



Thriving in An Age of Transition: Five Steps to a Better Board

By James W. Wickenden & Alison Cumming

Independent school trustees interested in enhancing the effectiveness of their Boards should consider revisiting *The New Work of the Nonprofit Board*, an article by Barbara F. Taylor, Richard P. Chait and Thomas P. Holland in the September/October 1996 issue of *Harvard Business Review*.

The article outlines a governance model that is a major departure from the way in which independent school Boards have functioned for decades. Central to the "new work" model outlined by the authors is a move away from clearly delineated and entirely separate roles for Board and Head, and a shift toward a collaborative, results-driven leadership style that fully engages trustees in the "do-or-die issues central to the institution's success."

Independent schools have traditionally attempted to draw clear distinctions between the roles of Board and Head ("The Board sets policy, the Head implements it"), although most governance realists are forced to acknowledge the significant expanse of gray area within that formulation. *The New Work of the Nonprofit Board* reframes the issue entirely, drawing distinctions not between what is policy and what is implementation but between what is critical and what is not. Problem-solving in this "new work" model becomes a joint effort of the trustees and the Head.

The Clash of Governance Values

Although we found this discussion of a new nonprofit governance model intriguing, the article

was perhaps most illuminating in helping us to zero in on the reasons for a worrisome set of circumstances we have observed in independent schools:

- high levels of frustration among trustees about the quality of their Board experience.
- increasing concern among Heads about Board interference.
- a general lack of effectiveness among Boards in furthering the strategic development of their schools.

The old style of governance delineated in the article served independent schools well for many decades. It was a familiar model for most trustees, one that was similar to the fairly rigid governance approaches that were once typical in business and industry as well. Today, though, independent school governance models are lagging behind the new results-oriented, team-based approaches that have become the norm in other executive spheres.

So it should come as no surprise that independent school Boards are seeing an influx of trustees accustomed to and expecting to find fluid, flexible, collaborative governance models. Instead, these trustees typically encounter fellow Board members and Heads who are still most comfortable with the old model. The result, we believe, is a clash of governance values that is making it increasingly difficult for Boards to function as cohesive units and for Board chairs to design processes that meet with the approval of all of their trustees.

This article was prepared by Wickenden Associates (www.wickenden.com). To request additional copies, contact us at:

1000 Herrontown Road, Princeton, NJ 08540 Phone: 609-683-1355 Email: info@wickenden.com

Further complicating this equation is the unique landscape of independent school governance. For while the *HBR* authors describe a model which they believe is broadly applicable to nonprofit organizations, independent school trustees often bring to the Board table two characteristics that make effective governance even more of a challenge:

expertise as disrespect for the professionalism of educators, setting the stage for a fundamental hostility that does not easily translate into effective collaborative leadership.

In raising these two issues, we don't mean to suggest that independent school Boards – old style or new – cannot be highly effective. In fact, committed and energized Boards have accomplished great things at many independent schools. The "new work" model of governance carries with it the promise of a stimulating, forward-thinking approach to leadership that may ultimately help independent schools better meet the challenges of today and tomorrow. The old model has much to recommend it as well, including its less ambiguous view of the Head's pre-eminent role in leading the school.

Thus, we expect that Boards will for the foreseeable future be struggling to find ways to harness the energies and talents of all trustees, while also continuing the work of developing a comfortable and effective partnership between Board and Head. As is often the case in periods of flux, this confusing governance situation provides both challenges and opportunities to independent school leaders willing to search for common ground.

This article, then, is our effort to make a contribution in an age of transition. Whether a Board remains firmly in the "old work" camp, transforms itself into a model "new work" Board, or occupies the vast territory in the middle, the steps described here should help to bridge the gap between new and old, improving the Board's effectiveness and increasing the rewards of trusteeship in the process.

The Five Steps:

1. *Solidify the relationship between Board and Head.*
2. *Design and implement a governance information system.*
3. *Revisit the committee structure.*
4. *Rethink the Board's agenda.*
5. *Develop new criteria for trustee selection and orientation.*

1. ***The parent perspective.*** While trustees in most nonprofit spheres are drawn to the work by a commitment to the organization's mission, independent school trustees often are parents first, institutional stewards second. Parents can be highly effective trustees, of course, but there can be no denying that – however disciplined and well intentioned they may be – their love of their children (combined with their status as tuition-paying customers) often colors their judgment and always affects their credibility.
2. ***The "everyone is an expert" phenomenon.*** Most museum trustees don't presume that they are experts in curating an exhibit and few hospital Board members would tell their star surgeon how to operate. But everyone has been a student, and many independent school trustees, consciously or not, bring to the table the belief that this experience qualifies them as educational experts. The problem has become more acute in an era marked by diminished confidence in the American educational system and a complete lack of consensus about the proper solutions to the perceived educational crisis.

Heads and other school administrators often view the trustees' presumption of

1.

The "new work" governance model envisions a healthy, mutually respectful partnership of Board and Head – a concept that is undeniably laudatory but often extraordinarily difficult to achieve.

SOLIDIFY THE
RELATIONSHIP
BETWEEN BOARD
AND HEAD.

Our experience in consulting with more than 100 independent schools leads us to believe that truly collegial relationships between Board and Head are relatively rare; most are hierarchical in one direction or the other, with either the Head or the Board clearly in control. Further, given the plethora of examples in the independent school world of Board-Head partnerships that have gone sour, many Heads are understandably wary about opening up to their Boards, sharing unsolved problems or unresolved issues.

Boards that want to create the kind of "blurred lines, open borders" leadership team described by Taylor, Holland and Chait need first to confront the very real issue of building trust between the Board and the Head. It is unrealistic to expect that this trust can be developed quickly or easily within the boardroom; the ground work must be laid carefully and consciously by both the Board and the Head.

While many Boards find the issue of Head evaluation awkward and prefer to duck the entire subject until events force a reckoning, it seems to us that a clearly articulated, annual evaluation process is an essential step in creating this requisite climate of trust.

A Board that wants its Head to be open about critical issues facing the school needs to explicitly state that it intends to evaluate the Head on the quality of the issues he or she brings to the Board as well as on the number of problems solved. An annual goal-setting session between Board and Head, with mutually agreed upon measures of success, ought to be among the first items of business for a "new work"

Board – or any Board, for that matter. Nor should evaluation of leadership be a one-way street; Boards should also annually assess their own performance, inviting the Head to contribute constructive criticism as part of that process.

Throughout the year, individual trustees can contribute to a healthy Board-Head relationship by viewing themselves as both an intellectual and an emotional support system for the Head. Even under the best of circumstances, independent school headship is a difficult job; trustees can help by balancing their natural tendencies to be institutional critics with concerted efforts to celebrate successes and to commiserate without criticizing when thorny problems surface.

Heads at different career stages need different things from their Boards. New Heads may need mentoring in the area of management from trustees experienced in this area; older Heads may need more attention paid to ensuring that their spirits and energies are periodically refreshed. All Heads need to feel that they can confide in Board members without fear that confidentiality will be breached.

Heads, in turn, need to recognize that trustees also want to feel valued and to know that they are making an important contribution to the institution. While most Heads are careful to cultivate relationships with the Board chair and a few key trustees, fewer make a real effort to forge a connection with each and every trustee by tapping their particular areas of expertise, acknowledging their individual concerns or occasionally seeking their counsel. Those, too, are trust-building activities that can help to create the climate of mutual respect which is a prerequisite for truly collaborative leadership.

2.

DESIGN AND
IMPLEMENT A
GOVERNANCE
INFORMATION
SYSTEM.

Many Boards employ a haphazard approach to collecting and using data in the governance process, making decisions on the basis of the data they *have* rather than actively determining the data they *need*. By design or default, Heads and committee chairs routinely steer the Board's thinking by providing data in some areas and neglecting to provide it in others. We've observed that trustees often rush to fill the resulting information vacuum with anecdotal "evidence," which is always available though frequently suspect.

We agree absolutely with Taylor, Chait and Holland that Boards and Heads should work together to identify 10 to 12 "critical indicators of success" at achieving the school's mission, and then to develop a system to ensure continuous monitoring of the data. These indicators will vary depending upon a school's stage of development, but should be fairly obvious. A few examples:

- Enrollment trends (including the quantity and quality of applicants and enrolled students as well as attrition data)
- Student performance on standardized tests over time (particularly measures of achievement as compared to measures of ability)
- Costs per participating student for various courses, sports or extracurricular activities
- Placement of graduates (important as a trend rather than a snapshot)
- Measures related to affordability and cost control (growth in tuition and expenses compared to general cost-of-living increases)
- Actual versus projected expenditures
- Number and amount of unanticipated physical plant expenditures.

In addition to this ongoing baseline data, each Board should also decide what information it needs to determine strategic

priorities and monitor progress toward achieving current goals. For example, a school trying to decide the appropriate balance of academics, arts and athletics in its mission and program can collect data comparing allocation of financial and staff resources in the three areas, student hours devoted to each, etc. The Board can then achieve a clear picture of current practice and monitor progress in shifting the balance, if that is the Board's goal.

We believe one of the most productive steps toward better governance a Board can take is the creation of an ad hoc task force charged with designing from the ground up a broad-based governance information system covering all key areas of the school's performance and specifically geared to current strategic goals. Ideally, the group's membership would include someone with expertise in data analysis and in the graphic presentation of data. The key administrators who would eventually be involved in providing the data to the Board should also be drafted as members of the task force. The advantage of this holistic approach is that the end result would be concise, consistent in format and balanced in providing information across all areas of school performance. One product of such a task force might be a one-page digest of key indicators to be distributed to trustees in advance of each meeting, perhaps highlighting any data worthy of discussion.

Each time a policy is adopted or revised, Boards can specify what information will be reviewed to monitor compliance with the policy and how often that information should be shared with the Board. For example, a Board that adopts a policy stating that a primary goal of the financial aid program is to increase racial diversity in the school should require an annual breakdown of financial aid recipients by race so that progress toward achieving the goal can be demonstrated.

3.

REVISIT THE COMMITTEE STRUCTURE.

Much of the frustration experienced by independent school trustees these days can be laid at the door of the traditional committee structure, which tends to mirror the major administrative areas: finance, development, buildings and grounds, education, etc. While such an organizational structure can make sense at small schools with lean administrative teams, it can also be redundant and counterproductive at larger schools with healthy administrative staffs. The assignment of committees to "oversee" various divisions often promotes micromanagement by trustees and leads to diminished morale among office directors.

More importantly, the delegation of issues to these functionally oriented committees can work *against* broad strategic thinking. Most of the critical issues in schools are multidimensional, but committees organized along administrative lines tend to be dominated by "experts" in a narrow field.

To a large extent, the decisions they make will be circumscribed by the lens through which they view issues. For example, schools facing enrollment shortfalls often turn to a marketing committee for guidance. The usual result is a new viewbook that "talks up" areas of the school's program that are perceived to be weak or a recommendation to increase the size of the admissions staff.

While this approach might or might not strengthen enrollment in the short term, the marketing committee's understandable focus on image is not likely to raise to the Board level the essential issues of mission and program quality that might underlie weak enrollment numbers. Nor is it likely to lead to an exploration of facilities issues, changing local demographics, admissions standards, or tuition and cost control measures – all important components of enrollment management.

We share the view of Chait et al that most Boards would benefit from the creation of "new work" committees organized around the school's strategic priorities. These groups would be charged with the task of collecting and exploring multiple perspectives regarding the topic at hand; trustees would volunteer to serve based on their interest in the issue rather than any perceived expertise in the area under discussion. Trustees who now chafe at the standing committee structure might more readily find their niche in these action-oriented task forces. The intended final product of such a group – which incidentally would also be an ideal forum for "trying out" potential future trustees – would be not a *recommendation* to the Board but a well-structured *presentation* that highlighted key issues and options and then invited the entire Board to weigh in with insights and competing views.

Our experience suggests that some trustees (those with an "old-work" orientation) might react with impatience to a discussion without a pre-defined destination. But we also believe that given a choice between an evening of pro forma standing committee reports and a free-wheeling debate about "do-or-die" issues of strategic significance, many trustees would happily choose the latter, even without the promise of a tidy resolution at evening's end.

At the same time, Boards need not throw out the entire standing committee structure that has served many schools well. Flexibility by the Board's leadership – combined with a willingness to match trustees with committee assignments that suit their talents and sensibilities – can provide independent schools with the best attributes of both.

4.

RETHINK THE
BOARD'S
AGENDA.

A discussion of committee structures leads inevitably to the Board's agenda. As noted in *The New Work of the Nonprofit Board*, "Boards are Boards only in meetings, and yet meetings are where Boards underperform most visibly. Many trustees think that lack of time is the most significant barrier to a Board's ability to perform the new work. In fact, the greater problem is the failure to determine what matters and to let that imperative drive the frequency, format and duration of Board and committee meetings."

Many Heads and Board chairs are sensitive – as they should be – to the fact that trustees tend to be busy, productive people who object to time-wasting meetings. Their sensitivity, unfortunately, often leads Board chairs to design agendas that are short and easy to get through. When a trustee with a point of view attempts to raise a tangential issue – no matter how insightful – he or she is frequently given short shrift in the interest of moving things along. The standing committees present their reports and attain the necessary Board approvals, and all are sent home early.

There is an aura of efficiency about such meetings, but no real sense of satisfaction. At the other extreme are those Board chairs who place a high priority on thoroughly exploring every agenda item. They permit detours into wildly irrelevant areas, wallow in minutiae, and send trustees home cranky and exhausted, but again with little sense of satisfaction. In between these two extremes are the majority of independent school Boards, whose meetings typically exhibit elements of both approaches.

In our view, an ideal Board meeting is one in which every trustee leaves feeling that his or her presence made a difference. That might mean simply that each trustee left the meeting better informed about the institution and its challenges (and therefore better able to fulfill his or her stewardship

role), thanks to a thoughtful and stimulating discussion about a critical issue. Or it might mean that each trustee was able to provide productive input on a substantive decision that had not already been decided in committee.

Ensuring that each meeting provides one or more of these opportunities is the job of the Board leadership. The following strategies can help leaders to accomplish that goal:

1. At the outset of the year, develop a year-long work plan derived from the Board's strategic priorities. Based on the number and scope of these issues, determine how many Board meetings are likely to be needed during the year and how the topics should be distributed throughout the calendar.
2. Assign committees to set the stage for productive, results-oriented Board discussions about particular issues during specific meetings.
3. Distribute written standing committee reports, governance information, and any recommendations well in advance of each Board meeting. Include with these advance packets a brief cover letter from the Board chair outlining his or her goals for the meeting, as well as a brief discussion of any issues that trustees should think about in advance.
4. Spend time at the meeting on routine committee presentations only if unresolved issues warrant the full Board's attention.

5.

DEVELOP NEW
CRITERIA FOR
TRUSTEE
SELECTION AND
ORIENTATION.

While changes in governance processes can help make Boards more productive, nothing can derail the best efforts of a Board more quickly than "difficult" trustees. Often intensely loyal to the institution, usually well intentioned and frequently extraordinarily generous, difficult trustees nevertheless do great damage to Boards and schools every year.

Frequently, the problem is a personal agenda pursued with great vigor or an unwillingness to support Board decisions or priorities that conflict with their own strongly held opinions. Sometimes, it is simply a personality clash between the trustee and the Head or Board Chair.

Whatever the source of the tension, trustees who carry these destructive attitudes outside the boardroom can undermine the Head, frighten the faculty, or agitate parents to the point where the school's reputation and enrollment suffer. Even in less dramatic cases, negative and relentlessly critical trustees fray relationships among Board members, with destructive effects on Board unity.

In an ideal world, these trustees could privately and gently be made to see the error of their ways. In reality, Boards usually make the best of a bad situation, tolerating the destructive behavior until the offending trustee quits in a huff or fades away. We believe that the Board leadership – either the chair or the head of the Committee on Trustees, if one exists – should confront trustees whose behavior undermines the institution. Just as schools typically have codes of responsibility governing student and faculty behavior, so Boards should hold their members to a specified code of conduct.

Another option for limiting the impact of destructive trustees is a term-limits policy that ensures that every trustee – good or bad – will leave the Board after a specified

interval. The involvement of valued trustees can be maintained after they leave the Board in a number of ways: service on committees, an advisory board, etc. The term-limits policy can also permit trustees to return after a period off the Board; negative trustees need not be invited back.

Ultimately, though, the best defense against destructive behavior is a good offense – weeding out potentially problematic trustees *before* they are appointed. While some prestigious independent schools have the luxury of choice in selecting new members, many schools fill their Board ranks from a fairly limited number of candidates who are willing to serve.

Boards that continually find themselves electing trustees with marginal qualifications need to examine both the size of the Board and the processes in place for recruiting and evaluating new trustees.

Boards that adopt the model of creating ad hoc strategic committees with both trustee and non-trustee members will be in a better position to identify "rising stars," assign them increasing levels of responsibility and observe their behavior carefully for signs of potential problems.

Nominating committees could also do a more thorough job of profiling the Board's needs – looking at "people skills" as well as professional expertise. Selecting trustees should be a process of mutual exploration between committee and candidate; in addition to informing candidates about the Board's expectations, committee members need to probe the attitudes and interests of candidates to see if these mesh with the school's mission and the Board's strategic directions. A candidate whose motivation to serve appears to stem more from a desire to "fix" some perceived problem at the school than from any shared sense of mission or loyalty is a risky bet.

First Steps, Final Thoughts

Every Board of Trustees is a work in progress. Developing a Board that is organized around key strategic challenges, that meshes well with the Head's leadership style, and that effectively uses the talents of all of its members requires a willingness to identify problem areas and to consider new ways of accomplishing the work of governance.

For Boards interested in exploring these options, we suggest that the process begin with a wide-ranging conversation – perhaps during a Board-Head retreat in as relaxed a setting as possible – in which trustees discuss some or all of the following questions:

The Board's contribution to the school: In what ways does our Board add value to the institution? What have been our major recent accomplishments? How would the school be different if the Board did not exist? Are we producing a good return on the school's investment in the Board? Are we adequately focused on the mission of the school and the school's success in accomplishing the mission? In what ways do we support the Head of School?

The rewards of trusteeship: How many of us find our Board service a fulfilling experience? Do past trustees typically maintain a connection with the school? Can each of us cite ways in which the school has been enriched by our presence on the Board? Are we using each trustee's talents effectively? Do all of us have individual goals this year that are compatible with the Board's goals as a whole?

The Board's composition: Do we have a clash of governance values among our trustees? Does our membership include big-picture thinkers as well as specialists? Are we overly tolerant of destructive trustees? Do we have a pool of talented potential trustees from which to choose when vacancies occur? Do we have too many parents on our Board? Do we maintain a healthy balance of experienced trustees and "new blood?" Have some of us been around too long?

Board processes: Does the way in which our Board is structured cause us to think too much about process and not enough about results? Does the organizational structure of our committees help us to focus on critical "do or die" issues, or are we too often seduced into lower-level operational issues? Do we routinely demand and receive the governance information we need to make informed decisions about key issues? Do we truly exist as a Board or are we just a collection of committees? Are our Board meetings productive or perfunctory? Have we clearly identified our strategic priorities and goals for this year? If so, are we organized for success in focusing on those priorities and achieving those goals? Do we take time to celebrate our successes?

A free-ranging conversation about these issues should help trustees identify areas in which the Board is falling short of its potential – the essential first step in designing governance solutions.

Whether engaged in old work or new, trustees today face a challenging set of financial, social, educational and political issues. While navigating the tricky waters of Board-Head relationships, fulfilling their roles as financial stewards of the institution, and attempting to divine the future in an era of high stakes for independent schools, trustees need and deserve a governance model that respects their time and talents. Heads of School, in turn, need and deserve Boards that are organized for success, oriented to the future, and respectful of the Head's central leadership role.

More than ever in this age of transition, schools need them both.

October 1996