

Principles of Trusteeship



How to Become a Highly Effective Board
Member for Colleges, Universities,
and Foundations

Acknowledgments

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Principles of Trusteeship Working Group

AGB is indebted to the working group members who met throughout 2020 to inform and shape the ideas in this book. Their wisdom, perspectives, and experience illuminated what it takes to be a great board member in higher education and are reflected in these principles.

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Foreword

AGB believes that strategic governing boards are one of the most important assets for colleges, universities, and institutionally related foundations. As we emerge from the turmoil of 2020—including the COVID-19 pandemic, racial and social injustice, institutions' financial instability and business model upheavals, academic transformation, and student wellness struggles—higher education continues to face considerable disruption. Board governance is becoming more difficult and more complex. Every academic enterprise needs strategic board leadership in order to focus on the challenges and opportunities that have the greatest impact on institutional vitality.

For 100 years, AGB has served higher education governing boards. Traditionally, we have focused on the work of the board as a whole since authority rests with the full board as the governing body. However, a board is only as strong and effective as the collective wisdom and actions of its individual members. AGB offers the *Principles of Trusteeship* to enhance the effectiveness of each and every board member.

These nine principles are designed to empower individual board members to serve as strategic thought partners in governance and leadership with their boards, presidents, and leadership teams. These principles complement our understanding of higher education board governance and offer a closer examination of the mind-sets and behaviors of exemplary board members. They better articulate the layers of responsibilities that accompany board service, from fiduciary responsibilities to collective decision-making to personal engagement.

AGB enlisted dozens of experienced board veterans, governance experts, and academic leaders to craft this universal set of principles to inspire board members of colleges, universities, systems, and foundations. We would not have been successful without the sagacity and generosity of the Principles of Trusteeship Working Group who shaped the framework and then defined and refined the principles in the pages that follow. I also want to thank the hundreds of board members, presidents, foundation executives, and board professionals who opined, contributed, and participated in listening sessions and in an online survey during the past year. They shared their insights and clarified the governance needs, obstacles, and potential of future board members from a multitude of perspectives.

My hope is that board members and others—presidents, foundation executives, board professionals, administrators, and appointing bodies—will take these principles to heart and use them as the gold standard for setting expectations of and engaging with trustees. Board service is not an honorific position. Board members who take their responsibilities seriously to shape the future of their academic institutions will help us all create a more vibrant future for higher education and our society.

Henry Stoeber
AGB President and Chief Executive Officer
February 2021

Principles of Trusteeship



Introduction

Highly effective trustees are a prerequisite for a highly effective board. While the authority of a governing board lies in the collective action of its members, each individual trustee contributes to—or limits—the effectiveness of the board as a whole. Each board member must rise to the challenge if an academic enterprise is to be governed by a board that is truly greater than the sum of its parts.

Trusteeship is the highest form of service to your college, university, or foundation. You were chosen to serve on the board for a good reason. We know that board members want to make a positive difference to the college, university, system, or foundation board on which they serve. But good governance is difficult. Higher education is an industry that is complex and unfamiliar to most trustees. While it has parallels in the corporate, government, and nonprofit sectors, it also has a unique set of circumstances and structures.

Furthermore, boards are composed of a group of individuals who come together periodically. Board members have different understandings of their personal responsibilities. This is shaped not just by the type of organization, but also by each trustee's expertise, experience, and expectations. The challenge for trustees, the board, and the administration is to align everyone in service to the whole academic enterprise.

Regardless of whether you are a new board member or have other board experience, we hope that this publication enhances your appreciation of the complexities of higher education and the importance of good governance. Trusteeship is—and should be—a continuous learning experience that is enjoyable and rewarding for you, intensely collaborative with your colleagues, and valuable to your institution.

About the Principles

We developed the *Principles of Trusteeship* to help you become a more productive member of the board. Most governance resources focus on the responsibilities of the board—hiring the president, providing financial oversight, and setting policy. These responsibilities are essential and collective, but they lack clear and compelling guidance about what individual trustees should do and how to share leadership. Board work is, at its heart, a team effort and everyone has a vital role to play.

The principles speak to a combination of attitudes and actions that all trustees should embody. *Attitudes* are about how you think and show up, and *actions* are about what you do inside and beyond the boardroom. Together, they define your contributions to the board.

In the following pages, we have tried to convey the essence of highly effective trusteeship in a concise, easy-to-use format. In defining the attitudes and actions of highly effective board members, we kept returning to three fundamental functions:

- » **Understand governance** by embracing all of your responsibilities in a structure of shared leadership;
- » **Lead by example** by upholding the highest standards of integrity; and
- » **Think strategically** by focusing on what matters most to the long-term success of the whole enterprise.

We nested nine principles within these functions to explicate them:

1. Embrace the full scope of your responsibilities.
2. Respect the difference between the board's role and the administration's role.
3. Be an ambassador for your institution and higher education.
4. Conduct yourself with impeccable integrity.
5. Think independently and act collectively.
6. Champion justice, equity, and inclusion.
7. Learn about the mission, constituents, culture, and context.
8. Focus on what matters most to long-term sustainability.
9. Ask insightful questions and listen with an open mind.

These principles are deeply intertwined and mutually reinforcing. They are also nuanced and multilayered. They work together in infinite ways. For practical purposes, they are numbered and presented in a particular order, but this order is *not* intended to signal a priority. Each trustee approaches board service from a unique starting point, and different principles may resonate with you at different times during your tenure on the board.

About this Publication

Each principle speaks to your attitudes and actions as a member of the governing board. As a trustee, you have little personal authority but considerable clout and ultimate accountability. You also operate in multiple capacities:



You have a **fiduciary** responsibility for the sustainability of the whole enterprise. Your work as a fiduciary is tied to the board's collective responsibilities (*see page 4*). The board delegates certain responsibilities to committees, the administration, and other partners in governance.



As a **member of a team**, you work in collaboration with your fellow board members and the administration. You may play a supporting role or take a leadership position. Either way, you are expected to do your part on the front end and then support the will of the group.



As an **individual**, you bring your expertise and experience, your time and talent, and your generosity of spirit and support. This work may happen inside, as well as outside, the boardroom as you collaborate and connect with the board, administration, and institution in more personal ways.

To help you better understand the principles, each one also includes:

- » A definition of key concepts to frame each principle in the context of good governance;
- » Questions for self-reflection to help you on your own journey toward higher-level trusteeship;
- » Direct quotations from AGB members who contributed to this project (and whose confidentiality we pledged to maintain) to convey the spirit and sensibility behind each principle; and
- » Short examples culled from experience to illustrate the nuances of how principles play out in practice.