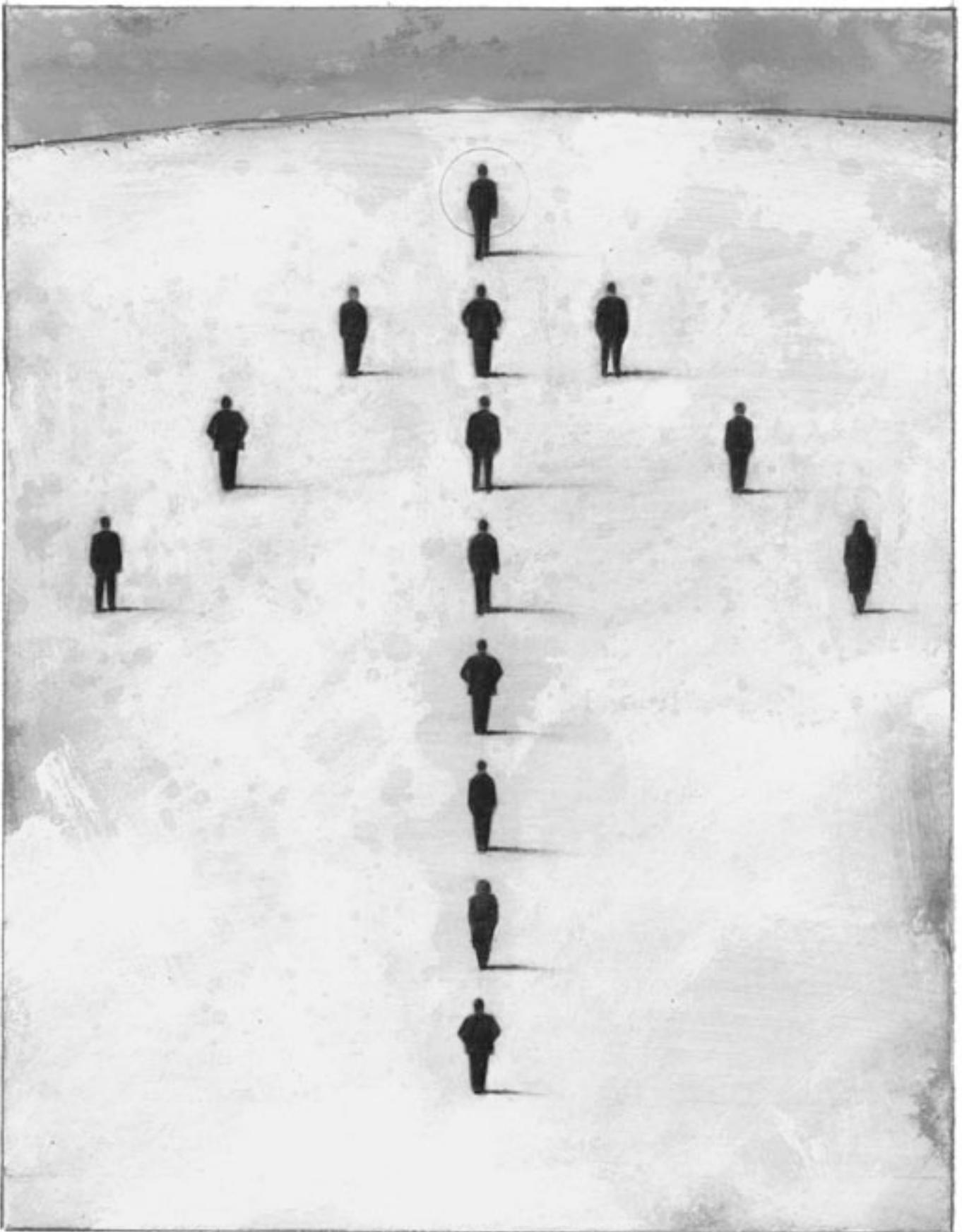


# TRUSTEESHIP



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# IN YOUR HANDS

# A SACRED TRUST

*A veteran academic president offers insight on how boards and presidents can work together to tap everyone's potential to advance the institution.*

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## **HAT IS A TRUSTEE'S PRINCIPAL RESPONSIBILITY?**

There may be as many answers as there are campuses in the United States. But at a fundamental level, the answer (at least in private higher education) typically is one or both of these: a consultant to the president and a fund-raiser.

These responsibilities make up part of the package, but the real responsibilities of trustees encompass far more. For example, the trustees of a private university are the *owners* of the university. This has powerful implications for how trustees and presidents must work together. At one extreme, too many boards are passive spectators. At the other extreme, too many boards meddle with and undercut the chief executive's responsibilities.

Having spent more than 20 years as a university president, having served from time to time on 13 corporate boards in a variety of industries, having worked with scores of

business leaders, and having interacted with hundreds of political and civic leaders here and abroad, I've developed some strong beliefs as to how college and university trustees and administrators can forge a truly effective working relationship—one that advances the institution's mission and respects the proper jurisdiction of both the board and the president.

While trustees must retain ultimate control of the university, they also must give the president a great deal of latitude in managing it. A 19th-century college trustee is reported to have suggested the following as the ideal agenda for a board meeting: "The meeting should open with a prayer, and after approval of the minutes of the previous meeting, one of the trustees should immediately move to dismiss the president. If the motion fails, the meeting should adjourn!"

That scenario is a bit extreme, but it does

• BY STEVEN B. SAMPLE •

clarify the role of the trustees in relation to the president. Trustees do not manage the institution. Rather, they act as owners and long-term stewards of the university. Their most important task is to hire and fire the president. They must always ask themselves, “Do we still have confidence in the president and in his or her overall performance as the chief executive?” If the answer is Yes, the trustees should roll up their sleeves and help the president advance his or her plan for the institution. If the answer is No, it’s time for a new president.

**Hire the Best.** Of all the varieties of human capital, the most rare and precious may be leadership. Think of the companies that were going down the tubes in spite of gaggles of consultants and new plans and policies—until finally the chief executive was booted out, a new leader was brought in, and the company turned around as though by magic. History abounds with similar examples among armies, universities, churches, and nations.

But there is also the other kind of leadership transition, in which the untimely loss of a talented and effective leader proves disastrous. Try as they might, a succession of new leaders simply cannot stem the inexorable decline of the organization that only a year before was at the peak of health and vitality.

Teddy Roosevelt once observed, “The best executive is the one who recruits the most competent men around, tells them what he wants done, and then gets out of their way so they can do it.” I’d adapt his words as follows: The best board of trustees is the one that recruits the best president possible, tells him what it wants, and then lets him do it while actively assisting him and monitoring his performance.

Too often the temptation is to choose a president who may not be the best candidate for the job but who satisfies the personal agenda of one or more highly vocal trustees. Because so much of effective leadership involves bringing in the best talent possible at



every level, trustees must pay special attention to hiring a truly outstanding president.

**Overall Competence.** In practice, most people tend to hire people who are weaker than themselves. Moreover, this rule of thumb is nonlinear in practice—that is, excellent people tend to hire people only slightly weaker than themselves, while weak people tend to hire people who are much weaker.

Here it may be helpful to do a simple calculation based on a formula given to me by a former colleague, Harry Williams. Harry contended that people who are at the 99th percentile of overall competence will hire people who are only 99 percent as good as themselves—that is, those who are, on an absolute scale, at the 98th percentile. These in turn will hire people who are only 98 percent as good as themselves—those who are only at the 96th percentile. Thus, according to Harry’s Rule, if you start with someone at the top of an organization who is at the 99th percentile, the people at the fourth level in that organization will still be above the 92nd percentile of competence on an absolute scale.

But suppose the top person is only at the 90th percentile of competence. Under Harry’s Rule, he will hire people who are only 90 percent as good as he is—people at the 81st percentile on an absolute scale. They in turn will hire people at the 66th percentile, and thus the people at the fourth level of the organization will be only at the 43rd percentile of overall competence.

Strictly speaking, of course, overall competence is never unidimensional. It rarely can be quantified. But Harry’s Rule allows us to understand why it is so important to recruit the very best leader to the top-level position in any organization, and why as a general rule the competence of the staff declines so rapidly as we descend through the ranks of an organization whose top leader is only mediocre. Thus, when searching for a new president, trustees must suppress their personal agendas

and focus instead on trying to attract a “99 percenter.”

**Work for Your Appointees.** Advice I received from a fine businessman applies to trustees as well. He suggested that excellent leaders should be doing *everything they can* to help their direct reports succeed. In other words, you should be the first assistant to the people who report to you. Powerful advice—yet rarely followed. Even the proponents of democratic theories of management find it difficult to grasp this upside-down hierarchy.

But in the spirit of promoting a healthy relationship between trustees and chief executives, boards not in the process of getting rid of their presidents should bend over backwards to help them get the job done. That means promptly returning their phone calls, carefully listening to their plans and problems, calling on others at their request, and helping them formulate goals and develop strategies to achieve those goals.

It's not simply that every trustee should be the president's staff member; rather, each trustee should strive to be the president's *best* staff person.

**Structured Decision Making.** Which decisions should be made by the board of trustees? Very few, if trustees have the university's best interests at heart. The board should be concerned mainly with decisions that define vision and goals, and deciding whether the president and his coterie of top-level officers are achieving those goals. In the long run, these may well be the only decisions that any university governing board should make.

In light of the unclear role of the board on so many campuses (especially public ones), external constituents often can goad and tempt trustees to insert themselves into matters that are in fact within the domain of the president. Aside from the hurt feelings this approach engenders, it often leads to bad decisions by trustees who are in over their heads.

Moreover, when a personnel decision is made by the trustees, you can bet the person who was appointed believes he reports directly to the board and not to the president. Thus are sown the seeds of an ineffective (or even chaotic) presidency.

A former colleague of mine nearly resigned when her board began to debate a particular personnel issue. “I would have resigned if they had made the decision themselves,” she said. “It was my decision to make. If the trustees didn't like that decision, they had the authority to reprimand me or fire me—but they never should have usurped my authority to make personnel decisions of this kind.”

**T***rustees should be above the internal political fray. They have an opportunity to rise above defensiveness and petty politics as they listen to complaints without making judgments.*

Trustees must practice what I call “artful listening”—absorbing stories, reports, complaints, posturings, accusations, extravagant claims, and prejudices without attempting to assume the administrative responsibilities that belong to the executive staff.

Moreover, trustees are in a position to hear things differently from how they're heard by the president. The president may feel compelled to protect his staff or his own policies. By contrast, trustees should be above the internal political fray. They have an opportunity to rise above defensiveness and petty politics as they listen to complaints without making judgments. This approach makes trustees especially valuable to the president, who needs good advice from the board without intrusive meddling.

For trustees to listen carefully without injecting themselves into management's domain is akin to walking a tightrope. In my experience, the best way to do it is through something I call "open communication with structured decision-making." Under this rubric, everyone in the organization is free to communicate directly with everyone else, with the explicit caveat that any and all commitments, allocations, and decisions will be made strictly through the hierarchy.

**Trustees Who Care.** Isn't it a given that an institution will be governed by trustees who are strongly committed to that particular institution? Not necessarily. Many universities have trustees who owe allegiance to a narrow set of interests or persons ("I'm here representing the farmers," or "I represent the governor," or "I represent the Democratic Party") that supersedes the welfare of the university.

But the most effective boards are composed of people who care deeply about serving the institution and not some external cause or constituency. At the University of Southern California, I have found our board members to be profoundly dedicated to the highest values of the university, and I am convinced this selflessness has played a large part in USC's rapid ascent in recent years. Our trustees come from different backgrounds, but they share an abiding love for the university, a commitment to advancing it, and a clear understanding that being a board member involves a sacred trust.

It is especially difficult to develop truly excellent governing boards in the public sector, because most public university trustees are selected and appointed through processes that are nakedly political. But that makes it all the more important to educate state leaders as to the kinds of people who will best serve the higher education needs of that state.

Trustees, for their part, must understand that the decisions they make today are made for the long term. In his book *The Uses of the University*, Clark Kerr observed that since the

year 1520 only about 85 institutions have remained continuously in existence in recognizable forms. They include several Swiss cantons, the Roman Catholic Church, and the parliaments of the Isle of Man, Iceland, and Great Britain. But some 70 of the 85 institutions that have survived continuously for the past half-millennium are universities. So when trustees consider their role, they should think in terms of centuries.

Although trustees legally own the university, they do not own it for their personal ben-

*Some 70 of the 85 institutions that have survived continuously for the past half-millennium are universities. So when trustees consider their role, they should think in terms of centuries.*

efit; rather, they own it in trust for others. All of which begs the question: For whom, specifically, do they own it in trust?

Certainly for the current student body, for the current faculty and staff, and for the alumni. But the biggest constituency for whom trustees own a university in trust comprises the hundreds of thousands of students, yet unborn, who will attend the university in future centuries.

Viewed in this light, trustees are stewards of a work in progress—an institution that is evolving over time. It is the trustees' privilege, and their sacred duty, to bequeath to future generations an institution that is even better than the one they own and govern today. ♦

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