COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

BOARD focus

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Preventing Micromanagement—Creating High Performance Boards

Micromanagement prevents boards from governing well. It results in dysfunctional boards, public criticism, accreditation concerns, demoralized staff, and lack of respect for elected trustees. This Board Focus *explores definitions and causes of micromanagement and proposes alternatives for governing boards.*

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The "Right Stuff" of Governance

BY WILLIAM MCGINNIS, TRUSTEE
Butte-Glenn Community College District

THE REAL CHALLENGE for trustees is creating a high performing board. They do this through being willing and able to set standards of excellence for their colleges and themselves. They develop and live by the "Right Stuff." They have:

- The Right Mind Set
- The Right Role
- The Right Work
- The Right People
- The Right Agenda
- The Right Information
- The Right Culture

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Defining Micromanagement

BY CINDRA SMITH, ED. D., THE LEAGUE

"THAT'S MICROMANAGEMENT!" When trustee A says that to trustee B, trustee A is reminding B to stick to the board's policy role and stay out of administration. But B says, "No, it's not." Now what? How do you determine the appropriate role for trustees?

The line between policy and micromanagement is not always clear. It can depend on board and institutional culture and protocols, communication style, intent and how the intent is expressed.

What is clear is that micromanagement is not a good thing. Boards hire a chief executive officer to lead the institution. Micromanagement gets in the way of the CEO doing that work and prevents the CEO from being as effective as he or she could

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The Right Stuff of a governing board means doing what is needed, executing the strategy, and moving the organization ahead.

William McGinnis

The "Right Stuff" of Governance

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The Right Mind Set is accomplished through a process of continuous improvement. Boards must keep coming back to the same questions about purpose, resources, and effectiveness. It means keeping the board's focus on the vision and mission in spite of all the noise from other college issues. Boards must focus on their districts' future and the goals in the strategic plan.

The Right Role means establishing and sticking to an overarching level of engagement that helps trustees set expectations and ground rules for their roles relative to the president's role.

The Right Work is accomplished by focusing on "what" the district should accomplish, not "how" it is done, and not allowing the board's focus to be diverted from the goals. Boards are accountable for results (outcomes). Trustees fulfill this responsibility best not by dictating the details but rather, by asking questions about performance results and their implications. Ask critical questions and insist on clear answers.

The Right People. A board is only as good as its members. Trustee development and training are critical elements to building a strong board. Boards strengthen their members by providing mentoring, education, ground rules, and enforcing state and local laws and regulations, policies, and a code of ethics.

The Right Agenda. Agendas define what the board discusses and at what length. To control the agenda is to control the work of the board. Boards need to assure their agendas reflect the goals of the board. As an example, a board may devote one meeting a year to setting a limited number of priorities for the year—for example, strategic direction, capital allocation, enrollment management, and succession planning. The board must ensure that their regular meetings address these priorities.

The Right Information. There are two equally effective ways of keeping a board in the dark. One is to provide them with too little information and the other, ironically, is to provide too much. The board must communicate its information needs to the CEO. And the CEO must adjust the information load by trustee. Boards primarily rely on retrospective data on the colleges' performance and operations, and presentations by the administrators, and faculty, staff, and student leaders. The CEO is a key resource—his or her articulation of the future and interpretation of financial reports significantly shape boards' views.

The Right Culture. Engaged cultures are characterized by candor and a willingness to challenge. They reflect the social and work dynamics of a high-performance team. Trust and respect between and among the trustees is critical to the successful development of an engaged culture, as are trust and respect between the board and the CEO.

The Right Stuff of a governing board means doing what is needed, executing the strategy, and moving the organization ahead. High performing boards are committed to a strong working relationship between the board and CEO, fostering healthy social dynamics of board interaction, and ensuring the competence, integrity, and constructive involvement of all trustees. ■

Defining Micromanagement

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be. As one trustee said, "We are paying a CEO to do the work, why should we do it instead?" Micromanagement sends a message of distrust, abrogates the authority of the CEO and ignores the organizational structure, decision-making systems and procedures.

Micromanagement also violates the board's fiduciary responsibility to ensure that time and resources of the institution are well spent. When a trustee directs staff to do something or requests information that requires a significant amount of time, the individual trustee has determined how time and resources are used, which may not be in the best interests of the entire institution. Given that colleges don't have unlimited funds and personnel, priorities for time and resources must be set by the board and college leadership working together.

Criteria for determining whether or not something is micromanagement include:

- The action tells the CEO or a college employee how to do their job. If a request, directive or suggestion has the effect of determining the day-to-day decisions of staff members and how they allocate their time, it is most likely micromanagement. The board has the right to expect that people who work at the college know how to do their jobs. Trustees have the responsibility to honor the professionalism of college staff by allowing them to perform their duties.
- It probably involves an individual trustee. If the board as a whole makes a decision, it is less likely to be micromanagement. Discussing an issue as a board usually provides the checks and balances that help keep the board at a policy level.
- It is identified as micromanagement by fellow trustees or college staff members. Even if there is no intent to direct or manage college staff, trustees may be perceived as micromanaging by virtue of the power of their position. Trustees' suggestions, opinions, and reactions are taken very seriously; trustees may find that what they meant as just ideas or thoughts are interpreted as directives. Therefore, trustees may need to monitor themselves carefully to ensure that offering opinions is not construed as direction. ■

Micromanagement sends a message of distrust, abrogates the authority of the CEO and ignores the organizational structure…

High Performing Boards Make & Monitor Policy

BY CINDRA SMITH

EXPERIENCED TRUSTEES know they aren't on the board to administer the institution—they know that is the chief executive's job. Instead, they set policy, delegate the responsibility for implementation to the CEO, and monitor that implementation. They define the information they need to perform those jobs well.

Making Policy

Policy reflects and state what is valued by the institution and community. It consists of brief, general statements of purpose, principles or philosophy, which serve as guides for action. Policy:

1. Establishes the general goals of the institution. These are stated in institutional long-range and strategic plans, are reflected in the budget, and frame the annual goals or priorities of the board and CEO.
2. Sets standards for acceptable practice, particularly in the areas of educational planning and programs, finance, facilities, and personnel.

A test of whether or not something is a policy level issue, and not micromanagement, is whether it fits into those two categories. Does it relate to the general goals, including who the college serves? Does it reflect the values that guide operations, such as ethics, prudency, diversity, effectiveness, and quality? Does it address *what* the college does

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When issues arise, trustees and CEOs consciously identify the policy values inherent in the issue and frame the board's responses in policy, not procedural, terms.

High Performing Boards Make & Monitor Policy

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instead of *how* the college does it?

High performing boards and CEOs agree on policy. They ensure that the board agenda items refer to board policy to clarify why the board is addressing the item and what decision is expected. The background information provided for board decisions addresses policy-level concerns. When issues arise, trustees and CEOs consciously identify the policy values inherent in the issue and frame the boards' responses in policy, not procedural, terms. They ask:

- Do we have a policy on this issue? Does it say what we want it to say?
- What broad values and standards apply to this issue? Has the board stated those in policy?
- Does the decision or action we are about to take reinforce our policy role, or is it an administrative decision?

Monitoring

Boards must monitor that policy goals are being accomplished and that the college is operating in accordance with policy standards. They fulfill this role when they receive and discuss reports on progress toward district goals.They also receive and discuss reports that inform the board on how the college is complying with policy standards on college operations, such as fiscal audits, program reviews, and descriptions of hiring standards and practices.

"Micromonitoring" can occur when the monitoring system is vague or erratic and/or reports don't address policy goals or standards. Insufficient or poorly communicated information about the college leads to trustees being more likely to question day-to-day operations and inspect college programs.

Therefore, effective board and CEO teams will establish a monitoring system that provides the board with the information it needs to assure that goals are being accomplished according to the board's policy standards.

An Information Caveat

Boards need information to make policy and monitor the institution. An informed board ensures that colleges are meeting community needs and doing everything they can to make sure students succeed. Therefore it seems like asking for information is always a good thing.

However, injudicious and scattered requests for information can be micromanagement. Preparing information for the board requires staff time, and every request from the board or a trustee therefore potentially "manages" the time of the staff. Boards, as part of their fiduciary responsibility, want staff time to be devoted to accomplishing the goals of the institution. A good board balances its legitimate need for information with the demands on staff time.

Clarity and communication are key. Boards carefully determine what information is needed to make policy, monitor the institution, and support the "no surprises" rule. They make requests through the CEO's office. Many boards have a policy or protocol that states that requests that require a significant amount of staff time and resources to produce the information must come from the board as a whole. The purpose isn't to deny trustees the information they need, but to ensure that staff time and resources are used wisely, and in line with the needs of the entire board. ■

Why Micromanagement Occurs & What to Do About It

BY CINDRA SMITH

New Board Members

New board members are eager to contribute their knowledge and ideas. Their enthusiasm in asking questions and making suggestions may appear to or actually be attempts to direct staff and do the work of the CEO. A good orientation to the board role and the need to work as a member of the board team help direct new energy into appropriate policy channels.

Delegating Up

Administrators, faculty leaders and others invite micromanagement when they ask for board approval of college procedures or decisions that should be handled within the local decision-making processes of the college. Boards avoid this trap by holding the CEO accountable for decisions and appropriate participation in local decision-making, and refusing to accept "upward delegation" from any college constituency.

Dysfunction

When boards are divided or dysfunctional or when the relationship between the board and CEO is rocky, boards send mixed messages to the staff. Administrators, faculty and staff work around or in spite of the board; some staff members seek direction from different board factions and may play board members off against each other and the CEO. Micromanaging can be avoided by strengthening the sense of team on the board and the board/CEO relationship, and clarifying that the board expects strong leadership from the CEO for the institution.

Catering to Individual Trustees

There is a fine line between listening to and considering individual board member ideas and perspectives, and allowing them to overly influence board and administrative decisions. It is possible to cater too much to individual trustees in efforts to be respectful, politic, and accommodating. While civility is always important, individual trustee perspectives are one of many contributors to the functioning of the institution. Board chairs and CEOs both should emphasize that individual trustees' opinions are simply opinions—the only legitimate direction to the CEO comes from the board as a whole.

Leadership Voids

When CEOs don't provide strong leadership, or there is a transition in the CEO position, boards may be more likely to be involved in day-to-day decision-making. Competent leadership and clear delineation of responsibilities during times of transition will clarify board roles. Boards that become more involved during a transition can "let go" and provide support when they are assured that the new CEO is taking charge.

Change and Problems

Change, whether good or bad, causes uncertainty, and uncertainty creates an environment for micromanagement. Fiscal changes, community pressures, political shifts, enrollment increases or decreases, changes in leadership, and other significant events all contribute. If trustees perceive there are ongoing problems, they will be more likely to scrutinize day-to-day operations. Preventing such micromanagement requires being aware of the dynamics involved in change, maintaining broad perspectives, and openly exploring problems and possible solutions.

Personal Agendas

Trustees with personal agendas or single interests may attempt to direct administrative decisions to benefit themselves or others. Boards establish a framework for preventing this type of micromanagement by adopting and upholding a board code of ethics.

Statutory Obligations

California has many laws and regulations requiring board approval and actions. Trustees may use these obligations to justify or require trustee involvement in typically administrative tasks, such as those involved in personnel and purchasing. Thoughtful boards delegate administrative authority to the CEO, use consent agendas to perform their statutory duties, and ensure their time is spent in governing, not managing, the institution. ■

For CEOs: Communicating with Your Board

Micromanagement is more likely to occur when trustees don't feel they are informed and knowledgeable about what is happening in the colleges and have the opportunity to contribute and influence key decisions at appropriate times. CEOs play an important role in creating an open relationship with their boards—one which keeps the board informed and involves trustees in appropriate decision-making. Communication is key.

Edward Hernandez

BY EDWARD HERNANDEZ, ED. D., CHANCELLOR
Rancho Santiago Community College District

CEO—those initials have a nice ring. But it's a short trip from sweet harmony to cacophony if the chief executive officer doesn't quickly master the art of communicating with the board. The essential, yet challenging relationship with your board demands diligent communication.

When you become a chief executive officer, you are stepping into a politically charged domain. Helping to focus trustees' power, time, energy, and attention in service of your organization's mission is essential.

To understand the board's perspective, consider your service on a chamber of commerce, hospital or other community board. In this civic role, we like to feel that our insights and recommendations are given respectful consideration. Our trustees have the same needs. Open, interactive and information-rich communication to develop trust and understanding addresses that goal, and prevents trustees from feeling the need to micromanage the institution.

Trust-Building Behaviors

Delineation of responsibility There is a fine line between strategic and operational leadership. Right from the start, it is important to gain consensus on where the CEO's job ends and the board's begins. The CEO candidate should research how the board has performed in the past. For its part, the board should consider role definition before a hiring decision. The CEO should hold a board workshop immediately after being hired to lay the ground rules on how the CEO and board will cooperate, make and respond to requests.

Educate the board For our trustees to fulfill their policy-making role, they need the big picture. And to understand it, the CEO must assure that the board has enough information to make sound decisions. A highly-informed board is generally one that can distinguish between its boundaries and those of the CEO.

Good and bad news CEOs need to be secure enough to deliver both good and bad news. There are no secrets in organizations, so the wise CEO will not cover up negative issues. Information cannot always be good, so it is inevitable that we present problems. Lay the groundwork by articulating the problems, what contributed to them, and providing solutions.

Brevity Board members have a right to ask questions. The CEO should provide a simple and direct response. It is tempting to read too much into a question and consequently, provide more information than a trustee wants or needs. Answering a question should not be couched in a long-winded justification for our actions or current conditions. If a trustee isn't asking for reasons why situations are as they appear, then responses should not be defensive.

Discussion and dissent Board members bring a wealth of experience to the table, often from outside higher education. Harnessing that expertise through open discussion and dissent makes for better decisions.

Communication

Establishing communication protocols among the CEO's administrative team and sharing them with the board increases trustees' comfort that they will receive information in a timely manner. Informing the board is part of the administrative team's responsibility; requests for information are delegated with appropriate follow-up. Establish

a protocol that funnels responses through the CEO, unless an alternative approach is approved beforehand.

Weekly updates Once a week, send an update of three or four main topics to keep your board apprised of current initiatives or significant issues. If you have a more lengthy issue to explain, provide an executive summary. Trustees will appreciate your effort at telling them what they need to know to meet their responsibilities. If they want more information, they can always ask.

Informal relationships Spend time with your trustees. Pick up the phone—go to lunch—whatever it takes to forge the informal bond that improves the relationship. Like a marriage, it needs constant attention.

Board packets Sending packets with sufficient information before a board meeting helps the CEO prepare the trustees for the public meeting. The CEO can set the tone for a controversial issue and facilitate the public response.

Board chair as ally The board chair is first among equals, so it is prudent for the CEO to give this relationship primacy. Use the board chair as a sounding board and ally in developing strategies to move the organization forward.

Board/CEO evaluations Annual evaluation of the board and the CEO are opportunities for becoming a better team. Each side in the relationship needs to review its performance and how each is doing at supporting achieving the goals of the institution. ■

Right from the start, it is important to gain consensus on where the CEO's job ends and the board's begins.

Scenarios: Is the Trustee Micromanaging?

BY CHARLES MENG & CINDRA SMITH

Charles Meng, Trustee, Napa Valley CCD and Cindra Smith, the League, presented these scenarios for discussion at a session at an Annual Trustees Conference. They extend their appreciation to the trustees and CEOs who helped shape the responses.

Lights Out

While walking to an evening board meeting, Trustee A notices that some outside lights have burned out. She picks up her cell phone and calls the evening administrator to let him know.

If this is a one-time occurrence, many would say it's not micromanagement and that the trustee is simply being helpful. The trustee likely does not intend to direct staff work. However, it fits the definition of micromanagement in that an individual trustee has called a staff member other than the CEO and essentially told him or her what to do. A better alternative is for the trustee to talk with the CEO (or established designee) when she gets to the board meeting.

Consent Agenda

The board meeting always includes a consent agenda that covers personnel hiring and routine contract and purchase approvals. Trustee B regularly removes the items on contracts and purchasing from the agenda, so that he can review the process for each item to ensure the staff did enough to get the best price.

Individual trustees have the right to remove items from the consent agenda and should do so if they need to discuss the item. However, the consent agenda is designed to quickly deal with routine and required approvals so that time can be spent on discussion of strategic educational issues.

Trustee B's actions take up a great deal of time and reflect a lack of trust in administrative decisions, and therefore are micromanagement. The board should address the reasons behind his actions. Is it a lack of clear policies and procedures on contracts and spending, or a lack of support for the policies? Do the procedures adequately ensure that purchasing processes are legal, fair, and that there are adequate checkpoints? Are the dollar amounts that determine whether a purchase or contract requires board approval set at the right levels? Does Trustee B have a reason to distrust administration? Is he attempting to show that he is performing his fiduciary role?

Possible solutions include revisiting the policies and auditing

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Charles Meng

Cindra Smith

It fits the definition of micromanagement in that an individual trustee has called a staff member…and told him or her what to do.

Scenarios: Is the Trustee Micromanaging?

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the procedures to assure Trustee B that the purchasing and contracting are fair, prudent, legal, and contain adequate checks, and that the administration can be trusted. Other trustees may talk with Trustee B about how his activities are interfering with board time for other discussions. They may help find other ways to exhibit their responsibility for fiduciary oversight.

Planning Committee Member

Trustee C is a member of the college's planning committee. The chair of the committee, out of respect for the board member, always makes sure to seek her opinion on the proposed revisions to the college goals. The board member reports to the board each month on committee activities.

Including trustees on college planning committees provides a trustee perspective and link to the board. The intentions are good, but the practice may be a step on the slippery slope. Trustees, by virtue of their positions, have much inherent authority and power. In this situation, the individual trustee's opinions may have too much influence and are thereby "micromanaging" the planning process. She should refrain from active participation on the committee.

Monitoring Student Success

Trustee E wants to know what the graduation rate of student athletes is and what kind of support is provided to ensure that they graduate. He doesn't want to bother the CEO, so he calls the athletic director to find out that information. The athletic director calls the director of research, who then begins preparing the report.

While it is laudable that Trustee E is interested in student outcomes and services, his request to the athletic director has the effect of directing staff time and is therefore micromanagement. Trustee E should contact the CEO, who can provide both background information and knows the implications of the request for staff time. If the CEO judges that the request would take substantial time, he or she can refer the request to the board as a whole for approval. The CEO also can ensure all trustees receive the same information.

Responding to Community Complaints

A student's parent, who happens to be on the college's foundation board of directors, calls Trustee F to complain about her daughter not getting into the nursing program. The trustee calls the CEO to find out why and asks the CEO to call the parent.

It is not micromanaging to ask the CEO to respond to questions from community members.

At the next board meeting, Trustee F asks for a report on how students are admitted into the Nursing Program. After the meeting she tells a newspaper reporter that she is conducting an investigation into the admission process.

It is not micromanaging to ask for reports on college processes at board meetings; however, as stated earlier, expecting reports without considering the ramifications involved can lead to problems.

Trustee F crossed the line into micromanagement when she announced an investigation to a reporter. She is now operating independently and is not participating effectively as part of the board unit.

Cutting Programs

After hearing a staff report at a board meeting about proposed program cuts at outreach centers in the district due to budget constraints, the board expresses concern that the students and enrollment in the outreach areas will be disproportionately affected. The board asks the CEO to find a way to keep the centers operating fully.

The board has acted as a whole to direct the CEO to revisit budget cutbacks. Whether or not the colleges provides service throughout the district and who the college serves are policy issues and appropriately the role of the board. ■

Reframing Board Roles: Works by Richard Chait

Richard P. Chait is a professor of higher education in the Harvard School of Education and an expert in board governance. A number of his recent publications have focused on problems of micromanagement and reframing the work of boards, and are highlighted below.

■ Governance as Leadership

By Richard P. Chait, William P. Ryan, and Barbara E. Taylor. Published by Board Source and John Wiley and Sons, New Jersey, 2005. 198 pages.

Governance as Leadership describes three important roles for boards: fiduciary, strategic, and generative. Boards that operate in all three modes are macro-governing, not micromanaging.

The fiduciary role is familiar to most boards. It addresses the stewardship of tangible assets such as the budget, the facilities, and compliance with state regulations.

The second mode, thinking strategically, starts to define high performing boards. In this mode, boards focus on the mission and the positive impact the college has on the community.

In the generative mode, boards provide leadership for the college. When boards engage in generative thinking, they tap into their creativity and the power of working as team. Generative thinking engages trustees, CEOs and college staff in questioning, exploring and generating ideas. This mode is not intended to abrogate the CEO role or expertise; rather, it is designedto provide more input into the process in order to reach better decisions.

The book includes examples and activities to help boards and CEOs strengthen their performance in all three modes of governance. It is an outstanding resource to help trustees and the CEO review past successes and, through a deliberate approach and thoughtful series of questions, explore what future they want for the board, the colleges, and the community.

■ "Why Boards Go Bad"

Richard P. Chait, in *Trusteeship*, Association of Governing Boards, May/June 2006, and the February 17, 2006 issue of the *Chronicle of Higher Education.*

"Every time maverick trustees practice freelance governance or a board overvalues or undermines the president, the odds tip a little more toward calamity." Two primary reasons for substandard governance are:

Most boards are orchestras of soloists. Individual trustees act alone or as part of a subset of the board. The power and benefit of a board is the plurality of perspectives focused on the good of the college. Clear guidelines for how trustees communicate with, direct, and intercede for constituencies and staff help prevent trustees from governing as individuals. Effective boards have independent thinkers, not independent doers.

Many boards tend to either lionize or trivialize the president. Boards that do the former simply review the plans and problems presented by the CEO, rather than engage in discussions to frame the crucial issues that the CEO should tackle. Boards that trivialize the president view CEOs not as educational leaders, but as civil servants to do the board's bidding. High performing boards do neither: they work in partnership with the CEO.

Avoiding these pitfalls requires that trustees assume responsibility for being a high performing board by regularly assessing board performance, holding study sessions on key issues, and adopting and enforcing expectations for board members.

■ "How to Keep Trustees from Being Micromanagers"

Richard P. Chait, *Chronicle of Higher Education*, May 6, 2005

Most trustees prefer to be engaged in complex problems of substantial importance, not the day to day trivia of colleges. However, three factors can

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Preventing micromanagement means engaging boards in discussions that identify the questions to be asked about the institution's future.

Reframing Board Rules

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lead to micromanagement and should be avoided:

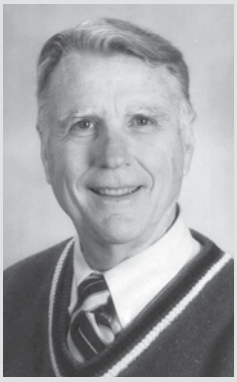
- Boards are structured to micromanage when they consist of committees that replicate the administrative organizational chart.
- Trustees are invited to micromanage when they are asked to review details of plans, policies, and projects.
- Trustees are relegated to micromanagement when college presidents do not share the responsibility for the college's mission, values, culture, and agenda.

Preventing micromanagement means engaging boards in discussions that identify the questions to be asked about the institution's future, which capitalize on the wisdom and values of trustees. CEOs can foster macrogovernance by involving boards sooner and more deeply in defining the questions on issues essential to the vitality of the institution. ■

The Importance of Clear Delegation

BY WADE KOENINGER

Trustee, Mendocino-Lake Community College District



Wade Koeninger

MICROMANAGING HAS DIFFERENT CAUSES. Some trustees may feel the CEO is too weak, or too strong, and that the trustee's job is to protect the institution by involving themselves in the operations. Other trustees may not be concerned about the CEO, but have their own agenda, or feel that the role of the trustee is to hunt for possible problems. Trustees may also have a basic personal dislike or bias, which might be expressed as badgering and hostile questioning.

The starting point, indeed the *sine qua non*, of good trusteeship is to recognize that the board (not a single trustee) has the legal right to give direction to only one employee, the CEO. If an individual trustee wants anything done in the college, even trivial matters, the trustee's first thought should be to talk with the CEO. In most instances the exchange of information between the trustee and the CEO will lead to a resolution.

Defining micromanaging depends in large part on the extent to which the delegation of responsibility to the CEO has been clearly defined. If there is ambiguity about the authority delegated to the CEO, there is also ambiguity as to what constitutes micromanaging. For example, if it is unclear whether or not the CEO has been delegated the responsibility for all personnel decisions, the board may feel it should be consulted before staffing decisions are made. On the other hand, if the board has expressly delegated such authority to the CEO, then any attempt by the board to dictate or even approve staffing decisions (except as may be required by law) is definitely micromanaging.

By maintaining both a healthy relationship with the CEO, and a clear understanding of what responsibilities have been delegated to the CEO, the governing board can prevent or minimize micromanaging.

Thus, trustees can concentrate on broad policy and their responsibility to regularly monitor in order to see that policy is adhered to, in fact and spirit. ■

The Importance of Trust

BY GARY DAVIS, PH.D.

Dr. Davis consults regularly with community colleges boards and is a past executive director of the Illinois Community College Trustees Association.

Trust. It's worth its weight in gold and it can be nurtured. What has your board done this month to foster trust?

Gary Davis

WHEN WORKING WITH BOARDS, the questions I get most often are "How can we build trust?" and "How can we restore trust?"

Mistrust in organizations is not uncommon. Robert F. Hurley, in an article in the September *Harvard Business Review*, notes that "roughly half of all managers don't trust their leaders," which he discovered when he surveyed 450 executives in 30 companies around the globe. Hurley tells us what we already know about the effect of eroded trust. When we don't trust our colleagues or our bosses, the cost of doing business increases sharply. Efficiency falls off. Stress increases.

Clearly trust is good for organizational health. Hurley uses the research of social psychologist Morton Deutsch when he offers a model for trust. According to Deutsch and Hurley, the chances of my trusting another person increases to the degree that I:

1. am risk tolerant
2. am well-adjusted
3. am similar to the other person, with common experiences and common values
4. share the same interests as the other person
5. have been the beneficiary of the other person's concern
6. feel that the other person is competent
7. have observed the other person's integrity and predictability
8. have open lines of communication with the other person

I can't do much about items 1) and 2) for as Popeye says, "I am what I am." My organization and I can work on items 3 through 8, however.

Similarity and Shared Interests. Boards and presidents could take time to get to know each other better. As they share experiences and find common values, they will find that trust comes more easily. Presidents and trustees can identify common interests. Usually the students' success is a commonly shared interest and trusting boards spend time reviewing the success of the college's students.

Beneficial Actions. People can do nice things for each other. Boards can extend support to a president by demonstrating that the president's and his or her family's welfare is important to the board. The wise board ensures that presidents don't overwork, take time for themselves, and engage in professional development activities. The president can show an appreciation for the trustee as well, by demonstrating a concern for and accommodating trustees' personal and professional lives.

Addressing Competency. When failures lead to a suspicion of incompetence, the wise board will address the issue swiftly and surely. Unexpressed feelings about the other person's incompetence destroys trust. Sometimes deficiencies can be quickly remedied. Sometimes that is just not possible. Both boards and presidents should realize that removing a person (or persuading a person to leave a position for which he or she lacks requisite skills) actually constitutes a favor to the person affected.

No Surprises. Both boards and presidents should avoid erratic or unpredictable actions because erratic actions erode trust. The old rule of "no surprises" builds trust. The rule does not mean that the board will know everything that's going on at the college. Rather, it means that the board will not be jerked around by the erratic actions of the president. In a similar way, trustees will not act erratically in their own role and in relation to the president.

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Board Focus

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The Importance of Trust

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Honest Communication. Finally, trust grows when the board and the president regularly—at least once a year—find a safe setting and put their cards on the table. Open lines of communication build trust. Both the president and the trustees must guard against defensiveness when their actions are questioned. First the criticism must be understood and the person making the criticism must be convinced that the person whose actions are being questioned understands the concern. Only when the critic believes that he has been heard is it time to move the discussion forward with a suggestion on how future challenges might be satisfactorily met.

Trust. It's worth its weight in gold and it can be nurtured. What has your board done this month to foster trust? After all, you are called the "trustees." ■

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