When I became the acting president of Hamilton College in 1999, I already knew a lot about the college. I am a 1996 Hamilton graduate, the parent of a former student, and I have served for 12 years on the college's governing board. Still, when Hamilton President Eugene Tobin took a much-deserved sabbatical, I learned more about Hamilton during my six months in the presidency than in all my previous time associated with the college. Much of what I learned will make me — and, I expect, my fellow board members — better in the future.

An unusual level of alumni involvement distinguishes Hamilton. Typically, more than 55 percent of alumni contribute every year to the annual fund, and more than a third volunteer to recruit students, raise funds, counsel undergraduates about careers, provide internships, conduct alumni events, and participate in other activities. As is the case at other colleges, Hamilton's board sets the tone for financial and volunteer support.

Yet despite this high level of alumni involvement and my own active participation with my alma mater, I had a superficial understanding about many important facets of the college and wondered whether my fellow board members did as well. Naturally, I recognize it is unrealistic to expect that board members who typically visit the campus just three or four times a year will ever have the same breadth and depth of knowledge as the president and senior administrators who are charged with the daily operations of the institution.

A New Understanding of the College

Soon after I became president, the impact of policy decisions became clear to me — much more so than when I was a board member. For example, deciding to admit an additional 20 to 30 students from the waiting list or planning for a larger class, though attractive from a financial point of view, had significant ramifications in the day-to-day life of the campus. Admitting more students means hiring more staff members. Where would we find additional housing? And if the new hires were adjuncts, how could we be certain they would be as qualified and as committed to the institution as full-time faculty members?

This level of detail rarely makes it to the boardroom, but as president, I could see how a tempting financial solution might create an irritant in campus life.

My experience as a college president has made me much more aware of the nuances of board decision making. Many issues that boards are asked to consider require much broader scrutiny. Switching roles for six months taught me five fundamental lessons that may help boards and board members become more effective.

1. Balance the membership of board member committees.

Hamilton's board of directors, like many governing boards, consists disproportionately of business executives, investors, and successful entrepreneurs. Their acumen is in finance and in running a business, so they tend to be most interested in the issues — fund-raising, endowment performance, and investments — with which they are most familiar and where results are tangible. They tend not to be so comfortable with the other components that make a college successful such as its staff, programs, and facilities. The tendency among board members to gravitate toward finance is understandable. After all, board members have a fiduciary responsibility to the college, and given today's fiscal pressures, no board can be blamed for being preoccupied with an organization's assets. But a balanced budget and a growing endowment are only two measures of an organization's health.

It is equally important that all board committees have the appropriate firepower if the mission of the institution is to be fulfilled. The committee on board members should look carefully at the distribution of talent and influence among the various standing committees to ensure that every function has an important voice at the boardroom table.

2. Seek, within limits, close encounters with leaders of the organization.

In my six months as president, I met and spent time with most of the faculty, the swimming coach, the chair of the chemistry department, the director of the career center — people board members typically would not encounter. Yet the insights and opinions of such individuals can give board members a much broader understanding of an institution. Recognizing this untapped resource, we restructured board weekends at Hamilton to facilitate even greater informal interaction between the board and various college leaders.
If an organization grows as hoped and planned for, a “working board” will eventually reach a point when it’s time to transfer the organization’s management, administration, and operations to staff and staff-led volunteers. In the past, this working board may have been active on many fronts, ranging from helping the founder set up the organization and running operations and fundraising to tending to the governance issues. It is a special day when a board can transition from being a working board to assuming its primary function — ensuring the organization’s viability, focusing on mission advancement, and accepting full fiduciary duty for the nonprofit.

What is a working board?
All boards work but the term “working board” refers to a board that wears numerous “hats.” Because there is no — or very few — paid staff, the full board delegates operational and administrative activities and tasks to individual board members in addition to meeting its governance responsibilities. This enables the full board to maintain its authority and accountability for the organization and the management of its own members while enabling the organization to work toward its mission.

Governance committee
The best legacy founders can leave for an organization is to guarantee that there is a solid base for continuation. This includes creating a systematic approach for building an effective board, which starts with the formation of a governance committee that oversees the recruitment and orientation of new members.

Every board should have a committee that is devoted to recruitment, to preparing board members for their roles, and to ensuring that the board has the appropriate guidelines, policies, and processes in place. In the beginning, when few boards have governance experts, this important committee can study and share good practices with the full board.

The first task of the governance committee is to brainstorm on the future composition of the board. What are the skills, expertise, qualities, characteristics, backgrounds, and various perspectives that are needed to grow the organization and keep it thriving? If this part of the board-building process is skipped, your board recruitment efforts will lack focus and result in a mismatched board. Knowing what you need in terms of composition and when you will need it will help you create the future profile of the board. Knowing what you are looking for will help you to find it.

Board evolution
Every founding board will one day reach the point when it requires rejuvenation, when it’s time for the original members to step aside and welcome new recruits. Without a surge of new energy and new ideas, it sometimes can be difficult for a founding board to realize that it must evolve as the organization evolves. When the first staff is hired — an important event for any organization — the board must evolve by letting go of its daily or short-term concerns, by setting its sights on the future, and by thinking strategically.

As your governance committee creates the future profile of the board, remember that your organization will need a board that — when all the individual characteristics are meshed together — has a capacity to see the forest from the trees. The governance committee must be able to see the big picture and set the guidelines to get you there.

Term limits
To provide for a turnover in membership, many boards have term limits. If you install staggered terms, you have the added benefit of never losing the entire board in one fell swoop and ensuring that some organizational memory and continuity remains. This is particularly helpful when it is time for the original founders to retire.

Retiring board members who have not lost their enthusiasm, commitment, and energy for the organization’s mission should be invited to stay involved with the organization, however. There are numerous ways that they can help you: fundraising, public relations, expertise on a task force, or simply as honorary advisors. Making a difference is possible even after one’s term is up.

Staff and board roles
When the board hires its first chief executive, it delegates the daily affairs of the organization to this person. That said, it can be difficult at first for the board to relinquish its hands-on role and honor a clear break in the division of labor. Board members must learn to not micromanage the chief executive. To help them understand and honor the differences between governance and management, it is important to educate your board members about their roles and responsibilities as well as the roles and responsibilities...
of the chief executive. Rather than remaining operational, the board must become strategic in its approach, focusing on the future direction of the organization, providing oversight, and ensuring adequate resources are available to accomplish the organization’s mission.

References:
Available at www.boardsource.org or by calling 202-349-2500