

# Case Study

## The Role of the Board of Trustees in Labor Negotiations – Finding a New Road Map

*This case is provided as a tool to foster discussion of important governance issues.*

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Trustee G. Jones has served as chair of the board of Hope Community College for the last five years and been on the Hope Community College board for a total of 12 years. After a contentious executive session involving upcoming labor negotiations, he reflected on the past stability of leadership at both the president and board level and contemplated how quickly things had changed.

The shift in the board had started around two years earlier, after the administration had gone through a difficult negotiation with the faculty union. Hope's president traditionally coordinated all negotiations with the union, delegating the actual negotiating to the vice president of administration and one of the partners from the college's legal firm who specialized in labor relations. The president always kept the board informed of all aspects of the negotiations.

A compromise was reached to provide a 3 percent salary increase and extend the current contract by two years. The board was split, with two members questioning the way the administration was handling negotiations and expressing concern that they were not receiving all the information they needed to make a fair judgment. Other trustees were concerned that the faculty was receiving what would amount to a 6 percent salary increase over a two-year period during an economic downturn. To complicate matters, the faculty approached the board to ask that their union leadership regularly meet with the board to ensure that trustees would understand its concerns. After significant deliberation and by a simple majority of five trustees, the board decided to follow the administration's recommendation. The request from the union was dismissed, and the board reiterated that all communication must be through the president and his administration. While the remaining trustees respected the board's decision, they openly expressed their dissatisfaction.

The following year, a long-term trustee lost an election and was replaced by a new trustee whose campaign platform was to strengthen relationships with the union and ensure that it was represented within the board. From that point on, the board changed dramatically. A new tension and a growing mistrust emerged, and it became fairly common for individual trustees to question the administration during the board's public meetings. Individual trustees also indicated that they received information directly from reliable sources that conflicted with the information being presented to the board.

As chair, Jones had hoped that the passage of time would allow things to settle down and the tone of the board meetings to become more positive. In reality, his role as chair had evolved to that of a referee between camps. He could no longer ignore the changes that had taken place within the board, particularly since the administration

was getting ready to initiate the next round of negotiations with the union as the contract extension was coming to an end.

In executive session during the most recent board meeting, the president and his team presented their strategy for initiating negotiations with the faculty union and laid out some possible items for negotiation, including health benefits. The college's attorney reminded the trustees that the board was meeting under executive session to discuss privileged and confidential information and that the content of these discussions could not be divulged to other parties. This added to the tension, since some trustees felt the remarks were directed towards them.

After a considerable argument, one trustee presented the option of the board negotiating directly with the faculty. A discussion ensued regarding the appropriate role of the board in labor negotiations. Three distinct philosophies were expressed:

- Opinion 1. Handling the labor negotiation is an administrative function and the responsibility of the president and his administration. Direct involvement by the board would constitute micromanagement.
- Opinion 2. It is part of the board's fiduciary responsibility to protect the financial investment made by taxpayers, and therefore the board should not delegate this authority to the administration.
- Opinion 3. The board, as representatives of the community, have a better idea of the community's needs and would be more effective by having a board liaison join the negotiations and facilitate bringing the two parties together.

### DISCUSSION QUESTIONS:

1. The chair felt that a new roadmap to conducting negotiations was needed. Who should determine the road map?
2. What is the appropriate role of the board in labor negotiation?
3. What should the chair's top priorities be? (e.g., building consensus among the board, protecting the administration, identifying new approaches, etc.)
4. What should the board know about labor law and fair practices?
5. Could this be your institution?



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