

BUREAU OF PUBLIC SERVICE REFORMS(THE PRESIDENCY)
INDUCTION PROGRAMME FOR GOVERNING BOARD MEMBERS
AND CHIEF EXECUTIVES OF FEDERAL PARASTALS, AGENCIES
AND COMMISSION, ABUJA, MAY 5, 2018.

Remarks by

Mr. Emmanuel Olajide Adesoye (FCA)

Chairman, Governing Board, Nigerian Ports Authority

**REQUEST TO SHARE EXPERIENCE IN GOVERNING
BOARD/COUNCIL/MANAGEMENT RELATIONSHIPS IN THE
CONDUCT OF GOVERNMENT BUSINESS.**

PROTOCOLS

1.0 I wish to express how deeply honoured I feel at the privilege extended to me by the Bureau of Public Service Reforms(BPSR) to serve as a resource person in sharing my experience on Governing Boards/Councils and their relationship with Management in the conduct of Government Business, as part of this very laudable induction programme.

2.0 The recognition by the Bureau of Public Service Reforms (BPSR), of the critical role of learning & development in the overall context of capacity building within the Public Service is not only laudable but highly commendable. It is important to recognize that the Public Service, a critical part of which are Boards and Governing Councils of Federal Government Agencies and Parastatals, is the machinery that is designed to implement policies and programmes of Government, and which therefore are

expected to play a critical role in overcoming Nigeria's developmental and infrastructural challenges.

3.0 I therefore wish to commend the Bureau of Public Service Reforms for putting together this program that will facilitate the seamless transition of the various board chairpersons and Chief Executives into their new roles. Your respective appointments to my mind is a recognition of your expertise and experience in your chosen careers by **His Excellency, President of the Federal Republic of Nigeria, President Muhammadu Buhari GCFR** and I congratulate you all for this remarkable achievement and great call to service.

"Someone asked the question; Why is the Public Service so evidently important and yet so routinely derided; so easy to alter, yet so difficult to improve?

One important idea is for resilient governments to have a small dedicated group of people like you to think about the future systematically, and identify contingencies to be planned for and emerging risks over the horizon to be managed.

It is good to be prepared for futures which are not like the past. Sometimes, projections fail, sometimes trends bend.

An effective, efficient and equitable (The 3E's) public administration is essential for a modern state to be able to deliver on its obligations to citizens and the international community."

4.0 Constitutionally and legally, Governing boards often bear ultimate responsibility for an Organisation. Within that broad framework, the roles and responsibilities which organisations expect their Governing bodies to perform usually include;

- a) legal responsibilities & requirements (serving as Trustees / Company directors)
- b) taking the long-term view(serving as 'think tank' and environmental analysts)
- c) policy-making (deciding the overall broad strategy and procedural framework)
- d) supervision & support (ensuring proper policy implementation)
- e) financial responsibility for the organization
- f) Representation and accountability (protecting Government's interests)
- g) Monitoring the quality of service delivery
- h) Ethical policies and equal opportunities (ensuring that clear statements of intent and codes of practice are developed, implemented and maintained).

5.0 While Managements may have deeper insights into the day-to-day operational issues of the organization, the Boards have top views of the same Organization. Board/Management relationship can therefore be best described as symbiotic because neither Management nor the Board can exist without each other and as such, both need each other to flourish. It is

only when the Board and the Management co-exist in a harmonious manner can there be true progress for the organization.

This could give the impression that the roles and responsibilities of Boards/Governing Councils could overlap with the responsibilities of the organization managers. There is therefore the need to agree roles and responsibilities of Governing Boards/ Councils from the onset.

6.0 Given the above, I have attempted to make a shortlist of my personal observations, (not necessarily at the Nigerian Ports Authority alone, but in other Organizations over the years) of the more common issues that influence, affect or determine the character of Board/Management relationships, and the success of organizations;

- i Individual principles, Values and Personal integrity
- ii Corporate Governance Vs Business as Usual
- iii Political/Personal loyalties/Interest Vs Organizational Objectives
- iv The place of mutual trust and respect
- v Education / Induction of Political Appointees - The type you are doing now (Including the rights and obligations of Board members)
- vi Poor Communication/Feedback
- vii Poor Team work
- viii "Arrogance" of CEOs
- ix "Interference" by Board Members
- x Conflict of Interest
- xi "Expertise" Syndrome

7.0 There are **three key messages** that I wish to leave with you all today:

First, the extent to which your organizations will realize their respective missions strongly depends on the quality of governance and

leadership that you each provide. As Board Members and Chief Executive Officers you have a responsibility to provide the kind of leadership that your agencies need to thrive. You are strategically placed to support and uphold the mission and the vision of your organization. For some, this induction marks your inaugural venture into the public sector; as such, there might be some apprehension about public sector dynamics. I understand such concerns, as I also came in with a background in the private sector.

In his book, *The Passionate Bureaucrat*, Max Everest-Phillips says, "As countries jostle to keep up with globalization, while keeping the parochial interests of their citizens satisfied, the bureaucrat of the 21st century is sometimes despised as inferior to their private sector counterpart". From my experience so far, I would say this is due to ignorance as to the enormity of the problems public servants have to grapple with.

I, however, wish to assure you that the wealth of diverse experiences you bring are not only transferable to, but also critically needed in the public-sector context. In my experience as NPA Board Chairman, I work with seasoned leaders with diverse governmental/non-governmental backgrounds including academia, economics, legal, finance, business administration, developmental studies, human resource management, engineering, urban and regional planning, parliamentarian and philanthropy.

I find strength in such diversity.

What truly matters is for each person to demonstrate an unrelenting commitment to deploy his or her unique competencies in advancing the goals of your organization.

On this point, I also urge you all to treat your respective agencies as businesses and bring forth the highest level of rigor and operational efficiency in your day-to-day management activities. At all times, you must think about the ways in which your agencies are creating value for your shareholders and by extension to the public and actively seek opportunities to drive innovation in your respective areas. **Gone are the days where government business is synonymous with waste and inefficiency** - People question more and expect better nowadays.

Second, preserving public trust should guide your endeavors and incentivize you to lead your respective agencies in a manner that is efficient, effective, and responsible. At NPA, we commit to excellence and innovation in this process, as reflected in the quality of decisions we take as a leadership team. Our activities as a board are grounded in the understanding that a failure on our part to lead an efficient bureaucracy comes at a great cost to the public and is in violation of the terms of our service. In this era of scarce resources and high demand for good governance, failure is certainly not an option. At this point, I wish to quickly share 5 practices that enable me as Board Chair--and my team--to use sound corporate governance to deliver results:

- a. Understand the mandate and mission of your agency and consider every decision in light of how it advances the mission.
- b. Ensure compliance with relevant guidelines, procedures, and regulations governing your agency's activities by drawing upon the expertise of relevant departments. Respect for process matters a great deal. However, ensure this does not kill innovation.
- c. Establish new policies and measures as needed to further the aims of your agencies and to confront the challenges that emerge.
- d. Foster a culture of transparent and inclusive communication among board members to facilitate the development of sound policy ideas.
- e. Promote a collaborative culture among board members, agency staff, and relevant stakeholders.

In all of this, it is critical for the board to operate and make decisions as a group. This does not imply that every member will always be in agreement. Rather, it demonstrates a need to nurture a trusting work environment that will allow for problem-solving and decision-making even when there is conflict and diversity of opinions. This need cannot be overemphasized.

My third message is on the nature of the relationship between the Board and the Chief Executive. In my view and experience, this

relationship must be a mutually beneficial and reinforcing one anchored on organizational goals and mutual respect. It is in the interest of Chief Executives to adopt a policy of transparency in working with the board. It is also imperative for Chief Executives to preserve the independence of the board and make conscious efforts to build relationships, albeit informally, with members. In this spirit, Chief Executives should be careful to not miss opportunities to draw upon the expertise of the board and its members.

Tap into the power of your board's diversity.

All of this implies an important role for communication. I urge you to be clear, transparent, and proactive in your dealings with each other and the rest of your agencies. The quality of your working relationship is contingent upon this.

Worthy of mention is the need for the Board to respect statutory restrictions that may be placed on certain traditional roles. A case in point is the provisions of the Public Procurement Act 2007 which rest responsibilities on the Permanent Secretaries for ministries, Director Generals/Managing Directors/Chief Executive Officers of corporations and Vice Chancellors/Provost/Rectors of various institutions. This particular Act has challenged the traditional roles of Boards and Governing Councils, in that Boards now no longer have any input in Procurement and Contracting activities of the organizations. This is a remarkable departure from what had been the norm.

Prior to the year 2007, the Nigerian Public Procurement System was unregulated by any statute of the National Assembly, the Board at this

period had threshold established at organizational level to which they could superintend in Procurement and Contracting. A remarkable departure has been witnessed in this area as the Board is not presently assigned with roles under the Procurement Act, a position that Governing Boards/ Governing Councils is expected to uphold without any friction with the Chief Executive Officer and other Executive Directors.

Key experiences to share in this regard are as follows:-

1. **Setting the right tone from the start:** Right from my acceptance speech on behalf of the Board, I communicated our commitment to work closely with the management team particularly in the areas of operational strategy, policies and procedures to conduct ourselves with the highest degree of integrity whilst promoting the ideals of the “zero” tolerance for corrupt practices in any form at the various ports of operations in Nigeria, permit me to state that this immediately set the scene for a good working relationship.
2. **Setting up agenda for board meetings:** Agendas are critically set to address and provide feedback on priority issues. The intervention of the Board is notable in the areas of;
 - a) Staff and Public complaints that may arise
 - b) New government initiatives (e.g Executive orders) that can add value to the organization
 - c) New Projects
 - d) Important changes

- e) New management initiatives
 - f) Reorganizations e.t.c
3. **Chairman's opening remarks at board meetings:** Specifically, the Chairman's opening remarks at every meeting afford the opportunity to present information, happenings and events from both international and national perspective as it relates to the sector to all Board members. The opening remarks draws the attention of the Board to several things which can set the tone for any other business for the meeting or form an agenda for subsequent meetings. For example, it can relate to such things as:
- a) Governance
 - b) Some critical operational issues
 - c) Public image
 - d) Matters arising
 - e) Matters requiring management attention
 - f) Investment opportunities e.t.c.
 - g) Financing and other value adding issues
4. **Inspection visits:** Following the inauguration of the Board; the need for visits to the ports for on-the-spot assessment was prioritized; this singular exercise continues to be worthwhile as members can connect with reports being presented on happenings at the port from a very informed perspective.

Improving Board/Management Relationship

I list herewith some suggestions on improving the relationship between Governing Boards/Councils and Management of Commissions and Parastatal Organizations.

- 1) The exercise we are currently engaged on is very critical in ensuring that Board/Management relationship is properly defined from the start. It is a step in the right direction.
- 2) Board/Management to communicate regularly especially on important issues affecting the organization. The board should be available and communicate openly, proactively and transparently with the CEO and Directors.
- 3) Collaboration with Management to establish expectations, agendas, processes and decision rules. The Chairman collaborates with the CEO and seeks his/her input in establishing these.
- 4) Exposing Board members to the organization's core business through formal training/seminar/workshop and presentations made by the senior management staffs of their activities. This will deepen understanding of the organization by the Board members.
- 5) Non-concealment of material information from Board members. Management to bring organization challenges/developments to the knowledge of Board members timely. It is not helpful to hear important developments of the organization through the press.

- 6) The board members should always act in the best interest of the organization. They should regularly carry out self-evaluation to appraise their performances.
- 7) Demonstrate humility, self awareness and a "low ego approach". All parties should be comfortable with having their ideas challenged, but sound suggestions to move organization forward should be promptly acted upon.
- 8) Good understanding of corporate governance guidelines of the organization and strict adherence thereto.
- 9) Demonstrate honesty, trust, respect and transparency regarding your opinion, plans, and underlying motives. Mutual respect between board and management enhances harmonious relationship.
- 10) The Board should set up specialized committees to support it in performing its functions, for instance audit, risk management, and engineering initiatives as these are technical areas that might lead to conflicts in the board room.
- 11) Temper/manage personal and public expectation of the "perks" of office.

In conclusion, I hope that you will find these thoughts useful as you embark on your respective journeys, I also hope that you will seize the opportunity before you to set examples worthy of emulation in your capacity as Chief Executives and Board Chairpersons. I wish

you all success in your endeavors, and I commend you in advance for bringing in your best effort to take on the challenges that lie ahead.

Thank you for your attention.

Emmanuel Olajide Adesoye (FCA)

Chairman, Governing Board

Nigerian Ports Authority

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