

Governance Best Practices

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You are Responsible for TWO Organizations

- The University



- The Board itself

FOCUS FOR THIS MORNING



Should the Board
“Put its own oxygen
mask on first?”
Why (not)?



Responsibilities of the Board

Responsibilities of the Board:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Responsibilities of the Board: ByLaws

[of this particular university]

1. **Appointments**: president, faculty, administrative staff
2. **Budget**, financial management, expenditures over \$50K
3. Approve administrative **structure** and organizational plan
4. Approve faculty, staff, and student **bylaws**
5. Grant diplomas, confer **degrees**

6. Make/approve **policy** statements on governance and operation
7. Evaluate university **progress** and hold **accountable**
8. Define **mission**, approve long-range **plans**
9. Assess board and president **performance** periodically

What is “fiduciary duty?”

Fiduciary Duty



Duty of CARE

- Decide and act in good faith
- Prudent person level of care



Duty of LOYALTY

- Decide and act in the best interest of the organization, protect and support



Duty of OBEDIENCE

- Faithful to founding documents
- Obey the law

Long-Term Perspective

Fundamental Board Responsibilities

1. Current **mission** aligned with public purposes
2. Select, support, assess, compensate **CEO**
3. Charge CEO to lead **strategic plan**, participate, approve, and monitor the plan
4. **Ensure**
 1. **fiscal** integrity, asset protection; give/get
 2. educational program/service **quality**
 3. organizational **autonomy**, academic freedom, public purposes
5. Meet with **constituencies** in concert with administrators
6. Demonstrate exemplary **governance**

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

Board Duties: Deliver and Sustain the Mission

Ensure organization fulfills its mission

- **Deliver:** Are we doing what we are supposed to do?

Ensure long-term viability

- **SUSTAIN:** Will we exist and succeed “forever?”

Responsibilities of a Board Member

Board Responsibilities

What is Board members' one overriding and all-encompassing responsibility?

1. Board meeting preparation and participation
2. Ensure good management of the organization
3. The best interests of the university
4. Choosing the logo

Responsibilities of Board Members: ByLaws [of this particular university]

1. Entrust internal administration to the president
2. Devote time to learning how the university functions
3. Learn, commit, abide by bylaws and state law
4. Accept academic freedom and shared governance
5. Respect policy that only the chairperson speaks for the board
6. Do not speak, act, or commit on behalf of the board
7. Work with and through the president
8. Questions/concerns to president, board chair or vice chair
9. Do not influence a university employee
10. Attend special events/activities as feasible.

As a Regent, I will...

[from the bylaws of this particular university]

1. Sustain and advance the institution's **mission**, traditions, values, and reputation
2. Demonstrate functional understanding of the difference between oversight and management—that is, between the **roles of the board and the administration**
3. **Learn** how the institution functions—its uniqueness, strengths, needs, finances, educational programs, and its place in higher education
4. Regularly **attend** meetings of the board, well informed and **prepared** in advance

As a Regent, I will...

4. Regularly **attend** meetings of board committees as assigned, well informed and **prepared** in advance
5. Provide philanthropic **support** through personal contributions and the identification and solicitation of potential contributors to the institution
6. In keeping with the board's policy on **conflict of interest**, disclose promptly and fully any potential or actual conflicts of interest, and personally maintain exemplary **ethical standards**

As a Regent, I will...

7. Recognize that the president and the administration are responsible to the **board as a whole** and not to individual trustees
8. Be committed to serving the **institution as a whole** rather than any part of it or any personal or political cause
9. Support the **consensus** of the board after fully exercising the responsibility to **debate** and disagree
10. Maintain **confidentiality** as required or appropriate
11. Serve as a public **advocate and ambassador** for the institution. Advocate the institution's interests, but speak for the board or the institution only when authorized to do so by the board or the chair

Relationships with Others

What to Do?

Prof. Smith takes Regent Jones aside at a Board-faculty social to ask him to support Issue X. Regent Jones should:

1. Ask her for a full briefing
2. Keep it short and explain that he will decide based on what comes to the board meeting
3. Talk with her superior to assess internal support
4. Refer her to the appropriate board committee chair
5. Other

What To Do?

A reporter called Regent Jones about her dissenting vote on a Board decision to approve funding for a major renovation.

Regent Jones should:

1. Explain her dissenting vote
2. State that she supports the Board's decision and is confident that the renovation will be worthwhile
3. Bring Regent Taylor, who also dissented, into the conversation
4. Decline to comment

What to Do?

The ~~Staff~~ **Faculty** Senate is adamantly and vociferously opposed to one major part of a multi-part budget reduction proposal. Regent Jones is a ~~staff~~ **faculty** member. What should Regent Jones do?

1. Talk with the Senate Chair to learn more about the concerns
2. Study the proposal and make sure all of Jones' questions are answered by or through the President
3. Oppose the proposal – send it back for revision

What to Do?

The student senate threatens to oust student body president/student Regent Miller unless s/he votes “no” on a proposed tuition increase. What should Regent Miller do?

1. Miller believes that the tuition increase is not in the university’s best interest. Miller votes “no.”
2. Miller has not yet decided how to vote. This makes it easy – Miller votes “no.”
3. Miller believes the increase is essential, disregards the student senate, and votes “yes.”

What to Do?

Other difficult situations?

Who Decides What?

Strategic Role of the Board



Governance or Management

1. Is it big?
2. Is it about the future?
3. Is it core to the mission?
4. Is a high-level policy decision needed to resolve a situation?
5. Is a red flag flying?
6. Is a watchdog watching?
7. Does the CEO want and need the board's support?

Barry Bader, "Distinguishing Governance from Management," Great Boards, Fall 2008

President and Board Involvement in Decision-Making

High	GOOD GOVERNANCE -Elect new board chair -Structure board committees	STRATEGIC LEADERSHIP -Visioning process -Strategy -Major decisions	
BOARD INVOLVEMENT			
Low	PRESIDENTIAL DELEGATION - Construction - Program change - Technology change	PRESIDENTIAL MANAGEMENT -Hire senior staff -Organizational chart	
	Low	PRESIDENT INVOLVEMENT	High

Adapted from Terrence MacTaggart, Leading Change, AGB, 2011

Governance or Management?

- Organizational mission
- New program approval
- Strategic plan
- Floor plan of new building
- Vendor selection
- Selection of new vice president
- Annual budget
- Awarding promotions



With which (one or more) of the following should you share remarks that are not or may not seem supportive of the university or the president?

1. Governor
2. Board Chair
3. President
4. Board Committee Chair
5. Fellow Regent
6. University administrator
7. Spouse
8. Legislator
9. Reporter

The Board's Strategic Role

Strategic Governance

Which of these Board-member question(s) are strategic?

1. How's the search for a new VP going?
2. Why do you recommend changing this year's budget mid-stream?
3. What are the long-term implications of this proposal?
4. How much time do you spend on external relations?
5. What are our critical success factors?
6. How do we know Harper delivers excellent student learning outcomes?

The Board's Roles in Strategy

1. Approve the mission statement
2. Approve other major, enduring organizational statements
3. Launch a major strategic planning/strategy statement process and committee
4. Maintain sufficient contact with the strategy development process to be informed of progress and major issues/recommendations
5. Approve the strategic plan/strategy statement
6. Regularly review progress and assess/support revisions



Board Action Plan

How will you follow up on what you've learned?

- 1.
- 2.
- 3.
- 4.

Thank you!!

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