



# Building Effective Boards At Public Institutions

BY MERRILL P. SCHWARTZ

Governing boards of publicly supported colleges and universities differ from one another in myriad ways—size, history, structure, method of selection, length of term, and legal power or authority. Yet each such board and all its members bear a singular responsibility to citizens, taxpayers, students, faculty, staff, and alumni to guide and steward postsecondary education in the public interest. That mission requires the commitment of increasingly scarce resources through which public academic institutions serve the needs of the state and local governments that support them and enhance the quality of life for the citizens of their states. Trusteeship in the public sector is highly visible, both because of inherently high levels of public interest and because public boards are subject to open-meeting and public-records laws. Such visibility also helps public trustees serve as vigorous advocates for the needs and goals of the institutions they govern and as a public voice for this vital sector of society.

Introduction, *Effective Governing Boards: A Guide for Members of Governing Boards of Public Colleges, Universities and Systems*, AGB, 2010

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**T**his recent publication is designed to provide an overview and clarify the fiduciary responsibilities for which boards are held accountable.

It reminds board members that while the formal authority of a governing board lies within the corporate body, how individual members comport themselves contributes to a board's overall effectiveness. The guide is intended to aid both experienced and new board members.

The core of the document is an updated list of the board's fundamental responsibilities and a list of exemplary practices, "Hallmarks of an Effective Board," (included below). The list of basic responsibilities may be used at an orientation or retreat to stimulate and inform discussion among board members, as well as with the president and other key administrators. (A version for private colleges was published in 2009.)

## Fundamental Responsibilities

The fiduciary role of the governing board of a public college, university, or system has many facets. Most notably, a board should recognize and accept the following basic responsibilities to:

1. Ensure that the mission of the institution (with "institution" here referring to the campus or system, whichever is appropriate) is kept current and is aligned with public purposes. In the case of a multi-campus system, ensure the alignment of each campus's mission with the system's vision and public purposes.
2. Select a chief executive to lead the institution.
3. Support and periodically assess the performance of the chief executive and establish and review the chief executive's compensation.
4. Charge the chief executive with the task of leading a strategic-planning process, participate in that process, approve the strategic plan, and monitor its progress.
5. Ensure the institution's fiscal integrity, preserve and protect its assets for posterity, and engage in fundraising and philanthropy.
6. Ensure the educational quality of the institution and its academic programs.
7. Preserve and protect institutional autonomy, academic freedom, and the public purposes of higher education.
8. Ensure that institutional policies and processes are current and properly implemented.
9. In concert with senior administration, engage regularly with the institution's major constituencies.
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.

## Hallmarks of an Effective Board

The effectiveness of a governing board can be judged in many ways. One possible standard is that the board should get the credit (or the blame) for the institution's success (or failure). Yet so simplistic a measure misses many subtleties and may often be wrong—for example, when the institution thrives despite an ineffectual board or falters despite heroic efforts by an energetic and committed board. A more sensitive set of criteria is needed for guiding board conduct and assessing the effectiveness of the board as a fiduciary body, divorced from the ebb and flow of the institution for which it bears ultimate responsibility. Fundamentally, a board must set high standards and understand its responsibilities, which can be encapsulated as follows:

1. An effective board understands and respects the vital difference between governing and managing, and it nurtures and supports presidential leadership.
2. An effective public board always balances the institution's interests and welfare with the needs and priorities of the state.
3. An effective public board balances advocacy and oversight.
4. An effective board observes and imposes the highest ethical standards and avoids even an appearance of conflict of interest.
5. An effective board, even when sharply divided, speaks with one voice.
6. An effective board listens to and learns from the institution's constituencies without giving any of them a veto.
7. An effective board nurtures and enhances the legacy of the institution.
8. An effective board recognizes its special responsibility to students for the quality and value of their educational experience.
9. An effective board represents and advocates for the institution in the larger community.
10. An effective board commits itself and the institution to due process and academic freedom for faculty and students.
11. An effective board commits adequate time

and energy not only to its basic tasks, but also to the enjoyment of the board experience.

The guide describes each of these standards of excellence and can be useful in evaluating board performance and identifying areas in which improvement or board education is needed. Even good boards will recognize one or more areas that continue to present challenges, such as supporting a decision that was not unanimous. Creating a climate of accountability, as well as collegiality, should be a concern of the board chair and the institution's chief executive. The list of hallmarks of an effective board could be the focus of a board-building discussion at a retreat, focusing on those areas that present the greatest interest or concern. A high-functioning and well-informed board respects and understands its own responsibilities, as well as those of the administration and faculty.

Writing in the *Harvard Business Review* on "What Makes Great Boards Great," Jeffrey A. Sonnenfeld, a Yale dean and management professor, asserted: "Good board governance can't be legislated, but it can be built over time." Although his advice was directed at companies, his tips can also provide useful insights for leaders of higher-education boards, including:

*"Evaluate the board's performance. Examine [board members'] confidence in the integrity of the enterprise, the quality of the discussions at board meetings, the credibility of reports, the use of constructive professional conflict, the level of interpersonal cohesion, and the degree of knowledge. In evaluating individuals, go beyond reputations, résumés, and skills to look at initiative, roles and participation in discussions, and energy levels."*

**Merrill P. Schwartz** is AGB's director of research (mschwartz@agb.org).



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