

A photograph of three business professionals in a meeting. On the left, a woman with short blonde hair, wearing a tan blazer, is looking towards the center. In the middle, a man with glasses and a beard, wearing a dark blue shirt, is looking towards the right. On the right, a woman with dark curly hair, wearing a light blue shirt, is smiling and gesturing with her hands. The background is a bright, modern office with large windows.

AGB|Consulting

Arkansas Department of  
Higher Education

2019 Trustees  
Conference

# Translating Fiduciary Duties into Effective Board Conduct

# AGB's Irreducible Formula

Good Board Governance = Right Board  
Composition + Right Focus + Right  
Relationships

All leavened by the right behavior

# Right Composition: Who is on the Board

- Subject expertise: Financial, legal, operations
- Connections to key communities: Employers who hire students/graduates; communities from whom students come
- Maybe donor community and other education community
- Diversity of skills, backgrounds, communities, interested—but all dedicated to the welfare of the institution

# The Culture of the Board

Unique culture of each board is shaped by the interplay of the personalities of board members, the relationship with the president, and the wider culture and circumstances of the institution.

# A Good Board is:

1. Diverse
2. One where all members are prepared and participate.
3. One where all members are committed to the institution.
4. One where all members know and respect their roles and responsibilities.

# The Focus of the Board

- Looks at the Big Picture (Mountain tops, not grass tops)
- Takes the Long View (The future but also today)
- Tends to the big issues and does so efficiently
- Gets the information it needs to make effective and informed decisions (Don't be passive)

# Strategy vs Execution Oversight vs Management

- The Board strategizes
- The Board advises
- The Board debates and approves
- The Board oversees
- The Board asks the right questions
- The Board ensures accountability
- The Board does not run the institution or its programs (nor does any one member)



# Relationship with President is A Key to Success

- Close, supportive but not obsequious
- Healthy, transparent, collaborative
- Telling the truth—by the president and by the board
- No surprises

relationships among board members  
must be founded on mutual respect and  
trust

- Get to know one another
- Listen to one another

# The Board's Tools

- The Board is one, a collective unity
- Board development (about being a board, about this board, about the institution)
- Board self-reflection and self-evaluation
- Setting expectations for and with the president
- A 30,000 foot view (mountain tops and not grass tops)
- Strategic Plan (Purpose—Mission—Goals—Progress)
- The president is your agent, your executive, and your connection with the institution
- Governance, not management

# Building an Effective Board Culture

- The Board and the president are a team
- Board members must be engaged—doing homework, being prepared, participating actively but constructively and respectfully
- Board members honor one another's expertise and ideas
- Honoring confidentiality
- Making strategic and timely decisions
- Speaking publicly with one voice (usually through the chair)

# Do Your Homework

- Committees
- Areas of Importance Vary by Institution but all include:
  - Finance
  - Academic Programs
  - Student Recruiting
  - Student Progress
  - Effective and Efficient Operations
- Important Areas for Some institutions
  - Research
  - Health Care
  - Economic Development

# Board Members Should Not:

- Ask Big Favors of President
- Have conflicts of interest
- Prejudge based on outside comments
- Engage in special interest pleading
- Act as if the individual is the Board
- Reveal confidences
- Speak for the Board (unless the chair or designated by the chair)
- Micro-manage

# Board Members Should:

- Be prepared
- Be engaged
- Be respectful
- Remember why you are there: to support, advance, and protect the institution, its purpose and its students (today and into the future)
- Do what would make their mothers proud of them

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