From *Practical Wisdom:*
Thinking Differently About College and University Governance

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The following is an excerpt from the unedited manuscript.

CHAPTER 1

THINKING, DOING, GOVERNING

We take governance seriously. Given the title and, in places, the tone of this book, one might not think that is the case. (We figure a little levity never hurts.) This is a book about helping those involved with governance – board members and administrators – approach their work in new ways. The primary aim of the book is to provide insight that boards can use to enhance their governing practices. While there are a good number of other resources for boards, our take is about thinking differently about governance. Our basic premise is that too many boards are not reaching their full potential because they routinely adopt or continue to use ineffective practices that go unexamined. It's the "Its-just-how-we-do-things-around-here" syndrome. Our contention is that if boards are more intentional in thinking about *what* they do, *how* they do it, and *why* they do it, they will reconsider habitual practices, change some things, reflect on the changes, learn, and govern better—more intentionally. And, these efforts will help trustees add more value to the colleges, universities, and state systems they govern. This book is predominately directed toward

higher education, but we think many of its ideas are relevant to governance in other sectors, particularly independent schools, non-profit organizations, hospitals, and healthcare systems. Some many find it applicable to corporate boards, but this is the sector with which we have the least experience. We use thought-provoking chapter titles and a conversational tone to engage readers, get them to reflect on their work, and broaden their horizons. Our goal is engaging trustees on issues they find relevant and in ways they find practical and stimulating. We think that boards can and should play a positive, meaningful role in the trajectory of organizations they serve. Effective boards add value; and unfortunately, the reverse is true as well; ineffective boards do not.

We wrote this book based on our experiences in boardrooms; it reflects our lessons learned by serving as trustees, consulting with boards, and studying them through our past and ongoing research efforts. We spend a lot of time working across a set of very different boards at different types of institutions. We see the questions boards are asking or should be asking; and the thinking that could increase their impact. Having broad views beyond a single boardroom is uncommon; it has helped us see patterns—across boards and over time—about issues that boards should be considering and the cultures in which they are situated. Most trustees, in our experience, serve on a single university board. There are some who serve on multiple boards concurrently or over time, yet most trustees find themselves as novices in complex and often what can seem like foreign environments. Issues such as tuition discounting (why do our "customers" pay less than it costs to produce our "product?"), tenure and academic freedom (as well as academic prerogative), strategic planning in a culture of shared governance, to name a few common artifacts of higher education that do not have easy parallels in other sectors or industries. What this means is that board members may find their attention focused almost

exclusively on the work facing the college or university and they have little time left to consider how they are go about governing. We've been thinking about how boards go about their business.

We want boards to not simply go through the paces of governance but to create an intentional mindset for how they govern. Given the composition and structure of boards, governance may almost be an unnatural act. First, individuals who serve on boards tend to be highly accomplished in their own diverse roles. Many trustees have served in C-suite positions, where they are in charge; translate that mindset and skillset to the boardroom and you may have "an orchestra of soloists" (Chait, 2006, p. 2). Second, trustees come from a variety of sectors and have different backgrounds; they may be unfamiliar with how others think, act, and solve problems in higher education settings. Third, boards meet infrequently—some only two or three times a year—so governance is episodic, and trustees may be unaware of, or out of step with, events on campus. Fourth, board composition changes; therefore, trustees periodically govern with different people who they may not know very well, making it difficult to develop into a high performing team. Finally, boards face full agendas with limited time to devote to complex issues. To overcome these challenges, the best boards are intentional about how they govern because of how they think about their work.

We frame this book around wisdom for boards. As the old saw goes, trusteeship is about three "W's" – work, wealth, and wisdom. Both of us volunteer our time as trustees (work) and contribute our wealth as we can. This book focuses on that third "W" of trusteeship--wisdom. According to Merriam-Webster's dictionary, the term wisdom has multiple definitions; two are especially germane: (1) accumulated philosophical or scientific learning; and (2) a wise attitude

or course of action. Our goal is to synthesize our accumulated learning so that boards can adopt wise courses of action and attitudes toward their work.

While this is a book about governance, we view governance as the means to a greater end. The goal of good governance is to advance colleges and universities, to make them increasingly and steadfastly relevant social organizations that maximize their missions and have lasting positive impact on their students and communities, and to do this in ways that are financially sustainable over the long run. Higher education is in no way a monolithic sector and governance reflects that. Higher education is diverse, consisting of two- and four-year colleges and universities; state systems; private institutions and public ones; U.S. and foreign; and it consists of institutions with broad arrays of degree offerings and missions as well as those with narrow missions. As the sector varies, so do boards. Some are very large, others are small. Some meet frequently, others infrequently. Our approach presents ideas that, we hope, will speak to a variety of board members at a wide set of colleges, universities, and state systems.

About this Book

We structure this book so that you don't have to read it all, cover to cover, or its chapters in order. Some chapters will be more relevant to some presidents and boards than others. We invite you to skip around from chapter to chapter in any order that best suits your interests and the priorities and governance challenges you face. Governance doesn't have a set order, so why should this book?

> We use a few boxes like this to call attention to certain points and helpful vignettes.

The primary audience for this book are the trustees of U.S. universities, colleges, and state systems, and the presidents and other administrators who work with these boards. Faculty and students interested in governance may also find this book helpful. However, we think the book will have transferability to non-profit boards outside of higher education. Boards and presidents at universities outside the U.S. might also find this book relevant—especially those in countries undergoing governance reform (e.g., those moving beyond centrally coordinated higher education systems toward more market-based, democratic, or autonomous approaches. (Greetings to Kazakhstan, Malaysia, India, the U.K., Canada, and Australia—each paying increased or renewed attention to board governance).

In the chapters that follow, we explore a variety of issues boards face and offer our wisdom based on a combined four decades of experience working with public and private college and university leaders and in university boardrooms.

Chapter 2. The Evolving Board: Ways to Think About Governing Today

Good governance requires effectiveness across three elements: structure, content (i.e., meeting agendas); and culture. Furthermore, most boards work is of three types, considering three points in time: oversight (retrospective); problem-solving (present-time); and problem-finding (future). Many boards are strong thinking in one or two of these dimensions, but the best boards develop the appropriate balance across all three, and reflect that balance in their structure, content, and culture. To help boards think broadly and more succinctly about the types of work they do, this chapter presents our views on the work of boards and offers an alternative way to organize that work.

Chapter 3. The 'Damned if You Do; Damned if You Don't' Dynamics of Governing

In many ways, the deck is stacked against boards to do their work effectively and efficiently. Being a trustee is a difficult volunteer role, and boards often find themselves in 'damned if you do, damned if you don't' situations. Amid the vitriol and mudslinging that occurs on campuses and in the media, our intent is not to play the metaphorical violin and feel sorry for trustees, but this essay highlights a few harsh realities that make governance challenging.

Chapter 4. Is Your Board Mediocre?

Harvard business school professor, Dutch Leonard (2013), once said, "The central challenge for nonprofit leadership is that mediocrity is survivable." Sad, but true. And this is too often the case for college and university boards. The higher education and popular press are replete with stories of not only underwhelming board performance (e.g., South Carolina State; Sweet Briar; UT Austin), but also of governance going terribly awry (e.g., Penn State; UVA). The problem for most boards isn't that they are terrible, but that they are only minimally sufficient. A certain realization has surfaced about too many college and university boards—they are mediocre. This essay discusses what lies behind mediocrity and how boards can move beyond it.

Chapter 5. Individual Competencies for Collective Impact

Much conversation about effective governance is about what boards do as a group, and that's fine; but, as collectives of individuals, the best boards are those where the sum adds up to more than the individual parts. However, we don't choose a *group* of people for board service, we choose *individuals*. What are, and should be, the competencies of those individuals? In this chapter, we discuss the individual competencies of board members that will help improve how the collective governs.

Chapter 6. Right Answers; Wrong Questions

Trustees and presidents expect a lot from governance, yet many know that their boards are underperforming—that the board could and should do more. Asking thoughtful, informed questions is important to that continued improvement. Many calls we've received from presidents and board leaders in the U.S. and abroad seeking to improve governance include a standard set of questions. While we applaud the interest, the most commonly asked questions may be the *wrong* ones, such as: What is the right number of board members? How often should the board meet? Do we have the right committees and the right number of committees? These questions, although somewhat off-target, are well-intended. After addressing those questions (and what lies beneath them), we propose (and answer) an alternative set of questions we think boards should discuss.

Chapter 7. Spending Scarce Time Wisely

It's no surprise that what happens in board meetings is essential to the impact boards have on the institutions they serve. Time is one of the most precious commodities trustees have and one that, if squandered, can result in trustee disengagement and mediocrity. Ideally, board meetings are events that trustees look forward to as opportunities to add critical insight on the most important issues facing the institution; the President and staff, in turn, look forward to meetings to enrich their thinking. These notions place a premium on the meeting agenda as a tool to ensure efficiency and effectiveness. This essay offers ideas to help institutions get the most from meetings by being intentional about outcomes and structuring activities to achieve stated goals.

Chapter 8. Ensuring Accountability

The headlines show that no type of institution is exempt from governance woes and sometimes the intervention of Attorneys General, governors, alumni, and more when things get particularly troublesome. At the heart of many of these situations is the challenge of board accountability.

What is accountability when it comes to governance? To whom are boards accountable and for what? And how can they improve their accountability? The student learning movement has increased the emphasis on faculty accountability. Accreditation addresses institutional accountability. Board accountability has yet to garner the same attention. This chapter highlights how boards can get ahead of the accountability curve, and by so doing, greatly help their institutions.

Chapter 9. Curiosity – The Boardroom's Missing Element

Good boards ask good questions; great boards ask great questions. The ability to ask meaningful questions is an important skill in the boardroom and fundamental to effective governance. Said the chairman of Bain & Company, Orit Gadiesh, in a 2009 *Harvard Business Review* interview, "The most distinguished board is useless and does a real disservice to the organization, in my view, if the people on it don't ask the right questions. If you're not asking questions, you're not doing your job." Too many boards struggle with asking questions at all, let alone asking good or great ones. Statements, not questions, frequently carry the day. Why? This essay argues that some boards lack sufficient curiosity, but by asking effective questions, they can develop that

competency.

Chapter 10. The "Jobs" of Committees

Committees are where many boards get most of their work accomplished. But they can do more and have greater impact. Harvard Business School Professor Theodore Levitt (2005) observed that people don't buy a drill bit because they want a drill bit; they buy it because they want a hole. Levitt and other organizational scholars argue that one should look for the "jobs" people seek to accomplish rather than just their behaviors. Board committees perform certain "jobs." And different committees present a mix of jobs. Knowing the mix of what jobs different types of committees can and should do can help boards better use their committees, stay out of the weeds, and stay focused on what matters most in terms of oversight and strategic imperatives.

Chapter 11. The Culture of Boards – Making the Invisible Visible

Governing boards are dynamic groups of individuals where, sometimes, the whole does not equal the sum of the parts. Presidents want and need their boards to be active, productive, and engaged assets for the university, college, or state system they govern, yet too many boards underperform. Educating boards on *what* they should do—their roles and responsibilities—while important, is insufficient. Underperforming boards may know their roles but have cultures that limit their effectiveness. Board culture, those patterns of behavior and ways of understanding that are deeply engrained, reinforced, and taught to new trustees, is what demands attention. It has been said that culture eats structure and strategy for lunch, and we agree. But board culture is much more elusive and difficult to explain succinctly, making it a challenge to expose and to leverage constructively. This essay focuses on making invisible board culture visible and actionable.

Chapter 12. The (Not So) Hidden Dynamics of Power and Influence

What boards do matters; but how trustees interact with each other, and the administration, may matter even more. A major influence on board dynamics is the power balance among trustees and between the board and the administration. Boardroom power comes from a variety of sources, including the obvious—experience, knowledge, and expertise—but also (and less obvious), participation, information, and philanthropy. Understanding the sources and balance of power is the window into explaining much about how boards behave and, with a greater understanding, they can improve the outcomes they seek to achieve.

Chapter 13. The Prime Partnership between Presidents and Board Chairs

A partnership can mean anything from an afternoon doubles tennis match to a lifelong matrimonial commitment. Partnership too describes the complexity of the relationship between president and board chair, however, without the specific rules of tennis or the intricacies of marriage. This chapter examines the complex relationship between President and Board Chair. We argue that of the three key relationship roles—supervisor, supporter/confidant, and strategic partner—chairs and presidents tend to perform some well, but not all. To make matters more complicated, these relationships are fluid as a set of drivers, some expected, but others less so, require them to change across these three modes.

Chapter 14. Creating the Capacity for Trying Issues

Boards face a series of challenges over time; they have the capacity and wherewithal to deal with some, but not necessarily all. These issues range from the mundane to the trying. These trying issues require boards to develop new capacities, enact new structures, and alter the focus of their work. Issues of diversity and inclusivity (and oftentimes student activism) are timely and relevant examples of trying issues. Although boards have a significant leadership role to play, they are rarely poised to engage appropriately the challenging issues that most vex institutional

leaders. Addressing the issues of diversity, equity, and inclusion is difficult for a host of reasons specific to these types of issue, including: (1) the composition (mostly white males) of boards; (2) difficulties framing the issues for action; and (3) the complexity of the issue itself, but also, common governance shortcomings, including: (1) a lack of sophistication on student and faculty issues in general; (2) insufficient use of data, metrics, and dashboards, and (3) the pull of competing issues. In this chapter, we explore ways to improve a board's capacity to deal with big challenges.

Chapter 15. Strategy, Higher Education, and Boards (And Forget Planning)

All institutions have strategic plans; yet, few have boards that agree that the plan is meaningful and consequential—that it has real impact on what happens or that it is an effective roadmap for the future, especially during turbulent times of rapid change. n the end, some plans become guiding documents that provide guidance on paths forward, but many do not. Strategic plans should be about intentional, institutional change; yet, in the minds of many trustees, the return on investment of all the effort put into strategic planning is seriously low. Although many boards encourage new approaches to planning, improving *planning* very might well be the wrong focus. In this essay we argue that institutions and boards should focus on *strategy* not *planning*.

Chapter 16. Getting to Grips with Shared Governance

Trustees new to serving on the boards of colleges and universities sometimes feel as though they've entered an alien world with Byzantine structures, outdated business models, and strange practices like lifetime employment for tenured faculty. And long serving trustees wonder why they are still surprised and confused by all of this. Among the oddest features of academia is shared governance. Why would those with legal authority, and who are ultimately accountable for the enterprise, delegate responsibility in diffuse fashion to employees? This chapter addresses

that question.

Chapter 17. Governing Circa 1749

As college and university boards seek strategies for more effective governance, they look to many places – other university boards, hospitals and non-profit organizations, and corporate boards. Looking to history can also prove fruitful to find solutions to today's challenges. The University of Pennsylvania's board started meeting in 1749 and kept a set of minutes. Those handwritten minutes reveal much more than Ben Franklin's signature; they provide lessons that even 267 years later are instructive to today's trustees. They offer common sense on university governance before Thomas Paine wrote (a very different) Common Sense about a different type of governance.

Chapter 17½. Half an Essay: The Unfinished Work

Boards are sometimes admonished to get governance right. While that might seem a noble goal, it isn't quite on the mark. As the essays in this volume demonstrate, governance is a constant work in progress. Rarely is there a "right" for boards to get. Instead, boards must keep working toward improvement and being intentional about their work. So why label the conclusion only half an essay? We do this because the ideas in this book tell only part of the story. The rest remains to be written by each board as it moves into the future. The completion of the essay is the ongoing work of the board, its leaders, and the administration with which it partners. We invite you to draft the remainder of this essay through the work you do, the questions about governance you pose, and the intentionality and tenacity that you demonstrate.

We are confident that boards will find ways to apply the practical ideas presented in this comprehensive set of focused essays. Boards are essential to institutional well-being and the work is challenging enough and complex enough not to be taking for granted. Wisdom matters in

the boardroom. Boards can be important thought partners for presidents and other senior administrators, serve as conduits to worlds beyond higher education, add prestige and help broker important connections, and bring a depth and perspective to the strategic discussions of the direction of the college, university, state system or nonprofit organizations. Many also contribute wealth. Boards are well-positioned to get above the fray of day-to-day institutional operations and focus on the long-term institutional viability. To govern well takes work, intentionality, and sustained commitment.