
AGB BOARD OF DIRECTORS' STATEMENT ON

SHARED GOVERNANCE

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ABOUT AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, 1,900 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

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Introduction

One of higher education's most distinctive values is its commitment to shared governance. Simply put, shared governance is a fundamental principle of inclusion in key areas of institutional responsibility and decision making. Governing boards hold ultimate authority for an institution, as defined in bylaws and other foundational documents as well as state fiduciary principles. There is very little debate on this point. However, through longstanding academic practice, this authority is delegated to—or “shared with”—institutional leaders and faculty. Typically, presidents are charged with institutional leadership, strategic planning, and daily management, while faculty are charged with educational design and delivery. As the Association of Governing Boards of Universities and Colleges (AGB) said in its *Statement on Board Responsibility for Institutional Governance* (2010), shared governance “has historically resulted in continuous innovation and the concomitant effect that American college curricula and pedagogy define the leading edge of knowledge, its production, and its transmission.” Despite the remarkable value of shared governance, the stakeholders who are fundamental to its impact often lack understanding of, appreciation for, and even commitment to it. Boards, faculty, and presidents—the key players in the relationship that defines shared governance—continue to struggle with its value and its effectiveness.¹

¹ This statement focuses on the long-established participants in shared governance—boards, faculty, and presidents. While this group retains its traditional responsibilities in shared governance, for important decisions many leaders today regularly seek consultation with other stakeholders such as staff, students, part-time faculty, alumni, and others. The majority of governing boards do not include reserved board seats for faculty, staff, and students, but some have voting representatives from one or more of these groups. Others allow representatives to attend board meetings but not to vote. AGB does not advocate the inclusion of faculty, staff, and students on governing boards because of the fiduciary responsibilities involved in governance. However, broad consultation that values insights and wisdom from an array of constituencies is often appropriate and helpful.

In higher education's volatile environment, shared governance is essential. It adds substantial value to institutional progress and innovation. In fact, responsibility and accountability for addressing colleges' and universities' thorniest challenges often rest with multiple parties. Effective shared governance is about more than who is responsible for what. At its best, shared governance is about how key constituents in institutional communities—traditionally faculty, administrators, and board members—engage in achieving a commonly supported mission. For example, these groups customarily participate in strategic planning, institutional budgeting, and discussion of critical issues such as campus climate and student-learning outcomes.

The practice of shared governance has developed differently according to the circumstances of individual colleges and universities. For instance, a small, religiously affiliated college with mainly full-time faculty will likely have different shared governance traditions from those of a large public university with faculty unions and substantial numbers of part-time faculty. However, despite institutional size or mission, effective shared governance provides the context for meaningful engagement and decision making in virtually every private and public college or university. It strengthens institutions by providing the means of aligning priorities and including key constituents in mission-related decision making.

Even when there is recognition of the importance of shared governance to institutional operations and innovation in principle, it can present considerable challenges in practice. As AGB explained in the 2010 statement, "Many presidents, governing boards, and faculty members believe that institutional governance is so cumbersome that timely and effective decision making is imperiled; factionalism, distrust and miscommunication, and lack of engagement among the parties can impede the decision-making process." Newer board members may be surprised to learn that—despite their fiduciary authority—some responsibilities, especially those related to academic programs, are primarily the province of the faculty.

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Many faculty (and even some experienced board members) may be surprised to learn that the board holds significant responsibilities in these same areas, occasionally even overruling faculty recommendations. Even the most senior faculty members may never have met board members or engaged in meaningful conversations with them about the institution's mission, priorities, and challenges. AGB research shows:

- Nearly two-thirds of board members believe shared governance is very important in institutional decision making.
- One-third of presidents believe board members understand the work and responsibilities of faculty.
- Less than one-quarter of presidents believe faculty understand the responsibilities and authority of governing boards.

Presidents and chancellors often find themselves uncomfortably in the middle of misunderstandings about what shared governance means, why it is needed, and how to do it well. As Steven Bahls, president of Augustana College, observed in his book *Shared Governance in Times of Change: A Practical Guide for Universities and Colleges*, “I have found that although the principle is endorsed by most in higher education, only rarely is it successfully and consistently implemented.” And, as a participant in an AGB focus group on shared governance stated, “The current practice of shared governance works just fine when there aren’t any problems. It breaks down as soon as the institution faces a significant challenge.” Such breakdowns can grab headlines, derail progress, and even shorten the terms of institutional leaders. In today’s challenging environment, shared governance needs to work, not as an afterthought but rather as a fundamental driver of institutional change and success.

As institutions grapple with the need for innovation in such areas as improving student learning outcomes, strengthening the business model, and meeting the needs of a new student population, time-honored processes for widespread consultation and deliberation are sometimes seen as impediments. A lack of cultural awareness between boards and faculty can complicate and delay decision making. Likewise, demanding voices from both outside the academy and within it—state and federal policymakers, contingent and unionized faculty, students with new social and academic needs, philanthropists, foundations—can complicate and heighten tensions, even while underscoring the importance of stakeholder engagement. In these circumstances, shared governance can become a zero-sum game, with participants focusing primarily on who has the power to decide what, rather than what the institution, its students, and its mission need to advance.

Most campuses rely on the American Association of University Professors (AAUP) 1966 *Statement on Government of Colleges and Universities* to describe the “shared responsibility among the different components of institutional government and the specific areas of primary responsibility for governing boards, administrations, and faculties.”² Now, more than 50 years later—with vastly different circumstances on our campuses in terms of who attends, what they pay, what they expect in return, and how our institutions’ business models function—effective implementation of shared governance is more important than ever.

Governing boards have not typically been involved in either assessing or improving the effectiveness of shared governance at their institutions. If anything, they may have looked to presidents or chancellors and the faculty to ensure that shared governance works, assuming it is more the concern of those groups than of the board. It’s time for that to change. Given the challenges facing colleges and universities, governing boards need to become better educated about the state of shared governance on their campuses, understand its potential value in executing needed institutional change, and help ensure its effectiveness in strengthening the institutions for which they are responsible.

Effective shared governance, focused on open communication, shared responsibility, a commitment to accountability, and alignment of institutional priorities, is broadly seen as advantageous but is less commonly achieved. In its recent report *Shared Governance: Is OK Good Enough?*, AGB describes the results of a survey of board members and presidents on the state of shared governance at their institutions. A larger proportion of both groups said shared governance should help align institutional priorities rather than simply define rules of engagement. To move to this preferred level of performance, the three traditional participants in shared governance need sufficient motivation to change how they work together. For board members, that motivation is rooted in their ultimate fiduciary duty to ensure decisions are made wisely and in the best interest of the institution.

Key strategic decisions typically benefit from input from a wide range of constituents, including the administration and faculty, whose members have professional and personal interests in the institution’s success and fiscal health. The alignment of priorities for all three groups in shared governance can result from an effective, engaging planning process as well as regular opportunities for inclusive conversations about strategic goals and challenges, new markets and academic programs, and other critical topics.

² AGB provided advice to the AAUP in the development of this statement and subsequently commended it to AGB members.

The AGB Board of Directors, consisting predominantly of members of college and university boards, acknowledges the challenges inherent in establishing and maintaining a healthy system of shared governance. But it also recognizes the value added to institutions, their decision making, and their culture when shared governance is broadly understood, affirmed, and nurtured. This *Statement on Shared Governance*, approved by the AGB Board of Directors in August 2017, provides principles to help guide boards and those who work with them to achieve and support healthy and high-functioning shared governance.

Principles

1. Boards should commit to ensuring a broad understanding of shared governance and the value it offers an institution or system.

Shared governance is not easy. Too often it is situated in an environment of competing interests, tension, reduced resources, and even professional pride. For shared governance to work, board members, faculty, and presidents need a solid understanding of what shared governance is and what its history is at the institution. New board members, faculty members, and senior administrators should receive a grounding in the fiduciary responsibility of the board and the manner in which their particular board operates. Each person should also be informed about the nature of faculty work specific to the institution, including governance roles and responsibilities.

The board's governance committee should develop board member orientation that emphasizes the traditions and the policies of shared governance within the institution or across the system.

Governing boards need to understand that their participation in and commitment to shared governance will result in more than specific decisions; they can stimulate institutional progress by ensuring the inclusion of a range of voices and ideas in the formulation of goals, priorities, and strategies.

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Effective shared governance strengthens an institution by serving as a vehicle for necessary change. Strong shared governance does not diminish governing board accountability, but rather informs important decisions. A board's commitment to the value and practice of shared governance bears fruit for the institution in the form of mutual trust in challenging times, support for innovation, and shared commitment to goals for building a stronger future. It facilitates a culture that welcomes input, broadens commitment, and fosters creative ideas.³

2. For shared governance to work, it must be based on a culture of meaningful engagement.

A system of shared governance that focuses on rights may politicize the process instead of taking advantage of its potential value. A culture of meaningful engagement among board members, administration, and faculty can elevate the outcome—as well as the experience—of shared governance. This kind of culture requires a strong board commitment, which can be expressed in a variety of ways, both formal and symbolic. Boards should consider adding a formal commitment to shared governance within their statements of board member expectations. Additionally, while AGB does not recommend adding faculty seats to the governing board itself, the board should seek ways to benefit from faculty engagement, experience, and expertise by including faculty members in the work of board committees and task forces. A governing board's academic affairs committee should address issues related to shared governance, and it should benefit from engagement with faculty on such critical topics as educational quality, student success, and completion.

Governing boards often choose to invite formal faculty consideration of academic budgets and strategic priorities that might affect faculty responsibilities. In doing so, governing boards should expect good intent, even fiduciary-like performance: faculty input that serves the interests of the institution as a whole, welcomes diverse opinions within the faculty itself, and responds to the need for timely input and decision deadlines that enable action.

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³ As part of its project on shared governance, AGB developed case studies of institutions and systems where shared governance has been pursued with marked intentionality. See agb.org/revitalizing-shared-governance-for-the-21st-century.

An investment in a culture of engagement is distinct from investments in other strategic priorities. The most important resources boards, presidents, and faculty can provide to shared governance are time, attention, and commitment. Just as time constraints can sometimes limit board and administration attention to shared governance, faculty often struggle with time commitments, especially where increases in the number of full-time faculty have not kept pace with the growth of the institution, leaving fewer faculty to fulfill the responsibilities of governance. In addition, loyalty to academic discipline and individual scholarship can outweigh faculty commitment to institutional priorities. The result is a strain on shared governance. Boards can be helpful in these situations by taking an interest in the faculty's capacity to engage in governance.

Boards and faculty can also help one another understand issues confronting higher education and how those issues could affect the institution's strategic direction. Accepting and acknowledging the value of such engagement are important elements of building a culture of shared governance.

3. Shared governance requires a consistent commitment by institutional and board leaders.

The president or chancellor, along with the chief academic officer, must play a central role in building, encouraging, and maintaining effective shared governance. A governing board should be intentional in assigning appropriate accountability for shared governance to the president or chancellor. While recognizing the president's essential role in facilitating shared governance, the board should also respect the complexity of that task and partner with the president rather than delegate away that responsibility.

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The board chair has a similarly special role in demonstrating a governing board's commitment to shared governance. Establishing meaningful opportunities to include faculty in substantive discussions with the board on cross-cutting issues is one way the board chair can facilitate engagement. With the president's support, board leaders can also be ambassadors to faculty governing bodies, and a periodic meeting of the chair, board officers, or a group of board members with members of the faculty governance body can be rewarding in multiple ways. In all such engagements, the board chair and president need to be aligned on the purpose of the discussion. While inviting faculty to dinner or other social events can encourage collegiality and respect between the groups, social engagement is not the same as shared governance. Those who conflate the two risk greater disengagement—shared governance is not about sharing space but rather about sharing ideas.

The true test of any system of engagement is how well it works during a period of urgency or even crisis. Fiscal exigency, campus climate incidents, and other current realities might, in the heat of the pressure to act, cause even the most transparent and collaborative leaders to lose sight of the need for inclusion. Leaders must be deliberate and intentional about how best to engage others based on the situation. Even then, there will be times when swift action is required and there is little or no time for consultation and deliberation. Good faith efforts to share information in real time—while acknowledging circumstantial challenges—build trust, a necessary feature of shared governance.

While it is appropriate and necessary for a governing board to keep some discussions confidential, important board decisions should be delivered promptly, with evidence of the board's thoughtfulness. Increasingly, constituencies beyond the full-time faculty and senior administration (such as staff, students, part-time faculty, and alumni) have an understandable expectation of being both informed and consulted on important board decisions.

One special note for governing boards of public institutions and systems: These governing boards bear another responsibility in their commitment to shared governance. This country's higher education system is unique, due in part to the ability of each institution to establish its own mission and academic programs, with accreditor approval. Shared governance is only effective when internal discussion and debate lead to outcomes—about academic programs, budgets, and tenure policies, for example. However, policy leaders in some states are now making decisions about the same matters for public institutions

of higher education. These efforts undermine shared governance and run the risk of diminishing the quality of what is taught and who teaches. They pose a broader threat to institutional autonomy and integrity. Public institution leaders, including board members, should help inform state policymakers about the risks of overreach.

4. Institutional policies that define shared governance should be reviewed periodically to ensure their currency and applicability.

The AGB white paper *Shared Governance: Changing with the Times* states, “Colleges and universities—their boards, presidents, and faculty—need to be attentive to the effectiveness of their governance practices on an ongoing basis. Neither an unexpected emergency nor a brief window of opportunity is the time to discover that an institution’s governance structure and culture of decision making are not up to the task. Reliable shared governance requires continuous, intentional effort.” The board must be confident that the institution’s foundational documents and policies, such as the board’s bylaws, faculty handbook, and the institution’s charter, agree with one another and codify decision-making responsibility in a clear and practical way.

AGB research shows periodic reviews of shared governance policies are not common practice, and contradictory mandates or unclear expectations among key groups risk undermining effective governance. The institution’s legal counsel should monitor the timing of policy reviews and bear responsibility for recommending necessary updates for consistency across all related policies. The goal is to establish clarity of roles and processes in a way that facilitates the engagement of the president or chancellor, board members, and the faculty on mission-related and strategic matters.

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Ultimately, the board is responsible for policy currency and effectiveness. Generally, a governing board's governance committee should work with the president or chancellor and legal counsel on policy currency and needed changes. Pertaining to shared governance, the board's academic affairs committee might collaborate with the governance committee on a policy review process that includes the engagement of the chief academic officer and the faculty governance body. Policies that guide strong shared governance align the expectations of faculty, board, and administration on essential issues and set the stage for strong shared governance.

To further safeguard effective shared governance, the board, president, and faculty should commit to a regular assessment of the process. This assessment provides an opportunity for inclusive conversation about the full range of activities that ensure a common understanding of shared governance and its value at the institution, a culture of engagement, and an ongoing commitment to keeping the process strong.

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Conclusion

The historic debate about what shared governance is and the tension among governing boards, presidents, and faculty will likely continue, especially as resources grow scarce and stakes remain high. Each group must recognize that ensuring the value proposition for higher education will require working together on behalf of students and society. Perhaps the best indicator of how well shared governance is working on any campus is whether it enables, rather than constrains, thoughtful decisions to enhance student success, institutional health, and innovation. Boards, working with key administrators and faculty leaders, hold responsibility for ensuring that the practice of shared governance embodies and advances institutional values.

Questions for Boards to Ask

- ~ How are new board members, faculty, and senior staff oriented to shared governance?
- ~ How does the board learn about faculty work? How does the faculty learn about the board's role and responsibilities?
- ~ How can the board contribute to an institutional culture of appropriate engagement and inclusion in decision making?
- ~ What are the roles of students and staff in shared governance at our institution? Is the board satisfied with their engagement?
- ~ What can the board chair do to demonstrate the board's commitment to shared governance? What does the president do?
- ~ When did the institution last assess the state of its shared governance? What was the result? What has changed based on that assessment?
- ~ How does the board engage with the faculty on matters of consequence?
- ~ Are the priorities of the board, president, and faculty currently aligned on critical mission-related matters? Is there agreement on the strategic priorities of the institution? Which are important topics or questions for collaboration?
- ~ How well would shared governance work at this institution in a crisis?

Appendix

The following passage, selected from the AGB white paper [Shared Governance: Changing with the Times](#), presents insights gained as a result of focus group conversations with more than 200 governing board members, senior administrators, and faculty leaders. AGB is grateful to the Teagle Foundation for supporting that project.

THRESHOLD CONDITIONS FOR HIGH-FUNCTIONING SHARED GOVERNANCE

- ◆ A shared commitment on the part of faculty, administration, and board members to the principles of shared governance,⁴ and a current, shared understanding among faculty, board, and president of what shared governance actually is and how it operates/functions/works in their institution.
- ◆ A shared and clearly articulated commitment to *trust, collaboration, communication, transparency, inclusiveness, honesty, and integrity*.
- ◆ An institutional culture of good will, good intentions, and commitment to common values that is reinforced through the practice of shared governance. Clear policies concerning authority and standard operating protocol are important to develop, but without good will and commitment to shared values, they can't lead to effective decision making on meaningful issues.
- ◆ A shared commitment among all parties to focus the practice of shared governance on the institution's strategic goals, aspirations, and challenges.
- ◆ Constitutional documents (such as bylaws, faculty handbooks, policy statements) that clearly codify decision-making authority as well as a thorough, nuanced understanding on the part of board members, faculty, and presidents of their own respective roles in shared governance, as well as those of their colleagues.
- ◆ A shared appreciation by board members and faculty of the complexity of the president's role in facilitating a constructive relationship between the board and the faculty.

⁴ Specific reference to the AAUP [Statement on Government of Colleges and Universities](#) in the institution's governing documents is an important foundation for this shared commitment.

- ◆ A recognition that while students, staff, and contingent faculty often do not have a formal role in shared governance, boards, presidents, and faculty should create regular opportunities to include their voices in the discussion of important issues and major decisions.
- ◆ A shared recognition that institutional change is necessary, constant, and inevitable; the dynamically changing external environment and continued institutional relevance demand it. All stakeholders must be open to doing things differently when circumstances require.
- ◆ A recognition that the most important decisions are often the most difficult and contentious, but the preservation of relationships is vital to sustained effectiveness in governance.
- ◆ A recognition by the president, board chair, and faculty leadership that they have collective responsibility to ensure that the above conditions exist.

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