

What is shared governance?

Shared governance—the principle that acknowledges the final institutional authority of governing boards and distributed authority to the administration and faculty—is a basic tenet in higher education.

One of higher education’s most distinctive values is its commitment to shared governance. Simply put, shared governance is a fundamental principle of inclusion in key areas of institutional responsibility and decision making. Governing boards hold ultimate authority for an institution, as defined in bylaws and other foundational documents, as well as state fiduciary principles. Through longstanding academic practice, this authority is delegated to—or “shared with”—institutional leaders and faculty.

As described in the *Statement on Board Responsibility for Institutional Governance (2010)*, shared governance “has historically resulted in continuous innovation and the concomitant effect that American college curricula and pedagogy define the leading edge of knowledge, its production, and its transmission.” Despite the remarkable value of shared governance, the stakeholders who are fundamental to its impact often lack understanding of, appreciation for, and even commitment to it. Boards, faculty, and presidents—the key players in the relationship that defines shared governance—continue to struggle with its value and its effectiveness.

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

Sources: *AGB Board of Directors’ Statement on Shared Governance*, AGB 2017
Shared Governance: Is OK Good Enough?, AGB 2016
AGB Statement on Board Responsibility for Institutional Governance, AGB 2010

Who are the key constituents in shared governance?

Shared governance is one of the basic tenets of higher education, and yet there is considerable evidence that it is not generally well understood by its primary participants—faculty members, presidents, and members of boards of trustees.

Traditionally, shared governance is made up of faculty, administrators, and board members. Typically, presidents are charged with institutional leadership, strategic planning, and daily management, while faculty are charged with educational design and delivery.

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

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

Sources: *AGB Board of Directors’ Statement on Shared Governance*, AGB 2017
Shared Governance in Times of Change: A Practical Guide for Universities and Colleges by Steven C. Bahls, AGB 2014

How is governance in higher education different from governance of other corporations?

A key distinction between the two areas of board behavior is the existence of various external forcing mechanisms in the corporate arena that are not found in higher education, such as state statutes that generally determine the obligations of corporate directors. State legislatures have followed two basic models in enacting laws governing corporations—the unitary model where all corporations are distinguished as having either shareholders or members, or the second model where corporations are distinguished between for-profit and nonprofit. This allows the nonprofits to operate without either shareholders or members and to be governed by self-perpetuating boards. Without those mechanisms, boards of colleges and universities, as entities incorporated without either shareholders or members, can become lax in following state-of-the-art governance practices.

Although the culture and process of governance varies widely among institutions, the presence of lay citizen governing boards distinguishes American higher education from most of the rest of the world, where universities ultimately are dependencies of the state. 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. Public institution boards usually are appointed by governors (and less frequently elected). Independent institution boards are generally self-perpetuating (selected by current board members).

Sources: "A Lesson from Corporate Boardrooms: Practice Good Governance or Face External Forces" by T. Grant Callery, *Trusteeship*, September/October 2013
AGB Statement on Board Responsibility for Institutional Governance, AGB 2010

What can governing boards do to demonstrate their commitment to shared governance?

Shared governance runs on time, attention, and expertise—human resources.

Governing boards have not typically been involved in either assessing or improving the effectiveness of shared governance at their institutions. If anything, they may have looked to presidents or chancellors and the faculty to ensure that shared governance works, assuming it is more the concern of those groups than of the board. It's time for that to change.

In a time of serious challenges to higher education—among them declines in enrollment and funding, shifting demographics, and public critiques of value—shared governance can be an essential institutional asset. Given the challenges facing colleges and universities, governing boards need to become better educated about the state of shared governance on their campuses, understand its potential value in executing needed institutional change, and help ensure its effectiveness in strengthening the institutions for which they are responsible.

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

[Answer continues on next page...](#)

When shared governance is working well, it brings a wealth of ideas to critical conversations and creates a sense of inclusiveness that strengthens support for decisions.

Here are four key principles to help guide boards, and those who work with them, to achieve and support healthy and high-functioning shared governance:

- Boards should commit to ensuring a broad understanding of shared governance and the value it offers an institution or system.
- For shared governance to work, it must be based on a culture of meaningful engagement.
- Shared governance requires a consistent commitment by institutional and board leaders.
- Institutional policies that define shared governance should be reviewed periodically to ensure their currency and applicability.

Boards, working with key administrators and faculty leaders, hold responsibility for ensuring that the practice of shared governance embodies and advances institutional values.

Sources: *AGB Board of Directors' Statement on Shared Governance*, AGB 2017
Shared Governance: Is OK Good Enough?, AGB 2016

How do you assess the state of shared governance?

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

Questions for boards to ask:

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

Sources: *AGB Board of Directors' Statement on Shared Governance*, AGB 2017
Shared Governance in Times of Change: A Practical Guide for Universities and Colleges by Steven C. Bahls, AGB 2014

Perhaps the best indicator of how well shared governance is working on any campus is whether it enables, rather than constrains, thoughtful decisions to enhance student success, institutional health, and innovation.

Related Resources

Shared Governance in Times of Change: A Practical Guide for Universities and Colleges

By Steven C. Bahls

Today's challenging higher education environment demands a new way of making decisions. Changing business models and methodologies for delivering academic programs present new opportunities (as well as risks) and call for innovative responses. This publication aims to "reboot" dialogues among boards, presidents, and faculties. It creates a roadmap to navigate the complicated new terrain to a better state of shared governance and stakeholder engagement.

2014 • 105 pages

AGB Board of Directors' Statement on Shared Governance

AGB

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2017 • AGB board statement

Shared Governance: Changing with the Times

AGB

This report provides qualitative information on the state of shared governance. AGB conducted a number of "listening sessions," or focus groups, consisting each of board members, faculty members, and presidents (usually 15-20 participants in each session). The sessions were conducted at the annual meetings of the Association of American Colleges and Universities (faculty), the American Council on Education (presidents), the American Association of University Professors (faculty), and AGB's National Conference on Trusteeship (board members and presidents).

2017 • AGB report

Shared Governance: Is OK Good Enough?

AGB

To understand how well shared governance currently functions, AGB conducted two surveys: one of presidents and chancellors and one of governing board members. Both surveys focused on policies, practices, and perceptions related to shared governance. This report provides detailed look at the survey results, displaying them by public and independent respondents. It also highlights where presidents and board members hold similar views, and where they see things differently.

2016 • AGB report

A Lesson from Corporate Boardrooms: Practice Good Governance or Face External Forces

T. Grant Callery

Over the past few decades—and especially in the past three or four years—governance practices at colleges and universities have often fallen short of the mark. During the same time period, the governance structure of the corporate world has been significantly strengthened. A key distinction between the two areas of board behavior is the existence of various external forcing mechanisms in the corporate arena that are not found in higher education. Yet with increasing public scrutiny of higher education governance and demands for greater accountability, colleges and universities can reasonably expect that similar external forces will eventually pressure them to "get with the program" of 21st-century governance norms.

2013 • *Trusteeship* magazine article

Statement on Board Responsibility for Institutional Governance

AGB

The "AGB Statement on Board Responsibility for Institutional Governance" encourages all governing boards and presidents to examine the clarity, coherence, and appropriateness of their institutions' governance structures, policies, and practices, and recommends a number of principles of good practice related to institutional governance.

2010 • AGB board statement