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What Presidents Really Think About Their Boards

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Abstract

Takeaways

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Understanding higher education better may help to increase board engagement...as well as micromanaging if boards, board leaders, and presidents don't have ongoing conversations about the appropriate role of the board.

Presidents and boards must work together to get governance right. Such goals require effort, intentionality, and candor.

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What Presidents Really Think About Their Boards

BY PETER ECKEL
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TAKEAWAYS

Contrary to many recent headlines of tensions between presidents and boards, the clear majority of presidents report that their boards have a positive impact on the institution, they are satisfied overall with the board, and they think boards are engaged at the right levels.

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“Fired with enthusiasm” is the quotation attributed to Clark Kerr describing how he both began *and* ended his famed presidency at the University of California. That statement captures the extremes of presidential-board relationships. At one end of the spectrum, presidents and their boards are ready partners willing to take on all challenges. At the other end, presidents tread carefully with boards because the board has the responsibility to ensure the right person is in the presidency for the needs of that institution at that time.

The board-president relationship is as complex as it is important. What do presidents think of the boards they serve? How much value do they believe boards add and in what ways? What frustrates presidents about boards? How well positioned do presidents think boards are to deal with the forthcoming challenges their institutions or systems are likely to face? How has governance changed over time?

A recent AGB survey of 497 presidents from regionally accredited four-year colleges and universities provides boards an opportunity to hear collectively from presidents the answers to such questions. We sought to ask presidents questions that they probably do not discuss with their boards, often over concern of Kerr’s latter “fired with enthusiasm.”

About two-thirds of the respondents led independent, nonprofit colleges (334), while 19 led proprietary institutions, and 130 led public universities, including state systems and institutions with their own boards and those that were part of public systems and had institutional boards. Presidents ranged in their time in their current positions from serving three years or less (30 percent), between four and seven years (32 percent), between eight and 12 years (20 percent), and for more than 12 years (19 percent). Not all presidents in their jobs three years or less were first-time presidents. Nevertheless, with each new presidency comes a new board; therefore, we focused on time in their current position. Finally, we looked at different types of institutions: public, private, and proprietary, as well as those with different missions.

GOVERNANCE IS DOING WELL (MOSTLY)

What did we find? Counter to many of the recent headlines highlighting tensions between presidents and boards, the clear majority of presidents report that their boards have a positive impact on the institution, they are satisfied overall with the board, and boards are engaged at the right levels. More than 80 percent of presidents agree or strongly agree that the board makes a positive impact. Similarly, close to 80 percent indicated that they are either satisfied or very satisfied overall with their boards. Much of the impact and satisfaction is tied to the appropriate level of board engagement—neither too much nor too little. Over half of all presidents said their boards are appropriately engaged. All of this is mostly good news.

Now, why “mostly” good? Because almost one in five presidents reported that their boards *do not* make a positive impact. While the share is relatively small, it clearly shows that some boards are not making the

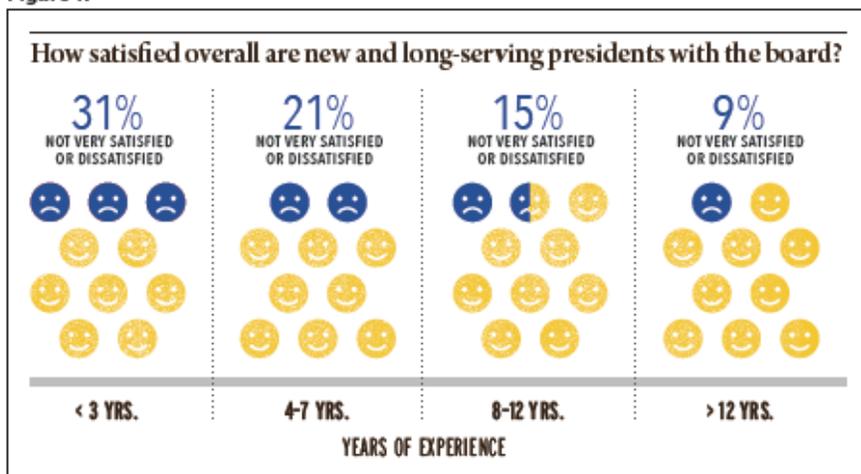
differences that presidents expect. Governance is too central to be underperforming even for what may be a modest number of institutions.

Further, a deeper look at the data highlights some important differences among presidents. First, new presidents—those with three years or less on the job—reported different levels of board impact than longer-serving presidents. Less than one-fifth of presidents new to their positions strongly agreed that their boards have a positive impact. In contrast, more than half of the presidents who have been in their positions for 12 years or more reported the same strong feeling.

In addition, new presidents were less likely than their more experienced peers to be satisfied with the board. Almost one-third of newly hired presidents said they are not very satisfied or dissatisfied with the board. This rate is twice that of presidents in their eighth to 12th year and three times the rate of presidents who have served for more than 12 years. (See Figure 1 below.) The fact that almost one in three new presidents is dissatisfied or not very satisfied is troubling.

Some additional differences surfaced across different types of institutions. For instance, one-quarter of all public college and university presidents disagree or strongly disagree that their boards contribute positively, a distressingly large share for this important sector of American higher education.

Figure 1.



HOW IMPORTANT AND EFFECTIVE IS GOVERNANCE TODAY?

To understand the extent to which governance has changed over time, we asked long-serving presidents—people who have served as presidents for at least 10 years at one or more institutions—to what extent governance is more important, more effective, and more complex today than when they first became president. Two-thirds said that governance is more essential for institutional well-being today than when they first became presidents. Similarly, close to three-quarters of presidents said their boards are more effective today than when they started.

Yet some key differences emerged by different types of institutions. For instance, only half of doctoral/research university presidents believe governance is more essential today than when they began. Similarly, almost one in five long-serving presidents from doctoral/research universities said their boards are *less* effective today than when they began—almost twice the rate of presidents leading other types of institutions.

HOW BOARDS CONTRIBUTE THE MOST—AND LEAST

Presidents said that boards are most constructive on the following issues:

- Rethinking the institution's business model (84 percent);
- Addressing issues of tuition and cost (80 percent);
- Advocating externally on behalf of the institution and in external relations (80 percent);
- Enrollment management and retention (76 percent); and
- Marketing (73 percent).

It is probably not surprising that those issues have to do with the business of the institution and with serving as an important conduit to external audiences.

AGB also asked presidents how boards contribute most, and presidents identified the following key areas:

- Focusing on the long-term;
- Asking hard questions;
- Bringing diverse perspectives;
- Contributing specific knowledge;
- Giving financially; and
- Balancing various stakeholder interests.

The percentage responses were fairly consistent across those items, suggesting that presidents appreciate a range of board contributions and that boards contribute most when they do many of these things—not just one or two.

Yet presidents do not welcome all of the contributions that boards try to make. We asked presidents to identify the issues that boards often want to address that are somewhat unhelpful or very unhelpful, and they cited:

- New revenue streams;
- Technology and technology-enhanced instructional delivery; and
- Campus or system efficiencies and productivity.

These findings may surprise many board members who believe they have transferable knowledge from their professional backgrounds to “help” presidents. The lesson: Board members should probably tread lightly in these arenas.

WHERE CAN BOARDS DO BETTER?

Presidents and boards want to govern better. The top wishes of presidents as to ways that boards could become more effective include:

- Give more financially;
- Make more external connections for the institution;
- Be made up of very accomplished people;
- Focus more on the long-term; and
- Delegate more to management.

These responses varied depending on whether presidents were from public or private institutions. (See Figure 2 below.)

In addition to their wish lists for more-effective boards, presidents shared some common frustrations about their boards:

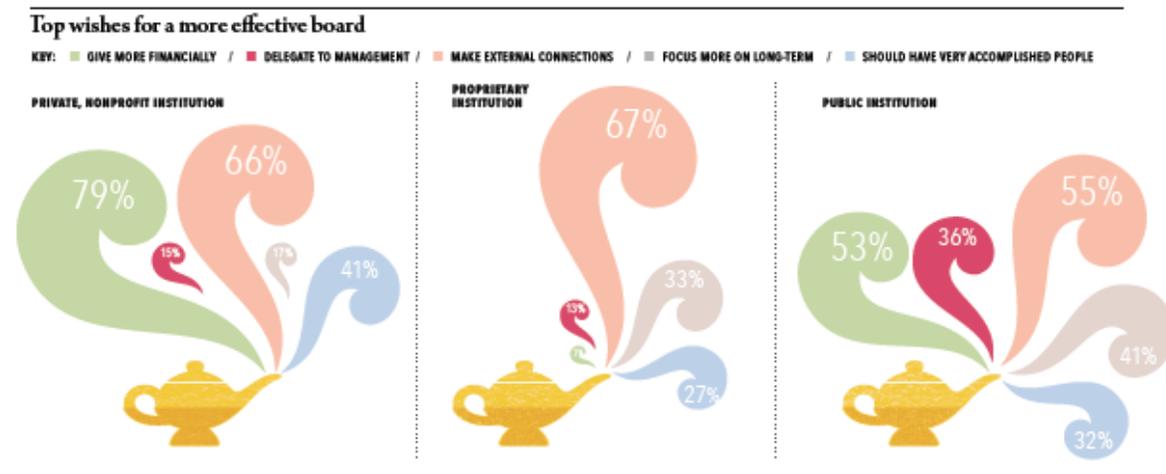
- The lack of individual engagement;
- Board members not giving financially at the levels they could or should;
- Board members’ lack of understanding of higher education; and
- Micromanaging.

This list suggests that presidents believe boards can and should be doing more at an individual and collective level. They also would like board members to understand not only the institution but also the higher education context in which they must operate.

However, presidents also report frustrations when boards overstep the boundaries of governance. Balancing these different frustrations can be a challenge. Understanding higher education better may help increase engagement, yet it may increase micromanaging if boards, board leaders, and presidents don’t have a set of continuing conversations about the appropriate role of the board as board members become more versed in the dynamics of the higher education enterprise.

Frustrations vary by institutional type. For example, presidents of doctoral/research universities are significantly more likely to be frustrated by micromanagement as presidents from other sectors. The most common frustrations of presidents from specialized institutions, master’s, and baccalaureate institutions are lack of individual engagement, followed by lack of philanthropy.

Figure 2.



THE FINE LINE BETWEEN GOVERNING AND MANAGING

An often-unclear boundary exists between management and governance. The clear majority of presidents (72 percent) report that boards understand the difference between their governance role and the president’s management’s role. However, presidents in their first three years on the job are almost twice as likely to report boards confusing management and governance as those presidents who have been on the job between eight to 12 years and almost four times that of presidents serving 12 years or longer in their posts. One-quarter of new presidents have different expectations than the board.

Presidents reported that boards overstep their role in different areas depending on their public or private status. Micromanaging boards don’t follow strong patterns of where they get involved in these two types of

institutions. Public and private nonprofit presidents indicated variety regarding over-involvement by boards rather than high consensus on a few areas (which was the case with the proprietary presidents), as indicated by the low percentages.

WHERE PRESIDENTS ARE UNPREPARED

While boards hire the best possible person to serve as their institution's top leader, one-quarter of all presidents reported no experience with or exposure to higher education board-level governance before taking office. Further, while about half of the presidents surveyed staffed board committees, such efforts may not prepare individuals for their full responsibilities when in the role of president. When presidents came to their positions, they reported being most underprepared to work with the boards in:

- Addressing philanthropic goals;
- Dealing with individual board members who want to act independently rather than as part of the team;
- Getting the most from board committees;
- Preventing micromanaging; and
- Ensuring that the board and the president have mutually agreeable expectations for each other.

We discovered some notable differences in areas of unpreparedness. For instance, presidents from doctoral/research universities are more likely to report being unprepared to keep the board focused on the future at almost twice the rate as presidents from other types of institutions. Doctoral/research universities are also less likely to report being unprepared related to philanthropic goals.

CONFIDENCE IN BOARDS FOR THE FUTURE

The future for higher education looks challenging, many observers and pundits argue, and presidents generally report that they and their boards agree on the changes needed for the institution over the next five to 10 years. But, as in many other areas, presidents newer to their positions are less likely to agree with this statement than presidents who have served longer. Eighteen percent of presidents less than three years into the job believe they are not on the same page with the board regarding needed changes, and an additional 4 percent are unsure or can't tell if they and the board agree—in total, almost one-quarter of new presidents. In contrast, only 12 percent and 10 percent, respectively, of presidents who have been in their jobs for eight to 12 years or more than 12 years believe they and their boards differ.

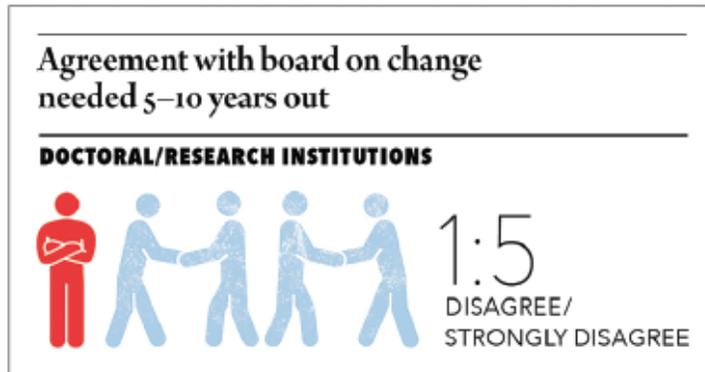
While the differences in percentages are not staggering, the fact that these differences exist between new and longer-serving presidents is surprising given that a presidential search recently took place. One would expect that, through the search and onboarding processes, boards and presidents would be clear on the future challenges facing the institution. More needs to be communicated to new presidents during the early stages of their tenure.

Moreover, presidents from doctoral/research universities were slightly less likely to report being aligned with their boards on the changes that are needed five to 10 years out. One in five of these presidents disagree or strongly disagree that they and their boards are in agreement about change, compared with 13 percent of baccalaureate, 12 percent of master's institutions, and 11 percent of specialized institutions. (See Figure 3 below.)

To successfully resolve future challenges, presidents and boards also need the capacity to bring about change. Almost three-quarters of presidents reported that they are confident or very confident in their

board's abilities to address future challenge. However, differences in confidence exist among public and private presidents. While close to 80 percent of presidents leading private, nonprofit institutions are confident or very confident in their board's ability to address forthcoming challenges, only 60 percent of public institution presidents share these same attitudes; the remaining 40 percent are skeptical to varying degrees about their board's ability. (See Figure 4 below.)

Figure 3.



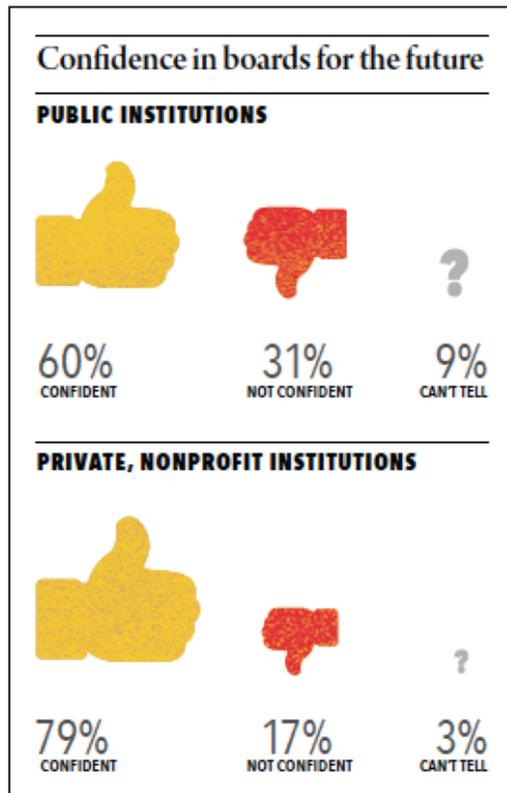
CONVERSATIONS BOARDS SHOULD HAVE

Our study paints a national profile of what presidents think about governance and identifies some specific differences across types of institutions or presidential time in office. Yet, this study has more utility: It structures a set of questions that boards should investigate both by themselves and in some, if not many, instances with their presidents, including:

- Are we part of the minority of institutions where the president believes we do not have a positive impact? What evidence supports our answer?
- To what extent are we appropriately engaged as a board? Are we over-engaged? If so, in what areas and why do we behave that way? Are we under-engaged? If so, in what ways and why? To what extent do our answers align with the expectations of the president?
- Are we doing enough as a board in the following areas that presidents identified as important: 1) focusing on the long-term, 2) asking hard questions, 3) bringing diverse perspectives, 4) contributing specific knowledge, 5) giving financially, and 6) balancing various interest groups. How might we do more?
- Presidents note boards are most unhelpful in the following areas: 1) new revenue streams, 2) technology and technology-enhanced instructional delivery, and 3) campus/system efficiencies and productivity. Are we doing too much here? What might we stop doing?
- Presidents wish boards would: 1) give more financially, 2) make more external connections for the institution, 3) be composed of very accomplished people, 4) focus more on the long-term; and 5) delegate more to management. How well are we doing in these areas? Should we and can we improve in any of these? What do we as a board need to do differently?
- Finally, presidents are most frustrated by: 1) the lack of individual engagement, 2) board members not giving financially at the levels they could or should, 3) board members' lack of understanding about higher education, and 4) micromanaging. How might we as a board improve along these dimensions?

Presidents and boards must work together to get governance right. Such goals require effort, intentionality, and candor. This study provides a framework to strengthen the important board-president relationship in ways that can help ensure the success of higher education institutions over the short and long term.

Figure 4.



ARE NEW PRESIDENTS DIFFERENT?

Throughout the study, presidents three years or less on the job repeatedly had different responses than those who had been in their positions longer. Newcomers were less likely to strongly agree that the board makes a positive impact and to be satisfied overall with board performance. They were less likely to report that the board is clear about how its role differs from that of management. They were less likely to say that they and the board are on the same page regarding future challenges and to have confidence in the board to effectively address those future challenges. New presidents were also less likely to strongly agree that they have an effective relationship with the chair, have necessary personal support from the board, and have board support on controversial decisions.

On the one hand, all of those differences between new and long-serving presidents may be related to what new presidents know about the new board. They may think differently simply after spending more time on the job. For example, while they agree that they have board support for controversial decisions, they may not yet have faced any situations that instill strong confidence in board support. Or they still may be getting to know the chair well enough to comment on the strength of their relationship. Over time, will their answers come to mirror those presidents who have been in their positions longer?

On the other hand, the different responses between those new to their positions and their longer-serving colleagues are frequent enough across a set of questions to suggest something else may be going on. Do new presidents think differently about governance than more-experienced presidents? Do they have different expectations for what boards can and should do? Are they more anxious about the future or do they see the stakes as higher, thus questioning governance or viewing it differently?

Regardless of the causes, boards and new presidents may have additional, intentional work to do. Boards that hired new presidents in the past three years may need to be more attentive to president-board dynamics and how presidents work with the board. They may benefit by structuring conversations about some of the more meaningful findings of this national study. Deeper conversations regarding new presidents' expectations—such as how they and the board can work better together, how they might better align their views on future challenges, and how the board might change its ways to better prepare for governing in the future—might be helpful.

At the same time, new presidents may have to think in new ways about how they approach governance and address specific concerns with the board to feel comfortable and confident with the board's role. They also may need to become “students of governance” to develop deeper understandings and effective strategies for working well with the board. Good governance may not be second nature, but more of a learned skill and a discrete knowledge base.

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ABOUT THE AUTHOR ▶

Peter D. Eckel is vice president of programs and research at the Association of Governing Boards.

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