

**Session IV:
Good Governance: Good
Leadership
We Need Both!**

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Good Governance: Good Leadership - We Need Both!

What makes great boards great?

*They work with their presidents
to build and sustain great institutions.*

-Terrence MacTaggart

What We Will Accomplish Today

- **Module 1 – Responsibilities of Boards**
 - Essential Responsibilities of Boards
 - Presentation & Questions
- **Module 2 – Working as a Team**
 - Board Expectations of Presidents
 - President Expectations of Boards
 - Components of a High-Performing Board Culture
 - Presentation & Questions
- **Module 3 – Leadership During a Time of Disruptive Change**
 - Presentation & Questions

My assignment: To provide good, relevant information –
answer questions and finish up on time.

Your assignment: To ask questions – make list of take-home points.

Module 1 – Essential Responsibilities of Boards

1. Boards have ultimate fiduciary responsibility for their institutions.
2. Boards are responsible for the recruitment, compensation, and performance review of the President of the institution.
3. The board broadly defines the educational mission of the institution, determines generally the academic programs the institution shall offer to students, and is ultimately accountable for the quality of the learning experience.
4. Public and nonprofit boards are overseers of the public trust they hold, and need to be accountable for meeting the public trust in ways appropriate to the mission of their institution.

Essential Responsibilities of Boards

5. Boards are responsible for ensuring the independence of the institution and for safeguarding academic freedom.
6. Boards define the terms of shared governance within their institutions, through respect for traditions of shared governance including delegation of recommendations for academic policy to faculty.
7. Boards make decisions about finance, including the approval of the budget, establishment of guidelines for the allocation of resources, and strategic financial planning as an element of their role in strategic planning.
8. Boards are responsible for reaching out to multiple constituencies, internal and external, to maintain a respectful and open flow of communication between relevant stakeholder groups.

Advocacy!

Essential Responsibilities of Boards

9. Boards need to understand the legal and regulatory environment within which their institution operates, and ensure compliance with fiscal, academic, licensing and other standards.
10. Conduct the board's business in an exemplary fashion and with appropriate transparency, adhering to the highest ethical standards and complying with applicable open meeting and public-records laws; ensure the currency of board governance policies and practices; and periodically assess the performance of the board, its committees, and its members.

Module 2 – Working as a Team

Board Expectations of Presidents

1. Provide relevant, understandable, information in right amounts
2. Reveal warts and blemishes – suggest solutions
3. Accept the occasional reversal – and differences within Board
4. Make good use of Board time
5. Help in educating and leading the Board
6. No surprises

Working as a Team

President Expectations of Boards

1. Openness and forthrightness
2. No surprises
3. Understand – CEO works for Board – not individuals
4. Avoid posturing to media
5. Maintain confidentiality
6. Give (time, financial resources) until it hurts

Board No No's

- Asking big favors of administrators
- Conflicts of interest
- Prejudging situation based on comments outside loop
- Special interest pleader
- Forming coalitions to achieve interests
- Believing individual Board member is the Board
- Revealing confidences
- Speaking for the Board (unless chair or president)
- Micro-managing

President No No's

- Not communicating about issues, possible public embarrassments
- Providing too much information (or not enough)
- Not respecting the Board's need to conduct its fiduciary duties
- Not speaking up when a member or the full Board overreaches its authority
- Surprises
- Revealing confidences

Components of a High-Performance Culture

Structure Is Good; Culture Is Better

- Homework in advance of meeting
- Conflicts of interest avoided
- A focus on what is most important
- A strong board value of mutual respect
- Candor
- Caring
- Confidentiality
- Honesty
- Trust
- Focus on policy

We the Board of _____ are committed to the welfare of our institution. We recognize that to effectively do our job, we must establish and maintain a culture of mutual respect. We will adhere to the following values: candor, confidentiality, honesty, trust, focus on policy, and caring for one another.

We will do our homework, focus on what is most important, avoid conflicts of interest, and respect the president's responsibility to manage the institution.

We recognize that _____'s success depends on our working together, and we pledge to do so.

Signed...



Questions for Buzz

Module 3 – Leadership During a Time of Disruptive Change

Don't Do This

- Mandate change without explanation
- Assume people understand the problem
- Huddle behind closed doors
- Neglect own anxiety and that of others
- Delegate without giving guidance

Leadership During a Time of Disruptive Change

Do This

- Get your mind right, Luke!
- A crisis or great opportunity – deal with it
- Doing nothing not an option
- Accept cost of moving beyond comfort zone

Leadership During a Time of Disruptive Change

Do This

- Understand emotional component – denial, anger, bargaining, depression, acceptance
- Let mission, vision, values, drive your efforts
- Own the narrative
- Build and maintain trust-involvement, transparency, communications

Leadership During a Time of Disruptive Change

Do This

- Involve those that can make it happen
- Think in terms of trade – offs and explain
- Use triage when dealing with stakeholders
- Care about people and show it
- Roll out plans-all bad news at once
- Show vision, time-line, and small steps

Leadership During a Time of Disruptive Change

Do This

- Communicate small achievements
- Don't declare victory too soon
- Take care of self
- Have metrics which measure progress
- Adjust when needed and explain

Sausage making ugly but the end product can be delicious

Questions for Buzz & Your Take-home Ideas

- **Module 1 – Responsibilities of Boards**
 - Have in your notebook the components of a high-performing culture. If you accept and apply them things will go more smoothly
 - Know you have ultimate fiduciary responsibility for your institution
 - Remember, your most important responsibility is the recruitment, evaluation, and the care and feeding of the president and his/her significant other.
 - Understand the legal and regulatory environment in which your institution operates and make good use of legal counsel.
- **Module 2 – Working as a Team**
 - Avoid at all costs the no no's mentioned in Module 2.
- **Module 3 – Leadership During a Time of Disruptive Change**
 - Have in your notebook the things to remember in leading during disruptive change. This information is important to frequently review during these disruptive times.



Thank you!

Appendix A – The Nuances of Board Roles

- **Governance Hat.** Worn only when the full board meets, proper notice has been given and a quorum is present. The board is the ultimate legal and moral authority for the institution. The government authorizes the board to be accountable to the public for running the institution. An individual board member has no authority in governance. Governance is a group action.
- **Implementation Hat.** Worn only when the board gives one or more board members authority, with presidential concurrence, to implement a board policy. Seldom, but occasionally, the board delegates to at least one of its members to act on its behalf – to help determine which firm will do the next financial audit, hire a consulting firm, etc.

Such authority is not automatic just because a person is a board member. It depends on the board giving its authority in an official board meeting. In such instances, the board member or board members report to the president, not the full board. If this hat is frequently worn, the governance system isn't working.

Appendix A, continued

- **Volunteer Hat.** Worn at all other times when board members are involved with organizational activities. Examples would be fund raising and political friend raising. In this volunteer capacity, board members are accountable to someone else in the administration such as the president, the VP for development, etc.

Adapted from Nonprofit Board Answer Book, 2002 Board Source.

Appendix A, continued

But what is a board to do when policies aren't being properly implemented?

- **Don't do this.** Take over and do the work for the University.
- **Do this.** Institute protocols that allow for effective communication between board members and various constituents and with the president.
- **Do this.** Insist on accountability. Policies that are clear, assignment of responsibilities, timelines, and performance evaluations make this happen... Things either get better or personnel changes are needed.

But what is the president to do if there is micromanagement?

- **Don't do this.** Complain but accept no responsibility for positive change.
- **Do this.** Insist that protocols are followed and strongly deal with implementation matters.
- **Do this.** Make sure that policies are carried out. Take leadership.

Appendix A, continued

Shared governance doesn't mean inertia!

- “Boards and chief executives should establish deadlines for the conclusion of various consultative and decision-making processes with the clear understanding that failure to act in accordance with these deadlines will mean that the next highest level in the governance process may choose to act. While respecting the sometimes-lengthy processes of academic governance, a single individual or group should not be empowered to impede decisions through inaction.”

***AGB Board Basics** – AGB Statement on Institutional Governance and Governing in the Public Trust: External Influences on Colleges and Universities.*

Appendix B – Governance Scenarios for Discussion

- The Board annually reviews the president’s performance in private session. Also, every five years it plans to do a more inclusive review involving selected people from the campus community, alumni leaders, and the larger community. The results will be kept confidential. The president strongly objects stating that such reviews weaken his leadership position. Who is the problem here?
- A Board member suggests at a public meeting that the college should strongly consider developing a new undergraduate program in nursing. He asks the college to conduct a feasibility study and report its findings back to the Board in six weeks. Any problem here?
- The Board reviews the salary increase recommendations for all faculty and staff. They often make changes in the amount given out to certain individuals—some get more than recommended, some less. Some who were recommended for raises got no raise. Any problem here?

Appendix B, continued

- The Board Chair tells key Board members that he wants some of the President's Cabinet members fired. He says the President is cooperating. Any problem here?
- A highly popular, entrepreneurial president leases a portion of the institution's land to a high-tech firm that promises many jobs and close relations with the school. The Board reads about it in the paper. The President argues that she needs to move quietly and quickly in order for this to happen. Any problem here?
- The President is upset because his office account is going to be audited this year as a part of the annual audit program. She tells the Board that this has greatly angered her as this action suggests that they don't trust her. Any problem here?
- The Board, unhappy with the way admissions decisions are made, places three of its members on a newly formed Admissions Committee. Any problem here?

Appendix B, continued

- The Board, against the vehement opposition of the President, makes the football coach, athletic director. He keeps his position as coach. Any problem here?
- The Board requires that the President report annually on the college's compliance with Title IX of the Civil Rights Act. It tells the president that if there are any problems, he should report them to the board along with plans and cost figures. Any problem here?
- A well-meaning board member is a self-styled expert on building matters. He begins to meet each Monday with the Buildings and Grounds head and her staff. Soon he is directing a new project. Any problem here?
- A tenure track faculty member is doing an adequate but not great job. He is well liked but shows little promise for improvement. The department and ultimately the president deny tenure feeling they can do much better on the open market. Any problem here?

Appendix B, continued

- The college, an NCAA Division II member, has an excellent football team. No alcohol is allowed in the stadium. Board members sit in a protected and private area and the college is expected to provide alcoholic drinks for attending members. The president says, “This violates policy, and that is bad enough, but to add insult to injury, board members take home the half empty bottles. Wrong and Expensive.” Any problem here?
- An influential board member is a graduate of the U’s Architectural School. She feels that it is going down hill and begins talking privately with each faculty member and reports her findings to the president and full board in a closed meeting. Any problem here?
- The Chair of the facilities committee owns a highly successful development and construction company. Of the four buildings built in the last four years, his company has built all of them. There was no formal bidding process. The board members says, “I love the university and I build these buildings at cost.”

Appendix C – Typical Division of Labor

	Board	Administration
1	Monitor institutional planning.	Develop campus plan for Board approval. Once approved, implement.
2	Approve new academic programs.	Develop new academic programs for Board approval. Once approved, implement.
3	Approve and monitor financial aid, enrollment, tuition, etc. policies.	Develop policies for financial aid, enrollment, tuition and fees, etc. for Board approval. Once approved, implement.
4	Review and approve annual budget.	Develop annual budget for Board approval. Once approved, implement.

Appendix C, continued

	Board	Administration
5	Monitor institution's assessment efforts in both academic programs and campus services. Insist on a strong evaluation program.	Develop assessment programs for academic programs and campus services and provide Board with periodic progress reports.
6	Encourage and monitor cost effective management.	Develop programs to ensure cost effective management. Keep the Board informed.
7	Review & monitor regulations regarding everyday conduct – parking, library fines, residence hall regulations, etc.	Develop these regulations and keep Board informed.
8	Review and monitor athletics program. Approve major changes in status. Expect frequent reports.	Develop these recommendations and seek Board approval for major policy changes. Provide frequent information.

Appendix C, continued

	Board	Administration
9	Approve major human resource policies, e.g., hiring, termination, leaves and sabbaticals, salary increases, etc.	Develop policies for these and other areas for Board approval. Implement policies, keep Board informed.
10	Approve new buildings and other major expenditures. Approve campus building plans.	Develop a campus building plan for Board approval. Develop requests for a specific building for Board approval. Manage the process once the Board approves.
11	Monitor campus compliance with local, state, and federal laws and with Board policy.	Develop a means to ensure compliance and periodically report to the Board on any compliance issues.

