

Choosing to Pursue Great Governance

Greatness is a product of conscious choice and discipline. Boards can help achieve it by serving as a “consulting firm” to bring out a college’s special strengths.

NEW WAYS OF THINKING about governance are beginning to transform the leadership strategies of many people who serve in nonprofit organizations. But how, specifically, can the time and talents of higher education trustees be used more effectively to advance the interests of our institutions?

Similarly, how many college and university boards govern like managers rather than leaders? Are there innovative ways to change governance structures and processes to transform our boards from *good* ones to truly *great* ones?

Such questions are being explored on numerous American campuses, among them Susquehanna University, where our board recently embraced a new strategic plan that was inspired in part by the vision laid out in the bestselling book *Good to Great*, by Jim Collins. He and his team analyzed why some companies became truly great performers, while others remained only good.

Our effort also was shaped by the work of Richard P. Chait, William P. Ryan, and Barbara E. Taylor, who discuss how to enhance the effectiveness and satisfaction of boards in their recent book, *Governance as Leadership: Reframing the Work of Nonprofit Boards*. The lessons we absorbed from these works allowed us to think strategically about the strengths we needed to cultivate to improve our institution’s governance.

• BY JAY LEMONS AND TERRY MARCH •

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Lessons from Corporations. Might we in higher education learn something from the corporate world that could be applied to institutional leadership strategies? Collins answers this question affirmatively in *Good to Great and the Social Sectors*, published partly in response to the strong interest in his ideas from education, health-care, social-service, and other nonprofit organizations. Long before the monograph appeared, Susquehanna and other institutions had begun incorporating Collins's principles.

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Collins says the nonprofit world should not expect to become more like a business because most for-profit organizations fall between mediocre and good. That's not to say, however, that nonprofits can't benefit from lessons learned in the corporate world. The purity of mission enjoyed by organizations in the social sector—whether educating young people, touching the soul with great art, or feeding the hungry—has the power to ignite passion and commitment. The paramount resource for a great social-sector organization, Collins says, is “having enough of the right people willing to commit themselves to mission.”

Collins describes several characteristics great companies share. One concerns the “hedgehog concept”—the one big thing an organization can be best at and that will guide its strategies, goals, and intentions and help move it toward greatness. (The metaphor comes from a passage in an essay by Isaiah Berlin: “The fox knows many things, but the hedgehog knows one big thing.”)

For the social sector, this means understanding the organization's core values and purpose, what it can uniquely contribute better than any other organization, and how the resources of time, money, and brand support the economic engine to make it all

happen. Collins also speaks about the importance of leadership at the institutional and board levels, suggesting that great leaders always focus on serving the organization's best interests and demonstrate deep personal humility rather than an overbearing ego.

Using Boards Fully. Chait's consulting work with trustees entails thinking creatively about how the work of the board can be structured to deliver higher value both to the institution and to individual board members. He observes that trustees should (1) fulfill the fiduciary and stewardship responsibilities of the organization, (2) serve as strategic assets that are employed for maximum comparative strategic advantage, and (3) serve as a source of leadership for the organization.

Most boards are familiar with the first two but often miss opportunities to be a source of true leadership. According to Chait and his colleagues, great boards work in all three dimensions of governance and focus especially on the third. In doing so, members generate and deploy, at a high rate of return, four forms of valuable capital: intellectual, reputational, political, and social.

Chait challenges the schools he works with to think of the board as a consulting firm and to think about deploying their time in that vein. This makes perfect sense when you consider, for instance, the “billable hours” represented by the many talented trustees who sit on nonprofit boards. When calculating that time in real dollars, how many institutions can demonstrate that they are taking best advantage of what trustees have to offer? And do trustees in turn feel excited about the work they are doing on behalf of the institution?

When boards begin to shift their attention to the more strategic work of their organization, their ROI—return on involvement—is greatly enhanced. By always remembering that “the main thing is the main thing,” great boards center their work around organizational strategy rather than the organizational chart.

Some Case Studies. About two years ago, the board of Tufts University in Medford, Mass., began putting some processes in place that increased its efficiency

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and involvement in key institutional issues. The board changed the timing and structure of committee meetings so that now each board weekend begins Friday morning with a plenary session. This brings together trustees in one joint session where they hear a presentation from one or more faculty members or a dean about a timely topic. The session is intended to be provocative and engaging, and it sets the appropriate tone for the weekend.

Tufts also reduced the size of its standing committees, creating more opportunities for deeper conversation and greater ownership of the agendas. Linda Dixon, secretary of the corporation at Tufts, says that a “deeper sense of engagement by trustees” has helped the university in its strategic work of preparing for a capital campaign and identifying key reputation definers. For Tufts, this means a strong focus on international education, life sciences, and the environment, and on preparing students for active citizenship and civic engagement.

Dixon adds that trustees’ time together is used more strategically and efficiently, as evidenced by the introduction of dashboard reports—a legal-sized page with colorful mini-charts that provide at-a-glance indicators of the university’s success over time.

The Susquehanna University board in 2004 initiated a self-assessment both to enhance its value to the university and make its work more rewarding for members. At a two-day summer retreat, it identified three strategic priorities for its work over the subsequent two years: (1) supporting the upcoming campaign and using it strategically to move the institution ahead, (2) focusing on governance issues and improving performance, and (3) focusing on ways the board itself can enhance Susquehanna’s reputation.

Since then, board task forces have developed strategies in each area in consultation with university leadership. We created an additional task force in fall 2005 to address ways to increase diversity and create a more welcoming environment for diversity on campus, which are important strategic priorities for Susquehanna.

In addition, the board’s regular meetings, still three times a year, have been radically streamlined

and revamped to feature issue-oriented discussions and brainstorming activities—similar to the traditional summer-retreat format. The “corporate meeting” is much shorter, with many operational matters voted on by consent agenda. Routine reporting is handled by written summaries. All of our committees except those with fiduciary responsibilities have suspended their activities in favor of ad hoc task forces that address issues as the need arises.

These changes translate into more time for energetic, interactive, and consequential participation and allows board members to focus on strategies and vision. Susquehanna trustees have been overwhelmingly positive in their response to the changes: “The ownership and engagement in this process mirror the best elements of a successful classroom experience,” one trustee said. “We don’t spend time on things already considered and decided,” said another. “Streamlined meetings and materials satisfy fiduciary responsibilities while allowing for generative thinking,” said a third.

The work of Susquehanna’s board can be summed up as *managing the fiduciary responsibilities of the present and positioning strategically for the future.*

Looking to the future is paramount to the board of Pennsylvania’s Wilkes University and its president, Tim Gilmore, as they apply aspects of Collins’s philosophy to their institutional strategies. They have established new approaches to leadership development, embracing Coll-ins’s model. They also identified their “hedgehog concept” as part of a reputation-building initiative.

Through internal and market research, the university confirmed that a historic area of strength—the mentoring of undergraduate and graduate students—was best suited to be their hedgehog concept. A task force is creating strategies to strengthen this area of distinction in various ways.

At Lawrence University in Wisconsin, board members at a two-day retreat six years ago took on the task of identifying the “main things” to focus on. Enrollment management stood out as a high priority, and the board created a standing committee to tackle it. Committee members examined whether a curricular change with the university’s experiential learning program could improve retention, explored how different marketing strategies might help grow

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the applicant pool, and identified program initiatives that could increase student diversity.

At the same time, Lawrence's board deemphasized the structure of committees by reducing the number of standing committees and accomplishing more broad-based work in plenary sessions to better engage the best thinking of all trustees around a central issue.

With enrollment management identified as a top priority, the board now is front and center in the most relevant conversations. Executive Vice President Gregory Volk adds that the board also has made good use of task forces for special strategic initiatives, such as campaign planning and a review of student residential life, which is one of Lawrence's reputation-defining characteristics.

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Duke University presents another view of how trustees can be regarded as true partners in institutional decision making. Richard Brodhead, Duke's president, values the board's collective wisdom and engages trustees early in discussions of strategic importance. Based on the recommendation of an ad hoc committee on governance, Duke's board collaborates with the president and the administration to create a work plan for the entire academic year, outlining topics in the summer that most likely will be important for the board to address. These may include the strategic plan, the president's priorities for the year, and key issues trustees have raised. Although the outline is flexible, it enables better planning and more effective discussions.

The changes these institutions have undertaken necessitate a shift not only in the way the board and the president think about their work together but

also in how deans, administrators, and others approach their presentations to and discussions with trustees. The unmet challenges are exactly where trustees should engage with the university to deliver greater value.

Being Ready for Greatness. It is important to accept that not all boards and presidents are at the same stage in their developing relationships. Dale Rogers Marshall, the recently retired president of Wheaton College in Massachusetts, says that some colleges may not be ready for what she calls "the advanced course" of board governance. She advises that when a new president arrives, the board should not skip over certain preliminary steps that are essential to establishing a solid footing.

Board members should recall that their first job is to support the person they have hired and ensure that the transition progresses smoothly before proceeding to advance the institution in more strategic ways. That may take two or three years, depending on the issues and challenges the institution faces. Marshall says there needs to be a healthy balance between the "keep-the-trains-running" philosophy and creative approaches to governance, which she and the Wheaton board implemented with success during her tenure.

Jim Collins says that every institution has its unique set of irrational and difficult constraints, yet some make a leap while others *facing the same environmental challenges* do not. This is perhaps the single most important point he makes. Greatness is not a function of circumstance but largely a matter of conscious choice and discipline. This is precisely where boards can play a critical role in collaborating and sharing institutional leadership with their presidents and faculty.

Indeed, it is difficult to imagine any institution moving from good to great without the informed, thoughtful, and impassioned leadership of a healthy, supportive board and a campus community working together. It is precisely this formula that enables some institutions to flourish while others struggle. ♦

Terry March (tmarch01@optonline.net) is board chair, and Jay Lemons (supres@susqu.edu) is president of Susquehanna University in Selinsgrove, Pa.