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# **STRONG AND STABLE BOARDS: WISE, COMMITTED AND LOYAL!**

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"Board Development" is a catchy word today for the goal of creating a board of trustees that is stronger, more generous, more connected, more visible and yet not intrusive or likely to engage in micro management or inappropriate behavior. But not many boards truly understand the definition of a strong and stable governing body and how to build and maintain one.

## **1. ONGOING ASSESSMENT**

What does the chair do when a board member is obviously leaking confidential board information, not honoring a capital campaign pledge, gossiping about the head, writing angry letters to teachers about his child's lack of progress, and feeding parent discontent? One board chair struggled for almost a year with how to handle this errant trustee. The individual was a valued long term "player", critical to the earlier years of the school but clearly out of sync with the new leadership. The chair felt that there might be two choices: removing this trustee or losing the head. After much anguish, some legal maneuvering and mutual bluffs, the trustee agreed not to seek another three year term. What can boards do when a misbehaving trustee is in the MIDDLE of that first or second three year term?

Building a healthy board means following the NAIS Principles of Healthy Board Governance and talking through them periodically. How many boards now do this? Both small/emerging boards and large "mature" independent school boards need to perform the following exercise on an ONGOING basis: reassess the quality and strength of their membership, the personalities, resources, and "mix" within the group, and their passionate support of the mission. The recommended annual board evaluation checklist is an excellent tool, but using it is only a starting point in correcting inappropriate trustee behavior.

Littleford & Associates consults at least weekly to boards in all stages of "development" regardless of whether they are currently operating in a "crisis mode." The best time to address board governance practices is annually BEFORE any crisis arises. Vigilant and healthy boards are continually looking for ways to grow and hold themselves accountable, individually and collectively.



## 1. HOW DOES A SCHOOL RECRUIT A STRONG YET "HEALTHY" BOARD?

Board members are most frequently recruited based on whom they know or the skills they possess. Technical, legal or HR skills, however, can be bought in the marketplace. Availability is also often an important consideration, but a trustee with too much time may become meddlesome. We have learned the hard way that unless other traits are examined and evaluated as part of a board development process, some very unhealthy boards are formed.

The most important trait to seek in trustee prospects is: "WISDOM, WISDOM and WISDOM!" not unlike "location, location and location" as the by line for an astute real estate purchase. Wise board members who do not turn an incident into a crisis and react with calm and measured tones to strategic challenges are worth their weight in gold.

COMMITMENT and LOYALTY to the school's mission and a healthy degree of ENTHUSIASM are other very important traits.

The Committee on Trustees is the engine of building a strong, stable and healthy board. While we have heard this mantra for years, too often we have neglected the SEVEN key steps for this committee, the most powerful on every board.

### 1. THE CULTIVATION AND SCREENING PROCESS

The first three steps are: cultivate new board candidates; screen potential candidates; and invite pre-screened candidates to serve. Rather than rush to fill the ranks, schools should cultivate trustee prospects one or two years in advance of asking them to serve.

#### 1. Cultivate

Selecting trustees who accept, understand and will support the current board's definition of the mission of the school (not their own personal agendas) is essential to a healthy board. Individuals who may have particular problems are those with the "constituent" agenda, i.e., parent, faculty and/or alumni representatives. These individuals may be elected to the board by such groups, but once on the board, they need to be trained to represent the SCHOOL's mission and not the narrow agenda of the group from which they were elected or chosen.

Boards with very little institutional memory (too much turnover) invite new members to join who may each bring with them their own definition of the school's mission with a parent or alumni bent. This can cause a "see saw" effect in board decision making and policy.

On the other hand, boards with too LITTLE turnover which are basically governed by a few strong board members, can become complacent, lose touch with the pulse of the school and risk being



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blindsided by restless or new parents and/or teachers.

### An Example of a Stagnant Board

In one client school, a board dominated by long-serving board members operated with an outdated set of bylaws and without a Committee of Trustees. New trustees were invited to join periodically, but they often quickly lost interest when they were not given meaningful roles or not heard. "Lack of empowerment" described the role of these new trustees.

The culture of this school changed. An increasing number of families enrolled who aggressively demanded more involvement in the daily operations of the school. The Board came under fire and was forced to overhaul its practices and reorganize. A wholesale turnover in the board occurred. The end result was positive, but it caused a great deal of angst and disruption in the school community in the interim.

### An Example of Wealth versus Wealth

At one school two wealthy and generous benefactors ended up in a de facto "war" with each other over recognition given for leading and underwriting an extremely successful fundraiser. One was on the board and one was not. The head was seen as close to the non board family. The head nearly resigned at least in part due to the hostility and apparent jealousy of the board/benefactor family. In these times when nearly every independent school is in an aggressive fund raising mode, attracting, balancing and managing families with considerable resources is crucial. Financial resources are relevant particularly in light of the small donor base in many independent schools, but they should not be the sole criterion for selection. In raising annual or capital funds, the Board leads by example. Participation, as well as absolute dollar amount, is important. In highly endowed schools the goal may be to seek trustees who have community and business clout and convey "presence" and financial and leadership acumen.

A few boards have a predilection for only choosing those with resources, while others have a bias against them, taking the egalitarian approach that it is time and talent that are most effective. However, many schools have found that the adage: "Give, Get or Get off the Board!" is a good tool for motivating all to give as generously as possible and/or to solicit others willingly.

Similarly, representation of any constituency, not specifically called for in the bylaws, should never be the sole criteria for consideration or selection. The danger is that an individual's hidden biases that could compromise his/her objectivity may be overlooked.

### Support the Head Until You Cannot

To avoid creating conditions that affect the head's ability to lead, the board must choose trustees



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who will support the head completely until a decision is reached to search for a new head as a result of a strong, objective evaluation trend. The board should not knowingly bring on members who have an agenda against the head.

It is the responsibility of board members to recommend to the committee on trustees candidates, including non-parents, who meet the above criteria.

### 1. Screening and Invitation

Trustee prospects being cultivated or screened should NEVER be made aware of this fact. Too often individuals are approached and asked before a full assessment is made. Cultivation and screening should occur in a "blind" context of getting to know many alumni, parents, or past parents or by serving on a committee or task force. No new trustee should be chosen without the head having met and "vetted" that candidate informally.

It is not until an invitation is extended formally that the individual should be made aware of the reason for the previous discussions. At the time of invitation a trustee should be asked whether he or she is willing to give financially at the expected levels, can attend the meetings and serve on subcommittees and can take off his parent" or "alumni" hat.

Recently a school found that one of its most highly prized new members made several "off the cuff" remarks indicating that as a trustee, he fully expected to have more influence. He wanted preference for his child's choice of courses, teachers, college counseling time and other assumed "perks". It was not his fault that the screening process did not reveal his goals, or that the invitation and orientation process did not include any warnings. Schools cannot afford the consequences of this lack of guidance for new board members.

### 1. ORIENT, TRAIN AND EVALUATE

The next three guidelines for the committee on trustees relates to the on-going health of the board: orient new trustees; provide training through annual workshops; evaluate the board's and the head's performance annually.

An annual retreat is valuable to remind everyone of the principles of good practice, to review the strategic plan and to build board unity. Littleford & Associates has facilitated such retreats for over 600 schools. Thinking it is mainly for boards "in trouble," many boards ignore this very important task. Trustees who like, trust and know one another well and understand governance rules will respond as a healthy and unified board when a crisis arises. They will turn a crisis into an opportunity rather than being waylaid by it. The committee on trustees directs an annual process through which trustees assess their own performance and that of the board as a whole based upon



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a range of questions and topics. Responding to such questions thoughtfully and promptly is part of the process through which any board improves. The discussion of the questionnaire results should take up at least an hour or two of a board meeting once each year.

### Examples of Conflict of Interest

Some have learned that lesson of avoiding various types of conflict of interest painfully. One school with an insurance agent board chair experienced a building fire. The chair's company represented the school, and it was later learned that the policy did not insure full replacement value. The ill will and threat of a lawsuit against the chair was avoided only because the carrier company honored the full replacement value in order to maintain their key agent's credibility in the community. Those who receive income from the school in almost any capacity should not serve on the boards of independent schools. There will always be rare exceptions, but these should be carefully documented.

Trustees whose spouses or children serve on the staff are also in a conflict position or could be perceived as having biased views as a result of this relationship.

Three client schools recently called our firm with problems relating to board members' children having been involved in substance abuse issues. In one case, the child involved was the son of a board chair. This chair temporarily turned over board operations to the vice chair and allowed the disciplinary process to follow its course. Another case involved a trustee who remained engaged in the issue and indirectly tried to influence the disciplinary process, thus leading to embarrassment for everyone, including the head.

Trustees are needed who debate candidly and deliver cohesively. Once a decision has been made in the board room, the board speaks with one voice and maintains the confidentiality of all discussions.

### Boards Give Themselves Low Marks

In our work with boards world wide, we ask them to complete questionnaires. The vast majority of trustees give their boards very low marks on board and head evaluation. Either these processes are not in place, or there is very little common understanding of them.

This consultant offers the following list of items for boards to consider and review in its self-assessment:

1. The effectiveness of the chair including preparing for and leading meetings, consulting with trustees, supporting and guiding the head, being a public spokesperson for the board and a wise, thoughtful and firm leader. The balance



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between encouraging and limiting board discussion is very important. The chairman of the committee on trustees leads the annual evaluation of the board chair's performance.

2. The openness of board meetings balanced by effective use of trustee time. This includes meeting length, tone, content and context. Day school board meetings longer than two hours, especially in the evening, test the patience and the judgment of trustees.
3. Subcommittee and task force research and recommendations and timely advance notice to trustees of reports that will be approved at upcoming board meetings. Subcommittee reports should not be rehashed. The finance committee is most guilty of such time consuming reviews.
4. A limit on subcommittees. The key ones are: committee on trustees; executive (not all boards have them or want them); development or advancement and buildings and grounds. Personnel and education committees are not recommended as they both function in the very realms where management was hired to lead. All other committees should be "ad hoc".
5. Support for the head publicly and privately. Any criticism of the head should be part of a board led process of annual evaluation. This should be overseen by an ad hoc compensation and evaluation committee, led by the board chair and including two other members of the chair's choice. It should include confidential responses annually from each board member based on the agreed upon GOALS. The head evaluation process should not include a "360" approach or the solicitation of parent and teacher comments. Even most corporations have moved away from 360 performance evaluations, finding them too subject to political "gaming" and personality conflicts.
6. Financial support in the form of annual and capital giving. This should be at a level that represents real sacrifice, often referred to as the "ouch" level.
7. Attendance patterns that reflect investment, involvement and keen interest by trustees.
8. Understanding and acting on healthy board governance and calling attention to violation of rules.
9. Effectiveness of each committee, especially the committee on trustees in meeting, deliberating, and reporting to the board.
10. Succession planning to prepare for the next slate of officers and to ensure there is no crisis or power vacuum in the chair's role that may prompt competition for the position behind the scenes.



## 11. Decorum, civility and professional tone of meetings and in exchanges between trustees.

### 1. WARN AND REMOVE: THE MOST DIFFICULT TASKS

The final two guidelines relate to inappropriate trustee behavior: warn trustees who have failed, either inadvertently or intentionally, to follow the principles of good practice; and remove trustees who have not heeded warnings to cease behaviors that undermine the board and hence, the school. The board chair ultimately serves as the chief disciplinarian.

#### An Example of Boundary Crossing

An influential and generous trustee whose son played on the football team began to write lengthy and increasingly angry letters to the athletic director about the team's record and coaching. He wanted the football coach fired, and the Chair was forced to call him on his behavior. Trustees who command or direct employees who work for the head are "boundary crossing."

Proposed (as well as existing) board members must understand that trusteeship means LESS influence as a school parent. A trustee must learn to remove his or her "parent hat" when in the board room. Outside of the board room, he or she should support the school's mission and its leadership publicly and privately. This is never an easy task even for the highly trained and experienced trustee.

### 1. TERM LIMITS AND INSTITUTIONAL MEMORY

The committee of trustees has the important responsibility of preserving institutional memory by maintaining a board consisting of trustees who remember the mission of the school and why the current head was hired. Institutional memory remains solidly in the hands of the board and the head when the committee attempts to minimize turnover of effective trustees. THREE terms of either three or four years each, or rolling three year terms with NO limits are recommended.

A policy of no limit on terms WILL work assuming effective evaluation of each trustee by the committee on trustees. Not every board is ready or prepared to evaluate an individual trustee prior to the invitation to serve an additional three year term. Most boards simply "wait out" weak trustees.

The committee on trustees should keep board chair turnover low by encouraging board chair terms of at least three to five years. The School needs leadership stability at BOTH the head and board level. Most heads do not survive their fourth board chair because most of those chairs do not remember why that head was hired in the first place.



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Currently, there is a clear absence of succession planning on most boards. When selecting a new board chair, the committee on trustees should consult with the head and the current chair in the choice of a successor. The board chair should be present at meetings of the committee on trustees. The head's opinion should be solicited confidentially, and the head's first choice should be seriously considered. The vice chair and heir apparent should be named about one year prior to the current chair stepping down.

Building a strong, stable and healthy board begins with a clear definition of mission, the selection of trustees who support it, and following the core rules outlined above. Together these constitute the powerful tools of board development.

John Littleford  
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