



NED Network briefing

19 July 2021

Set up by [HACT](#) and [PlaceShapers](#), with the support of [Anthony Collins Solicitors](#) and [Badenoch + Clark](#)

“How can Boards set and monitor culture?”

A discussion led by John Giesen

(Chair of TPAS and Vice-Chair of Providence Row Housing Association)

This session explored the question of organisational culture and the role that boards have in driving this. Although the culture of an organisation is critical to its success or failure, boards are not always clear about what their role is and what they should be doing practically to set and monitor culture and values of their organisation.

John Giesen started the session and Andrew van Doorn chaired the discussion which covered the themes below:

1. What is culture? What are values?

It was acknowledged that sometimes we talk about culture and values, but we might struggle to explain them. The following comments were made:

- Culture is the **way things are done**, whether you have a cultural development programme or not;
- **behaviours** are often the expression of values while culture is about day-to-day behaviours;
- does the **culture stem from values** or the other way around?
- values are the **focal point** for the team to keep everyone in step;
- values are a way of ensuring **common expectations**, so that behaviours can be challenged if not in line with the values.

2. How does an organisation set its culture?

- Some **organisations set their culture** through the agreement of a small group of people (e.g. chair and CEO or senior leadership team) who develop the cultural themes and do not share these more widely with stakeholders until much later in the process.



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- It tends to be very noticeable in these organisations that key voices have been excluded;
- **examples of good culture development programmes** are those which involve stakeholders at the start and are defined by the values of the organisation. If an organisation thinks that its values and culture are important then they need to be lived on a daily basis and owned and demonstrated from the top of the organisation otherwise it is meaningless. It is important to recognise that the ownership of culture is not new, but it has not necessarily been happening in practice;
- one **example was given of a positive experience** of re-writing an organisation's corporate strategy. The organisation started by looking at its values and this was a really powerful and effective way of bringing the organisation together. The whole organisation now knows what its 5 key values are (they are displayed on all marketing) and this has transformed the culture of the organisation. Everyone involved in the organisation now talks the values and uses them as a lens through which to make informed decisions, driving and strengthening this as a culture moving forwards;
- another organisation started by asking a group of residents to **give a list of things that must not be changed about the culture**. A group of staff colleagues were then tasked with producing the 5-year plan within the parameters set by residents, who developed this for the board and senior management team;
- lots of **money has been spent on culture change programmes** and consultants advising on this issue. How much of this has actually worked and how long cultural rhetoric survives after structural changes in an organisation (e.g. a merger) which can be a challenge, was discussed. Culture should be considered as part of that process. There were varying degrees of success noted here particularly where boards were not driving the process.

3. How do you measure culture through the organisation?

- If a Board believes the values of their organisation are right, it is important to **test how their senior leadership are going to deliver them**. Finding the best way to do this is up to the Board. It is important to ensure that there are not separate teams (e.g. different offices, different teams in different locations, hybrid working) which are not buying in to the same culture, as the whole organisation needs to own it. The values/culture of the Board and the senior management team have to be the same, otherwise this can lead to mixed messages, the culture being diluted and values lost over time.



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- One comment was made that **Boards do not have the levers to drive the organisation's culture**, but have the responsibility to make sure culture is right. How do you then keep a check on the culture? It was suggested that boards should make sure that they are setting the culture and it is, for example, not re-written when a change of senior personnel occurs (e.g. if a board is ambivalent about an organisation's values/culture then a new CEO may well feel the need to deliver a new cultural strategy).
- **Board members should have a line of sight to the behaviour/culture of colleagues** who work for the organisation. They could achieve this by spending time in the organisation's offices or by attending committees/working groups, looking at the way meetings are conducted, the tone of the papers and policies, how confident staff are when engaging with the board, staff turnover and other KPIs etc.
- Instances where it was clear that an organisation's culture/values did not accord with those of board members were highlighted, and some board members had decided to resign. It was acknowledged that there will be situations where this arises and that it may be right to move on and focus on an organisation where the culture and values do align.

4. How do you ensure the change of key personnel does not change the culture of your organisation?

- This may depend on how often an organisation reviews values/culture and how happy the organisation is with its current culture and culture development programme. Normally organisations expect values/culture to survive changes in leadership, but we tend to see them change particularly with the appointment of a new CEO. Attendees reflected that this often demonstrates a lack of ownership by the board.
- For the last 10-15 years there has been an issue around boards being too professional. They usually have relevant skills but do not necessarily have the values or understand what the organisation is about. Boards may therefore need reminding about what their organisational purpose is on a regular basis, are reminded of their objects and purpose and how the values and culture align to this. Boards also need to ensure that they are acting in the best interests of the organisation, thinking for themselves and are not giving up their opinion in favour of someone else's experience and advice (e.g. a consultant brought in to advise on culture/values or a new CEO). All agreed that the Board should be the guardians of any change.



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- It was noted that a clash of cultures in the merger of two or more organisations is one of the biggest red flags in pre-merger discussion and due-diligence. It is therefore important to ensure that the culture is compatible otherwise there can be significant issues afterwards (including de-merger).

5. How do you make your residents and stakeholders feel included in setting your organisation's culture?

- One member shared that at the beginning of their Board meetings, they are shown interviews of residents who are asked about what they think of the organisation. The organisation having a culture of wanting to know how they can improve to better serve their residents.
- Another member talked about engaging "customer voice" by letting residents attend the Board meeting to talk about their experiences. Residents are asked to be honest about their experience including where there has been a breakdown in service as this is a helpful way to understand how staff colleagues were working with customers and whether at all levels of involvement the culture and values of the organisation are being delivered.
- Discussing key themes from complaints to get a sense of what matters to customers, was also noted as a good way to discover what residents consider the culture of the organisation is. Overall it was agreed that unless the Board do own and monitor culture within their organisation, its purpose and values are potentially at risk of not being delivered.

Sarah Patrice and Catherine Gibbons

Anthony Collins Solicitors LLP

Next meeting

The Network will be taking a break for the summer. We will reconvene on Monday 13 September.

If you have any questions about the Network, please email thames.menteth-wheelwright@hact.org.uk