

WHITE PAPER
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University Board Self-Assessment

Universities, corporations, and other institutions can all benefit from an effective, independent board. Directors and trustees are elected to oversee the activities of executive leadership and represent the interests of various stakeholders. While institutional and regulatory requirements will naturally influence specific board responsibilities, many principles of good governance transcend institution, geography, sector, and legal form.

University board effectiveness is a function of the skills, experience, and judgment of the trustees themselves. However, there are five “disrupters” that often impact board performance: lack of role clarity, poor process management, lack of alignment and agreement on strategy, poor team dynamics, and board composition.¹ Leadership is critical, and one trustee asserted that a “[university] board chair is more important than the chair of a public company.” Formal self-assessments enable boards to solicit and discuss feedback, benchmark performance, and institute changes that will enhance the effectiveness of boards and their members.

We have developed this short paper to highlight the value university boards can derive from a robust self-assessment program, which may include the use of third parties to design, facilitate, and ensure candid discussion as part of an effective assessment process.

“Good enough” is not good enough

Traditionally, appointment to a university’s board of trustees was symbolic, intended to honor large donors (at private institutions), or reward political favors (at public institutions). However, trustees are now recognizing the significant challenges their institutions face, and are taking their responsibilities as seriously as they would on any corporate board. As one trustee said, “You have identified a sector that needs a lot of help ... I spend much more time on college matters than I do on my corporate boards. The issues are robust and challenging, but rewarding as well.” Another agreed, “I spend easily twice as much time on my college board as any corporate board.”

Unfortunately, a recent Gallup survey found that “college and university presidents -- the chief executives of the education world -- don’t have much confidence in their boards.”² Only 11% of college and university presidents strongly agree that their board members are very knowledgeable about higher education, and 3% strongly agree that institutions of

¹ Ana Dutra, “[More Effective Board of Directors](#),” *HBR Blog Network*, November 5, 2012.

² Brandon Busted, The Gallup Blog, “[Education Reform Starts With Reforming Boards](#),” September 4, 2013.

higher education institutions in the U.S. in general are well governed at the board level.³ As an experienced professor told us, “one thing I’ve found distressing is that successful, independent, hard-thinking business leaders and other figures, when they join boards of university trustees, turn into timid rubber-stampers. What happens to such people when they return to campus? I don’t get it.”

It is possible – and worthwhile – to revitalize a less than effective board of trustees. As one university president wrote,

“An active, engaged board, firing on all cylinders, makes a true difference in the life of a college or university. Restructuring the board, sharpening its assemblage of talent, assigning important work, and shifting its subgroups to fit the task-at-hand can free up a board to smartly set, support, advance, and govern an institution’s strategy. The board becomes, quite literally, a strategic asset to be deployed.”⁴

Like insurance, the value of a great board may not be apparent until there is a crisis. An experienced corporate director told us, “The real test is when something goes wrong. Did it come out of left field, or was it a failure in [the board’s] core responsibilities? At the time when a board truly needs to help, [an average board] may not have the judgment or willingness to do so.”

Self-assessment is a catalyst for improved board performance

“In all affairs it’s a healthy thing now and then to hang a question mark on the things you have long taken for granted.” –Bertrand Russell

Unlike public companies and mutual funds, university boards of trustees are not required to conduct an annual self-assessment. Those that do have significant leeway when choosing the specific issues upon which to be assessed, and advisors have developed many checklists and other tools to guide the process.

Ultimately, the success of an effective self-assessment process is not about the right checklist or questionnaire though: “The real value of a board assessment lies in engaging board members in thinking about and discussing how the board does its work, and finding ways to make the board even more effective.”⁵

Data collection mechanisms are merely the starting point for an important series of conversations. After all, “Understanding the areas a board needs to strengthen is relatively straightforward; actually improving performance is quite challenging.”⁶

³ Ibid.

⁴ Association of Governing Boards, *Trusteeship*, “[The Incalculable Benefits of Revitalizing Your Board](#),” May/June 2013.

⁵ Beverly Behan, “[Board Assessment: Designing the Process](#),” *The Corporate Board*, November/December 2004, 1.

⁶ The Bridgespan Group, “[Becoming a More Effective Nonprofit Board](#),” 2009, 1.

Many factors impede a rigorous board self-assessment

Board evaluation may appear straightforward, but as one corporate director asserted, “It’s a process that can fail at its core purpose unless somebody is willing to [take it seriously]. There can be a Lake Wobegon effect.”⁷

Emphasis on process over performance

As one corporate leader observed,

“From experience, most boards (and committees) perform self-assessments largely based on how they rank themselves against their stated mandates. Seldom, if ever will there be a failing grade. Frankly, it is not particularly difficult for a board to score itself well, because most boards have figured out the governance stuff quite well ... [However], boards seldom examine the most critical question – how has the [institution] performed for [stakeholders]? For me, that ought to be the starting point for every board assessment.”

Instead of designing a “perfect” survey instrument, boards should recognize that:

“tools in isolation are insufficient to help boards make difficult transitions in their own organizations. Organizations can get too wrapped up in the tool (which is relatively easy to execute) and neglect the real dialogue (which is quite hard) ... What is most valuable is not the particular tool or method that a board employs, but the dialogue among the board and the organization’s leadership about where and how the board should support the organization’s mission and plan.”⁸

Ambiguity of shared governance

As the Association of Governing Boards noted, “How trustees, presidents, administrators, and faculty develop their understanding of shared governance is important and may define how they view their own and others’ roles and responsibilities.”⁹

Higher education is a complex sector, and role definitions can be particularly challenging. “Naïveté about the culture of the academy [and] the business of running a multi-million (or billion) dollar college or university...is evident. There is an enormous amount to learn in order to govern well.”¹⁰

Susceptibility to groupthink

Many boards have a natural tendency to avoid difficult discussions in the name of group cohesiveness, also known as groupthink: “a dysfunctional pattern of group processes,

⁷ Coined by Garrison Keillor, this effect refers to a fictional town “where all the women are strong, all the men are good looking, and all the children are above average.”

⁸ The Bridgespan Group, “Becoming a More Effective Nonprofit Board,” 4–5.

⁹ Association of Governing Boards, “[Faculty, Governing Boards, and Institutional Governance](#),” 2009, 9.

¹⁰ Ibid, 19.

frequently found within a tightly knit group, who are impervious to external influences and who converge on a pattern of behaviour convinced of their own infallibility.”¹¹

An occupational psychologist noted that “The expression of dissent is often suppressed by a group desire for conformity.”¹² Indeed, as one director said, “The trouble with consensus is it an average. There are often influential and more grounded board members who may have a more critical commentary around board performance. Their opinions, while right, can be dampened by the assessment of others (all having an interest in demonstrating the board is performing well).”

Independent intermediaries can bring significant value

“If you're at the top of the chain, sometimes people won't give you honest feedback because they're afraid. In this case, disguise yourself, or get feedback from other sources.” –Steve Jobs

The self-assessment is often developed and executed by the board chair and/or committee chairs. However, many boards find that independent advisors “can provide a helpful first step in moving chairmen and boards outside their comfort zones and in identifying opportunities for strengthening corporate governance and overall board performance.”¹³

A neutral party offers several other important benefits:

- They can ensure that participants view the process as explicit, rational and fair¹⁴
- Independent status ensures confidentiality and encourages greater candor
- As an “honest broker,” they can surface difficult but important questions
- External support to ensure “next steps” are followed through

An effective third party must quickly recognize the technical, political, and cultural issues facing the board. At the same time, the neutral party should demonstrate independence, courage, and creativity, along with a nuanced appreciation for the art of leadership.

A robust process requires thoughtful design and execution

In working with a neutral party to design their self-assessment process, boards should consider the architect’s credo, “form follows function.” What does the board hope to achieve, and how can the self-assessment help the board realize those aspirations?

Even though all assessments serve a common purpose, we advocate a bespoke approach that takes into account the unique challenges and characteristics of the board.

¹¹ The Bridgespan Group, 2.

¹² Mike Rugg-Gunn, *The Psychology of Effective Board Decision-Making*, Human Asset Development International, 2010, 1.

¹³ Russell Reynolds, “[What Makes for a High-Performing Board?](#)” *In Touch With the Board*, 2012, 5.

¹⁴ For more on the value of process satisfaction in consensus, see *The Primes* by Chris McGoff, 105–106.

With greater clarity of purpose, a board and its advisors can then make informed decisions about several fundamental design choices:

- Why?** What are the objectives of the self-assessment? Do any known issues warrant particular emphasis?
- What?** Will the board assessment also include committee or individual trustee performance assessment?
- Who?** Which trustees are responsible for shaping the self-assessment? Will the board also solicit input from interested stakeholders (e.g., administrators, faculty)?
- How?** What tools will be most effective (e.g., written surveys, one-on-one interviews, group discussion)? What data will be captured, retained, and disseminated? What confidentiality principles will ensure candor?
- Where?** Which activities should take place in-person vs. by phone/email?
- When?** How often should the self-assessment be conducted? What time of year?

From start to finish, a robust self-assessment process may take three to six months. We believe most board self-assessments can be built upon the basic steps outlined on page 6.

Why SkyBridge Associates?

Before founding SkyBridge Associates in April 2013, Jamie Millar was a partner at Tapestry Networks, where he worked with over 150 directors from large- and mid-cap public companies to improve board leadership and enhance trust in capital markets.

From 2004 to 2013, Jamie built and led Tapestry's regional audit committee program, consisting of eight invitation-only networks across the US and Canada. Through more than 100 group meetings and countless private conversations with individual directors, Jamie developed a nuanced perspective on board, committee, and individual director effectiveness.

SkyBridge mobilizes leaders by convening candid, trust-based discussions where they can learn from and collaborate with other leaders from both inside and outside their organization. We believe that big challenges can only be addressed successfully by asking the right questions, and we are passionate about helping individuals and groups identify and discuss the questions that will positively influence their organizations, their industries, and their careers. For more information, visit www.skybridgeassoc.com.

Contact

James Millar
President, SkyBridge Associates
jmillar@skybridgeassoc.com
+1 781 879 7854

Kristen Alpaugh
Associate, SkyBridge Associates
kalpaugh@skybridgeassociates.com
+1 908 399 8166

Board Self-Assessment: Basic Steps

Meet with key board members

Initial meetings between SkyBridge Associates (“SBA”) and key board members to discuss objectives, timelines, and expectations, and to agree potential issues to be explored with individual board members.

Assessment design

SBA speaks privately in person or by phone with individual board members to solicit insights, and to discuss process and content options for the assessment.

Review process with board

SBA syndicates surveys, discussion guides, or other data collection tools, and agrees methodology with board and/or committee leaders.

Data and feedback collection

SBA gathers and analyzes data as agreed. SBA may provide summary information to the board, along with questions for discussion or further consideration.

Report back to the board

SBA shares findings at board and/or committee meeting. SBA leads open, pragmatic discussion(s) addressing the relationship between performance, governance structures, and day-to-day board function.

Report back to individual members

If individual feedback has been solicited, SBA speaks privately with each board member. In some cases, individual board members may request ongoing coaching or other support from SBA.

Next steps

Board agrees and executes next steps, which should include a mechanism to hold the board and/or its committees accountable for achieving agreed outcomes.

Follow-up

Several months later, SBA contacts selected board members to solicit feedback, track progress, and surface opportunities to refine processes or tools in the future.