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# Nazarene Universities: Effective Boards and the Church-School Relationship

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NAZARENE UNIVERSITIES: EFFECTIVE BOARDS AND  
THE CHURCH-SCHOOL RELATIONSHIP

by

Daniel D. Rexroth

Dissertation

Submitted to the Faculty of

Olivet Nazarene University

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In Partial Fulfillment of the Requirements for

the Degree of

Doctor of Education

in

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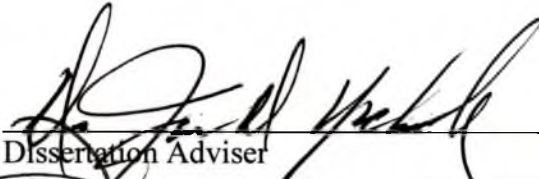
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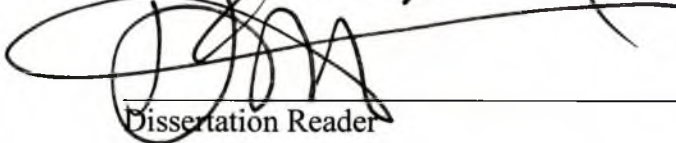
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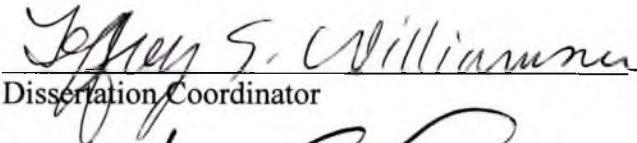
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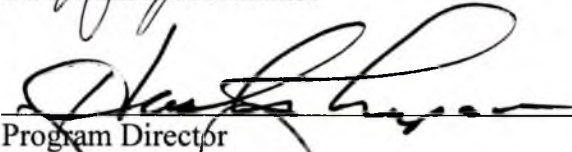
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## DEDICATION

For those I love most in life:

JoAnne

Phil, Erin, Jesse, and Bethany

Haley, Harper, and Finley.

You are my inspiration.

## ABSTRACT

While the world of higher education is rapidly changing, the trustee selection process and resultant board composition in Nazarene liberal arts schools has remained largely the same for the past 60 years. Trustee selection has been primarily a function of the church, disconnected often times from the needs of the schools. This study examined trustee effectiveness in Nazarene liberal arts higher education, as well as the church-school relationship. Trustees at three schools and top administrators at all eight Nazarene institutions were surveyed to identify gaps in trustee competency and also to assess the church-school relationship. Of the 139 trustees in the three schools surveyed, 109 trustees completed the survey for a response rate of 78%. Out of a total of 49 administrators, at all eight schools, 40 completed the survey for a response rate of 82%. Results indicated that trustee competencies were lacking in 9 of 11 functional areas identified as important by administrators. A statistically significant difference was also found in the perception of trustees and administrators regarding whether the current trustees were adequately prepared to govern the university. The majority of trustees perceived their primary loyalty, while serving in the trustee role, to be with a church-related entity. Administrators overwhelmingly perceived that, when in the trustee role, the trustee primary loyalty should be to the school. Overall, both trustees and administrators reported the church-school relationship to be strong, with most describing it as a ministry and extension of the church.

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## CHAPTER I

### INTRODUCTION

The pace of change and the complex challenges that church-related, liberal arts colleges and universities face today is remarkable. Escalating costs, with flat or decreasing non-institutional aid, threaten institutions' fiscal viability. DeLegge (2007) reported that one-third of small, liberal arts colleges were operating at or below the threshold of financial viability. The National Center for Public Policy and Higher Education (2002) reported an increase in public scrutiny and outcry over tuition escalation exceeding general inflationary trends. Competition has intensified, particularly from for-profit institutions, online educational offerings, and community colleges (Morey, 2004).

At the same time, new challenges have emerged for universities striving to retain and nurture a distinct Christian identity. Cultural secularization, increasing governmental involvement, the call among faculty for academic freedom, and the diminution of denominational loyalties have all contributed to a move away from the founding tenets of many Christian universities (Olson, 2005). Glanzer, Carpenter, and Lantinga (2010), in examining the secularization of higher education, noted that not one Protestant university founded before 1830 has successfully maintained its Christian distinctiveness. Tewksbury (1932) defined Christian distinctiveness as "founded more or less directly in association

with religious denominations, and devoted more or less exclusively to the perpetuation of the traditional forms of religious culture” (p. 59).

The eight liberal arts colleges/universities established by the Church of the Nazarene in the United States are not immune from the business pressures facing liberal arts colleges today as well as the struggle to maintain their denominational heritage. With six of the eight schools being founded more than 100 years ago and the other two established by the church in the mid-1960s, a current examination of leadership and the strength of the church-school relationship is imperative.

The topic of this research was to examine the governance of Nazarene universities and the health of the church-school relationship. By identifying actual competencies of the current boards of trustees and comparing them to the competencies needed for governance, recommendations for improved selection and training were identified. Likewise, by examining the current ties of the universities to their denomination, recommendations have become apparent for improving church-school relations.

#### Statement of the Problem

Boards of trustees play a critical role in leading institutions through uncertain times (Brown, 2005; 2007). Trustees must possess the knowledge, experience, and expertise to lead universities in this era of growing operational complexity (Holland, Chait & Taylor, 1989).

At the same time, church-related colleges and universities have been gradually secularized. Burtchaell (1998), in his seminal work on Christian higher education, presented a grim analysis of the eroding church-school relationship. Those schools successful in remaining true to their Christian heritage have only done so intentionally,

guided by the resolve and well-executed decision making of university administrators and trustees.

The purpose of this research on Nazarene university governance was to examine current board member competencies, administrators' perception of board effectiveness, and trustees' and administrators' perceptions of the church-school relationship. The research findings should help provide guidance toward an improved selection process for Nazarene university trustees, finding capable individuals willing to serve with unique alacrity while ensuring theological and denominational unity with the Church of the Nazarene (Mountain, 2009; Witek, 2009).

### Background

Recent improprieties have not only plagued corporate America but also the not-for-profit world and specifically post-secondary colleges and universities (Fain, 2006; Glater, 2007; Ornstein, 2007; Pulley, 2004; Williams, 2005). Some of these failures were a direct result of unethical, illegal, or questionable business practices, with the perpetrators generally being school administrators. Perhaps more disturbing than these infrequent acts of fraudulent volition in higher education, however, is the apparent lack of appropriate internal controls, enterprise risk management, and corporate integrity standards in universities today similar to what has been adopted by much of corporate America. In a study conducted by Hoggins-Blake (2009), it was found that less than one percent of more than 2,800 post-secondary not-for-profit schools examined had complied with the Sarbanes-Oxley Act of 2002. Sarbanes-Oxley was passed by Congress to address accountability of publicly traded companies, but it has been widely adopted by many not-for-profits in recent years (Bassinger, 2004; Morain, 2006). Many provisions of

Sarbanes-Oxley are now considered best practices for any organization, for-profit as well as not-for-profit.

Organizations with strong governance implement a well-formed board development plan including recruitment, selection, orientation, ongoing training, and evaluation practices. Brown (2007) found that board performance improved with the implementation of these strategies. Jackson and Holland (1998) reported that effective boards tended to be associated with organizations having stronger fiscal performance and perceived organizational effectiveness.

Dika and Janosik (2003) found increasing challenges to the continued viability of traditional higher education. In their study, they affirmed the hypothesis that board quality is dependent on the composition of the board. Board composition, in turn, is largely dependent on the proper selection, orientation, and ongoing training of trustees.

The process of selecting trustees has remained relatively unchanged in Nazarene higher education for the past 60 years and has been generally controlled by the church for the past 100 years (Ludwig & Mayfield, 1956; Philo, 1958). Six of the eight Nazarene liberal arts colleges were established within a period of fourteen years, from 1900-1913. The other two colleges were founded in the mid-1960s. According to Ludwig and Mayfield (1956), up to 90% of the composition of the college boards historically had been ministers of the church. At the General Assembly in 1956, the church requested that the colleges' boards of trustees revise their constitutions and bylaws to equalize board membership between ministers and lay members (Ludwig & Mayfield). Nazarene university trustees have historically been elected at their respective educational zone district assemblies, must all be members of the Church of the Nazarene, and are to be in

full accord with the Articles of Faith, including the doctrine of entire sanctification (Blevins, Rodes, Seaman, Snowden, & Wilson, 2013). This board selection process for Nazarene colleges/universities has contributed to the church-school tie. Mountain (2009) reported that the Church of the Nazarene was unique in its relationship with Nazarene colleges. In his qualitative study, Mountain presented evidence of a strong sense of institutional loyalty and preservation of the founding mission of the schools.

While the historical model for board selection and composition in Nazarene higher education may, in some ways, have served the church-school relationship well, it is worth examining the possibility that board effectiveness could be enhanced. Dating back to 1956, the General Assembly of the Church of the Nazarene noted in their journal minutes that higher education accreditation associations had identified the large percentage of ministerial college trustees as a weakness (Ludwig & Mayfield, 1956). In 2012 the Higher Learning Commission placed one Nazarene university on notice for issues related to governance structure and function. Specifically, the Commission focused on a lack of board competency in providing adequate leadership. The complexities of the modern university demand leaders who are subject matter experts, conversant in the abstruse world of higher education. A close examination of Nazarene trustee selection and effectiveness would seem to be critical to the future and success of Nazarene universities.

Church-sponsored colleges and universities have had difficulty maintaining ties to their founding church heritage. Beginning with Harvard, founded in 1636 by the Puritans, all the colonial colleges were founded by various religious denominations (Danforth Commission, 1966). Tewksbury (1932) reported that of the 182 colleges and universities



founded before the Civil War, fully 162 were organized and originally controlled by churches. Those early religious beginnings of higher education, however, gave way to a modern secularization of the institution. By 1966 the Danforth Commission reported that only 17.3% of higher education student enrollment was in church-related colleges and universities.

Olson (2005) identified four themes in church-related institutions that have emerged, affecting the nature of the ties between the university and the church. Declining interdependence between the church and school, fewer graduates worshipping in denominational churches, a reduction in the number of students from denominational churches, and a drop in school funding from the churches all contributed to a weakening of the church-school relationship.

Some of these trends are observed in Nazarene colleges and universities. In the 50-year period from 1962 to 2012, undergraduate students listing Nazarene as their denominational preference dropped from 85% to 42% for all eight Nazarene schools combined. Likewise, financial support from Nazarene churches declined over the same 50-year period, from 10.2% of total school revenues to less than 5% (Nazarene University Statistical Reports, 1962-2012).

Does this evidence point to diminishing support for Nazarene higher education by church members? When one considers the percentage of students indicating Nazarene as their denominational preference, the percentage of Nazarenes enrolled as an undergraduate in a Nazarene university has consistently hovered around 1% of total U.S. Nazarene membership for the past 50 years (Nazarene University Statistical Reports, 1962-2012).

Membership in the Church of the Nazarene has grown 95% in the United States over the past 50 years, from 326,887 in 1962 to 637,099 in 2012 (Church of the Nazarene Statistical Reports, 1962-2012). During the same period, full-time equivalent undergraduate enrollment in Nazarene colleges and universities has grown 220%, from 4,110 in 1962 to 13,138 in 2012 (Nazarene University Statistical Reports, 1962-2012).

Likewise, the growth of revenue for Nazarene colleges and universities has far outpaced that of Nazarene church income over the past 50 years. Total Nazarene church income in the United States has grown 15 times, from \$47,126,050 in 1962 to \$717,473,131 in 2012 (Church of the Nazarene Statistical Reports, 1962-2012). In contrast, Nazarene university income has risen 76 times in the same period, from \$5,678,071 in 1962 to \$434,062,000 in 2012, not considering tuition discounts (Nazarene University Statistical Reports, 1962-2012). With Nazarene church support for its schools rising from \$580,618 in 1962 to \$14,119,564 in 2012, the support from churches as a percentage of their total income has actually risen from 1.4% in 1962 to 2% in 2012.

This evidence all reveals a more significant growth trajectory for Nazarene higher education enrollment and revenue than for Nazarene church membership and revenue. Nazarene churches are still sending their members as undergraduate students and supporting financially at approximately the same rate, but the schools are seeing the percentage of Nazarene students and support decline as they rapidly increase their overall enrollment. The researcher used enrollment growth only for traditional undergraduate students and did not include the significant growing number of graduate and nontraditional students in most of the Nazarene universities. The university revenues cited by the researcher include revenue from all sources.

The fact that growth of Nazarene colleges and universities has far exceeded church membership growth raises an interesting question as to the purpose of Nazarene higher education. Has the growth and evolution of the schools been the result of thoughtful, visionary leadership or expediency? If the answer is visionary leadership, what is the clearly articulated missional purpose for growth?

In planning for the future, Christ-led generative planning, accountability, and strategic leadership are vitally important in Nazarene universities. Historically, those institutions of higher education that have successfully resisted secularization have not accomplished this through hollow platitudes and watered-down truth, under the guise of creating an inclusive environment. Those who have been successful in remaining true to their calling have done so intentionally, carefully seeking God's direction, guided by the resolve and astute decisions of university administrations and boards of trustees.

#### Research Questions

Since half of the Nazarene university trustees are ministers and the other half are elected by church delegates at district assemblies, it is uncertain if the current trustees possess the competencies necessary to adequately govern. It is also difficult to assess the church-school relationship without asking key leaders. The research questions developed for this study seek to gain a better understanding of these issues.

1. How do competencies of current trustee members align with university administrators' perceptions of competencies needed in the trustee role?
2. How do the perceptions of trustees compare to administrators regarding the primary role of trustees in Nazarene universities?

3. How do the perceptions of university administrators and trustees compare regarding the current church-school relationship?

#### Description of Terms

*Articles of Faith.* These are 16 statements of belief that articulate the doctrine of the Church of the Nazarene (Blevins, et al., 2013).

*District Assemblies.* The Church of the Nazarene is subdivided into geographic districts. Delegates selected from each church meet annually at their respective assembly to hear reports and conduct district business (Blevins, et al., 2013).

*District Superintendent.* Each district in the Church of the Nazarene elects a District Superintendent to organize, recognize, and supervise local churches within the bounds of their assembly district (Blevins, et al., 2013).

*Educational Zone.* The eight Nazarene colleges/universities in the United States each represent a geographic section of the country and receive student and financial support from their respective zone (Blevins, et al., 2013).

*Enterprise Risk Management.* Organizations need to protect and create value for their constituents. Enterprise risk management includes organization-wide methods and processes to manage risk and capitalize on opportunities (Marchetti, 2005).

*Entire Sanctification.* This is a second work of grace, subsequent to salvation. It is considered a distinct and foundational doctrine of the Church of the Nazarene (Blevins, et al., 2013).

*General Assembly.* Ministerial and lay delegates of the global Church of the Nazarene meet every four years to conduct the business of the general church (Blevins, et al., 2013).

*Higher Learning Commission.* This voluntary institutional accreditation organization is comprised of six regional accrediting bodies. Besides assessing formal educational activities, it evaluates governance and administration, financial stability, admissions and student services, and institutional effectiveness (Higher Learning Commission, a commission of the North Central Association, 2012).

*Sarbanes-Oxley Act.* Congress enacted this federal legislation in 2002, establishing enhanced governance and accountability standards for public companies. The bill was enacted as a reaction to a number of corporate improprieties. Other types of organizations, including not-for-profits, have now adopted many provisions of the bill (Hoggins-Blake, 2009).

#### Significance of the Study

The future of higher education in the Church of the Nazarene may be at a crossroad. An intentional effort to strengthen governance and the church-school relationship is critical. This study may provide data helpful for administrators and church leaders to consider as they form and execute their vision for the future. It is hoped that enhanced processes for selection, orientation, training, and evaluation of trustees might be considered.

This research may also encourage university leaders to identify initiatives designed to strengthen the denominational distinctiveness of the Nazarene university. With increasing competition and the vast majority of universities becoming more highly secularized, distinguishing the school as Christian and unapologetically Nazarene may be a wise business strategy. Ironically, the polemic drive to create diversity inside every university may have resulted in a homogenization of this entire societal sector. This

unwitting paradox has resulted in little tolerance within the academy for any institutional perspective other than pluralism. In addition to their biblical mandate, distinctly Christian, denominational universities may find they possess a unique market and brand advantage in an educational environment largely disengaged from spiritual underpinnings.

#### Process to Accomplish

The methodology used in this investigation fell under the broad heading of quantitative research. The researcher developed two survey tools, one for Nazarene university trustees and one for Nazarene university administrators. The surveys were designed to produce measurable data that was subsequently analyzed through statistical means. Responses to the survey for trustees informed the researcher regarding trustee competencies, perceptions regarding the primary role of the trustee, and perceptions about the church-school relationship. Through the administrator survey, the researcher obtained Nazarene university administrators' perceptions regarding needed trustee competencies, perceptions of trustee preparedness and primary role, as well as their perception of the current church-school relationship.

The research design was to use the trustee survey tool in three Nazarene universities. There were 139 trustees in these three institutions, compared to 346 at all eight Nazarene universities. The researcher asked all 49 administrators at the eight schools to complete the university administrator survey. For the purposes of this study, administrators were defined as the highest-ranking executives employed by the university, often times referred to as the president's cabinet.

The researcher had permission to attend a trustee meeting at all three universities, personally asking for trustee participation, to achieve a maximum response rate. The researcher was able to attend trustee meetings at two of the schools, with the board chair delivering the survey at the third school.

The administrator survey was sent to the presidents and cabinet members of all eight Nazarene liberal arts colleges and universities in the United States. Follow-up phone calls and e-mails were sent to promote responses.

Data collection primarily took the form of responses to the two survey tools designed for trustees and university administrators. The survey questions included demographic and other quantitative measures, as well as perceptions of the respondents (see Appendix A for both survey tools). The survey tools were developed with the assistance of academic advisors and a pilot study. The pilot study was considered an important step in designing a valid instrument.

Four individuals with extensive experience in Nazarene higher education agreed to participate in the pilot study. The group included a former Nazarene university president, the current Nazarene International Board of Education Commissioner, a former trustee at two Nazarene universities, and a former president of Nazarene Bible College. The pilot study participants were asked to evaluate the two surveys in regard to construct validity, content validity, the clarity and specificity of the questions, and offer recommendations for modification, addition or deletion of items. They were also asked how long the survey should take to complete.

The administrator survey asked for the administrators' perceptions of the level of trustee expertise needed on their board for each of 11 key functional knowledge areas or

competencies. They were also asked how many trustees who were subject matter experts were needed for each of these same 11 key functional knowledge areas. A general yes/no question was asked as to whether they believed the current trustees were properly prepared to govern. Two rank order questions asked them to best describe the primary role of the trustee and also their perception of the church-school relationship. Finally, the administrators were asked to respond, on a 5-point agree-disagree response scale, to 18 statements probing the church-school relationship.

The trustee survey collected demographic information on the education and work experience of the trustee. The trustees were asked to rate their individual competency on each of the 11 key functional knowledge areas. They were also asked to respond to the same questions as listed above for the administrators.

The data analysis included comparing the mean responses of all trustees on each of the 11 competency measures with the mean responses of all administrator perceptions of needed competencies on the same 11 measures. A *t*-test was used to determine the significance of the difference between the two groups. A two-way chi square test was used to compare administrator and trustee responses on the question of whether the current trustees were properly prepared to govern. An open-ended question asked both groups to suggest areas most needed for trustee education.

The primary loyalty of the trustee, as perceived by both groups, was analyzed by use of a two-way chi square test. An open-ended question was used to solicit suggestions for improving the trustee selection process.

A *t*-test for independent samples compared the mean of all trustee and administrator responses to the 18 items measuring the church-school relationship. Since



at least half of the trustees of each university are ordained ministers and/or district superintendents of the Church of the Nazarene, these comparisons revealed first-hand insights from leaders of both the school and church. Finally, a *t*-test for independent samples was used to compare the two groups in how they would best describe the current church-school relationship.

### Summary

While research exists on good governance practice in both not-for-profit organizations and higher education, there has been virtually no scholarly examination of Nazarene university governance. Likewise, there has been an abundance of historical and scientific research chronicling the secularization of church-related schools yet no contemporary quantitative study examining the church-school relationship within the Church of the Nazarene. It is the hope of the researcher that others may build on this study so that Nazarene universities will continue to pursue the high call of transforming lives and not succumb to the narrow orthodoxy of academic secularism.

Effective governance in higher education requires a strong, competent board to articulate and uphold the mission, ensure financial solvency, select and oversee capable administration, and maintain positive relations with the church and community. The next section of this document will review the previous scholarly work on governance and the church-school relationship.

## CHAPTER II

### REVIEW OF THE LITERATURE

#### Introduction

This chapter is intended to provide background and frame the research questions in this study. It will include synthesizing the scientific literature in higher education governance including trustee selection, orientation, and ongoing training. Trustee competencies, the primary role of a trustee, fiduciary as well as other legal issues, and best practice governance essential to a high performing board will also be examined. The literature review will include a public and private sector comparison, an overview of church-related higher education as well as highlights and a summary of the history of higher education in America and in the Church of the Nazarene.

#### The Historical Transformation of Higher Education from Religious to Secular

The birth and early generations of higher education in America were driven by religious denominations that believed in educating ministers. Of the approximately 40,000 graduates of American colleges before the Civil War, it is estimated that 10,000 became ministers (Tewksbury, 1932). Well into the nineteenth century, the clergyman was the best-educated individual in the community, and most educators in the universities were clergy. Those religious groups particularly committed to higher education for their ministers in the pre-Civil War era were the Congregationalists, Presbyterians, Episcopalians, Catholics, Lutherans, German Reformed, Dutch Reformed, and the Unitarians. The nine earliest colleges, those that were established and survived through the colonial period between 1636 and 1769, included Harvard, William and Mary, Yale, Princeton, Columbia, Pennsylvania, Brown, Rutgers, and Dartmouth. According to Tewksbury (1932):

All the colonial colleges were founded more or less directly in association with religious denominations, and devoted more or less exclusively to the perpetration of the traditional forms of religious culture. Moreover, with the possible exception of Columbia and Pennsylvania, all the colonial colleges were primarily designed as institutions for the education of ministers. (p. 59)

Clearly, the church played the dominant, nearly exclusive, role in the development of higher education during the colonial period. Between the end of the Revolutionary War in 1783 and the beginning of the Civil War in 1861, however, 20 state universities were established. It should be noted that by 1861 an additional 162 religious colleges and universities were operating (Tewksbury, 1932). Religious higher education still dominated the landscape during the pre-Civil War era.

In the early development of higher education in America, the issue of separation of church and state had not been clearly established. Marsden (1992) reported: “In Western society higher education had long been under the aegis of the church, and the two domains had not yet been clearly differentiated” (p. 4). Governments of the colonies tended to favor a specific denomination and did exercise some control as well as support for higher education. For example, Massachusetts, New Hampshire, and Connecticut were identified with the Puritans, and Virginia, North Carolina, South Carolina, Georgia, Maryland, and New York were loyal to the Anglican Church. While the Constitution of the United States, in 1789, established the separation of church and state, the practical application of full religious liberties and protections from a state sponsored church evolved over time.

The Dartmouth College case in 1819, ruled on by the Supreme Court, helped establish the ability of religious higher education to operate as private enterprise without intervention by the state (Beard & Beard, 1927). This case not only established protections for the denominational schools, it also paved the way for the formation of distinctive state universities that were free from sectarian leadership.

The establishment of the Constitutional separation of church and state, along with case law such as the Dartmouth College case, however, did not excise religion from public higher education. In his seminal work, Marsden (1994) reported that:

American universities were not constructed, as is sometimes supposed, as strictly secular institutions but as integral parts of a religious-cultural vision. The formal strength of such nonsectarian Protestantism was evidenced by the continuing place of religious activities on most campuses. In the 1890s, for instance, almost all state universities still held compulsory chapel services and some required Sunday church attendance as well. State-sponsored chapel services did not become rare until the World War II era. (p. 3)

Longfield (1992), in his historical analysis of higher education in Midwestern public universities in nineteenth-century America said:

Many of the public Midwestern schools – such as the universities of Michigan, Wisconsin, Indiana, and Illinois – were founded as non-sectarian but distinctly Protestant institutions. Clergy presidents and faculty were the norm; daily chapel attendance was required; and courses such as Evidences of Christianity and Natural Theology were frequently mandatory fare. During the gilded age many of these traditional religious customs and requirements, under various pressures,

were abandoned. But the state schools did not become secular universities overnight. Rather, in the late nineteenth century the broad evangelical tradition of these schools gave way to a more liberal Christianity and then to the disestablishment of religion on campus. (p. 46)

Cunnigim (1947) reported that in 1939, fully 25% of state universities still conducted chapel services and routinely subsidized campus religious activities. Through the early twentieth century, instruction and application of Christian principles into the life and culture of American higher education were pervasive. Marsden (1992) reported that through the late nineteenth century:

Protestant church colleges often served as virtual public institutions, and state colleges were dedicated to “non-sectarian” Protestantism. Although much about these colleges, including most of their classicist curricula, was secular, they also provided guarantees, through the presence of Christian faculty and by means of considerable coercion, of a strong Christian presence as well. Almost all had at least one required daily chapel service, and many required Sunday church attendance as well. (p. 4)

The disestablishment of religion from the modern academy has occurred largely in the past century. Marsden (1992) summarized the ideological transformation of higher education in America.

It may be helpful to over-simplify a great deal by reducing to just three broad categories the ideological contenders for the soul of the American university over the past century and a quarter. First, there was traditionalist Protestantism, which was dominant at the beginning but was easily routed by liberal Protestantism,

sometimes aided by secularist ideology. Then, from about the 1870s until the 1960s came the dominance of a broadly liberal Protestantism, which allied itself with a growing ideological secularism to form a dominant cultural consensus. Since the 1960s we have seen the growth of a more aggressive pluralistic secularism that provides no check at all on the tendencies of the university to fragment into technical specialties. (p. 21)

Burtchaell (1998) may have offered the most exhaustive analysis of the disengagement of the church from higher education in his seminal work. He summarized the historical secularization of colleges and universities by saying:

The elements of the slow but apparently irrevocable cleavage of colleges from churches were many. The church was replaced as a financial patron by alumni, foundations, philanthropists, and the government. The regional accrediting associations, the alumni, and the government replaced the church as the primary authorities to whom the college would give an accounting of its stewardship. The study of their faith became academically marginalized, and the understanding of religion was degraded by translation into reductive banalities for promotional use. Presidential hubris found fulfillment in cultivating the colleges to follow the academic pacesetters, which were selective state and independent universities. The faculty transferred their loyalties from their college to their disciplines and their guild, and were thereby antagonistic to any competing norms of professional excellence related to the church. (p. 837)

One might ask why higher education, such a dominant Protestant institution in the fabric of American culture, has been voluntarily abandoned by mainstream Christianity.

It is perplexing to consider that the church has forsaken a leadership role in higher education, but what is even more confounding is how the church could have forgotten the important role education has historically played in the life and health of the church. Does the mainstream church no longer regard higher education as critical to religious faith, and does society no longer regard religion as necessary in the education of its youth?

College-educated Americans in the 1950s were more likely than non-educated persons to be active in religious groups. This trend has been dramatically reversed (Wuthnow, 1988). It is difficult to discern whether societal evolution has driven secularization of the academy, or to what degree the academy has contributed to the secularization of the American culture. What is known is that in the past century we have witnessed a remarkable revolution, from religion being a highly respected, integral, and influential presence in academia to largely irrelevant.

With religion moving from a central role to the far periphery in the secular academy, what has taken its place? The increasing growth of technical and practical disciplines has shifted the focus of higher education away from the philosophical concerns of life found in a more traditional liberal arts education. While not a frontal attack on religious training, this insidious change has contributed to the methodological secularization of university culture.

A more direct assault on religion, particularly any specific denominational influence in higher education, has been the aggressive promotion of pluralism and a focus on more general religious studies. Pluralistic secularism largely began to flourish in the 1960s (Marsden, 1992). New values and concepts such as tolerance, equality, academic freedom for the individual professor, value-free scientific inquiry, humanism, and

relativism have systematically replaced the old Western-oriented canon of Christian ideology. Concepts such as divine truth, a created moral order, sacred Scriptural wisdom, and divine revelation are not only excluded, but generally face hostile treatment in modern academia. Marsden has asked, “Is it consistent with the vision of contemporary universities to discriminate against religiously informed views when all other sorts of advocacy and intellectual inquiry are tolerated” (p. 40)? Marsden goes on to describe the current serious paradox in American universities.

American schools were shaped first by sectarian Christian and then by Enlightenment and liberal Protestant ideals that assumed everyone ought to think alike. Nonetheless, if American schools were willing to recognize diversity and perhaps even to incorporate colleges with diverse commitments, whether religious, feminist, gay, politically conservative, humanist, liberationist, or whatever, pluralism might have a better chance. The alternative seems to be to continue the cycle of replacing one set of correct views with a new consensus that is to be imposed on everyone – which is not pluralism at all. (pp. 40-41)

Considering the revolutionary changes that have taken place in the relationship of religion to higher education, how do faith-based universities now relate to the broader academy? Noll (2002) raised two issues:

The first concern is the ability of religious colleges to survive as institutions that maintain a sharply defined religious identity. A second concern is the ability of these colleges to maintain a sharply defined religious identity while also participating meaningfully in the intellectual and cultural life of the nation more generally. (p. 73)



In twenty-first century academia, it is clear that there is a wide chasm in the treatment of religion between public higher education and private, church-related schools. A further separation, though, is what Hutcheson (1988) described as the distinction between *church-related* and *Christian* colleges and universities. While Protestant denominations are connected to a significant number of small, liberal arts colleges, Hutcheson argued that many of these schools are only marginally influenced by Christianity. On the other hand, evangelical colleges are generally much more strongly connected to their denomination and could be properly labeled as distinctively Christian.

Several researchers have attempted to study and describe the various church-related institutions that currently exist in higher education. The Danforth Commission Report (1966) offered four categories of “institutions of higher education associated with religious bodies in the United States” (p. 197). They were “the defender of the faith college, the non-affirming college, the free Christian college, and the church-related college” (p. 197). Evangelical colleges, in response to the Danforth Report, offered a fifth category that they believed more adequately described their essence, that of the “affirming college” (cited in Litfin, p. 14). Benne (2001) suggested four categories or typologies, of church-related schools. These four, in descending order of their church connectedness or religious heritage were, “orthodox, critical-mass, intentionally pluralistic, and accidentally pluralistic” (p. 49). Litfin (2004) consigns church-related schools to two categories, that of “umbrella” and “systematic” (p. 14). Litfin’s umbrella typology corresponds roughly to Benne’s critical mass, with Litfin’s systematic corresponding to Benne’s orthodox categorization. While the focus of this study is not to compare the varying degrees of church-related universities to their founding religious

traditions, it is important to note the wide disparity of church relatedness in contemporary religious higher education.

Authentic Christianity, at its essence, cannot be described merely as a philosophy of life. Intellectual knowledge and a belief system are also parts of Christianity, but not its core. The Christian experience is centered on a personal relationship with Jesus Christ (John 12:26, 14:6, 15:15; Philippians 2:1-11). This relationship frames every aspect of a believer's life. It provides a way of living, or ethos, that is comprehensive, unsurpassable, and central to the individual. The Christian experience informs all of life, providing a lens through which one views the world. The authentic Christian walk cannot be compartmentalized, marginalized, or solely intellectualized in one's life. The cultural inclination to exclude more and more facets of daily life as non-religious is therefore incongruous with the Christian account. The vision of integrating Christianity and the academy, or revelation with reason, though, is indeed becoming an increasing challenge given the disestablishment of religion in many colleges and universities. This study is focused on investigating the perceived relationship of the Nazarene universities to their founding denomination and to explore the strength of leadership at the governance level. The research questions are all designed to identify strengths and weaknesses of the current system with the hope of uncovering ways to jointly strengthen the Nazarene church and its schools.

#### Public and Private Sector Comparison in Higher Education

While the growth of students attending private colleges and universities has been steadily increasing over the past 50 years, the market share they command has continued to decline (U.S. Department of Education, National Center for Educational Statistics,

2010). In 1960 there were a total of 3.9 million students enrolled in degree-granting institutions in higher education, including full and part time. Of this total, 1.5 million, or 38%, were enrolled in private institutions. In 2010, the latest year for which information is available, there were 21 million total students enrolled in higher education, with 5.9 million of those in private colleges and universities, representing 28% of the total.

The U.S. Department of Education, National Center for Educational Statistics, (2010) also reported on the number of institutions in the public-private sectors of higher education. In 2010 there were 4,409 degree-granting post-secondary schools, 1,676 being public and 2,733 private. It is interesting to note that while public higher education educated 72% of the student population, it represented only 38% of the institutions.

Of the 2,733 private higher education schools (U.S. Department of Education, National Center for Educational Statistics, 2010), there were 900 classified as religiously affiliated. Some claim a further distinction inside those classified as having a religious affiliation. The Council for Christian Colleges and Universities (CCCU) reported 118 member institutions, the number it described as *Christ-centered* schools. These 118 colleges and universities have a current enrollment of 348,420 students.

There are eight Nazarene liberal arts colleges and universities in the U.S., all members of the CCCU. The total enrollment, including all categories of students, in U.S. Nazarene universities in 2012 was 20,070 (Nazarene University Statistical Reports, 1962-2012).

### The Nazarene Church-School Relationship

The Church of the Nazarene has lifelong roots in higher education. In fact, it might be said that in some ways Nazarene higher education predates the church. While

the official date for the founding of the Church of the Nazarene is given as October 13, 1908 (Blevins, Rodes, Seaman, Snowden, & Wilson, 2013), several of the schools were formed from an amalgamation of other Bible and Holiness colleges founded prior to 1908. For example, Southern Nazarene University absorbed schools from Kansas, Missouri, Arkansas, and Texas (Cameron, 1968; Smith, 1962). Philo (1958) and Moore (1965) chronicled the history of Nazarene higher education for the first 50 years, including their predecessors. The church groups that united to form the Church of the Nazarene in 1908 had 14 schools of various types that eventually consolidated to form the six original Nazarene colleges (Stowe, 1982). While unique in their founding and original purpose, these six Nazarene institutions existing in the early 1900s were all moving toward a liberal arts model by 1920 (Ingersol, 1998).

The Sixteenth General Assembly of the Church of the Nazarene authorized the final two of the current eight liberal arts schools in 1964 (Johnson, 1964). Both institutions, MidAmerica in Olathe, Kansas and Mount Vernon in Mount Vernon, Ohio, opened in the fall of 1968. They began as junior colleges but soon became 4-year liberal arts colleges, MidAmerica in 1970 and Mount Vernon in 1974. Today, while some of the eight Nazarene institutions have graduate, degree completion, nontraditional, and other expanded programs, all of the schools would be generally classified as liberal arts colleges or universities.

While from the beginning the training of ministers was one purpose of Nazarene higher education, educating a Christian laity has also been a central tenet (Smith, 1962). Ingersol (1998) said:

Some Nazarene colleges began with the intention to establish a liberal arts college, while others emerged from schools originally to educate grammar and high school age youth. In the case of the latter, the focus was on educating a Christian laity and forming the identity of Nazarene youth in a way that integrated basic educational achievement with moral and spiritual training rooted in certain theological understandings. (p. 1)

Even in the late 1920s, the number of ministerial students was the minority when compared to those pursuing other courses of study (Quadrennial Report: Statistics of Attendance, 1928-1932). The 1915 General Assembly of the Church of the Nazarene voted to create a Board of Education to coordinate Nazarene higher education (Mendell, 1915).

Benne (2001) described four types of church-related colleges. These categories are orthodox, critical mass, intentionally pluralistic, and accidentally pluralistic. Benne characterized the first two as having a Christian vision as the organizing paradigm and the latter two as having secular sources as the organizing paradigm. The typologies range from being owned and controlled by the church to those having only a nominal connection to their founding denomination.

Marsden (1999) reported most schools that have maintained a close identity with their sponsoring traditions are not completely accepted and find tension with the educational mainstream. These schools typically require two to four courses in theology (Benne, 2001). They find their vision and ethos of a Christian educational experience to be central and comprehensive. Typically, church officials are active in governing these schools.

In contrast, Benne (2001) described the church-related pluralistic school as having replaced the religious paradigm as its defining role. Religious studies have taken the place of theology or courses in church doctrine. In these schools, morality becomes more defined by social justice rather than a personal morality, with the Christian account becoming more academic and detached.

Nazarene universities have historically had a unique relationship with the Church of the Nazarene. While the church does not own the schools, the influence is significant. Phineas F. Bresee (as cited in Wiley, 1951), credited as being the founder of the Church of the Nazarene, said:

The training of the intellect is not the sole function of the educational institution. Of greater importance is the culture of the heart, which is the fundamental principle upon which any system of true education must rest: the true and legitimate purpose of education is to cherish the mentality with which God has endowed us in loyal relation to the Divine . . . On every school, on every book, on every exercise shall be stamped, "Loyalty to Christ and the Bible." (p. 5)

Bresee (1915) also made this statement that has helped to guide the philosophy of education for the Church of the Nazarene:

You may teach science, you may teach philosophy, you may teach mathematics, - --no matter what you teach, when your part comes together with others, it fits into this one great purpose, ---that our students shall be men of God. If anything less than that, then the student is turned out from this institution a failure, and this institution is a failure concerning him. *It is not our job to turn out worldly men.* There are a thousand institutions in the United States that are engaged in that

business; *it is our business to turn out men and women of God*. We mean that after a man has gone through this institution he shall be a man of God; his view is broader than ordinary scholarship; his gaze is higher than ordinary philosophy. (p. 2)

The Commission on Education (1952) proposed and the General Board of the Church of the Nazarene adopted a philosophy of education that called for “all departments within our schools to adjust and articulate their teaching with the accepted doctrine of the Church of the Nazarene and its adopted philosophy of education” (p. 3).

Other key directives of the philosophy of education included:

The educational institutions are expected to provide their denomination with a ministry which shall be orthodox in belief, sound in Christian experience, trustworthy in example, wise in counsel, and efficient in practice . . . The schools, however, are not to consider their task as narrowly sectarian. Wherever possible they are to serve young persons of other denominational affiliation who are willing to co-operate with our emphasis, and so extend the influence of the colleges beyond the limits of our own denomination . . . While their distinctive province is intellectual development, they are to hold themselves responsible also for spiritual growth and ethical training . . . The best in higher education is to harmonize with the best in Christianity. (p. 3)

This statement of philosophy also included practical objectives for the schools to implement the ideals. These objectives included offering a balanced liberal arts curriculum, with religious truth and the Christian experience as a part of each course. The schools were implored to be evangelistic through the classroom experience, chapel

services, and in personal contact with students by faculty and staff. The development of Christian character and disciplines were encouraged through curricular and extracurricular activities. An adequate program of required biblical and theological courses were mandated to train and prepare both ministers and lay leaders for the local church. And finally, the schools were to assist students in seeing life as Christian service, whatever their chosen vocation. In the closing statement, the Commission on Education (1952) asked the administration and staff to consistently self-evaluate and to improve in their performance of the stated philosophy.

Stowe (1982), General Superintendent of the Church of the Nazarene, stated, “Our Nazarene Colleges do not have a religious program, they are a religious program” (p. 10). Another General Superintendent, Greathouse (1985) said,

Without apology, our Nazarene schools are totally committed to moral and spiritual values of the Wesleyan heritage. This means that they seek to create and maintain on each campus a spiritual climate in which young persons are encouraged to yield to the claims of Christ and come to terms with His Lordship. At the period of their lives when they are beginning to seriously examine their faith, Bible and theology classes taught by Spirit-filled teachers help our youth to appropriate for themselves the faith of the church. In chapel services and regularly scheduled revival meetings, this process of spiritual formation is watered and nourished in the warmth of public worship.

This spiritual ministry of our schools is not a thing foreign to their mission; it is understood as integral to the flowering of Christian personhood and therefore constitutes a basic element of their institutional purpose. Some of the



most spiritually sensitive and influential faculty members have no formal relationship with the department of religion. They see themselves as professors of chemistry or history or English literature who are first of all servants of Jesus Christ. (p. 3)

Lambert, Truesdale, and Vail (2000) described the Nazarene church-school relationship as “intentional, not accidental” (p. 143). Gresham (2000), President of Southern Nazarene University, used the term “church-university” (p. 4) to describe the relationship of the Church of the Nazarene and its colleges. Bowling (2000), President of Olivet Nazarene University, captured the passion of the schools in his statement:

Our mission is not simply to deliver a certain number of sequential courses so that a student might accumulate an education. Our mission is not the transfer of information. Our mission is transformation . . . Transformation rests on the essential nature of who a person is, not just what he or she may know. (p. 2)

Robinson, the president of MidAmerica Nazarene University, and Boone (2007), the president of Trevecca Nazarene University, referred to these five distinct qualities when describing Nazarene higher education:

1) Nazarene higher education is church-based, not church-related. 2) Nazarene higher education is committed to pursuing truth across the curriculum. 3) Nazarene higher education is a community of wisdom. 4) Nazarene higher education is catholic in spirit. 5) Nazarene higher education is grounded in a Christian holiness worldview. (p. 1)

The Manual of the Church of the Nazarene (Blevins et al., 2013) succinctly captured the intended spirit of the church-school relationship in this statement: “The

church college/university, while not a local congregation, is an integral part of the church; it is an expression of the church” (p. 175). The Manual (as cited in Blevins et al., 2013) also gives an educational mission statement. It reads:

Education in the Church of the Nazarene, rooted in the biblical and theological commitments of the Wesleyan and holiness movements and accountable to the stated mission of the denomination, aims to guide those who look to it in accepting, in nurturing, and in expressing in service to the church and world consistent and coherent Christian understandings of social and individual life. (p. 176)

Mountain (2009) conducted a qualitative study of the Church of the Nazarene and its colleges. He described the relationship with these three themes:

1) The Church of the Nazarene is very unique in its relationship between church and college. 2) There was a strong sense of institutional loyalty. 3) There was a need to protect the mission while continuing to expand the influence of the institution. (Abstract, para. 4)

This symbiotic relationship has proven beneficial to both school and church. The colleges provide a solid education for the Church’s youth, train an emerging laity for strong church leadership, and offer creative stimulation to keep the church relevant. The churches send their youth as students, lend financial support, and provide grounding for the schools to maintain a strong mission of holistic education.

#### Educational Zones, International Board of Education, and Governance

The Church of the Nazarene has established eight educational zones in the United States. The liberal arts institutions of higher education are distributed geographically in

these zones with Eastern Nazarene College (Eastern Zone) in Quincy, Massachusetts; Mount Vernon Nazarene University (East Central Zone) in Mount Vernon, Ohio; Trevecca Nazarene University (Southeast Zone) in Nashville, Tennessee; Olivet Nazarene University (Central Zone) in Bourbonnais, Illinois; Southern Nazarene University (South Central Zone) in Bethany, Oklahoma; MidAmerica Nazarene University (North Central Zone) in Olathe, Kansas; Northwest Nazarene University (Northwest Zone) in Nampa, Idaho; and Point Loma Nazarene University (Southwest Zone) in San Diego, California.

Each of the eight educational zones is comprised of several church districts. Districts are generally one state, but range from one district covering three states to one state with five districts. With some variation, there are 7-12 districts in each educational zone.

A District Superintendent is elected to oversee the churches in each district. Annual district assemblies are held where pastors and the laity gather to worship and conduct district business. These proceedings include electing district representatives to the educational zone college's board of trustees. Delegates from the churches vote from a slate of potential trustees brought forward by a district nominating committee. The nominees all come, as local church members, from their respective district. With the two exceptions noted in the following paragraph, the trustees at Nazarene universities are generally elected or appointed by the church.

Each of the schools prescribes, in their constitution and by-laws, the number of trustees to be elected from each district. The number to be elected is based on the number of church members on the district. Half of the college trustees are laypersons and half the

board is comprised of pastors and district superintendents. The provision of a half ministerial, half layperson board was established by the General Assembly of the Church of the Nazarene in 1956 (Ludwig & Mayfield, 1956). Prior to this action, over 90% of the trustees of the colleges boards were ministers (Ludwig & Mayfield). If a trustee moves from the district or is no longer a member of the Church of the Nazarene, he/she is removed from the college's board. Two Nazarene universities, in 2012 and 2013, did make by-law changes providing for some limited flexibility in attracting board candidates based more on desired competencies. One of these universities included a provision for up to three trustees who were not members of the church. This university also limited the size of the board to no more than 33 voting members (MidAmerica Nazarene University Board of Trustees, 2012; Point Loma Nazarene University Board of Trustees, 2013).

Currently, the number of trustees in Nazarene universities ranges from a low of 31 to a high of 58. The current number of trustees at each school is: MidAmerica Nazarene University (31), Point Loma Nazarene University (33), Northwest Nazarene University (40), Mount Vernon Nazarene University (42), Eastern Nazarene College (43), Southern Nazarene University (49), Trevecca Nazarene University (50), and Olivet Nazarene University (58). The total number of trustees in 2010 for the eight schools was 346, or an average of 43 for each board.

With the historical process of electing Nazarene university trustees exclusively from their respective educational zone districts, little opportunity is granted for alumni or capable Nazarene members living off of the educational zone to be considered for the board. This geographic restriction limits the pool of qualified candidates.

It is interesting to note that while trustees are selected exclusively from a narrow educational zone, every Nazarene university draws students from a wide geographic area. By contacting the Registrar's office at each school, the researcher discovered that the eight Nazarene universities' current enrollment of full time undergraduate students were drawn from a range of 30-48 states. Specifically, the number of states represented in the full time, on campus, undergraduate student body of each of the schools was: Northwest (30), Mount Vernon (30), Eastern (31), Southern (34), MidAmerica (38), Trevecca (38), Point Loma (40), and Olivet (48).

The researcher also contacted the Alumni offices at each of the schools to determine the number of states in which each school had alumni currently living. Every school reported a wide dispersion of alumni, throughout the U.S. and around the world. In fact, all eight Nazarene universities reported alumni currently living in all 50 states. Considering the trend toward less regional exclusivity in attracting students and the large alumni population outside the educational zone, the practice of limiting trustee recruitment to strict geographic boundaries might be reconsidered.

The International Board of Education serves the global Church of the Nazarene as an advocate for the educational institutions of the church. The Manual of the Church of the Nazarene (Blevins et al., 2013) calls for the International Board of Education:

To insure that institutions are under the legal control of their respective governing boards whose constitutions and bylaws shall conform to their respective charters or articles of incorporation and that shall be in harmony with the guidelines set by the Manual of the Church of the Nazarene. (p. 177)

Other specific directives are given to the International Board of Education in the Manual (Blevins et al., 2013).

To insure that members of the governing boards of Nazarene institutions shall be members of the Church of the Nazarene in good standing. They are to be in full accord with the Articles of Faith, including the doctrine of entire sanctification and the usages of the Church of the Nazarene as set forth in the Manual of the church. Insofar as possible, the membership of the higher education boards of control shall have an equal number of ministers and laity. (p. 177)

#### Christian Universities Governance Structure

The sector of the higher education industry that Nazarene universities most closely identify with generally belong to the CCCU. There are 118 member colleges and universities in the CCCU, which describes itself as serving colleges and universities that are Christ-centered. In addition to the eight Nazarene schools, the other denominations having a significant number of member institutions in the CCCU include Presbyterian Church USA (6), Southern Baptist (5), Mennonite (5), Assemblies of God (5), Christian Churches and Churches of Christ (5), Free Methodist (4), and The Christian & Missionary Alliance (4).

An extensive study (Corts & LoMaglio, 2012) was conducted with a focus on the governance in CCCU member institutions. The findings from this study may be instructive to Nazarene governance. While the tendencies of other like organizations are not necessarily an indicator of best practices, they may be helpful in identifying organizational or structural outliers.

Corts and LoMaglio (2012) found that 75% of CCCU boards have between 21 and 40 members. Only 6.5% of the schools had more than 40 members. Nazarene university boards, in contrast, have an average of 43 board members, with a range from 31 to 58. In regard to board terms, 55.9% of schools had three-year terms and 30.5% had four-year terms. Only 25.9% of the institutions reported allowing unlimited board terms. Three terms was the most common (39.7%), with a limit of two terms at 20.7% of the schools. Nazarene universities have board terms ranging from three to four years, but none of the Nazarene institutions have term limits for trustees.

The survey conducted by Corts and LoMaglio (2012) also inquired as to the make-up of the board and how members are selected. There were 31% of the schools that reported all of their board members were elected or appointed by the denomination, with 69% reporting a specific number or percentage of board members were church appointed or elected.

With regard to church membership, Corts and LoMaglio (2012) reported that 37% of CCCU members required all trustees to also be church members. Forty-eight percent of the schools required a specific number or percentage of board members to be church members, and 15% had no particular church membership requirement. For the Nazarene schools, all of the trustees have been historically appointed or elected by the church, and all must be members of the Church of the Nazarene, with the limited exception already noted that recently took effect (MidAmerica Nazarene University Board of Trustees, 2012; Point Loma Nazarene University Board of Trustees, 2013).

Of those CCCU institutions reporting that their trustees were appointed or elected by the denomination, 96% reported that less than 5% of their revenue comes from the

churches or denominational budget. Seventy-two percent of these schools also reported not receiving any strategic direction from the denomination. The only pattern of guidance coming from the denomination was a clear urging to adhere to the denomination's articles of faith (Corts & LoMaglio, 2012).

In comparison, Nazarene schools in aggregate also receive less than 5% of their operating budget from the churches. The International Board of Education (IBOE), the higher education governing arm for the church, is charged only to *advocate* for Nazarene schools, not seek to control or direct their business activities (Blevins et al., 2013). To capture the essence of church-school governance in Nazarene higher education, it could be generally said that the denomination has significant input into the board composition and expresses strong interest in theological matters but has little input into the strategic direction of the school.

In the Church of the Nazarene, the denomination directs its colleges to elect 50% of their trustees from the ministers and district superintendents on their respective educational zone (Blevins et al., 2013). In the survey by Corts and LoMaglio (2012), the researchers found fewer than 10% of denominational schools require half or more of their board to be ministers. Fifty-six percent of the CCCU surveyed schools reported that they required a quarter or less of their board to be ordained ministers.

With regard to including faculty or students on the board as voting members, Corts and LoMaglio reported 80% of CCCU schools did not have a faculty member on the board and 85% did not have a student on the board. Nazarene schools, with one exception, do not have faculty or students as voting members of their boards.



Surveyed institutions in the CCCU reported an average of eight standing committees on their boards. The committees most prevalent, with the percentage of respondents were: Finance (100%), Executive (96.6%), Academic Affairs (94.9%), Development/Advancement (89.8%), Student Affairs (84.7%), Board Development (62.7%), Marketing/Enrollment (52.5%), and Audit (42.4%). Ninety-one percent of the boards had written committee function statements outlining their responsibilities. Just over half (54%) the boards regularly conduct a self-evaluation, equally divided between an annual review and one conducted every three to five years (Corts & LoMaglio, 2012).

One of the foundational responsibilities of a board of trustees in higher education is to preserve the fidelity of the school's purpose and mission. For Christian, denominationally based universities, this means upholding the doctrinal as well as theological underpinnings of the church. As is evident in examining the history of higher education in the U.S., particularly mainline denominational schools, Christian universities are not impervious to the possibility of drifting significantly from their founding heritage (Burtchaell, 1998).

One of the board's primary responsibilities, then, is in upholding the mission and ensuring that staff is monitoring how the mission is expressed in everyday life on the college campus. The board must not only lead by example, they must also build processes for accountability. To assume there is uniform and pervasive mission deployment is a dangerous tactic for a university board. Specific checks and balances must be put in place with appropriate reporting mechanisms directly to the top of the organization.

One of the purposes of this research was to determine the relationship between the Nazarene colleges/universities and the church. Specific survey questions addressed the

issue of whether the mission of the church and the school is being lived out on campus. Comparisons of school administrators to trustees provided perspective from both the church and the school since half of the trustees are Nazarene ministers.

Surprisingly, 48% of CCCU survey respondents (Corts & LoMaglio, 2012) indicated that there were aspects of the campus spiritual climate that were of concern to board members. When asked if their board has established specific outcome expectations regarding student spiritual formation that are consistent with the institution's mission, 64% responded they had not. Of those boards that did have outcome expectations, only 48% reported that they were *very satisfied* with the results being reported on those expectations and only 26% were *very satisfied* with the existing procedures and processes for improving the outcome expectations. The following were given by CCCU board members as descriptors of their Christ-centered mission: Spiritual formation and development of students (89.4%), Faith integration throughout the curriculum (77.3%), Transforming students (71.2%), Holistic educational program including Christ-centered perspective (66.7%), Christian worldview perspective (60.6%), and Biblical worldview perspective (59.1%) (Corts & LoMaglio).

In the Corts and LoMaglio survey of CCCU schools, 87% of respondents indicated that board members were very satisfied or somewhat satisfied with the focus given to the school's Christ-centered mission during board meetings. However, only 19% had any sort of accountability for board member spiritual growth and only 48% even required board members to sign a statement of faith. None of the Nazarene universities ask trustee prospective candidates to sign a statement of faith or testify to an experience of salvation or sanctification.

## The State of Liberal Arts Higher Education

In a study examining the history of higher education in the U.S. conducted by Breneman (1994), the number of liberal arts colleges estimated to have closed was 700. The U.S. Department of Education, National Center for Educational Statistics (2006) reported that between 1970 and 2005 a total of 539 higher education institutions closed, with 237 being private four-year colleges and universities. Since 1970 an average of seven four-year liberal arts colleges have closed each year. Martin and Samels (2006) conducted an analysis of closed colleges and categorized them as generally small, religiously affiliated, tuition-dependent, with a modest endowment, heavy depreciation, and poor student retention. So while most liberal arts colleges and universities have been resilient through numerous economic and demographic cycles, with many surviving over 100 years, it does not mean the sector is invulnerable. As an example of a current threat, for-profit higher education commanded 11% market share of total full-time students in 2009, compared with only 4% market share in 2000 (National Center for Education Statistics, 2009).

Martin and Samels (2006) identified “dashboard fragility indicators” (p. 1) for colleges to assess their financial health. These warning signs included successive operating deficits, tuition dependency of more than 90%, tuition discounting of more than 40%, institutional enrollment below 1,250, a student default rate of more than 6%, debt service of more than 12%, less than 3 to 1 ratio between endowment and operating budget, an average alumni gift of less than \$75 with fewer than 20% of alumni giving, and successive short-term bridge financing required annually for at least one quarter.

In January 2012 Moody's Financial Rating Service (Carlson, 2012) outlook for higher education was mixed. For the small number of "diversified market-leading" (p. 1) public and private institutions, the outlook was positive. For the remainder of the industry, those colleges and universities dependent on tuition and state revenue sources, the outlook was negative. One year later, in January 2013 (McDonald, 2013), Moody's modified its outlook for higher education as negative. The reasons given for the rating downgrade included concern for rising tuition, reduced state funding, pressure on all revenue sources, significant debt load, and increased competition in attracting students.

In a report issued by the federal government, public higher education has seen net tuition increase from 16% to 22% of revenue from 1999 to 2009. In private colleges and universities, net tuition revenue increased from 29% to 40% of total revenue over the same period (U.S. Government Accounting Office, Committee on Health, Education, Labor, and Pensions, 2012).

Student loan debt has captured national headlines in recent years. Selingo (2012) reported total student loan debt had exceeded \$1 trillion. Martin and Lieber (2012), summarizing a Federal Reserve Bank of New York study, reported that 27% of the student loan borrowers were delinquent in their payments by more than 30 days.

On the other side of the college debt equation, Selingo (2012) reported that institutional debt has grown 88% in higher education from 2001 to 2011, to \$307 billion. The increase in debt loads for the 500 colleges rated by Moody's has doubled in the 10 years from 2000 to 2011 while the cash and pledges of those colleges has declined 40% relative to their debt (Martin, 2012).

Whether or not the current higher education model is sustainable remains to be seen. Some have argued that the higher education industry is on a bubble, not unlike recent experiences in the mortgage and dot-com sectors. Rising tuition costs have caused critics to call for innovation in higher education to remain competitive and affordable (Mogilyanskaya, 2012).

Jaschik and Lederman (2013) were lead researchers in a scientific study conducted by Gallup in coordination with Inside Higher Education. The researchers surveyed 457 Chief Financial Officers in higher education. Approximately half of those surveyed were from public institutions and half from private colleges and universities. The researchers found that, overall, only 13% of respondents agreed strongly they are confident about the sustainability of their institutions financial model over the next 10 years. For those specifically from the private, nonprofit institutions, only 9% of financial officers agreed strongly they are confident in the sustainability of their institution's financial model over the next 10 years.

Leadership weakness and lack of a clear institutional mission are frequently cited as reasons for the decline and failure of colleges and universities (Cowan, 1993; Merline, 1998). In his study, Cowen examined 16 colleges that had been in crisis. He found leaders failed to recognize warning signs and identify the issues causing their decline. Sellars (1992) reported, in a study of 159 small, private, financially troubled colleges, that middle managers were more realistic regarding the decline of their institution than top leadership. Presidents and their board of trustees must have the capacity to identify issues and lead decisively in times of crisis.

There are clear challenges faced by small, liberal arts colleges and universities when compared to other institutions in higher education. A drop in enrollment in small schools that are heavily tuition dependent is a significant vulnerability. Small endowments at these schools can especially accentuate the problem. Without government funding, small private institutions must rely largely on tuition, causing competitive pressures with less expensive state schools. In a Carnegie Commissioned study, Astin and Lee (1972) found that public institutions attract students because of their lower tuition; elite private colleges draw large numbers of applicants because of their reputation and perceived quality; but lesser known private liberal arts colleges lack an edge, with neither low cost or reputation as a drawing card. Smaller colleges also find it more difficult to be labor efficient as they are less likely to use adjunct faculty, their classes are typically small, and graduate students are generally not used in teaching assignments (Stimpert, 2004).

With online course offerings, for-profit schools, distance learning options, and lower cost community college availability, higher education seems to be more of a commodity in recent years. Hersh (1997) conducted a national survey regarding attitudes toward liberal arts higher education. The researcher found that only 27% of parents and 14% of high school students were even familiar with a liberal arts education. Both groups had little acknowledgement of the value of a liberal arts education. With a crowded marketplace, low brand recognition, pricing issues, and an increasing evaluation of the value-proposition of a liberal arts education, the pressure on small, liberal arts colleges and universities is intense.

## Optimal Size of the Governing Board

State law does not establish a maximum number of directors for nonprofits and federal law does not address the topic. The optimum size of an organization's governing board depends on many factors (Hopkins & Gross, 2009). The role and effectiveness of the executive committee, the type of organization, and the nature of the organization's constituency are all factors contributing to the size and structure of a governing board.

Is there an optimal size and composition of a governing board? An empirical study conducted by Ning, Davidson, and Wang (2010) found that, for U.S. publicly traded companies, a board size of from 8-11 directors was ideal. By analyzing a random sampling of 473 firms, the research findings indicated a significant mean reversion trend. The researchers found that, over time, boards with 12 or more members tended to eventually reduce their size and boards of seven or less tended to add members.

Other studies on optimal board size in corporations have yielded mixed results. Research conducted from a financial perspective has largely correlated an improved bottom line with smaller boards (Eisenberg, Sundren, & Wells, 1998; Jensen, 1993; Yermack, 1996). These researchers found that large boards can be costly, increase operational complexity, require undue management coordination, and create a lack of accountability for individual board members.

On the other hand resource dependency theory has suggested that companies are better off with large boards (Zahra & Pearce, 1989). These researchers argued that having more board members provides the organization with more expertise and potential resources. Larger boards are likely to contain more diversity of education and experience, providing management with value-added intellectual capital. Provan (1980) found a

positive correlation in nonprofit organizations between larger board sizes and access to funding sources. Likewise, Pfeffer (1973) reported larger board size to be positively correlated with funding sources in healthcare.

In corporate America board size tends to vary somewhat across industries. For example, Cornet, Hovakimian, Palia, and Tehranian (2003) found the average size of bank boards was 16.8 members, compared with the average of nine directors for all U.S. publicly traded companies.

In the nonprofit sector the average size of boards is 16 voting members (BoardSource, Research Report, 2007). BoardSource also reported the average number of board meetings for a nonprofit board was 6.9 per year, with the average meeting lasting 3.3 hours. The most common board term was three years, with a typical two-term limit. The BoardSource survey also revealed that 49% of the nonprofit board members were age 50-64, with a nearly equal distribution above and below that age range.

The higher education business model has similarities to corporate entities, in that they offer a service for a price. They also compete with other colleges for students and work to build their brand and reputation. In the governance of higher education, however, schools tend to resemble government more than business (Masten, 2006). In this study of 826 U.S. colleges and universities, Masten found more prevalence of a democratic governance system in large research universities than in small, liberal arts schools. Church-affiliated institutions tended to be the most similar to business entities in governance. This researcher sought to identify the rationale for a more democratic form of governance in higher education as compared to business. One finding by Masten



indicated universities have a greater need to enhance credibility with their multiple constituencies.

Board size is often dictated by the intended purpose of the board and expectations of board members. Obviously, the Internal Revenue Service and state attorneys general expect the board of every nonprofit to be a fully functioning governing body. The fiduciary responsibility of governance cannot be consigned or delegated. As has been noted, governance begins to diminish in effectiveness when boards become too large. However, boards of organizations heavily dependent on fundraising count on board members to be significant donors or network with those who will be significant donors. In organizations heavily focused on philanthropic efforts, a large board is an asset. Philanthropic groups typically rely on a strong executive committee for most governance decisions. Curiously, Nazarene university boards seem too large to govern effectively, yet they are not designed as fundraising boards with expectations of *giving or getting* significant donations. With boards ranging in numbers from 31 to 58, Nazarene universities may need to better understand the purpose of their board and size them accordingly.

While not explicitly articulated, it seems as though the Nazarene denomination and its colleges have sought to construct a form of what might be referred to as representative governance. Trustees are largely appointed or elected from their respective church districts, in part based on the number of Nazarene church members on each district. One might ask what purpose this form of governance serves for the school or the church. While the trustees seem to be elected as a representative of their district, there is no official two-way mechanism for trustees to regularly communicate with the

constituent group they represent. And what special interests would a district have that are different from the interests of the school or the denomination? One might also argue that the current system lends itself to confusion regarding the proper role as a university board member. Is the responsibility of the trustee to be loyal to the district they represent or the university? The fiduciary responsibility of board members is clear, yet the trustee selection process may lend itself to some confusion. One of the research questions in this study is designed to probe this issue.

The Association of Governing Boards of Universities and Colleges (2011) conducted a survey of 507 higher education governing boards of private colleges and universities. The survey revealed that the average number of voting board members of those sampled was 29. Men outnumbered women on the governing boards, 69.8% to 30.2% respectively. Sixty-nine percent of the trustees were age 50-69. The occupations of board members included business (53.0%), professional (22.0%), education (13.1%), and other (11.9%). A student-voting member was included in 8.5% of the schools and another 12.5% included at least one nonvoting student member. A faculty member was included at a somewhat higher rate, with 14.9% including a voting and 14.1% a nonvoting faculty member. The average length of terms for trustees was typically three to four years and more than half the institutions limited the number of consecutive terms. The boards met an average of three to four times a year and the business portion of the meeting lasted four to five hours. These independent colleges' and universities' governing boards reported an average of eight standing committees. The committees cited, in descending order, were finance (94.7%), development (88.6%), nominating/governance (83.8%),

executive 82%), academic affairs (79.1%), audit (64.6%), student affairs (60.4%), buildings and grounds (51.9%), and investment (47.5%).

### Best Practice Governance and the Law

Religious freedoms are protected in America under the Constitution. First Amendment rights limit the government's intervention into the affairs of religious organizations and prohibit the government's establishment of a religion. State constitutions, as well as most federal and state laws, have been largely influenced by the protections established in the First Amendment (Weeks, 2002).

Church-related colleges and universities have benefitted from and enjoyed the freedoms guaranteed under the First Amendment. In addition, the underlying cultural value of pluralism has long roots, deeply ingrained in the American way of life. Our civil society in America recognizes the government is ill equipped and incapable of meeting all the various needs of individuals. Therefore, Americans hold dear the heritage of religious and nonprofit organizations that serve people without governmental control or intervention.

Weeks (2002) rightfully pointed out, though, that the protections originally established to protect these civil institutions may be eroding and are sometimes actually used against them. According to Weeks:

These same laws and principles, however, have also been employed to challenge such colleges when they became enmeshed with government relationships due to accepting federal and state aid following World War II. The acceptance of state or federal financial benefits has triggered a continuing series of litigation requiring the courts to decipher how "pervasively sectarian" such colleges are and whether,

given these characteristics, they are eligible to receive public benefits, such as scholarships, grants, loans, or the right to issue tax-free bonds. (p. 332)

As government funds have become more prevalent in higher education, the threat of government control has become more real. Dutile and Gaffney (1984) argued that a church-related college or university must have the fundamental right to “promote its religious mission, including the right to select its faculty and students on a religious basis and to enforce its religious precepts within its community” (p. 1). Dutile and Gaffney also claimed:

The spirit of the First Amendment to the U.S. Constitution, in our view, *requires* public schools to remain nonsectarian in character and *entitles* private religious institutions generally to effectuate their religious goals as they see fit. Legislatures and courts should, therefore, view with equal suspicion any indoctrination in religious beliefs or mandatory attendance at worship ceremonies in the public college, and any limitation on a religiously affiliated college’s exercise of its religious mission. This two-pronged approach to American higher education provides the best accommodation of the values and rights that our people cherish. (p. 1)

The evolution of the law in the United States related to the governance of nonprofit organizations, including all the Nazarene universities, was originally confined, almost exclusively, to the states (Hopkins & Gross, 2009). Nearly every state has a nonprofit corporation act concerning the organization and operation of a nonprofit organization enforced by state attorneys general and state courts. The federal government has historically exercised limited authority over nonprofits through the Internal Revenue

Service, which grants nonprofits tax-exempt status (Revenue Act of 1954). This legal landscape, though, is changing rapidly with the proliferation of federal law, mostly tax related, governing nonprofits. For example, the Internal Revenue Service (IRS) requires most tax-exempt organizations to file an annual return (Form 990). The IRS dramatically increased the reporting requirements and disclosures for nonprofits, expanding the form in the 2008 tax year. The additional information required by the IRS is significantly focused on governance practices and policies and procedures at the highest levels of the organization. The IRS requests information about the board composition and independence, governance and management structure, how the organization promotes transparency, and accountability to its constituents.

In October of 2004, at the request of the U. S. Senate Finance Committee, the Independent Sector convened an expert group, organized as the Panel on the Nonprofit Sector, to develop principles for good governance and ethical practice in nonprofit organizations (Independent Sector, Panel on the Nonprofit Sector, 2007). The Independent Sector is a leading coalition of nonprofits and largely works on federal policy issues that affect the nonprofit and philanthropic community.

Over the course of three years, the Independent Sector, Panel on the Nonprofit Sector (2007) received input from thousands of people to develop recommendations to Congress and the Internal Revenue Service. Over 100 recommendations were given to Congress to improve the law as well as provide education and enforcement activity. The Panel also outlined improvements that nonprofits needed to make on their own. In their final report the Panel implored the nonprofit community to self-regulate by stating that “government action cannot--and should not--replace strong, effective governance of

individual organizations” (p. 1). As a result, the Panel recommended 33 principles, encouraging every nonprofit organization to examine these principles and determine how they can be best applied in their organization. Of those 33 principles, 13 specifically speak to the board of director’s obligation to properly fulfill its oversight and governance responsibilities.

In 2002, Congress overwhelmingly passed the Sarbanes-Oxley Act. This federal legislation contained 11 sections and includes additional governing board responsibilities, internal organizational controls, and enhanced financial disclosure. While specifically targeting public corporations in the U. S., Sarbanes-Oxley has significant implications for nonprofit corporations, including higher education. Some states have proposed legislation that, if eventually passed, would require nonprofit boards to comply with Sarbanes-Oxley (Sandrick, 2006).

By voluntarily complying with Sarbanes-Oxley, nonprofits acknowledge their commitment to their fiduciary duty and their willingness to follow other compliance best practices. Hoggins-Blake (2009), in a study of nonprofit higher education, found less than one percent of universities complying with the Sarbanes-Oxley Act. In a study by Blodgett and Melconian (2012) just three years later, however, the researchers found very different results. While their study included a broader sampling of nonprofits that included higher education, they found organizations with over \$100 million in assets nearly universally complied with Sarbanes-Oxley. These researchers also found, however, that smaller nonprofits still remained substantially deficient in basic compliance initiatives.

The governance arms of Nazarene universities, as all nonprofit organizations, have a legal and moral responsibility as stewards of the public trust and custodian of the institutional mission to practice and openly communicate ethical best practices. Nazarene universities would be well served to educate their board members on the provisions of Sarbanes-Oxley and to implement these standards at their institutions. While not required, this practice would demonstrate a serious effort toward ethical and transparent business operations to the schools' constituents.

While the government and accrediting bodies have become more intrusive in recent years into the governance of higher education, the structure and governance model used by institutions remains largely self-determined. Absent prescriptive models mandated by an outside legal or regulatory authority, boards must be diligent in their design of an effective governance model.

Alexander and Lee (2006) conducted a study to investigate if the governance model used was related to the performance of the organization. Their study examined 3,100 not-for-profit hospitals. Specifically, they studied the issues of how boards using a corporate governance model compared to those using a philanthropic-style governance model. The researchers found the corporate model of governance correlated with more positive hospital performance. Similar results were found in an empirical study of the largest 100 nonprofit healthcare systems in the United States (Yingliu Gu, 2009). This researcher also found higher performing boards, on four measures of financial performance, tended to have smaller boards and tended toward a corporate style of governance.

Another model of governance that has received significant attention is *Policy Governance* (Carver, 2006). These principles, designed for use by all governing boards, are one of only a very few systematic theories of governance. Carver's model directs the board to explicitly articulate, in policy form, the distinct roles of the board and chief executive. Policies are divided into four types, one focused on the organizations goals (or ends) and the other three types focused on the means the board and executives employ to attain those ends. Researchers Nobbie and Brudney (2003) asked the question, "Why aren't our views of governance changing along with our environment" (p. 1)? They had identified dramatic shifts in the external nonprofit environment, yet governance practices have remained relatively unchanged for decades. The researchers specifically chose to conduct a systematic study of the Carver policy governance model. In this experimental study, with a treatment and a control group, the researchers found positive, significant relationships between the extent of implementation of policy governance board behaviors, perceptions of improvement of board performance, and some aspects of organizational effectiveness.

The Association of Governing Boards of Universities and Colleges (2011) conducted a study on the practices and engagement of 700 public and independent colleges and universities. The researchers documented the extent to which higher education boards were following good governance practices. Specific areas cited as needing improvement included board member assessment, risk management, and board understanding of finances, including aspects of the budget as well as strategic use of resources to achieve the institutional priorities. Overall, the larger institutions tended to



have boards with more engagement in key areas of board oversight than the smaller institutions.

### Board Competencies

With half of the board members of Nazarene universities being ministers of the church and the other half committed church members, it is likely that these trustees want to be good board members. If desire were the determinate of board performance, Nazarene university boards would undoubtedly be highly effective. Holland, Chait, and Taylor (1989), however, found in a quantitative study that university performance on four measures had a significant positive correlation with specific board competencies. So while desire and commitment of Nazarene university trustees appears strong, the institutions may be better served by also vetting and selecting trustees based on competencies. This study will correlate the self-reported competencies of trustees with the perceived trustee competency needs as reported by school administrators.

In a study conducted by Chait, Holland, and Taylor (1996), and funded by the Lily Foundation, the researchers worked closely with colleges and universities over a five year period to investigate the performance of their governing boards. They concluded that “effective governance by a board of trustees is a relatively rare and unnatural act” (p. 1). They did not mean that board members were not intelligent or motivated individuals. What they did find is the tendency for boards to drift, over time, from “strategy toward operations, from long-term challenges toward immediate concerns, and from collective action toward individual initiatives” (p. 1). Chait et al. found that boards must be diligent in their efforts to define, train, and implement sound practices to achieve effective governance. The researchers reported that many boards, without a plan to develop board

competencies, find themselves as “little more than high-powered, well-intentioned people engaged in low-level activities” (p. 1). From hundreds of interviews with board members, the researchers concluded that oftentimes “the parts on the board sum to less than the whole” (p. 2). In some cases, it may be that university trustees are successful people who are collectively ill equipped for the task. It is unfortunate when good people are not properly selected, trained, or organized into a high functioning leadership body.

So what competencies are needed for an effective board? In the seminal study conducted by Chait et al. (1996), the researchers asked this very question. They found six distinct competencies that drive the behaviors necessary for high functioning boards of trustees. The first competency is the “Contextual Dimension” (p. 9). This competency requires the trustee to understand and embrace the mission and tradition of the organization, using this context as the basis for decisions. In addition to upholding the institutional culture, norms and values, the trustee must understand the distinctive characteristics of higher education. Carver (2006), in his groundbreaking work on governance stated: “The governing board is a guardian of organizational values . . . . Endless discussions about events cannot substitute for deliberations and explicit pronouncements on values” (p. 19). Chafee (1984), in his study on successful strategic management in small private colleges, found that a strategy primarily focused on cutting costs, adding programs on and off campus, and looking for new markets were alone ineffective in reviving a school. He reported that the more resilient institutions adopted a more interpretative strategy, with leadership managing meaning and mission. He agreed leadership must be selectively opportunistic, but only in the proper conceptual and interpretive context he referred to as the “management of meaning” (p. 229).

The second trustee competency identified by Chait et al. (1996) was an “Educational Dimension” (p. 26). The board and administration must take the time and make the effort to ensure trustees are knowledgeable of the higher education industry, the institution, the board’s fiduciary duties, and their proper role. Staff should assist in creating opportunities for trustee education, and the board must regularly seek information as well as measure its own performance. Is it conceivable in higher education, that at the very pinnacle of control and responsibility of the institution, leadership is ill prepared and uneducated regarding their proper role?

Poorly performing board members may assume that their formal education, professional experience, and other board service adequately prepares them to be a college trustee. While prior experience is invaluable in serving as a trustee, a substantial orientation and ongoing training program is essential in building a competent board.

The third competency identified was the “Interpersonal Dimension” (Chait et al., 1996, p. 42). This trait develops the trustees as a group, fostering a sense of cohesiveness. It also includes the important element of identifying leadership in the group and cultivating leaders. The trustees must ensure there is a spirit of inclusiveness, developing group goals and celebrating group successes. New trustees must be acclimated to organizational norms and unwritten rules of conduct. This interpersonal dimension can effectively minimize dysfunctional or nonproductive group dynamics if established as a priority by the board.

Chait et al. (1996) identified “The Analytical Dimension” (p. 59) as the fourth competency for an effective board. Simply stated, this trait is a capacity to dissect complex problems. With this ability the board is able to understand the complexities of

issues, recognizes subtleties within issues, and finds ambiguity as a necessary part of the process in making critical decisions. Some of the specific skills required in this analytical dimension include dissecting issues and examining all aspects and alternatives in multifaceted issues. A healthy analytical approach also debates, questions, explores tradeoffs, and encourages disparate opinions.

Bolman and Deal (1986) examined different ways leaders gather information and reach decisions. They used the term *frame* to describe the various ways used to approach an issue. Our frame is the lens through which we view the world. The essence of this theory is that where we look and how we look determines what we see. Bolman and Deal said: “Frames are windows on the world. Frames filter out some things while allowing others to pass through easily. Frames help us to order the world” (p.4).

Strong, effective leaders are able to examine an issue through multiple lenses. This claim was evidenced in a study by Bensimon, Neumann, and Birnbaum (1989). In their research with college presidents, they concluded:

The difference between effective and ineffective leaders may be related to cognitive complexity. It has been suggested that academic organizations have multiple realities and that leaders with the capacity to use multiple lenses are likely to be more effective than those who analyze and act on every problem using a single perspective. (p.72)

The fifth dimension of competency identified by Chait et al. (1996) was the “Political Dimension” (p. 77). This skill is the board’s ability to develop and maintain positive relationships with their major constituencies. The researchers found that in order to build these healthy relationships, effective boards need to “1) respect the integrity of

the governance process, 2) consult often and communicate directly with their key constituencies, and 3) attempt to minimize conflict and win-lose situations” (p.77).

College presidents have described their positions as distinctly political, much like that of a mayor (Cohen & March, 1974). By the very nature of the institution, higher education is complex system of various constituencies, many times with competing interests. Board members must understand the sociopolitical dynamics of the college environment and lead to move the entire organization forward in unity.

The sixth and final competency dimension identified by Chait et al. (1996) was the “Strategic Dimension” (p. 95). With this competency, the board starts with the mission, identifies organizational priorities, and envisions a strategic approach to the future. The board, along with administration, must be able to anticipate potential problems and proactively address matters before issues become crises. In their research, Chait et al. found: “While several members of one ineffective board stated that ‘the budget determines priorities,’ a more strategic perspective might assert that priorities determine the budget” (p.97).

Effective boards carefully examine alternatives and are willing to take reasonable risk based on mission and sound strategy. On occasion leadership will face criticism as forward thinking is not always the popular or safe route. Not everyone will see the vision. Strong boards, though, realize a critical component of their governance responsibility is to assume the risk and responsibility of leading the institution. The important question is not if the institution has a long-range plan, as nearly every college and university has a strategic plan. The more relevant issues are whether the right people are at the table, if the right process is in place, if the right data has been gathered, and if the right questions are

being asked. A well-conceived plan only results when the dimension of strategic competency has been mastered.

Lorsch (1995) reported that the most important aspects of boards are knowledge and cohesion. He distinguishes between board members accumulating information and acquiring knowledge. While information may be defined as simply absorbing operational data, knowledge involves the intellectual ability to synthesize, understand, and interpret data into a broad organizational context, culture, and strategy. Pound (1995) expanded the conceptual framework to implore boards to select members who have expertise in specific areas relevant to the organization. He said:

Directors must be well versed in the complexities of the company and its industry, of finance and financial structure, and of relevant law and regulation. Directors must attain a threshold of expertise sufficient to allow the board to add value to the decision-making process. (pp. 93-94)

Hopkins, O'Neil, and Williams (2007) examined the relationship between emotional intelligence and effective board governance. The key components of emotional intelligence include self-awareness, self-management, social awareness, and relationship management. The results of this study demonstrated a strong relationship existed between behaviors indicative of effective board governance and emotional intelligence competencies.

Other specific skills identified as important in higher education leadership (Kurre, 2013) include strategy development, enterprise risk management, marketing/public relations, finance, audit, lobbying, fundraising, and entrepreneurial thinking. A key question and one of the primary purposes of this study examined the current skill sets of

Nazarene university trustees and compared those to the skills needed in trustees as perceived by the college administrators.

### Primary Role of Trustees

Case law has provided some definition of the fiduciary duties required of board members in tax-exempt organizations (Hopkins & Gross, 2009). Originally coming from common law as it related to charitable trusts, the board member as fiduciary of the organization's resources and mission has evolved. In a report by the Congressional Joint Committee on Taxation ("Description of Present Law," 2004), it was reported that:

Nonprofit corporate fiduciary principles govern the actions of the organization's directors, trustees, and officers. The law generally addresses issues such as the organization's purpose and powers, governing instruments (articles of incorporation and bylaws), governance (board composition, requirements for board action, and duties and standards of conduct for board members and officers), and dedication of assets for charitable uses (including a prohibition against the use of assets or income for the benefit of private individuals). (p. 17)

The primary responsibilities of every individual serving on a nonprofit board, including private tax-exempt colleges and universities, are founded in three legal standards (Hopkins & Gross, 2009). These responsibilities include the *duty of care*, the *duty of loyalty*, and the *duty of obedience*.

The duty of care requires a board member to be reasonably informed of the activities and operations of the organization. This responsibility includes attendance at meetings, reviewing reports, seeking information necessary to make informed decisions,

and acting in good faith as any reasonably prudent person would do in similar circumstances.

The duty of loyalty requires each board member to place the interests of the organization first when making decisions on behalf of the entity. Any personal interests or the interests of any other entity, especially one with which they may have a formal relationship, must be set aside in their board role. The duty of loyalty includes disclosure of any potential conflict of interest. Conflicts of interest are not illegal; in fact they are common in nonprofit settings. The critical factor is that they are properly disclosed and that the board responds to them appropriately. In any situation that has the potential for a board member to have an undue bias, or may potentially derive personal gain from an entity's activities, the trustee must recuse himself from the discussion.

The duty of obedience mandates that board members ensure the organization complies with all applicable laws and regulations. This duty also calls on the governing body to be responsible to all the various governing documents and the mission of the organization. Board members must have policies, procedures, and adequate checks and balances in place to reasonably assure adherence to all federal, state, and local statutes.

One of the purposes of this study examined the perceived role of the trustee in Nazarene universities. The fiduciary duties of care, loyalty, and obedience clearly underscore the responsibility of a nonprofit board member. Since one half of each Nazarene university board is comprised of ministers of the Church of the Nazarene, they may have competing loyalties. The church founded each school, and general church interests may occasionally be in conflict with sound decision making for the school. Another conflict may arise since board members are elected from their respective



districts. Do the trustees see their role as representing the interests of the district since it was the body that elected them? Finally, trustees may have an unclear perception of their appropriate role since they are all members of a local Church of the Nazarene. Is there a perception that they are representing the interests of their local church or possibly current and prospective Nazarene students? This study included a survey for the board members and school administrators of Nazarene universities, in part to better understand perceptions of loyalty as a board member. A comparison was made between perceptions of trustees and school administrators.

Specific roles of trustees must be defined for new board members and reinforced through ongoing training. Marx and Davis (2012) identified a problem of unclear roles in nonprofit organizations. Specifically, these researchers focused on unclear perceptions of the proper division of labor between boards of directors and executives. This research included a survey of executives in nonprofit organizations. They found that while 72% conducted a structured orientation for new board members, only 36% reported they attempt to regularly define the board's specific role and responsibilities. Articulating the distinctive functions of board and staff must be an essential part of trustee education.

#### Selection, Orientation, Training, and Evaluation of Trustees

Do intentional efforts to improve boards really work? That was the question asked by researchers Brudney and Murray (1998) in their study of nonprofit organizations. The researchers sought to determine how many boards actively pursued improvement, specific changes the boards desired to make, what motivated their efforts, and what outcomes were realized. The results strongly indicated boards that reported seeking positive intentional change were able to enhance their effectiveness.

Holland and Jackson (1998) designed a quasi-experimental study to explore the efficacy of programs designed to improve board performance. The researchers evaluated the impact of specific interventions intended to strengthen board performance. The results of this study evidenced that a focused and sustained effort to improve board performance does realize measurable gains. The findings of Holland and Jackson provided evidence that organizations can take intentional steps that improve board effectiveness.

Organizations never surpass the talent and competence of their leadership. A university with a strong president and weak board may do well for a period of time. Conversely, a high performing board may be able to prop up a mediocre president temporarily. But the strongest institutions are only able to thrive over the long term by developing and nurturing excellence in all leadership roles.

Building an effective board involves time, energy, and commitment. Like all aspects of life, we reap what we sow. New board members do not become excellent board members through the process of osmosis. It is essential and well worth the effort to invest the time in thoughtful selection, orientation, and ongoing trustee training.

The spotlight on leadership is never brighter than in times of adversity. Challenges for private, liberal arts higher education are around every corner. Being in a constant state of leadership improvement is a strategy the university cannot afford to ignore. Competing constituencies, quick to scrutinize, must feel the breadth and depth of strong leadership to remain supportive of the organization.

Strong presidents have, at times, propped up underperforming boards. This is a precarious position for the institution, however, as a retirement or unexpected presidential departure can abruptly accentuate the weakness of the board. An ineffective president or

presidential vacancy combined with a board ill equipped to carry the load is a certain recipe for disaster. Mission sustainability can be placed in jeopardy with an underperforming board or president. In today's complex, fast-paced, regulated, and competitive world of higher education, there is not much margin for leadership error.

Ferrari, Bottom, and Gutierrez (2010) examined leadership transition in Catholic universities. They specifically focused on the tactics used to build sustainability of mission and values during leadership transition. This question was critically important as Catholic universities increasingly were shifting control from priests to lay leaders. The researchers found a positive indication for the Catholic tradition to remain strong, even with the absence of clergy governance. This successful transition, though, was accomplished only with a thoughtfully considered plan.

University boards and executives must work together to maximize their collective talent, accountability, and performance. An effective board is a healthy, living organism that must be continually nurtured and strengthened. The selection, orientation, ongoing training, and evaluation of trustees are all essential ingredients to organizational success.

The traditional wisdom in selecting nonprofit board members has focused on individuals with time, talent, and treasure. Expressed another way, the traits most desired have been works, wisdom, and wealth. While these may sound like trite alliterations, they do lend an element of simple guidance to the discussion. The scientific study of building effective boards has proven to researchers to be a challenging task. The dynamics of board leadership are multifaceted and complex. A number of studies, though, have contributed empirical findings to guide leadership in higher education.

Organizations that excel financially and have perceived organizational effectiveness also have higher performing boards of directors (Brown, 2005; Jackson & Holland, 1998). Holland et al. (1989) found a useful framework of board competencies that correlated significantly with the quantitative analysis of university performance. The board is a critical asset of the university and a resource that must not only be utilized, but also maximized. Talent at the pinnacle of the organization is essential to success.

Nazarene universities, and for that matter nearly all nonprofits, do not possess nor can they afford to hire all the intellectual capital needed to run an optimally performing organization. Acquiring the necessary resources then, for top performance, is dependent on securing capable, talented, and committed volunteers. Hillman and Dalziel (2003) identified board members as an integral ingredient in capturing the necessary resources for organizations. The diversity and wealth of knowledge, skills, relationships, and finances, desperately needed in most every organization, is readily available through a purposeful and thoughtful approach to board development.

Building an effective board is not dissimilar to construction of a building. The structure must be well designed, with a blueprint so all can follow its prescriptive guidance. Once the design has been established, the various workers begin applying their trade specialty. After the structure has been built, it must be maintained to preserve its beauty and integrity.

The first step in the process of building an effective board involves identifying the skills and competencies needed. This alignment of leadership competencies with organizational need is a powerful tool. Coombes, Morris, Allen, and Webb (2011) demonstrated this finding in their study of entrepreneurship in nonprofit organizations.

They found a direct relationship between individual board member entrepreneurial orientation and the organizations' entrepreneurial orientation and goal performance. The list of skill sets desired should be reviewed periodically as the organizations' needs change over time. Forming a matrix of desired competencies and then placing each board member's name on the matrix exposes gaps in expertise. Procedures can then be developed to guide a nominating committee in their identification and recruitment of potential candidates (Daily & Dalton, 2004).

Just as every employee position in the organization requires a specific job description with essential functions, job duties, and minimum competencies (Brannick & Levine, 2002), so should position requirements be specified in the significant role of university trustee. Effective board recruitment, like employee hiring, seems doomed without clear specifications and expectations (Pynes, 2004).

The second step in building an effective board is identifying and recruiting desirable candidates. While it can be challenging to recruit volunteer nonprofit board members (Roberts & Conners, 1998), the goal of enlisting willing and capable Nazarene volunteers to serve the university seems attainable. With a large pool of church members, a significant number of professional alumni, the prestige and attraction of university trusteeship, and a strong affinity among many Nazarenes for their church schools, an ample pool of qualified candidates seems available. Wise (2001) found that compensation was not an issue in recruiting nonprofit board members but rather an inability on the part of the organization to mobilize and effectively identify and recruit those capable and willing individuals.

Nominating committees are essential in the board development process. Influential board members should be included on this committee. Ryan and Tippins (2004) identified that personal referrals are one of the most effective sources for impacting quality in the pool of candidates recruited. Developing a clear description of board expectations in areas such as meeting attendance, meeting preparation, time commitment, and expectations for giving or soliciting gifts is an important part of board recruitment in successful organizations (Herman & Renz, 1997).

Kaczmarek, Kimino, and Pye (2012), in a study of 350 companies, found that the diversity of the nominating committee correlated positively to the diversity of the full board. While not claiming a causal relationship, the researchers did speculate that a cause and effect might exist by pointing to research in social psychology that has shown entities tend to reproduce a likeness of themselves and have a strong bias toward social identity.

The third step in the board development process is the selection of new board members from the pool of candidates that have been generated for consideration. The literature has generally recommended that the CEO not actively participate on the nominating committee (Shivdasani & Yermack, 1999; Wesphal & Zajac, 1995) although these studies were conducted in publically traded corporations. Brown (2002) reported that board members did find more engagement, ownership, and involvement by participating on a nominating committee.

The nominating committee is responsible for gathering information on candidates and providing recommendations to the full board. The full board then votes, either on a contested or uncontested ballot, based on the preference of the organization. Bainbridge

(2002) found that a choice of candidates, with clear options for the board, generally leads to a better board.

Selection of the most qualified individuals possible is crucial. Michael, Schwartz, and Hamilton (1997) found in their study that while orientation and training were important, trustees indicated their own professional experience was of greater importance than the training provided by the institution.

The fourth step, once new board members have been chosen, is to provide them with a thorough orientation (Roberts & Conners, 1998). While most everyone agrees on the importance of trustee orientation for new board members, there are few studies that have empirically tested the prevalence and effectiveness of orientation.

In an extensive survey of college and university trustees (Selingo, 2007), fewer than 15% of trustees reported that they were *very well prepared* for effective board service when they joined the board, and 40% of new board members described themselves as *slightly* or *not at all* prepared.

Wright and Millesen (2007) in a quantitative study investigated the degree to which nonprofit board members understood their role and performance expectations. The researchers found that although board members reported experiencing some role ambiguity, chief executives reported that they believed a much higher level of board role ambiguity existed. The researchers interpreted these findings to indicate that board members think they understand their board role even though their chief executives disagree.

The design and testing of a best practice template for trustee orientation and ongoing training would benefit the industry. Davis (1997) reported that 70% of the

community colleges surveyed offered a voluntary board orientation. One effective component of orienting a new board member may be a peer-mentoring program (English, 2008).

Michael et al. (1997) found that presidents and other top administrators generally conducted trustee orientation. The most common topic covered was finances and the budget, followed by trustee responsibilities, board and president roles, organizational goals, policy development, and corporate integrity and ethics.

Pynes (2004) advised that training must be specific to the demands and responsibilities of the audience. By tailoring trustee orientation to the demands of the job, board member performance will improve.

The fifth step in creating a high performing board is ongoing training. Orientation alone is not sufficient instruction. While board members have expertise in their given professions, higher education has its own esoteric practices in its business model, accounting practices, and specialized terminology. Legal, regulatory, program offerings, and financing in higher education are all in a rapid state of change. While trustees must rely on staff to be the experts in the abstruse elements of institutional management, the board must be up to date on higher education trends and have a broad understanding of the industry environment and business challenges. For the board to competently engage in a generative discussion surrounding strategic development, mission fulfillment, or business planning, the trustees must be conversant in the current state of the institution as well as the field of higher education.

The specific competencies of individual trustees play a large role in the board's collective competency. Dika and Janosik (2003) reported in their findings that the quality



of a board in higher education was linked to a combination of selection and training of trustees.

The sixth and final step in building an effective board is performance evaluation. It is important to evaluate trustees individually as well as the board as a whole. Both of these practices are relatively uncommon in university board governance (Cornforth, 2001). Zander (1982) and Houle (1989) found that periodic board evaluation is an important ingredient in the education process of the board. Their research indicated that without feedback and performance information, the board had a limited understanding of the impact of their decisions. The analogy would be like playing a game without keeping score or monitoring the following of the rules. Holland et al. (1989) questioned the board's ability to self-assess. It may be necessary to periodically conduct an outsourced governance audit. Unfortunately, there is often times hesitancy to outline clear board expectations and then measure performance against those expectations. Some may feel it is overstepping to evaluate an individual serving in a volunteer board role. Others may believe it is difficult to judge individual performance, particularly on a large board. It may also be a delicate task to judge a board member who is a large donor, an influential alumnus, or a professional who has attained a level of prestige. Board competence, however, should never take second place to other considerations. Given the fact that board service is leadership at the highest level of the organization, there is too much at risk. If a standard of excellence is not established or considered warranted among leadership, it has no place anywhere in the organization.

Since many institutions do not assess individual board member's performance, they seem to rely on term limits as a default mechanism to deal with underperforming

board members. While the practice of not addressing a weakness at the highest level of the organization is problematic, the policy of term limits is considered a best practice (BoardSource, Research Report, 2007). Some have argued against term limits as it removes the good trustees along with the bad. Many boards with term limits overcome this obstacle by bringing desirable board members back after a year off the board. Nazarene universities have board terms ranging from three to four years, but none of the institutions have term limits for trustees.

The difficulty of removing, or even coaching, a noncontributing trustee must be acknowledged. Any adverse action taken with a trustee becomes a public relations issue for the university as well as for the individual. This reality only amplifies the importance of a well-designed and thoughtful process of selection, orientation, training, and term limits for trustees (Becker & Huselid, 1998; Bowen & Ostroff, 2004).

### Summary

One of the primary research questions in this study is: “How do competencies of current trustee members align with university administrators’ perceptions of competencies needed in the trustee role?” As has been demonstrated in the literature review, competencies are acquired through proper vetting in the selection process, a well-designed orientation, ongoing training throughout the trustee’s tenure, and a formal evaluation process. Nazarene universities must evaluate the governance dimension of their institutional structure after many decades of little change (Philo, 1958).

## CHAPTER III

### METHODOLOGY

#### Introduction

Denominational identity seems to be waning. A number of studies (Dougherty, Johnson, & Polson, 2007; Hoge, Johnson, & Luidens, 1994; Miller, 1997; Mullin & Richey, 1994; Smith & Kim, 2005) have documented the trending decline over the past few decades of denominational loyalty and affiliation among Protestant Americans. These studies reported that a more generalized Christianity, and a local congregation in many cases, has supplanted the need for identification and belonging to a denomination. If indeed individuals and congregations are losing their denominational ties, are church-related universities also trending toward a more generic Christian brand?

The CCCU commissioned a study of its members, largely schools that have a denominational heritage and are overtly Christian in their institutional milieu. The study was divided into three parts: Assessing the Denominational Identity of American Evangelical Colleges and Universities, Part I: Denominational Patronage and Institutional Policy (Glanzer, Rine, & Davignon, 2013), Part II: Faculty Perspectives and Practices (Rine, Glanzer, & Davignon, 2013), and Part III: The Student Experience (Davignon, Glanzer, & Rine, 2013). These researchers found that governance practices, church financial support, and employment practices generally tended to support the denominational identity of the school. However, with church giving

representing less of the institutions' overall revenue, and with fewer students identifying with the sponsoring denomination, threats existed to the church-school relationship.

As documented earlier in this study, Nazarene universities have generally followed the trends identified by Glanzer, et al (2013). While Nazarene university governance has remained firmly in the hands of denominational clergy and members, there is no study that has investigated whether this structure has resulted in effective institutional governance or ecclesiastical connectedness. This research study was designed to investigate the church-school relationship and governance in Nazarene universities. The current chapter will identify the research methodology used and will include a description of the research design, population, data collection tools and processes, data analysis methodology, and limitations of the study.

The three research questions identified for this study were:

1. How do competencies of current trustee members align with university administrators' perceptions of competencies needed in the trustee role?
2. How do the perceptions of trustees compare to administrators regarding the primary role of trustees in Nazarene universities?
3. How do the perceptions of university administrators and trustees compare regarding the church-school relationship?

This study sought to test certain assumptions that may exist regarding Nazarene university governance. Since the church largely controls the governing bodies by directing the trustee selection process and through ministerial and church member board representation, it may be assumed that the church-school relationship is assured. In reality, many other influencers could be impacting denominational identity. This study

sought to investigate the current status of the church-school tie. With the selection process in Nazarene university governance remaining largely unchanged for many decades (Blevins et al., 2013; Ludwig & Mayfield, 1956; Philo, 1958), the assumption that change is not necessary may be faulty. At least two Nazarene schools have very recently examined this issue (MidAmerica Nazarene University Board of Trustees, 2012; Point Loma Nazarene University Board of Trustees, 2013). Board members with strong competencies in critical areas are essential in the ever-challenging landscape of higher education (DeLegge, 2007; Morey, 2004).

### Research Design

This study was considered descriptive in nature as it sought largely to measure perceptions through use of a survey tool. Two survey tools were used in this study, one for Nazarene university trustees and one for Nazarene university administrators. The ultimate goal of the research was to understand and explain phenomena regarding a larger population by gathering survey data from a sampling of the population. For this study the researcher was primarily concerned with documenting the current perceptions and characteristics of governance and the church-school relationship in Nazarene universities.

A quantitative approach was designed to gather data that could later be analyzed through statistical means. Survey questions were designed to quantify perceptions and competencies in an effort to be as accurate as possible in objectifying responses. Response scales and forced rank order questions were used to quantify trustee and administrator responses. These ordinal measurement scales provided the researcher data that could later be used to compare means of the independent groups of trustees and administrators. The survey design of quantification of perceptions also provided the

researcher with the most accurate and reliable methodology for collecting and interpreting the potentially ambiguous understanding of perceptions.

Since there was no treatment or manipulation of variables, no control group, and no random assignment to groups, this research study was considered a non-experimental design (Robson, 2011). The independent variable of interest in this study was role, with naturally existing attributes of trustee and administrator. Random assignment to groups was therefore impossible. The dependent variables included perceptions of the church-school relationship, the primary perceived role of the trustee, and trustee competencies perceived as needed by administrators. The other dependent variable was the actual trustee competencies as self-reported by the trustees.

#### Population

The participants of this study were trustees and administrators from Nazarene universities in the U.S. There are eight Nazarene schools of higher education in the U.S. that could be broadly defined as four-year liberal arts institutions. At the eight schools there were a total of 346 trustees and 49 administrators. These two groups were distinct, with no participant completing a trustee survey and an administrator survey. For the purpose of this study, administrators were defined as the executive officers of the institution, generally referred to as the president and the president's cabinet. Three of the eight universities were selected by the researcher to administer the trustee survey. The nonprobability method of convenience sampling was used in selecting the universities for trustee participation (Leedy & Ormrod, 2013). At the three universities selected for the trustee sample there were a total of 139 trustees, compared to the total of 346 trustees at

all eight schools. All 49 administrators at the eight schools received the administrator survey.

Out of 139 trustees at the three universities, 109 completed the trustee survey for a response rate of 78%. With a total population at the eight universities of 49 administrators, 40 administrators completed the survey for a response rate of 82%.

Demographic data was collected for those trustees who participated in the survey. The age of the trustee respondents was widely distributed, with 11% between 35-45, 33% between 46-55, 44% between 56-65, and 12% over 66 years old. The educational level reported by the trustees included 36.6% with a bachelor's degree, 33.7% with a master's degree, and 29.7% with an earned doctoral degree. The current occupation of the trustees included 51.9% who were ministers or district superintendents of the Church of the Nazarene and 48.1% who were non-ministers. With regard to tenure on the board, 35.8% had served 0-3 years, 25.7% served 4-6 years, 7.3% served 7-9 years, and 31.2% served 10 or more years. The gender of the trustee respondents was 85.3% male and 14.7% female.

#### Data Collection

No survey tool existed that was designed to quantitatively investigate the research questions identified for this study. To adequately gather the data needed required the researcher to construct a survey tool. Four individuals were invited to serve in an advisory capacity to assist in this effort. These advisors were selected based on their prior experience in Nazarene higher education governance or administration. All four have had long careers as an administrator or trustee and are all highly respected leaders in the church. The qualifications of this advisory pilot study group included one former

Nazarene university president, the current Nazarene International Board of Education Commissioner, a former trustee at two Nazarene universities, and a former president at Nazarene Bible College. All four of these individuals have had full careers associated with Nazarene higher education, as well as the church, and have held a variety of other board and vocational positions within the denomination.

The pilot study advisory group members were asked to evaluate the two surveys in regard to construct validity, content validity, the clarity and specificity of the questions, and to offer recommendations for modification, addition or deletion of items. All four advisors offered valuable feedback that helped construct the content and form of the survey tools. While it was desirable to collect as much data as possible, it was also considered important to keep the time required to complete the survey to around 20 minutes. A more time consuming survey was considered a deterrent to participation. The four individuals in the pilot study concurred with the final draft of both surveys and believed the length of time to complete was reasonable.

The Administrator Questionnaire was divided into two sections. Part I used a 6-point response scale to investigate Research Question 1. Administrators were asked to rate the level of expertise needed for effective governance on their university board in 11 functional competency areas. This question was designed to determine the competencies perceived as important by administrators. Since no scientifically validated tool had been previously developed for use in this study, the researcher used a variety of sources to identify competencies deemed important to university or other types of board governance. Therefore, this question provided current accurate data as to what Nazarene university administrators believed to be the most critical skill sets needed on their board.



The second question in this section asked administrators how many subject matter experts in each competency were desirable for their board. This question was designed to understand the magnitude of importance for this competency and could be used later as a tool, by board nominating committees, to better populate their boards with the appropriate expertise. This section also asked a yes/no question as to whether the education, experience, and training of the trustees had properly prepared them to govern. For this question the researcher sought to understand if trustees and administrators agreed on the overall perceived adequacy of trustee competence.

A rank order item regarding the primary role of the trustee addressed Research Question 2. This study sought to understand the perception of primary loyalty for the trustee role and compare the perception of trustees and administrators. This question offered four options and asked the participant to rank order the primary loyalty of the trustee. Options offered were a primary loyalty to the university, the denomination, the local church, or the church district. Since the district generally elects trustees, all are members of a local Nazarene church, and about half are ordained ministers in the Church of the Nazarene, the researcher was interested in whether this created confusion as to the fiduciary responsibility as a member of the governing body of the separately incorporated, but church-related, university.

Two open-ended questions were asked in Part I of the Administrator Questionnaire. The first question asked what the top three areas of training needs were for trustees. The other question asked the administrators if they had suggestions for improving the selection process for university trustees.

The final question in Part I of the Administrator Questionnaire sought to understand the general perception of church-school relationship. This question contributed to the understanding of Research Question 3 in this study. Participants were offered a rank order list of four options to describe the relationship between the school and the Nazarene church. The four options included a range of opportunities, including describing the school as a separate entity with ties to the church, or at the other extreme, believing the school was an extension and ministry of the church. For this question the researcher was interested in the overall perception of all the participants as well as comparing the perception of the trustees with that of the administrators.

Part II of the administrator survey posed 18 statements to the survey participants. These statements were all targeted to address Research Question 3 for this study that sought to explore the church-school relationship. The 18 statements addressed issues such as faculty religious affiliation, classroom instruction, governance composition, church oversight, evangelization of students, church support, purpose of the school, and school identification with the church. The participants were asked, on a five point response scale, whether they agreed or disagreed with each statement. Some statements were designed as negative items that required reverse coding in the data analysis.

The Trustee Questionnaire was very similar to the Administrator Questionnaire, with a few exceptions. Trustees were asked to report demographic information such as age, gender, occupation, education, and years of service on the board. Trustees were also asked their level of expertise in the same 11 areas of functional competence as responded to by the administrators. The trustees were also given the same 6-point response scale, with 1. no expertise, 2. very little, 3. some, 4. moderate, 5. significant, and 6. expert. All

other aspects of the Trustee Questionnaire were identical to the Administrator Questionnaire, with the wording of the questions specific to trustees as opposed to administrators.

The researcher was invited to attend trustee meetings at the universities and given time on the meeting agenda to administer the trustee survey. These meetings all occurred in October and November of 2013. The researcher was able to personally attend two of the three trustee meetings. In these meetings, the researcher provided instructions, administered, and collected the surveys during the meeting. At the third university, the researcher was unable to personally attend. Conversations were held with the university president and the chair of the board to ensure they were adequately prepared to give instructions to the trustees in completing the survey. Since the survey was largely self-explanatory, the researcher felt comfortable with this approach. Completed surveys were then mailed from the school to the researcher. While not all trustees were in attendance at any of the meetings, the participation level and response rate of the total number of trustees was very high at 78%. Most trustees completed the survey in about 20 minutes.

For those schools where the researcher attended a trustee meeting, a copy of the administrator survey was hand delivered to the administrators. The researcher mailed surveys to the administrators of the other six schools in the study in October 2013. An e-mail was sent to the administrators a few days prior to them receiving the survey. The purpose of the e-mail was to introduce the purpose of the study, give instructions, offer a point of contact if they had questions regarding the survey, and to request their participation. Approximately four weeks after the survey had been mailed, another e-mail was sent to all participants. Since the researcher did not know specifically who had

completed the survey, the researcher thanked those who had already returned the survey and encouraged those who had not. The administrator survey response rate was 82%.

Very few questions were asked by either the administrators or trustees, but nearly all surveys were accurately and fully completed. No returned survey needed to be excluded from the study for any reason. There were a few instances of questions skipped or missed and less than a handful of cases where instructions were not followed on an item.

### Analytical Methods

To analyze data relating to Research Question 1, the researcher used a *t*-test for independent samples to compare means of the actual 11 competencies of trustees with the needed level of competency as reported by the administrators. The *t*-test for independent samples was chosen as the appropriate statistical test as the researcher was examining the difference between two groups, with each group surveyed only once (Salkind, 2011). Since this analysis involved conducting 11 separate *t*-tests, a coefficient alpha test for reliability, or Cronbach's alpha, was completed to measure for internal consistency. As the group sample sizes were different, the researcher also sought to confirm that the variances for each of the groups were equal in the population. Levene's Test for Equality of Variances was used to address this issue (Yockey, 2011). Since the Cronbach's alpha value (.80) demonstrated a high degree of internal consistency among the 11 competency areas, the researcher determined the competencies could be considered together as a general measure of overall trustee competency. To this end, the researcher conducted a *t*-test for independent samples comparing trustees and administrators using the sum of the mean score for all 11 competencies.

Another analysis the researcher conducted regarding Research Question 1 was to compare the actual number of trustee subject matter experts for each of the 11 functional competency areas with the number reported as needed by the administrators. A simple comparison was done for this analysis, breaking out the number of trustees at each of the three schools who responded that they were subject matter experts in an area with the number reported as needed by the administrators.

One final analysis was conducted regarding Research Question 1. Trustees and administrators were both asked on the survey whether the trustees' prior experiences, along with the orientation and training offered by the university, had properly prepared the trustee to govern the university. The researcher was interested to learn if there was agreement among administrators and trustees as to whether the board was adequately prepared to govern the university. A two-way chi square test was used to determine if there was a statistically significant relationship between group identity and perception of trustee preparedness.

To answer Research Question 2, the researcher asked both trustees and administrators a rank order question on the survey. The question asked, "What is the primary or most important role of the trustee?" Four options were given to the participants and they were asked to rank order the options in order of importance. The options offered on this question were whether the primary role of the trustee was to be loyal to the university, denomination, district that elected them, or their local church. A two-way chi square test was used as the statistical test in analyzing this data.

Research Question 3 sought to explore the church-school relationship. Two separate areas of the survey probed this question. The first data collected asked the

participants to rank order four statements regarding their perception of the relationship of the Church of the Nazarene to the school. From the four options provided, both trustees and administrators were asked to rank the statements from most descriptive of the current church-school relationship to least descriptive. The options included whether they considered the university to be an extension and ministry of the church, a sister organization to the church, a church-related organization, or a separate entity with ties to the church. The researcher used the participant's first choice, or best descriptive phrase, and compared the response of the two groups. The analysis used for this data was a *t*-test for independent samples since there were only two groups and the same participants were surveyed only once.

In another approach to seeking an answer to Research Question 3, the researcher developed 18 statements with the assistance of the pilot study group. The trustees and administrators were both asked to rate their agreement with the statements on a five point, agree/disagree response scale. A *t*-test for independent samples was conducted on all 18 items. To test for internal consistency, a Cronbach's alpha was performed on responses for these 18 items. The Cronbach's alpha analysis yielded a poor adequacy of internal consistency (.51). Therefore, the researcher considered the items as independent and used the 18 separate *t*-tests in interpreting the data.

### Limitations

While significant meaningful data was received from this study, there were limitations and areas that could be further investigated in the future. This section will offer discussion identifying the primary limitations that were the most meaningful. Some

limitations may have impacted the findings while others may be opportunities to explore areas outside the scope of this study.

Since this study was limited to Nazarene universities, caution should be exercised in too much generalization to other universities, even Christian schools. Nazarene higher education undoubtedly has unique features of governance and church-school relations that likely may not apply to other institutions. While effective governance principles may broadly apply across many types of organizations, this study was more specifically interested in Nazarene university governance. Therefore, any broad generalization beyond Nazarene higher education should be made with caution.

Since only three of the eight Nazarene universities' trustees were invited to participate in the study, a question of generalizing the findings to all eight schools might be raised. Did the three schools that resulted in 109 trustees participating in the study offer data that would fairly represent the responses the researcher would have found if the 346 trustees from all eight schools had received the survey?

Another potential shortcoming was in the consistency with which the survey was presented to the participants. The researcher took advantage of the opportunity to personally attend board of trustee meetings at two universities as it was believed to be a way to secure maximum participation and also give clear instructions. The administrators in attendance at those meetings also benefitted from the face-to-face instructions and took the administrators survey at the board meeting. While the researcher made a significant effort to offer the same instructions in person as to those that were receiving them in writing, the different settings for taking the survey might have influenced responses.

Self-reported competencies from the board of trustees may have been a limitation. Robson (2011) stated, “self-completion questionnaires can be subject to response bias” (p. 246). For most of the questions on the survey, the researcher was comparing the perceptions of the trustees and administrators. Regarding competencies, however, the researcher was interested in comparing the actual competencies of the trustees with the needed trustee competencies as perceived by the administrators. One might question whether the self-reporting by the trustees was accurate, with the possibility that participants either understated or overstated their competency levels in the 11 areas. This method of self-report, however, seemed to be the only practical and political option for the researcher.

Creating a new survey tool always has its shortcomings. While the researcher undertook a significant effort to recruit and utilize a highly competent group of advisors for a pilot study in developing this tool, there was a possibility the surveys themselves may have had designed flaws. Tools that had been previously tested and proven to be solid validity and reliability measures would have been ideal. Unfortunately, the nature of this study did not lend itself to such instruments.

### Summary

In this chapter the researcher has articulated the methods, procedures, and analysis completed to investigate each of the research questions for this study. The researcher also delineated the population, research design, and limitations in an effort to provide a clear understanding of the project. The next chapter will provide a summary of the results, analyze the results, and offer implications and recommendations derived from the data.



CHAPTER IV  
FINDINGS AND CONCLUSIONS

Introduction

This study has examined the governance of Nazarene universities and the church-school relationship. The three research questions asked were:

1. How do the competencies of current trustee members align with university administrators' perceptions of competencies needed in the trustee role?
2. How do the perceptions of trustees compare to administrators regarding the primary role of trustees in Nazarene universities?
3. How do the perceptions of university administrators and trustees compare regarding the current church-school relationship?

The central purpose of this research was to empirically investigate the governance and church relations of Nazarene universities with the hope of strengthening both. In this final chapter, the findings pertinent to the research questions will be reported, implications and recommendations will be offered, and conclusions will be drawn from the results.

The term “university” comes from the Latin *universitas* meaning “the whole” or “the total.” According to Davis (2007), “Few institutions offer students ‘higher learning’ true to the name university, nor do they communicate an explicit and compelling educational purpose to students that attempts to connect learning to all of life, and not just the forty-hour work week” (p.63).

Nazarene liberal arts universities focus on the development of the whole person. Mottos at Nazarene institutions, such as *Education with a Christian Purpose* at Olivet Nazarene University, address the perennial questions of human purpose, the meaning of life, and morality. Speaking in support of liberal arts higher education, Davis (2007) decried the trend toward educational specialization by stating that a liberal arts approach is for “students who yearn to become skilled at living well, and not simply attaining a career” (p. 63). Christian liberal arts institutions, by promoting interdisciplinary studies and spiritually distinctive pedagogy, offer a truly holistic approach to education.

As chronicled earlier, denominational higher education, as well as liberal arts education in general, have both been severely challenged. The literature review from this study highlighted the difficulty in sustaining denominational distinctiveness. Burtchaell (1998) claimed, “There is no simple equivalence between church participation in college governance and an effective symbiosis between them” (p. 828). If Burtchaell is accurate, simply designating 50% of university board seats to Nazarene ministers is no guarantee of denominational harmony or synergism. The tradition of electing the other 50% of university board members at church district assemblies, with the slates being determined by district nominating committees, disconnects the needs of the university from the process. This prescribed selection procedure, having been practiced for nearly 60 years (Ludwig & Mayfield, 1956), may not have been designed to fulfill the legitimate and critical governance needs of the university. This selection process raises the question of overall board effectiveness. Finding ways to strengthen leadership and bolster the church-school relationship are therefore critical. With the complexity of issues involved,

thoughtful examination and inquiry are essential to the long-term sustainability of Nazarene universities.

### Findings

This descriptive, quantitative study was implemented through the use of two very similar survey tools, one for Nazarene university trustees and one for the university administrators (see Appendix A for both survey tools). Survey questions were designed to quantify perceptions and competencies in an effort to statistically compare responses. Response scales and rank order items were the primary tools used in the surveys. The researcher was interested in documenting the current perceptions and characteristics of governance in Nazarene universities and in better understanding the church-school relationship.

There are eight Nazarene colleges and universities in the U.S. that could be broadly defined as four-year liberal arts institutions. At these eight schools there are a total of 346 trustees and 49 administrators. Administrators, for the purpose of this study, were defined as the president and executive leadership, sometimes referred to as the president's cabinet. Surveys were sent to all 49 administrators in the eight schools. The trustee survey sample population included all of the 139 trustees from three Nazarene universities. There were 109 trustees and 40 administrators who completed the survey for a response rate of 78% and 82% respectively. The survey was designed to objectively answer the three research questions.

## Research Question 1

The purpose of the first research question was to assess the governance competency and resultant effectiveness of Nazarene university trustees. Through the literature review, the researcher identified 11 functional competency areas that were potentially desirable skill sets for university trustees. To test the importance of each of these competencies in the governance of Nazarene universities, the researcher surveyed the president and other top university administrators with two related questions regarding each of the 11 competencies. The first question asked administrators to identify the level of overall expertise (6-point response scale from none to expert) needed on their board for effective governance for each of the 11 areas. The second question asked the administrators how many subject matter experts were desired for each of the 11 competencies.

To assess the effectiveness of board governance, the researcher also asked trustees to respond to two similar questions. The first question asked them to rate their own level of expertise (same response scale as administrators) for each of the 11 competencies. The trustees were also asked how many subject matter experts for each competency were desirable on their university board.

To further probe the issue of trustee effectiveness and competency, the researcher asked a yes/no question as to whether the education, experience, and training of the trustee had properly prepared them to govern. This question was asked of both the administrators and the trustees. The purpose of this question was to determine if there was a significant difference of perception among administrators and trustees regarding board preparedness.

A *t*-test for independent samples was used as the statistical test to compare the actual competencies of the trustees on the 11 measures with the needed competencies as reported by the administrators. Since this analysis involved conducting 11 separate *t*-tests, a coefficient alpha value or Cronbach's alpha was calculated to measure for internal consistency. The result of this reliability measure produced a coefficient alpha value of .80. This high degree of internal consistency among the 11 competency areas led the researcher to conclude that these competencies could be considered together as a general measure of overall trustee competency. To this end, the researcher conducted a *t*-test comparing trustees and administrators, using the sum of the mean scores for all 11 competencies. The result of this *t*-test found that the trustees had a significantly lower actual competency ( $M = 33.82, SD = 8.24$ ) than the overall competency needed as reported by the administrators ( $M = 45.55, SD 7.96$ ),  $t(147) = -7.77, p < .05, d=1.44$ .

As the group sample sizes were different, the researcher also sought to confirm that the variances for each of the groups were equal in the population. Levene's test for Equality of Variances was used to address this issue. Levene's test was not significant in six of the nine competencies because the *p*-value was greater than .05. These results indicated the population variances were equal for trustees and administrators on these six competencies. Regarding the three competencies for which Levene's test was significant, or  $p \leq .05$ , the *t*-test still yielded statistically significant results for equality of means at the higher standard of equal variances not assumed.

The 11 separate *t*-tests revealed a statistically significant difference in the means of the two groups for 9 of the 11 competencies. Those competencies for which the level of actual trustee competency was significantly lower than that reported as needed by the

administrators included finance, audit, legal, human resources, information technology, marketing, legislative, strategy, and higher education. Only for the competencies of theology and organizational leadership was there no significant difference between the administrators' perceived need and the trustees' actual competency. Table 1 rank orders the difference in competency means, listing them in descending order. It is interesting to note that the mean gap in competency was most significant for trustees needing, yet lacking, adequate expertise in the area of higher education.

Table 1

*Mean Scores of Actual Trustees Competency Compared to Administrator Perceived Needed Competency in 11 Functional Skill Areas.*

Trustee competencies	Overall needed competency (per administrators)	Actual trustee competency	Difference in mean scores	<i>t</i> value	<i>p</i> value
Higher education	3.95	1.93	2.02	-7.97	.00
Legal	4.15	2.35	1.80	-8.26	.00
Audit	4.20	2.51	1.69	-7.03	.00
Finance	4.68	3.01	1.67	-7.08	.00
Human resources	3.82	2.61	1.21	-5.87	.00
Strategy	4.65	3.50	1.15	-4.79	.00
Information technology	3.45	2.68	.77	-3.79	.00
Marketing	3.85	3.12	.73	-3.21	.00
Legislative	3.48	2.80	.68	-2.92	.00
Theology	4.78	4.66	.12	-.57	.57
Organizational leadership	4.55	4.52	.03	-.14	.89

*Note.* Competencies are listed from greatest to least mean score difference. Key; level of expertise, 1=none, 2=very little, 3=some, 4=moderate, 5=significant, 6=expert.

In taking another look at the actual versus needed competencies with the greatest disparity, the researcher compared the median responses of trustees to administrators.

Table 2 highlights those four areas identified with a median difference of at least two

points. The areas where trustee competencies were perceived most lacking were in higher education, finance, audit, and legal.

Table 2

*Median Scores of Actual Trustee Competency Compared to Administrator Perceived Needed Competency.*

Trustee competencies	Median actual trustee competency	Median needed competency (per administrators)
Higher education	1= none	4=moderate
Finance	3=some	5=significant
Audit	2=very little	4=moderate
Legal	2=very little	4=moderate

*Note.* Areas listed are those with at least two full points difference in median response.

While overall measures of actual versus needed competencies were important to measure, assessing the number of subject matter experts in each area was another way to measure board capacity for effectiveness. With the large number of board members at each university, the researcher considered the possibility that pockets of significant competencies among trustees might exist. A small number of experts in each area may be adequate for oversight and guidance in board considerations necessitating technical expertise. To probe this issue and further explore the evidence in an effort to answer research question number one, the researcher analyzed additional survey data.

Administrators had been asked in the survey how many subject matter experts were needed for each of the 11 functional competency areas. Table 3 compares the number of trustee self-reported experts for each competency with the number reported as needed by the administrators. The data is presented separately for each of the three schools. Other than the areas of theology and organizational leadership, expertise appears lacking in all three schools in most of the other competency areas.

Table 3

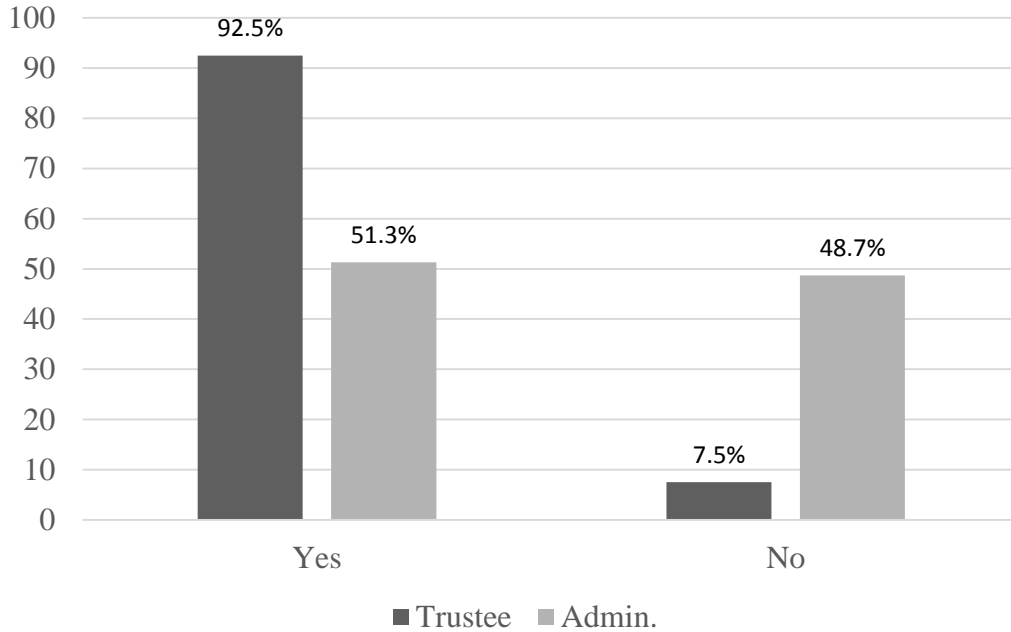
*Number of Trustee Subject Matter Experts at Each School Compared to Median Number Needed Per Administrators.*

Trustee competencies	School #1	School #2	School #3	Median experts needed (per administrators)
Finance	1	2	1	4
Audit	1	0	1	2
Legal	2	1	1	2
Human resources	0	0	0	2
Theology	3	10	12	5
Information technology	0	0	1	2
Marketing	2	1	0	2
Legislative	0	0	1	2
Strategy	2	0	1	4
Higher education	1	1	1	2
Organizational leadership	6	5	4	4

Another question was included in the two surveys to address research question number one. This question was specifically designed to measure and compare the perceptions of administrators and trustees regarding the current trustees' preparedness to adequately govern. The researcher recognized that preparedness might originate from a variety of sources. Trustees may have advanced, formal educational training in a specialized area that provides valuable expertise to the university board. The trustee may also have career experience in an area that is directly applicable to technical areas required for effective governance. To a somewhat more limited degree, administration may conduct orientation and ongoing training that enhances trustee knowledge in key areas important in the governance role. These three avenues are all indices of and possible routes to trustee effectiveness. The researcher asked both groups if the



education, experience, and training offered by the university had properly prepared the trustees to govern the university. Figure 1 provides the responses to that question.



*Figure 1.* Has the education level, prior experience, and training offered by the university properly prepared the trustee to govern the university?

A two-way chi square test was used for analysis of this question as this was a measure of dichotomous nominal data. There was a significant relationship between group identity and perception of trustee preparedness,  $\chi^2 (1, n=146) = 32.25, p < .05$ , Cramer's  $V=.47$ . Trustee perception of their preparedness (92.5%) was significantly higher than administrators' perception of trustee preparedness (51.3%). Reported another way, nearly half (48.7%) of the administrators believed the education, experience, and training provided by the university had not properly prepared the trustees to govern effectively.

To summarize the results of the data gathered to investigate research question number one, there is a distinct difference between the actual competencies of Nazarene university trustees and the needed competencies as perceived by the university administrators. More subject matter experts are needed in 9 of 11 functional competency areas identified. Those areas lacking included finance, audit, legal, human resources, information technology, marketing, legislative, strategy, and higher education. Trustee expertise was most lacking in the higher education, finance, audit, and legal areas. Only in the areas of theology and organizational leadership were actual trustee competencies comparable to the competencies needed in the role as reported by administrators. Trustee competencies were lacking as measured by the overall level needed as well as the number of subject matter experts needed. In a related but separate question asked of both trustees and administrators, there was a clear difference in perception between the two groups regarding the preparedness of the current trustees to effectively govern the university.

An open-ended question was asked on both the administrator and trustee surveys that related to research question number one and areas to improve trustee preparedness. This question asked the participant to list key areas of training that would be beneficial for trustees. Priority training needs with the number of administrator responses are listed as follows: finance (29), higher education (25), strategy (15), legal/compliance (10), marketing (9), and the role/responsibility of governance (8). Trustees listed the following as priority training needs: finance (59), strategy (40), marketing (39), organizational leadership (30), higher education (29), and legal/compliance (19). Trustees and administrators agreed that the areas of finance, higher education, strategy, marketing, and legal/compliance were training needs for trustees. It should be noted that these areas

generally correspond to the competency areas identified as lacking through the other questions on the surveys.

Both trustees and administrators were asked if they had suggestions for improving the trustee selection process. No statistical analysis was conducted on these responses. The verbatim comments can be found in Appendix B. While no conclusions are drawn from this open-ended question, the responses do offer some insights into the thinking of the participants.

#### Research Question 2

This research question was closely related to research question number one. Understanding the appropriate role of the trustee is foundational to serving as an effective board member. The researcher recognized that an unintended consequence of the current selection process might be a misunderstanding of trustee loyalties while serving in the university board role. Since half of the university trustees are ministers of the church, the other half elected at their respective district assemblies, and all are members of a local Nazarene church, confusion regarding primary trustee loyalty might exist. Research question number two directly asked the trustees and administrators their perception regarding the primary role, or loyalty, of board members. The four choices offered by the researcher included primary loyalty to the university, the denomination, the district, or their local church. Table 4 provides the responses to this question.

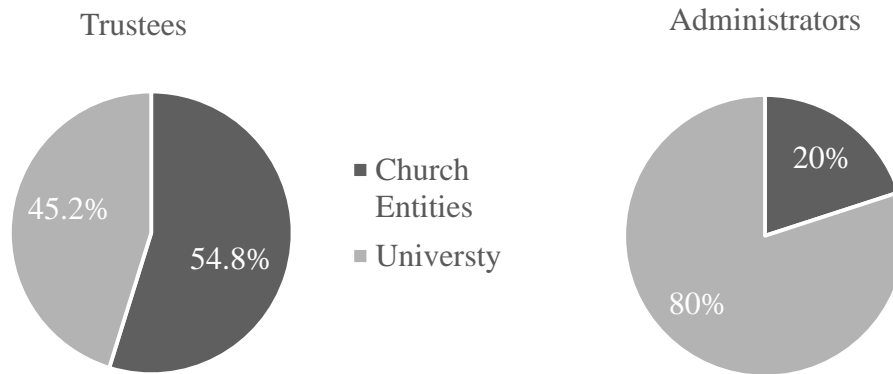
Table 4

*What is the Primary, or Most Important, Loyalty Responsibility of a Trustee?*

	Trustee	Administrator
University	47	32
Denomination	33	8
District	17	0
Local church	7	0

A two-way chi square test was used for analysis of this question as to the perceived role of the trustee. Responses from the survey revealed a significant relationship between group identity (trustee or administrator) and perception of the primary loyalty responsibility of a trustee,  $\chi^2(1, n=144) = 16.31, p < .05$ , Cramer's  $V=.34$ . Only 45.2% of trustees reported that while serving in the trustee role their primary loyalty should be with the university. In contrast, 80% of the administrators believed the primary trustee loyalty should be to the university.

Figure 2 offers a pie chart of trustee primary loyalty, again comparing administrator and trustee responses, this time expressed by percentage. This figure also separates the responses into the two categories of university versus church related entities (district, denomination, or local church). Figure 2 illustrates that more than half (54.8%) held that their primary loyalty as a trustee was with the church rather than the university. On the other hand, 80% of administrators reported that the loyalty of the trustee, when serving in the university trustee role, must be first with the university.



*Figure 2. Trustee Primary Loyalty*

Summarizing the data gathered to answer research question number two, there was a clear difference between trustees and administrators regarding their perception of the primary loyalty required of the trustee. Less than half (45.2%) of trustees believed their loyalty, while serving in the role, should be primarily to the university. In contrast, 80% of administrators reported that trustee loyalty should be to the university. This finding has significant implications for university governance that will be discussed later in this chapter.

### Research Question 3

This research question sought to probe the strength of the Nazarene church relationship with the eight Nazarene liberal arts schools in the U.S. The researcher recognized that this question was broad and could be defined in a multitude of ways. For the purpose of this research, 18 survey questions were designed to investigate relational issues including areas such as general church leaders' influence on the schools, local church support of the institutions, faculty member requirements and expectations, unity of the church and school's mission, church membership requirement of trustees,

responsibility for evangelizing and proselytizing students, public promotion of the denominational identity of the university, and doctrinal instruction in the classroom.

A coefficient, or Cronbach's, alpha test was first computed for the 18 measures of the church-school relationship to determine internal consistency. The researcher was interested in probing as to whether the 18 items could be considered as a single measure, or if each item was independent of the others. The result of the Cronbach's alpha test revealed a poor (.51) adequacy of internal consistency. Therefore, each of the 18 items was considered as an independent measure of the church-school relationship. A *t*-test for independent samples was then conducted for all 18 items, comparing trustees to administrators. The results of these tests revealed a statistically significant difference in 10 of the 18 measures of church-school relationship.

Table 5 lists the 10 items with a statistically significant difference in responses by trustees compared to administrators. These are listed in descending order, from most disagreement to least disagreement.

Table 5

*Church-School Relationship Statements for Which There Was a Statistically Significant Difference between Administrator and Trustee Responses.*

	Trustees	Administrators	Difference in mean scores	<i>t</i> value
R9: It is important to the church-school relationship that at least half the board members are pastors or district superintendents from the educational zone.	4.01	2.30	1.71	8.33
R4: Nazarene church membership should not be a requirement of university board selection.	1.72	2.85	1.13	-5.11
R1: The general church should have a strong influence on the university.	4.26	3.17	1.09	6.25
R2: Local Nazarene churches on the educational zone provide adequate support to the university.	3.25	2.38	.87	4.34
R18: The general church (General Superintendents, IBOE) has a strong influence on the university.	0.92	1.05	.70	3.96
R16: The university should be proud of and actively promote its association with the Church of the Nazarene in recruiting and all marketing materials.	4.36	3.68	.68	4.53
R6: The university primarily exists to prepare Nazarene pastors and missionaries, educate future Nazarene layman, and promote the religious tradition and furtherance of the Nazarene church.	3.49	2.88	.61	2.91
R5: The board of trustees and administration of the university are in unity with the leadership of the general church regarding university mission, educational philosophy, and theological training.	4.60	4.00	.60	4.54
R3: All faculty members of the university should embrace the Wesleyan/Holiness tradition.	4.39	3.93	.46	2.62
R8: I believe classroom instruction at the university is in harmony with the doctrine of the church.	4.10	3.83	.27	2.27

*Note.* Items are listed in descending order with statements of most disagreement first.

Key 1=Strongly Disagree, 2=Disagree, 3=Neither Agree or Disagree, 4=Agree,

5=Strongly Agree.

Table 6 provides those items for which the trustees and administrators most closely agreed regarding the church-school relationship. These statements compare mean scores and are listed in order, with the most agreed items listed first.

Table 6

*Church-School Relationship Statements for Which There Was No Statistically Significant Difference between Administrator and Trustee Responses.*

Statement	Trustee mean response	Administrator mean response	Difference in mean scores	t value
R14: There are aspects of the campus spiritual climate that are of concern to me.	2.64	2.63	.01	.07
R11: Besides education, Nazarene universities should have a mission of evangelizing non-Christian students.	4.18	4.30	.12	-.87
R12: Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of the board of trustees.	3.56	3.36	.20	1.06
R7: The university primarily exists to provide a Christian learning environment for students of all faiths, without a specific intent to promote the Nazarene church to students.	3.14	3.38	.24	-1.11
R13: Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of university administration.	3.73	4.00	.27	-1.50
R15: In hiring new faculty, a profession of faith should be considered secondary to academic competence.	1.88	1.58	.30	1.53
R10: There should be limits placed on faculty with regard to their academic freedom to ensure doctrinal harmony with the church.	3.86	3.55	.31	1.53
R17: Since fewer than half of traditional students are Nazarenes, religion course requirements should be modified to more general religious studies rather than Nazarene church doctrine.	1.92	2.28	.36	-1.89

*Note.* Items are listed in descending order with the most agreed upon statement listed

first. Key 1=Strongly Disagree, 2=Disagree, 3=Neither Agree or Disagree, 4=Agree,

5=Strongly Agree.

To measure an overall assessment of the church-school relationship, the researcher combined the responses of the trustees and administrators. This analysis



provides more of an aggregate picture of the church-school relationship regarding each of the 18 items in the survey. Table 7 reports the mean of the responses. The researcher has organized the order of the statements, listing those with the strongest sentiment first, with the most neutral responses last.

Table 7

*Mean Responses for Combined Trustees and Administrators on Church-School Relationship Statements.*

	Mean
R5: The board of trustees and administration of the university are in unity with the leadership of the general church regarding university mission, educational philosophy, and theological training.	4.43
R3: All faculty members of the university should embrace the Wesleyan/Holiness tradition.	4.26
R15: In hiring new faculty, a profession of faith should be considered secondary to academic competence.	1.79
R11: Besides education, Nazarene universities should have a mission of evangelizing non-Christian students.	4.20
R16: The university should be proud of and actively promote its association with the Church of the Nazarene in recruiting and all marketing materials.	4.17
R8: I believe classroom instruction at the university is in harmony with the doctrine of the church.	4.02
R17: Since fewer than half of traditional students are Nazarenes, religion course requirements should be modified to more general religious studies rather than Nazarene church doctrine.	2.01
R4: Nazarene church membership should not be a requirement of university board selection.	2.02
R1: The general church should have a strong influence on the university.	3.97
R13: Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of university administration.	3.80
R10: There should be limits placed on faculty with regard to their academic freedom to ensure doctrinal harmony with the church.	3.77
R9: It is important to the church-school relationship that at least half the board members are pastors or district superintendents from the educational zone.	3.54
R12: Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of the board of trustees.	3.51
R14: There are aspects of the campus spiritual climate that are of concern to me.	2.63
R6: The university primarily exists to prepare Nazarene pastors and missionaries, educate future Nazarene layman, and promote the religious tradition and furtherance of the Nazarene church.	3.32
R7: The university primarily exists to provide a Christian learning environment for students of all faiths, without a specific intent to promote the Nazarene church to students.	3.20
R18: The general church (General Superintendents, IBOE) has a strong influence on the university.	3.16
R2: Local Nazarene churches on the educational zone provide adequate support to the university.	3.01

*Note.* Key 1=Strongly Disagree, 2=Disagree, 3=Neither Agree or Disagree, 4=Agree,

5=Strongly Agree.

The final measure for research question number three analyzed a very general survey question regarding how the respondent would characterize the church-school relationship. Trustees and administrators were asked to rank in order their perception of whether they would best describe the school as an extension of the church, a sister organization to the church, a church-related organization, or a separate entity with ties to the church. Table 8 provides the results for how trustees and administrators would best describe the church-school relationship. Sixty-five of the trustees (61.9%) and 23 administrators (57.5%) responded *extension and ministry of the church* as their first choice in describing the current relationship.

Table 8

*Responses of Trustees and Administrators When Asked Their Perception of the Best Descriptive Phrase Regarding the Current Church-School Relationship.*

The university is:	Trustees	Administrators
An extension and ministry of the church	65	23
A sister organization to the church	9	3
A church-related organization	23	6
A separate entity with ties to the church	8	8
Total	105	40

This survey question was designed to investigate the general perception of the respondent regarding the church-school relationship. The four options given were intended to offer distinct levels of connectedness. The closest relationship option offered was that the university was an extension and ministry of the church. The second closest option was that the school was a sister organization to the church, and the third being that the school was a church-related organization. The most removed, or disconnected, option offered was that the university was a separate entity with ties to the church.

To statistically compare the responses of administrators to trustees, the researcher analyzed what the participant considered to be the best descriptive phrase of the current church-school relationship. Scores were assigned to responses as follows: 1. The university is an extension and ministry of the church; 2. The university is a sister organization to the church; 3. The university is a church-related organization; and 4. The university is a separate entity with ties to the church. The researcher used the participant's first choice, or best descriptive phrase, and compared the responses of the two groups. A *t*-test for independent samples was used as the statistical test to compare administrators and trustees. The result of this *t*-test found that there was no significant difference in trustee ( $M=1.73$ ,  $SD=1.04$ ) and administrator ( $M=1.98$ ,  $SD=1.25$ ),  $t = -1.18$ ,  $p > .05$ ,  $d = -.63$ .

Summarizing the data gathered in answering research question number three involved significantly more interpretation than for research question number one or two. At a high level, the relationship between the Nazarene church and its schools is very close. Sixty-five of the trustees (61.9%) and 23 of the administrators (57.5%) characterized the school as an extension of the church. Only eight (7.62%) trustees and eight (20%) administrators described the church and school as separate entities.

Looking at the results from the 18 specific agree/disagree statements in the survey, there were clearly areas of agreement and disagreement between trustees and administrators. There were also statements for which they had more collective passion than others. It was interesting to note that the top three statements with the most disagreement were all related to university governance. The statements that follow were the four with most disagreement, listing the statement with the greatest disagreement

first. *It is important to the church-school relationship that at least half the board members are pastors or district superintendents from the educational zone* (Statement 9). *Nazarene church membership should not be a requirement of university board selection* (Statement 4). *The general church should have a strong influence on the university* (Statement 1). The fourth most disagreed upon statement was: *The local Nazarene churches on the educational zone provide adequate support to the universities* (Statement 2). Conclusions, implications, and recommendations regarding these findings will be presented in the next sections of this chapter.

### Conclusions

With the reality of the challenges facing higher education today, this researcher has documented the need for strong, capable leadership in Nazarene universities. The examination of board leadership capability and the strength of the church-school relationship formed the basis for this study. Ultimately, the research questions were designed to explore areas that might generate new thinking regarding ways to improve the effectiveness of Nazarene university leadership while at the same time maintaining a strong church relationship. The future success of Nazarene higher education is dependent upon godly and wise leaders.

The historical decline of denominational distinctiveness for many church schools has been well documented in this study. Church-related higher education has succumbed, in many instances, to a slide away from denominational ties and then away from Christianity in general. Purposeful efforts to study, monitor, and mitigate any divisive trend in Nazarene universities is worth the effort. A symbiotic relationship is optimal and brings strength and vitality to both the church and the schools.

This study revealed a gap in the effectiveness of Nazarene university board leadership. It also demonstrated a lack of awareness among university trustees regarding that gap. Talented personnel at the president and cabinet levels does not adequately compensate for shortcomings in governance. Strong board competencies add substantive expertise, guidance, and oversight that no paid staff person or consultant can replace. Board members play a distinctive role in lending expert support while at the same time monitoring organizational performance. The trustee should make a meaningful contribution to the success of the organization. Board members must clearly understand their fiduciary responsibility. To solely rely upon administration for the various areas of expertise needed to lead the university is an abdication of duty. Trustees must be selected who possess the needed skillsets, or current trustees must be trained to acquire the necessary competencies to govern.

With strong administrators and a weak board the institution may experience success, but the long-term dangers are real. When tough challenges confront the university, or when an effective president departs, the leadership vacuum becomes apparent. Unfortunately, crisis situations are no time to reinvent the board. Even in stable environments, effective board leadership is necessary. Without sufficient numbers of trustee experts in areas such as finance, higher education, and law, the university board may not detect strategic missteps or even be aware of looming financial distress.

The environment in which the Nazarene universities were originally established, over 100 years ago, was a much different world than today. Over time these institutions of higher learning have evolved into major business enterprises. Their survival is dependent upon well-reasoned strategy and change. With tens of millions of dollars of

annual revenue and hundreds of millions of dollars in assets, these schools have grown to require very specialized leadership skills. University presidents, and their top staff, must be highly skilled. Likewise, the composition of governance must equally keep pace with changes in the industry. Accepting responsibility for truly leading the university, including the depth and breadth of relevant skills, must be an indispensable trait of the collective board of directors.

Confusion currently exists regarding the primary role of a trustee in Nazarene universities. Fifty-seven (54.8%) of the trustees saw their primary loyalty being to the church. The strength of the relationship with the church may be one source of this confusion. While some may see loyalty to the church as admirable, serving in the trustee role with this perspective is unhealthy for both the church and the school. The church and the schools mutually support one another. Without leadership that is clearly focused on the institution's best interests, future viability of the school could be in jeopardy.

Board members have a fiduciary relationship with the university. Faith and confidence has been placed in them to govern the university without malice or bias. A general trust in character and a respect for good judgment in governing the affairs of the university are assumed in the relationship. Divided loyalties become extremely problematic as the fiduciary's decisions must always be for the advantage and benefit of the university.

Nazarene university trustees must take action with the best interest of the university in mind. They have been entrusted with the tangible and intangible assets of the institution and have a duty of loyalty and care. In their election as a trustee, the community has placed confidence in the trustee. By accepting the position, that vote of

confidence has been affirmed by the trustee. Utmost trust has been placed in board members to govern in the best interest of the university.

While serving in their pastoral or district superintendent role, trustees may certainly have the best interests of the church as their priority. Board members must have the ability, though, to understand and separate their roles. If a trustee finds multiple roles conflicting and irreconcilable, they should resign from the role they find most incongruent with their own values. Loyalty, care, and duty are foundational constructs to effective governance that must be clarified and universally adopted. This distinction is critical to effective governance.

The relationship between the Nazarene church and its liberal arts institutions appears to be strong in many ways. The majority of both the university trustees (61.9%) and administrators (57.5%) viewed the school as an extension of the church. While significantly higher for trustees ( $M = 4.60$ ) than administrators ( $M = 4.00$ ), both groups agreed (on a five-point response scale) that they are in unity with the general church regarding university mission, educational philosophy, and theological training. Trustees ( $M = 4.39$ ) and administrators ( $M = 3.93$ ) also agreed that all faculty members should embrace the Wesleyan/Holiness tradition. Both groups also agreed (trustees  $M = 4.18$ , administrators  $M = 4.30$ ) that besides education, Nazarene universities should have a mission of evangelizing non-Christian students. Both trustees ( $M = 1.88$ ) and administrators ( $M = 1.58$ ) disagreed that, in hiring faculty, a profession of faith should be considered secondary to academic competence. Trustees ( $M = 3.68$ ) and administrators ( $M = 4.36$ ) also both felt that the university should be proud of and actively promote its association with the Church of the Nazarene in recruiting and marketing materials.



Areas of disagreement among trustees and administrators should be further explored. The most significant item of disagreement was with regard to the composition of the board. Trustees agreed ( $M = 4.01$ ), while administrators generally disagreed ( $M = 2.30$ ), that it was important to the church-school relationship that at least half the board members be pastors or district superintendents from the educational zone. Also, trustees agreed ( $M = 4.27$ ) that the general church should have a strong influence on the university while the administrators were more neutral ( $M = 3.18$ ) on the issue. Likewise, trustees ( $M = 1.72$ ) disagreed that Nazarene church membership should not be a requirement of university board selection while administrators were more neutral ( $M = 2.85$ ).

#### Implications and Recommendations

This study was the first quantitative analysis of Nazarene university governance. It was also unique in the data gathered to compare perceptions of the church-school relationship among school administrators and trustees, half of which also serve as church leaders. While a rich trove of data was collected in the course of this investigation, the researcher acknowledges much more could be studied to offer sound direction for the future.

The importance of strong Nazarene university governance and a healthy church-school relationship is critical. The historic symbiotic nature of the bond between these two entities has served to strengthen both over the past 100 years (Mountain, 2009). As diverse challenges confront the schools and the denomination, insightful leadership will be required to guide both entities through the uncertainties of tomorrow.

The many challenges to higher education, particularly Christian liberal arts institutions, have been well chronicled in this study. Challenges also exist for the church. In a study of denominational decline, Hoge et al. (1994) reported that “many of the baby boomers we interviewed see little point in denominational identity” (p. 211). These researchers also documented the significant drop of membership in mainline protestant denominations since the mid-1960s.

While Nazarene church membership in the U. S. has not declined, it has plateaued (Church of the Nazarene, Global Ministry Center, 1962-2012). Membership growth occurred in every year over the past several decades until 2001. Since that time church membership has remained virtually the same. In 2001 the church reported 639,296 members in the U. S. For the most recent reporting year of 2013, membership was reported at 637,244.

Although Nazarene church membership has remained flat, Sunday worship attendance has been on the decline in the U. S. Worship attendance hit a peak in 2005, with 515,834 average attendance. Since 2005 worship attendance has declined every year, with 2013 average attendance being reported at 479,264 (Church of the Nazarene Global Ministry Center, 1962-2012).

Higher education is not likely to be the ultimate solution to membership and attendance concerns for the church. The schools do play an extremely important role, however, in the continued relevancy and sustainability of the denomination. The education of Nazarene youth, the exposure of non-Nazarene students to the church, the evangelizing of non-Christian students, and the training of future Nazarene ministers all support the efforts of the denomination toward renewed growth. A healthy school

working together in close partnership with a healthy church is the most viable recipe for furthering the mission of both entities.

Findings from this study indicate Nazarene university governance has a significant opportunity for enhancement. Fortunately, some improvements seem reasonably straightforward. At least two Nazarene universities have already begun to tackle the issues of improved governance (MidAmerica Nazarene University Board of Trustees, 2012; Point Loma Nazarene University Board of Trustees, 2013). This study was not designed to analyze or assess the benefits of these changes. It may, in fact, be too early to judge their outcomes. Between the two universities, the changes to date have included shrinking the size of the board, reducing the number of district superintendents by half, developing a board member profile for recruitment, districts asked to submit nominees who met the profile, establishing a membership/governance committee, allowing a limited number (3) of non-Nazarene trustees in addition to alumni and foundation presidents, establishing term limits, and designating four at-large seats that are nominated by the board development committee.

From all the data gathered and best practices examined throughout this study, a number of observations were gathered that might be helpful to Nazarene university governance and the church-school relationship. The researcher mentions them here, not necessarily as recommendations, but as considerations. The researcher recognizes that even though all eight schools are Nazarene liberal arts institutions, their setting and circumstances are unique. Many of these considerations, however, are based on industry best practices. It is recognized that some of these have already been implemented, or are in the process of being implemented, at a few of the Nazarene schools. The

considerations offered could be primarily categorized as improvements in governance practices although there are also some ideas offered in regard to strengthening the church-school relationship.

1. The appropriate board committee (governance, development, or nominating) should develop a matrix of competencies needed and the number of trustees desired who are subject matter experts for each competency area. Current board member names would then be inserted into the grid. The matrix would become the guide for the board to recruit the relevant and diverse skills needed. Board members should collectively have the full range of knowledge and experience necessary to inform their decisions.

2. Improve the communication between the church district advisory committee nominating process and the university nominating committee. The university needs to have more input into the trustee nomination and selection process. University board member recruitment and selection should be based on the ability to make a meaningful contribution to the university. Highly skilled individuals offer invaluable counsel, guidance, and possess decision making capacity critical to the university.

3. Schedule regular board meetings a minimum of three times a year. Twice-a-year meetings lack proper oversight and adequacy of governance. The legal *duty of care* requires every board member to be reasonably informed of the activities and operations of the organization. Also, too infrequent of board meetings either slows down management decision making or positions the executive committee to become the default board of directors. Charged with the legal responsibility of awareness and control, board members should be cautious of abdication of duty by too much detachment from the

organization. Three or four meetings a year are minimum standards in governance best practice.

4. Reduce the size of the board. As reported in this study's literature review, Nazarene university boards are, on average, larger than other Christian liberal arts university boards. Large boards are cumbersome decision making bodies, create a two-class system since the executive committee meets more often and makes most decisions, and reduce individual member involvement, consequently resulting in diminished trustee commitment. A smaller board would allow for more open and robust deliberation. A smaller board requires less management time for staff, greatly improves board member accountability, and creates a more practical avenue for the board to increase meeting frequency. The idea that a large number of members on the board somehow increases the communication with and representation of the church districts appears, upon examination, to accomplish neither. This researcher encountered no examples of a formal system in place for trustees to regularly communicate board activities with their district.

5. Committees should meet more often than the board, especially the finance committee. Staff should develop a balanced scorecard for each committee that benchmarks key outcome measures for the committee to track. With performance indicators established and communicated regularly, trustees are tracking important data and should not find themselves caught off guard. Clear, concise balanced scorecard measures permit the committees and the board to work with administrators in becoming more proactive on resolving issues.

6. Allow the option for some trustees to be selected who live off of the university educational zone. As reported in this study, the current fulltime undergraduate student

population of Nazarene institutions comes from between 30-48 states, depending on the school. Every one of the eight schools has alumni currently living in all 50 states. The diversity of geographic draw and alumni disparity seem to dispel the notion of exclusivity in educational zone boundaries. The pool of qualified candidates for board positions in Nazarene universities may be arbitrarily limited by requiring district or educational zone representation. Connectivity, inclusion, and engagement of districts into the life of the university may be better served with approaches other than a board member representative. With the advent of online college courses and other technology initiatives, geography may be increasingly seen as an unnecessary restriction. It is also likely that Nazarene universities will only continue to increase their recruitment nationwide.

7. Term limits should be considered for trustees. Lengths of terms or number of terms allowed can be generous enough to provide for continuity. Fresh ideas and different perspectives add energy and vitality to boards. Best practice in governance encourages board term limits. Lengths of terms and the number of terms allowed should consider the individual needs of the organization.

8. Nazarene university boards should consider engaging in a regular governance evaluation and performance improvement process. Just as the president should receive annual feedback, the board should evaluate their individual and collective contribution to the university. While this could take the form of a self-evaluation, an outside consultant would offer a more objective and insightful assessment of areas for board performance improvement. The board development committee or an ad hoc committee might also be used to review board performance.

9. The university board and administration should make a deliberate and organized effort to become educated and comply with the provisions of the Sarbanes-Oxley Act. While not currently a requirement, this legislation has provided valuable assistance and guidance in the areas of sound financial practice and corporate governance. Nazarene university boards, with their strong commitment to ethics and integrity, should enthusiastically embrace and implement these practices.

10. Trustee orientation and training should be enhanced. University administration should work with board leaders to create a thorough board orientation. A half-day (3-4 hour) session would be typical. During orientation, the trustee should be provided a resource manual with policy, procedure, financial, and regulatory information that the trustee can use as a reference guide throughout his tenure. Ongoing training for trustees should also be instituted. Ongoing training could take the form of online modules, readings, or expert speakers at board meetings. Training at the committee level provides valuable information specific to the trustee committee assignment. Two excellent resources for training materials are the Association of Governing Boards and BoardSource, both located in Washington DC. Institutions of higher learning, at their pinnacle of leadership, should promote learning.

11. Trustees should sign a statement of faith that includes testifying to the experience of salvation and entire sanctification, along with adherence to the Church of the Nazarene doctrine and Articles of Faith. While these requirements are clearly articulated by both the church *Manual* and the school bylaws, it is not a universal practice for the schools to verify a faith claim or, for that matter, even verify church membership. A number of the university boards ask members to sign a *Trustee Affirmation* document

with some of the items mentioned above, but this requirement is not made known to the board member until after they are elected. The board may also consider other spiritual accountability measures for trustees.

12. Assign a seasoned trustee or cabinet member as a mentor to every new trustee. These mentors would be asked to reach out to the new member, at a minimum, before and after each board meeting to review materials, board process, and debrief on the meeting.

13. Consider one or two board seats designated for a university president or skilled cabinet member from another Nazarene university. This reciprocal action would bring an executive level of higher education expertise to the board. It would also open the door for stronger Nazarene university collaboration on strategic initiatives that would benefit all the schools.

14. Establish specific expectation and outcome measures for trustees (especially district superintendents and pastors) regarding promotion of the university and student recruitment on their district or in their church. It is not unreasonable to have required activities of trustees outside of formal board meetings on behalf of the university. All trustees should be expected to participate in fundraising and advancement functions of the university. Trustees must also be donors of record annually to the institution.

15. The board should be more deliberate in establishing outcome expectations for administration, staff, and faculty regarding student spiritual formation. From the literature, this might include faith integration throughout the curriculum, Christian and biblical worldview perspective, holistic educational program with Christ-centered perspectives, and the transformation of students.



16. The university, in partnership with the church, should develop specific strategies to recruit more Nazarene students and solicit increased financial support from Nazarene members and churches. The continuing diminution of Nazarene church support, as a percentage of the schools' total revenue, is a dangerous trend in Nazarene higher education. Any effort of control, or even significant influence, is severely compromised without corresponding substantive church commitment to send students and finances. Reciprocity is an imperative for a healthy relationship to be sustained.

17. Consider reducing the number of Nazarene ministers to less than 50% of board membership. Church-university relations could be enhanced in a myriad of other more productive ways. Schools of other denominations have done this successfully.

18. If reducing the number of ministers on the board seems untenable, consider adding needed expertise to the committees with one or two non-trustee members. This not only adds informed opinion into critical discussions, it also serves as a vetting process for prospective trustees. Experts in various disciplines could also be asked to serve on ad hoc task forces or advisory groups established from time to time by the board. The key is to proactively seek out specialized talent, get them involved, and then acknowledge their work.

19. Nazarene universities should establish a board governance committee. The purpose of the committee would not only be to oversee the recruitment and selection of qualified board members, but to also conceive, design, and implement governance best practice initiatives. The university governance committee would seek to open up a direct line of communication and offer direction to the district advisory committees.

20. Consider enhancing the requirements for faculty hiring with regard to a profession of faith and adherence to Wesleyan/Holiness doctrine. Classroom instruction is a key driver in mission fulfillment for Christian higher education.

21. Board and administration should work together to evaluate the university mission and establish a strategy regarding graduate, degree completion, and online educational offerings. Nazarene universities have an increasing number of students and economic benefit from these nontraditional groups. This emerging reality of higher education is not an ephemeral phenomenon. University leadership should develop a thoughtful strategy of mission fulfillment with these students.

22. Board committees should have function statements outlining their responsibilities. These should be reviewed annually, be in concert with governance best practice oversight, and drive the committee's regular agenda.

23. Trustees should be educated regarding their *duty of loyalty* to the university. This legal standard requires each board member to place the interests of the organization first when making decisions on behalf of the entity they were elected to govern. Any personal interest or the interests of any other entity, including the church, must be set aside in their university board role.

This study was designed to gather quantitative data on Nazarene university governance and the church-school relationship with the hope of opening up dialogue on these issues. The need for governance change is recognized and being made in a small number of Nazarene institutions. With the fast-paced and complex world of higher education today, it is likely that many changes will be necessary for the continued success of Nazarene higher education. Governance structure and the trustee selection

process at Nazarene universities have been virtually unchanged for nearly 60 years. To respond to the demands of a fiercely competitive marketplace, the methods will need to change while the mission remains the same. With six of the eight Nazarene schools over 100 years old, leadership must position itself for success over the next 100 years.

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## Appendix A

### Administrator and Trustee Survey Tools

## University Administrator Questionnaire

Thank you for agreeing to participate in this research project. It will provide useful information for our Nazarene universities. This survey should take about 20 minutes to complete. Do not place your name on the survey. If you are unsure of an answer, just use your best judgment.

### PART I

Level of expertise:

1 = None

2 = Very little

3 = Some

4 = Moderate

5 = Significant

6 = Expert

Using the scale to the left, rate the LEVEL OF EXPERTISE

NEEDED for effective governance on your university board in the following areas:

\_\_\_\_\_ Finance: Understand alternative sources of financing and tax-exempt bond financing.

\_\_\_\_\_ Audit: Comprehend auditing procedures and IRS regulatory guidelines.

\_\_\_\_\_ Legal: Familiar with business law as well as state and federal mandates for universities.

\_\_\_\_\_ Human Resources: Understand ERISA, Fair Labor Standards Act, EEO, OSHA, etc.

\_\_\_\_\_ Theology: Able to clearly articulate the doctrine of the Church of the Nazarene.

\_\_\_\_\_ Information Technology: Particular expertise with enterprise information systems.

\_\_\_\_\_ Marketing: Experience in product development, branding, and advertising strategies.



\_\_\_\_\_ Legislative: First-hand experience in shaping legislation or political influence.

\_\_\_\_\_ Strategy: Experience in leading a large organizational strategic process.

\_\_\_\_\_ Higher Education: Career experience in university administration.

\_\_\_\_\_ Organizational Leadership: Lead groups of people and/or boards.

2. HOW MANY board members who are subject-matter experts in the following areas would be desirable for your university board?

\_\_\_\_\_ Finance: Understand alternative sources of financing and tax-exempt bond financing.

\_\_\_\_\_ Audit: Comprehend auditing procedures and IRS regulatory guidelines.

\_\_\_\_\_ Legal: Familiar with business law as well as state and federal mandates for universities.

\_\_\_\_\_ Human Resources: Understand ERISA, Fair Labor Standards Act, EEO, OSHA, etc.

\_\_\_\_\_ Theology: Able to clearly articulate the doctrine of the Church of the Nazarene.

\_\_\_\_\_ Information Technology: Particular expertise with enterprise information systems.

\_\_\_\_\_ Marketing: Experience in product development, branding, and advertising strategies.

\_\_\_\_\_ Legislative: First-hand experience in shaping legislation or political influence.

\_\_\_\_\_ Strategy: Experience in leading a large organizational strategic process.

\_\_\_\_\_ Higher Education: Career experience in university administration.

\_\_\_\_\_ Organizational Leadership: Lead groups of people and/or boards

3. Do you feel the education and experience of your trustees, along with the orientation and training offered by the university, has properly prepared the board to govern the university?

\_\_\_\_\_ yes

\_\_\_\_\_ no

Please explain:

4. If the university were to conduct additional training for trustees in some of the key areas identified above, name the top three that would be most useful:

Most important \_\_\_\_\_

Second most important \_\_\_\_\_

Third most important \_\_\_\_\_

5. What suggestions do you have for improving the selection process for university trustees?

6. What is the primary, or most important role, of a trustee? In looking at the list below, RANK ORDER all of these from 1–4, where 1 is the most important and 4 the least important role. Even though you may feel they are all important, please give us your relative rankings.

\_\_\_\_\_ To be loyal to and represent the district that elected them.

\_\_\_\_\_ To be loyal to and represent the denomination.

\_\_\_\_\_ To be loyal to and represent the university.

\_\_\_\_\_ To be loyal to and represent the local church.

7. Looking at the list below, RANK ORDER all of these from 1–4, where 1 is the best descriptive and 4 is the least descriptive of the current church–school relationship.

\_\_\_\_\_ The university is an extension and ministry of the church.

\_\_\_\_\_ The university is a sister organization to the church.

\_\_\_\_\_ The university is a church-related organization.

\_\_\_\_\_ The university is a separate entity with ties to the church.

## PART II

In this section of the survey, we would like to get your opinion and insight on a number of issues. There are no right or wrong answers. We would like your honest assessment.

For each statement below, select the number from 1-5 that best reflects your opinion.

(1=Strongly disagree, 2=Disagree, 3=Neither agree or disagree, 4=Agree, 5=Strongly agree)

- \_\_\_ 1. The general church should have a strong influence on the university.
- \_\_\_ 2. Local Nazarene churches on the educational zone provide adequate support to the university.
- \_\_\_ 3. All faculty members of the university should embrace the Wesleyan/Holiness tradition.
- \_\_\_ 4. Nazarene church membership should not be a requirement of university board selection.
- \_\_\_ 5. The board of trustees and administration of the university are in unity with the leadership of the general church regarding university mission, educational philosophy, and theological training.
- \_\_\_ 6. The university primarily exists to prepare Nazarene pastors and missionaries, educate future Nazarene layman, and promote the religious tradition and furtherance of the Nazarene church.
- \_\_\_ 7. The university primarily exists to provide a Christian learning environment for students of all faiths, without a specific intent to promote the Nazarene church to students.

- \_\_\_ 8. I believe classroom instruction at the university is in harmony with the doctrine of the church.
- \_\_\_ 9. It is important to the church-school relationship that at least half the board members are pastors or district superintendents from the educational zone.
- \_\_\_ 10. There should be limits placed on faculty with regard to their academic freedom to ensure doctrinal harmony with the church.
- \_\_\_ 11. Besides education, Nazarene universities should have a mission of evangelizing non-Christian students.
- \_\_\_ 12. Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of the board of trustees.
- \_\_\_ 13. Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of university administration.
- \_\_\_ 14. There are aspects of the campus spiritual climate that are of concern to me.
- \_\_\_ 15. In hiring new faculty, a profession of faith should be considered secondary to academic competence.
- \_\_\_ 16. The university should be proud of and actively promote its association with the Church of the Nazarene in recruiting and all marketing materials.
- \_\_\_ 17. Since fewer than half of traditional students are Nazarenes, religion course requirements should be modified to more general religious studies rather than Nazarene church doctrine.
- \_\_\_ 18. The general church (General Superintendents, IBOE) has a strong influence on the university.

## Trustee Questionnaire

Thank you for agreeing to participate in this research project. It will provide useful information for our Nazarene universities. This survey should take about 20 minutes to complete. Do not place your name on the survey. If you are unsure of an answer, just use your best judgment.

### PART I

We would like to ask you a few questions to help us in the statistical analysis. No individual will be identified or individual information used. Only groups and subgroups will be compared.

1. Education: Check as many as apply and list major area of study.

Bachelor's degree (major area of study)

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Master's degree (major area of study)

---

Doctoral degree (major area of study)

---

Other advanced studies (major area of study)

---

2. Occupation: List your primary vocation (pastor, teacher, accountant, physician, etc.).

3. Age category

- Under 35
- 35-45
- 46-55
- 56-65
- 66 or above

4. Years on the university board

- 0-3
- 4-6
- 7-9
- 10 or more

5. Gender

- Male
- Female

## PART II

In this section of the survey, we would like to get your opinion and insight on a number of issues. There are no right or wrong answers. We would like your honest assessment.

For each statement below, select the number from 1-5 that best reflects your opinion.

(1=Strongly disagree, 2=Disagree, 3=Neither agree or disagree, 4=Agree, 5=Strongly agree)

- \_\_\_ 1. The general church should have a strong influence on the university.
- \_\_\_ 2. Local Nazarene churches on the educational zone provide adequate support to the university.
- \_\_\_ 3. All faculty members of the university should embrace the Wesleyan/Holiness tradition.
- \_\_\_ 4. Nazarene church membership should not be a requirement of university board selection.
- \_\_\_ 5. The board of trustees and administration of the university are in unity with the leadership of the general church regarding university mission, educational philosophy, and theological training.
- \_\_\_ 6. The university primarily exists to prepare Nazarene pastors and missionaries, educate future Nazarene layman, and promote the religious tradition and furtherance of the Nazarene church.
- \_\_\_ 7. The university primarily exists to provide a Christian learning environment for students of all faiths, without a specific intent to promote the Nazarene church to students.



- \_\_\_ 8. I believe classroom instruction at the university is in harmony with the doctrine of the church.
- \_\_\_ 9. It is important to the church-school relationship that at least half the board members are pastors or district superintendents from the educational zone.
- \_\_\_ 10. There should be limits placed on faculty with regard to their academic freedom to ensure doctrinal harmony with the church.
- \_\_\_ 11. Besides education, Nazarene universities should have a mission of evangelizing non-Christian students.
- \_\_\_ 12. Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of the board of trustees.
- \_\_\_ 13. Mission, religious authority, academic philosophy, and denominational ties are primarily the responsibility of university administration.
- \_\_\_ 14. There are aspects of the campus spiritual climate that are of concern to me.
- \_\_\_ 15. In hiring new faculty, a profession of faith should be considered secondary to academic competence.
- \_\_\_ 16. The university should be proud of and actively promote its association with the Church of the Nazarene in recruiting and all marketing materials.
- \_\_\_ 17. Since fewer than half of traditional students are Nazarenes, religion course requirements should be modified to more general religious studies rather than Nazarene church doctrine.
- \_\_\_ 18. The general church (General Superintendents, IBOE) has a strong influence on the university.

### PART III

Level of expertise: 1 = None 2 = Very little 3 = Some 4 = Moderate 5 = Significant 6 = Expert
---

1. Using the scale to the left, rate YOUR expertise in the following areas:

- \_\_\_\_\_ Finance: Understand alternative sources of financing and tax-exempt bond financing.
- \_\_\_\_\_ Audit: Comprehend auditing procedures and IRS regulatory guidelines.
- \_\_\_\_\_ Legal: Familiar with business law as well as state and federal mandates for universities.
- \_\_\_\_\_ Human Resources: Understand ERISA, Fair Labor Standards Act, EEO, OSHA, etc.
- \_\_\_\_\_ Theology: Able to clearly articulate the doctrine of the Church of the Nazarene.
- \_\_\_\_\_ Information Technology: Particular expertise with enterprise information systems.
- \_\_\_\_\_ Marketing: Experience in product development, branding, and advertising strategies.
- \_\_\_\_\_ Legislative: First-hand experience in shaping legislation or political influence.
- \_\_\_\_\_ Strategy: Experience in leading a large organizational strategic process.
- \_\_\_\_\_ Higher Education: Career experience in university administration.
- \_\_\_\_\_ Organizational Leadership: Lead groups of people and/or boards.

2. HOW MANY board members who are subject-matter experts in the following areas would be desirable for your university board?

\_\_\_\_\_ Finance: Understand alternative sources of financing and tax-exempt bond financing.

\_\_\_\_\_ Audit: Comprehend auditing procedures and IRS regulatory guidelines.

\_\_\_\_\_ Legal: Familiar with business law as well as state and federal mandates for universities.

\_\_\_\_\_ Human Resources: Understand ERISA, Fair Labor Standards Act, EEO, OSHA, etc.

\_\_\_\_\_ Theology: Able to clearly articulate the doctrine of the Church of the Nazarene.

\_\_\_\_\_ Information Technology: Particular expertise with enterprise information systems.

\_\_\_\_\_ Marketing: Experience in product development, branding, and advertising strategies.

\_\_\_\_\_ Legislative: First-hand experience in shaping legislation or political influence.

\_\_\_\_\_ Strategy: Experience in leading a large organizational strategic process.

\_\_\_\_\_ Higher Education: Career experience in university administration.

\_\_\_\_\_ Organizational Leadership: Lead groups of people and/or boards.

3. Do you feel your prior experience, along with the orientation and training offered by the university, has properly prepared you to govern the university?

Yes

No

Please explain:

4. If the university were to conduct additional training for trustees in some of the key areas identified above, name the top three that you would find most useful:

Most Important

---

Second most important

---

Third most important

---

5. What suggestions do you have for improving the selection process for university trustees?

6. What is your primary or most important role, as a trustee? In looking at the list below, RANK ORDER all of these from 1–4, where 1 is the most important and 4 the least important role. Even though you may feel they are all important, please give us your relative rankings.

\_\_\_\_\_ To be loyal to and represent the district that elected me.

\_\_\_\_\_ To be loyal to and represent the denomination.

\_\_\_\_\_ To be loyal to and represent the university.

\_\_\_\_\_ To be loyal to and represent my local church.

7. Looking at the list below, RANK ORDER all of these from 1–4, where 1 is the best descriptive and 4 is the least descriptive of the current church–school relationship.

\_\_\_\_\_ The university is an extension and ministry of the church.

\_\_\_\_\_ The university is a sister organization to the church.

\_\_\_\_\_ The university is a church-related organization.

\_\_\_\_\_ The university is a separate entity with ties to the church.

## Appendix B

### Suggestions for Improving the Trustee Selection Process

*What suggestions do you have for improving the selection process for university trustees?*

Administrator responses:

1. “Allow districts to use a matrix developed by the board development committee to fill our gaps of expertise that might exist, rather than popular election at district assemblies.”
2. “Limit popularity contests at district assemblies. Have university send expertise needs and ask for candidates based on expertise. We have theology covered while we are weak in other areas.”
3. “Basic qualifications – understanding of higher education professionals in the fields of business, finance, marketing, and communication.”
4. “Board of trustees nominates candidates to district for election.”
5. “University input into the selection process.”
6. “The school should be more involved in the district nomination process.”
7. “No change recommended.”
8. “Trustees should be vetted before elected so they are fully aware of the responsibility as well as the board being able to balance skills.”
9. “A trustee nominating committee should be the key selector of potential candidates.”
10. “We have recently changed the way we elect members. It is still too new to know if it is working well, but the first attempts seem to be promising.”
11. “I believe the districts should elect the candidates.”
12. “The board should establish specific criteria for each district to follow in nominating candidate for the board. Nominees from each district would then be elected by the board as a whole.”

13. "Find ways to increase diversity."
14. "Reduce the number of clergy to 25%, reduce district-elected seats to 50%, and fill the rest with self-perpetuating members elected by the board."
15. "Moving to a percentage that are nominated by a board nominating committee instead of popular election from districts."
16. "More limited number, not as many, more representatives rather than all DSs for example. Less turnover; more voice by the school; broader geography to include alumni and supporters."
17. "Reduce the size of the board. Have more lay representation in the areas identified in this survey."
18. "I believe our selection process is working."
19. "Develop selection criteria. Elicit nominations from districts based on criteria. Have committee of board review and select board members."
20. "The process should be more intentional and strategic."
21. "The selection process must take seriously the needed skills and expertise needed for an effective governing board."
22. "Boards are supposed to be self-perpetuating. They should develop a profile for board membership and screen prospective members based on this and the particular needs at the time."
23. "Selection must be for expertise, experience, and qualifications which most effectively contribute to the governance responsibilities of the board in order to fulfill the effective governance to achieve university mission."



24. "Working more intentionally with the district superintendents and ministry boards in identifying key candidates."
25. "I have no problem with election of trustees by district assemblies but would like more university involvement in selection of nominees."
26. "We have created a profile for the ideal composition of the board according to areas of expertise."
27. "Smaller board, less than 20, good balance between subject matter experts, and pastoral/denomination experts."
28. "Trustees should be elected by the board itself."
29. "Alter church/denomination governance structure to reduce board size and offer slots to individuals with expertise and resources."
30. "The presidents need a stronger voice in the process."
31. "The university board development committee should be driving the process with district advisory board consultation."
32. "Recent changes in the process have been very helpful with explanation of expectations and members at large."
33. "The university president should be consulted about prospective candidates well before the district assembly. Some at large members are critical."
34. "The development of a matrix of skills, experience of focused knowledge to guide selection of trustees to fulfill certain needs. Communication concerning desired qualifications based on needs matrix."

Trustee responses:

1. "Satisfied as is."
2. "It is voted on. That is good."
3. "Happy with current system – but add more training."
4. "Better vetting of candidates. Moving back to 50/50 lay and minister representation."
5. "I think the representation process works well to provide a cross-section of those who support the school."
6. "This is problematic because we are elected from our district. How would you identify "requirements" and then communicate this to the district assembly?"
7. "No suggestion – the system seems to work."
8. "I believe it works very well at the district assembly level."
9. "Trustees need to represent the districts. Any change needs to occur at that level. Church delegates need to be encouraged to give thoughtful and prayerful consideration to whom they vote."
10. "Develop a profile of skills and gifts that would be criteria used in selection of nominees."
11. "Continuity is important so some method of promoting long term members."
12. "Brief bios for district assemblies."
13. "District nominating committee prayerful consideration of candidates."
14. "Every district needs gender and cultural diversity represented."
15. "I am comfortable with the present process. It is important, of course, that districts take their responsibility most serious."
16. "Training and orientation would strengthen board."

17. "Districts should strategically think through nomination process for trustees."
18. "Ability to assign ad hoc members at the discretion of the leadership team (president and vice presidents)."
19. "Nominees at the local level are approved by the board's officers before being on the ballot at local areas."
20. "Submit portfolio of experience."
21. "It might be that having each district superintendent appoint members would be slightly better but I don't oppose the current election process."
22. "A more formal nomination process."
23. "Bios that indicate experience in education, church administration or a leadership position as well as an ongoing personal relationship with the Lord and is souled out to Christ."
24. "Continue to keep Nazarene membership a priority. Also find diverse giftedness."
25. "Not sure of the current process. Need a diversity of trustees with various areas of expertise to provide a depth and breadth of insights."
26. "Meet designated requirements before election."
27. "The recently implemented procedures have been profitable."
28. "Give president/chairman more at-large seats and freedom to do more board development."
29. "Stronger instruction and guidelines for district nominating committees."
30. "The qualifications outlined on the Trustee Affirmation should be made known to prospective candidates and to elective bodies."

31. "Have the district advisory boards nominate candidates for election of at-large board members."
32. "1) Close coordination between university and district nominating committees on the skillsets needed at the moment. 2) District ballots should denote 'incumbent' where applicable. 3) Resumes."
33. "Broaden the reach to a small, select number out of the educational zone to augment/improve our board structure."
34. "Work with district superintendents on the region to identify highly qualified prospective trustees."
35. "I don't believe that the executive committee should be the only nomination process. It feels like we are going back to a good ole boy system. Believe full board should have input from recommendations from the district, after expectations have been shared with nominees."
36. "Select candidates who have extensive knowledge or experience that enables them to understand the major management issues of higher education in a Christian environment."
37. "Make sure that districts place the oath and duties before prospective nominees."
38. "Need to continue representation from districts but change how chosen. Often, when elected by assembly, we are not choosing the most qualified or experienced. It would be better if these were chosen by the district advisory board or the district nominating committee."
39. "All board members elected based on criteria established by board. No district appointments or seats given due to Nazarene job."

40. "A) Identification of expertise held by candidates. B) Once elected – involvement of the new trustees in committee assignment."
41. "Allow districts to elect the trustees from their districts who are felt to be the best equipped to serve the board of trustees as a trustee."
42. "Pastors of lay nominees should be contacted. Members should have the possibility of interviewing the candidate."
43. "MNU – Policy manual recently updated in regard to trustee selection."
44. "Job descriptions, needs (gifts and skills) given to districts prior to nominations."
45. "Already implemented at SNU: Allow districts to elect trustees by methods other than district assembly vote (eg. District advisory board) to enable more focus on selecting more trustees with specific areas of expertise and experience plus demonstrate interest in and support of Nazarene higher education."
46. "Help us know the gifts/skill needs as we nominate on district."
47. "Select people who have strengths for the work of the trustees."
48. "That they know in advance that they are even being considered."
49. "Make potential nominees aware of the magnitude of their duties."
50. "Non if we follow what we have in place."
51. "We have a great process."
52. "Keep electing."
53. "Comfortable with our current process."
54. "Keep it in the hands of district assemblies."
55. "This is being emphasized already – nominees should have expertise, skills, or experience to be considered."

56. “More at-large members, with selection focused on particular skill sets/expertise.”
57. “Application process and interviews by district boards.”
58. “By expertise with selection made by committees at university.”
59. “District assembly needs possible revamp of how laypersons are elected.”
60. “Allow church members to submit their resume to DS for consideration and vetting so that each DS has a file of willing churchmen.”
61. “I like the current process.”

