

Governing System of the Family-Owned Higher Education Institutions' Board of Trustees

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"Every enterprise needs a group of experienced people of integrity and stature, people of proven performance capacity and proven willingness to work who counsel, advise, and deliberate with top management. It needs people who are not part of top management, but are available to it, and who can act with knowledge and decision in a crisis."

Peter F. Drucker

Abstract

This study investigated the governing system of the family-owned higher education institutions' Board of Trustees (BOTs). It established patterns of understanding of the roles and responsibilities, powers and duties, policies and practices as assessed by the BOTs. The findings divulged that some BOTs were not aware on some provisions of the Institution's Articles of Incorporation and By-laws. Using t-test and One-way Analysis of Variance with Least Significant Difference as post hoc test, results showed that educational attainment differs in the extent of awareness of the BOTs on their roles and responsibilities, but not in the extent of participation. Conversely, the difference on age, sex and length of service is not significant in their extent of awareness and participation. Moreover, the trustees' profile differ on the extent of awareness of the members of the Board of Trustees on their powers and duties which were clustered as curricular program, human resource, resource mobilization and administration, but not in the extent of participation. The Board of Trustees adhered to the policies and practices of the family-owned educational institutions but not in board membership and board-student relations. Furthermore, BOTs decide some matters in the operation of the school. It is recommended that further investigations be made on the governing system of the family-owned higher education institutions' Board of Trustees in consonance with the Institutions' Articles of Incorporation and By-laws, and the Corporation Code of the Country.

Key Words: Board of Trustees, governing system, family-owned institutions, higher education

1. Introduction

School leaders and teachers are no longer considered the only professionals in a school. More than ever, boards and board members are taking active and increasingly responsible roles in school decision-making, planning and governance (Hughes and Hill, 1991). Whether the corporation is profit-oriented or not, family-owned or not, Board of Trustees is found at the helm of its governance system (Chackas, 2004). The vitality and strength, competence, values and quality that emanate from the governing board determines whether or not the corporation is able to carry out its mission and vision successfully, lest it withers and dies. This makes the sites of the corporation's heart and soul. The board of trustees is the highest level of management in the modern corporations, including institutions of higher learning where trustees have the necessary authority to run the corporation, subject to the restrictions of state laws (corporation code), limitations, however, are very general, giving the board a wide scope of authority. Under the corporation laws, boards are charged with the duty of managing the entire corporation on behalf of the stakeholders who are usually too numerous and unorganized to take part in policy determination. Danzberger (1994) posited that, school boards have been constantly blamed for the educational ills of society.

Henceforth, the work of boards is highly interactive and interdependent among the board, the board chair or president, the school executive and other key players in the community. The importance of compatibility between the board and management is seen in the observation that administrators favor director candidates with compatible leadership and communication styles, thus facilitating interaction and communication with the board (Lashway, 1999). In this regard, the complexity of school governance has created a demand for a new professionalism among board members. As professionals within an organization, they need to be reflective in action; to utilize a process of annual self-study; and to employ baseline data and in depth analysis to assess their performance as full partners within the leadership team, (Hughes and Hill, 1991). This process is to enable board members to assess objectively their ever-increasing responsibilities and to effectively engage in appreciating the

bounds and the parameters of their professionalism. For Campbell and Greene (1994) the tenets of effective boardsmanship are teamwork, clear understanding, support, respect, trust, communication, professionalism, and fairness are explained.

Faced with a variety of new educational challenges -- changing enrollments, greater competition from learning alternatives, increasing litigation, a more value-conscious and consumer-minded parent body, a more culturally and ethnically diverse student body, shorter tenure spans for school leaders, and a rapidly shrinking source of well-trained school leaders -- school boards are now facing their own "crisis of professionalism", as defined by Donald Schon in *The Reflective Practitioner*.

In a review by Hughes and Hill (1991), there are few relevant anecdotal works (Dayton, 1987; McMillan, 1980) only a handful of appropriate prescriptive pieces (Calder, 1990; ISM, 1991, 1992; O'Connell, 1985; Stanton, 1989) and a relatively small number of more rigorous studies that touch on the school governance (Aitkin, 1991; Henningsen, 1991; Khalsa, 1994; Ledyard, 1987; Miles, 1994; NAIS, 1989, 1990, 1991, 1992, 1993; Reefer, 1991; Scott, 1991; Wickendon, 1991, 1992). Clearly, most of these researches relate specifically to independent school boards. Because so little empirical research has been done on the topic to date, there must be studies in related areas, specifically non-profit organizations such as charities and private colleges and universities to find models of professional behavior. In addition, the small body of work done directly with private schools like the studies of Cortel (1997) and Sta. Ana (2005) provides a foundation for building a deeper understanding of governance and professionalism among trustees.

In a family-owned Institution, the relationship between the family members who own the place and bear responsibility for keeping it alive for another generation is very important. Whether a family business soars or nose-dives depends in large part, the respect these owners give each other in the workplace, their willingness to take on work roles different from those that they have at home, and their ability to mitigate conflicts. That is the wisdom at a small but growing number of institutions that are devoting a lot time and money to studying family businesses and applying the new know-how at the office (Knight-Ridden, 1994). Effective governance, which is characterized by effective structures and processes of decision-making and accountability, has become critically important to boards of education. It is incumbent on boards to examine their functions and roles in relationship to the public they serve and in relationship to the staff that are responsible for the day-to-day operation of the school, (Society for the Advancement of Excellence in Education, 1997).

This study endeavored to analyze the governing system of the family-owned Higher Education Institutions' board of trustees. It is a qualitative and quantitative research which aimed to investigate the BOTs' assessment on their roles and responsibilities, powers and duties, policies and practices and the nature of involvement in the institution's decision-making.

2. Results and Discussion

2.1 Board of Trustees' Status of Awareness on Institution's Articles of Incorporation and By-laws

Result shows that BOTs were aware of the provisions in the Articles of Incorporation and By-laws on *the powers and duties of the Boards of Trustees*. Ingram (1993), stressed that the Board of Trustees shall have the power to manage the property and business corporation of the school, and the power to carry out any other functions which are permitted by the Articles of Incorporation and By-laws. This implies that the Boards recognized the importance of this provision to the school governance. In terms of *membership*, BOTs claimed that they were aware of its number and composition. This is made explicit in the Corporation Code of the Philippines, to wit:

...the numbers of directors or trustees shall be by multiples of five, not less than five (5) but not more than fifteen (15). From the Securities and Exchange Commission specifically, the Articles of Incorporation and By-laws of the four family-owned HEIs, the officers and members of the corporation must have marital or blood relationship up to the second degree with any members of the original incorporators and stockholders of good standing.

Moreover, the result disclosed that majority of the BOTs were not aware about *trustee emeriti* as provision in the membership of the Board of Trustee.

Ingram (1993) defined trustee emeriti,

... as a trustee who has served for a maximum of three (3) years or has served for a minimum of two (2) terms and attained the age of 70 years, may, upon recommendation of the membership committee be elected by a majority and shall serve the Board for 3-year term and maybe reelected without limit.

It is evident that majority of the Board of Trustees of the family-owned Higher Education Institutions (HEIs) may have neglected the inclusion of "trustee emeriti" in the membership of the Board. There could also be members of Board of Trustees who are called *trustee emeritus* or *emeriti* since the longest serving member in this study is aged 75, yet they are not probably recognized. With regards to the *Officers of the Board*, majority of

the Board of Trustees were aware of the inclusion of chairman, vice-chairman, president, board secretary, and members but majority of them are not aware of the inclusion of treasurer, auditor and legal counsel. This implies that the Board recognized the important officers of the Board like chairman, vice-chairman, president, board secretary, and members but failed to acknowledge other equally important positions such as treasurer, auditor and legal counsel. A documentary scanning revealed that the board secretary has a dual role, i.e., the board secretary also functioning as the legal counsel of the Board among the family-owned schools. Also, a close relative of the president, sometimes the wife, functions as the treasurer or auditor while at the same time holding another higher position. There is no legal violation since the Corporation Code of the Philippines does not give specific requirements as to the officers needed in the Board especially in family-owned HEIs. The set of officers needed in the Board of Trustees may be provided in their constitution and by-laws.

With regards to formal *meetings*, majority (73.53%) of the BOTs were aware that meetings should be included in the contents of typical school by-laws. As stipulated in the Articles of Incorporation and By-laws of the four (4) HEIs,

.....special meetings may be called as the need thereof arises, by the members of the Board of Trustees or the President or upon petition of one-third of the general membership. Notices of the date, time and place of annual, monthly and special meetings of the members shall be given either personally or by special delivery mail, at least one week before the date set for such meeting. In urgent cases, the notices may be communicated at least two (2) days before the meeting personally or by telephone, or by telegram, if contact is not possible. The notice of every special meeting shall state briefly the purpose/s of the meeting. No other business shall be considered at such meeting, except with the consent of all the members present thereat. Notice of meeting may be waived verbally by any member attending it and a quorum for any meeting of the members shall consist of a majority of the members and a majority of such quorum may decide any question at the meeting, except those matters where the Corporation Code of the Philippines requires the affirmative vote of a greater proportion.

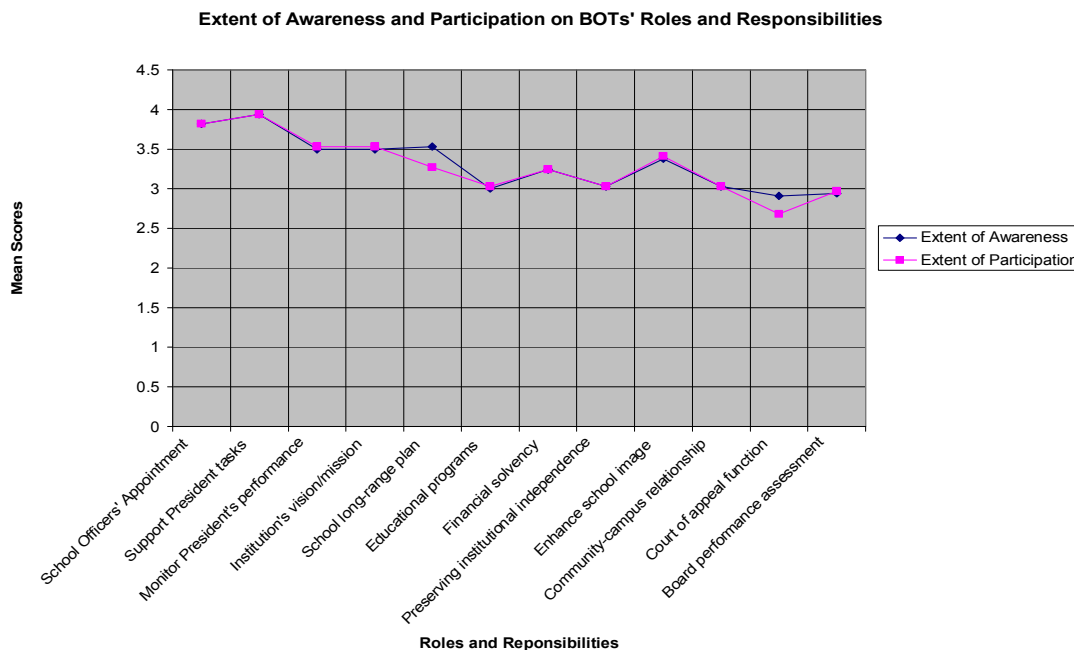
As noted further, majority or 67.65% of the BOTs were aware that *action without formal meeting* should be in the provisions of typical institutional by-laws. This implies that there were trustees who preferred to make any action that should require or permit from the Board or by any committee. However, majority of the trustees preferred to make any action which does not require a formal meeting.

Ingram (1993) cited that:

...any action required or permitted to be taken by the Board or any committee thereof may be taken without a formal meeting. Thus meeting may be conducted by mail, telegram, cable, or in any other way the trustee shall decide. However, a written consent setting forth the action taken and signed by all members of the Board or of a committee, as the case may be, must be filed with minutes of the proceedings of the Board or the committee.

The provision on governing Board work through committees, majority of the BOTs were not aware of the existence of the different committees like executive committee, membership, educational affairs, faculty affairs, student affairs, and buildings and grounds and barely aware on personnel, finance, audit, development, investment and which should be included in the content of a typical school by-laws. Katz (1985) mentioned that one characteristics of familial board is that, decisions often made away from the board table and endorsed later. The findings suggest that the family-owned HEIs respondents possess some characteristics of a familial board mentioned by Katz and therefore deemed that the presence of committees is not warranted. On indemnification, the findings show that only 5.88% of the BOTs were aware that the Boards should be indemnified. This implies that majority of the Boards were not aware that indemnification is necessary in the typical school by-laws. Conversely, Ingram (1993) claimed that each trustee and officer of the college shall be indemnified. Regarding conflicts of interest, majority or 94.12% of the BOTs were aware that this provision should be in the content of typical school by-laws. Moreover, when it comes to review and amendment of the by-laws, all the BOTs were aware of this provision. This implies that the family-owned HEIs complied with provisions of the Corporation Code of the Philippines in order to show good standing in the Securities and Exchange Commission (SEC). As stated in Sec. 17 of the Corporation Code of the Philippines, the Securities and Exchange Commission may reject the Articles of Incorporation or disapprove any amendment thereto if the same is not in compliance with the requirements of this code.

2.2 Board of Trustees' Extent of Awareness and Participation on the Roles and Responsibilities



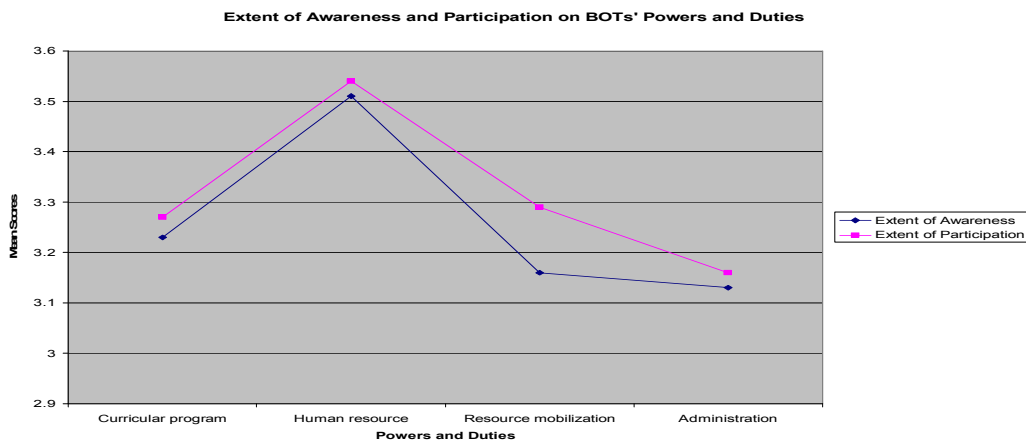
Evident in the graph above, the Board of Trustees of family owned HEIs were fully aware of their roles and responsibilities such as *school officers' appointment*, *monitor President's performance*, *institution's vision-mission*, and *school long-range plan*. Their self-assessment also indicated that they had full participation in the implementation of the aforementioned roles and responsibilities except for *approving long-range plan of the school* which they claimed to have moderate participation. In contrast to the characteristics of familial board given by Katz (1985), familial board prefers a leader who emphasizes goal setting, long-range planning, and management of objectives. Moreover, the BOTs were fully aware on *support President's tasks*. In the execution of all the provisions, this is also the same provision they have fully participated. It implies that trustees of the four (4) family-owned HEIs believed that supporting the president directs the organization in the right track. This finding contradicts Reefer's (1991) study which found that school executives-President with powerful leadership styles tends to dominate their boards. It would follow then, that school executives who are less powerful would be more apt to be dominated by their boards. Many boards have similar operating styles where the dominant needs of a board leader or board members guide decisions and direct the work of the school executive.

Furthermore, the Board of Trustees claimed that they were moderately aware of the provisions on their roles and responsibilities such as *overseeing the educational programs*, *financial solvency*, *preserving institutional independence*, *enhancing school image*, *community-campus relationship*, and *board performance assessment*. It is also noted that the respondents had moderately participated in the implementation in all these provisions. Storey and Holt,(1986) wrote that an effective board exercises continuing policy oversight of education programs and their management, drawing information for this purpose from many sources and knowing enough to ask the right questions.

With regards to financial solvency, the result contradicted that of Sergiovanni's findings (1992) that the governance system determines how funds are used for public education and education finance strongly influences school practices. That is, how funds are raised, allocated, spent, and accounted for affects how schools operate and what teachers and students can and cannot have or do. The trustees strongly believe that an effective board works to ensure an adequate flow of resources and achieves equity in their distribution.

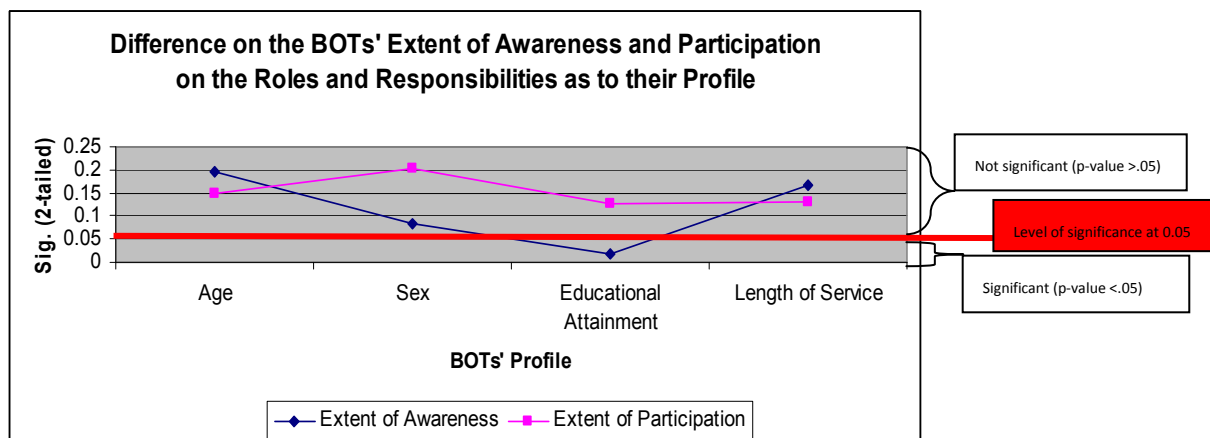
Meanwhile, *servicing as a court of appeal* is the provision that the BOTs reported as least aware and participated. Ingram (1990), stressed that trustees may be called upon to settle disputes arising within the institutional community that are of such importance that only the governing board can adjudicate. Ingram further said that in relation to these matters, the board should carefully examine two procedural areas: (1) First, it should be sure that it has properly delegated authority to settle disputes at the lowest possible level, so that it does not have to become involved in operational matters, and; (2) Second, it should be sure that the institution's due process policies are sound and that the board itself has standby procedures appropriate to the handling of any disputes that avoidably are brought up to the institution's highest authority.

2.2.1 Board of Trustees' Extent of Awareness and Participation on the Powers and Duties



Board of Trustees' self-reports revealed that they were fully aware and had fully participated on their powers and duties on human resource. On the other hand, the BOTs were moderately aware and moderately participated on curricular program, resource mobilization and administration.

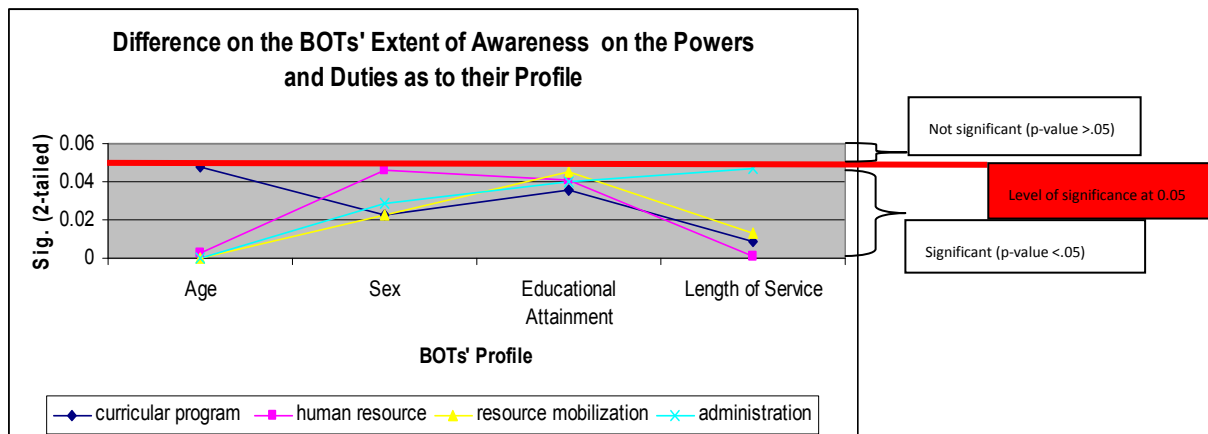
2.3 Difference on the BOTs Extent of Awareness and Participation on the Roles and Responsibilities as to their Profile



Results of One-way Analysis of Variance show that significant difference at 0.05 level is observed on BOTs' extent of awareness on their roles and responsibilities when grouped according to *educational attainment* ($p\text{-value}=.018$), but not in the extent of participation. This was proven by the yielded p-values of said provisions which were noted to be lesser than .05. This suggests that at least a pair among the educational attainment compared differs. Hence, a post hoc analysis using Least Significant Difference was applied to the variable. The provisions such as *school officers' appointment*, *support President's tasks*, *school long-range plan*, *court of appeal function*, and *board performance assessment* show that those Trustees with baccalaureate degree differ significantly from those Trustees having master and doctorate. This suggests that taken as a whole, those BOTs with baccalaureate degree had lesser awareness on all the provisions on roles and responsibilities compared with other groups according to educational attainment. The result failed to confirm Cortel's (1997) findings that the perception of the Boards regarding the roles and responsibilities of the boards, were not related significantly to their educational attainment.

When members of the Board of Trustees were compared according to age, sex, and length of service on their extent of awareness and extent of participation on different roles and responsibilities, computed t-values yielded no significant difference ($p>.05$). This indicates that whether a BOT is old or young, male or female, and has stayed short or long in the service, their extent of awareness and extent of participation in all these provisions on roles and responsibilities are on the same level. The findings supported Cortel's (1997) study that the roles and responsibilities of the BOTs were not related significantly to age and sex.

2.4 Difference on the BOTs Extent of Awareness on the Powers and Duties as to their Profile



2.4.1a According to Age

Results of One-way Analysis of Variance showed that significant difference at 0.05 level was observed on BOTs' extent of awareness on their powers and duties along with the curricular program, human resource, resource mobilization, and administration as to their age. Hence, a post hoc analysis using Least Significant Difference was applied to the variables. Results of multiple comparisons on curricular program across age, show that BOTs aged 41-50 differ significantly from those in lower age brackets, and BOTs who were 51 years old and above differ significantly from those in lower age brackets. This indicates that older BOTs were more aware on cited powers and duties on *curricular program* compared to the younger BOTs. On *human resource*, younger BOTs tend to be more aware on aforesaid powers and duties.

Moreover, on *resource mobilization*, BOTs aged 31-40 differ significantly from those who are 51 years old and above on their powers and duties. Furthermore, on *administration*, BOTs who are 41-50 years were more aware on seek ways and means to become acquired with all facets of the school and become familiar forces, issues, and concerns about independent and private institutions of higher learning and to delegate any of the above to the executive committee any standing com or any ad hoc committee. This implies that BOTs belonging 41-50 years were more aware on all their duties and powers on administration. The findings refuted Cortel's (1997) study that the powers and duties of the boards were not related significantly to their age.

2.4.1b According to Sex

Significant difference was observed on curricular program and human resource. As indicated in the mean scores, it may mean that the female BOTs had lesser awareness on curricular program and human resource. When BOTs are compared according to sex on their extent of awareness in the execution of their powers and duties on resource mobilization, significant difference was observed. Thus, it can be inferred that the female BOTs apparently tend to show lesser awareness in executing their powers and duties on resource mobilization compared to their male counterparts. Furthermore, results of computed t-values yielded significant difference on *determine, review and evaluate the aims, program and functions of the school consistent with the spirit and intent of existence*, and to *determine and oversee policies and procedures in managing all business affairs of the school*. It can be noted that male BOTs tend to be aware more in the execution of the aforementioned powers and duties on administration.

2.4.1c According to Educational Attainment

When the Board of trustees' extent of awareness in all the powers and duties on curricular program, human resource, resource mobilization, and administration were compared with the educational attainment, significant differences were noted as shown by the computed ANOVA which yielded p-values that are lesser than .05. This result objected the findings of Cortel (1997) that the powers and duties of the boards were not related significantly to their educational attainment.

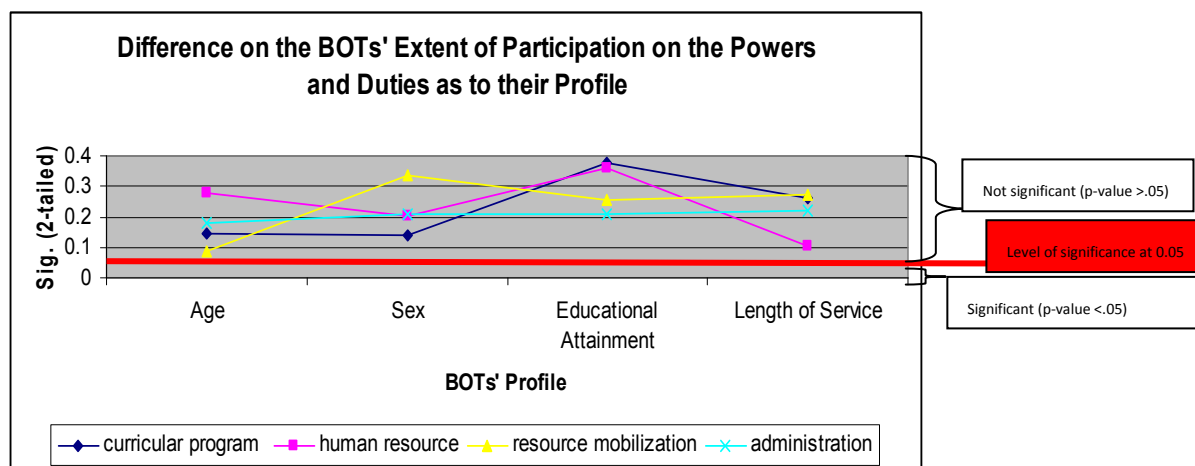
2.4.1d According to Length of Service

Significant difference was observed on the Board of Trustees' extent of awareness of their powers and duties on curricular program when compared with the length of service. BOTs with 21 years and above experience differ significantly from those BOTs having experience 20 years and below. This indicates that BOTs who served their institution with 20 years or less were more likely aware on their duties and power on curricular program. Moreover, significant difference was observed on the BOTs' extent of awareness of their powers and duties on human resource when compared with the length of service. Those with 21 years and above significantly differ from those with 11-20 years of experience as Board of Trustee in *making the final decision on granting of tenure to a faculty member giving due consideration to the recommendations of the committee, the chief academic*

officer at the president and in serving as the court of appeal on the case of dismissal of a tenured faculty member.

Result presents the differences on the Board of trustees' extent of awareness of their powers and duties on resource mobilization when compared with the length of service. BOTs with 21 years and above experience differ significantly from those BOTs having experience 20 years and below. Furthermore, result presents the differences on the BOTs' extent of awareness of their powers and duties on administration when compared with the length of service. BOTs with 21 years and above experience as BOTs differ significantly from those BOTs having experience of 20 years and below.

2.4.2 Differences on the BOTs Extent of Participation on the Powers and Duties as to their Profile



No significant difference was noted on the Board of Trustees' extent of participation in the execution of the duties and powers on curricular program, human resource, resource mobilization, and administration when compared with the age, sex, educational attainment and length of service as shown by the computed ANOVA which yielded p-values greater than .05 significance level. This shows that not one among the pairs compared elicited significant difference in their extent of participation in the execution of aforesaid powers and duties. It implies that Board of Trustees had the same extent of participation in the execution of all the powers and duties as to their profile.

2.5 Board of Trustees' Self-Assessment on their Policies and Practices

Policies and Practices	YES(%)
Institutional mission and educational policy	99.41
Institutional planning	92.65
Physical plant	94.12
Financial support and management	72.79
Board membership	18.82
Board organization	63.73
Board-chief executive relations	94.19
Board-faculty relations	65.36
Board-student relations	36.79
Court of appeal	94.12
Organizational health of the Board	75.69

2.5.1 Institutional mission and educational policy

The institution's statement mission, purposes and goals is the rudder that keeps the institution on its determined course. The statement of mission can be refined or adjusted from time to time to keep the institution headed in a desired and appropriate direction. Thus, trustees should periodically evaluate the course of the institution, assess its basic objectives and goals, and decide how will the institution, assess its basic objectives and goals, and decide how will the institution is following its plotted course. Result shows that majority (99.41%) of the Board of trustees believed that the institutional mission and educational policy is substantial in their Board. This

indicates that the trustees had a high regard on this provision, thus, the trustee respondents support the statement of Carver (1990), the first and most important statement of principle for a board to establish is its mission or vision statement. Elaborating a mission statement helps the board to: clarify members' individual, and the board's collective, understanding about the organization's purpose; and provide a succinct statement to the outside world about the organization's purpose.

2.5.2 Institutional Planning

Strategic planning is keeping close account of current conditions and trends, and making meaningful projections of numbers and sources of students, expenses and income, and education program requirements. They must be knowledgeable about current data and professional projections so that they can participate, review, and assess the institution's planning process. 92.65% of the BOTs were fully involved on the Institutional planning. Conversely, in the study of Sta. Ana (2005), the respondents see the Boards with moderate implementation in the institutional planning regarding enrollment, staffing, physical facilities, availability of resources, and educational programs.

2.5.3 Physical Plant

The size and quality of the institution's buildings, equipment, and real estate are a principal responsibility of the board. Providing needed facilities and safeguarding the environment in these properties define the ability to properly judge requests for expansion, the extent of deferred maintenance, so that the cost of repairs or rebuilding will not jeopardize the institution's future. As revealed in the findings, the Board of Trustees affirmed that they *approved a master plan for the physical campus that includes present and anticipated needs*.

2.5.4 Financial Support and management

It is the board's responsibility to secure adequate financial resources to operate an institution and to supervise its fiscal management. They must assure themselves that the board as a unit has the ability to skillfully devise financial policies, to many investments, and to supervise the prudent management of funds made available to the institution. 72.79% of the Board of Trustees affirmed that the resource development program is well organized into a continuing and coordinated effort of the Board and the President, that the Board has members with special expertise on long-range planning, and that the Board accepted fully its responsibility for prudent fiscal management.

2.5.5 Board Membership

It is the board's own responsibility and that of its leadership and specific expertise to the work of the board. The board would have members who can bring to the board the wide range of experience and expertise necessary for the complex operation of a modern educational institution. Majority of the respondents expressed disagreement on Board membership. The findings prove Sta. Ana (2005) that his group of respondents had barely adequately implemented in the aspect of board membership in all its particular concerns found in the criterion.

2.5.6 Board Organization

The effectiveness of a board greatly depends on its organizational structure and the conduct of its affairs. A productive board should take time to periodically sort out procedure, update it's by laws, policies or operation documents. The result shows that 63.73% of the Board of Trustees regarded that in some formal way they reviewed its organization, committee practices, and by-laws, and the meeting agenda. In the study of Sta. Ana (2005), the same criterion of governance was barely adequately implemented.

2.5.7 Board-Chief Executive Relations

The board's long-term effectiveness is heavily dependent on the way it enlists the help of its chief executive in arriving at the decisions and formulating the policies. A careful periodic review of the board's relationship with the executive officer is essential. Processes for selection of the chief executive should be reviewed well in advance of the need. Majority of the Board of Trustees confirmed that there was a climate of mutual trust support between the board and chief executive; and that board or some of its members had counseled with the chief executive to provide guidelines or strengthen certain areas of performance. Goodman et.al (1999) suggested that, to improve board-administrator relations, superintendents should establish a firm foundation for teamwork, nurture mutual respect and support, understand their roles, be a super coach, encourage frequent, two-way communication, avoid, and assess the team's progress.

2.5.8 Board-Faculty Relations

Trustees should periodically examine the line they have drawn between governing policy in academic affairs and operating policy. They share responsibility with the faculty for the quality of the institution, yet most lay board members lack professional experience in this area. The board should carefully perform the role in the basic formulation of educational policies, in monitoring its execution to be sure that their decisions are well-informed and they have properly delegated their authority over academic matters. 65.36% admitted that, Board of Trustees should seek the advice and recommendations of faculty leaders in formulating basic educational policies and delegate to the chief executive and faculty the full responsibility of implementing educational policies. The findings supports the study of Sta. Ana (2005), where the trustee had moderate implementation on the aspect of

board-faculty relations including barely adequate implementation effective means of two-way communication with the faculty.

2.5.9 Board-Student Relations

If the board is to discharge its obligations to provide students with a good learning environment, it needs appropriate lines of communication with students. A student representative in the board is not in every case the best channel, other means of communicating information both ways between trustees and students need to be devised. BOTs did not have satisfactory mean score for continuing two-way communication with students and some other concerns on board-student relations. The findings substantiates with the study of Sta. Ana (2005), the aspect of board-students relations were barely implemented while barely adequate implementation were noted in satisfactory means of continuing two-way communication with students and that the Board had set adequate policies for student appeals of perceived injustices (academic or otherwise).

2.5.10 Court of Appeal

Trustees may be called upon to settle disputes arising within the institutional community that are of such importance that only the governing board can adjudicate. In relation to these matters, the board should carefully examine two procedural areas. First, it should be sure that it has properly delegated authority to settle disputes at the lowest possible level, so that it does not have to become involved in operational matters. Second, it should be sure that the institution's due process policies are sound and that the board itself has standby procedures appropriate to the handling of any disputes that unavoidably are brought up to the institution's highest authority. Majority of the Board of Trustees disclosed affirmation that they developed procedural due process of fair hearing requirements that delegate the management of conflicts situations to the chief executive and to academic administrators or faculty leaders. The result proves Sta. Ana's (2005) study, which the Board of Trustees are called upon to adjudicate cases of conflict that should have been settled before they came to the board.

2.5.11 Organizational Health of the Board.

75.69% of the Board of Trustees believed that attendance is consistently good; that agenda are stimulating with emphasis kept a genuine policy issues rather than on reports of administrators and trustees leave the board room with positive feelings of achievement and personal satisfaction; that there is quality of participation which means that everyone has contributed to discussion, views are aimed in a spirit of candor, openness and mutual respect; that major decisions are important decisions reserved for the full board rather than a small "inner board"; and that the board has a good record for steering clear of purely administrative matters.

2.6 Board of Trustees' Nature of Involvement in Decision-Making

Choosing appropriate board processes for decision-making is part of good governance. At times, typical board process may limit board understanding. Leighton and Thain (1997) recommend new approaches.

Encouraging and facilitating the transformation from the old culture-egocentricity, formality and 'don't-rock-the-boat' – to the new – servant leadership, openness, and dialogue and, as necessary, dissent – will become a top priority of all boards (in the future).

Campbell et al. (1994) noted that, in a corporation, the Board of Directors has final say on major decisions, there is a top-down chain of command, and individuals are supposed to be "team players," which often means doing whole-heartedly whatever your coach/supervisor tells you to do. Majority of the BOTs were involved in deciding salaries of academic and non-academic personnel, in approving and confirming faculty appointments, fringe benefits of academic staff, tuition fees for students, investments, budget, long-range strategic planning, fund-raising plans, and selecting the President of the College or University. This result disproves Sta. Ana's (2005) contention that salaries of academic and non-academic personnel; fringe benefit of academic staff is not for the BOTs to decide.

3. Conclusions and Recommendations

The Board of Trustees as respondents in this study are relatively young dominated by females, academically qualified, and has an extensive length of service. Some BOTs were not aware on some provisions of the Institution's Articles of Incorporation and By-laws. The Educational attainment differs on the extent of awareness of the Board of trustees on their roles and responsibilities, but not in the extent of participation. On the other hand, the difference on age, sex and length of service is not significant in their extent of awareness and participation. The trustees' profile differ in the extent of awareness of the members of the Board of Trustees on their powers and duties which were clustered as curricular program, human resource, resource mobilization and administration, but not in the extent of participation. The BOTs adhered to the policies and practices of the family-owned educational institutions but not in board membership and board-Student Relations. Moreover, BOTs were involved in deciding salaries of academic and non-academic personnel, in approving and confirming faculty appointments, fringe benefits of academic staff, tuition fees for students, investments, budget, long-range

strategic planning, fund-raising plans, and selecting the President of the College or University. It is recommended that further investigations be made on the governing system of the family-owned higher education institutions' Board of Trustees in consonance with the Institutions' Articles of Incorporation and By-laws, and the Corporation Code of the Country.

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