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Center for Higher Education Policy Analysis

Assessing Public Board Performance

Executive Summary

The challenges now facing higher education require the presence of high-performing boards that are prepared to wrestle with increasing regulatory requirements, growing global pressures, elevated competition, and expanding access in a time of declining funds. This policy paper reviews a national study of the performance and improvement of public boards and provides several recommendations.

High-performing boards follow the practices outlined below:

1. Leadership

    A. Create a common vision and purpose.

    B. Develop a broad-based, multi-year, annual agenda through a thoughtful, inclusive process.

    C. Ask tough questions and think beyond typical assumptions.

    D. Generate board chair leadership.

    E. Capitalize on board staff for information and educational needs.

2. Structure

    A. Clearly define the board's role.

    B. Develop ad hoc committees based on the board's agenda.

    C. Establish a committee to evaluate the board.

    D. Plan for board succession, turnover, and size.

3. Culture and Relationships

    A. Nurture/model the desired qualities of board members.

    B. Build a culture of professionalism.

    C. Create an effective relationship between the president and the board chair.

    D. Establish communication between the president and individual board members.

    E. Engage university constituents outside of their board responsibilities with consultation of the president.

4. Ongoing Education

    A. Develop a strong orientation for new board members.

    B. Create a board education plan.

    C. Use evaluation results to determine development.

5. External Relations

    A. Coordinate the governor's and legislature's strategic plan/goals with the board agenda.

    B. Establish joint goal-setting among the governor, stakeholders, boards, and presidents.

    C. Foster better communication across layers of governance.

    D. Gain access to the governor.

    E. Stay on agenda even as governors change and propose new paths, but be prepared to bend a little and negotiate a position.

Introduction

The future of higher education is entrusted to governing boards. The stakes are currently very high as a host of complex issues are to be considered in the coming years and action is to be taken in several areas. **The challenges for higher education demand the presence of high-performing boards** that are prepared to wrestle with increasing regulatory requirements, growing global pressures, elevated competition, and expanding access in a time of declining funds.

Despite the tremendous need for leadership in higher education, **in the past decade governing boards have been criticized for their inadequacies**; for being slow to respond to issues; for overstepping their authority and threatening shared governance; for missing opportunities for leadership; for being too focused on minutia and micromanaging; for making partisan decisions; for engaging in divisive politics and allowing conflicts of interest and infighting to occur; for acting as a rubberstamp for institutional ambitions; and for driving away able presidents through their meddling. It is time to carefully evaluate the performance of boards and to consider how that performance might be improved. To do so one requires data on public board performance, yet there is currently little data available.

This policy paper answers the call for information on public board performance by describing a national study of public university governing boards. Most literature to date has been written on boards in the private sector. However, given its distinct context, public higher education requires an approach to governance that considers the board's unique functions and responsibilities, in addition to its relationship with the governor and its appointment process for members of the board. In addition, research on board governance thus far has been limited to the study of a particular campus or system. Such research tends to look at boards in isolation, within their immediate environment, rather than consider them as part of an entire system—the legislative system and the coordinating boards—or examine their relationship to the institution they represent. Lastly, there is limited research on board performance. Most existing literature examines ways to enhance the particular activities or responsibilities given to boards, such as hiring a CEO, assessing the president, or meeting fiduciary responsibilities. There has not been equal attention paid to the "workings" of the board and how these functions affect performance. **This national study of public boards is focused on board functioning and provides novel insights into performance and improvement.**

The methodology used for the study was a Delphi approach, which entails an investigation of key players and constituents with in-depth knowledge who are involved in public boards. **The groups identified for interviews were: board members; presidents and chancellors; governors; members of the governor's staff such as education and appointment staff; faculty members and students who have worked with boards; consultants who work with boards; and national association leaders. Individuals on single- and multi-campus boards were interviewed.** In total, one hundred thirty-two individuals were interviewed. Once initial findings had been developed, focus groups were conducted with presidents and board members to determine if the results resonated with their own experiences. The data from interviews and focus groups were processed using thematic analysis to determine key areas for improving board performance. The elements and practices were derived from the thematic analysis of interviews and focus groups.

Adrianna Kezar

Associate Professor of Higher Education

University of Southern California

213 821 1519

kezar@usc.edu

William G. Tierney

Wilbur-Kieffer Professor of Higher Education,

Director, Center for Higher Education Policy Analysis

University of Southern California

213 740 7218

wgtiern@usc.edu

Results of the Study

An effective, high-performing board has five essential components: strong leadership, sensible structure, professional culture and relationships, useful educational programs, and supportive external relations. Leadership is at the center of public boards. The other elements interact and function to support leadership. Each component is supported by a set of principles. While board selection is also critical to effectiveness and strong performance, it is addressed in a separate report: *Criteria for Selection and Appointment of Public Boards* (2004), CHEPA. The elements of effectiveness are both for single- and multi-institution boards; examples for both types are used within the guidelines.

1. Leadership

Effective public governing boards lead rather than manage. Instead of merely voting on routine matters, they discuss issues in education and address the educational mission. Existing literature on private boards diminishes board leadership in direction setting. In contrast, within public boards leadership is generally believed to be much more significant. For example, in public boards leadership is embodied in a formal agenda that involves considerable stakeholder input, to a greater extent than one would find for a private board. While boards require a consistent vision to achieve their goals, they cannot be considered high performing if they ignore the political climate. A change in the governor's office, for example, and the subsequent shift in political interests must be taken into account. Lastly, in a high-performing board the leadership potential of key individuals is realized and maximized.

A. Create a common vision and purpose.

Without a common vision and shared understanding of the board's purpose the leadership will be stymied and the agenda will be compromised. A common purpose implies that each board member has a similar notion of what the work of the board should be. A common vision is often articulated in an agenda, but can also be seen in a board's strategic plan or goals. The literature is filled with ideas for how a common vision can be achieved; therefore, an extensive discussion is not necessary, but an example will demonstrate this concept. At one institution, the board chair meets with individual board members to ask them about their understanding of the work of the board; the result is the development of a common vision of work.

B. Develop a broad-based, multi-year, annual agenda through a thoughtful, inclusive process.

There is clear agreement that public boards should have multi-year plans to provide continuity, since there is more frequent turnover of board members at public institutions due to appointments as compared to private boards.

- The agenda should be flexible, especially given the turbulent times, to allow for changes in the social and political climate.

- Also, the agenda is more effective if it is developed through an inclusive process involving various parties. Increasingly, numerous constituencies believe that boards do not represent their interests. Although boards are not expected to be representatives of the constituents and are supposed to act on behalf of the entire organization—as opposed to responding to the interests of particular groups—the voices of stakeholders should be heard.

- Additionally, stakeholders should be educated about the plan that emerges so that there is general commitment to implementing it.

- The work plan/agenda should be reviewed annually based on performance objectives and in light of changes in the state or more immediate context. Each person interviewed in this study recognized that although multi-year plans were needed for continuity, situations frequently change and work plans therefore must be adjusted each year to accomodate these changes.

C. Ask tough questions and think beyond typical assumptions.

Interviewees expressed concern that higher education is currently experiencing significant change and that solutions would not emerge unless traditional assumptions regarding the operations of higher education were challenged. While this can make for uncomfortable discussions, it is necessary if one is to bring about the effective leadership of institutions and the creation of worthwhile agendas. An example of this type of practice is a board that invites a corporate consultant or editor of the state's newspaper to discuss trends in governance in an effort to rethink their own agenda and work.

D. Generate board chair leadership.

Interviewees noted a range of crucial responsibilities of the board chair such as leading the development of the agenda with input from the president and other board members; obtaining and analyzing essential information for decision-making; keeping the board

on task; listening and bringing synthesis to discussions; creating a civil tone; reining in delinquent members; moving board discussions away from digressions and tangents; suggesting appointments to the governor; reaching out to the governor's staff and office; supporting the president; coaching new members; and using structured activities to manage the political or legislative orientation of new board members. In addition, **an effective board chair helps manage or negotiate the various levels of governance**—from the legislature to coordinating boards, institutional boards, foundation boards and faculty-run groups such as faculty senates. As we elaborate in section 3, **it is incumbent on the board chairs to create and maintain an effective relationship with the president. Board chair rotation affects performance**: multi-year (2-3) appointments of chairs are preferred. Furthermore, the board benefits if the chair has served as a member of the board for a few years before assuming the role of leader.

E. Capitalize on board staff for information and education needs.

Strong staff that are well managed increase the performance of boards markedly. Boards are reliant on board staff for information. Board staff are often experts in interpreting data for the board, not just providing raw data; they can be a source of expertise. The staff is also pivotal in providing education and preparation for the board and in supporting the work of the committee. A key problem noted by interviewees for board performance was that they lacked accurate information, adequate data, or excessively detailed data (this is often due to mismanagement not poor staff). These problems lead boards to waste their time ensuring that the data is accurate or to make poor decisions and advance ill-conceived work plans or agendas.

- There is no recipe for determining what information board members need. However, it is evident that the president and board chair should closely monitor the information-gathering process and the approach to data sharing.

- Board staff must also be responsive to the ever-changing demands of the board. New members may have different information and orientation needs. Some people mentioned the pros and cons of having the board staff report to the CEO or board directly. There are varying perspectives on the organization of the staff, but some important qualities to consider when hiring include: knowledge with data, competence in interpreting data, experience with training and education, and being highly organized.

2. Structure

In ineffective boards the structures control the board; in high-performing boards the boards control the structure. Board structure relates to the size, number, and type of board committees, and the organization of the board's functions and responsibilities. Structure is brought up in earlier studies of boards. Carver (1997), for example, notes that a board cannot play a leadership role unless it is structured properly. Yet, boards are often not designed to fulfill a leadership position. Eadie (2001) and Robinson (2001) also mention board redesign as fundamental to making the board an asset of the institution. The Association for Governing Boards has several publications related to examining board structure that consider issues such as whether public boards should consider increasing their number of members and better use of committees.   The American Association of University Professors' Statement on Government is an important document to review as boards think about their structure.

A. Clearly define the board's role.

A clear understanding of the work of the board—its roles and responsibilities—is necessary for board effectiveness. Ineffective boards often get caught up in one aspect of their functioning such as accountability or stewardship. Misunderstanding the role of the board (for example, through micromanaging or by involving oneself in the president's decisions) was brought up as an issue that affects the performance of almost all public boards. Interviewees noted that "most board members do not realize that they serve the people of the state AND the institution. They get caught up serving just one of those roles and board members often have competing notions of which role to play, which exacerbates the problem even more." Two strategies were mentioned most frequently for establishing and maintaining a clear sense of the board's role—creating an effective orientation and strong board leadership.

B. Develop ad hoc committees based on the board's agenda.

Ad hoc committees should be the focus of board meetings. Subgroups/ongoing committees can effectively manage routine work, such as finance, auditing, and compensation. Ineffective boards tend to spend too much time and energy on routine work and never have an opportunity to work on their agenda/work plan.

C. Establish a committee to evaluate the board.

Having established the role of the board and how the board and the leadership can be structured to carry out the board's goals, an effective board should turn its attention to the way it evaluates itself. In this study, the respondents agreed that the evaluation committee should be considered the most important committee (or on par with finance) and that the past board chair should be the leader of this subgroup. The guidelines for assessing effective boards (offered in this document) provide a set of criteria for developing an evaluation process.

D. Plan for board succession, turnover, and size.

Compared to private boards, public boards tend to have more frequent turnover and are smaller. Careful attention to board turnover and size—as one of the ongoing aspects of the work of the board—distinguishes high-performing boards from others. For example, new members need baseline information and education. As members leave, the board president and the board chair should assess the changing expertise of the board, and the board's needs should be communicated to the governor, appointment secretary, or other individuals involved in selection and appointment.

3. Culture and Relationships

Board culture refers to the norms and values that guide the work of the board. Public boards are often part of a larger culture of politics. To be effective, they must adopt a professional culture where civil interactions are the norm. In addition, many individuals who are appointed or elected to public boards do not have experience with board work and must be socialized to its values (Association of Governing Boards, 1998).

According to our respondents, **the culture of the board impacts overall board performance** in several ways: by shaping the decision process; by leading toward or away from consensus; by using data to understand or argue, or by not using data at all; by building or not building constructive relationships among members; and by influencing which matters get on to the board's agenda. **The outcomes will be very different if a board has established a professional culture rather than a political culture**—decisions will be more rational, debates will focus on ideas rather than power, and agenda items will reflect collegiality rather than the individual desires of powerful members. To be effective, however, public higher education boards must confront the natural tendency to adopt a political culture. Understandably, this issue does not appear in the literature about corporate, non-profit, or private higher education board research because they have no such tendency; they are better positioned for success at the outset. **Public boards are also capable of achieving a professional culture, but they need to work at it.** The challenge of creating a professional culture differs based on the appointment and selection processes of states.

Board effectiveness is also linked to the development and maintenance of certain key relationships—the president and the board members, including the chair, and the board with campus stakeholders such as faculty and staff (important external relationships are described under the external relations guidelines). Relationships and communication should be intentionally fostered through board meetings, retreats, campus events and ceremonies, and various vehicles of communication. Among respondents, **relationships and communication were found to be highly relevant to culture**; many of the strategies for creating a professional culture were focused on building relationships or creating more communication.

A. Nurture/model the desired qualities of board members.

A board's effectiveness is impacted by individual values and by the resultant behavior of board members. As one interviewee described, "board members need to be civil, critical, intelligent consumers of data, appreciate working in diverse groups, have patience for consensus, be open to multiple viewpoints, subsume his or her judgments to the collective, be politically astute, big picture thinkers, honest, wise, and have a capacity to understand complexity. Although these represent certain skills, they also represent the values of the board and the approach that needs to be taken to effectively do our work." Most people interviewed noted that board culture is most often established through the president and board chair. A key difference between high-performing boards and others is not that they address problematic board values and behavior, but that they model and nurture positive norms and values.

B. Build a culture of professionalism.

The political culture of public boards should be addressed and the mission of public service advanced irrespective of ideological perspectives. A troubling aspect of most public boards is that people come to the work of the board bearing their own particular ideology based on party affiliations. However, it is important that the work of the board be carried out in a non-partisan way. The board chair and president should advise new board members that the decisions of the board are made based on what is good for the overall institution and for the state and that the board values civility.

- Yet, among respondents, the orientation of new members to board values was not considered alone to be effective. Strong boards provide opportunities for members to socialize and to get to know each other as people, while moving them beyond political affiliations.

- A strategy for ensuring that a more professional climate prevails is to treat all members similarly; no one should receive more information than others, and there should be equal communication among board members and between the president and the board.

C. Create an effective relationship between the president and board chair.

The individual positions of president and board chair are noted as critical to a board's effectiveness, but their relationship also impacts the operations of the board. This relationship determines how the institution receives board recommendations as well as the quality of information given to a board to make policy.

D. Establish communication between the president and individual board members.

Members of an effective board are able to trust their president. Knowing what is going on within the institution and receiving communication in person, by phone, and in writing, facilitates this trust. Strong boards have short weekly email updates about issues; the executive board has regular phone meetings each week or bi-weekly, and the president visits board members outside of meetings, preferably on the board members' turf. Also, the president spends time with board members apart from official board business.

E. Engage university constituents outside of their board responsibilities with consultation of the president.

Public boards are responsible to various stakeholders, including institutional groups such as faculty, staff, and students. To more effectively fulfill their function, board members should be involved in more than a perfunctory way in the institution they serve. They should become much more sensitive to what Chait, Holland, and Taylor (1991, 1996) have labeled a "contextual understanding" of the campus, which is fundamental to improving decision-making. For public boards, it is particularly important to ensure stakeholders that board members are becoming knowledgeable of the campus to better inform their decision-making. This suggestion is more difficult for multi-campus boards, yet, it is still important for on-campus members to visit campuses from time to time. When meeting with various groups, of course, the president should be apprised.

4. Ongoing Education

Similar to the work of Chait, Holland, and Taylor (1991, 1996), education and learning have emerged as important ingredients of effective or high-performing public boards. Public boards witness more frequent turnovers than private boards (private board members often stay on for 10 or more years, whereas most public board members serve 3-6 years), so the role of education, particularly orientation and the presentation of new trends in higher education, was noted as especially important. Board evaluation was also mentioned as a critical area for informing learning. One of the key organizations that seeks to enhance board members' knowledge, develop educational materials, and provide consultation for board members is the Association of Governing Boards.

A. Develop a strong orientation for new board members.

A major challenge for public board members is to understand the individual's role on the board and the board's role within the system. To address this issue orientations should focus not just on the institution or the system, but also on the role of the individual board member and the work of the board. Several interviewees noted that they can predict that a public board will have problems if the orientation is a review of the institutional operations and does not address the agenda or strategic plan of the state and institution, or of the values and role of the board.

B. Create a board education plan.

Effective boards realize that education is not an event, but an ongoing process that utilizes various opportunities to educate and inform board members. Most individuals who join public boards come from business, political, or community/non-profit backgrounds, not educational backgrounds, and often have limited knowledge of the institution or higher education.

- Sessions on trends in state affordability or on measurement of student outcomes, or even on the routine work of finance, can be essential for board development.

- Retreats are often preferable for this type of development, as the board needs adequate time to ask questions and to allow for subsequent discussion.

- In addition, board members should receive educational materials and be provided with educational opportunities beyond board meetings or retreats.

- Effective boards supply members with publications such as the *Chronicle of Higher Education, Trusteeship,* or *Change* magazine.

- Institutions should join the Association of Governing Boards and encourage board members to attend national conferences on higher education. Meeting counterparts at other institutions is one of the best forms of learning for board members; they learn what other institutions are doing and gain perspective on how to become more effective.

C. Use evaluation results to determine development.

One of the best ways to ensure that boards are able to provide adequate orientation and the appropriate development opportunities is through board evaluation. Members' needs and concerns can be ascertained through self-assessment surveys. Also, if the board finds itself weak in an area—for example, legal issues—then a development session or retreat can be held to increase performance in this area. Some individuals advocate an annual assessment of the main areas of concern, while others suggest that a specific topic be investigated (e.g. president-board communication) per year. The Association of Governing Boards *(Ingram, 2002)* has valuable materials on board self-assessment and on the evaluation process.

5. External Relations

A public board is distinct from a private board in that it is part of a larger system of governance (legislature, governor, boards, coordinating groups, institutionally related foundations, and institutions), not an independent decision-making unit (although private boards also must heed internal campus governance processes). Research on boards thus far has ignored this complex, interrelated system. Among public boards the external environments differ markedly in structure, from unified systems to segmented or federated state systems. In addition, each state has a unique social and political context. However, beyond the nuances of the individual environment, the interviewees noted several general areas that public boards should pay particular attention to in order to ensure effectiveness. The National Governors Association has developed a list of five best practices for governing boards that are related to this set of recommendations and should also be examined by public boards.

A. Coordinate the governor's and legislature's strategic plan/goals with the board agenda.

For boards to be effective, the state/governor must have a plan in place for higher education that can be communicated to the board. Although boards are obligated to respond to the stakeholders' interests—not the governor's—it is important for boards to recognize the governor's priorities and to establish links between their agendas, when possible. In addition, the board's goals should also reflect the legislators' priorities. Ongoing communication is needed among boards, governors, and the legislature on their collective plan for higher education, particularly if they are to evaluate efforts to fulfill their agenda. Too often boards frustrate governors by failing to see an alignment between the goals of the state and those of the institution.

B. Establish joint-goal-setting among the governor, stakeholders, boards, and presidents.

One way to ensure that state and institutional goals are more aligned is to conduct coordinated planning processes for developing priorities. A joint process can make the process more efficient for both parties. Each group contacts many of the same stakeholders. One interviewee described a promising practice within one state: "The statewide board asks the president to get input from individual campus presidents for the board agenda. This has made people feel their voice is included and decision-making also appears to be improved."

C. Foster better communication across layers of governance.

High-performing public boards have sophisticated vehicles of communication such as annual forums to discuss the agenda for higher education, quarterly updates from key constituencies, and annual evaluations of the level of communication within and among groups. Most interviewees admitted that few states have well-established systems for joint planning and communication. One strategy described was having the president for the state board establish processes for electing a president from a campus to attend state board meetings from time to time.

D. Gain access to the governor.

Many interviewees suggested that at least one board member, and preferably more, communicate periodically with the governor. If none of the board members have a relationship with the governor, the board will be much more limited in effectiveness. Board leadership and decisive action require support from the governor; boards are limited in the degree of leadership they can exercise without the involvement of the governor.

E. Stay on agenda even as governors change and propose new paths, but be prepared to bend a little and negotiate a position.

Although boards need to communicate with the governor and to take part in joint planning, they also need to have their own consistent work plans. Boards should incorporate aspects of a new governor's vision into their work plan, but it would be inefficient and problematic, in most cases, for them to abandon carefully developed agendas wholesale for the governor's new vision. Constant flip-flopping in the board's agenda can destroy the work of the board. The board should find a balance between working with the governor and maintaining its own plan. Keeping to the agenda is often more an ideal than a reality, but it is an ideal worth striving for.

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USC UNIVERSITY OF SOUTHERN CALIFORNIA
Rossier School of Education