

Chapter 3

Governance and Administration

Overview

The Board of Trustees and the administration provide the framework through which Lancaster Bible College (LBC) accomplishes its mission. The Board focuses on the overall direction of the college but provides a critical level of accountability for the administration that has been charged with carrying out the day-to-day operations. Both groups are closely linked through the President. This section of the self-study report will examine the areas of leadership, governance, and administration, especially as they relate to the following MSCHE standards.

Standards

MSCHE Standard 4

The institution's system of governance clearly defines the roles of institutional constituencies in policy development and decision-making. The governance structure includes an active governing body with sufficient autonomy to assure institutional integrity and to fulfill its responsibilities of policy and resource development, consistent with the mission of the institution.

MSCHE Standard 5

The institution's administrative structure and services facilitate learning and research/scholarship, foster quality improvement, and support the institution's organization and governance.

Compliance Documented

In keeping with a comprehensive report with a focus on key issues, the reader is directed to our Documentation Roadmap showing evidence of our compliance with all appropriate fundamental elements of [Standard 4](#) and [Standard 5](#). We track the assessment and planning aspects of these standards through our President's Office Taskstream workspace. Evidence of LBC's compliance with Standard 4 can be found in Appendix 3B: [Constitution and Bylaws](#), and in our Board Handbook and Board Meeting Minutes (available in the President's Office). In addition, an excellent example of how LBC is in compliance with Standard 5 is found in Appendix 2M: [2014 Best Christian Workplace Reflections Memo](#). This memo summarizes a follow-up call our Associate Vice President for Human Resources had with the President of the Best Christian Workplaces Institute (BCWI). He indicated that LBC is well managed, reflecting excellent leadership who exercise humility, open and honest communication, employee involvement, and a winning strategy. The BCWI president was very complimentary of our leadership team and the fact that we get our employees involved in the decision-making process.

The remainder of this chapter includes additional evidences of compliance within the framework of the key issues we have chosen to focus on in this study.

Research Questions

“The primary purpose of the self-study report is to advance institutional self-understanding and self-improvement” (*Self-Study: Creating a Useful Process and Report*, 2006, p. 4). With that purpose in mind, the following research questions guided the study group in preparing this section:

1. In what ways are recent administrative structural changes helpful to advance the mission of the school, to educate Christian students to think and live a biblical worldview and to proclaim Christ by serving Him in the Church and society?
2. How specific and effective are institutional guiding documents in defining criteria for personnel selection at the President's Leadership Team/Cabinet level and defining succession plans for the highest levels of leadership for the institution?

Analysis of Key Issues

Over the past nine years, a significant change in the make-up of the Board of Trustees has occurred. The college has grown from a small regional institution with one location into an increasingly national institution with seven locations in six states (strategically reduced to five with the closure of the Springfield, VA and Indianapolis locations after 8/2016). Additionally, LBC has a rapidly growing online presence with students enrolled from 34 states and four countries (as of spring 2016). Hence our student body, staff, and faculty have become more diversified creating a need for greater diversity in our governing Board of Trustees.

Board Diversity

As reported in our 2012 Periodic Review Report, LBC took steps to address a suggestion made by our 2007 Self-Study Evaluation Team regarding creating a broader ethnic and gender diversity in not only our Board of Trustees but also in our Corporation (LBC's [Periodic Review Report June 2012](#) [Appendix 1D], p. 15). [The ownership of Lancaster Bible College is vested in its corporation members, herein referred to as the Corporation. The control and management of policy and general oversight of the College is vested in a Board of Trustees who are elected from

within the Corporation.] While some progress has been made in the recruitment of minority board members, the ethnic diversity of our Corporation has slipped slightly as has the gender diversity; both have been impacted by attrition and death.

At the time of the writing of the PRR (February 2012), there was limited ethnic diversity on the 20-member Board of Trustees. As of April of 2016, there is one ethnically diverse member, representing a 5% increase. Three women were on the Board of Trustees in 2012 and again in 2016. In 2012 the Corporation had 8% diversity in ethnicity and in 2016 the 114-member Corporation has a 3% minority representation. During that same time period, the percentage of female Corporation members has declined slightly from 12% to 11%, due in part to attrition and death.

The 2012 PRR noted that the racial and ethnic diversity of LBC's Board of Trustees and Corporation closely mirrored that of our student population, which, in turn, closely mirrored that of the home county of our main campus. The diversity in LBC's student body was fairly similar to the diversity found on other college campuses in the area. Nevertheless, as Chapter 8 notes, over the past four years since our Periodic Review Report, LBC has become more ethnically diverse, primarily through the addition of locations in urban settings (Philadelphia, PA; Greenbelt, MD; Memphis, TN), but also on the main campus in Lancaster. In 2005, our minority student population was 12.6%. In 2015, it was 45%. Therefore, efforts at increasing the minority representation on both the Board of Trustees and Corporation must remain a high priority.

President's Leadership Team

The rapid growth of our student body, locations, and delivery formats contributed to a change in the Presidential leadership structure in 2014. Prior to the summer of 2014, the President's cabinet was composed of six members who represented various major areas of operation for the school. In August of 2014, in order to advance institutional focus, the President's Cabinet was replaced by the President's Leadership Team (PLT) comprised of the President, the Executive Vice President, Provost, and Senior Vice President of Student Experience. The Executive Vice President is leading a second layer of leadership under this team, called the Cabinet. Two other members of the former President's Cabinet, the Vice President of Finance and Vice President of Information Systems, now report to the Executive Vice President and are integrated into the President's Leadership Team for germane discussions. Five auxiliary positions continue to report directly to the President's Office: four Pastors-at-Large and the Ambassador to Christian Schools.

In order to gain a greater understanding of the rationale behind this change and how it would help the school to better accomplish its mission in the 21st century, members of this study group interviewed the President, two other members of the President's Leadership Team who had been members of the former President's Cabinet, and the Chair of the Board of Trustees who worked with the President in leading this structural change.

The impetus for this study can be tied directly to a fundamental element of MSCHE's Standard 5, "administrative leaders with appropriate skills, degrees and training to carry out their responsibilities and functions" and one other fundamental element regarding "clear

documentation of the lines of organization and authority” (*Characteristics of Excellence*, 2006, p. 19).

All interview respondents mentioned that a primary reason for implementing the new structure was that the scope of ongoing day-to-day responsibilities for the institution was moving beyond a reasonable expectation for one leader. Lancaster Bible College had experienced 60% growth since 2010 and expanded to such an extent that one person, the President, could not reasonably oversee all of the daily operations of the school directly. In the President’s own words, “The rapid growth of the last few years coupled with opportunities that are now being presented to LBC seem to demand a new way of thinking. Not a new identity, but rather a new approach that is better suited to the days ahead.” A smaller leadership team allows for that team to act quickly and in alignment with the school’s mission. The Chair of the Board of Trustees added that the President must be a “tree climber scanning the horizon to chart the direction for the institution, rather than plodding along with sole attention on regular activities of the institution.” From all of the respondents, it was clear that remaining mission-firm and model-flexible was the driving force for making this change.

The Chair of the Board of Trustees suggested that the intention for developing the President’s Leadership Team was to have individuals thinking independently but at the same time focusing together on the mission of the school. Two of the respondents also suggested that this day and age requires institutions to be “nimble” and quick to make decisions.

Vertical Structure

An important aspect of the change in leadership structure is LBC’s intention to continue realizing its vertical structure both administratively and academically. In view of the continued growth of

the institution, moving to a vertical structure was identified in the 2010 “Transformational Vision Leading to a Preferred Future” document.

When a member of the President’s Leadership Team was asked how the new structure addressed budgeting priorities that maximized the mission of the school he replied that matters like these are handled better with the new structure. The process of prioritizing is developed through shared perspectives rooted in collaboration, as opposed to simply adding more voices to the conversation.

This study group commends the President and Board of Trustees for making changes intended to advance the mission of the institution. The changes in the administrative leadership structure were clearly essential to advancing the mission of the school. After realizing the Cabinet in its present form is an evolving structure, the President recently added positions. Along with the Vice President of Finance and Vice President of Information Systems, the Cabinet now includes the Vice President of Advancement, the Marketing and Communications Director, the Athletic Director, the Associate Vice President of Human Resources, and an academic department chairperson (to be rotated annually). The President stated, “While this new administrative structure is well suited to the present, there is no doubt that continued shifting and adjusting is needed to remain a nimble organization effectively pursuing our mission.” As we continue to discern best practices in regard to hiring and structuring for effective leadership, the President continues his long-time practice of interviewing business leaders and other college/university presidents to gain their perspectives and insights.

Administrative Transitions

In conjunction with the change in the leadership structure and the new titles of Executive Vice President, Provost, and Senior Vice President of Student Experience, this study group also examined the issue of presidential succession. In keeping with MSCHE Standard 5's Fundamental Element of "clear documentation of the lines of organization and authority" (*Characteristics of Excellence*, 2006, p. 19) this study group examined the [LBC Constitution and Bylaws](#) (Appendix 3B) and compared them to the constitution and bylaws of four other similar institutions, looking for specific criteria for personnel selection and succession plans at the highest levels of the institution. These documents were helpful in a general way but not with specific details. Consequently, the Committee determined to interview the President and the Chair of the Board of Trustees to seek further detailed information. In addition, the committee interviewed one other college president, three past college presidents, and two trustees of higher education institutions. One of the trustees interviewed formerly led a highly successful business; he was therefore interviewed not only from his perspective as a trustee of his school but also from a business leadership perspective. Consequently, the Committee researched varying perspectives for response to the second research question.

The constitutions and bylaws of the various institutions were consistent, describing the duties of the president of the institution in relation to the duties of the trustees. These documents provided a general framework for leadership selection, describing the responsibilities of both trustees and the president of the institution and clarifying the relationship between these positions in the leadership selection process. While there were minor differences in wording and the way the documents were organized, the content differences were minimal.

The interviews were very helpful in further describing procedures for personnel selection, evaluating leadership in the highest positions in the organization, and considering institutional succession plans, especially as they related to the position of the presidency. The interviews rendered a great deal of information, and the responses below have been organized into themes that emerged from the data.

1) Leadership selection at the presidential cabinet, executive leadership team level

A fundamental element for MSCHE Standard 5 states that an accredited institution will have “administrative leaders with appropriate skills, degrees and training to carry out their responsibilities and functions” (*Characteristics of Excellence*, 2006, p. 19). Several people were interviewed with regard to desirable criteria and selection processes and notes were kept on their responses to be shared with the President’s Leadership Team.

The Constitution of LBC, as typical of the other colleges represented in this study, says that the President should “manage the College operations through a team of qualified administrators.” The Executive Committee of the Board of Trustees is used in an advisory role in making these selections, as indicated through our interviews. The President views leadership selection as leadership development, grooming people within the institution for positions of greater responsibility. Responses received from those associated with other institutions are consistent with this view.

2) Evaluation of employees at the highest levels of the institution

The President sees evaluation as a matter of leadership development necessary “at all levels of the institution.” As an optional analysis for MSCHE’s Standard 5 states, effective leadership of an organization includes a “review of the sufficiency and effectiveness of directors, supervisors

and administrators to carry out the functions of the institution” (*Characteristics of Excellence*, 2006, p. 20). The Chair of the Board of Trustees indicated that the President is directly responsible to the Executive Committee of the Board of Trustees and will be regularly evaluated. In turn, the President’s Leadership Team members are directly responsible to the President and he carries the responsibility for their evaluation in keeping with the fundamental elements of MSCHE Standard 4: “periodic assessment of the effectiveness of institutional leadership and governance” (*Characteristics of Excellence*, 2006, p. 19).

3) Presidential Leadership Succession

LBC has been blessed with two presidents throughout the past 37 years. Dr. Gilbert A. Peterson served the college from 1979 to 1999, and the current president, Dr. Peter W. Teague has held the office for over 17 years. The reorganization of the leadership structure with new titles of Executive Vice President, Provost, and Senior Vice President for Student Experience prompted this study group to seek clarification regarding leadership succession. Two scenarios were considered with input from the Chair of the Board of Trustees: (1) a natural and planned succession and (2) a sudden unforeseen succession.

With regard to a natural and planned succession, primary consideration was given to how an orderly, planned leadership succession might take place. In that conversation, another topic that emerged was whether to select a new president from within LBC or to conduct a national search seeking candidates not previously connected to the institution. A third topic considered was whether there is a place for the outgoing president to have a part in the selection process and to have a continuing role after the selection of the new president.

From the constitution and bylaws of the institutions reviewed, it was clear that the responsibility for selecting the next president lay in the hands of the trustees. Similar to other institutions, the job description for the Board of Trustees from the [LBC Constitution and Bylaws](#) (Appendix 3B) states, “The Board shall provide the governance of the institution by selecting, supporting, evaluating, and if necessary, removing the president.” Though this study group did not ascertain information about exact details of each school’s search, our interviews confirmed that the apparent pattern for looking for a new president occurred largely through an executive board team or a search committee within the board. One suggestion from a former college president was that the entire Board of Trustees should be kept informed on the process.

The Chair of the Board of Trustees confirmed there is a written succession plan for LBC, and it will be further developed and cyclically revisited by the Executive Committee of the Board.

While LBC has enjoyed presidential tenures with orderly transitions, in the not-too-distant past we experienced two sudden and unrelated departures of vice presidents. The president steered the institution through the voids created by the crises, thus underlining the need to have a plan in place, in the event of a void at the presidential level. During this study group’s research, one trustee from another college acknowledged they have such a crisis plan, though the plan was not well-known outside the Executive Board of Trustees. Also, one past president said he kept the Executive Board informed as to whom he thought might be potentially effective interim presidents, in the event of his inability to continue in the presidential role.

Does the outgoing president have a role in replacing himself or herself? If leadership succession includes leadership development, then a president might very well replace himself/herself by developing leaders within or connected to the organization, who then might become president.

However, as per the Constitution and Bylaws, the president does not have any formal role in selecting his/her successor.

In 1999, LBC experienced a natural and well-planned transition/succession from the former president to the current one. The college was able to capitalize on the former president's gradual transition into retirement by appointing him chancellor. His continued involvement in this role for the next few years was a tremendous asset to the current president during the transition. From this study group's research, it seems that LBC's past experience of a presidential transition was a textbook example of what should occur.

The Board of Trustees and President should continue with their stated understanding of leadership development leading to presidential succession plans, especially those relating to planned succession and crisis succession. In regard to planned succession, the recommendation is that the Board develop a five-year intentional strategy with as much detail as feasible.

Should an immediate vacancy of the presidential position occur, the Executive Committee of the Board of Trustees has a specific strategy of responsibility and steps to provide leadership on a temporary basis. This temporary leader would then serve for a longer interim period until a president could be appointed to assume the position. An informal list of potential candidates for temporary leadership at the presidential level has been developed, and it is recommended that it be reviewed regularly.

If the Board of Trustees was to once again appoint a chancellor, a specific discussion about expectations for this position would be necessary. This could lead to a very helpful functional leadership position that would support the new president.

From the documents this study group was able to examine and from the interviews with the President and Chair of the Board of Trustees, it is evident that procedures are in place to accomplish well the processes of leadership development, leadership succession, and leadership evaluation at the Cabinet level. This study group suggests continuation of present policies with the intention of maximizing the actual leadership potential of those persons now in position and with a view toward other developing leaders currently functioning in levels of the organization below that of the President's Leadership Team.

Key Strengths Noted in This Section

1. In keeping with a fundamental element of Standard 5, the examination of these issues undertaken by this study group serves in part as “periodic assessment of the effectiveness of administration structures and services” (*Characteristics of Excellence*, 2006, p. 19).
2. The President and Board of Trustees have taken positive steps in the governance and leadership intended to advance the mission of the institution.

Suggestions

1. Continuation of present policies with the intention of maximizing the actual leadership potential of those persons now in position, and with a view toward other leaders currently in developing levels of the organization, who might contribute to the college at the executive leadership level in future days.
2. Efforts at increasing the diversity of both the Board of Trustees and the Corporation should continue.

Recommendations for Growth and Improvement

1. The Board of Trustees should formalize the five- to seven-year presidential leadership succession plan.
2. The Board of Trustees should periodically review the plan that makes provision for presidential leadership in the event of an immediate vacancy in the office of president.