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Board Governance, Seeking Best In Class: Perspectives from Chief Executive Officers Serving as Academic Trustees

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BOARD GOVERNANCE, SEEKING BEST IN CLASS: PERSPECTIVES FROM CHIEF EXECUTIVE OFFICERS SERVING AS ACADEMIC TRUSTEES

By

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DEDICATION

As a life long learner and scholar of the written word, I reveled in the inspiration and wisdom offered by the sage advice of these Ethical Leaders.

“By day the sun cannot harm you, nor the moon by night. The Lord will guard you from all evil and will always guard your life. The Lord will guard your coming and going both now and forever.” Psalm 121:6, Kind David, born approximately 1040 BC.

“The Leader is best, when his work is done, his aim fulfilled, the people say, ‘We did it ourselves.’” Lao Tzu, Chinese philosopher, born approximately 500 BC.

“He who goes about to reform the world must begin with himself, or he loses his labor.” St. Ignatius of Loyola, born AD 1491.

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ABSTRACT

This study addressed the convergence of academic and corporate board governance practices. The qualitative description case study was conducted through interviews with chief executive officers (CEOs) who also served as academic trustees. The purposive sample of chief executive officers represented six colleges and universities located in the Midwest and Eastern states in the USA, and they embodied diversity in terms of gender and race. The interview approach brought to the fore the perspectives of the participants themselves comparing the two board governance models. Board meetings are convened behind closed doors, and the interviews allowed the researcher to glean the best practices of the two governance traditions, as described by the participants. The study findings identified the CEOs' perspectives on board member selection and expertise; making decisions; maintaining mission and shareholder value; and, personal and professional rewards. The study also documented the views of CEOs comparing corporate and academic board governance on: Corporate influences, notable distinctions, academic lessons, and best practices in a unique discourse on the convergence of their corporate and academic governance experiences.

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CHAPTER I

INTRODUCTION

Governance boards are responsible for the ethical, legal, and operational oversight of the organizations they represent signifying important consequences for society (Hambrick, Werder, & Zajac, 2008). In the social dynamic of principal agency theory within organizations, the duties of governance are charged to boards of directors in the corporate construct and in boards of trustees in academia (Adams, Hermalin, & Weisbach, 2010; Bastedo, 2009). Governance boards are sanctioned to protect the public interest. In this descriptive case study of board governance, the following chapter will introduce the research problem, discuss the background on the research, and present the research questions. The chapter will further identify a description of study terms, highlight the significance of the study, and disclose the process to accomplish the goals of the study.

Statement of the Problem

The responsibilities of board members in both corporations and higher education include financial oversight in addition to the realms of risk management, integrity, and accountability (Oxholm, 2005). There is limited academic research available on corporate and academic board governance. Modern day corporate governance is often described in literature as evolving from an effort to protect shareholder interests, as the growth of corporations in the nineteenth century increased the number of shareholder investors (Wells, 2010).

Academic governance can be traced to colonial America when early colleges drew from English common law tradition with states granting charters to higher education institutions establishing the organizations as public entities. Early academic governing boards were often populated with state political leaders (Bastedo, 2009). This arrangement was challenged in 1815, when the president of Dartmouth College attempted to preempt his board of trustees by altering the college charter to expand the size of the board from four to 21, in order to convene a self-interested majority of trustees. In the landmark case of *Dartmouth College v. Woodward* (1819) the original trustees sought prevention of the adoption of the new charter. The Supreme Court ruled the original charter was a contract between the state and the trustees, and it could not be altered without mutual agreement (Bastedo). The case stands as an example of trustee autonomy in higher education. Today, private colleges and universities are chartered by states, but governed as directed by the organizations' bylaws (Bastedo).

Over the years, corporate board governance evolved into a highly government regulated model, while academic board governance remained unregulated and less formal despite comparable levels of oversight duties (Hambrick et al., 2008). Jackson, Davis, and Jackson (2010) described the structure of the six regional associations of higher education accreditation in the United States, which share common accreditation compliance standards. Regional accrediting associations hold academic governing boards accountable for certain aspects of institutional operations in addition to rigorous academic standards for granting degrees. According to the Higher Learning Commission of the North Central Association (2013), the Commission accredits an educational institution itself, but not the entity owner of the institution. Higher education commissions do not regulate academic board structure and responsibilities (Jackson et al.). The Association of Governing Boards of Universities and Colleges (2010) acknowledged a lack of government regulation in academic governance*:*

> America's public and private institutions also depend on government, but they historically have been accorded autonomy in carrying out their educational functions through the medium of independent governing boards, working collaboratively with presidents, senior administrators and faculty leaders. (p. 1)

This study examined insiders' views of the experiences of corporate and academic board members in order to contribute to the body of literature with a qualitative descriptive case study of board governance.

The purpose of the study was to gain knowledge of the organizational dynamics of board governance typically conducted in closed sessions. This study aimed to add to the body of knowledge on board governance.

Background

Corporate governance launched into public scrutiny due to scandals and malfeasances, which contributed to the financial collapse of organizations such as Enron in 2001, and WorldCom in 2002 (Smith, 2007). In response to public demand for government intervention and protection, Senator Paul S. Sarbanes, a Democrat from Maryland and Congressman Michael G. Oxley, a Republican from Ohio, introduced legislation to mitigate risk for citizens who invest in publicly held corporations (Oxholm, 2005). The Sarbanes-Oxley Act (2002) was passed by Congress, "To protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes" (Sarbanes-Oxley Act). According to Oxholm,

> Sarbanes-Oxley does not rest with imposing new requirements on a corporation's management and giving new powers to government prosecutors to enforce compliance. Instead, it totally rewrote the obligations of those who are in a good position (if not the best) to check up on management: the board of directors and the external (independent) auditors. The Act now puts them at personal risk if a corporation under their review misrepresents its financial condition or otherwise violates the disclosure laws. (p. 364)

The Act does not pertain to non-profit organizations.

The financial failures of Enron and WorldCom resulted in board directors' fraudulent liability for Enron board members of $168 million of which $13 million was passed on as personal board member liability. In the case of WorldCom, directors' fraudulent liability totaled $36 million of which $18 million was passed on as personal board member liability. The financial liability assessed to board members generated heightened interest in the roles and responsibilities of corporate boards (Adams et al., 2010). The Sarbanes-Oxley Act (2002) further required the Audit Committee be composed of outside directors of the board, as well as requiring the chief executive officer and the chief financial officer certify their organization's financial statements (Sarbanes-Oxley Act).

Traditionally, corporate and academic governing boards meet privately without the opportunity for direct observation. The private setting of board meetings contributes to the perceptual lack of understanding of the roles and responsibilities of corporate and academic board members. Gee (2006), in discussing the convergence of corporate and academic governance practices suggested, "We need to recognize the basic differences between the two sectors in order to understand what constitutes ‘best practices’ for both” (p. 26).

Academic board governance in private colleges and universities is a non-regulated organizational construct serving the public interests in higher education. With responsibilities equivalent to their corporate counterparts, academic boards also have oversight duties in a principal agent dynamic (Bastedo, 2009). Academic board governance lacks government regulations to monitor ethical behavior and the formal oversight and personal liability required of corporate boards.

According to Goins, Giacomino, and Akers (2009), there is evidence that a number of universities and colleges have voluntarily adopted best practices from the Sarbanes-Oxley Act of 2002. Based on a survey of 100 college and university audit directors, the researchers revealed a disparity existed among private and public universities in the area related to external audit services. The data revealed that private universities showed a greater degree of implementation of Sarbanes-Oxley practices.

Corporate board members are sought out to serve on academic boards for their business acumen and their ability to financially support the institution (Bastedo, 2009). Individuals serving on both corporate and academic governance boards provide an opportunity for formal, regulated governance practices to be introduced to academic governance (Oxholm, 2005). One method of gaining insights to the board governance dynamic is to conduct individual interviews to garner perceptions of participants’ experiences. It is unknown how academic governance is, will be, or should be influenced by the exposure of regulated governance practices being introduced to the non-regulated academic governance environment.

This study focused on gathering perceptions of corporate chief executive officers who also serve as trustees in private colleges and universities to determine how they describe their experiences of serving within the two governance models. The study analyzed how corporate governance requirements or behaviors influence private college and university board governance.

A lack of academic research on both corporate and academic board governance is acknowledged in current literature. Studies such as Ning, Davidson, and Wang (2010) examined optimal corporate board size as a function of firm value, while Jiraporn, Singh, and Lee’s (2009) research focused on corporate governance effectiveness in relation to the number of board committees each director was assigned. The quantitative studies relied on empirical data available in public databases, such as the Investor Responsibility Research Center and corporate proxy statements filed with the Securities and Exchange Commission (SEC). Pusser, Slaughter, and Thomas (2006) looked into forms of organizational networks on academic governing boards based on director interlock relationships published in public databases. These studies did not include perspectives from the board members themselves.

There is a lack of corporate governance research focusing on the experiences described by board members from within this bound group. This qualitative descriptive case study supplied new information on board governance by gaining insights to document best practices in corporate and academic board governance functions, while introducing the potential for a future field of academic research.

Research Questions

This study gathered perspectives of chief executive officers who served on academic boards, and the study addressed the following research questions:

1. How do chief executive officers who serve on both corporate and academic boards describe their experiences comparing the two governance models in terms of decision-making efficiency, personal and professional rewards, and commitment to the mission of the organizations?
2. How do chief executive officers perceive corporate board governance influences academic board governance?

Description of Terms

Board Governance. Derived from Latin term Gubernatus, "to steer" or "to give direction," described the oversight responsibilities of a leadership group (Cornforth, 2012, p. 1121).

Coding. The action of identifying a passage or text that exemplifies an idea or concept (Gibbs, 2007).

Corporate board. Corporate board members are individuals elected by vote of shareholders of the corporation for specific terms (Sarbanes-Oxley Act, 2002).

Dartmouth College v. Woodward (*1815*). A court case filed by trustees of the college against the president of Dartmouth College who attempted to increase the number of board trustees in defiance of the state charter. The Supreme Court ruled in favor of the trustees (Bastedo, 2009).

Elite interview. An interview with a person or persons who are leaders or experts in a community or in powerful positions (Kvale & Brinkmann, 2009).

Enron. A firm that was located in Texas accused of fraudulent accounting practices in 2001, and became the impetus for the Sarbanes-Oxley Act (2002) (Smith, 2007).

Gatekeeper. People regulating formally or informally the access to a research field (Flick, 2007a).

Informed Consent. Participants in a study are informed that they are studied and given the chance to say no to the research (Flick, 2007a).

Insider. Officers, directors and principals of firms who own company stock (Sarbanes-Oxley Act, 2002).

Sine qua non. A French language term describing prolonged engagement in site-based fieldwork in ethnography research for exposure to a group's natural setting (Leedy & Ormrod, 2013).

Private Academic Board. Members charged with oversight of the academic organization by approval of the existing board (Bastedo, 2009).

Public Academic Board. Members charged with oversight of the academic organization usually by governor appointment (Bastedo, 2009).

Publicly held companies. Firms listed on exchanges where the ownership of the firm is controlled by shareholders (Sarbanes-Oxley Act, 2002).

Sarbanes-Oxley Act of 2002. The Act was signed by President George W. Bush on July 30, 2002, contained reforms designed to change corporate governance in publicly held corporations (Smith, 2007).

Security and Exchange Commission. The United States Government agency authorized to enforce the Sarbanes-Oxley Act (2002).

Significance of the Study

The qualitative methodology was used to gather impressions on the dynamics of board governance, usually conducted behind closed doors (Leedy & Ormrod, 2013). The qualitative study was comprised of interviews, observations, and comparative research with members of a specific group of chief executive officers who are not often available to contribute directly to academic research. These design tools supported the purpose of the study, which was to gather impressions of the how corporate board members describe their experiences serving on both corporate and academic boards in order to add to the body of knowledge on board governance.

According to Robson (2011), interviews are usually written in a literary style, which can be an advantage to researchers with a non-scientific background. In an environment that does not lend itself to observation, interviews provide authentic impressions of board governance experiences, as a method of responding to the research questions.

The population for the study was a purposive sample of governance participants comprised of chief executives officers of organizations who served as members of both corporate and academic boards of private colleges and universities. The sample size was 11 chief executive officers who were interviewed to gain their perspectives and experiences of their dual director and trustee roles. The study participants represented a diverse population in terms of gender and race. The chief executive officers represented six academic institutions located in the Midwest and Eastern geographic areas of the United States. The researcher had the opportunity for direct observation in the role of a professional board governance administrator at a private university located in a major city in the Midwest of the United States of America.

Process to Accomplish

The qualitative case study method is suitable when the research seeks to respond to a descriptive question (Gay, Mills, & Airasian, 2012). This case study relied on the components of individual interviews and direct observation, which examined the experiences of board members in order to gather insights on the dynamics of corporate and academic board governance. As Creswell (2013) noted, case study research approach investigates a bounded system, as it is happening, in order to interpret the experiences in order to make them known to outsiders.

Salkind (2012) noted that qualitative research was a unique opportunity to seek knowledge on social and behavioral science. As a design tool, interviews allow data collection in a broad experiential scope compared to the narrow environment required when research is designed for a specific hypothesis (Letendre, 2004). The interviews gathered a broad body of knowledge from insiders of a purposive sample group of individuals who served as chief executive officers on corporate boards and academic trustees. In describing interviewing as a method for gathering qualitative data, Kvale and Brinkmann (2009) noted an “inter-view” as an “inter-change” of views between two people about a topic of mutual interest rooted in conversations of daily life (p. 2).

The purposive sample size was 11 chief executive officers who Kvale and Brinkmann (2009) labeled elite interview candidates due to their prominent roles in the business community. The researcher sought approval from the host University Institutional Review Board (IRB), as the study relied on human subjects. The researcher ensured that validated and ethical procedures were observed. The researcher solicited the support of the president and the board chairman of a university located in a major city in the Midwest of the United States of America to act as what Flick (2007b) referred to as gatekeepers who can open doors to the field to find the right people to interview. The gatekeepers provided introductions to some subjects for participation in the study, while other subjects were associates of the researcher. The researcher contacted the participants by telephone and by electronic email to arrange to meet with the chief executive officers who agreed to participate in the study. All participants were mailed a letter approved by the IRB Committee of the host University to formally seek their participation in the academic study. The participants were not paid, and the researcher obtained informed written consent from the adult participants, as representatives of their corporate organizations.

The researcher had two decades of board governance *sine qua non* or indispensable observation exposure, which Leedy and Ormrod (2013) referred to as a useful cultural component in qualitative research. The researcher's direct observations and familiarity with board governance was useful, as Kvale and Brinkmann (2009) noted that interviews with elites require the researcher to be knowledgeable about the topic, as well as being a master of the technical language. Elites are comfortable being interviewed, and the researcher had to be cautious of subjects exchanging prepared viewpoints instead of new insights.

The procedures for the semi-structured interview protocol included scheduling one-hour person-to-person interviews that were digitally recorded for transcription. The interviews were conducted within a 45-minute period of time, allowing for a wrap-up session that did not exceed an interval of one hour. All interviews were conducted during consistent allotted time parameters. The subjects were asked the same set of semi-structured interview questions to provide a methodical opportunity to gather responses. Before conducting the interviews, the interview questions were piloted by three board governance experts to validate authenticity.

The interviews were digitally recorded for a thorough, replicated data collection process. The interviews were scheduled and conducted over a one-year period commencing in June 2013. The process is further discussed in the qualitative research methods section.

The qualitative descriptive case study explored the following research questions:

1. How do chief executive officers who serve on corporate and academic boards describe their experiences comparing the two governance models in terms of decision-making efficiency, personal and professional reward, and commitment to the mission of the organizations? Examples of the semi-structured interview questions are described in Appendix A.

2. How do chief executive officers perceive corporate board governance influences academic board governance? Examples of open-ended questions are described in Appendix B.

The researcher transcribed the entire interview, as Creswell (2013) suggested that interviews require the voice of participants to speak for themselves, while associating the author's preconceived ideas measured against the actual feedback (Salkind, 2012). Gibbs (2007) recommended the researcher transcribe the interviews using a transcription machine or by digitizing the recorded interview as an acceptable alternative method.

Transcription methods are helpful for discourse analysis or conversation analysis by allowing the researcher to listen for common themes that may be missed by computer generated transcription software.

Gibbs (2007) suggested software known as computer-assisted qualitative data analysis (CAQDAS) to analyze qualitative data contained in transcripts. Several commercial applications available were: ATLAS.ti, MAXqda, NVivo, and Nud.ist, which have useful search functions, as well as the ability to import and edit rich text files capable of coding down to a single word search. The repetition of code words can lead to common themes analysis. The transcripts were analyzed by categorizing data into common themes with CAQDAS software and researcher interpretation.

Gibbs (2007) acknowledged the use of software in qualitative analysis, referred to as theory builders, can provide researchers with the tools to develop and test theories. A potential caution to the use of CAQDAS was pointed out that researchers could become distant from the words of the respondents. Accordingly, Flick (2007a) acknowledged that writing has a critical role in qualitative research, “Writing is about research and the procedures used in it becomes an important instrument for conveying what was done in the project, how it was done and how well it was done” (p. 139). The researcher’s training in professional writing was utilized in the transcription phase of the qualitative descriptive study.

With respect to the ethical aspects of the study, the researcher protected the anonymity of participants by using pseudonym names to maintain confidentiality, as Flick (2007b) suggested. During interviews, research questions addressed personal experiences and the researcher had an obligation to maintain the privacy of the interviewees. Kvale and Brinkmann (2009) noted that ethical issues evolved throughout the research process and should be considered an important element in the interview protocol. Some of the phases where potential ethical concerns should be monitored were: during the interview situation, which can be stressful for the subjects; in the transcription phase, which required the research to be loyal to the subject's statements; and, in the analysis phase, which necessitated being true to the words of the subjects. In order to reduce interviewer bias, the researcher must refrain from social cues indicating approval or disapproval of participants' responses (Salkind, 2012).

Summary

The researcher proposed to examine how corporate governance requirements influence private colleges and universities governance practices by gathering the perspectives of CEOs serving as academic trustees. The researcher conducted a qualitative descriptive case study, which included semi-structured interviews and direct observation for data collection. The interviews were conducted with chief executive officers who served on both corporate and academic boards to garner their perspectives on the experiences of serving on the two governance models. The research themes evolved from a review of current literature, as detailed in the following chapter, as well as the data detailed in the methodology discussion.

Despite the lack of academic research on corporate and academic research from an insider's viewpoint, a review of current literature broadens the context of the dynamics of board governance, as a backdrop to the research. The following chapter further supports the social relevance this qualitative descriptive case study offers to the Academy.

CHAPTER II

REVIEW OF THE LITERATURE

Introduction

The focus of research, studies, and articles on board governance differs between corporate and academic board governance. Corporate board governance research is embedded in discussions related to firms' financial performance and accountability to shareholders. These topics are not relevant to academic board governance. Academic governance research tends to focus on trustee qualifications and their level of institutional knowledge. This study expanded the focus of governance research by incorporating the words and opinions of the participants themselves who served on both corporate and academic boards, as a method of bridging a gap in academic research. Stone and Ostrower (2007) contended that governance models exist in most organizations, whole societies, and communities. Carver (2010) described governance as a worldwide phenomenon found when individuals working on behalf of others exercise authority and accountability over enterprises such as corporations, non-government organizations (NGOs), governments, and non-profit organizations.

According to Rytmeister (2009), university governance was a unique form of corporate governance with many similar structures to corporate governance. Universities were complex institutions in terms of accountabilities to internal constituencies and external stakeholders. In lieu of shareholders in the corporate spectrum, universities have many stakeholder groups such as students, faculty, staff, community members, and governmental groups. The author acknowledged a deficiency of empirical research on academic governance (Rytmeister).

Adams et al. (2010) observed that much of the research on corporate board governance focused on board member selection and board decision processes. Their research looked at a body of literature concluding that corporate research falls within three categories: board member selection, firm performance, and board actions. The study uncovered several descriptive surveys that reflected directors' responsibilities, assessment, bargaining power, chief executive officer control, and attributes of the roles and responsibilities of board members. However, the researchers did not report locating descriptive research containing interviews with the elites, in their own words, such as this descriptive case study.

In addition to the lack of corporate and academic research on governance, the book-publishing arena also witnessed a gap of governance literature as uncovered by Chait, Ryan, and Taylor (2005) in a 2003 search of the database of book retailer Barnes & Noble. The authors noted there were 27,220 books on leadership, in contrast to 2,349 books with the keyword of governance. This represented a ratio of 12 to 1.

This qualitative descriptive case study aimed to compare and contrast the two governance structures of corporate governance and academic governance by exposing shared characteristics, unique delineations, and the intersection of best practices from both governance traditions. The study relied on interviews conducted with chief executive officers serving as academic trustees to provide first-hand knowledge on their perceptions of the two governance models of corporate and academic governance. Chapter II concentrates on current literature related to the topics of: Chief Executive

Officers as Governance Participants, Board Governance Characteristics and Distinctions, Board Governance Discourse, and summarizes the discussion with a Conclusion. The chapter commences with The Work of Governance Boards.

The Work of Governance Boards

Historical Context.

The term governance originated from the Latin word *gubernatus* meaning to steer, give direction, or manage (Harrison, Murray & Cornforth, 2012). According to Stone and Ostrower (2007), during the past 25 years, there was political pressure to reduce the government's scope and to shift responsibilities for public policy governance implementation to nongovernmental entities. The researchers affirmed the boundaries between nonprofit governance and public governance were increasingly fluid and overlapping suggesting that research on governance must develop to encompass the two relationships. The authors asserted that drawing on two dissimilar governance structures could strengthen each interpretation, which was the breadth and depth of this research.

A common definition of modern-day academic governance has been described as one of deference to the academic authority of the organization (Balch, 2008). According to Balch, this position contrasted to trustees' roles in the past, when trustees believed they had a responsibility to override the academic leadership when necessary. The author contended that unlike corporate boards, where the governance body and leadership strive toward mutual understanding, academic governance has developed a governance model of parallel paths among trustees and leadership.

A study by Adams and Ferreira (2007) defined the role of corporate directors as both advisors and monitors of management. The hypothesis tested the dual responsibility of independent directors and their relationship with the chief executive of the organization. The purpose of the research was to determine whether the chief executive should reveal too much or too little information to the directors, when the chief executives' goals were centered on creating a friendly relationship with board members.

The researchers determined that the approach of sharing too little information between the chief executive officer and independent directors allowed for potential conflicts of interest among independent directors. The data inferred that when there was a friendly relationship between the directors and the chief executive officer, higher quality advice was given to the chief executive officer, thus protecting shareholder value, which was considered a primary objective of corporate board effectiveness. Chait et al. (2005) discussed the valuable and meaningful characteristics of the work on non-profit boards through this visual framework.

Table 1

Valuable and Meaningful Work of Nonprofit Boards

Actual Work	Valuable Work	Meaningful Work
Attending board and committee meetings	Working on and completing the capital campaign	Interacting with constituents
Authorizing a capital campaign	Hiring a new CEO	Identifying and working to solve really important issues like how we're going to increase participation in our programs
Hiring a new CEO		
		Annual retreat, were we discuss the issues we should be working on to advance the organization

Note. Adapted from Governance as Leadership: Reframing the Work of Nonprofit Boards by R. P. Chait, W. P. Ryan, and B. E. Taylor, 2005, p. 172. Copyright 2005 by John Wiley & Sons, Inc. Reprinted with permission.

In further defining the roles and responsibilities of governing boards, Chait et al., defined three responsibilities of governance leadership as fiduciary or stewardship of assets; strategic or the partnership with management; and, generative defined as the ability to add value to the organization.

Figure 1. Three primary responsibilities of governance boards. Adapted from *Governance as Leadership*, by R. P. Chait, W. P. Ryan, and B. E Taylor, 2005, p. 7. Copyright 2005 by BoardSource, Inc., John Wiley & Sons, Inc.: Hoboken, NJ. Reprinted with permission.

In a similar vein, Carver (2010) conceptualized the notion of global governance theory as a theoretical basis for future research. The theory's range concentrated on: The purpose of boards; the irreducible minimum elements of accountability among varied governance venues; and, the concepts and principles that would enable those characteristics to be optimized.

Carver (2010) maintained that current literature focused on the components of governance tasks, in contrast to global governance theory, which was larger in scope and more rigorous and foundational than the traditional subordinate topics. Global governance theory promoted use of a common governance language and terminology, and it sought to improve the public perception of corporate board members to be viewed as competent, ethical, and accountable stewards.

Chief Executive Officers (CEOs) as Governance Participants

Chief Executive Officers (CEOs) are favorably sought out to serve on governance boards. Larcker and Tayan (2011) pointed out that CEO-level experience was the single most important factor in recruiting new corporate directors according to the National Association of Corporate Directors 2009 survey of public companies. The authors ascertained that interlock relationships among CEOs account for the common practice of CEOs of blue chip companies serving on other equally prominent corporate boards. The researchers provided the example of the CEO of Archer Daniels Midland also served on the board of Proctor and Gamble. There is growing interest in academic literature on the CEO directorships examining the use of social power; impact on firm performance; and interlocking relationships to name a few (Fahlenbrach, Low, & Stulz, 2008; Adams et al., 2010; and, Pusser et al., 2006).

According to Fahlenbrach et al. (2008) the appointment of outside CEOs to corporate boards allowed firms the opportunity to advance their own reputation and to signal to stock market observers that the firms were doing well. Their research indicated that CEOs were more likely to join boards that already have sitting CEOs as members, which supported a prestige factor that directorships that provide financial and networking benefits were most attractive. This view was consistent with research conducted by Stern and Westphal (2010), which determined that board appointments were markers of success among the corporate elite members. The authors pointed out that there were ingratiatory behaviors that were more likely to yield board appointments. The researchers defined two forms of ingratiatory behaviors: flattery and opinion conformity. These were attributes that CEOs tap into when seeking outside board appointments, as well as being exposed to when selecting directors to their corporate boards (Stern & Westphal).

In a deeper examination into the role of CEOs in governance, research conducted by Harrison et al. (2012) suggested that there was a tendency to view CEOs in a positive light simply because of the luster of the role of CEO, irrespective of the specific individual. However, their study suggested that only respondents who believed their CEOs possessed competencies in specific leadership qualities viewed them as having high impact on the nonprofit sector organizations they served. Their study implied that the perceptions of the followers in nonprofit organizations were worthy of future research in determining the characteristics of leadership within organizations. This research study focused on the perspectives of CEOs, as an elite group, well versed in governance practices.

Board Responsibilities

There have been recent academic governance scandals. An example is the controversy at the University of Virginia, when the board fired and rehired the same university president within a three-month period in 2012 (Stripling, 2013). This academic governance scandal demonstrated disconnected perceptions between academic boards and university management at a prominent university. Balch (2008) asserted that trustees have an important role as mediators and leaders in the academic community. Balch's qualitative study on academic governance resulted in a recommendation that trustees interject more corporate-like governance attributes to academic governance in order to professionalize governance. Balch's recommendations supported the research goals of this dissertation in terms of gaining new information by soliciting the perceptions of chief executives officers serving on corporate and academic boards.

Brown's (2011) research supported Balch's (2008) call for professionalizing academic governance by determining whether the academic governance system was flawed or whether it was the best system of governance for universities based on systems adopted in the United Kingdom. Brown's research detailed some of the challenges and weaknesses with the current academic governance model detailed in previous research. Brown's conclusion that universities and colleges were moving toward private sector governance models in terms of accountability was supported by the observation that policy makers in the United States were attempting to hold leaders accountable as organizations focused on promoting efficiencies and effectiveness. Brown emphasized that major reconstruction and reform of academic governance structures were needed to parallel the corporate sector.

Feyerherm (2009) provided a contrary perspective to both Balch (2008) and Brown (2011) that examined the university senate model as compared to academic unions, and to the relationship between academic boards and academic leadership. Feyerherm acknowledged that as universities have grown in complexity, competing demands within institutions have evolved into a business-minded approach to governance. According to Feyerherm, academic governance was not analogous to corporate governance, as academic governance required co-learning and co-creating, compared to corporate governance's focus on fiduciary oversight and shareholder value. Feyerherm claimed that the collaborative model required in academic governance was a departure from the traditional top-down business leadership model. Feyerherm concluded that this distinction required for the academic governance model was dissimilar to the corporate governance model.

Board Governance Characteristics and Distinctions

Academic and Corporate Attributes.

Kerr (2004) conducted a study with experts in governance, which exposed a rift between academia and corporate governance, based on the hypotheses that academics do not consider business publications as academic research and business executives do not consider academic research in their business decisions. Kerr recommended methods to bridge the gaps and sought to discover new data on board governance. Kerr suggested that further research should focus on: topics that were current and important to practitioners; academic studies should be conversant with theory and include research pertaining to topics of interest to practitioners; publication outlets should attempt to reach targeted audiences; and, business managers and executives should be influenced by academic research.

Adams et al. (2010) presented descriptions of various surveys related to corporate governance and concluded that robust research was still needed to provide empirical data linking the determinants of boards and their monitoring structures. The researchers did not uncover research linkage to board member perceptions comparing corporate board service and academic board service or qualitative descriptive research from the participants themselves, which was the objective of this study. The researchers recommended future research opportunities should focus on exposing the relationship between strong board governance and the implications to business activities and board independence (Adams et al.).

Pusser et al. (2006) conducted an investigation of the interlock and indirect interlock relationships among academic trustees in research public universities and private universities in the United States.

> A variation of interlocks, indirect interlocks, occurs when directors of competing organizations serve together on a third board, as would be the case if a director of Oracle and a director of Intel served concurrently on the board of General Motors. (Pusser et al., p.749)

Interlock relationships were viewed as beneficial to organizations in several ways: access to leadership skills; access to financial institutions; access to current business models; and, relationship building among members.

The study relied on data collected by the National Science Foundation to determine the top 10 public and top 10 private institutions that received federal funds for research during the fiscal years 1999 to 2001. The researchers also looked at institutional records to identify the names of the board members of the 20 institutions (Pusser et al., 2006). There were 662 board members identified, and the study cross-referenced those board members’ names against corporate proxy forms filed with the United States Security and Exchange Commission to identify members of corporate board of directors. They determined that of the 662 board members of academic institutions, 413 were linked to corporate board positions with the potential of interlock relationships (Pusser et al.).

The study segregated the data applicable to the public and private institutions and noted that governing board members at public institutions have fewer members than private institutions (Pusser et al., 2006). The study suggested that the potential of finding interlock relationships increased with the size of the boards, thus putting public institutions at a disadvantage for interlock relationships over private institutions. The research revealed that the boards of private institutions were considerably more interconnected than boards of public institutions, and the private institutions had more interlock relationships with members of corporate board members of Fortune 1,000 organizations with expertise in leadership and decision-making skills (Pusser et al.).

Based on the data, it was determined that the size of academic governing boards influences the potential for interlock relationships (Pusser et al., 2006). Another conclusion of the study was that public academic boards have fewer interlock relationships due in part to the fact the board members were often appointed by state governors, compared to private institutions with a more robust pool of candidates from a variety of sources including other board members. One limitation of the research was the sample size consisting of the largest research-funded institutions whose prominent reputation rendered them attractive to corporate board members implying a potential bias.

Bowen (2008) suggested that the structure and function of corporate boards improved over the decade from 1998-2008. The research study identified the key components required to strengthen board governance. According to Bowen, the annual *Spencer Stuart Board Index* provided a source for gathering empirical data on board engagement, representation, and director balance of power. The recommendations for strengthening board governance were: understanding board partnership; recruiting board members for effective leadership; investment of time and resources for good governance; distinguishing nonprofit and for-profit board governance convergence; and, recognizing the rewards of board governance in both sectors. Due to pressure from activist shareholders, organizations have adopted oversight policies that strengthen governance roles. Bowen noted that the power of the executive leader required clear definition to improve collaboration with nonprofit board members. Building constructive partnerships was recommended for both the corporate and non-profit governance sectors.

Dobbins, Knill, and Vogtle (2011) developed a statistical framework to record higher education governance changes in Europe. Driven by pressure from the European Commission, economic, and social demands, higher education has undergone many changes over the years. They proposed a classification of empirical indicators in this field based on three historical higher education models: academic self-governance, state-centered model of governance, and the market-oriented model of higher education. Within the three models, the researchers considered specific industry indicators such as: balance of power, financial governance, personnel autonomy, and substantive governance matters in order to provide data for future researchers to trace patterns of change in academic governance.

Cultural Implications

Baird's (2006) research focused on developing an academic board culture to improve the quality of their governance outcomes. Baird acknowledged that excellent board governance was a difficult task that required trust, knowledge, and commitment, as well as the finesse to ask probing questions without challenging the authority of the chief executive officer of the academic institution. According to Baird, some literature suggested that corporate boards required a fitness test of board members, as they were charged with being effective in their board work. Baird acknowledged that academic boards do not require a similar expertise level of their board members primarily due to a lack of accountability as compared to corporate board members.

Effective academic board members were likely to endorse professional practices such as orientation and ongoing development of board members, reviewing the CEOs performance, and succession planning, as well as reviewing board members performance. Baird (2006) noted that the definition of an effective board was one that addressed the value-based and political dimension of the institution. Academic institutions were charged with serving both a public good and the development of productive citizenry requiring a business-like approach to governance rooted in accountability. Baird referred to the proposed model as the professionalization of university governing boards.

An Australian model of university governance monitoring was established in 2002, by implementation of an external audit conducted by the Australian Universities Quality Agency. The government agency monitored universities against their stated mission and objectives to determine the level of professional practices. The intervention used a business-model approach, which departed from the norms of Australian academic institutions.

Baird (2006) recommended several processes for enhancing university governance culture, such as:

- Acknowledgement of competing viewpoints in difficult decisions

- Identification of viewpoints held by each board member on the effective role of board governance
- Consideration of differing values on the strategic direction of the institution
- Commitment to design governance practices that include community members' engagement and celebrate the institutions academic tradition and core values
- Reflection by board members on research literature related to accountability and board governance

According to Rytmeister (2009), universities lacked the management processes for strategic and directional planning required for the increased competition for students, staff, and resources. The author noted that increased tension developed in role perceptions and practices when there were deficiencies in the defined role of management and the role of governance. The governance-management interface required for strategic discussions and planning can create tensions and pressures not conducive to effective governance. Based on a study conducted with Australian academic governing boards, Rytmeister studied board sizes ranging between 15 to 22 members considered a mixed stakeholder-expertise model of ex-officio, appointed, and elected members.

Relying on grounded theory research approach, Rytmeister (2009) asserted that the relationship between management and governance was considered assumed rather than examined. The author recognized that there were limited guidelines and protocols to ensure good practice and standards of performance specific to academic board governance and in defining board strategic roles. The study featured a cultural approach including interviews and observations. The triangulated data consisted of semi-structured interviews of 36 governing board members, with follow-up interviews taking place one year later and through direct observations of governing board meetings in six institutions. The research revealed that board members with financial and commercial experience reflected a deeper understanding of governance, as well as understanding the boundary between governance and management. In terms of strategic planning, survey respondents considered it within the realm of management by handing off the final approval to the board viewed as a passive role. This data directly contrasted to the Governance Leadership Model proposed by Chait et al. (2005) defined as board responsibilities requiring fiduciary, strategic, and generative accountabilities.

Related to developing board culture, Rytmeister (2009) noted that board empowerment and engagement could be utilized when there was greater involvement in strategic planning. The research pointed out that board and executive team one- or two-day retreats were helpful for developing understanding and trust between both member groups. According to respondents, retreats were considered vital for learning about the university, and its operating environment. Strategic planning topics were rarely addressed at regular board meetings, where topics centered on tuition and fees, building approvals, offshore campuses, rankings, and policy changes over the course of a typical meeting cycle (Rytmeister).

Rytmeister’s (2009) study indicated that board retreats were rituals within a layer of behaviors that take on symbolic meaning. The research signaled that board membership was classified by certain member attributes, such as expertise (knowledge or profession), experience (university or other organizations), values (collegial or corporate), educational background (area of discipline), power and influence within the board (proximity to the chief executive officer), and power and influence outside the board (networks and connections).

In terms of cultural expertise, participants stated that strategy was one of the main responsibilities of the board, and they considered the knowledge and expertise of others, and themselves, as foundational to the process. These insights were consistent to the research of Larcker and Tayan (2011), which pointed out that CEO-level experience, was the most important factor in recruiting new corporate directors. Rytmeister's (2009) research indicated that there were many similarities between corporate and academic governance; however, he acknowledged academic governance involved additional layers of complexity. According to the research, successful governance required making full use of the expertise of the governing body members in a culture of trust, understanding, and input from diverse social groups, which were identified as challenges for governance groups. These observations were consistent with Migliore's (2012) study that concluded that trust among board members was essential for collaboration, innovative change, and academic excellence.

Migliore (2012) pointed out that a collaborative environment encouraged shared leadership at all levels of the institution. The researcher asserted that boards have dual responsibilities as fiduciaries and to effectively allocate resources to achieve an organization's mission. Migliore offered this definition, "[. . .] trust is the positive expectation that another's motives, behaviors, and competence levels will produce positive outcomes" (p.31). Trusting relationships were important in order to have meaningful boardroom discussions about data trends and making improvement decisions.

Board Governance Discourse

Behind Closed Doors.

Finkelstein, Hambrick, and Cannella (2009) studied the perception of corporate board decisions taking place behind closed doors in a *black box*. Board meetings were physically held behind closed doors, and it was not apparent to those outside the inner workings of this group dynamic what transpired behind the closed doors. The authors concluded that much of the literature on board governance has created a *black box* around board vigilance, consequently creating a rich environment for further research on what boards do and how board members were selected. This study addressed both concerns by gathering the perspectives of board members themselves.

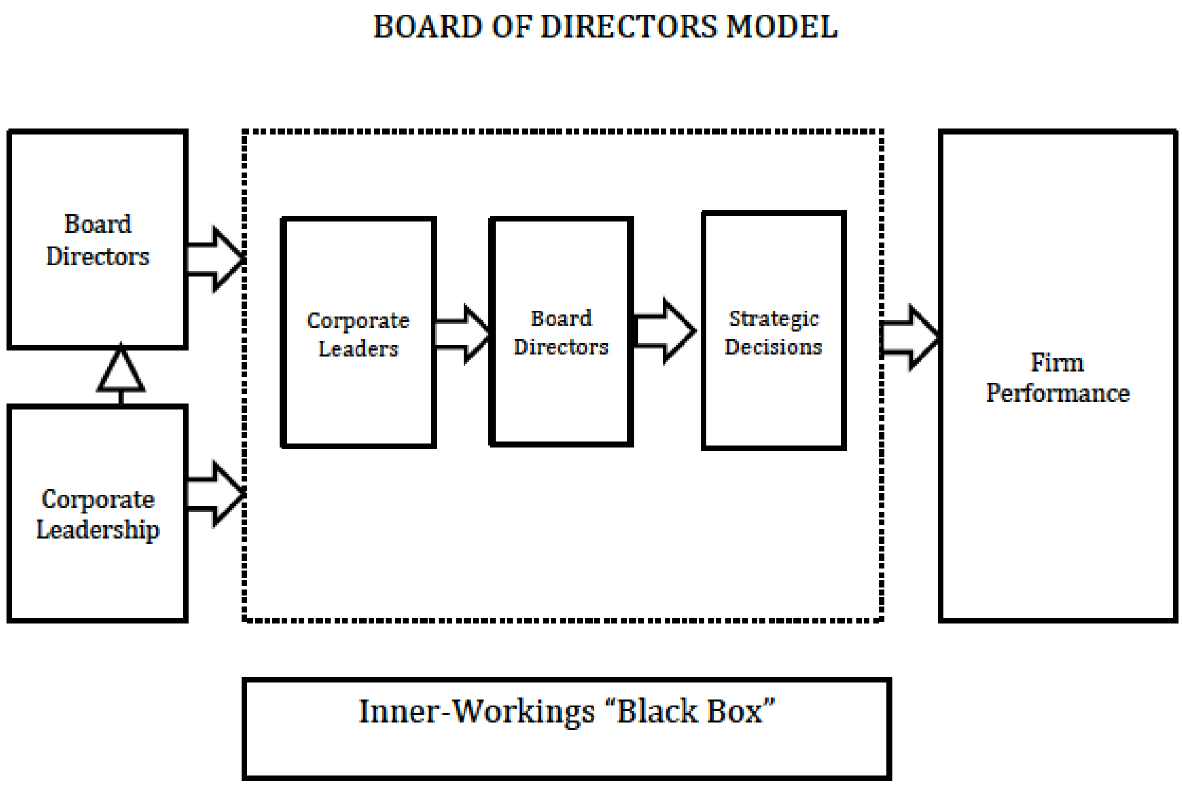

Figure 2. Flow chart of board and corporate leadership input and decisions. Adapted from *Strategic Leadership: Theory and research on executives, top management teams, and boards*, by S. Finkelstein, D. C. Hambrick, and A. A. Canella, Jr., 2009, p. 228. Copyright 2009 by Oxford University Press, Inc.: New York, NY. Adapted with permission.

Chait et al. (2005) described the *black box* phenomenon as, "We can see and appreciate what it produces, but we have little sense of how the work actually gets done. In some cases, there seems to be little point in trying to understand it" (p. 82). The work of corporate governance boards and private university academic boards takes place behind closed doors without the opportunity for direct observation in an environment perceived as working from within a *black box*. This descriptive qualitative case study is an opportunity to hear from the participants themselves on their perspectives of the inner-workings of the corporate and academic boards they serve.

Beyond the *black box* phenomenon, other research looked at governance framework such as a study conducted by Hambrick et al. (2008). The researchers acknowledged that corporate governance concerns were cross-functional areas within finance, management, and organizational behaviors of firms. The authors' focused on a framework concentrated in the specialties of economics and law considered as both a micro viewpoint from the internal view of the organization and a macro viewpoint from the public purview outside the organization.

Their research exposed a different perspective than the frequently discussed principal-agent model between shareholders and management by considering the impact of corporate governance and its relevance in the context of broader society (Adams & Ferreira, 2007). Hambrick et al.'s (2008) research addressed allegations that corporate governance issues related to concerns within organizations, as well as to labor leaders, investors, politicians, and regulatory bodies outside organizations. This viewpoint was consistent with Stone and Ostrower's (2007) assertion that governance models exist in many social dynamics, and they have an overarching impact on society.

The seminal research conducted by Michael, Schwartz, Cook, and Winston (1999) explored academic trustee satisfaction deemed dependent on individual motivation and persuasion, since trustee positions were voluntary. The study concentrated on determining elements of satisfaction and on strategies of improving satisfaction in private and public higher education institutions in the United States. Composed of a written survey of 500 trustees, the data were analyzed to determine if gender bias and level of education factored into trustees' responses. The research uncovered distinctions between gender groups, yet noted that the level of a trustees' education did not appear to alter the outcome. The authors asserted that research on traditional job satisfaction does not apply to trustees, as their roles were performed on a voluntary basis and suggested that future researchers conduct in-depth interviews in order to gain insights not easily gained through questionnaires, such as the interviews conducted in this study.

Board Effectiveness

Board effectiveness describes an essential component for both corporate and academic boards in order to resolve issues, to endorse strategic direction, and to adopt policies. Finegold, Lawler, and Conger (2001) examined a hypothetical scenario of new chief executive officer, whose board of directors was not engaged at an appropriate level of board governance participation in order to determine what attributes were needed to build and to engage effective corporate boards of directors. The researchers concluded that the motivations for building more effective boards were: to gain strategic advice; to secure resources; to manage crises; to help develop leadership; and, to increase shareholder value. The researchers made suggestions for building an effective board, such as: define the board's strategic priorities and mission; determine the boards talent needs; annually assess the chief executive officer and board members; remove ineffective board members; provide timely information to enable the board; allow time for the board to operate effectively; and, align director's interests with the board's mission.

Letendre (2004) conducted a study on corporate boardroom dynamics and acknowledged that social science research on the topic was difficult to gather, because private board meetings did not allow the opportunity for direct observation, as previously noted in the discussion on the inner-workings of the *black box* (Chait et al., 2005, Finkelstein et al., 2009,). The research consisted of interviews to gather data from board members on board effectiveness. Letendre's research approach was similar to the methodology used in this descriptive case study consisting of interviews to gather data. Letendre discussed research gathered by Finegold et al. (2001), which looked at survey data compiled by the corporate board director placement firm, Korn/Ferry. According to the researchers, the Korn/Ferry survey represented data from directors in 1,000 firms in the United States. The research correlated board governance to corporate return on investment and determined that five attributes contributed to board effectiveness: knowledge, information, power, rewards, and opportunity/time (Finegold et al.). Letendre recommended three principles to optimize board effectiveness: board size should be determined by skills needed; meeting time should be adequate to discuss strategies; and, an annual self-assessment of board members should be conducted.

In discussing board effectiveness, board size is a common research theme. For instance, Ning et al. (2010) study focused on determining the ideal number of members on corporate boards to optimize board effectiveness. Their data indicated that since the 2002 Wall Street financial collapse boards with fewer members, ranging from seven or less, increased in size, while larger boards with 12 or more members, shrunk in size. The empirical study looked at the reversion trend in board size over time and suggested that board independence and staggered board structure may be linked to board size. The study sample of 473 firms was randomly selected from the Center for Research in Security Prices database, at the University of Chicago's Booth School of Business, along with data on board size listed in the proxy statements of publicly traded companies. The researchers concluded that based on agency theory, there were costs when boards were too large, while resource dependency theory pointed out that larger boards were beneficial in providing access to more external resources (Ning et al.).

Member Qualifications and Composition

The member skill set and composition are critical considerations for both academic and corporate boards. Hopkins, O'Neil, and Williams (2007) examined a model for measuring emotional intelligence competencies through a self-assessment questionnaire of school board members by surveying current and former school board members in two urban areas in the United States. Emotional intelligence was described as the capacity to understand one's own emotions and manage them effectively, as well as understanding the emotions of others (Hopkins et al.). The study analyzed the relationship between emotional intelligence competencies and effective board leadership using a theoretical model called the *Emotional Competence Inventory.* The data established that emotional intelligence was a critical factor for effective school boards in six core competencies: transparency, achievement, initiative, organizational awareness, conflict management, and teamwork and collaboration (Hopkins et al.).

Supporting the work of Hopkins et al. (2007) the importance of context-specific board leadership qualifications, Dulewicz (2007) looked at assessing and developing corporate directors through the Leadership Dimensions Questionnaire (LDQ), which measured 15 leadership constructs to quantify the level of Emotional Intelligence (EI) among respondents. According to Dulewicz, high levels of EI benefit directors and some elements of EI can be developed and exploited.

In comparison to corporate board effectiveness, academic board composition was examined in research conducted by de Boer, Huisman, and Meister-Scheytt (2010) as they surveyed governance structures in universities in three European countries. The researchers gathered historical data on previous board structures, and the researchers acknowledged that board governance research was limited on university governing boards. The study looked at board composition, independence, accountability, and transparency within the governing boards of universities. The researchers utilized a comparative study approach to identify how boards were perceived, similarities and differences between the three countries, and the tensions boards face (de Boer et al.)

The researchers identified tensions between the board and the universities' top management and conformance and performance roles, described as attention to detail versus forward thinking strategic focus. The study revealed that women were underrepresented on boards in two of the three countries and, irrespective of gender, members from the private sector were overrepresented (de Boer et al.). The researchers pointed out that the tensions identified were visible in the governance structure of all three countries. The authors made recommendations for improving board governance. Based on the research, they suggested the number of board members could be increased to enlarge diversity representation, and they suggested that certification training for board members could compensate for a lack of knowledge in university governance.

Consistent with the work of Adams and Ferreira (2007) research conducted by Linck, Netter, and Yang (2007) examined corporate board composition in terms of size, structure, and behaviors related to company performance. Based on a sample of 7,000 firms during the period of 1990 to 2004, listed in the *Disclosures* database of proxy statements filed with the federal government. The study focused on associations between board structure, board size, and organizational behaviors. The study included a cross-section of firms of various sizes, longevity, and industries focused on board size, board independence, and board leadership. The researchers concluded that determinants of board structure and composition vary between small and large firms and the data suggested that government regulations, such as the Sarbanes-Oxley Act (2002), resulted in an increase in board size. This study contrasted to the work of Ning et al. (2010) that indicated a trend toward smaller boards.

Government Regulation.

According to data compiled by the Wilshire 5000 Index, as of September, 2014, there were 3,818 publicly traded companies in the USA (Waid, 2014). Under the purview of the Security and Exchange Commission (SEC), publicly traded companies were required to abide by rules and regulations that protect investors from fraudulent behaviors. In recent years, governance matters have entered the domain of the SEC, specifically with the introduction of legislation like the Sarbanes-Oxley Act (2002).

In the 2012 Annual Report issued by the SEC, the following text provided a summary of the remedy efforts the agency has accomplished:

> Since the financial crisis, the SEC has filed 80 financial crisis actions against 117 individuals and entities, including 57 CEOs, CFOs, and other senior corporate officers. These enforcement actions have resulted in 36 individuals being barred from serving in the securities industry or as officers or directors at public companies as well as orders of more than $2.2 billion in disgorgement, penalties, and other financial relief, most of which has been or will be distributed to harmed

investors. In addition, 36 individuals have been barred from the securities industry, from serving as officers and directors of public companies, and/or from appearing or practicing before the Commission. (Security and Exchange Commission, 2002, p. 13)

According to the Higher Education Directory (2013), there were 3,997 public and private institutions of higher education as of fall 2012 enrollment records. Within this composite number, 2,415 were private institutions, the category represented in this descriptive case study. From a governance perspective, private academic institutions of higher education face regulation oversight by national and regional institutions such as the Higher Learning Commission of North Central Association (2013), while their governance oversight remains unregulated compared to the scrutiny imposed by the SEC on the 12,000 publicly traded corporate boards (Skeel et al., 2011).

Both corporate and academic governance function within regulatory jurisdictions that influence how they conduct their business. Oxholm (2005) examined the implications of the Sarbanes-Oxley Act of 2002, and explored aspects in which the intent of the Act was consistent with the aspirations of academia, and suggested applications colleges and universities could adopt as best practices from the Act. The purpose of the Act was to protect corporate investors by improving transparency from publicly traded corporations. The Act was not intended to apply to non-profit organizations, but the author provided a perspective on how the Act related to higher education in terms of corporate accountability. The author noted that the Act addressed financial oversight, as well as broader issues related to risk, integrity, and accountability. According to Oxholm, these best practices were necessary to guide conduct in higher education, similar to their application to publicly traded corporations. The author recommended that best practices from the Sarbanes-Oxley Act of 2002, should be adopted in academia before scandals force the requirement.

Conclusion

Since the Wall Street financial crisis of 2002, there has been heightened research interest in the topic of board governance. This literature review illustrated that there is limited academic research employing descriptive qualitative studies based on the perspectives and opinions of the board members themselves. Larcker and Tayan (2011) identified CEO level experience as the single most important functional background for board members. The participation of CEOs in this qualitative descriptive case study added authenticity to the perspectives of chief executive officers serving on both corporate and academic boards. The chapter highlighted some of the current research on both academic and corporate governance, largely developed as quantitative studies reliant on existing database content and custom surveys instead of interviews with the participants themselves.

Feyerham’s (2009) research called for the professionalization of academic boards, while Oxholm (2005) specifically supported the adoption of the Sarbanes-Oxley Act (2002) best practices for academic boards. Corporate boards have been scrutinized by regulations enforced by the SEC with the Sarbanes-Oxley Act 2002, but compliance does not apply to academic boards.

Summary

In selecting a qualitative research study, this author attempted to unpack how people construct the world around them (Flick, 2007a). Flick suggested that through approaches such as compiling the experiences of individuals or groups; interactions and observing practices; or analyzing documents that trace the experiences of individuals and groups, qualitative research has entered an unprecedented period of growth in academia. Kvale and Brinkmann (2009) supported the use of interviews to assist in understanding the world from the subject's viewpoint. The authors described interviews as the active process between interviewees and interviewers that produced knowledge. Flick reinforced Kvale and Brinkmann's position by asserting that qualitative research was an inquiry project that aims to change the world through data collected from interviews using the procedures of coding and content analysis, similar to the method used in this research, computer assisted qualitative data analysis (CAQDA).

The following chapter described the qualitative methods applied to this research study. As Chapter III unfolded, this writer borrowed from the analogy described by Collins (2001) in summarizing that the right people are in the right seats on the bus, as momentum builds on the journey of discovering new perspectives on board governance.

CHAPTER III

METHODOLOGY

Introduction

The review of literature revealed that there is limited academic research on corporate and academic board governance, and this author could not uncover academic research on the convergence of corporate and academic governance, the focus of this study. Governance boards are responsible for the ethical, legal, and operational oversight of the organizations they represent signifying important consequences for society (Hambrick et al., 2008). Corporate governance is highly regulated by the government, while academic governance is an unregulated dynamic in not-for-profit colleges and universities (Adams et al., 2010; Bastedo, 2009). This research is a qualitative descriptive case study of the perspectives of chief executive officers who serve as academic trustees to gather their perspectives related to serving on both corporate and academic governance boards.

The Methodology Chapter contains a discussion on the Research Design, the Population of the participants in the study, a review of the Research Questions, details on the Data Collection and Analytical Methods, the Limitations of the Study, and the Conclusion.

Research Design

The qualitative case study method is suitable when the research seeks to respond to a descriptive question (Gay et al., 2012). This qualitative descriptive case study relies on the components of individual interviews and direct observation, which examined the experiences of corporate and academic board members in order to gather insights on the dynamics of corporate and academic board governance. As Creswell (2013) noted, case study research approach investigates a bounded system, as it is happening, in order to interpret the experiences to make them known to outsiders. This approach was selected to respond to the research questions.

The researcher has two decades of board governance *sine qua non* or indispensable observation exposure, which Leedy and Ormrod (2013) referred to as a useful cultural component in qualitative research. The author's direct observations and familiarity with board governance are consistent with Kvale and Brinkmann's (2009) suggestion that interviews with elites require the researcher to be knowledgeable about the topic, as well as being a master of the technical language.

The purpose of the study was to gain knowledge of the dynamics of board governance typically conducted in closed sessions. This study aimed to add to the body of knowledge on board governance traditionally conducted behind closed doors without the opportunity for direct observation.

Research Questions

The qualitative descriptive case study had two research questions:

1. How do chief executive officers who serve on both corporate and academic boards describe their experiences comparing the two governance models in terms of decision-making efficiency, personal and professional reward, and commitment to the mission of the organizations?

2. How do chief executive officers perceive corporate board governance influences academic board governance?

The questions used for the interviews are detailed in Appendix A and Appendix B.

Population

The study participants were selected for their experience in, and knowledge of, board governance practices. The participants were business acquaintances of the researcher at various times over the past 20 years, or the gatekeepers introduced them to this researcher. The 11 chief executive officers represented a purposive population, and they were diverse in terms of demographics related to gender: 10 men, one woman and related to race: seven Caucasians, three African Americans, and one Hispanic. The chief executive officers represented six private colleges and universities located in the Midwest and Eastern geographic areas of the United States. The study participants were affiliated with corporations located in the Midwest and Southwest geographic areas of the United States with student populations ranging from more than 1,400 to more than 15,500, as detailed in Table 2.

Approximately 80% of the study participants described their associations with publicly traded corporations, and 20% described their associations with corporations that were privately held corporations. Gibbs (2007) recommended anonymization, which was incorporated in this study to keep the participants’ names and organization associations confidential within the dissertation document. The researcher described the confidentiality standards to the participants both in the written Informed Consent document and verbally at each interview.

Table 2

Participants' Demographic Data and Study Identification Codes

Participant	Biography	Corporate Board	Academic Institution	Academic Board
Trustee 1	Male, Caucasian retired CEO and Board Chair of a publicly traded global Consumer Retail Corporation located in the Midwest	Board Chair and more than 20 years board member of publicly traded corporation located in the Midwest	Board 1	Board Chair and member of private university located in the Midwest more than 20 years with enrollment of >15,500 students
Trustee 2	Male, African American CEO of privately held conglomerate located in the Midwest	Board member more than 20 years of corporate publicly traded utility located in the Midwest	Board 2	Board member of private university located in the Northeast for six years with enrollment of >1,400 students
Trustee 3	Female, Caucasian CEO of publicly traded Healthcare Services Corporation located in the Midwest	Board Chair three years of publicly traded corporation located in the Midwest	Board 3	Board member of private university located in the Midwest for nine years with enrollment of >15,500
Trustee 4	Male, African American CEO of privately held Wealth Management Firm located in the Midwest	Board member more than 10 years of publicly traded corporation located in the Midwest	Board 3	Board member of private university located in the Midwest more than 10 years with enrollment of >15,500
Trustee 5	Male, Caucasian CEO of publicly traded Global Healthcare Corporation located in the Midwest	Board Chair and member more than 15 years of publicly traded corporation located in the Midwest	Board 1	Board member of private university located in the Midwest more than 10 years with enrollment of >15,500 students

Participant	Biography	Corporate Board	Academic Institution	Academic Board
Trustee 6	Male, African American CEO of publicly traded Global Consumer Services Corporation located in Europe	Board member more than 20 years of publicly traded consumer retail corporation located in a Western State	Board 1	Board member of private university located in the Midwest for nine years with enrollment of >15,500 students
Trustee 7	Male, Hispanic CEO of privately held Consumer Products Corporation	Board Chair of privately held corporation more than 10 years located in the Southwest	Board 4	Board member of private university located in the Midwest for 10 years with enrollment of more than >6,500
Trustee 8	Male, Caucasian CEO of publicly traded Global Consumer Services Corporation located in the Midwest	Board member for two years of publicly traded corporation located in the Midwest	Board 4	Board Vice Chair of private university located in the Midwest for nine years with enrollment of >6,500
Trustee 9	Male, Caucasian CEO of privately held Consumer Services Corporation located in the Midwest	Board member more than 20 years of publicly traded corporation located in the Midwest	Board 5	Board Chair and member of private college more than 15 years with enrollment of >3,200
Trustee 10	Male, Caucasian CEO of privately held Financial Services Corporation located in the Midwest	Board member for more than 20 years of privately held corporation located in the Midwest	Board 6	Board member of private university located in the Midwest for nine years with enrollment of >6,500
Trustee 11	Male, Caucasian CEO of privately held Consumer Products Corporation located in an Eastern State	Board Chair and member for more than 10 years of publicly traded corporation located in an Eastern State	Board 1	Board member of private university located in the Midwest for six years with enrollment of >15,500 students

Data Collection

The time intervals of the interviews were conducted within 45-minutes, allowing for a wrap-up session that did not exceed an interval of one hour for all study participants. The recordings ranged in length of time from 20 to 57 minutes to maintain the maximum time of one hour in accordance with the interview protocol. The participants were asked the same interview questions to provide a methodical opportunity to gather responses. The interview questions are stated in Appendix A and Appendix B.

The interviews were conducted over a period of time from October 2013 to June 2014. The location of eight of the interviews took place in the offices of the CEOs, and three interviews were conducted the researcher’s office. One interview was conducted by speaker telephone in the researcher’s office. All interviews were conducted in a private, professional setting to maintain confidentiality. The study participants were not compensated for their time, but they were given an A.T. Cross pen as a token of appreciation for their time and involvement. Ten of the interviews were digitally recorded using both an Olympus Digital Voice Recorder for producing a MP3 audio file, and a Zoom HN4 Handy Digital Recorder for producing a WAV audio file. The two devices produced identical files that were stored for transcription in the two audio archival methods. One interview was conducted by taking notes.

The interviews were transcribed from the audio files using Dragon Dictate for MAC (3.0) Speech Recognition Software (2012). The researcher dictated the content from the audio-recorded interviews by listening through an audio ear bud, while speaking the content of the audio file into the Dragon Dictate with the microphone headset supplied with the software. The software was preloaded with a profile of the researcher’s voice in the manner recommended and supported by Dragon Dictate. Gay et al. (2012) described Dragon Dictate as useful for writing interview narratives.

The researcher confirmed the accuracy of the transcription through repeated comparisons from the recorded file to the transcribed rich text format (RTF) document. When the content of the RTF document was proofed for accuracy, it was also saved and copied into a Word document for coding purposes. The RTF documents were uploaded to the software ATLAS.ti database for computer assisted qualitative data analysis (CAQDAS). Gibbs (2007) recommended verbatim transcriptions or summarizing the gist, as natural speech is often non-grammatical. Careful listing was applied through the audio recording and the researcher’s notes from the interviews. All original audio files and transcribed documents were password secured on the researcher’s personal computer, which was retained in a secured home office.

Reliability and Validity

Reliability in qualitative research does not have statistical tests and instrument standards such as those available to quantitative research. The researcher ensured that the data was collected in a consistent manner utilizing similar techniques for each interview to safeguard reliability in this study (Gay et al., 2012).

Similar to quantitative studies, this qualitative study addressed the important aspect of validity by establishing trustworthiness in terms of, and understanding of, the research findings. Descriptive validity is the factual accuracy of the text, which was achieved through deep, repeated reading of the transcripts of the interviews and the researcher’s notes from the interviews (Gay et al., 2012).

Theoretical validity required the researcher to report on the phenomenon described in the research questions (Gay et al., 2012). Every effort was made for this study to report on the perspectives of CEOs who serve as Academic Trustees comparing the two governance structures as detailed in Chapter IV.

Evaluative validity defined the importance of the research to report the findings in an unbiased manner (Gay et al., 2012). The researcher acknowledges the opportunity for bias, and made every attempt to report the findings without judgment or prejudice.

Before conducting the interviews, the research questions were piloted by a corporate board governance expert and two academic governance experts to validate authenticity. The subject matter expert on academic governance was a professor at Harvard University and a well-known in professional organizations such as the Association of Governing Boards of Colleges and Universities (AGB), which provides seminars and workshops on academic boards. A second academic governance expert employed by the AGB reviewed the research questions and suggested certain wording changes to the interview questions, which were incorporated. The corporate board subject matter expert was a professor in the Australian School of Business at the University of New South Wales, with a Ph.D. in Economics from the University of Chicago who authored many academic journal articles on corporate board governance.

Analytical Methods

The methodology selection of interviews with elites who were knowledgeable on corporate and academic governance was chosen to respond to the two research questions. Board meetings are typically held behind closed doors without the opportunity for direct observation. The researcher deemed that including the perspectives of chief executive officers using their own words was the best method to respond to the two research questions.

The study relied on computer assisted qualitative data analysis software (CAQDAS) for content management in order to analyze the qualitative data contained in the transcripts and interview notes. The researcher selected the software ATLAS.ti, (7.1) (2014) for this purpose, which was referenced by both Leedy and Ormond (2013) and Gibbs (2007) as being useful for storing and identifying codes and patterns in qualitative data. The software was described as being beneficial in the inductive approach referred to as open coding, creating new codes, and existing codes, and for its ability to perform lexical searching to link codes. CAQDAS entered the marketplace in the 1980s, and they have gained popularity in assisting with qualitative research data management (Gibbs).

Through proprietary tools offered by ATLAS.ti, (7.1) (2014) including a webinar and a Quick Tour Study Guide, the researcher was able to acquire knowledge of the advanced capabilities of the software such as, categorizing data, interlinking data segments, data analysis and theory-building by utilizing word cruncher and query tools. Word cruncher created a word frequency count that could be used for identifying correlations among participants’ remarks by gathering commonly used terms used to respond to the interview questions.

The software provided a visual display for word frequencies, and a query tool allowed the researcher to retrieve quotations, predetermined codes and code-families, and categories by utilizing data tracking referred to as a Hermeneutic unit (ATLAS.ti, 7.1, 2014). The software categorized code words leading to common themes analysis. The use of coding in data collection allowed for the potential of correlating thematic responses from the study participants. According to Flick (2007b), coding and categorizing are the most prominent methods for analyzing qualitative research. By utilizing the ATLAS.it (7.1) (2014) computer software the researcher reinforced the aspect of validity to the text analysis.

The ATLAS.ti (7.1) (2014) query tool called Code Co-occurrence identified all codes that co-occur across all of the transcribed documents of interviews resulting in a cross-tabulation of all codes. Results can be displayed in either a tree view or data matrix view. This was useful in the evidence analysis of the content of the multiple interviews for exploring patterns of responses to answer the research questions further discussed in the study results in Chapter IV.

Limitations

The author acknowledged that qualitative research is wrought with both rich content and physical barriers. The research was reliant on text for analysis, and text from the interview transcriptions and the interview notes created a volume of data to synthesize. Analysis required filtering systems to respond to the research questions, which was subject to the researcher’s bias. Every effort was made to reduce the researcher’s bias, yet the qualitative research process demands the bias must be acknowledged (Gay et al., 2012). Additionally, CEOs can be cautious of sharing their unbiased opinions since their experience participating in academic research can be limited. This group frequently participates in conversations in the public arena reporting on issues related to shareholder concerns and financial performance. This study sought opinions and perspectives not related to financial performance.

The study participants consisted of a purposive pool of CEOs who served as Academic Trustees, which is a narrow cross-section of a specific group of people. This limitation could be resolved in future studies by inviting other corporate leaders, such as Chief Financial Officers, General Counsels, and Auditors who serve on Academic Boards to provide their perspectives on the two governance structures to increase the depth and breath of the scope of a study on board governance.

An additional limitation was that the study focused on private colleges and universities. Public university boards are typically smaller than private boards and the members are usually appointed to serve by a state governor, and perspectives from academic board members in that pool were not included in this study. Finally, as a qualitative study, this descriptive case study lacked the experimental elements commonly found in quantitative studies that could lead to predictive possibilities on board governance.

Summary

This qualitative descriptive case study of the perspectives of CEOs who serve as Academic Trustees was conducted utilizing interviews with this elite, purposive population. The researcher integrated validity into the study by establishing trustworthiness between the participants in this context-bound study (Gay et al., 2012). The deep reading of the text of the transcripts and interview notes incorporated reliability by considering the consistency of the interview process and by considering how the consistency of interview questions were collected over time. The relevant content that was disclosed in this qualitative descriptive case study of the perspectives of CEOs who serve as Academic Trustees is furthered discussed in Chapter IV, Findings and Conclusions.

CHAPTER IV

FINDINGS AND CONCLUSIONS

Introduction

The purpose of this qualitative descriptive case study on the perspectives of chief executive officers serving as academic trustees was to add to the body of knowledge on the dynamics of board governance from an insider's viewpoint. The study incorporated the words of the board members themselves to expose shared characteristics, unique delineations, and best practices from the two governance traditions. There were two research questions that guided this study. The chapter contains details of the Findings, Conclusions, and Implications and Recommendations. The discussion begins with the Findings.

Findings

The sample of participants consisted of a purposive, homogenous group of 11 (*N*=11) chief executive officers who also served as academic trustees (Leedy & Ormrod, 2013). In this study, the categorical profile data (*N*=11) of the participants included representation of two independent variables of: Ethnicity (three levels of Caucasian 64%, African American 27%, Hispanic 9%) and Gender (two levels of male 91%, female 9%). Larcker and Tayan (2011) pointed out that having chief executive officer (CEO) experience was the most significant criteria for becoming a member of a board, while Stern and Westphal (2010) described board appointments as markers of career success.

The following findings were the result of interviews conducted with this purposive sample of elite CEO board members.

Themes

A coding hierarchy was established to categorize the participants' responses. First, open coding was utilized by a line-by-line review of the transcripts from the interviews by comparing individual participant's responses to others. This was achieved through manual review of the transcripts, as well as through lexical searching in ATLAS.ti, and the researcher's interview notes. The procedure of open coding analysis was followed by axial coding, a filtering process used to narrow the themes and concepts from the open coding (Gibbs, 2007). Kvale and Brinkmann (2009) pointed out that thematizing interviews clarifies the theme of the study by adding conceptual and theoretical understanding to the phenomena investigated.

Research Question One: How do chief executive officers who serve on both corporate and academic boards describe their experiences comparing the two governance models in terms of decision-making efficiency, personal and professional rewards, and commitment to the mission of the organization?

The following four themes emerged in response to Research Question One: 1. Board Membership: Selection and Expertise; 2. Making Decisions; 3. Maintaining Mission and Shareholder Value; and, 4. Personal and Professional Rewards.

Board Membership: Selection and Expertise.

A prominent theme that surfaced during the discussion on how corporate boards influence academic boards focused on how members were selected. Trustees 1, 2, 5, 6, 7, 8, 9, 10, and 11, roughly 82% of the 11 participants remarked that the academic board asked for members to recommend individuals they knew from their business relationships, in contrast to Trustees 1, 3, 4, and 6 who indicated they were selected to the academic board because they were alumnus. All trustees except 4 and 6, approximately 82% of the 11 participants, noted corporate boards asked for board member recommendations when filing vacancies. The processes were not dissimilar between corporate and academic boards seeking personal referrals for board candidates, though using a professional search firm in either board searches was not a common practice. The findings supported Pusser et al.’s (2006) research that identified corporate board interlink relationships were prominent among individuals serving on corporate boards.

> Trustee 10: On the recruiting of new corporate members, a lot of it was with other people you knew. You wanted some people that had stature in the community and expertise in your area, so you're not starting from ground zero in educating somebody. There was a vetting process that arrived at somebody that would be acceptable, and they could sell the stockholders as well. We did not use an outside firm, as other directors know a lot of people. For the academic board a lot goes into this question on the selection process for academic boards. Many are people you know. For people who will be involved in a nonprofit, it is also one of the more expensive jobs they will have because you are expected to make contributions to the college. It does not mean you have to have expertise in the institution, because most people don't. But, you get a broad group of people. There is a big push in colleges for diversity and that's a little difficult to achieve to get qualified people with a diverse background, because some of those diverse areas have smaller populations. You want to get somebody that would be a good

contributor. All boards do that today, but when you have a large board to fill it is a challenge. You really look for people, that as I always tell the presidents of the college, consider the trustees your personal consultants. You are not going to use them all, but if there's 10 of them that you can draw expertise from, guidance from, counsel from, do it. Command is a lonely position, and it helps to have places to go when you have a problem.

Trustee 9: The selection process for the corporate board is autonomous. I use the senior team to vet potential candidates and the decision-making is usually through the corporate office to make sure there is no objection. And we check with the General Counsel as well. The board members are appointed not selected. This is a private company so that allows us to do things different than a public bank corporation would do. In terms of expertise, community involvement is very important, as those are people who are well networked. And we try to get people that have different business demographics: Manufacturing, healthcare, and the service industry, so we try to get the mix of people with different professional backgrounds. We do not use a search firm for board members, but I have thought about it. I have talked to somebody locally about that, but we are not going to that method as of yet.

Trustee 11: The directors were all selected for their talent and special backgrounds in audit, finance or operations. The board selection process was people that had backgrounds in the metals business. We had a finance expert who served on President Sr. Bush's advisory council. Another was a former auditor and controller with U.S. Steel, and he was head of the audit committee. Most of the board members were selected on backgrounds with metals companies or finance companies or some type of operating background; those are the three buckets we looked at. We did not use a search committee. The selection process came from either people we know in Chicago or Pittsburgh. One came as a recommendation from my brother, and another person was an academic. The other people I personally know in the steel business. The selection process for the academic board I have not been personally involved, but I have been involved in the governance committee that the candidates are brought up through. The expertise on the academic board is more finance background and governance related backgrounds, so everyone understands what governance is and the shared responsibilities. When they are vetting people with those backgrounds they will probably be stronger members.

Trustee 5: The selection process for the corporate board is detailed in our proxy. There is a rigorous process. Sometimes we get nominations from left field, and we will read those, but there is an established process. We hired an outside research firm that we typically go to. Since I've been at my organization, we've brought on five new directors, and we have done that through the same search firm. As long as they deliver high-quality candidates the same search firm is knowledgeable of the culture of the company and what we're looking for. We are very transparent in what qualities we are looking for in directors and transparent as to the processes by which candidates get surfaced.

Trustee 6: The search process for the corporate board was done through a search committee using a search firm. They called me and asked if I was interested in a director's seat. I interviewed with the lead director and the CEO. I was involved in other board member searches. They would give a list to the board members to see if we knew anybody on the list. In some cases board members interviewed potential candidates. They were looking for certain expertise, for instance, when I was being recruited, they were looking for people that knew about the telecom industry and that was my direct responsibilities at my organization. I knew the industry quite well. The selection process for an academic board is really unclear. In terms of expertise, academic boards like to bring in people that have competencies to know what they need, for example, people who know construction during a building boom. People that understand healthcare, while we board members don't know anything about running a university, similarly, when I was on a Symphony board none of us were musicians.

Trustee 8: The corporate board selection process was generally tapping into networks of existing board members by asking people who would be a good fit from a board perspective because teamwork and interaction was very important in a corporate environment. There was some balancing of skills, for instance, for the finance committee you needed SEC definition of financial expert. More of it was people you knew who would be a good fit culturally. At the time you're looking for more diversity on the board so that became criteria. The chair also worried about who would be friendly to his point of view. There was a practical reality of how people got picked. The chair was the head of the governance committee. The board members did not get to meet the incumbent people that were up for board positions. They did meet the members of the governance committee, but they did not meet the other members of the board. For the academic board selection, we need board members who have those networks that we can tap into, and we are trying to raise money. Money and the ability and willingness to give are number one criteria. As a private institution, where values are based on alignment with the mission and values of the University, is also an important prerequisite. Relevant life and business experience that would help is a nice thing, but the first two are probably the main things that we use for criteria for new board members.

Trustee 7: When I'm looking for new corporate board member, I look at what can they bring to the board what type of experience can they bring to the board. For example, one person came on the board that had a marketing background with many of our third party customers. I look at what our current needs and current strategies are. A third outside board member is a lawyer and CPA out of LA. He helps at the finance committee, and he needed to be outside the company with those competencies. So, we built the board to fit those strategies and competencies. The selection process for of the academic board there is a trusteeship committee that does the nominations and profiles. We needed expertise in nursing, and we added a female member who is a CEO of a large hospital. So, I would say we are looking for expertise and for people who are in an economic position to donate as well. So, it’s a balance between those two.

Trustee 1: The selection process for corporations is personal contacts sometimes search firms are used, and interviews take place and background checks are made. They look for corporate experience. Various attributes the board members demonstrate are success in their business life, and they hone it down to a few candidates and usually the chairman of the board and the CEO conduct personal interviews with the last candidates. In a corporate board, the expertise level is a high level of business leadership, social responsibility, financial experience, and success in leading whatever businesses they were involved in.

Trustee 2: For the corporate board, in terms of experience in a certain field, it might be finance and business those were the two peak areas that people that served in looking at the various committees. We needed people with experience for each committee. For example, the audit committee had people that already served on audit committees with industry experience, which we brought to the table. The board felt that was important, because each of us had fiduciary responsibility to the shareholders to make sure that things are being done right. We looked at various goals and strategies of the company, and not only if it included reaching the financial goals set by the CEO and approved by the board, but it also included areas of sustainability and things of that nature as well.

Academic board selection: Certain criteria that the academic board would be looking for depending on the time they may be looking for somebody with background human resources or accounting, but typically they looked for leadership. People that are leaders in their community well thought of in their community, and are accustomed to getting things done. They can bring those resources to the table to help at any given time to move some of the initiatives and goals of the University.

Trustee 3: The selection process for new board members were pretty typical for corporate boards, to rely a lot on recommendations by existing board members.

There would be discussions about what the board needed and the capabilities we wanted to bring on and the existing board members networks would be activated. From there, the governance committee oversaw it. A board member was the chair of a major professional search firm, so he tapped into a supercharged knowledgeable person for that role. We would add additional names to the pile. The company may down the road use a search firm, but at the time the company was only a public company for two years and in the interest of time, the networks seem to work well with expertise. The biggest thing with that we were looking for was somebody that had contemporary CEO of a public company experience and had a track record of driving the kind of quick results - it couldn't be a safe hands caretaker CEO of a public company. We were looking for that bull's-eye of somebody that really created something and had grown it rapidly over a period of time. It was a hard spec to find.

Trustee 3: For the academic board, a small group of the executive committee knows a lot more than I on this topic. People are looking for an alumnus that has a great deal of success and might feel their affiliation with the University helped drive that success and they want to devote their energy and philanthropic investments in the University.

Trustee 4: The expertise level for corporate board members is a history of success, active in the community, and have risen to the highest level of their profession. The expertise level sought for academic board memberships are similar to corporate but more community involvement and commitment to the University. At my University there are a lot of alumni on the board.

Board Member Interlocking Relationships.

The common practice of recommending future corporate board members and academic trustees was cited by Pusser et al. (2006), as a source of increasing trust among board members. These interlock relationships were common on corporate boards, and they have been adopted by academic boards, as governance networks increased. According to the researchers, the larger the size of academic boards increased the probability of interlock relationships, and they noted that the phenomenon was self-perpetuating on private boards reliant on drawing membership from current board members.

In a related study, Adams and Ferreira (2007) looked at the relationship between corporate board members and the chief executive officer. The data inferred that when there was a friendly relationship between the directors and the chief executive officer, higher quality advice was given to the chief executive officer, thus protecting shareholder value. This research focused on the important role relationships have on corporate board effectiveness. Many of the participants of this dissertation affirmed the position of Adams and Ferreira.

> Trustee 2: The selection process for academic board membership is mostly personal contacts. In a corporate board the expertise level is a high level of business leadership, social responsibility, financial experience, and success in leading whatever businesses they were involved in. The expertise level on the academic board members would be very much the same with the addition of willingness to support the University financially. All corporate board members were asked to give names that would make a contribution to the board, such as

people that they served with on other publicly traded boards. That was always a good source of talent getting a personal recommendation from a key executive in the community that was very important, and that was as good, if not better than a search firm. They attempted to have a good representation of the community. They wanted a diverse board.

Trustee 9: In terms of academic board member expertise, we look for financial expertise, investment expertise, academic, and real estate. I chair the plant and building committee, so we look for that background. Development capabilities are certainly important and people that are well-connected. Representation from the major companies in town, the Fortune 500 companies are important. A combination of having the networking ability and those people also come with a fair amount of business acumen as well.

Making Decisions.

Migliore and DeClouette (2011) pointed out that a collaborative environment encouraged shared leadership at all levels for effectively making decisions, as fiduciaries related to allocation of organizational resources. The researcher asserted that trusting relationships were key to meaningful boardroom discussions. The participants in this descriptive case study affirmed Migliore's work inferring that decision-making is complex in both corporate and academic boards.

Trustee 10: Corporate level decision-making is probably not as shared simply because of the timeframe and the intensity of the things the board has to get done. I'm a strong believer in working with business plans and colleges have not been very good at doing that over the years. That helps you make your decisions. It is your mission, it has what you're doing to protect the brand, and it is a document that if anybody even at colleges when people want to do their own things and they can stray. It’s easy to take the document and say this was not in the plan. It gives you a guide. Decision-making is easier in the corporate level in terms of timing of it. Colleges the ramifications may be a little more laborious.

Trustee 9: The academic boards are much slower things because we meet quarterly. You might come to the committee one quarter and then it gets vetted at the next quarter, finalized and brought to the board a year later. I’m always amazed at the things that we’ve been talking about for years. Sometimes whether or not it’s getting through the committees, dealing with the faculty and their approval is a much more timely process. Whereas the corporate board, as a public for-profit public company, they have an obligation to the shareholders to bring to bear decisions in a much quicker fashion. I would say the time frame is one of the big differences. The vetting process is probably deep and rich in both institutions, but the ability to move it along quicker in the public arena is much greater.

Trustee 11: In terms of decision-making processes the public boards are much more involved in the decision-making processes with management, and the academic board is not involved in day-to-day type decisions. The current public boards are much more involved in decision-making and input on the strategic impact of day-to-day operations on the company. When you transition to the academic board, you’re bringing that information. How do you protect the other board members; how do you ask the right questions to management and protect other board members. Kind of being the devil’s advocate for other board members in questions to management, to make sure board members are asking the right question in case something happens like Penn State. The board is challenging management asking for answers so the public board experience is valuable. If I had not been on the public board I would not have perspective of what to ask. Really management needs to protect the board to ask questions on behalf of the board so the record reflects that in case something bad would happen.

Trustee 7: The decision making process is grueling when you're comparing an academic to corporate board. Normally on the corporate board the votes come hard and fast. And normally it's a unanimous because you are aligned as to where the business is going. There is vigorous debate, but part of it is the size of the board. You can’t have too much vigorous debate in a large group. So academic decision-making is just not the same. It's slower, and it's probably not as clear-cut as it would be in a corporation board. There is a lot more politics around academic boards, certainly more than I expected. There is a lot more consideration of the impact of that decision on the student body or the teacher body, which is normal. I think the decisions are much slower on the academic side.

Trustee 8: On the academic side a lot more work is done the committee level in the decision-making process than I've seen a in the corporate environment. Committees will make recommendations, but there's a lot of debate and sometimes dissension. The university environment even at the committee level board members tend to defer to management and administration of the University much more than you would see in a corporate environment. There is less risk for board members, as they are not going to get typically sued. In a corporate level there's a lot of risk and pressure in the corporate environment. The corporate environment if the board disagrees they are personally at risk, and they will stop it. There's more direct involvement in the decision-making processes in a corporate environment than what I see in an academic environment.

Trustee 1: The decision-making processes in a corporation and an academic board are very similar. Both have executive committees, both have committees to address important issues related to either shareholder value or the health of the corporation or the mission, and finances of both the corporation and the University board. They pretty much cover everything.

Trustee 3: In terms of decision-making, both types of boards, I’ll be very honest with you, often have the work supposition that the leaders of the institution are coming to the board with recommendations that are fully baked. There won't be that much needed or the real robust questioning and prodding and revisiting the dangers. They can fall into the trap of being inclined toward rubberstamping. Where the quality of engagement goes up, is when the management team comes to the board with the idea that is 80% baked and truly has teed up some options for the last 20%. Asking for the board to help deal with that seems to get engagement up, because people are not asked to rubberstamp it. There are some pieces of it that they're asking for feedback on, sharing alternatives, and which ways they are inclined toward. Even if they do that as a process step, the degree of new engagement from the board would be quite high.

Trustee 4: Chairs are, in good corporate meetings, keeping board members informed. Academic decision making on academic boards most of the decisions come through the executive committee, which is a function of board size at this university. The executive committee meets monthly compared to quarterly for the full board.

Board size.

Ning et al.'s (2010) study noted that since the 2002 Wall Street financial collapse, corporate boards with fewer members, ranging from seven or less, increased in size, while larger boards with 12 or more members, shrunk in size. This reversion trend in corporate board size suggested that board independence and staggered board structure may be linked to board size. The researchers concluded that based on agency theory, there were costs when boards were too large, while resource dependency theory pointed out that larger boards were beneficial in providing access to more external resources. The participants in this study acknowledged that board size was a determinant in board member participation, the number of committees needed on corporate versus academic boards, and the ability to make decisions.

Trustee 10: You have to make sure you are reading the material. It is the old 20/80 rule, some people 20% are engaged, and 80% are not. Larger boards are certainly unyielding, and there are a lot of committees, because we can get something done. There are 11 committees on the academic board. There is an executive committee. It doesn't meet very often because if it did meet often and made decisions, which it is allowed to do, you don't need a board. A lot of trustees would say, why are they there?

Trustee 6: Since the corporate board is smaller the work gets parsed out to fewer people and there is more to do. On the corporate board I was on two committees.

Those committees took up a lot of time and a lot of studying and work, not so much in the academic board.

Trustee 9: The academic board has 40 members, and they meet four times a year for approximately two and half hours. Comparing the corporate board to the academic board, the size of boards has a dynamic application. At the academic board, the majority of the work is done in the committees because of the size. The committee meetings are three or four hours long. It would meet within a day or so the full board meeting. The corporate board, because the size is so small you can do more in-depth, hence the reason committees aren’t necessary.

Trustee 7: When I first started on the university board, there were only 15 on the board. It has since grown over time. It's not as intimate as it was before. We use to be able to have frank discussions as a board, and those are now more reserved to the committees. You want to give everybody a voice and not everyone can have a voice with 35 people at the table. Now that we've worked long enough together, there's certain comfortableness in being able to have different discussions and making points and counterpoints. The smaller board to me was better, but I don't think it is realistic in a university. We had a hard time raising funds and for a long time we were in the red. For last 10 years we have been in the black, and a lot of it’s due to the board members.

Trustee 8: The size of boards has a big impact. In a group of 35, you can't have a real discussion or debate. What I've found in my experiences at an academic board, more of the work and decision-making is at the committee level. There are more committees that are empowered by the board to make recommendations, which are pretty much rubberstamped approval. The University also has an executive committee of four members. The presiding religious head of the university is the head of the executive committee. We just started it two years ago. All the committee chairs sit on the executive committee, as does the chairman of the board and the president.

Trustee 6: In terms of carrying out business, you need a smaller board in corporate America; a large board is tough to coordinate schedules. It's unyielding and difficult to get decisions made. In the academic board, there are very few decisions to be made; most of the decisions are made for us. Most academic board members are there for guidance, but not for real decision-making. Certainly the chairman and vice chairman, the guys with the big bucks, get to make the big decisions. It’s not the rank-and-file board member.

Trustee 2: I think size does matter if you had a board of 37 or 28 people trying to run a publicly traded company. It would be very, very difficult to get things done. If I had a bias, it would be toward a smaller corporate board. I think it would be the bias of most CEOs. You rarely will find a publicly traded company with more than 11 to 15 people normally that's the size. Academic boards are much larger, and they usually have more committees, 10 to 11 committees probably closer to 12 committees. There's plenty of work to do in having a board of that size to give you an opportunity to have a good selection of people that serve on usually 2 to 3 different committees.

Trustee 5: The trend to smaller corporate boards is the function of a couple things. One is a supply issue. I think it's also people are finding that it is tougher to

> manage a larger board. You need to get concessions or alignment on various issues, and as a practical matter it is harder to do that with 13 people versus nine. There is a flipside to that you want to have enough diversity of view and experience so that you don't always gravitate to alignment. It is not the healthiest. You want some constructive friction; that is good governance. Constructive friction on a board is healthy. It has to be constructive. You want that. Simplistically, there is an inverse relationship between size and efficiency in getting to a decision point in making decisions no doubt about that. But I think certain entities like a university needs a larger board for other reasons. For matters of policy and disclosure and those kinds of things, set up a process that allows you to involve and communicate with the 50 people without the 50 people being involved in the discussion of every matter is such a challenge. There’s ways to do it, and it works well.

Maintaining Mission and Shareholder Value.

The oversight role of governance boards requires attention to the organization’s mission and value creation. Earlier research conducted by Finegold et al. (2001) examined the attributes needed to build and to engage effective corporate boards of directors. The researchers concluded that the motivations for building more effective boards were: to gain strategic advice; to secure resources; to manage crises; to help develop leadership; and, to increase shareholder value. The researchers suggested several methods of building effectiveness such as: define the board’s strategic priorities and mission; determine the boards talent needs; annually assess the chief executive officer and board members; remove ineffective board members; provide timely information to enable the board; allow time for the board to operate effectively; and, align director’s interests with the board’s mission. The subjects in this study acknowledged many similar recommendations for upholding the organization’s mission.

> Trustee 10: The mission is great in both organizations, and it is very important and so is branding. You have to protect it in the corporate environment. I was saying the next two or three years and going forward that intensity is going to increase in colleges. As we move forward, budgets, student enrollment, how do you protect those at colleges. Their product is, in effect, a product and the customer is a student. You have to protect what you put out there as a brand does it have value? How do you determine what they are learning? Students that can't get jobs? You have to ask yourself: is it government policies, is it what we're teaching them, and is it not translatable? So, trying to protect that giving the students some benefit when they leave here that they can support themselves. Protecting the brand is important.
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> Trustee 6: Shareholder value is an issue at my organization. Shareholder meetings were quite long, and it was a wild experience. Implicit in shareholder value is the idea of a threat. You have activist shareholders. The atmosphere is different on academic boards. It is much more laid-back. Our shareholders are really students, and they don't come pounding on the door at a board meeting. Kids are passive. There isn’t a sense of urgency like a corporate board.
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> Trustee 9: There are challenges of comparing corporate shareholder value and commitment of mission. We talk about that often, as you can imagine. I’m on the finance committee and when we’re approving budgets and spending capital

expenditures for buildings and other types of things there is that natural tension between to put up a rec center or to invest in a new program or college. So it’s a good give-and-take; there is a balanced viewpoint particularly being a Catholic University, mission is at the core of everything we do. We spend a lot of time making sure. Every year, every committee spends a half-hour talking about our mission and identity, so even if it’s a finance committee we anchor everyone back to the core values of my university. At the finance committee, as I’m sure you’ve heard, no margin – no mission, so if you’re not making money, you won’t be able to fulfill your mission. It’s a continuing conversation. In the balance there are priests on the board, so we have a core. They keep us focused, along with others, who have different demographic backgrounds. It is a continuing challenge and conversation that needs to be addressed regularly.

Trustee 6: Prove your value proposition. If you can't you won't get any money. That's with the current topic of writings. They are all about if you can't prove a way should the government give you money. Those types of restrictions make you have to prove your proposition. With the corporation, the value proposition is easier to prove - either you're making money or you're not. The stock’s going up or it's not. It isn't subject to judgment either you’re doing something or you're not. Academic boards have emotional attachments to the organization like we do at my university. That doesn't exist in corporations. There is something inspiring in the mission of a university. On campus we see the students walking around. Companies aren’t doing that. Academic boards are not as bottom-line focus, so we look at social justice, things that a company wouldn't think of.

Trustee 11: Corporate boards in protecting shareholder value, I think the academic side is actually better in protecting their mission. Corporate boards the minute it's over your are preparing for the next board meeting, so there's a tremendous amount of time tied up in federal regulations, SEC regulations, legal work and all that preparation is a lot of nonproductive work. You're constantly involved in board activities. Many of your decisions are short-term because you're protecting shareholder value. Academic boards I think the mission of the university you don't see that as a force on the public side. In addition to shareholder value, what is the mission of this company? What else do we stand for? What do we accomplish beyond profitability? What is the mission? How do we give back? You never see it on public companies what do we give back to the community? I was always disappointed with that, and I would try to incorporate that in the corporate board. There isn’t a mission on the corporate side that I’ve seen. If we do this – we are going to give back that. My university clearly has a mission. We establish that these are the good things we are going to do. For example, taking money and deploying it in a good way. That’s a good thing.

Trustee 7: In terms of value on academic boards, it is even more important as it affects my own pocket as a donor. We talk a lot of about our mission of protecting it. We never make a decision for instance in tuition increases and scholarship allocations without mission at the front and center of all those decisions. There are some difficult business decisions to make along the way, but especially on the academic side, if you don’t have the mission clear, as to what it is you want to get to, that’s a deficit.

Trustee 8: Mission is the main difference between corporate and academic board, and it is a continual challenge. We are a bit lucky. Of the 35 board members, eight are religious, so they are always very good at bringing up the mission of the institution, and how does it fit. Four years ago, we had our first strategic planning session, and we put clear screens and filters for enhancing the mission and every committee now uses that as a filter for every decision we make. How does it affect the mission directly or indirectly? Are there unintended consequences of some of these things around that question? For instance, one of our missions is to serve the underprivileged and with the increased costs of education it is a difficult thing to do. There is a relationship between the economics and the mission. If you're healthy financially you can afford to fund the mission. If you're not healthy financially, it's a barrier, and it makes it much more difficult to keep the mission top of mind. There is some tie into what you are doing on a corporate board to shareholder value and at a university. Strong enough financial wherewithal so that it can fund its mission. I think universities have been living in a bubble for a long time. The pressures around fees going up and people are questioning is it worth it - getting a degree costing $200,000? What is the return on investment? The external environment is changing, and it's going to require academic change much more rapidly than they have in the past the next 10 years in the world of Higher Ed. For example, technology: businesses have to deal with technology, and not just for payroll systems, but technology influences the way people have to teach. How do we preserve mission in online courses? These are very important strategic questions we are trying to get our heads around, and it will change the face of Higher Education in the next five to 10 years.

Trustee 2: I think there's a lot of similarities to the corporate board in those protections (mission and shareholder value), because they both have fiduciary responsibilities. Both need to be fiscally responsible and that requires some difficult decisions and balancing the budget. The cost of education continues to grow, and it is the issue to deal with regards to unions and tenure. In universities with tenure, there's issues with how do you make people transition when changes need to be made and the need to be respectful. There are a lot of similarities between the works of corporate and academic boards in each case there is a fiscal responsibility, and secondly, there is a responsibility to protect the brand you can call it mission, our brand, but it's very similar.

Trustee 3: In terms of protecting the mission like shareholder value, I think the academic boards have the luxury of operating in supporting the fiduciary support of the mission, and they can readily get all the viewpoints of the trustees. There is freedom from legal liability and risk in things like that so people shy away today from corporate boards because of all the corporate liability and risk. We don't have that same thing in the University affiliation, but I think the key is to make it a meaningful and engaged opportunity for the trustee. The more the trustee gets out of it the more they're going to give back. Everything you can learn from the feeling that you get from being supportive of the University and the mission, which attracted you in the first place, and then the learning experiences, the new content and engagement, things that you're interested in, where the university is, is the focal point of brain food. If we think of our core mission is to really educate, making things affordable is a key. Nobody's leading the pack in academia that I can see. Seeing how costs are going up faster than the CPI, and we could be a leader in that. The University has great results and increasing enrollment and increasing success in graduation rates, and so forth. It could be a good dynamic to declare, which are annual goals in a year-end report.

Trustee 4: At my university the academic board's mission is to make it an attractive university for students, which attracts high level and renowned faculty.

Trustee 5: The mission of our company is to save and sustain lives it is a healthcare company and our products have a fundamental role in order to fulfill the mission. Now you do it in the way that is sensitive to all the stakeholders and of course you're going to do it in a way that is sensitive to your investors and shareholders. So, we can give our products away for free in China and India, and we would say this is saving more lives. But, we would go broke because of being an unsustainable business model that would not generate acceptable returns. You start with the fact that no single stakeholder is going to get everything they want. I could increase my company's returns tomorrow if I would stop investing in R&D. I would cut payroll benefits for employees, engagement and community types of things, and we could drive earnings through the roof. The point is that it is not sustainable. How do you recognize the interconnectedness of all the stakeholders? I, we, start with our mission. How do we materially advance our ability to meet the demands of all of our stakeholders - always with a view of fulfilling that fundamental mission? I never want us to get too far away from that mission. We are a publicly traded company, and we have to meet the demands of our shareholders no doubt. I believe long-term the best way to do that is to fulfill your mission. Don't lose sight of the mission. In some ways I think the best public companies when you think about it are not terribly different than nonprofits in terms of what their purpose is and with their existence. That's what I believe. Now a lot of people do not necessarily do that. But I think good companies that are building sustainable enterprises get that purpose and mission of the enterprise transcends everything. That is what I see is one of my fundamental purposes as the CEO, as chief communicator is always reinforcing the mission.

Personal and Professional Rewards.

The motivation for board membership was examined by looking at the personal and professional rewards described by the study participants. Research conducted by Bowen (2008) identified several key components required to strengthen board governance, such as understanding board partnership; recruiting board members for effective leadership; investment of time and resources for good governance; distinguishing nonprofit and for-profit board governance convergence; and, recognizing the rewards of board governance in both sectors. The participants in this dissertation expressed many personal and professional rewards in serving on corporate and academic boards, and in some cases, they expressed their roles serving on academic boards were more personally rewarding.

Trustee 10: In terms of the personal and professional rewards, you build personal relationships and learn how to interact with others, deal with the egos to get things done, particularly more so in the corporate environment than the college environment. The people on this academic staff, it amazes me that they do a lot for not a whole lot not a whole lot of compensation, so there's a lot of labor of love. To see things implemented, that's what it's all about. You can have the greatest plans in the world, but if they're not implemented, it does not matter. To see that come out in a corporate or college level, it's very satisfying, that's fun.

Trustee 11: In terms of personal and professional rewards starting with the public board, is an excellent learning experience for someone going to work on an academic board from my perspective. From working with lawyers and finance people in the public board the requirements are very regimen. I think you learn what you should be doing correctly, so there's a huge education process with outside input from accounting firms and legal firms and other board members. I would not have learned that if I'd only served on an academic board or in a board of a small company that was not public. You get tremendous learning experience being on a public company board.

Trustee 6: In terms of personal and professional rewards I feel good on both situations if I feel I added something to the board. If my skill sets are used and someone benefited from what I did, I can feel very fulfilled in either one. I am on the academic committee, and that has kept me engaged. And at a recent board meeting we had a discussion about combining business law and health. I've been talking about this for six years, and we never really did it. We can't get the deans to sit down and make it happen. In the corporate world that would never happen, I would have, as CEO, made them work together and make it happen. You have to make them see there's a gain there for everybody - that's how you get their buy-in and how you put change together like that. But, in academia, we put it in the strategic plan and will do it one day, but not until we get those deans on board.

Trustee 8: On the business side it is more intellectually challenging to be a corporate board member a lot more. You get more out of it that will help you professionally, because it's business and you can learn things from it more directly. It's not as personally rewarding as the academic board is, and we get a little more frustrated with the bureaucracy, but when things move forward, it is more personally rewarding. You do get some learning. You can learn anything any time, so there is some learning benefits, but not as much as I did from the corporate side.

Trustee 7: My personal rewards on the corporate board are just that it's my every day, so it is just a fact of life. It's a business requirement. The academic side, it's more gratifying than the corporate side, because you feel like you're contributing something bigger that just than just running your own business. And I can see it as I drive to the campus. I can see the progress over 12 years is almost unrecognizable. It's vibrant with more buildings and the student body has grown. You see students that are impacted by the scholarships and all that, and it's very satisfying. In terms of personal rewards, to me the charity side is much more rewarding than the business side, because I am in the middle level of my life and career. It’s time to give something back. To me the corporate board is just business as usual, and even if it wasn't just my board. The attraction there is intellectual stimulation, right. But the economic part doesn't really play a role anymore. It’s much more gratifying to be able to give your money, and your input, to an institution like a university. It has been very rewarding to me over the years.

Trustee 1: My personal and professional rewards serving on these boards are a great deal of satisfaction watching the growth and success, not just financially, but in terms of mission and quality of the University, treatment of the students, success rate of the students and growth in both the corporate and executive life. I took a great deal of satisfaction from both.

Trustee 2: Personal professional rewards in terms of academic boards it's very similar. The longer you serve on the board with individuals, the more rewarding it will be because serving with individuals on a particular committee over time. In three or four years you get to know the individuals and see them in action, how they think, how they participate in exchange of ideas that you have with them, break bread with them at lunch or dinner a number of times those relationships develop. When that happens it's magical because that's when you really start brainstorming about getting things you haven’t thought about. Let’s think about doing it differently let's think out of the box. Corporate boards have compensation, but less importance is on that than the importance of making a contribution to the well-being of the company, to being a part of the work that moves the company from this point to another point to be able to say during my tenure on the board we saw our company go from so many billions of dollars in revenue to double that. We improved shareholder value from X to three times X. All participants on the board are goal driven people. They are self-starters. Compensation is nice for some. It might be more important than others, but by and large my experience in 20 years on a corporate board, is the rewards are from working with other executives that you grow to respect and appreciate. It helps you as an individual to be a better mentor, to be a better leader, and a better individual because you learn. It's a learning experience. You go there to contribute, and they want to tap into your past experience from other boards or running whatever company. But, as you come aboard, and you do that, you find that you’re learning as much from the other folks at the table. It’s very refreshing and very rewarding. You develop a camaraderie that is infectious, and it helps the company and the culture of the company.

Trustee 3: In a corporate board people join it because of the prestige of being on the corporate board, and it will be helpful to their career, and there is going to have an economic incentive. There are boards that can cause you to lose money. Boards that want you to invest money as a board member and in turn the stock price doesn't go up. It is a risky proposition people have to think it through carefully. I personally get more out of being on boards of younger companies that are still private, or the management team is really trying to tap into the capabilities of the board members they are bringing on. Jointly, the board and the management team will help a company accelerate through growth. That's exciting. It usually involves real upside. I think an academic trusteeship being a wonderful conduit to bring brain food for the trustee is really valuable and important. I do at my university both think of creating those experiencing opportunities, whether a visit to Rome or my board is going to Paris with a particular agenda for trustees and their spouses. Those are things that happen in invitations and opportunities during the year for people to get great exposure to new knowledge and new learning. Now, being on a university board I think, again, it comes down to quality caliber of your colleagues around the table. Actually, I think being a trustee is much more rewarding at this stage in my career. I'm not looking for a way to enhance my resume. I am much more oriented toward entrepreneurial companies at the early stage of business activity then in large corporation things that move slower.

Trustee 6: When you're on a corporate board you are a corporate guy, and that is why you are asked to be on the corporate board. On an academic board you don't necessarily understand education, how it's done, so there is a difference there. Maybe if we were in the corporate world we would pound the table more. We had a situation here at my university, with a subsidiary, for them to tell our CFO the he could not sit in the meeting. We would never put up with that in a corporation. The academic board put up with that.

Trustee 9: I think the expectations of board members are very similar on corporate and academic boards. You want to provide guidance. You want to provide input you want to share ideas. On the academic environment, it might be a little softer, but there have also been times we've had budget issues that we've gone at it, and you wouldn't at a public company. I think there might be a little bit less legal and fiduciary responsibility, but corporate board members today know they can be personally liable and on the line so there is a heightened sensitivity. Now on corporate boards, you have to make sure you've dotted every I and crossed every T and asked every question, looked at every audit report, etc. I think that is how it should be. I think in academia that is still little less. At the end the day, they sit back and think that it’s the CEO’s call. You can only push so far, but there are certain things that I feel are out of my hands. New programming, closing colleges, and opening colleges, so things are yielded to the folks that are running the institution.

Trustee 4: The most important thing for me is that there is meaningful work on academic boards. On my corporate boards I have the ability to influence diversity as part of the agenda. I ran a capital campaign for the academic institution, and I was very involved. I'm not the chair of a committee on the corporate board, so I don't know if I have that level of work exposure required of chairs of committees. Both the corporate and academic boards I am discussing have been very rewarding to me personally and that hasn't been the case on other boards I've served. At my present academic institution, I really get to contribute in meaningful ways and that makes it very rewarding.

Trustee 5: I can say my fundamental motivation at my organization and my motivation on the Board of Trustees are basically the same. I feel whatever talents and capabilities I have, and limitations that I have, I derive meaning and fulfillment by applying those to something that matters. So, if it's fulfilling our mission of the healthcare company or providing an education that transforms the students, the underlining drive is the same. It's why I do it. I don't feel it is a job. I view it, to some degree, as being able to contribute something that really advances the mission. It’s where I get the buzz, and it is the same on both boards. I am lucky and I realize that I operate in healthcare industry is easier to do than if I was running other corporations that have to meet a market. I've been blessed in my life to spend my life in two industries, healthcare and education, that are unique as an economic good or unique in their intangibles. How do you put a value on advancing health care put a value on advancing knowledge? They are intangible, but priceless. My personal professional rewards change with your stage in life, as you get older, and your life situation changes, it does allow you to do what you do for the reasons I described earlier. I don't think you could find too many directors of public companies that don't serve on nonprofit boards. I attribute it to a lot of things. People at a certain point their life have the time and interest to serve on boards. One of the reasons they do that is because of their intellectual curiosity the opportunity to be exposed to new people, new ideas, and new things. It maintains an energizing for them. They recognize they have gifts and talents that can be brought to the table to create value. I think they also take a step back and look at that the context of a not-for-profit. The motivations are the same for me on the corporate board and the academic board.

Trustee 11: If I had to pick, I like the academic board, and the longer-term nature of the way it operates. It's more similar to a private, small company. The public company is not what it is made up to be.

Responses Related to Research Question Two: How do chief executive officers perceive corporate board governance influences academic board governance? Four themes were identified: 1. Corporate Influences; 2. The Great Divide; 3. Academic Lessons, and 4. Best Practices.

Corporate Influences.

The study participants described several corporate board practices that academic boards could incorporate such as more focus, discipline, and clearer expectations. In research conducted by Baird (2006) on effective governance culture, the author looked at corporate and participatory board structures. The researcher examined processes to improve the credibility and consistency of internal governance controls in academic institutions. The impetus was to encourage a culture of continuous improvement.

> Trustee 6: Corporate boards are much more focused. All boards have problems with this. They set up an agenda, and they set up the same agenda and same reports instead of focusing on what is really important. Our recent academic governance task force looked at this, but we slid right back into what we were doing. Corporations have influenced academic boards in terms of metrics looking at the outcomes, all that is coming from corporations. Most good companies run like that, so if you see a push for that, it is coming from corporate board members.
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> Trustee 10: Quite honestly in a corporate board meeting monthly really got people on board and, quite frankly, colleges don't do that. There is one thing when you run a board a particularly a college board. People may not be very familiar with everything that goes on. You need to be prepared when you're given information read it. To be honest with you, we get a lot of trustees that don't read it all. Read it so you are prepared. If you really don't have a grasp of something, take that as an opportunity to keep your mouth shut. A lot of trustees don't. They'll express an opinion that may not be well founded or well researched. That comes up from time to time, and it can send you off in a tangent. Compared to corporate boards

when you meet monthly, the volume of material is not huge. In a corporate world directors will call you or you invite them to do that, and it is not unreasonable to have a weekly call from one of them. I have not witnessed that on the academic board.

Trustee 7: That's part of what the other boards have members that brought to the academic board is a discipline of measurement on the planning side of it. I think that academic boards are similar to the corporate boards, but they don't do it as such a way that is disciplined. They don't have the same discipline as a corporate board has. I would like to see more of it, but that's my corporate side speaking. I like to have, for example, more specific succession planning in place. I would like to have more specific budgets in place. I would like to see a capital plan in place as to what we are going to be doing in five years. I do think in the next 5 to 10 years academic boards are going to have to get more disciplined. It is going to get a lot tighter to make break even, or make a profit on it. The rules are changing. Academic boards are much more in tuned to the student or in other words to their customer. They are much more modern thinking toward their customer, and they have daily customer interaction. Corporations don't have it. From a technology standpoint academic institutions are much further ahead than in any corporation I've seen. In terms of board member expectations comparing corporate and academic by donating your money in the academic board, you have some skin in the game. That does give me the ability to feel like my views are heard. On the corporate side, those board members feel that they have to contribute because they are getting compensated. They try to be helpful with opinions. It translates directly to the academic board, we all give input with the best intentions in mind so this pretty much parallels.

Trustee 8: For board members that I've been around, the expectations are much clearer in a corporate board. I have never ventured into a corporate board meeting that the members were not well prepared. They read the pre-read, they do their homework, and they are engaged. In an academic side, you get a lot people who do not do their homework. They come to the meeting. Some of this I believe is a result of the size. People think they're there to give back, as opposed to being passionate about it. On a corporate board, people are doing it for a specific reason. They're more incentivized to take it professionally and do the work. On the academic side, half the board members are really engaged and prepared for the meeting, and I have never seen that kind of lack of preparation on the corporate board level. I don't think it's a function of being compensated on a board for the time they give, and for the knowledge and experience they bring. They don't get paid that much. I think it's less about compensation and more about the risk and their own personal brand image. To have problems as a board member that would reflect that I'm not doing my job. It is a fear of my name being linked to something going wrong. In a university, you don't have those kinds of risks, that's why you don't get that kind of attention, so it has little to do with compensation.

Trustee 1: I think there is a greater influence on finances and the mission of the University, social responsibility, and the experience of the corporate board members can be lent to the academic board members in these areas. And, our university had some serious financial troubles, before we had a leadership change.

And, frankly, the board did not previously do a good job of auditing those problems and fixing those problems. It has since been corrected. There is a continuing focus on finance and basic mission on both corporate and academic boards. That's a maturation process. My corporate board experience has been very rewarding and has assisted me in serving on the academic board in all the experiences that I've had and in the knowledge that I've gained. The academic board needs good stewards. They have to know what to look for and be sure that the bases are being covered. Financial growth of the University, enrollment, student life, and the mission of the University, the corporate experience really can help you to evaluate those factors.

Trustee 3: Corporate boards will often have influence by having an academic on their boards so that culture begins to comingle and add value to each other. The big thing that is different is the clarity of the goals and the rigor and monitoring progress against them between the two boards. The other big thing is that there is great prestige on a big board and that matches your collegial interactions; the quality of who is at the table is very important.

Trustee 5: The not-for-profit and universities sectors historically have not had the same kind of discipline and defined process and rigor, but that's changing quickly for the better. You see a big distinction in a practical manner, that you can't get away from, is a director of a public company is a paid position. It's not why people serve, generally speaking, although some do, it is almost as if it's because it's a volunteer. It is never articulated this way. It is my observation that many participants on not-for-profit boards, it is almost as if I do not have to have the same degree of rigor and commitment because after all it's not paid. I'm not sure many people process it consciously that way, but that doesn't mean it doesn't exist.

Trustee 9: Going back to the thought that a good majority of the people on the academic board come out of the corporate world, at very senior levels, is one of the many reasons the university wants them on the board, to bring their knowledge and expertise into the university. I am confident that it’s had a huge impact over the years and particularly in terms of Catholic and religious universities that have gone to lay boards and lay presidents. For example, at Notre Dame when they went from Holy Cross priests to a lay board you can trace back the way they are operated today to the corporate people that influenced that structure.

Trustee 11: My academic board has a lot of the format of a corporate board. Overall, corporate governance influences academic governance in that the governance exists in corporations. I've given a lot of input into setting up my university’s governance structure from my public side experience.

The Great Divide.

The study participants noted several differences in the governance practices of corporate and academic boards. The comments were consistent with Rytmeister’s (2009) observation that academic boards lacked professional processes, as some participants noted the lack of rigor and board member preparedness on academic boards.

Trustee 7: The politics of the two boards are really different. On the academic board, there's a social politic that isn't there in a corporate board. What I mean by that is that you have to have a relationship with the president and the staff member beyond just the board meetings, because, you want them to open up to you if we have trouble. The regulations are completely different on an academic board because of government funding involved.

Trustee 10: They are different animals no question about it and you have to mix the two when you can. You can't force something on one or the other. It has to be applicable. The business plan, in terms of corporate boards is an annual event a three-year outlook, but it rolls. I don't think colleges do as great a job as they can on that. Putting the plan on the shelf once you do it, doesn't do any good. It needs to be looked at periodically and when you're doing your projections whether quarterly, semiannually, annually. You need to go back and look at it. What did we say we were going to do? I do think colleges can do a better job with meshing that projection and reporting process.

Trustee 11: On the academic board, we are not spending three months preparing for the next board meeting at least the board members are not. In those meetings, we are looking for longer-term visionary activities, where we going for longer term thinking and direction. I prefer the academic board because it's really how public board should be run but with all the shareholder activists and regulations it makes it impossible. It is counterproductive and difficult to look longer than in longer strategic planning mode. Those are the two major differences between academic board and a corporate board.

Trustee 10: Historically, college CEOs have not been held to an identifiable performance level. That's changing; historically that was not the case. It's not a bottom-line institution. It is if it is in the red, you have a problem. There isn’t that huge excitement that you would in the corporate world. That's changing today, but those are things were different and colleges are catching up to those areas now. For trustees, it is a voluntary job, drawing trustees can be difficult when colleges are having problems, or they bail out and that makes it very tough on the president.

Trustee 3: There is freedom from legal liability and risk in things like that so people shy away today from corporate boards, because of all the corporate liability and risk.

Trustee 11: The public board expectations are much more sensitive to legal and federal laws. They are very sensitive to that. That is not the case on the academic side. In a private school, they don't have to be driven by the federal laws that are placed on a public company, so the boards have very different expectations. Corporate boards have a lot of personal liability. On the corporate side there is about $100 million P&L insurance. They're worried about getting sued, and we don't worry about that so much on the academic side. They are getting advised by a law firm for the company management, and the board actually has another legal firm to protect themselves. Public boards are very sensitive to shareholders, class-action lawsuits, environmental lawsuits, SEC security violations, because they all have inside information. On the public board, they are going to make a six-figure income being a public board member, and with that a tremendous amount of responsibility and accountability and a lot of legal issues on a public board. Versus the academic board – you are not being paid. You try to make long-term decisions for the institution, and you really don’t worry about being sued or violating a federal or securities law.

Trustee 10: What you can take away from corporate boards is there is a degree of liability, particularly on the corporate side, that you have to be aware of because if somebody messes up, it can get very expensive even with liability insurance that may not be enough. Colleges have it too, but it’s not as serious.

Trustee 4: A good example is the academic boards have an investment committee that is led by outside professionals in the field, and you won't find that in a corporate environment. Academic boards have an executive committees and the corporate board I serve on does not have an executive committee. That might be attributed to size, the corporate board has approximately 12 people, and the academic board has 50 people. Academic boards also have an executive session without the CEO and that has not been the tradition in the corporate boardroom. Corporate boards have strategic retreats, though you have to be careful on who is invited beyond board members in order to maximize teambuilding and relationship building.

Trustee 5: At every board meeting there is an executive session with me without management and without me. That's a best practice. We will get there overtime at the academic board. The board must have time to talk about itself from time to time without the CEO. It doesn't have to be every meeting, but it's just healthy. I encourage it. The challenges when you're somebody running an organization, you have to be able to step back and let your board apply proper governance. They always have to be viewed and balanced with the mission. I think the public sector companies could learn from non-for profit and academic institutions in that sense. We don't have a committee for example at my organization on the mission, like saving and sustaining lives. But, could we do more to provide access to lower-cost therapies medicines, devices that in some way broadens access. It may not generate the same relative profitability as mature markets, but it still generates an attractive return of capital. It may be, if we had a committee report on oversight and mission, we could do even more than we do now in that area. That's a tangible example of what I'm trying to say. We have our mission and identity for the university that strengthens the mission.

Leadership: Board Chair Inside or Outside.

The practice of corporate boards being led by inside or outside chairmen was another difference from the establish practice of academic boards being led exclusively by outside chairmen as described in these mixed opinions.

Trustee 10: I've only experienced outside chairs in my life. Banking was kind of an anomaly; we always had an outside chair. That's just plain good governance as it gives the separation of powers. If there is one thing, I mentioned egos. If CEOs can get big heads, because things are going well until they don't. That's when everyone in the board looks at each other and says who's working with this person? That's why an outside chair is good. You communicate with that person daily if that person is doing their job. Maybe in some cases in my cases, daily on the drive home I would talk to my outside chair that way you're also protected. I'm a believer, and separation of CEO and chairman that's all I've known.

Trustee 6: Many have an outside chairman. My organization had it that way and others do. It is becoming more common, and I like it much better. It's much better, and I do think that the academics are ahead of the game doing it that way.

Trustee 9: The role particularly in banking more and more there are more outside chairman. We went to that three or four years ago. It came off the financial crises, and the regulators are pushing pretty hard for that separation between in-house people and external people. I think it makes sense in the academic institutions because that person would typically bring a different perspective and not running the day-to-day operation. I'm still not sold that it makes sense in the corporate arena, but it's also the reality of the regulatory environment. It is very prominent in financial services. I don't know how prominent it is outside financial services.

Trustee 11: I believe you should have a chairman that is outside the company. Where there is chairman and CEO, I would automatically recommend that a lead director be appointed by the board. I am personally in favor of separating the two roles.

Trustee 1: The chair of corporations is usually an insider, as opposed to academic chairs being on the outside. That system my personal opinion is that if there are appropriate checks and balances and the insider is the best choice for the CEO, rather than a total outsider, because as a total outsider you don't know what they know about the business, of nuances the intricacies as an insider who grows up with the company knows all the nuances. I see that increasingly in business they recruit outsiders who are either presidents or CEOs of other companies. Which tells me that there is a basic lack of management development in a lot of the companies today in America, which disturbs me. In the academic model, the chairman is outside the University, because they have the commitment to the university and the basic life experiences that can help them run any big business. They have an appreciation for the mission, and the student health, and life of the University, as well as finance. They are well prepared, and it acts as a check and balance on the president and CEO.

Trustee 4: I like the idea of outside executive chairs it works well at the corporate level.

Trustee 2: Corporate boards are chaired by internal people and academic boards are chaired by outside people. These are two different beasts. It makes sense to have a corporate board chair that is run by individuals inside a company, although as we've seen in the past 10-15 years, the public watchdogs have sought that the board be led by an outside director. They prefer to not have the CEO be the Chairman. Corporate governance has followed the advice of these outside groups that looked at the running of companies and felt that it was in the shareholder's best interest to separate the two titles. Some companies have a lead director. Otherwise the inside guy’s salary and everything is predicated on the running of the company, and outside directors aren’t truly carrying out their responsibilities. This avoids the image of being rubber stamped on the inside. In the old days many met board members who were country club members and friends of the CEO. It goes on to some extent now, but it still protects the shareholders’ value by having an outside chair. I would say today most Fortune 100 companies have the title separated. I think that's a good thing. In the case of an academic board it's a little different. At my academic institution the board has responsibility to be as supportive as possible to the president to carry out the mission. The chairman of the trustees has an extraordinarily important role in assessing how the president is doing and assessing what help she may need. There may be some areas that that person is very strong in, and other areas that are not her strengths. That’s where the chairman comes in and makes sure to best provide more support in some areas.

Trustee 5: At my corporation, we have an outside lead director. I serve as both CEO and chairman there is an increasing trend to separate the chair and CEO roles, as I am sure you've seen in the literature there are pros and cons to that. That is the only model in Europe. Not so much in the US, but if you have a combined role like we do at my organization without exception you have a lead director. We have a lead director position that really serves as a nonexecutive chair.

Trustee 7: In terms of having the chairman of firm inside the company, I think the corporate culture inside a business really is critical as for most of them fail.

Trustee 9: The separation of chairman and CEO I think it's a good thing it's just good governance. There is a big trend in business to separate those two roles, and it's just a great thing even though I didn't personally have a good experience with my chairman it is just good governance. It provides a good balancing act between those two roles, especially in today's business environment. The chairman has to have separation from the day-to-day activities of the business. It's a healthy thing.

Academic Lessons.

The study participants identified several practices that academic boards have established that could be adopted by corporate boards. The comments made supported Feyerherm's (2009) proclamation that the academic board approach to board membership utilizing a co-learning model was unique to corporate boards. Gee (2006) supported Feyerherm's position by noting that university presidents, like their corporate counterparts, were responsible for managing their organizations. Gee defined the unique difference between the two structures was that academic presidents govern through powers of persuasion and collaboration, a theme reinforced by this study's participants.

> Trustee 10: I think colleges are pretty good at shared governance for the most part. That could be given some consideration in the corporate world, although in the corporate world directors hire somebody to run the company and expect that person to run the company. They didn't want to mess with that for the most part. You can find in colleges were the president might be over helped sometimes by trustees, and I've been a strong believer in if somebody overstepped the bounds, we have to remind them we hired this person to run the college and let them come back to us if you don't like it, then vote on it. The shared governance could perhaps leak in the corporate world a little bit.
>
> Trustee 9: Academic board practices that corporate boards should adopt, in general, the mission and branding piece could certainly translate into businesses as well. For the most part businesses will do guiding principles vision and mission, particularly being involved in a religious institution as we talked earlier that is always at the core in businesses. We will anchor back to the efficient, but I

think it is more focused on the profitability and driving that inherently is having a sound brand and great reputation. The continued focus around what are, we in business, for beyond the shareholders and the customers, but what about the employees and communities. Actually, we've tried to focus a fair amount on that. I think the academic boards to a better job, and on business development and capital campaigns. On a regular basis, the board members are being involved and engaged personally and in terms of helping raise money. The correlation to that on the corporate side, I don't think we ask enough of our board members to help develop to our business. They are all well connected. I think it may be preconceived as taboo, but typically we are doing business with them personally and their companies. Obviously the people are large-company CEOs that have lots of vendors and contacts and networks. I don't think we have tapped that. Especially in big companies board members of Fortune 500 companies have board members from all over the country in the world. They fly into per two days of meetings they fly out again. They focus on their responsibilities as a director and their committees. It could be extremely valuable for the company, if the 10 directors referred two very attractive business pieces per year and that would be attractive to the shareholder. We have a lot of our employees on not-for-profit boards, and we provide a four-day session of the responsibilities of being on a nonprofit board what are the expectations. The world has gotten more complex and complicated so you can't just show up and say now what do I do. We teach the roles responsibility. I sat in on one. I sat on nonprofit boards for 30 years. It may not make sense to teach in the undergraduate or MBA level. Taking it to a corporate level makes a lot of sense particularly as people are coming back later in life especially in executive education programs.

Trustee 8: Corporations could look better at mission and branding. Financial results and returning value to shareholders over what period of time, today's business environment is about today, this month, this quarter, this year. You can make some shortsighted decisions. Universities do good job at mission and branding and taking a longer-term view of the art. Better with long-term value.

Trustee 10: Corporate people realize an academic organization was a different animal. When you set up a course, you can't cancel it the following month. You may have to run it for three years to see if people go through the cycle. It takes a while for corporate people to see that colleges have a time flow that corporations do not tolerate, they cut and go. Colleges don't. That is something from the corporate standpoint. They bring their ideas in, and they have to find a mixture so to speak.

Best Practices.

Corporate Processes. All the Trustees described the influence of corporate board experience was apparent on the academic boards they served. The participants acknowledged that the majority of the members of academic boards they served were employed in the corporate world, consistent with Larcker and Tayan’s (2011) research that CEO level experience was desirable in board members. The participants described the reason for this phenomenon was due to the fact that academic boards sought member attributes of philanthropic means, in addition to leadership and a prominent position in the community.

Trustee 10: When I look at the corporate involvement on the academic board, which is significant. They don't need to do this, but when they get involved, you have to prove to them their value. It is up to the president to do, and if they don't do that, they will lose interest, and you will lose them. You have to do it fairly quickly, and they will put their heart in it.

Trustee 8: There are a couple of areas that academic boards are behind corporate boards and one is talent management and succession planning, and the other is compensation approach. They're both related. Corporations today are monitoring a much better job than they were 10 years ago, especially succession planning for the president the senior level positions. Universities are way behind on that, they think people are going to stay in those positions until they die or physically and mentally unable to perform their duties. There is a much longer-term cycle in a university than in a corporation. Being great instructors for young people and teaching the next generation how to be great leaders and individuals, we are struggling as a board to try to figure out how do you deal with compensation and tenure in a marketplace that you need tenure to compete and attract the right talent, but too much of it is no good. Those are two areas (succession planning and performance pay) are starting to dig into on the academic side. A lot of it is driven because our corporate board members and me have had to deal with that in the corporate world, and we are bringing that to the academic board. I tell my president you are running a big business with a huge budget, and you're dealing with the same issues that a CEO of a business runs in to. You may not want to admit this publicly, because of mission and values, but you're running a business, and it is fact.

Trustee 3: The academic board sometimes is not clear what the annual goals are and corporate boards are. This year we are going to grow by X amount, we are going to improve our profitability by certain amounts, and increase customer base, and new product introduction, whatever. Progress is tracked against a goal. I personally think that academia could be a lot more cost efficient.

Trustee 5: There is a convergence of the two types of governance and the reason is the underlying issues are the same, right. Each entity has stakeholders of which directors or trustees have this very fundamental obligation or responsibility. It's just that in the corporate world, there is a shareholder in the traditional sense, but the traditional shareholder is one of multiple stakeholders of a company. Ultimately, the traditional shareholder in the University is no different. You have this array of stakeholders, and when you think of this in a fundamental and simplistic way, there isn't a big difference in responsibilities, which is why you see this convergence. I don't think you could find too many directors of public companies that aren’t involved in at least one or numerous not-for-profit organizations in the community.

Trustee 2: Academic boards to some extent have already adopted many the corporate practices. There is a separation of governance and utilization of committees. I'm not certain there are any corporate governance practices that academic board should adopt. I can see how things that we had done at my corporate board have helped me as a trustee of the academic board. I made recommendations. There are certainly best practices and best in class ideas that are done on corporate boards that can be passed on to the academic board and vice versa. From the University standpoint they are more apt to rely on outside consultants in brainpower and on campus for a particular problem. They're more willing to do that than publicly traded companies. From time-to-time you have to bring in outside firm who specializes in a particular area just like search, that's what they do. Some companies aren't willing to look at outside consultants in that manner. At my university they were more willing to seek outside experts when help is needed.

Trustee 4: Another caution I would like to discuss is that there's a trend now for corporate boards to seek board members from global companies and locations. I think we need to be cautious about that because what makes a corporate board have a strong team is the fact that you're seeing people locally more than six times a year. You're seeing them at other functions in the city that you live. You'll see them on other boards. You build a relationship so that when it comes time to speak up in a board meeting you have a comfort level that these are people who really know each other. The threat here is if you have people flying in globally six times a year for only the meeting, you never have that opportunity to bond with them as individuals. I see that as a threat for governance in general. Academic boards should be cautious when they have board dinners with a cast of thousands as that affects the ability of the academic board to build a team. For instance the corporate dinners may have speakers from a specific group at the board dinner, but it's never more than the board members and those people, so you have a group of 20. In a small board dinner, you really can ask specific questions and understand the topics and get to know each of the board members individually. I think corporate boards are leading diversity initiatives and academic boards do not have that level of commitment at this time.

Trustee 6: Expectations of academic board members are far fewer than corporate boards. There are so many people on academic boards to rely on, which you do not have on a corporate board. For instance I've been on this board nine years, and I was never asked to be a chair of the committee. I would've done it. I'm perfectly okay, but I would've done it.

Term limits.

There were no corporate terms limits reported by the study participants though most publicly traded organizations have moved to the annual reelection of all directors, which contrasted to the common practice of academic boards enforcing term limits, often to three or four terms. The practice of enforcing term limits was described by some of the participants as a risk to good governance due to longevity signaled institutional knowledge gained over time.

Trustee 9: There were no term limits, and we are putting in more expectations of board members. The members tend to know when the time has come to leave the board. Because it's not a public board, some people like that because there isn't the fiduciary responsibility, but other people may feel that it's more cosmetic then a full-fledged legal board. There are some legal responsibilities of the sort, but certainly not near the public board responsibilities. If they're participating providing input, attending the meetings, helping us get connected in the community, then the continuity provided by no term limits can be good. If they're not doing that, then we both have to come together and say this probably isn't meeting both of our expectations.

Trustee 10: The average corporate directors stayed 10 to 11 years and this was all men, before the days that we really looked for diversity. There really wasn't a need to have limits. They took themselves off the board if the time came. For the academic board, term limits and age limits are a three-year term and every three years and the Trusteeship Committee looks at those people and approaches them to stand for reelection. Colleges are not really good at evaluating trustees so to speak. We all talk to do better and send out forms, but in my experience we never asked somebody not to run again. They can run for three-year terms until they reach the age of 75.

Trustee 1: Today corporate governance is dictating that board members be reelected every year. Age 72 is about an average for term limits.

Trustee 8: On the academic board, there are four-year terms. You can serve three, four-year terms. You can renew after the 12 years. You could step off for a least a year and come back, and that's been a pretty normal practice. There are no age limits. Tenure and experience in the chair and vice chair are very important things. You don't want to be shortsighted in terms of term limits continuity and history is an important thing.

Trustee 3: The corporate board did not have term limits or age limits there is dialogue now about possible age limits. For example, a former Secretary of State decided once the company went public he wanted to move to an emeritus, so that he did not have the liability of somebody making accusations toward his age. In terms of the implementation of academic board term limits, I don't know how good that it's going to be. It seems to me that if you have a hard rule like that, and you're going to take some people from very involved and supportive, and then tell them now you're off you just can't expect the same level of involvement support from them. They will have other things that will fill that space. And so I am worried about what that term limit thing will do actually. There's always the issue of people just hanging on and taking slots, but that can be handled in a more flexible way by simply asking people if they really want to continue. I think a lot of times they will read into the question that they need either step it up or come off. What you're trying to get with term limits is keeping it refreshed and committed without the hard rule that could cause you to lose great support.

Trustee 4: In terms of age limits, we have to be cautious on both academic and corporate boards because the longer people serve, and if they're very good they gain institutional knowledge, which takes time to acquire. I served a four-year honorary term. I think most of that was for people to be able to rub elbows with celebrities like former members of a presidential cabinet. At my present academic institution, I really get to contribute in meaningful ways and that makes it very rewarding.

Trustee 5: My corporate board has stated age limits, which is 72. One of the biggest challenges, particularly in large public companies, is a supply of experienced directors. What you are seeing here is a couple of trends. One is people are raising their age limits and getting away from each limits altogether.

> They are saying there is a whole pool of people above the age of 72 with wonderful experience that we should tap into, that would be great contributors to the company. Because we have this guideline, the age limit, they are no longer eligible. The other trend you see is the size of boards. Our board has 13 directors, and I am the only management director. In today's world, that is somewhat large. You are seeing a trend toward smaller boards.

Conclusions

The world of governance has certainly changed since the passing of the Sarbanes-Oxley Act of 2002. This research attempted to bridge the gap of knowledge on the convergence of corporate and academic governance with this descriptive case study encompassing the opinions of the participants themselves. Oxholm (2005) examined the implications of the Sarbanes-Oxley Act of 2002, and noted that the regulation did not apply to institutions of higher education. The author emphasized that the intent of the Act was consistent with the aspirations of academia and recommended that colleges and universities adopt best practices from the Act to improve transparency and accountablity within and outside higher education. Supporting this position, Gee (2006) suggested that the Act imposed challenges for all management groups including volunteer boards in higher education, as it provided a model of best practices for financial responsibility and the importance of designating proper fiscal authority within corporations. It was no surprise to this writer that many of the participants in this descriptive case study linked their corporate governance accountabilities to their role in academic governance, as the Act has been in force for more than a decade and this particular cohort of CEOs were properly schooled.

The lack of professionalization was observed on academic boards and cited by Balch (2008) who asserted that trustees have an important role as mediators and leaders in the academic community. Balch suggested that academic trustees interject more corporate-like governance attributes to academic governance in order to professionalize governance. Balch's recommendations supported the research goals of this project in terms of gaining new information by soliciting the perceptions of CEOs serving on corporate and academic boards.

The rich text of the content provided by the words of the CEOs in this qualitative case study contributed to the validity of the study. In every response, the CEOs provided both context and confirmation of their statements and opinions. In summary, the analysis of the interviews with the CEOs serving as academic trustees revealed several areas of variances between the two governance models related to: making decisions and member preparedness; mission and shareholder value; and personal and professional rewards, which directly correlated to the research questions of this study.

- CEOs described the decision making process on the academic board as laborious and untimely. They also noted that corporate board decisions are focused on short-term results, as opposed to academic board decisions focused on long-term strategies.
- CEOs noted that corporate board members were better prepared for board meetings in terms of having a firm knowledge of the pre-read materials.
- CEOs admitted that corporate board membership accompanies greater personal financial risk, along with financial rewards of compensation in contrast to academic boards that are unpaid and seek member donations.

- CEOs recognized that academic boards have not adopted strategic planning processes and succession planning protocols that are prominent oversight concerns of corporate boards.
- CEOs appreciated the academic boards commitment to the mission of the institutions and participants suggested that corporations adopt a focus on mission.
- CEOs called out that academic institutions were amenable to utilizing outside experts or consultants more readily than corporations. This deferring to experts was considered positive management of issues.
- CEOs described academic use of technology more advanced than in corporations.
- CEOs explained their academic board service as more personally rewarding than their corporate board service.

The study revealed several areas of alignment between the two governance models in terms of board membership and member selection, motivation for service, and the utilization of skills.

- CEOs remarked that both the corporate and academic boards relied on board member recommendations for gathering a pool of potential board candidates, as a primary method of recruiting new members.
- CEOs appreciated the mental stimulation of utilizing their skills for service on both corporate and academic boards.
- CEOs reported serving on corporate and academic boards enhanced their professional personae.
- CEOs inferred that the quality of their constituencies on the boards contributed to the prominence of their service.

Implications and Recommendations

The best practices of board governance have been identified for expanding knowledge within the Academy from the viewpoint of the insiders, whose physical board work remains conducted behind closed doors. This study provided a glimpse into this important social construct. It is routine for corporate board members to serve on academic boards creating undeniable influence from corporate boards to academic boards. While many similarities were observed between the two governance models, the board members, as study participants, also discussed many distinctive differences. This researcher identified these areas outside the margins as learning opportunities.

The CEOs asserted that meaningful work was crucial to their participation on the board. The participants agreed that terms limits on either academic or corporate boards risked the loss of institutional knowledge and commitment to the organization by a lack of continuity that time allows. The level of expertise required for corporate board membership was reported to be critical for corporate boards, as opposed to ideal in academic boards. The participants reported that academic boards also sought members with the financial means to support the institution, which was a criteria not reported for corporate board membership. These contrasting specifications for board membership criteria are areas seasoned for future quantitative research. None of the study participants offered knowledge or experience in higher education as criteria for academic board membership.

Gee (2006) acknowledged that academic culture is not wedded to the financial results that dominate corporate culture, and the business leaders particpating in this study accepted that they had considerably greater personal liability and legal consequences on the corporate boards than academic boards. The CEOs appreciated the importance of building personal relationships among other board members in order to be comfortable asking tough questions in board meetings for both academic and corporate roles. Relationship building was considered essential to strengthening governance. Corporate board members reiterated that there were clearer expectations of corporate board members more than academic board members. These are several areas that academic boards need to focus on in order to improve their governance responsibilities.

Academic board members appreciated that their institutions had a clear commitment to their mission, which board members respected and reported lacking in comparison to their corporate organizations. Many participants expressed their work on the academic board was more rewarding than the corporate board. A specific example extracted from the interviews was that Academic boards have Investment Committees of outside experts to protect the organizational assets, a practice described as unseen in corporate organizations. The data also identified that Academic institutions appreciated the expertise of outside experts or consultants at an observed level not found in corporate organizations. The use of technology in academic institutions was considered superior to corporate organizations, and it was noted that academic board members lacked preparedness for meetings in contrast to corporate board members being well-prepared.

For future consideration, corporate boards would benefit from asserting a mission to the organizational goals, retaining strong board members without term limits, considering outside consultants for their expertise, and by utilizing an Investment Committee of community experts. Academic boards would benefit from exerting clear expectations for board members, implementing strategic planning, succession planning, and more corporate-like professionalization board practices. Both corporate and academic boards need to ensure board members have meaningful work to utilize their skills and expertise to improve board member engagement.

The Academy is known for educating generations of students, so it is a perfect institution to take up the cause of educating board members. Corporate governance academies are well established across the USA. There are corporate board governance programs offered at Harvard, Yale, the University of Pennsylvania, Wharton School of Business, Stanford University, the University of Chicago, Northwestern University, Dartmouth, Columbia, Duke, and UCLA, Andersen School of Management to name a few. They are supplemented by an equally robust list of professional organizations dedicated to education and training programs on corporate governance. However, this writer could not locate a single college or university program devoted to higher education academic board member education and only two professional organizations offering educational programs for four-year institutions of higher education and their academic boards members: The Association of Governing Boards of Colleges and Universities (AGB) and The American Council of Trustees and Alumni (ACTA). The time is ripe for the Academy to step up and invest in the education and professionalization of academic board members whose decisions impact the financial and reputational risk management of the academic enterprises across the country and around the world. This disparity in educational opportunities between corporate and academic governance whether real or perceived, is an area of concentration recommended for future research, and in particular, action.

This researcher's final thoughts reflect back to the beginning of this research quest. The author was unable to uncover research linking the convergence of corporate and academic boards similar to the focus of this descriptive case study. That exploration began an odyssey into the untapped depth of knowledge generously delivered by chief executive officers who served as academic trustees. The themes that were exposed during the interviews with the CEOs offered a plethora of governance practices that were described as idyllic, worrying, or steadfast. Given the heightened interest in the work, the role, and the responsibilities of governance boards, this research study unlatched the closed doors of governance boards, and it opened up new possibilities for those seeking best in class practices that both corporate and academic boards can embrace.

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Appendix A

Interview Questions Related to Research Question One

1. How many members are there on the corporate board of the company that you serve as a director?
2. How would you describe the state of term limits and age limits on the corporate board you served?
3. How many committees are there on the corporate board?
4. How would describe the selection process for corporate board membership?
5. How would you describe the expertise level sought for the corporate board membership?
6. How many members are there on the academic board that you serve?
7. How would you describe the influence of board size on board dynamics?
8. How would you describe the state of term limits and age limits on the academic board you serve?
10. How would you describe the selection process for academic board membership?
11. How would you describe the expertise level sought for the academic board membership?
12. How would you describe the challenges for corporate boards to protect shareholder value in comparison to academic boards' responsibility to protect the mission in academic institutions?
13. How would you describe and compare the decision-making processes of corporate and academic boards?
14. How would you describe your personal and professional rewards in serving on corporate and academic boards?

15. Academic boards are chaired by individuals outside the organization, while many corporate boards are chaired by individuals inside the corporation. Please describe your perceptions of why these two structures are suitable or not.

Appendix B

Interview Questions Related to Research Question Two

1. How would you describe any governance practices on corporate boards that you would recommend be adopted by academic boards?
2. How would you describe governance practices on academic boards that you would recommend be adopted by corporate boards?
3. How would you describe and provide examples of how corporate board governance has influenced academic board governance?
4. Would you like to discuss something I did not mention about your experiences serving on both corporate and academic boards?