



Who Governs US Nonprofit Private Universities? An Analysis of Board Composition

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ABSTRACT

Private universities' governing board members, commonly described as "the guardians of universities", play a vital role in directing and connecting the universities with external organizations. However, despite their important roles, we know very little about who are board members. Hence, this study seeks to bridge that knowledge gap by examining the governing board's demographics, more specifically their social backgrounds, professional affiliations, managerial positions, and political involvement. Fifteen US non-profit private universities with the largest philanthropic donations are selected for this study. In addition to the gender inequality in board representation, our main finding is that people with business backgrounds are pre-dominant in non-profit university boards. This provides empirical evidence for the much-discussed affinity between higher education and businesses, and thus urges scholars, policymakers as well as the public in general to rethink the role of higher education.

1. INTRODUCTION

In 2018, attributes of university leadership became a public policy debate. The debate sparked when Professor Truong Nguyen Thanh failed to get the Vietnam Ministry of Education and Training's (MOET) approval for his university presidency, a position he was nominated by the university board (Phuong, 2018). According to MOET, Prof. Truong, a renowned researcher at a US university, was overqualified in terms of academic backgrounds, but his managerial experience fell short of the position's requirement. While many sided with the MOET's legally grounded decision, others argued against the experience-related requirement, and proposed this requirement be lifted (Trang & Tung, 2018).

To contribute to this fascinating public debate, we have conducted this current study to examine who are private university leaders. However, we decided to focus only on non-profit universities for two main reasons. First, "Prof. Truong's incident" occurred at a non-profit university - although its non-profit status was self-claimed. Second, there remain many non-profit myths in Vietnam. Since the mid-2000s, when a non-profit university was first explicitly mentioned in a government's resolution, the Vietnamese general public, especially noted scholars, have held a high opinion of this model. In general, it is considered a humanistic model which is also of high quality. However, until now, these beliefs lack empirical evidence.

Currently, the Vietnamese government has licensed only 3 non-profit universities (VinUni, Fulbright University Vietnam, and University of Management and Technology). Therefore, we turned to the US as our case study. The

United State is the homeland of the most successful non-profit universities - many of which are world-class. It is also the most-studied case and thus could offer many “lessons” for Vietnamese nonprofit universities.

This current study could serve academics, practitioners, as well as policymakers in different aspects. In general, to understand university strategies thoroughly, we must look deeply into the board members’ networks. Many studies (e.g., Han et al., 2017; Simoni & Caiazza, 2012; Withers et al., 2018; Zona et al., 2018) have confirmed the copying practices among organizations that are interlocked through leadership - for example, a board member with corporate experiences will more likely treat the university like a business.

This paper is structured as follows. First, by reviewing extant studies on university boards, we will highlight the gap of knowledge about private boards. In the second section, resource dependency theory will be laid out as the main theoretical torch that will guide us to the research question. Then, we will discuss our sampling technique and data collection, as well as offer a brief descriptive summary of the fifteen sampled institutions. Afterwards, we flesh out some findings and re-connect them to the literature.

2. LITERATURE REVIEW

Existing studies on nonprofit private university boards

Within the higher education governance literature, university boards are relatively well-studied. In the 1950s, during the rapid expansion of public colleges and universities, higher education governance - more specifically the autonomy of American academic institutions - concerned many people. Back in 1959, Donovan, the then president of the University of Kentucky, in his defense against “the vanishing university trustee” at public universities, stated that it is “a false doctrine that a state college or university is just another agency of the state and that its administration should be handled in the same manner as any other state agency” (Donovan, 1959: p. 261). Scholars like Clark (1983) and Levy (1979) continued to look at university boards from this control - autonomy dynamic.

In private universities, governing boards are key actors charged with ensuring that the university is collaborating well with external organizations. For instance, governing boards make ultimate decisions on which programs should be opened and which closed although such proposals usually come from the departmental levels. The boards principally make decisions based on their consideration of both internal matters (e.g., whether those programs strengthen or derail university visions), and external conditions (e.g., whether there is sufficient demand to sustain those programs) (Hendrickson et al., 2013). Given their unique role of balancing internal proposals with external conditions, they are often called “gate-keepers”.

In addition to acting as a buffer between the organization and external environment, private university board members also actively connect their universities with external pools of resources. One area that board members play the most active role is endowment-seeking (Bastedo, 2006; Hendrickson et al., 2013; Kezar, 2006; Olson, 2000). To that end, they usually approach potential donors and philanthropists and actively build and maintain the relationship with them. In those cases, the interpersonal and professional network of board members is a valuable asset of the university and an important criterion for him or her to be elected to serve in the board.

Recent studies have examined university boards more closely. For example, Bradford et al. (2018) examined the structure of Colombian private trustee boards and found that over two thirds of the boards have set up assemblies that consist of many people that have tenure to serve in the board for life. The implication of this is that although private university boards seem to be democratic (it is elected, and usually self-perpetuating), they are in reality, significantly influenced by certain individuals with unchallenged power.

Despite the growing interests, and consequently the growing amount of research on university boards, we still know very little about their individual levels. Therefore, our principal research question is: “*Who - most notably in terms of professional backgrounds - are private university board members?*” In fact, there are a few studies that look at board members. For example, the Association of Governing Boards of Universities and Colleges (2016) has, for a few decades, continually conducted surveys on university boards, public and private. Though large-scale, those surveys provide only trustees’ race, age and gender. Phrased differently, our research question remains a very under-studied one.

Our current study is, to the best of our knowledge, most similar to two existing studies on university board interlock. One study examined how many research-intensive university board trustees are simultaneously corporate board members (Pusser et al., 2006). The other posed the same question, but looked at a different type of university,

i.e. land-grant universities - almost all of which are public (Woodward, 2009). Both studies seem to point to a similar, yet peripheral, conclusion: business people are well-represented in university boards. As seen below, this is also our main finding.

Resource dependency theory

To address the research question, we rely on resource dependency theory, which describes organizations as open systems that continuously exchange resources with other organizations and the external environment (Buckley, 1967). Proponents of this theory posit that organization leaders are key actors who are charged with ensuring the resource exchange process runs smoothly (Pfeffer & Salancik, 2003). More specifically, he or she decides which and how many resources the organization needs to absorb, simultaneously which and how much the organization needs to produce. In addition to playing the gate-keeper role between the organization and external environment, those leaders also actively connect their organizations with pools of resources to expand the organizational boundaries (Hillman et al., 2000; Johnson et al., 1996; Pfeffer & Salancik, 2003). Hence, the personal and professional network of a leader is an invaluable asset of the organization (Bastedo, 2006; Bowen, 2012; Kezar, 2006); it's an important criterion for him or her to be selected as a leader. This claim is also confirmed by Hillman & Dalziel (2003) who developed the concept of board's capitals that include human capital (e.g., experience, expertise), and relational capital (e.g., network and connection with external organizations). Hillman & Dalziel (2003) also added that resource dependency theory is a suitable theory to investigate how board members provide connections to key potential donors, bring technical expertise and provide strategic direction for institutions.

Resource dependency theory is commonly used in higher education studies that focus on network analysis (e.g., see Kholmuminov et al., 2019; Taylor, 2022; Ye et al., 2020; Zha et al., 2019). For this current study, the implication of this theory is that university board members are those selected in such a way that they can steer the strategies and activities of the university towards the institutional stated missions, and simultaneously can utilize their networks to benefit the university. Those networks - the focus of this study - should include ones with businesses, politics, social foundations, academia, etc.

It's necessary to point out one important assumption when resource dependency theory is applied in higher education studies. We assume that board members utilize their external networks to benefit the university, instead of taking advantage of their positions as a university board member to benefit their external organizations. In other words, member A is not trying to connect with member B, who is also in the same board, merely for lucrative business deals that their organizations are involved in.

3. MATERIALS & METHODS

Why focus on endowment size

The subject of this study is the professional networks of trustees at US private nonprofit universities. As the resource dependency theory implies, trustees may play an active role in connecting their universities with external pools of resources that are important to the universities' development. Hence, the examination of such resource pools will reveal trustees' networks.

Among the three main sources of revenues of nonprofit private universities - i.e., research grants, tuition fees and endowment - faculty members are the main generator of the first whereas trustee boards have important influence on the remaining two, especially the last one. Although trustee boards at nonprofits have the ultimate decision on tuition level and enrollment targets, they face significant constraints from students and the market - more specifically the ability to attract potential students. In other words, tuition has very little to do with trustees' interpersonal network. One chief role of board members of non-profit universities is to help the institution to gain more donations and grow the endowment. This expectation is also widely echoed in many extant studies on university boards (Hendrickson et al., 2013; Olson, 2000). Simply put, by looking at the total amount of revenue generated from endowment, we can see some manifestations of the networks with external organization that board members possess. In other words, endowment is the fundamental criterion to select our sample.

Sample selection

Samples of this study are trustees of 15 nonprofit private universities in America. To select those subjects, we first looked at private nonprofits listed by the Integrated Postsecondary Education Data System (IPEDS), and then looked more closely at their endowment.

According to IPEDS, there were 1,366 non-profit private universities in the US in 2016. However, not all of these are included in the population of this study; many are excluded. The first group (135 institutions) that are not counted in the study population are those having no endowment in the five-year period from 2011 to 2016. The second group, more difficult to identify, are outliers - those whose endowment saw dramatic changes in a particular year while remaining stable during all other years. Four such outliers are detected in the database, the most significant of which is Yeshiva University (New York City). During the 2011 - 2016 period, its endowment shrank by a half, from over 900 million. However, almost all of this drop occurred in 2016 when its record-hitting loss was almost 430 million. The other three outliers are Case Western Reserve University (Ohio), Emmanuel College (Georgia) and School of the Museum of Fine Arts at Tufts University (Massachusetts). So, the effective population for this study is 1,227 nonprofit private universities that had relatively stable endowments between 2011 and 2016.

To enhance the generalizability of this study, we tried to maximize the variation in the sampled institutions. To that end, in the next stage, we divided all the 1,227 institutions into three groups based on the changes in endowment size - High, Middle, Low. We then selected the top five institutions in the High group, the middle five in the Middle group, and the lowest five in the Low group. Since the number of institutions in each group is odd (409), it posed no challenge to select the middle five institutions in the Middle group. All fifteen sampled institutions are listed in the table below.

Table 1. List of sampled institutions

Institution	Code	Group	Endowment		
			Net Increase	2011	2016
Yale University	A		6,238,762,000	19,174,387,000	25,413,149,000
Stanford University	B		5,895,524,000	16,502,606,000	22,398,130,000
Princeton University	C	High	4,540,884,582	17,162,603,000	21,703,487,582
University of Pennsylvania	D		4,133,334,000	6,582,030,000	10,715,364,000
Harvard University	E		3,653,014,000	32,012,729,000	35,665,743,000
Georgian Court University	F		4,720,365	44,246,103	48,966,468
Albion College	G		4,718,977	168,354,268	173,073,245
Oakwood University	H	Middle	4,714,297	8,514,297	13,228,594
Southwestern Law School	I		4,679,681	9,756,734	14,436,415
North Central College	J		4,628,828	94,092,598	98,721,426
Sweet Briar College	K		-18,715,790	93,811,192	75,095,402
St. Joseph's College-New York	L		-19,556,000	45,452,000	25,896,000
Hawaii Pacific University	M	Low	-26,063,757	81,838,767	55,775,010
Southwestern University	N		-29,040,009	268,982,899	239,942,890
Agnes Scott College	O		-36,189,702	259,283,516	223,093,814

Descriptions of the sampled institutions

The samples in this study are very diverse in various aspects. In terms of research activities, they include both research-intensive universities, baccalaureate colleges and professional schools - according to Carnegie Classification. Most of the institutions apart from the top five are liberal arts colleges and simultaneously were founded by religious institutions. Among those, Oakwood University seems to maintain the strongest tie to its sponsored establishment - the Seventh-day Adventist - by explicitly stating its mission as “to transform students through biblically-based education for service to God and humanity.” In addition, it is also a historically black

university with a very long history - its founding is dated back to 1896. To add to the diversity of the samples are two women's colleges - Sweet Briar College and Agnes Scott College. Such significant diversity of samples increases the generalizability of this study.

Data collection & analysis

In total, there were 472 trustees in the 15 sampled institutions. We focused on five main pieces of information about those trustees: (1) name, (2) gender, (3) whether he/she is an alumnus of the institution, (4) the main external organization that he/she is affiliated with, and (5) the primary industry of the external organization. The information was collected from official websites of sampled institutions and displayed as descriptive statistics. Missing information was then searched and triangulated from google sources.

To classify the primary industry of the trustees' external affiliations, we used the Standard Industrial Classification Code (SIC) which was designed in 1937 and has been now used widely by various US government departments and agencies and even in many countries. Originally, SIC has eleven main categories: (1) Agriculture, Forestry and Fishing, (2) Mining, (3) Construction, (4) Manufacturing, (5) Transportation, Communications, Electric, Gas and Sanitary service, (6) Wholesale Trade, (7) Retail Trade, (8) Finance, Insurance and Real Estate, (9) Services, (10) Public Administration, (11) Nonclassifiable. However, to incorporate organizations that are not business enterprises, we specified an eleventh category (Nonclassifiable) to include five subcategories: academic, nonprofit, politics, religion, and retired people. So, in total, there are fifteen specific categories of trustees' external affiliations.

4. RESULTS AND DISCUSSION

Role of board of trustees

In general, quite surprisingly, and somewhat contrary to what has been depicted in the literature (e.g., Hillman & Dalziel, 2003; Olson, 2000), not all of the institutions emphasized the financial management role of the trustee board. In fact, only Stanford and Princeton did: "the Board of Trustees is custodian of the endowment and all the properties of Stanford University" (Stanford's Board of Trustees) and "The Board has charge and control of the finances and funds of the University" (Princeton's Board of Trustees).

Likewise, though highlighted in the literature, the board's role of selecting university president was not mentioned in the Constitution of all institutions in the High group. Harvard and Princeton did not state explicitly this role on their website. Although the remaining three institutions did mention the president selection role, the constitution of the University of Pennsylvania highlighted this role most boldly. The first two sentences of the section that described its Board of Trustees read: "The trustees delegate the responsibility for the day-to-day management of the University of Pennsylvania to the administration and, in particular, to the president. For this reason, one of the most important responsibilities of the trustees is the selection, retention, and replacement of the president".

Relatedly, the relationship between the university president and board of trustees had diverse dynamics. Firstly, Stanford illustrated the typical linear hierarchical dimension - from the board down to the president - that is often described in the literature (e.g., Bowen, 2012; Fox Garrity, 2015; Hermalin, 2004): "The board *delegates* broad authority to the president to operate the university and to the faculty on certain academic matters" (italic added). Secondly, and contrastingly, Yale showed the opposite direction when regulating that the trustee board elected the university president who simultaneously led the trustee board. This type of power dynamic between the board and university president is rarely mentioned in the literature on institutional governance and trustee board of nonprofit universities. Lastly, Harvard presented an interesting case where the president was not subordinate to the board. Harvard governance structure comprised two boards - Corporation board and Overseer board; the president was a member in both. The board of Overseers played a similar role as the trustee board elsewhere. However, it was the Corporation board, which sided with the president, supported and discussed with the president on important matters, that consolidated the president's power. In other institutions, the lack of a similar support base made the president's authority much weaker and subordinate to the board. Although the Board of Overseers was larger, the Corporation board almost doubled in size after the strategic plan was approved in 2010.

Size of trustee boards

In general, the board of institutions in the higher endowment groups was larger in size than those in the lower groups - also a finding revealed in earlier studies (e.g., Olson, 2000). On average, the institutions in the High

endowment group had over 36 trustees while the numbers of trustees in the Middle group and Low group were 32 and 27, respectively.

However, the board size variation within each group seems to undermine the hypothesis that the more trustees an institution had, the larger endowments were associated. First, the variation was most significant (standard deviation being roughly 13 members) in the High endowment group which consisted of both the biggest and smallest boards in the sampled institutions - Yale had only nineteen trustees (smallest) while University of Pennsylvania had fifty-three members (biggest). Second, the variation was more significant in the Low group - with the standard deviation being roughly five - than in the Middle group (standard deviation being 6 members).

Gender composition of trustee boards

In general, females are under-represented in private nonprofit university boards. Among the 472 trustees, only 319 had their gender information, and only 138 of whom (roughly 37%) were females. The percentage of female trustees varied among different groups of institutions, as shown in Chart 1. That in the Middle endowment institutions was the lowest: among 50 trustees with gender information, only 15 (or 30%) were females. The percentage in the High and Low groups was approximately 40% and 58% respectively.

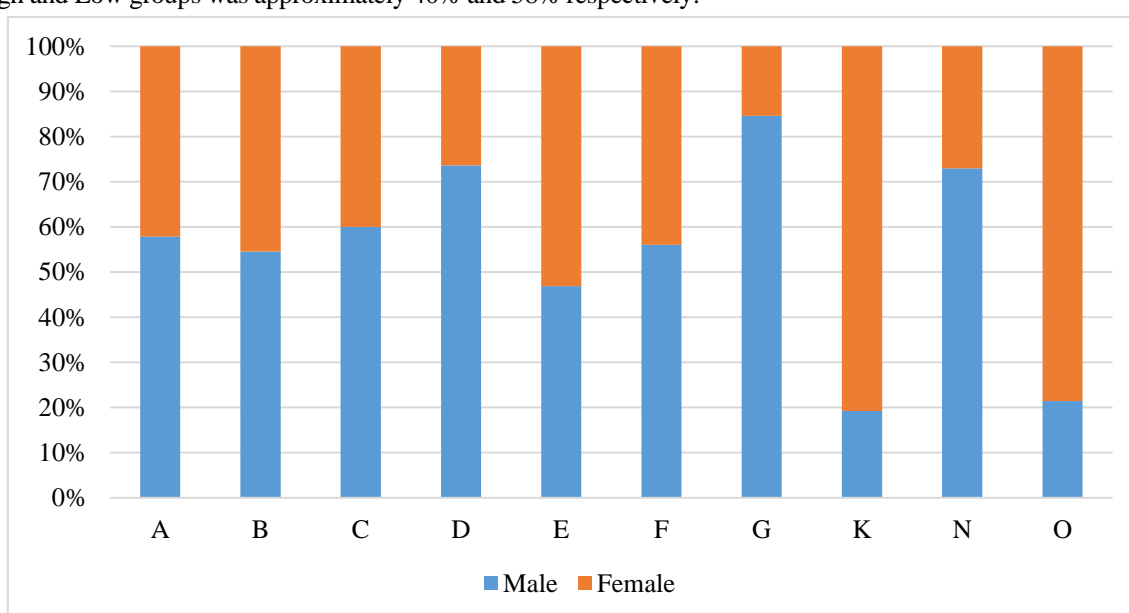


Chart 1. Gender composition in trustee boards

However, the unusually high proportions of female trustees in the Low group may be due to the fact that this group includes two women's colleges, each of which had over two thirds of trustees who were females. Although there is no requirement that trustees of women's colleges be female, it is highly likely that such gender preference did exist, given that by definition, women's colleges are those that almost exclusively serve female students. Seeing from this definitional perspective, we can still see the persistence of gender inequality against females: in colleges where almost all students were females, male trustees still accounted for roughly a quarter of the trustee board. The only truly outlier in terms of gender composition in this study was Southwestern University. Among 13 coeducational institutions, the trustee board of this university had the highest ratio of male: female (27: 9).

Alumnus composition of trustee boards

Unlike the gender composition, there was no general pattern of alumnus composition that applied to all three groups of institutions. While almost all (174 out of 177) trustees of the High endowment institutions were alumni, on average, the percentages of alumni serving in the board of the remaining two groups were only slightly higher than 55%.

The high percentage of alumni in the boards that had the highest net increase in endowment may urge us to think about the correlation between alumni representation and endowment size. This is more striking when the charter of universities in the High endowment group did not require, or even preferred, that trustees be alumni. Although the

limited scope of this study does not allow us to justify such a relationship via statistical analyses, and although previous studies did not investigate this relationship, there are some historical accounts and social theories that may help indirectly illuminate the correlation. Thelin & Trollinger (2014) noted that alumni associations were an institutional innovation in the early 1900s and since then have mushroomed throughout American higher education. Those associations are main organizers of many regular social events that gather hundreds of alumni of many generations. In addition, they “would use affiliation with Alma Mater as a base for [...] annual fund-raising campaigns” (p.25). In other words, the strong connection with alumni may increase the likelihood of successful endowment campaigns, and having alumni in the trustee board is a good way to create and maintain such connections. From a sociological perspective, the correlation between alumni representation and endowment size could be explained by the theory of social exchange, which posits that one fundamental factor that leads to the success of fund-raising campaigns is the alignment between the interests of donors and that of the recipient organizations. “The natural alignment of interests and values between colleges and their former students are evident in a society where institutional affiliations are valued and deemed part of one’s identity” (Thelin & Trollinger, 2014: p. 62). This is obviously the case of more elite and reputable institutions. In summary, institutions’ eliteness and a good representation of alumni in the trustee board are two critical factors that influence the success of endowment-seeking campaigns. The institutions in the High endowment group had both factors.

Primary industry of trustees’ affiliated organizations

Three pillars of nonprofit private universities

Among 472 trustees in the fifteen institutions, only 437 had information on his/her external affiliation. In general, the trustees in this sample of institutions were affiliated with other institutions that were nonprofit (M6), academic (M1) and finance, insurance and real estate industry (M4) backgrounds. In total, people from these three fields accounted for roughly a half (207/ 437) of total number of trustees in this study.

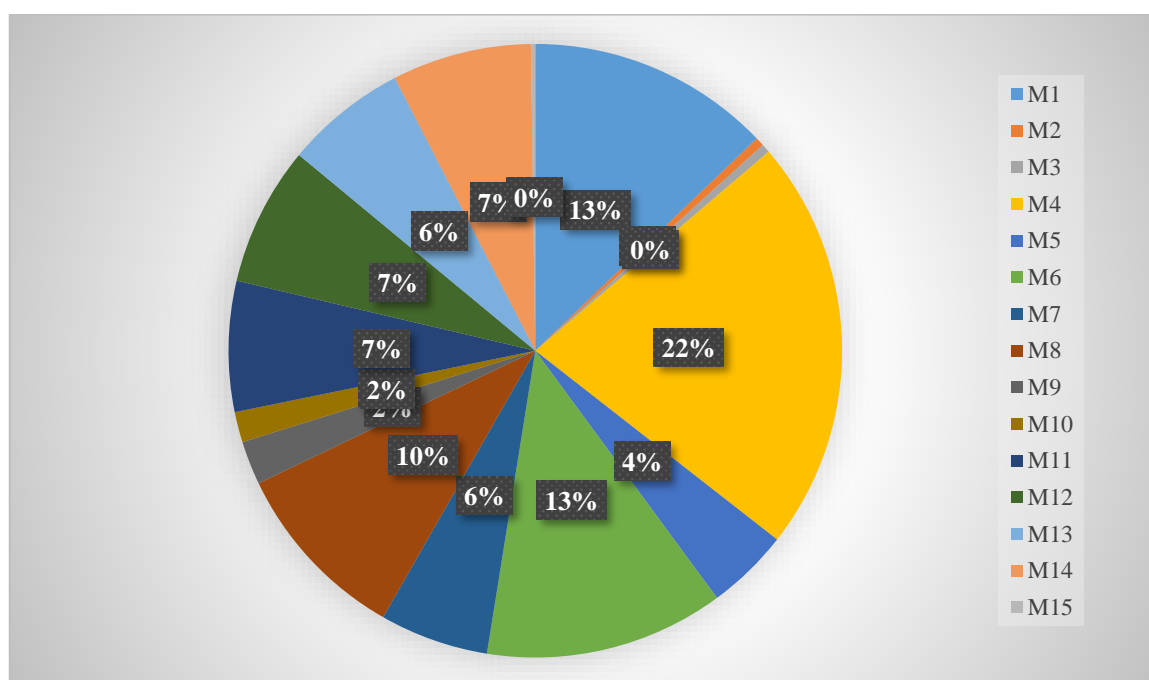


Chart 2. Field composition of trustees’ external affiliations

Table 2. Codes of the primary fields of trustees’ external affiliations

FIELDS	CODE
Academic	M1
Agriculture, Forestry and Fishing	M2

Construction	M3
Finance, Insurance and Real Estate	M4
Manufacturing	M5
Nonprofit	M6
Politics	M7
Religion	M8
Retail	M9
Retired	M10
Consulting service	M11
Law firm	M12
Other service	M13
Transportation, Communications, Electric, Gas and Sanitary service	M14
Wholesale	M15

- Nonprofit field:

Nonprofit field is diverse, including both foundations that exclusively fund non-commercial projects, and museums or art galleries. This study counted an institution nonprofit if it was classified as a nonprofit by the US law - more specifically by the Internal Revenue Service. Each trustee board in this study had at least one member from the nonprofit industry, with Stanford having the highest number (9) of members from this background. On average, the boards in the High group had more members (roughly 9) with nonprofit backgrounds than board in the Middle (2 members) and Low groups (4 members).

- Academic field:

The trustees with academic background were also common, having representatives in 14 out of 15 boards. One could have a speculation that the institutions in the High group had better representation of academics, since all of them were academically elite. At the first glance, this seems true - on average, the boards in the High group had 5 academics, while the boards in the two remaining groups had fewer than 4 academics. However, the intra- and inter-group variations undermine this conclusion. Firstly, the variation in the number of academics in the boards within the High group (standard deviation being 4.5) was greater than that in the Middle (standard deviation being 2) and Low group (standard deviation being 2.2). This high standard deviation indicates that academics in the High group were not dispersed equally but did concentrate on some boards while being more thinly populated in others. This is justified by the fact that the High group had both the board with highest number of academics (Harvard, 11 members) and the board with lowest number - Yale was the only institution having no academics in its board.

Secondly, though the average number of academics in the High group was higher, those boards, as shown above, were also larger, which lowered the percentage of academics in the board. In fact, the proportion of academics in the High-group boards was the lowest - only 12%. That percentage was higher in both Middle and Low groups.

- Finance, insurance and real estate industry:

The trustees with M4 affiliation were as common as academics in that only one board did not have a trustee associated with M4 - Oakwood University, which was strongly religiously-affiliated.

Arguably, the trustees with M4 background may have more significant influence in university boards than other business trustees. This influence comes from various sources. First, it, one of the biggest industries in the US, taking up 6.6% of the national GDP in 2012, is the most profitable industry. In 2013, its profit accounted for 37% of the profits from all other sectors, despite the global financial crisis. Those proportions are already underestimated, since many nonfinancial enterprises run their own financial units. Second, M4 has a strong connection with politics and politicians. In 2016, M4 was the most active lobbyist, contributing over half billion to political campaigns at all

levels, from both parties - only outnumbered by the health sector. However, at the federal level, which is much more relevant to nonprofit privates, M4 is “far and away the largest source of campaign contributions to federal candidates and parties” (Glorioso, 2016).

The influence of M4 is also reflected through its representation in nonprofit privates’ boards. Not only was M4 the most represented sector in the sampled boards - ninety-five trustees were affiliated with M4, accounting for more than a fifth of all trustees - but it was also by far the most represented sector: the second most represented sector in the sample (nonprofit) had only 55 trustees, less than 60% of M4. On average, each board had 7 trustees with M4 background.

Somewhat echoing Sassen (2001), who claimed that M4 has significantly contributed to social inequality, especially in big cities, this study finds a strong connection between trustees with M4 backgrounds and most-endowed institutions (simultaneously elite universities). First, among 95 trustees associated with M4, 68 (roughly 72%) were serving in the High endowment institutions. In fact, no other institution had more trustees with M4 background than *any* of the five institutions in the High group. Second, not only M4 trustees concentrated much more in the High-group boards, but within those boards, M4 trustees also far outnumbered those from other fields. In total, 41% of trustees in High-group boards were associated with M4, more than the following three most represented groups (academics, nonprofit, and Transportation, communications, electric, gas & sanitary service) *combined*. The University of Pennsylvania had the highest representation of M4 trustees - approximately 60% of their trustees were from this industry. This institution was followed by Stanford where seventeen out of 32 (over 53%) trustees were associated with M4.

In brief, given the nonprofit nature of academic institutions, the high representation of people from nonprofit and academic backgrounds is easy to understand whereas the fact that people affiliated with M4 were even better-represented in those boards needs further investigation.

Trustees with business backgrounds

Finance, insurance and real estate (M4) was not the only business field that was well represented in the examined trustee boards. Among the 437 trustees whose information on his/ her external affiliation was available, over half (251 over 437) were from business fields. Generally speaking, the nonprofits’ boards were dominated not by people from nonprofit fields, but from business backgrounds.

All the institutions had board members with business backgrounds. However, the variation in terms of the number of business people greatly varied among boards. Oakwood University, which maintained a strong link with its founding church and which emphasized in its mission statement the biblically-based education and service to God, had the fewest business people: two members. On the other side of the spectrum, University of Pennsylvania, an elite institution, had 40 businessmen in the board. On average, there were 17 people with business backgrounds (among 29 members) in nonprofit private university boards.

More than just being represented in all boards, trustees with business background did hold the majority seats in two thirds of the boards, or accounted for at least 40% of membership in 13 out of 15 boards. In addition, the concentration of business people was more significant in the High endowment group. On average, the boards of the High endowment group had 22 business people while only 14 and 15 in boards of Middle and Low groups respectively.

Trustees with non-business backgrounds

However, the higher number and concentration of trustees with business backgrounds didn’t necessarily underestimate those from non-business fields, i.e. nonprofit, academic, religion, politics and retired people. First, while trustees affiliated with M4 were the most populous, the second and third most were those with non-business backgrounds - academics and people from nonprofit organizations respectively. Moreover, though fewer than business people, those from non-business fields also had representation in all boards in the fifteen sampled institutions. On average, 12 out of 29 members of a board did not have business backgrounds.

Secondly, compared to business people, those without business backgrounds were more equally dispersed. There were only 5 boards where non-business people held the majority seats, and only 2 of which had more than 60% of trustees with non-business backgrounds while the respective numbers for boards dominated by business people are 15 and 7. Although these figures do not convincingly demonstrate the wider dispersion of non-business people,

standard deviations do. Standard deviation of business people was nine, much higher than that of non-business people (5.7). This suggests that the degree of domination of trustees with business background in these institution boards was more significant. Phrased differently, where business people dominated the board, they greatly did, and where they didn't dominate, they were significantly under-represented.

5. CONCLUSION

This study concerns professional backgrounds of private nonprofits' trustees. This concern originated from the lack of studies of university boards from individual level of board members, and is rooted in the resource dependency perspective. It finds that in general, nonprofit boards are dominated by people with business backgrounds, especially those from FIRE (Finance, Insurance, Real-Estate) field. On the one hand, this finding is striking, because it reveals the significant influence, even domination, of business people in non-business institutions. On the other hand, this finding only provides empirical evidence for a phenomenon already discussed long ago (for example, see Slaughter & Rhoades, 2010). Also, this current study confirms the ethnographic study conducted by Ball & Junemann (2012) that revealed how education "entrepreneurial philanthropists" influence education governance.

However, the presence of business people in private boards should not be overestimated, because those from nonprofit fields are also present in all boards. On the one hand, those people seemed to be under-represented in boards - they only held the majority seats in a third of boards in the sample. On the other hand, the percentage of those people didn't vary much among boards. Hence, when examining the presence of people with business and non-business backgrounds together, we can conclude that while academics and people from nonprofit fields are key pillars constructing academic institutions, business people add more "decorative" yet crucial materials that can differentiate one institution from another.

Our study contributes to demythologizing the non-profit university model. One common assumption by the Vietnamese public is that non-profit universities are intrinsically more humanistic and of better quality than for-profit ones. However, as this study reveals, even in the US, where the non-profit sector is perhaps most developed, the distinction between nonprofit and for-profit universities are not always clear. Business people are predominant in both nonprofit and for-profit boards. Weisbrod (1998) also pointed out the commercialization of the US' non-profit sector. In Vietnam, the non-profit university model seems to need fundamental adaptation. Many people believe that the culture of philanthropic donation, which is essential for the non-profit model, has not taken roots yet in Vietnam. Others point to the lack of tax-incentive policy as the main reason why the non-profit model is still immature. Regardless, we argue that the US' non-profit university model should not be considered the ideal for Vietnam's private higher education.

One main limitation of this study is its limited scope. This disables us to make conclusions about the correlation between the presence of business people and the size of endowment, the academic excellence of the institution etc. Hence, future studies can expand the sample size to make such correlation conclusions. Another direction for future studies is to look at the professional background of trustees in other nonprofit fields, especially the health industry. The domination of people from business backgrounds may cause some isomorphism between non-profit institutions and business institutions. Policymakers should be alerted by this isomorphism, because all nonprofit institutions receive state's subsidy, mostly in the form of tax incentives. So, if nonprofits increasingly copy business practices, then subsidy policies should also be re-considered and revised.

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