

# High-Performing Committees

## What Makes Them Work?

By Stephen G. Pelletier // Volume 20, Number 3 // May/June 2012

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As governing boards have become more sophisticated and polished in their oversight of colleges and universities, they have also become more intentional in the way they organize themselves to meet their missions. Some boards have evolved entirely new structures. Even within the parameters of fairly traditional constructs, many boards have made important tweaks. But when it comes to committee structures, there is no one-size-fits-all approach: Boards organize themselves distinctly to best fit their needs and those of the institution. And that may be precisely the key to success.

Committees are where boards do the bulk of their work. Consequently, a board should design and implement an infrastructure that serves its needs and those of the institution it represents as effectively and efficiently as possible. “It’s not so much a focus on committees as it is a focus on where committees ought to be focused,” says Thomas C. Longin, an AGB senior fellow and a former vice president for programs and research at AGB, who also served as provost at Ithaca College. “It’s about getting a strategic orientation to committee work.”

## Mirrored Structure

From World War II through the early 1990s, Longin says, boards were typically configured in ways that mirrored an institution’s administration. Moreover, he says, they were “fairly passive and very operational” and hardly strategic in their thinking.

Two trends—increased competition in higher education and significant financial pressures—helped shake up the status quo. Colleges and universities began to think that if they were going to get better in order to be more competitive, they needed to be more efficient and perhaps more effective.

They began to be more business-like in the way they allocated and accounted for funds, which in turn led to an increased focus on planning and setting priorities. Given those contexts, colleges and universities needed their governing boards to be more active as partners in mapping strategic institutional directions.

The collapse of businesses such as Enron, coupled with passage of the Sarbanes-Oxley Act of 2002, raised corporate consciousness about ethics and managerial responsibility that inevitably had a spillover effect when board members with corporate experience met in college and university boardrooms. Board members recognized that board practices and structures needed reform.

## **Gradual Changes**

Accordingly, the last decade or so has seen a series of gradual but significant changes. In general, boards and board members have become less passive, more strategic, more engaged, and more professional. Trustees now recognize the need to better comprehend the role they play as individual board members—and that they should have a greater understanding of institutional operations and the academic culture. In addition, boards have begun to be much more intentional about the members they have recruited. They have looked more seriously than ever at the range of skills they need to conduct their business and have recruited members who bring those particular areas of expertise.

Those factors, of course, have had a significant effect on the structure of governing boards. And in recent years, many boards have begun to pay more attention to how well their committees serve the work they seek to do. Indeed, interest in how board committees are structured ranks high in AGB surveys. For example, in “The 2011 AGB Survey of Board Governance,” altering committees or their agendas were among the top changes that presidents said they would make to improve board engagement.

E.B. Wilson, an AGB consultant, past CEO of several companies, and chairman emeritus of the board of trustees of St. Lawrence University, has served on many governing bodies and frequently advises boards. Wilson believes that

the approach to board committees should flow from the primary responsibilities directors have. Because boards have a fiduciary responsibility, for example, Wilson suggests that boards and institutions take a “very active” interest in the work of the finance and budget committees. Wilson says that trustees need to be closely attuned to institutional finances and financial results and should be able to say to any stakeholder “that they believe that the financial practices of the institution are consistent with best practices.”

Longin stresses the importance of a strong governance committee, which he thinks should “oversee the operation of composing the board, orient and educate members of the board, assess individual board members and the board as a whole, and ensure that people really understand their responsibilities and that the board is adhering to those responsibilities.” Experts believe those functions are important whether the board oversees a private or public institution.

Wilson says that the most difficult challenges in his consulting assignments come when the topic is board oversight for such areas as academic affairs, student affairs, and perhaps athletics. He says a central task for boards is to make sure that trustees who work on those committees “learn to ask the right questions” so that they can help ensure that such areas “are being managed in a way that is consistent with the mission.”

The challenge for boards, however, is that each must derive its own distinct set of “right” questions for each of the specific areas under its purview, tailoring those questions to the institution and its mission. In the area of academics, for example, such questions might be broad (How well are we fulfilling our educational mission?) or more focused (How do we measure student outcomes?). Wilson advocates that a set of questions be developed for each area that the board oversees. If boards ask the right questions, Wilson says, it can be “easy and productive for trustees to clearly define what they are responsible for, stay out of intrusive operations, and develop collaborative knowledge at their level of oversight.”

In the recent evolution of boards, one pivotal change has been the recognition that boards need to be strategic in their focus. That doesn’t mean they should develop institutional strategic plans, Wilson cautions, but it does mean that

they need to be involved in the planning process. Making that happen successfully requires a deft balance between the board and the president.


“The principles in play are that the president should be seen as the chief planning officer, in addition to all other hats he or she wears,” Wilson says. At the same time, he believes, the board should never be surprised by the way the plan evolves. To that end, he suggests, a board should stay close to the development of a strategic plan so that at the end it “owns” the plan along with the other principal players.

There are different ways to accomplish that successfully, according to Wilson. In some cases, board members serve on the plan steering committee. There might be an ad hoc board planning committee that connects periodically to the planning process and reports back to the full board. While keeping the operative principles in mind, Wilson says, boards should develop approaches and structures that fit with the ways a specific board works—all with an eye toward keeping the board in the loop in appropriate ways so that board members are not surprised by planning results and effectively “buy in” to the plan while it is being developed.

As noted in an updated version of *The Executive Committee*, just published by AGB Press, “The conventional and still-appropriate wisdom is that boards do not plan—rather they insist that good planning be done and they participate in the process.... The most appropriate place for board members’ participation is within the committee structure, where elements of the draft plan can be considered.... The board’s committee system is a useful avenue for testing assumptions and preliminary recommendations affecting finances, academic programs, faculty concerns, student affairs, admissions, fundraising, external relations, and other matters.”

## Facts about Committees

- About 50 percent of all boards restructured their committees in the last three years.

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- About two-thirds of those boards say they restructured to align board work more closely to institutional priorities.
  - Adding committees is more common than eliminating committees.
  - The audit committee and trusteeship committee are the most frequently added committees; the facilities committee (also called buildings and grounds) and the advancement/development committee are the most frequently eliminated or merged.
  - Boards of public institutions are most commonly informed of board work through oral reports by committee chairs (62 percent).
  - For independent institutions, written reports in board materials are the most common (79 percent) means of learning about board work.

—From *"The 2011 AGB Survey of Higher Education Governance"*

# Important Considerations

Thomas F. Flynn, the president of Alvernia University, cautions that focusing too closely on board committee structures may be a bit of a distraction. “There are certainly several effective ways to organize committees Flynn says. “Far more important considerations are the ways committees actually work, how that work gets interconnected, and how is it both guided by and helps shape the work of the full board. Committees must have a strategic focus, but they also must accomplish the board’s important ongoing monitoring function.” Experts agree that each committee should have a clear statement of responsibilities, or a charge, that is reviewed regularly, as well as specific agendas that are well thought out.

Several years ago, an ad hoc board committee tasked with assessing Alvernia’s board structure found that it had too many committees. As a result, the board created a new structure with two subdivisions. A section on board governance includes the executive and trusteeship committees. A section on institutional governance includes the audit, educational affairs, finance and business affairs, and institutional advancement committees. The latter three areas, along with mission effectiveness, are the four prongs of Alvernia’s strategic plan.

“We divided the committees that way to talk about the board’s job in terms of managing itself, which is the bucket that you see described as board governance, and then the rest of it is about our job as trustees, which is paying attention to the affairs of the university,” says lawyer Joanne M. Judge, who chairs the Alvernia board. “We try to make sure that we have appropriate crossover between and among the committees, so that there are trustees who are keeping their eye on both balls.” The structure is flexible enough to have room for subcommittees that look at specific issues, such as one on technology that was recently added to the finance and business affairs committee after reviews of the campus strategic and master plans showed how pervasive technology had become across the institution.

Like many boards, Alvernia’s works to keep power in the executive committee in check. “We also made the decision that the executive committee should strive never to be a decision-making body, unless there really was an emergency between board meetings. We felt that it was very important that

the board as a whole, all of the trustees, make all of the important decisions and that those discussions not be delegated to a smaller subset of the board,” Judge says.

## How Many Committees?

How many committees should boards have? AGB consultant Cecelia H. Foxley, who served for over 10 years as commissioner of the Utah System of Higher Education and chief executive officer to the state board of regents, prefers that boards have fewer committees: “If you have a board with too many committees and not enough members—say, with three or four members serving on a committee, or overlapping committee memberships—you have fractionated your board. I think fewer committees with more board members make them work together more as a team. They feel more a part of the overall discussion and are not just sitting back listening to it.”

“The structure of the board depends on the size and the nature of the board and the overall mission and role of the board,” Foxley says. “If it gets too big, then people don’t feel like they’re really needed.” No matter what kind of organization it serves, she explains, a board that is too big discourages members from finding how they can best contribute to and engage in the board’s work. “A large board with a large number of committees is a nightmare for a president or CEO,” she says.

Foxley believes that board committee structures need to cover two broad areas: programs and planning, and finance and facilities. How a board tackles those issues should be tailored to the institution, but Foxley thinks some institutions have found powerful synergies by combining some of those responsibilities within fewer, rather than more, committees. For example, she says, “You don’t do long-range planning without knowing what academic programs are offered now and what the mission of the institution is.”

Boards that cut their tasks too finely into too many committees risk opening the door for board members to be inclined to meddle in what should rightfully remain the province of the administrative staff, Foxley cautions. “If it gets too detailed, you have a board wanting to get more involved in management,” she

says. “You don’t have to have a committee for everything. Have the discussion be part of one of the major committees.”

At the same time, Foxley acknowledges that finding the right number of committees can be a challenge. “It really depends on the talent you have on your board. You don’t want your committees to be too small, but you also don’t want any committee to feel as if it’s not really important for the main function of that board. You don’t want any one board member being part of kind of a peripheral committee— or feeling that he or she doesn’t matter or that the work of that committee doesn’t matter.”

## **Not Cast in Stone**

Foxley believes that boards should augment standing committees as needed with ad hoc committees. Little Rock, Ark., lawyer David Knight, chair of the Hendrix College board, says that Hendrix will create ad hoc committees for special initiatives. Planning to start Division III football, for example, the board created a committee focused on finding a coach. Another committee, involving trustees, faculty members, and staff members, was formed to help guide expansion of Hendrix’s signature Odyssey program, which encourages engaged student learning.

Judge, as Alvernia’s chair, is also a proponent of ad hoc committees. “I do think that there are issues that come up in every governance structure, but certainly in a university structure, where it becomes very important to look at something for a time and have a concentrated group of people who pay attention to it. But it becomes burdensome if committees are just additive and you never take them away. So I think that single-time, ad hoc committees or task forces are extremely important as a university cycles through different issues.”

Should various committees conduct more of their work by meeting together? Wilson notes that boards have begun at least to talk more frequently about whether some of their work could profit from cross-pollination across committees, and he thinks those kinds of conversations are appropriate as boards seek to align committee structures with strategic planning.



“It seems to me the question is, what work does this board need to do for this institution at this time in its history,” says Philip A. Glotzbach, president of Skidmore College. “Given that work, does the board have the right structure? And depending on the institution, it will be different.”

Skidmore, for example, achieves the goal of cross-pollination through plenary sessions. “At every board meeting there is at least one plenary session where we engage the board with an idea that we think is serious, important, significant, or strategic,” Glotzbach says. “We try to make sure that there is an informational component to this, and at the same time we try to find ways to engage board members not just as passive listeners but also as active participants in a conversation that enables them to deepen their knowledge and enables us to get the benefit of their insights.”

Arnold Speert, who served as president of William Paterson University from 1985 to 2010 and now consults with AGB, says that “at least from the president’s point of view, the board should always be open to changing the committee structure to better accommodate the needs of the campus. But in terms of evolving structure, it has to be something that works for the board at hand. It isn’t something that I think is ever cast in stone.”

Hendrix College has made committee changes when situations warrant. For example, the board oversees a major real estate development, the Village at Hendrix, through a separate committee focused on that business. At one point, however, that work was conducted through the board’s planning and budgeting committee. It proved too much work for one committee, so a separate Village committee was formed along with a finance committee. Then the finance committee was still overloaded, so a separate audit committee was spun off. “We tailor our committees to make their work assignments manageable,” Knight says.

Another dimension relevant to board committee structures is the importance of leaving enough time in board agendas for committees to conduct their work. “You want people to be there, involved, from the beginning to the end,” Foxley says. Ensuring that means paying careful attention to board members’ schedules and being sensitive to those who feel they cannot always step away from their professional jobs for, say, two full days of board meetings. “The less you can separate, both in terms of time and people and their assignments,”

the better, Foxley says, lest boards become too fractured and attendance too sporadic or part-time.

Experts also agree that, to make the best use of board time, it's important to be strategic in how committees report. If there is no action item or crucial information, the committee's written report can be included in board materials without an oral report. In addition, committees should not use precious meeting time reviewing material that was already provided—but rather for discussion, exploration of options, and making decisions.

## **Destined to Be Operational**

Longin suggests that almost by default, boards that have large numbers of committees are destined to be more operational in their focus rather than strategic. They may also feel that they are spreading themselves too thin to have a significant impact on the institution.

To address such issues, boards may need to rethink the core of their work, perhaps beginning with the very basics. “If you start with the fact that your two core fiduciary responsibilities are fiscal integrity and educational quality, you can probably justify the finance committee, but it ought to be a finance committee and not a budget committee,” Longin says. “And you shouldn't be without an academic affairs committee and a student life committee—you want to be talking holistically about all of the components of educational quality.”

Longin has seen evidence of innovation and creativity among boards in rethinking their structures. “A good number of boards have now moved to a committee on academic affairs and student life. And I have seen several now change to a committee on educational quality,” he says. In such cases, committees that might once have been devoted solely to academic affairs have expanded their portfolio to take a more holistic view of undergraduate education. They still have a deep interest in the education that takes place in the classroom and laboratory, of course, but such committees also now consider student learning that occurs through residential life and student activity programs—along with the experiential learning that takes place

through the student's engagement with the campus community and beyond, such as via global education.

Moreover, Longin says committees are being more intentional about their strategic responsibilities. For example, he says, "the finance committee is much more of a strategic finance committee now, rather than a committee on budget balancing." Still, Longin sees too many boards whose structures continue to mimic the institution's administrative structure and whose work in budgeting, for example, "just replicates the work of oncampus folks around budget processing."

Longin says that he counsels boards that they don't necessarily have to change their committee structures radically. Nonetheless, he tells them, "You really ought to be turning the thing on its head and asking, 'How do we allocate our time effectively to accomplish our purposes? Which responsibilities are strategic and not just monitoring or oversight? Which committees do we really need? Where do we want to put our emphasis?'"

In a way, Longin suggests, the transformation in governance structure that is needed today requires a shift from constructs first created decades, if not centuries, ago and "bringing the committees and the board into a 21st-century accountability framework." He encourages boards to conduct periodic retreats, either annually or once every two years, where they do nothing more than plan a strategic agenda for the coming year or two. At such retreats, the board should review its responsibility, the quality of its performance, and how it is organized to conduct its work. In such meetings, he says, boards should "focus on what's really important. Where can we have a real impact in the areas of strategic responsibility and strategic priority? Where do we add value? How can we have a real impact on the institution?" Longin says that stepping back from day-to-day business gives boards room to consider "if we're effective now, here's how we can become highly effective. And if we're doing a pretty good job of adding value, let's do a *really* good job of adding value."

Longin is optimistic that boards that ask themselves those fundamental questions will then find the committee structures that best support their mission. "It can be a hard transition," he says. "But unless the culture of the board changes, you're not going to get the transformation that needs to happen."

## **Inside the Boardroom**

### **The University of Charleston**

Under the leadership of President Edwin H. Welch, the University of Charleston in West Virginia takes a decidedly entrepreneurial approach to its board's structure. As part of a deep analysis of what roles its board could best serve that started two years ago, the university eliminated most of its traditional committees. The new structure includes: (1) a quality committee, which oversees the quality of the student experience, (2) a vitality committee, focused on the overall health of the institution and incorporating both admissions and financial issues, (3) an outreach committee, which looks at relationships with constituencies off campus, and (4) a governance committee. In part, inspiration for the new structure came from innovations that Welch had seen in the way boards in the health-care industry are structured.

In addition to that overhaul of its structure, the Charleston board developed a set of questions that each committee weighs as they do their work. The questions include, for example, whether the institution is graduating students with the knowledge the university thinks they should have and whether the board is being appropriately long-term in its thinking about financial decisions. A core set of permanent questions is augmented as needed when particular concerns arise or if the college wants to focus on a particular emphasis.

In part, Welch says, the changes were prompted by board reflection on the proper balance between board oversight and administrative responsibility for action and "How do we energize the board to take ownership for the responsibilities?"

"We don't want boards to be bored by listening to reports," Welch says, so another innovation is that Charleston structures its board agenda in question

form. Welch says that's a way of saying to board members, "As you hear this report, here's the question you ought to be asking yourself: Do we have sufficient finances to make this investment? Is there something more important we could be doing? Whatever the question might be." The idea is to empower the board and encourage board members to engage deeply in board work and to ensure that after a meeting board members say: "It was important. I was there, and I made a difference," Welch says.

## **The University of Scranton**

For many years, the structure of the board of trustees at the University of Scranton closely mirrored the university's administrative structure. It included committees on finance, facilities, academics, development, student affairs, and ministries.

In 2005, the university adopted a new five-year strategic plan that focused the university on four themes: economic strength, academic excellence, civic engagement, and university community. Meeting in 2006, the board decided to design its committee structure to align with those themes. New committees were named accordingly. An audit committee was also created.

As the staff reframed its work to reflect the new structure, one of the concerns was about the balance of workload among committees, says Jerome P. DeSanto, vice president for planning and chief information officer. Some imbalance was indeed found. For example, in the case of the committee on economic strength, which absorbed much of the work of the former finance committee, adding responsibilities for facilities and fundraising meant that committee had a very broad portfolio. Conversely, the committee on civic engagement struggled a bit to clarify its purview. Despite that

somewhat mixed start, DeSanto says, the new structure “allowed for a better integration of the functions that were represented by the themes of the strategic plan.”

“One of the main reasons it worked is because of how the plan resonated with the president and the board,” DeSanto says. When the new strategic plan was enacted, he said, board members “wanted to know how they could best contribute to the successful completion of the goals. That was one of the driving forces at the time.”

While DeSanto’s colleague Robyn L. Dickinson, the university’s associate vice president for planning and information management, says that the new structure had some operational and logistical downsides, overall it helped trustees keep their discussions focused at the strategic level rather than the operational. “It took board conversations to a different level,” she says.

This year the university is engaged in a new five-year plan with somewhat different goals and themes, and also has a new president. It remains to be seen whether the board will opt to again restructure its committees to reflect the new strategy.

## **The College of New Jersey**

As chair of the board of trustees of a public university, The College of New Jersey, lawyer Christopher Gibson says he has to make sure his board adheres to the letter of things like the state’s open public meetings act. Still, he says, “I don’t know that our infrastructure is different from other boards, except that in a state college system there are statutes and rules and regulations about the constituency of the board.”

The college’s board has standing committees on academic affairs; audit, risk management, and compliance; building and grounds; advancement;

finance and investment; and student life and enrollment management, as well as an executive committee. “The committees work very well,” Gibson says. “Like many boards, we have a lot of different people with different areas of expertise and a lot of different perspectives. Most of the members of the board serve on more than one committee. The full board meets on a quarterly basis. The executive committee meets at least monthly. We have enough people serving on multiple committees where I think that there is good cross-pollination between the committees and issues that absolutely overlap. In fact, I would say that most of them do.”

“It’s not unusual for us to have to create ad hoc committees for nominating purposes or to ask board members to serve on search committees [for top administrators],” Gibson says. “I would say that if I had a philosophy about ad hoc committees it’s that I would use them sparingly. We have a group of people who are very busy, and I don’t think constantly assigning them to more committees necessarily serves any real purpose.”

“The committees represent an interaction not just between the members of committees of the board, but also members of the administration,” Gibson says. “We have a very good working relationship with the administration, and communication has always been part of our culture. We have been fortunate to have a president who understands that—who communicates both good news and bad promptly with us, and who keeps us abreast of what’s going on.” Gibson also credits strong staff work with helping to keep board business flowing.

## **Eckerd College**

The Eckerd College board took a close look at its committee structure 10 years ago, when a financial crisis prompted the institution to hire a new president and assess many of its policies and


practices. Grover Wrenn, an entrepreneur who founded several companies, serves the board today as vice chairman. When the new president was appointed, Wrenn recalls, “we engaged in a detailed examination of governance. That resulted in substantial revision of our bylaws. We shrank the board to a maximum of 30.” (At one point, the board was as large as 52 members.) At the same time, he says, Eckerd reviewed and revised its committee structure.

Today, the college’s standing committees include academic affairs, audit, buildings and grounds, trusteeship, finance, investment, executive assessment and compensation, and student life, as well as an executive committee. Since that structure was implemented, only minor tweaks have been made. Trying to find the right board home for development efforts, for example, the college closed down an advancement committee on the theory that “all trustees had a responsibility to participate in college advancement activities,” Wrenn says. The board found, however, that the advancement area still needed focus. This year, Eckerd added a new standing committee on advancement, marketing, and communications to support institutional fundraising and “to provide advice and support for a newly constituted marketing program at the college.”

“When an issue arises that would benefit from resources that do not exactly fit in our committee structure, we have used ad hoc committees from time to time,” Wrenn says. A recent example came when the college wanted to restructure a long-standing relationship with a commercial bank. Further flexibility comes from occasional joint meetings, such as with the buildings and grounds committee and the finance committee in planning a new life-sciences building.

Board member Susan Russ Walker, chief United States magistrate judge in the middle district of





Alabama, has worked extensively with the student affairs committee. “We have a division of the board that allows us to assign half the board to the student life committee, and the other half to academic affairs. So a large number of board members participate on the student life committee. In that context, the very substantial participation of board members has made a difference because so many are acquainted in much more detail with, for example, the challenges facing the dean and the student affairs staff, as well as the students. So there’s not a sense of being blindsided if one of those difficult issues crops up suddenly.”