

# Bringing Lessons From #MeToo to the Boardroom

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Patricia H. Lenkov and Denise Kuprionis

**Boards need to be proactive in shaping a corporate culture that does not tolerate sexual harassment.**

Corporate sexual harassment scandals

[\(https://www.ajc.com/news/world/from-weinstein-lauer-timeline-2017-sexual-harassment-scandals/qBKJmUSZRJqgOzeB9yN2JK/\)](https://www.ajc.com/news/world/from-weinstein-lauer-timeline-2017-sexual-harassment-scandals/qBKJmUSZRJqgOzeB9yN2JK/) have abounded in recent headlines, with organizations such as The Weinstein Co., Fox News, Uber Technologies, Wynn Resorts, Lululemon Athletica, and others finding themselves under a harsh spotlight. In each case, the company emerged from scandal with its reputation significantly damaged.

Has your board reflected upon the #MeToo and #TimesUp social movements, and about the [continuing wave of CEO resignations](#)

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[\(http://clsbluesky.law.columbia.edu/2018/04/09/sexual-harassment-and-corporate-law/\)](http://clsbluesky.law.columbia.edu/2018/04/09/sexual-harassment-and-corporate-law/)

amid misconduct allegations? Whether you are a member of the board of a public, private, or nonprofit company, procedures for addressing and preventing sexual harassment must be on your board's agenda. Directors need to do the right thing for employees, for customers, and for all stakeholders. The time for boards to act is now.

As advisers to boards for a combined 40 years, we have had many discussions about the challenges facing companies. Understanding risk appetite and ensuring the company has a process in place for managing its risks is usually at the top of the list.

When we delve deeper into how boards manage risk (<https://sloanreview.mit.edu/article/how-to-manage-risk-after-risk-management-has-failed/>), we often hear that different risks are monitored by different committees. For example, accounting risks come under the purview of the audit committee, and risks related to cash and stock incentive programs are monitored by the compensation committee.

But what about sexual harassment? Companies generally agree that while sexual harassment in the workplace is unacceptable behavior on the part of an individual, the ensuing silence or lack of consequences for the behavior reflects a problem with corporate culture (<https://sloanreview.mit.edu/article/the-trouble-with-corporate-compliance-programs/>) – and, ultimately, culture is the responsibility of the entire board.

This begs the question: How do we monitor culture and focus board attention on preventing sexual harassment and misconduct at their organizations? Our answer, based on experience helping boards increase effectiveness, is that directors must first implore their board chair to put this topic on the board agenda. Even though it may be an uncomfortable issue, boards must start the dialogue about this “new” risk. To begin, we suggest directors ask the following seven questions:

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### 1. How do our current policies measure up to best practices?

Too often, the board does not read company policies or require [human resources leadership](#) to review policies and procedures annually to gauge the effectiveness of the reporting process. Directors may think this level of review is “stepping on management’s toes.” However, the board must determine whether the company’s current policies and procedures related to preventing workplace sexual harassment and

discrimination are adequate. Asking HR how these policies are communicated and to define “best practices” is not crossing the management/board line. Directors should weigh in on whether the CEO and the management team are communicating the right message.

## **2. Do employees trust and use our procedures for reporting harassment?**

While there are many methods and procedures organizations use for employees to report harassment or complaints, hotline calls to a company’s dedicated ethics line are a good example. Board directors sometimes utter a sigh of relief when they hear there have not been any hotline calls at their organization, but it’s a common misconception that few calls to the ethics line equates to a “good” company culture. In an open and trusting culture there are many calls — calls for how to handle a matter, calls for clarification, and, yes, some calls that report a potential problem. Informed directors ask how many calls are received in a given time period and require that calls be categorized.

The hotline is an early-warning system, and directors are looking for trends, not individual case details. Not only does this offer a chance for early intervention, it is also an indicator that employees trust the company will do the right thing. The more comfortable employees are raising issues, the lower the potential risk of the company mishandling a case of harassment. If an abuse or infraction of a policy happens, ensure it is treated fairly and consistently and that real penalties, rather than a slap on the wrist, are imposed.

## **3. When does the board get notified?**

Keeping with our example of hotline reports, let’s now think about how and when the board should be notified. We’ve found that real-time sharing of reports varies in organizations, but regardless of reporting structure, it’s crucial that the full board be notified at least semiannually (though preferably more frequently) about trends and statistics of employee reports.

Directors should also understand the escalation protocols. For example, is there a mechanism to ensure that if a question is raised about the CEO’s behavior, it gets immediately reported to the board chair? Ask if the right manager oversees incoming hotline calls and talk through the reporting procedures.

## **4. What is company culture like at the mid-employee level?**

Boards have regular interaction with the CEO and senior executives. They convene at board meetings, strategize at retreats, and enjoy dinner together. Most often, camaraderie is genuine, and it may lead directors to believe that company culture is similarly positive.

But what about the next level down, with managers who directors see once a year, if that often? And what is the culture like among employees these managers supervise, and with whom the board never engages — how do these employees view the company?

To better understand a company’s culture, directors might consider unstructured office tours. One director told us he learned more about company culture while walking around the operations floor than he did in the boardroom. Additionally, directors should ask to see the annual employee satisfaction survey results — and not just the cover page. Initiate a discussion with management about how a potential claim of sexual harassment might be handled in-house and how the board could better monitor culture.

## **5. Does the board composition need a refresh?**

Companies are not static, and boards must evolve accordingly. A regular injection of new talent around the boardroom table will promote fresh ideas and a disciplined challenge to the status quo. Problems can fester when thinking becomes too insular and when no one takes a step back to deliberate on the culture

of the business. One board director told us that the mere presence of a new director in the boardroom causes the conversation to change, but when the new director is a woman, this change is magnified.

Gender diversity on boards is a high priority among institutional investors. Additionally, female board members we spoke with reflecting on the #TimesUp campaign felt that if there had been support at the top of the company and better gender diversity on boards, then they might have felt comfortable speaking up earlier.

## 5. What's our crisis response plan?

Boards must be proactive in their thinking and planning around the issue of sexual harassment. Even when following best practices and promoting healthy corporate cultures, bad behavior can (and will) still occur. California provides a good example: Since 2005, employers in the state with more than 50 employees have been required to conduct two hours of sexual harassment awareness training for supervisors and executives every other year. However, what about the boards of directors for these companies? They need to be included in at least some part of this training as well.

Part of any crisis response plan requires getting ahead of a potential crisis, discussing these issues and establishing a culture of zero tolerance starting at the board level and then messaged throughout the organization.

## 7. How do we vet our board members and CEO candidates?

Sexual misconduct can be prevented, and prevention must be promoted at the top of the organization. While this is often articulated to be the case, the truth is usually more nuanced. Clearly, recent revelations highlight that we have lived in a culture where sexual misbehavior has been ignored, tolerated, and overlooked. Diversity in the boardroom can provide some mitigation in that it tends to curtail groupthink and group complacency. We need strong directors who will not be afraid to speak up or question unacceptable behavior within the organization they serve. It is easy to assume that directors, by virtue of their title, have the fortitude and wherewithal to do the right thing in all situations. But this is not always the case, and boards have a responsibility to interview and reference for these characteristics.

Instances of sexual harassment and other forms of sexual misconduct boil down to bad behavior, power abuse, and poor judgment within the organization. Failing to implement proper protocols around sexual harassment in the organization can lead to many problems including decreased brand reputation, litigation, and a variety of other risks, as well as the associated decrease in shareholder value. Boards must take the lead in fostering a respectful work culture.

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Board directors should ensure their boards are connecting the dots among board governance, board culture and company culture, and empower the CEO and executive leadership team to set high standards for all employees. They must focus the CEO on ensuring a company culture that allows employees to responsibly

grow the business while fostering a safe environment. The board of directors must be proactive in setting the leadership tone by looking at its own composition — board makeup reflects the company’s values. The board should hold the CEO and other senior leaders accountable and challenge them to make sure that a culture of abuse does not exist at any level of the company, now or in the future.

#### ABOUT THE AUTHORS

Patricia Lenkov is founder and president of Agility Executive Search LLC. Known for her work on board diversity and a member of the Women & Leadership Advisory Council at Concordia University in Montreal, Canada, Lenkov holds a BA (with distinction) in psychology from McGill University in Montreal, and an MBA from Concordia University. She tweets [@Patricia\\_Lenkov](#). Denise Kuprionis is founder and president of The Governance Solutions Group (GSG), a board advisory practice. Kuprionis is a senior fellow at the Conference Board’s Governance Center, is a National Association of Corporate Directors Board Governance Fellow, and a visiting professor at Xavier University, Cincinnati, Ohio. She tweets [@mdkup](#).

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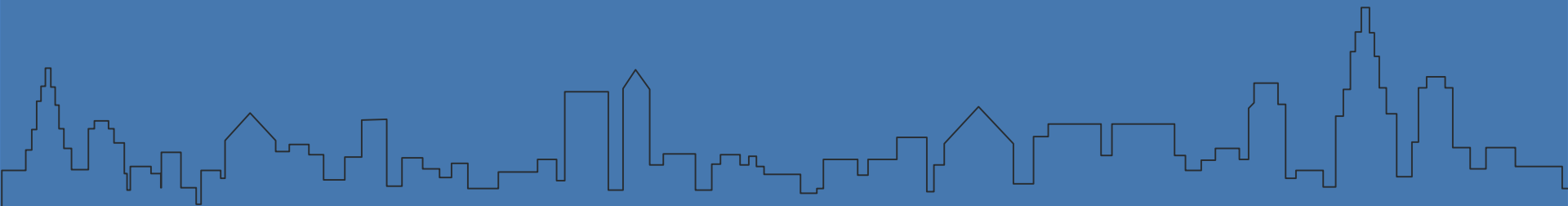
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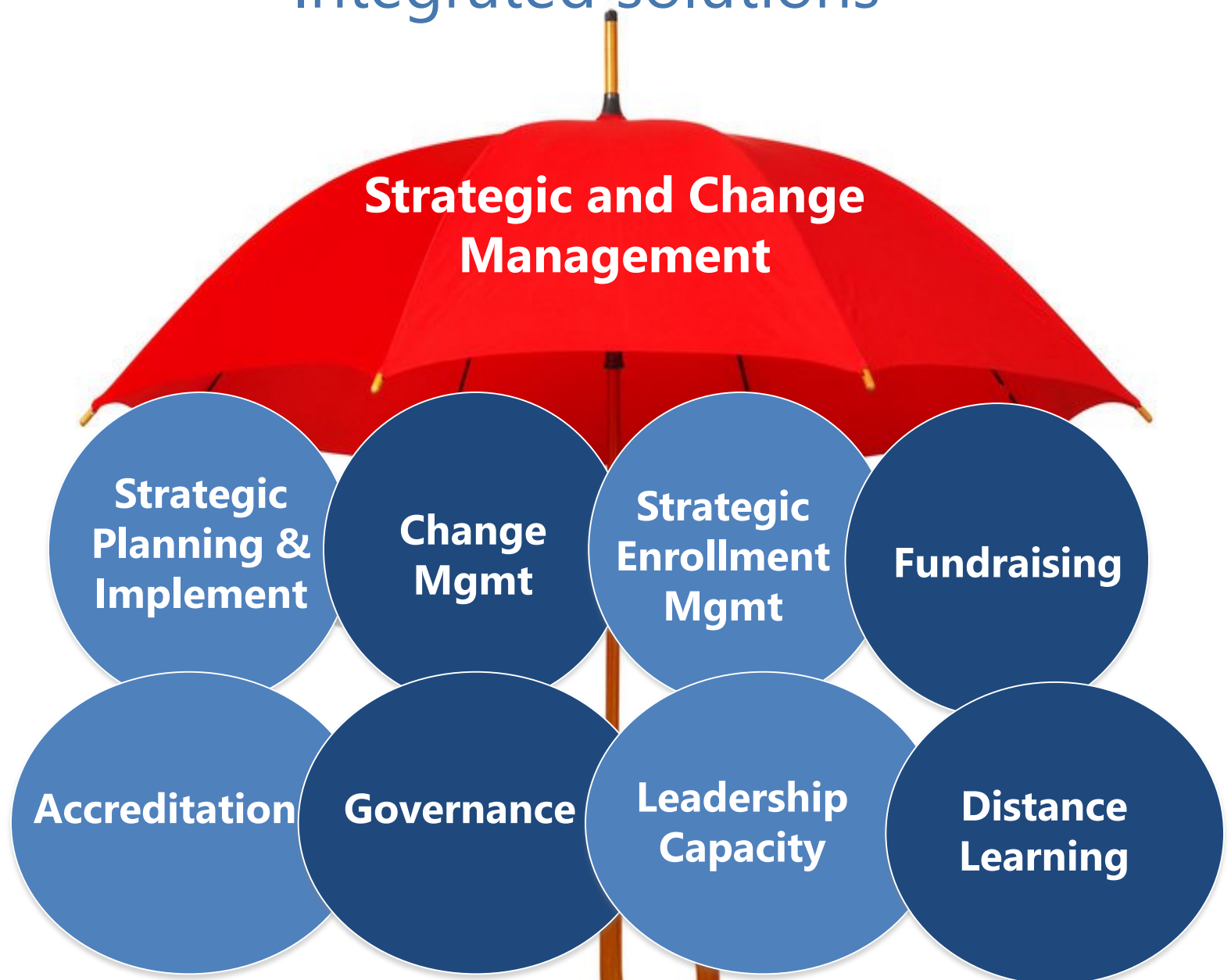
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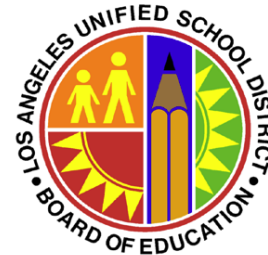




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# Board assessment

1. Our nomination process recruits a diverse Board with a range of expertise (planning, PR, fundraising, etc.)
2. Members receive board orientation when they join, including duties per the university's governing documents
3. Board members receive annual board training, including fiduciary duties and responsibilities
4. Board materials are complete, understandable, and are distributed prior to meeting so people can prepare
5. Meetings are organized to provide ample time for substantive discussion of important ideas, issues and concerns
6. Our board culture is respectful, collaborative, transparent and ethical

## Board assessment cont.

7. We regularly review the president and his/her staff performance and hold him/her accountable for their performance
8. Staff and our outside advisors fully inform us concerning all important issues facing the university
9. We understand the culture of and environment in which the university operates
10. We have sufficient interaction with stakeholders and intended beneficiaries while respecting the governance process
11. We regularly assess our individual and collective board performance
12. We know that our personal actions can harm the institution and are loyal to the school, not to outside interests

# A sampling of academic scandals

1. Title IX / sexual assault / etc.
  - Penn State / UC Berkeley / MSU / BYU
2. Student cheating
  - UNC / Harvard
3. Research scandals
  - ISU – AIDS data / UMN – psych experiments gone wrong
4. IT systems hacked / personal information disclosed
  - Rutgers / UCF
5. Financial issues
  - Howard University / Sweet Briar

*Where were Boards of Trustees BEFORE the event?*

# Financial crises changed governance

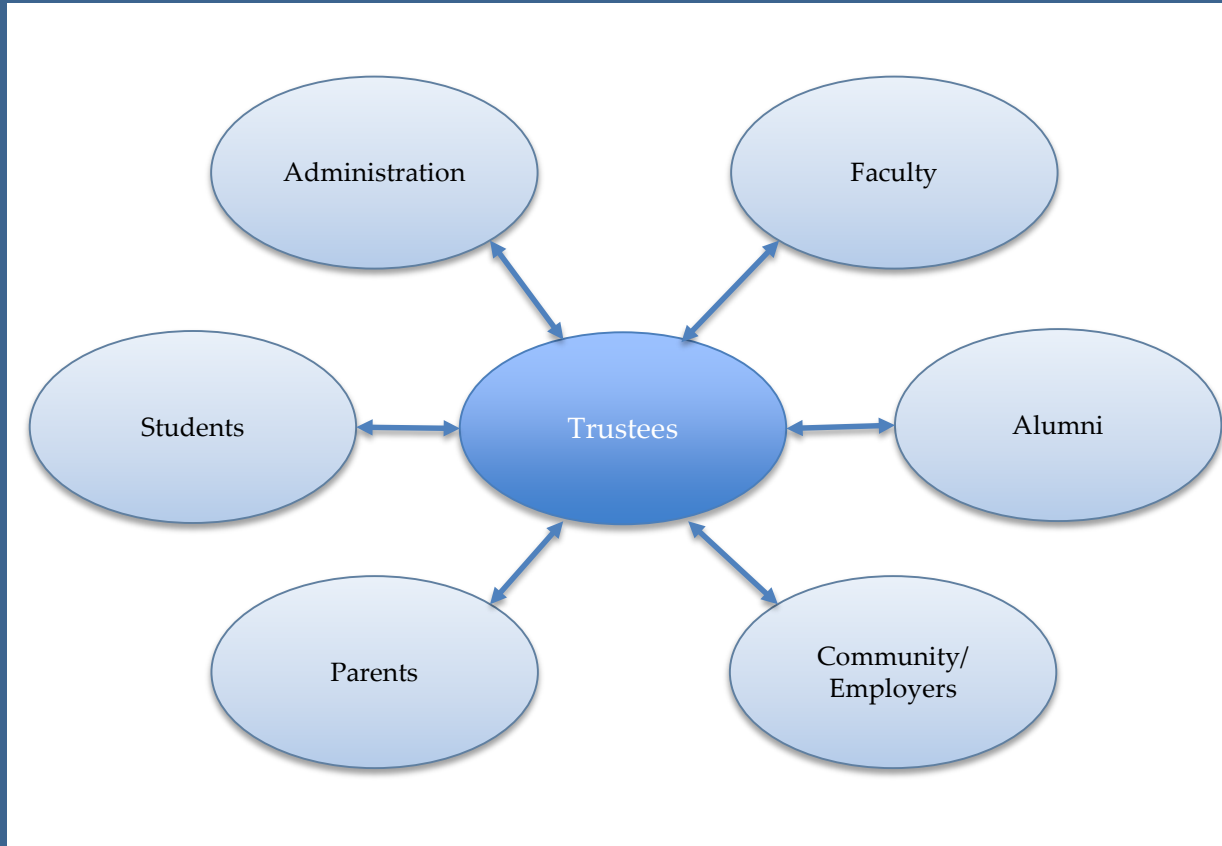
- 2000s -> greater changes in corp governance/operations
    - Enron -> Sarbanes/Oxley
    - 2008 Great Recession -> Dodd/Frank
  - Governance is changing, especially under Trump admin
    - Boards still manage finances to satisfy shareholders
- BUT**
- Corporate boards are becoming more activist
    - Set direction and tone, determine corporate mission and set high-level strategy
    - Long term risk management
    - Practice good governance
    - Shareholder vs. stakeholder

# Nonprofits / universities have followed suit

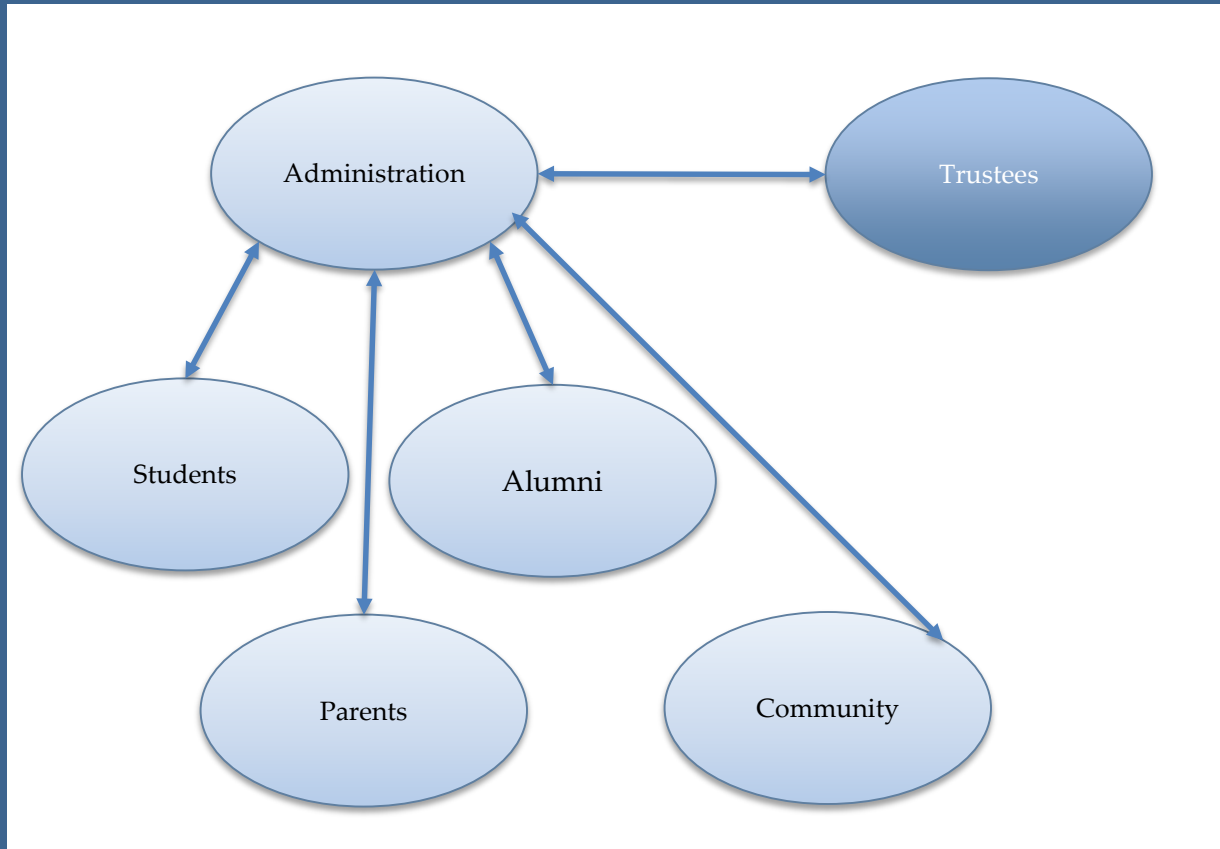
- Boards still fundraise
- Boards still hire and fire presidents / chancellors / CEOs
- Boards also actively participate in
  - Institution-wide policy setting
  - Strategic planning
  - Governance at every level
  - Risk assessment
  - Management

**Where do university boards stack up?**

# Boards have many constituencies



# This model doesn't work any more





# Boards should be overseers / stewards

- The role of a board and its members is to think strategically (big picture)
  - What's working, what isn't
  - What can we do as a board to help staff
- The role of the administration and staff is to implement the strategies and policies the Board develops (tactically)
- The Board should work *collegially* with the administration and staff, and should not micro-manage

# Duties of the board

- Duties include:
  - Developing and approving strategic plans and annual budgets;
  - Regularly monitoring the accomplishment of these plans and budgets;
  - Regularly monitoring student achievement indicators such as retention and graduation rates, student learning, and job placement; and
  - Reviewing annual financial audits and reports to ensure the adequacy of financial management and controls and to promote financial sustainability.
  - Review and adopt or reaffirm the institution's mission and vision statements and key institutional policies.

# Board responsibilities

- Fulfill its fiduciary, legal, and oversight responsibilities.
- Make fiscal decisions after a careful balancing of interests in light of its responsibility to oversee the institution's primary focus on and support of student achievement.
- Create and adhere to conflict of interest policies consistent with best practices.
- Reflect areas of competence in board membership as needed to fulfill its responsibilities to the institution.
- Establish, review, and revise, as necessary, key institutional plans and policies.
- Review and consider reasonable and relevant interests of the institution's internal and external constituencies during its decision-making deliberations.
- Select a chief executive officer who is accountable for the operation of the institution and perform an evaluation at least annually.

## Board responsibilities cont.

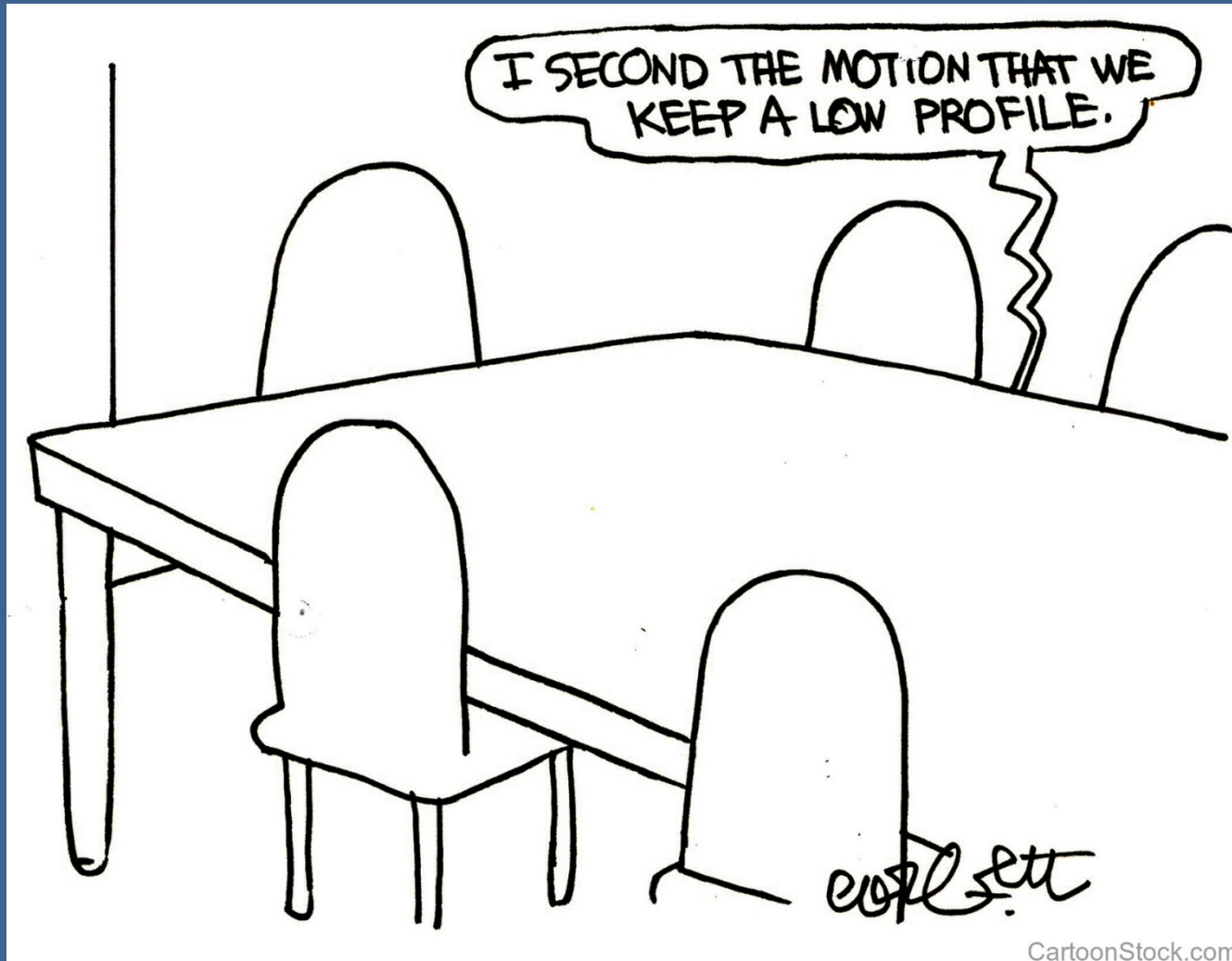
- Delegate day-to-day management of the institution to the chief executive officer.
- Maintain and honor clear policies on shared governance.
- Comply with all federal and state regulations regarding board structure and governance.
- Speak with one voice and act as a collective body (individual board members do not have authority independent from the board as a whole, although members such as the chairperson may be authorized as board spokesperson).
- Review and adopt or reaffirm the institution's mission and vision statements.
- Evaluate its own performance to ensure its duties and responsibilities are fulfilled in an effective and efficient manner.

It's not the board's role to micromanage but...



"You know, I REAL-L-L-L-L-Y hate it when he micromanages."

This model doesn't work either ...



# Boards duties are individual

- Each board member is personally responsible and legally liable for his or her own
  - Actions
  - Errors
  - Omissions

# Boards duties are collective

- The whole board shares responsibility (and liability) to broadly ensure that
  - The university fulfills its mission
  - The university remains legally compliant
  - The university remains financially sound



## Board members are *fiduciaries*

- Fiduciaries hold special position of trust
- Fiduciaries must act with the highest good of the organization in mind
- Fiduciaries have a higher standard of care than professional staff (this includes the university president)
- Fiduciary responsibilities are collective and personal, and cannot be delegated away

# Fiduciary responsibility involves three legal duties

- Duty of **care**
- Duty of **loyalty**
- Duty of **obedience**

# Duty of Care

- Treat the university's affairs with the same care as your own
  - Financial oversight, including budget
  - Confirm compliance with applicable law
    - Title IX, tax, etc.
- Understand the university's mission and rules, including
  - Bylaws
  - Operating and board policies – not necessarily what is written but what is actually done
  - Common course of conduct – day to day operations and how the institution executes the policies

# Duty of Care

- Don't stay on the surface
  - Read governing documents
  - Learn essential history
  - Understand institutional culture
  - Probe administration assertions
  - Challenge unspoken assumptions
  - Keep abreast of relevant news
- Don't ignore issues
  - Football program
  - Honor code and sexual assault

# Duty of Care

- Attend Board meetings and conference calls
  - Come prepared
  - Devote enough time to fully discuss issues
  - Participate
    - Balance skepticism with positivity
    - Question, don't confront
  - Offer solutions, not just criticism
  - Fulfill special assignments enthusiastically and competently

# Duty of Loyalty

- Put the university's interests first
- Practice personal integrity and transparency
- Adhere to the university's conflict of interest policy and disclose any conflicts
- Support final Board decisions

# Duty of Loyalty

- Put Board policies ahead of committee agendas
- Avoid inappropriate use of university opportunities for personal gain
- Put personality conflicts aside
  - Learn to love your skeptics
- Do not disclose confidential information about the university and its operations
  - Get it in writing as to what can be disclosed

# Duty of Obedience

- Ensure the university's compliance with all applicable federal, state and local laws
  - *Thoughtful reliance* on legal advice of university counsel is acceptable
  - Never hesitate to question
- Ensure the university's substantial compliance with its bylaws and duly-adopted policies
  - Institution operates the way it should



# Duty of Obedience

- Act as guardians of the university's mission
- Oversee the university's compliance with good governance principles.  
This includes:
  - Faculty governance
  - Tenure
  - Research
  - Student organizations
  - Honor code – looks like and how enforced
- Support the administration in principled decisions
  - Bullying coach firing

# Board committees

- Finance Committee
- Audit Committee
- Academic Affairs Committee
- Nominations and Governance Committee
- Fundraising Committee
- Strategy and Risk Committee

# Finance committee

- Purpose
- Composition
- Responsibilities
  - Fiscal reporting
  - Accounting policies
  - Limitations of duties
- Meetings

# Audit committee

- Purpose
- Composition
- Responsibilities
  - Fiscal reporting
  - Accounting policies
  - Limitations of duties
- Meetings

# Academic Affairs committee

- Purpose
- Composition
- Responsibilities
  - Fiscal reporting
  - Accounting policies
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- Meetings

# Nominations and Governance committee

- Purpose
- Composition
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  - Limitations of duties
- Meetings

# Fundraising committee

- Purpose
- Composition
- Responsibilities
  - Fiscal reporting
  - Accounting policies
  - Limitations of duties
- Meetings

# Strategy and Risk committee

- Purpose
- Composition
- Responsibilities
  - Fiscal reporting
  - Accounting policies
  - Limitations of duties
- Meetings



# TRACS-Specific Board Requirements

# TRACS Board Reqs – Governance

## 6. Organization Structure

The institution has a system of governance that facilitates the accomplishment of its mission and objectives and supports institutional effectiveness and integrity. Through its organizational structure, the institution creates and sustains an environment that encourages teaching, learning, service, scholarship, and, where appropriate, research activity. Such governance assures provision of support adequate for the appropriate functioning of each organizational component. The institution has sufficient independence from any external entity, such that it is solely accountable for meeting accreditation requirements.

# TRACS Board Reqs – Board Composition

6.1. The institution's Board, of not less than 5 *voting members*, is the *legally constituted body* that holds the *institution in trust*, has appropriate oversight in matters of policy, operation and evaluation, and exists without conflicts of interest.

- The Board provides an appropriate orientation for new members.

# Board member qualifications

- Expertise of board members
- Commitment to the institution
- Knowledge of higher ed
- Financial skills and knowledge
- Board experience and development
- Publication of qualifications

# Skills matrix

Name	Term Expire	Committ ees	Strat Plan	Academics	Ops	Finance	Mktg	Fund raising	Strategic Alliances	Inter national	Governance	HR/ OD	IT / Cyber	Accredit	Legal/ Regulatory	Govt
	Fall 2020	Nom/Gov Academic	5	5	4	3	3	4	5	4	5	5	1	4	2	1
	Summer 2020	Finance Academic														
	Summer 2021	Academic	5	5	4	3	3	2	4	4	2	1	1	4	3	1
	Summer 2021	Nom/Gov (C) Audit	5	5	4	3	3	3	5	4	5	5	1	5	3	3
	Fall 2020	Finance (C) Academic	3	2	3	2	3	2	4	2	1	1	1	1	1	1
	Fall 2019	Nom/Gov Audit	1	1	1	1	1	1	1	1	2	2	1	1	4	1
	Fall 2018	Finance	1	1	1	3	1	1	4	4	4	1	1	1	1	1
	Fall 2020	Audit (C)	1	1	1	3	1	1	1	1	1	1	1	1	1	1
	Fall 2018	Finance Nom/Gov														
	Fall 2021	TBA	2	3	1	1	2	1	2	4	1	1	4	3	2	1
	Fall 2022	TBA	3	5	1	1	1	2	1	1	3	1	1	2	1	1
	Fall 2023	TBA	5	4	2	2	4	1	2	3	3	4	1	1	1	1
	Fall 2024	TBA	3	1	1	1	4	1	4	3	1	3	1	1	1	5

..\..\Conferences\TRACS\TRACS 2018\Board Governance\Skills Matrix of XYZ Board 2018-2019.xlsx

# TRACS Board Reqs – Oversight & Effectiveness

6.1. The institution's Board, of not less than 5 voting members, is the legally constituted body that holds the institution in trust, has *appropriate oversight in matters of policy, operation and evaluation*, and exists without conflicts of interest.

- Meets at least two times annually & maintains accurate minutes of all meetings
- Reviews & approves the institution's Faith Statement, Mission, Institutional Objectives, institutional policies, and institutional publications according to the processes outlined in the Assessment Plan
- Establishes/ provides appropriate oversight of affiliated corporate entities & auxiliary services
- Reviews and approves the institution's Strategic Plan annually
- Has the following policies that are clearly detailed, Board-approved and meet the expectations outlined by federal requirements:
  - Credit Hour
  - Program Length and Cost
  - Student Complaints
  - Transfer of Credit
- Regularly evaluates the effectiveness of its own function according to processes outlined in the institution's Assessment Plan

# TRACS Board Reqs – Conflict of Interest

6.1. The institution's Board, of not less than 5 voting members, is the legally constituted body that holds the institution in trust, has appropriate oversight in matters of policy, operation and evaluation, and *exists without conflicts of interest*.

- No more than one paid employee of the institution serves as a voting member of the Board.
- The Chief Executive Officer of the institution does not serve as the Chair of the Board.

# TRACS Board Reqs – Conflict of Interest

6.7. The institution's Board has a policy regarding conflicts of interest for Board members

- Potential conflicts
  - Employees of the educational institution.
  - Shareholders or owners of the educational institution.
  - Persons with an ownership or investment interest in any entity that has a transactional, contractual or other financial arrangement with the educational institution.
  - Persons with contractual or other compensated relationships with the educational institution (such as the employee of a bank, the college's lawyer or a consultant to the college).
  - Persons who are appointed to the board by another entity with which they have ties that might jeopardize their independence.





# How to deal with conflicts

- Recusal
- Conflict of interest policies
- Compensation of board members

# TRACS Board Reqs – Independence / Autonomy

6.8. The institution's Board has appropriate autonomy.

- No voting member of the Board has a familial relationship with the Chair of the Board
- In demonstrating autonomy / independence, a *majority of the voting members and members of a quorum for action* of the governing board, including the chair and each committee or other subordinate deliberative body with delegated fiduciary or advisory authority, must meet the following requirements
  - Financial interest
  - Compensation
  - Ownership
  - Undue influence
  - Renumeration

# Determining Autonomy / Independence

- In making determinations relating to the autonomy / independence of an institution's governing board, the objective is to determine whether the *structure, manner and history of governing board operations demonstrate* that the board, as a deliberative and decision making body, is not actively impacted by or is otherwise reasonably protected against
  - conflicting relationships,
  - competing loyalties, and
  - other interests that serve as *a diversion from the governing body's required pursuit of the best interests of the institution.*

# TRACS Board Reqs – Staffing / Evaluation

6.2. The institution's Board appoints and periodically evaluates a full-time Chief Executive Officer (CEO) who is not the Chair of the institution's Board or a Chair of any of its sub-committees, and who is granted the legal authority to fulfill the tasks defined in the written job description for this position as the individual responsible for carrying out published Board policies and procedures.

6.3. A full-time Chief Academic Officer (CAO) is in place who has the credentials, experience, and competence to lead the institution's educational programs toward quality outcomes and the CAO is periodically evaluated.

- The Board regularly evaluates the effectiveness of the Chief Executive Officer and Chief Academic Officer against the job description and according to the processes outlined in the Assessment Plan
- This is a real evaluation, not a proforma exercise
- Most institutions do this annually

# TRACS Board Reqs – Staffing / Evaluation

- 6.4. Organizational structure is maintained which clearly depicts lines of administrative responsibility.
- 6.5. Administrative Leadership positions have written job descriptions which are used as a basis for performance evaluations.
- 6.6. Qualified administrative personnel and leadership team members are sufficient in number and competence to provide direction to the major operational areas of the institution and are periodically evaluated.
  - Administrators, faculty and support staff have clearly defined job descriptions that are used as the basis for evaluations.

## TRACS Board Reqs – Financial

6.9. The institution's Board is responsible for the financial stability of the institution and approves the annual operating budget.

# TRACS Board Requirements

6.11. A clear distinction exists between the policy-making functions of the institution's Board and the role of the institution's CEO and administration to carry out such policies.

6.12. The support staff is sufficient in number and competence to adequately support the administrative, academic, and support functions of the institution. Members of the support staff are periodically evaluated in relation to a written job description.

# TRACS Board Requirements

7.4. Policies are adopted for the evaluation of Board members and all employees with clear due process procedures. Documentation of proceedings are made available to TRACS upon request.

11.7. The institution, at both the administrative and Board levels, regularly and systematically evaluates its fiscal condition and management of its financial operations including its use of appropriate internal and external mechanisms which ensure financial stability including enrollment management, diversification of revenue resources, and realistic budgeting.

12.1. The institution has developed and implemented a comprehensive Assessment Plan which includes all aspects of the institution (including the assessment of the Board and its functions).



# TRACS Board Manual Requirements

- The Board Manual contains, at a minimum, the following:
  - Board composition
  - Criteria for membership
  - Member selection process
  - Orientation process for new members
  - Organizational structure
  - Frequency of meetings
  - Board self-evaluation processes
  - All other Board duties and functions

# Summary

# Function of the board

- The Board should exercise appropriate oversight over institutional integrity, policies and ongoing operations, including hiring and evaluating the chief executive officer.
- Board responsibilities are to be spelled out in bylaws or other organizing documents of board members

# Board members should

- Think strategically, not tactically
- Attend to good governance
  - Transparency
  - Accountability
  - Disclose real and potential / appearances of conflicts of interest
- Respect the administration
- Bring best judgment to all Board actions
- Recommit regularly to their duties
- Board tenure

# Board members should

- Familiarize themselves with university bylaws, policies and mission
  - Are the appropriate committees in place and functioning?
- Attend Board meetings and conference calls
  - Come prepared and weigh in
- Broadly manage university finances
  - Approve the annual budget
  - Fundraising
  - Financial controls in place
  - Audit committee
- Risk management
- Institutional and board culture

# Effective boards

- Fulfill their fiduciary duties
- Foster courtesy *and* candor
- Ask great questions *without* micromanaging
- Consider their constituencies
- Help the administration succeed
- Think strategically for a sustainable future

# Every board has challenges

- Unhealthy board culture
  - Disengaged/accusatory board members or chair
  - Personality conflicts
- Unproductive board meetings
- Lack of vision
- Inadequate training
- Strained relations
  - Administration
  - Faculty
  - Donors



"In hindsight, I believe that our oversight was shortsighted, at least that's my insight."



# Questions

# Thank you for your participation!

Drumm McNaughton, PhD

The Change Leader, Inc.

(505) 369-1159 (O)

(760) 740-0200 (M)

[drumm@thechangeleader.com](mailto:drumm@thechangeleader.com)

<http://thechangeleader.com>

### Instructions for Completion

Thank you for your first input on completing the board matrix. As you can see from the insert from the National Association of Corporate Directors, completing this skills matrix is the most effective way to ensuring the right board composition

Now we are going to get more granular so that we more clearly understand everyone's skills and experience. Here are the instructions:

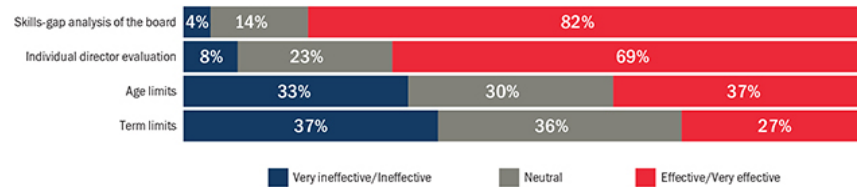
- Pls read the tab entitled "Criteria for Ranking" as to the specific skills that are needed on university boards
- Complete your profile using a scale of X 1-5 for Knowledge/Skills (X1, X2, X3, etc.) and Y 1-5 for Experience/Track Record (Y1, Y2, Y3, etc. (similar to what Drumm McNaughton did)
- Return the matrix to Alexandra so that we get a better understanding of what you have done to make any adjustments to the matrix

Once we have completed the matrix, we will have a better understanding of the expertise we have on the board so that we can

- Show WSCUC the process by which we are recruiting board members, something they will want to see in the upcoming accreditation visit;
- Recruit the right people to ensure we have the necessary skills on the board; and
- Make adjustments to the board committees to ensure their effectiveness.

### TENURE-LIMITING MECHANISMS

In your opinion, how effective are the following mechanisms at ensuring the right board composition?



Source: 2017-2018 NACD Public Company Governance Survey

**Board Member Competencies**

Needs	Strategic Planning	Academics	Operations Management	Finance	Marketing	Fundraising	Strategic Alliances	International Relations	Governance	HR/OD	IT/Cybersecurity	Accreditation	Legal	Government
<b>KNOWLEDGE &amp; SKILLS</b> X	Academic understanding of strategic planning, including use of vision, mission, values, long term growth planning, goal setting, metrics; developing revenue opportunities	Understanding of all areas of academics including program development, program review, institutional research, etc.	• Understanding of academic business operations, including advising, enrollment, financial aid - all areas of the university outside of academics AND • Ability to execute short term goals to build revenues for organizations; project management & implementation; staff and project coordination; documentation and measurements	• Academic understanding of finance, including revenue enhancement and generation, cost control, cash flow management; investments of funds. • Taken at least 2 accounting courses at university • Have CPA license and/or significant project management experience.	Academic understanding of marketing, including brand promise, differentiation, strategic enrollment management, branding, and marketing communications and tactics.	Understand the principles of fundraising.	Academic understanding of the principles of developing collaborative and alliance relationships with other organizations,	Build alliances / understand students who come from outside US	Academic understanding of board and faculty governance systems, including board committees.	• Taught courses in org theory, development, change and/or HR, and/or • Degree in OD, HR, or similar discipline	Understanding from a user perspective of website and processes, electronic database, SIS, archive procedures, and cybersecurity / defending hacking	Lived (survived) an accreditation visit from a regional accreditor. Rank on 1-5 scale as to knowledge based on number of accreditation visits survived and/or depth of knowledge of accreditation process and criteria	Understanding of legal principles as applied to higher education institutions	Understanding of government markets
<b>EXPERIENCE /TRACK RECORD</b> Y	Developed strategic plans for higher ed or other institutions, (1 point for each institution, max of 5)	• Served as Provost or Dean at a university (5 points) • Served as department chair or faculty governance committee chair (4 points) • Served as FT faculty (3 points) • Served as adjunct faculty (2 points) • No faculty experience (1 point)	• Served as COO, Director of Enrollment, CFO, or another director or higher position at a university, or • consulted to universities in these areas	Served as CEO, CFO of Director of Finance • at a university or • business with \$1 million+ revenues and have experience in university finance	• Served as CEO, COO, or VP of marketing for a university or • business with at least \$1 million in revenues OR • Has developed or overseen marketing campaigns in relevant industries which have increased enrollment and/or revenues	Developed and executed fundraising campaigns that have raised at least \$1 million	Have developed and implemented significant strategic alliances to accomplish vision and mission objectives of an organization	• Lived and/or worked overseas (outside US). • Built universities and/or worked in institutions not based in the US	• Served on a BOD of nonprofit, university, or corporate organization for at least 2 years OR • Certified as a Governance Fellow by National Association of Corporate Directors or a similar certification / organization AND • Served as chair for a faculty governance committee (e.g., faculty senate, curriculum committee, assessment committee, etc.)	• Served in leadership position in an organization in which you were responsible for organization development / change and/or HR functions. • Consulted to organizations on HR/OD issues.	• Relevant university and/or corporate IT and cyber experience as a IT staff person or IT director or above. • IT understanding of SIS and LMS platforms • IT cybersecurity experience	• Led the accreditation efforts for an institution and/or consulted to an institution on accreditation and/or accreditation visiting team at least 2 times.	Lawyer whose practice includes higher ed institutions	Worked in government for 5+ years

X = experience in area  
Y = leadership experience in area

**2018-2019 XYZ University BoT Skill Set**

Area Name	Term Expires	Committees	Strategic Planning	Academics	Operations	Finance	Marketing	Fundraising	Strategic Alliances	International Relations	Governance	HR/ OD	IT Cybersecurity	Accreditation	Legal/ Regulatory	Government
	Fall 2020	Nom/Gov Academic	X4 Y5	X5 Y5	X4Y4	X4Y3	X#Y3	X4Y4	X5Y5	X3Y4	X5 Y5	X5Y5	X2Y1	X4Y4	X2Y2	
	Summer 2021	Academic (C) Audit	x-5 Y-5	x-5 Y-5	x-5 Y-5	x-3 Y-5	x-4 Y-3	x-5 Y-3	x-5 Y-4	x-5 Y-5	x-5 Y-5	x-5 Y-5	x-3Y-2	x-5 Y-1	x-5 Y-1	x-3 Y-5
	Summer 2020	Finance Academic	x	x	x		x	x	x		x	x		x		
	Summer 2021	Academic	X5Y5	X5Y5	X4Y4	X3Y3	X3Y3	X2Y3	X4Y4	X4Y4	X2Y3			X4Y5	X3Y4	
	Summer 2021	Nom/Gov (C) Audit	X4 Y5	X5 Y5	X5 Y4	X3 Y3	X4 Y3	X3 Y3	X5 Y5	X4 Y4	X5 Y5	X5 Y5	X3 Y1	X4 Y5	X3 Y2	X3 Y3
	Fall 2020	Finance (C) Academic	X3 Y3	X1 Y3	X3 Y3	X2 Y1	X4 Y2	X2 Y0	X4 Y4	X2 Y3	X2 Y1	X0 Y1	X0 Y0	X1 Y0	X0 Y0	X0 Y0
	Fall 2019	Nom/Gov Audit	X3 Y0	X3 Y1	X3 Y0	x3 y0	X2 Y0	X0 Y0	X3 Y3	X0 Y0	X3 Y0	X3	X3 Y1	X0 Y0	X3 Y4	X2 Y0
	Fall 2018	Finance	X2 Y1 (both outside schools)		Y1 (outside schools)	Y served at several supervisory boards outside schools and under the limit of 1 mio USD)			X4 Y4	X4 Y4 (both outside schools)	X4 Y4 (at trade associations CZ , EU and worldwide)					
	Fall 2020	Audit (C)				X4 Y1										
	Fall 2018	Finance Nom/Gov														
	Fall 2021	TBA	X2 Y1	X5 Y2	X1		X2		X2 Y2	X3 Y5		Y1	X3 Y5	X4 Y2	X2	X1
	Fall 2022	TBA	X4 Y3	X5Y5				X2Y2			X4Y4			X3Y2		
	Fall 2023	TBA	X4 Y5	X4 Y4	X3	X3	X4 Y4		X3	X3 Y3	X3 Y3	X5 X4		X3	X3	
	Fall 2024	TBA	X3Y4	X1Y2	X3Y0	X0Y0	X4Y4	X0Y0	X4Y4	X3Y4	X0Y0	X0Y4	X2Y0	X0Y0	X0Y0	X5Y5
		Nom/Gov Academic	X4 Y5	X5 Y5	X5 Y5	X4 Y5	X5 Y5	X4 Y5	X4 Y3	X5 Y4	X4 Y2	X5 Y5	X5 Y4	X2 Y1	X5 Y1	X5 Y5
			X4 Y4	X5 Y4	X3 Y2			X2 Y2		X2 Y2	X4 Y5			X5 Y7	X3 Y5	
					X5 Y5	X5 Y5										
			X2 Y1	X3 Y1	X4 Y3	X2 Y1	X3 Y2	X1 Y1	X1 Y1	X4 Y4	X3 Y2					

Board Committees      Academic Affairs  
 Finance  
 Audit  
 Nominations / Governance

2018-2019 XYZ University BoT Skill Set

Area Name	Email	Term Expires	Committees	Strategic Planning	Academics	Operations	Finance	Marketing	Fundraising	Strategic Alliances	International Relations	Governance	HR/ OD	IT Cybersecurity	Accreditation	Legal/ Regulatory	Government
Chair		Fall 2020	Nom/Gov Academic	5	5	4	3	3	4	5	4	5	5	1	4	2	1
Vice Chair																	
Vice Chair		Summer 2020	Finance Academic														
		Summer 2021	Academic	5	5	4	3	3	2	4	4	2	1	1	4	3	1
		Summer 2021	Nom/Gov (C) Audit	5	5	4	3	3	3	5	4	5	5	1	5	3	3
		Fall 2020	Finance (C) Academic	3	2	3	2	3	2	4	2	1	1	1	1	1	1
		Fall 2019	Nom/Gov Audit	1	1	1	1	1	1	1	1	2	2	1	1	4	1
		Fall 2018	Finance	1	1	1	3	1	1	4	4	4	1	1	1	1	1
		Fall 2020	Audit (C)	1	1	1	3	1	1	1	1	1	1	1	1	1	1
		Fall 2018	Finance Nom/Gov														
		Fall 2021	TBA	2	3	1	1	2	1	2	4	1	1	4	3	2	1
		Fall 2022	TBA	3	5	1	1	1	2	1	1	3	1	1	2	1	1
		Fall 2023	TBA	5	4	2	2	4	1	2	3	3	4	1	1	1	1
		Fall 2024	TBA	3	1	1	1	4	1	4	3	1	3	1	1	1	5
STAFF																	
CEO				4	3	3	5	3	5	3	5	2	3	3	1	1	2
CAO				5	5	5	4	3	3	4	5	5	4	2	3	1	3
				1	1	5	5	1	1	1	1	1	1	1	1	1	1
				1	2	3	1	2	1	1	4	2	1	1	1	1	1

Board Committees

Academic Affairs  
 Finance  
 Audit  
 Nominations / Governance  
 Strategy and Marketing  
 Fundraising

Assessment Item:	Score	Almost Always	Usually	Sometimes	Almost Never
How does our Board measure up?		4	3	2	1
Our nomination process recruits a diverse Board with a range of expertise (planning, PR, fundraising, etc.)					
Members receive board orientation when they join, including duties per the university's governing documents					
Board members receive annual board training, including fiduciary duties and responsibilities					
Board materials are complete, understandable, and are distributed prior to meeting so people can prepare					
Meetings are organized to provide ample time for substantive discussion of important ideas, issues and concerns					

Assessment Item:	Score	Almost Always	Usually	Sometimes	Almost Never
How does our Board measure up?		4	3	2	1
Our board culture is respectful, collaborative, transparent and ethical					
We regularly review the president and his/her staff performance and hold him/her accountable for their performance					
Staff and our outside advisors fully inform us concerning all important issues facing the university					
We understand the culture of and environment in which the university operates					
We have sufficient interaction with stakeholders and intended beneficiaries while respecting the governance process					
We regularly assess our individual and collective board performance					
We know that our personal actions can harm the institution and are loyal to the school, not to outside interests					



Scoring: Total of #4 \_\_\_\_\_; #3 \_\_\_\_\_; #2 \_\_\_\_\_; #1 \_\_\_\_\_

Total points: \_\_\_\_\_

> 42. You're doing great – keep up the good work. You might want to reach out to a governance consultant for a tune-up, but overall, you're doing things right.

33 – 42. You are doing some things well, but there are some challenges that are costing you students, money, or both. We strongly suggest you bring in The Change Leader to help you through the process of establishing better governance systems and procedures.

< 33. You have some potentially serious challenges in your governance systems and processes that could be make your trustees personally liable for the university's issues and/or costing you time, students, employees, money, and/or reputation. We strongly suggest you bring in The Change Leader to help you with establishing better governance systems and procedures.