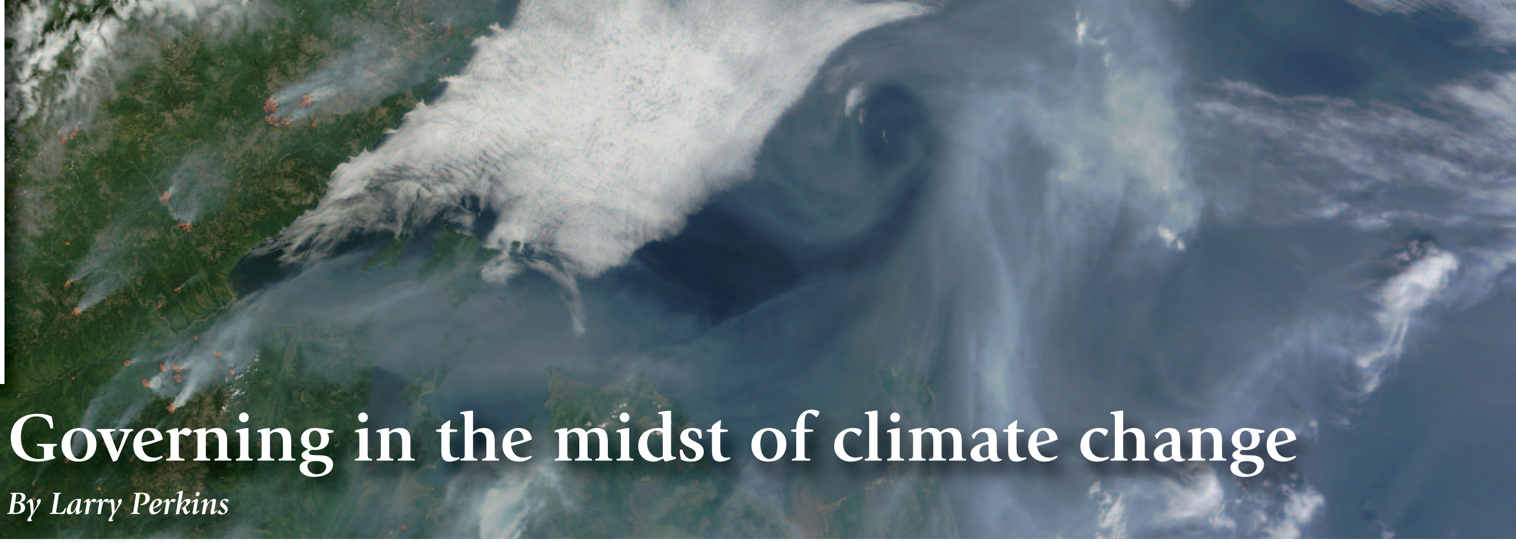

Governing in the midst of climate change

By Larry Perkins

SIDESWIPED! I'm not sure what other term to use. A seminary board had convened for its spring meeting and was anticipating a lively agenda. After worship, the board chair said he had an announcement. Suddenly, everything was different. The chair said he had just received word that the university, long affiliated with the seminary, was reducing its financial support by 30 percent. The reason: plummeting revenues. This would become effective in three months.

Members hadn't seen this coming.

Theological school boards operate in environments of change — in part, because of forces outside their control. And of course, the institutional ecology that enables seminaries to flourish can shift in response to any number of influences — social, religious, educational, political, or economic. This kind of "climate change" leads to serious consequences. Too often, board members become aware of gathering storms too late to take precautions. No wonder they feel sideswiped.

Shared governance organizes the internal world of a school's business, but it has little to say about the external forces that affect oversight. Navigating successfully in this atmosphere of overlapping outside authorities requires energy, dexterity, and acumen. External relationships generate risks that leaders must manage well if the school's mission is to advance. The power maps are increasingly complex and difficult to read.

Many-layered relationships

Theological schools voluntarily immerse themselves within external systems of power. Think about it: They affiliate with universities, join consortia, partner with denominational agencies, arrange lines of credit with banks, and adhere to the standards of accrediting associations. Even if such links are critical to the school's success, these connections limit and qualify the institution's operations. With every new agreement, governance and administration become more complex. Additional reporting, determinations of compliance, renegotiations of agreements, and defined scopes of activities add to the board's agenda and to the school's budget.

Government agencies also can impose restrictions on a school's operations. For example, in one Canadian jurisdiction, the local school boards decided that students enrolled in non-English language graduate programs offered by private institutions would pay substantial tuition to register their children in the public schools. This new policy had a profoundly detrimental impact on the school's recruiting efforts.

Even relationships with church bodies can impose burdens. Sometimes financial support shrinks over time — or fails to keep up with inflation — even as the church's expectations for the school grow. Occasionally, church leaders criticize the school for not producing graduates with the right skills, experience, or even beliefs. Meanwhile, the board is pressed to seek new ways for the school to fulfill its mission in the context of shifting demands and decreasing support from ecclesiastical bodies.

A diversity of values

Entities outside the theological school exhibit significant diversity in their values. For example, theological schools embedded in research universities know that they must meet high expectations for academic quality and faculty research — as these are defined by the larger university community. At the same time, denominational schools know that their church bodies are generally interested less in research than in pastoral formation. Government bodies, for their part, are often focused on whether student "consumers" are being treated fairly and are getting their money's worth. Accrediting bodies seek evidence that the school complies with standards, is sustainable, and operates ethically. Some agencies, like the Association of Theological Schools (ATS), frame expectations within Christian or at least religious values; others do not. The school's board has to grasp the scope of each relationship and show wise leadership with respect to these interests.

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The multiplicity of external agencies increases the complexity of governance. The sun may be shining metaphorically on one relationship ("We've been reaccredited for 10 years!"), while thunderclouds are gathering over another ("At our upcoming church convention, there's a resolution to impose stricter controls on us").

In some instances, an external relationship remains quiescent for a period but then, for some reason, the external agency takes action that affects the theological school in an adverse way. Other relationships, like those with consortia or with denominational bodies, are likely to require constant attention.

Keep the board informed

Given these complex "weather systems," what principles and processes might theological school boards employ to govern with competence and innovation?

- **First,** a board must be well informed. As relationships with external agencies multiply, board leadership has to keep everyone aware of interactions.
- **Second,** the orientation of new board members should be seen as an opportunity to review the implications of these relationships.
- **Third,** as formal agreements are periodically renewed, they should be evaluated.
- **Fourth,** placing all of these agreements in a board-accessible electronic archive is a way to educate board members.
- **Fifth,** the seminary CEO should schedule a regular "state of the union" assessment of external relationships so the board can deliberate on their continued value.

It's within the board's purview to discuss how external relationships advance the seminary's mission. What value does each linkage have? For example, the board should know the strategic plans and challenges of the affiliated university, if there is one. If the debt level of the university reaches a critical stage, the theological school board may need to consider options to protect the theological school in the event of financial crisis and operational retrenchment. As another example, the ATS regularly reviews its standards, and boards need to understand all proposed changes and their potential impact on the school.

In some sense, external agencies are stakeholders in the advancement of the theological school. A prudent CEO invites the leaders of external agencies to meet the board, share new developments, and express concerns about the institutional relationship. Such opportunities enable board members to ask questions and form opinions.

How dependent are we?

The board would do well to gauge the level of dependency that external relationships create for the school. For example, if denominational support generates 15 percent of income, has the board discussed what it would do if this funding were unavailable? If the school is part of a consortium, has the board considered its options should the consortium change or dissolve?

The issue of women's participation and leadership in theological schools, which was heatedly discussed at the ATS Biennial Meeting in 2010, is one example of an issue that a theological school board may want to explore together. As Daniel O. Aleshire explains in his article "Deconstructing the Gender Issue in the 2010 Standards of Accreditation" (*Theological Education* 46:2 (2011), pages 1–6), the "center of gravity" within ATS is passing from the mainline Protestant faith traditions to the Catholic and evangelical Protestant traditions, which affects the question of whether ATS and its Commission on Accrediting will continue to have the "organization sinew" to hold so many diverse schools together. The point of a board discussion on this issue is not to assume that an institution's relationship with any bigger group will end, but to anticipate change and be prepared to cope with it.

How many relationships can we manage well?

Another element for boards to monitor is the number of external arrangements the school's leadership can manage well. Of course, some arrangements are essential. But every arrangement places demands on the time and energy of the board, administrators, and faculty. The board would do well to consider how the strategic plan assumes, anticipates, and plans for the development of relationships with external entities. What additional leadership, and what financial resources, does each relationship require? What programs benefit from each external link, and what are the risks involved?

The CEO's and board's role

Finally, as the board completes its regular evaluation of the CEO's performance, a key question should address the CEO's ability to manage this complex set of external relations. Is the CEO adding to the seminary's reputation through good management, or are these relationships languishing for lack of attention? If the CEO is proposing additional alliances in the strategic plan, but is not coping with existing arrangements well, perhaps some caution is required. IT

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