figure, e.g. 4. It is often half or slightly less than half so as not to make decision-making difficult for small Boards. For example, if the Board is only 4, quorum might only be two and, subject to the articles, this could generate a split decision that can't be resolved. If quorum is 3, it places great pressure on Board members to attend every meeting to avoid situations where decisions cannot be made. Slightly larger Boards (6 or more) will make meetings and decision-making easier in practice noting that volunteers will not necessarily be able to attend every meeting. It is also likely those individuals will be fulfilling other roles, e.g. sub-committees, captaincy.
- Ensuring clarity of role between Board and staff – if there are few applications or nominations, the club may be tempted to place greater responsibility of staff, especially the Club Manager. As the Board is responsible for oversight rather than delivery, staff and sub-committees are already focused on delivering the plan. Most clubs operate with small staff teams so it is important that the Club Manager is not expected to be a Director (strategic oversight) and leading operations to the same degree. There is sometimes a reliance on the Club Manager by volunteers but ultimately the Board really needs to take responsibility for its part in leading the club. Including the Club Manager on the Board can give Directors a sense of security but depending on him/her to lead the Board as a Director would be unwise, hence the suggestion that the Club Manager is not a Director but the senior executive leading the staff and ensuring delivery.

Terms of office

Directors should be appointed for a term that allows them to make a strategic contribution. No term of office should be less than two years and three years is considered the optimum amount of time to make an impact. Crucially, this also provides continuity to the Board. No one Director should serve for more than 9 years in total (3x3 years) unless there are exceptional reasons for extending their service in this role (note, individuals can serve in sub-committee and other roles even when they are not Directors). Directors can choose to stand for a second or third term and it is common practice to reappoint without application if the Director has met their duties and standards of performance during earlier terms.

If the Club and Ladies Captains serve for one year, their term of office as Directors will terminate once they step down from their captaincy roles. This does not preclude them from being appointed thereafter as a Director through an open application or election.

Balance

Clubs will seek a balance of golf and business skills, men and women, and this should be explicit in all the documentation and communication. It is possible to establish a combination of appointment processes to achieve this, e.g. ex-officio, open election of sub-committee Chairs then open recruitment for the remaining positions. Whatever recruitment or election process is adopted, a Nominations Committee can ensure there is transparency and a focus on the skills that will ultimately benefit the club.