

Strengthening HBCU Governance and Leadership





About AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, nearly 1,900 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

In accordance with its mission, AGB has developed programs and services that strengthen the partnership between the president and governing board; provide guidance to regents and trustees; identify issues that affect tomorrow's decision making; and foster cooperation among all constituencies in higher education. For more information, visit www.agb.org.

Copyright © 2017 Association of Governing Boards of Universities and Colleges

Printed and bound in the United States of America.

Acknowledgements

The Association of Governing Boards of Universities and Colleges is grateful to the Kresge Foundation and the Arthur Vining Davis Foundations for their support of AGB's Initiative on Strengthening HBCU Governance and Leadership and to the institutions that participated in this effort. AGB would also like to extend a very special thank you to the author of this report, Kristen Hodge-Clark and to Alvin Schexnider, Ellen Chaffee, Charlie Nelms, and Elizabeth Alvarado for their thoughtful insights and contributions to this paper.

“Boards and presidents must be intentional about building and sustaining a shared vision for the institution...Engagement breeds commitment. This is a hallmark of good institutional leadership/governance.”

Dr. Roslyn Clark Artis
President, Florida Memorial University, in
*Top Strategic Issues Facing HBCUs, Now and
into the Future* (AGB, 2014)



Introduction

The success or failure of any college or university hinges upon the leadership that governs the institution. Getting governance right requires that boards and presidents intentionally and collectively take stock of their existing governance practices and make appropriate changes to ensure that both parties are effectively fulfilling their distinct duties and responsibilities. Over the course of nearly two years, 24 Historically Black Colleges and Universities (HBCUs) did just that as part of AGB’s Initiative for Strengthening HBCU Governance and Leadership. With generous support from the Arthur Vining Davis Foundations and the Kresge Foundation, the Initiative was developed to work with these institutions in addressing challenges and creating positive, intentional change in their leadership and governance through a series of institutes and consulting services (see Appendix A). The core goal of the project was to strengthen HBCUs by:

- enhancing governance practices, capacity, and structures;
- advancing effective working relationships between presidents and boards;
- developing the capacity of presidents’ cabinets to support the work of the board more effectively; and
- facilitating engagement among HBCU leaders on governance and other issues.

At the outset, many of the participating institutions were struggling with significant strategic issues, such as declining enrollment, financial challenges, and unsustainable business models. They were also challenged by widespread problems with shared governance practices. Others were thriving, by all accounts, but were at a crossroads in deciding how to remain competitive in the future. It was essential that at each institution, both the president and the board made a commitment to understanding and creating effective governance practices to ultimately resolve the strategic issues at their front door.

In phase one of the larger Initiative, almost two dozen institutions participated in leadership and governance institutes designed specifically for presidents and board chairs. The second phase, which is the primary focus of this paper, was developed to provide a select number of institutions with sustained engagement in governance enhancement through a series of comprehensive consulting services over the course of a year. In their applications to participate in the Initiative, each board outlined a series of goals it hoped to accomplish during the year-long engagement. Goals ranged from improving internal board relations to preparing leaders for capital campaigns. While no two institutions were identical, some common themes emerged from many of the engagements. In the report that follows, we highlight observations and key lessons learned from some of the participating institutions as examples for other boards to consider.¹

¹ The names of the colleges and universities referenced in this report have been changed to protect their identities and to maintain confidentiality.

Lesson One

Effective board development requires the support and buy-in of the entire board

An important starting point for many of the institutions involved in this Initiative was board development—including a review of effective governance principles and the fiduciary duties of board members. To establish a shared understanding among board members of good governance practices, board workshops focused on roles and responsibilities of board members and characteristics of high performing boards. A primary challenge for these boards was raising their focus from management-level concerns to higher impact oversight and strategy.

For other institutions, there were complicated dynamics at play between different factions of the board. In various situations, there were tensions between the board and chair, the board and president, or representative board members (e.g. faculty, staff, students, or religious leaders) and the rest of the board. Board politics and dysfunctional culture affected their readiness to collectively tackle governance issues. For these institutions, it was equally important for the president to understand his or her role vis-à-vis the board and to help create the conditions that would lead to more effective governance. AGB consultants were key in helping to convey best practices and the importance of board development. When trustees were supportive of this additional training, boards made great strides to improve their governance practices.

STATE UNIVERSITY: BOARD DEVELOPMENT

Like many other institutions, State University faced many financial strains that threatened its future, due in part to declining state funds and enrollment. The board's inadequate performance, however, posed one of the biggest barriers to success. The nature of the problems ranged from lack of trustee engagement and understanding of the board's fiduciary role, to failing shared governance. The tensions among the faculty and staff representative board members led to frequently unproductive discussions. Another ongoing problem was limited capacity—the lack of a dedicated board staff position to support and coordinate the work of the board created many challenges for the president and board chair. The president recognized that the board needed extensive education to mitigate these problems and sought AGB Consulting services. The board engaged in several workshops and created a new board policy manual. To improve board engagement, it also created a meeting agenda template that was much more strategic and that lent itself to appropriate oversight. Lastly, the institution established a board secretary position and hired someone to fill it almost immediately.

ONE OF THE CONTRIBUTORS TO SUCCESS:

The president's recognition that the board needed to better understand its fiduciary role to help advance the institution was an essential first step. In turn, once the board had a good command of effective governance principles, it could then start to implement those principles and effectively address the strategic issues facing the institution.

SUBURBAN COLLEGE: BOARD DEVELOPMENT, STRATEGIC PLANNING, AND FUNDRAISING

Suburban College, though providing an excellent educational experience for its students, struggled to maintain its facilities, purchase much-needed supplies and equipment, make payroll, and—as a result—hire and retain quality faculty and staff. In addition, it had a disengaged board. Suburban College board members were unclear about their fiduciary duties and needed to learn more about their roles and responsibilities, especially in the area of fundraising. Throughout several board development and strategic planning sessions with an AGB consultant, the board developed a series of long-term and short-term solutions, which included creating a new strategic plan and increasing the board's role in fundraising activities. The college's new strategic plan includes key initiatives around maintaining classrooms, residence halls, and offices; using technology better; increasing revenue and growing the endowment; and developing marketing and branding strategies. The board is also looking at hosting fundraising activities and launching a capital campaign, with a goal of raising \$20 to \$25 million.

ONE OF THE CONTRIBUTORS TO SUCCESS:

When the president prioritized board development and strategic planning, board members developed a better understanding of their roles and board engagement increased. The crux of their work shifted to focus more strategically on short-term and long-term solutions.

Lesson Two

Boards and other institutional leaders must be openly accountable

Board accountability for current and past decisions, both good and bad, proved to be an important conduit for governance reform and for addressing strategic issues and opportunities at several institutions. Accountability started with assessments. As part of the larger Initiative, each institution was provided with a board performance assessment, including a self-assessment survey, culminating in a facilitated board retreat. These assessments were an important opportunity for boards to clarify their goals and expectations and to determine how well they were meeting them. The assessments also helped to open a dialogue about accountability and high performance for the board and the institution, and to develop an action agenda for improvement in the future. The success of these assessments depended highly upon the president's and the board's willingness to be reflective, accepting of the outcomes, and prepared to engage in transparent and difficult conversations about necessary changes.

LAND GRANT UNIVERSITY: UNSTABLE LEADERSHIP

Over the course of several years, the institution confronted many issues including budget cuts and declining enrollments. Like many other HBCUs, leadership at Land Grant University proved at times unstable and tumultuous. Board dynamics were also contentious and members focused more on responsibilities of management than on appropriate oversight and policy. The instability of the university's leadership prompted the board to engage in a strategic presidential search that was much more thoughtful and intentional than previous searches. As a result, the board brought on a new president—the institution's third in less than 10 years—who has so far been well received by the entire campus community and the board. The advent of a new leader inspired the board to look inward to strengthen its own performance and capacity. It engaged in a board performance assessment with AGB's counsel and addressed many of the key factors that contributed to the instability of the institution's leadership and, ultimately, the institution. The board also held itself accountable for past decisions that impeded the progress of the institution. To identify and promote needed changes, the board conducted a retreat in which it adopted three new major goals for the next academic year that included a commitment to appropriate board engagement.

ONE OF THE CONTRIBUTORS TO SUCCESS: The board's "aha" moment occurred when they recognized that they were contributing to their own demise. This awareness served as the catalyst to create much needed change in the institution's leadership and the board's culture.

Lesson Three

The board chair and his/her relationship with the president sets the tone for the board and must strike an appropriate balance.

The relationship between the board chair and president for some of the participating institutions was complex and, at times, strained. When AGB launched this Initiative, it started with a series of Institutes designed as opportunities for president-board chair teams from each participating institution to meet and discuss strategies, expectations, and future goals over the course of three days. Almost all participants greatly valued the sustained time together; for many, regular and dedicated meetings between the president and the chair were not standard practice. Without intentional efforts to build and grow their relationship, board chairs and presidents can be at odds. During various board workshops, we learned that, for some institutions, although the president and board chair were aligned in their thinking about institutional priorities and expectations, there was a mismatch between them and the rest of the board. There must be an appropriate balance in growing the relationship between the president and chair, so it is not to the detriment or exclusion of the board. The board chair can be the key driver or barrier to success in creating a healthy board culture. Leading by example, the board chair can set clear expectations for appropriate engagement of all board members and establish clear lines of communication between the board and president to create a shared vision for the institution. Regular communication is essential.

EAST COAST UNIVERSITY: SACS PROBATION

East Coast University was placed on probation by the regional accrediting body for several ongoing challenges, including financial insolvency and inconsistent governance practices. Additionally, the university's enrollment had consistently declined over the past few years, contributing to the instability of the institution. In the face of these setbacks, the board engaged with AGB Consulting, as part of this larger Initiative, to receive guidance through the process of changing their leadership. The new interim president and the board chair adopted a no-nonsense approach and worked in tandem to sharpen the focus of the board and bring everyone together to not only understand the issues at hand that led to the institution's probation, but also to better understand the board's distinct fiduciary roles and responsibilities in overcoming this obstacle and preventing it in the future. As a result, the board recognized that some of its greatest vulnerabilities were its ineffective policies and procedures and mismatched understanding of the board's role vis-à-vis the president. Over the course of their engagement, they updated their bylaws and created a clear list of board priorities that supported the larger goals of the president for the university. The board also engaged in a series of targeted workshops, led by AGB consultants, to understand the core components of student success and the board's appropriate oversight of this issue. The accrediting body elevated East Coast University's status and removed it from probation after one year. Within two academic years, freshman enrollment doubled.

ONE OF THE CONTRIBUTORS TO SUCCESS:

Alignment between the vision and focus of the president and the expectations of the board were vital in the progress they were able to achieve.

Lesson Four

Boards must address and find solutions to the internal and external obstacles to building board capacity.

A commitment to board effectiveness invariably leads to a better understanding of the specific skill sets required of members and subsequently the need to recruit individuals with those skills. Many of the project institutions grappled with challenges, both internal and external, related to board composition. A couple of public HBCU boards found themselves in a perpetual holding pattern, waiting for gubernatorial appointments to fill vacant seats on these boards. Unfortunately, these delays impacted their ability to effectively address some of the strategic issues facing their institutions. For them, a strategy was needed to work around the external roadblocks to keep the institutions moving forward. In contrast, some of the independent HBCU boards were heavily dominated by representative seats for ministers, church members, alumni, faculty, or students—and there was great resistance to changing this model. For these institutions, internal obstacles and an impermeable board culture thwarted opportunities to add or eliminate board members to better meet the needs of the boards and the institutions. In both sectors, additional and sustained efforts are still needed among board leaders and presidents to help move the needle and strengthen board composition.

WATERSHED COLLEGE: CHALLENGING BOARD COMPOSITION

Recently, Watershed College, located in a rural community, celebrated a milestone anniversary in the institution's history. Established with strong church ties, like many HBCUs and small independent colleges, it had fallen on hard times. Its enrollment, currently under 1,000 students, has fallen by a third since 1990. It has managed to balance its budget by drawing down its endowment, that now stands at less than \$20 million dollars. Three-quarters of Watershed's governing board is comprised of ministers or representatives of the founding denomination. Despite the president's best efforts, the board has refused to diversify its membership to bring in individuals with additional expertise. Instead, the board dipped into its endowment to boost athletics on the premise that it would improve enrollment, thereby strengthening Watershed's financial condition. This plan failed. Enrollments continued to drop and now the college's fiscal condition threatens its accreditation. Although Watershed College has a well-deserved reputation for producing graduates who excel in math and science and go on to earn doctorates, it has been unable to build on this center of excellence. The president and several trustees knew this but gambled on athletics instead.

POTENTIAL CONTRIBUTORS TO SUCCESS: Boards must be knowledgeable of the institution's strengths and weaknesses, as well as their own. They must also be adept at telling the school's story and willing to chart new territory. The absence of vision in an era of enormous change is a path to failure. The board now has new opportunities to revisit what went wrong, learn from their mistakes, and continuously improve their governance structures, capacity, and approaches to address the issues of greatest consequence to the institution.

Lesson Five

Early succession planning is vital for expected and unexpected leadership turnovers.

As a sector, HBCUs have experienced significant leadership turnover in recent years. The institutions within this Initiative were no different. Over the past 18 months, several faced expected and unexpected leadership changes of the president and/or board chair. For institutions on either side of the spectrum, there was a shared fear about the process and the board's ability to identify viable candidates, capable and willing to lead these institutions for several years to come. There were also tangential concerns about the public perceptions of leadership turnovers within these institutions, particularly given the trends for the entire sector. AGB consultants helped many of these boards chart a path forward by assessing the current state of the institution, including board dynamics, and then developing plans for their current circumstances and for the future. Effective communication within the board was critically important. It was also essential for these institutions to develop long-term strategies. Boards needed to develop a proactive and strategic process for succession planning well in advance of any planned or unplanned changes.

DEMONSTRATION COLLEGE: SUCCESSION PLANNING

Demonstration College was preparing for a major transition. Its long-term president announced his retirement and the college was faced with a presidential search amidst a challenging environment for the college, other HBCUs, and higher education as a whole. With many HBCUs undergoing difficult and unexpected presidential transitions, it was not an ideal time to recruit and hire a new president. The college was dealing with financial strain, and the board and cabinet needed assistance with conducting more effective board meetings and structuring the work of committees to be more strategic. The board worked with an AGB consultant on a board self-assessment that allowed it to have open dialogue about its strengths and weaknesses. The consultant also worked with the cabinet on issues of communication, collaboration, and transparency. The cabinet is now more engaged and is working with the board to prepare for this major transition. The presidential search is underway and the board is looking into longer term development activities to help foster a successful partnership with a new president.

ONE OF THE CONTRIBUTORS TO SUCCESS: The board self-assessment provided an opportunity for the board to look at its work and develop a plan for better performance to become the board it needs to be for recruiting and supporting a new president.

Implementing governance reforms is a difficult and at times lengthy process, and change often does not happen overnight.



Conclusion

Implementing governance reforms is a difficult and at times lengthy process, and change often does not happen overnight. There are many factors and conditions that can contribute to success—or failure. The 18-month journey for each of the colleges and universities engaged with AGB's Initiative for Strengthening HBCU Governance and Leadership proves this point. To start, institutions had to commit with a board resolution to engaging in a reflective process of reviewing their governance practices with the intention of making positive changes or improvements. The most successful boards allowed this process to run its course and were highly engaged from start to finish. For the principles of effective governance to take root and grow, it will be imperative that these boards continue to do the hard work of consistently and regularly taking stock of their governance practices and policies. What's at stake is not just the health and wellbeing of the board, but the long-term sustainability of these institutions.

APPENDIX A

About the Initiative and Project Activities

A call for applications to participate in AGB's Initiative for Strengthening HBCU Governance and Leadership was sent to the president of each Historically Black College and University in late 2014. The Initiative provided the following activities for participating institutions:

HBCU Governance and Leadership Institutes for Board Chairs and Presidents

The three-day Institutes allowed teams from participating institutions to engage with experts in governance as well as a network of their peers to create strategic action plans to move their board and institutions forward.

Comprehensive Consulting Services

Working with AGB Consulting experts, a select number of participating institutions were offered a suite of customized consulting services to take a deeper dive in exploring and enhancing their governance structures to address a wide range of strategic issues. The services provided included:

- **Board Performance Assessments**

The board performance assessment service is designed to strengthen relationships, build trust, and improve individual and organizational effectiveness. It provides boards with an opportunity to step back from the preoccupations of regular board business, candidly review their performance, and develop a set of objectives that will strengthen the board's effectiveness.

- **On-Campus Board Workshops**

On-campus board workshops are tailored to address a specific issue or need identified by the institution. Topics can include such areas as fundraising and development, improving committee effectiveness, reconsidering committee/taskforce structures, enhancing the board's oversight of educational quality, or repositioning the institution in the competitive marketplace.

- **Cabinet Development Workshops**

Senior campus administrators often serve as translators of higher education culture and operations for boards. They are essential advocates for the institution's overall vision and critical in ensuring effective committees. Cabinet development workshops are tailored to address challenges and opportunities specific to each institution's cabinet and offer governance development to the next generation of HBCU leaders.

- **Leadership Coaching Sessions**

Presidents, board chairs, and other key administrators may benefit from a professional consulting relationship to enhance their leadership skills and effectiveness. Starting with a face-to-face assessment meeting, the consultant and client develop a schedule for calls and agreed-upon goals. Honest, insightful feedback and the resources of an experienced consultant can uncover new solutions, confidence, and approaches.

