

# BOARDS THAT LEAD

Karen Fenske  
StratPoint Solutions  
February 17, 2012

This presentation was funded in part by the Investment Agriculture Foundation of BC through Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food (ACAAF) program.

*Funding provided by:*

Canada 



**COMB**

BC Council of Marketing Boards

## Centre for Organization Governance in Agriculture (COGA)

### ***“Boards That Lead”***

StratPoint Solutions, Karen Fenske

#### ***Welcome***

#### ***What do Directors do?***

#### ***What do Boards do?***

- Boards Set the Course
  - The Vision & Mission
  - The Big Picture: Strategic Plan
  - The Life of the Board: Annual Board Workplan
  - The Operations Plan
  - Governance Manual & Code
  - Officers Job Descriptions
  - Policy: What is the big deal?
  - Board Evaluation

#### ***The Board/Staff Partnership***

#### ***Significance to the Whole & You***

- Expertise, Values & Balance
- Natural Preferences
- Group exercise

## WHAT DIRECTORS DO (Boards that Lead Modules, StratPoint Solutions)

### DIRECTORS ARE LEADERS

The Board's main role is to lead the organization by determining direction (including being creative about growth) and analyzing the organization for organizational effectiveness.

*As a member of the Board you are expected to:*

1. **Define Values, Vision, and Mission** by which the organization will function.
2. **Jointly work to create a strategic plan** to ensure goals and decisions move the organization towards achievement of its vision.
3. **Develop policies** that will influence and control present and future decisions which support the strategic plan.
4. **Evaluate the organization** in general on an annual basis.
  - Are you accomplishing what you set out to?
  - Are activities aligned with the values, vision and mission?
  - Is what is being done not only the right thing but is it worth the efforts?
  - Is it worth the effort the way we are doing?

### **A Difference of Opinion**

*"Plans and structure suffocate our operations and dreams"*

vs

*"The security of expectations and boundaries releases human beings to focus on being creative, innovative, harmonious and confident."*

### DIRECTORS ARE STEWARDS

The Board also holds the role of ensuring appropriate human, financial and physical resources are available for the organization to fulfill its' mission and experience sustainability. The level of responsibility for the following areas will be contingent on the size, structure and resources available to the organization.

*As a director you are stewards of:*

1. **People. You plan for, recruit, select, orientate, compensate and evaluate the Executive Director/ General Manager/ Manager, etc.** (some structures require you to hire staff however usually this is under the umbrella of Management).
2. **Finances. Acquiring funds necessary for the start-up and maintenance of the organization** are a responsibility that Boards fulfill through capital investment strategies or fundraising activities.
3. **Property. Acquiring and managing property and appropriate liability insurance may** fall under the Board's umbrella to protect the organization from sudden financial calamity.

---

## DIRECTORS ARE CONTRIBUTORS

The Board is accountable to its clients, its employees and the community within which it serves therefore it is responsible for fulfilling their job of self-management. All of the following areas should be outlined by statements and policies in the Board Manual.

*As a director you are required to contribute by:*

1. Fulfilling your **Fiduciary Duty to act** in good faith and **in the best interest of the organization**, avoiding undue risk.
  - **Conflict of Interest:** Never participating in discussions or decision-making about a matter that may benefit you or someone close to you.
  - **Duty of Confidentiality:** Discussions inside the board room are not to be disclosed in part or whole until the Minutes have been released. At which point only that which is disclosed in print may be discussed with members at large.
  - **Duty to Disclose:** Board members must disclose information that they have via another relationship.
  - **Duty to the Whole:** Board members are to make decision in the best interest for the whole organization. This is not the opportunity or place to advocate for the agenda of your personal organization or business.
2. Fulfilling your **Judiciary Duty** by acting on the authority to make decisions.
  - Choosing to not exercise their judiciary powers for order and fairness is how a Board gives their power away, making its effectiveness impossible.
3. Fulfilling your **Duty of Care & Due Diligence** requires exercising the care, diligence and skill that a “reasonably prudent person would use in comparable circumstances”.
  - Members need to attend meetings to be part of this process. Non-attendance is not a gateway for disassociation.
  - Inquire into the affairs of the organization. Request & review management reports.
  - Consider all information & spend adequate time in analysis.
  - Ensure all relevant information is available (If expertise is needed and the Board doesn’t have it, they must retain it).
  - Prepare annual report to shareholders/ members.
4. **It is your responsibility as an individual to know the laws defining whether directors are, or are not, personally liable for the contracts, or the actions or omissions of the organization.** Attain professional legal advice if this area hasn’t been covered in your bylaws. It is presumed that it is no longer possible to be a passive director. It is your responsibility to be aware of any work or client related legislation. Lack of knowledge or passive participation will not absolve the director of legal responsibility.

---

Example Bylaws:

“Subject to the provisions of the Society Act, the directors may cause the society to indemnify a director or former director of the society and the heirs and personal representatives of any such person, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which that person is made a party by reason of being or having been a director of or a former director including any action or proceeding brought by the society or any such corporation. Each director of the society on being appointed shall be deemed to have contracted with the society on the terms of the foregoing indemnity.”

“The directors may cause the society to purchase and maintain insurance for the benefit of any person who is or was serving as a director, officer, employee or agent of the society or as a director, officer, employee or agent of any corporation of which the society is or was a member and the heirs or personal representatives against any liability incurred as such director, officer, employee or agent.”

#### 5. Fulfilling your **commitment to stakeholders and the community at large**

- It is in everyone’s best interest if directors perform positively during all interactions with those outside the Board room.
- Maintaining strong relationships with stakeholders strengthens the legitimacy of your organization and enhances its reputation. It also builds a sense of trust in the sector.
- Communicating to members and stakeholders at large is done via annual general meetings, newsletters, e-news, etc.

*There is never a time of standing still. If such a period presents itself your Board has slid into complacency & needs to get back on track.*

---

## **DIRECTORS ARE SELF-MANAGERS & ORGANIZERS**

The structure of the organization and the board are initiated and evaluated by directors. As a director you contribute to the effectiveness or dysfunctional state of the board.

*This includes:*

1. Developing the **bylaws**.
2. Creating and maintaining a **Board Manual**.
3. **Appointing committees** to increase the efficiency of the whole board. They study, review, deliberate and present (not recommend) options to the board for a vote. They can be made up of any individual who brings expertise and relevance to the issue/project at hand.
4. Implimenting a **self-evaluation** which is the process of accountability to the members through which the Board can establish its' trustworthiness and contribution.

---

## WHAT DO BOARDS DO?

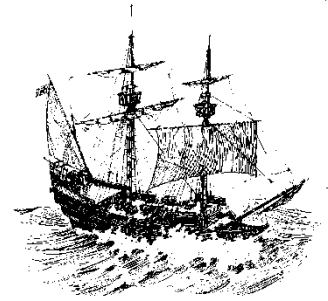
### BOARDS SET THE COURSE

The Vision, Mission & Values

The “Big Picture” Plans

The Annual Board Workplan

The Governance Manual & Code



### THE VISION

Boards paint a picture of the future the organization is seeking to create.

Boards exist to keep it on target.

It comes from the passion for what we are doing & why we are doing it.

Vision does not change.

*Why a Vision Statement?*

- Clarifies direction for the all
- Motivates people to act
- Helps organize people
- Simplifies the decision-making process

**“Does this choice & its results get us to where we decided to go?”**

### THE MISSION

Boards define what the organization does & how it does it.

Boards exist to chart the best course.

It is clarified using the abilities and resources available.

Mission adapts over time.

*Why a Mission Statement?*

- Sets the foundation for priorities, goals and activities
- Highlights what the organization will and will not engage in to accomplish the vision
- Simplifies the decision-making process

**“Do we have what it takes?”**

### VALUES

- what we believe
- accepted standards
- from the heart
- provoke constructive & challenging discussion

## THE BIG PICTURE PLAN = BOARD'S JOB

Boards are responsible for Strategic Planning to ensure a sustainable operation. You are keeping your eyes on the changing environment while equipping and preparing staff & leaders for action.

*What is Strategic Planning?*

- The Board's job (contractor or self-driven)
- a systematic process which reviews past, present and future scopes
- a collaborative process that takes 6-8 weeks
- a black & white tool to be used by Board, staff and volunteers
- ...all the people in the boat are working in the same direction.

### **Filters**

*Does it support the Vision?*

*Does it instill our Values?*

*Is it Possible?*

*Is it Sustainable?*

*Using your Vision & Mission statements as foundations draft:*

- a. A STRATEGIC PRIORITY highlights the main areas of work for the next 3-5 years.**
- b. A GOAL is a long-term ends statement that guides a program or management function.**
- c. An OBJECTIVE is a short-term, precise, measurable result that supports the goal.**
- d. An ACTION is the specific task that will occur**
- e. WHO will do it & by WHEN should be defined for reference and accountability.**
- f. A MEASURABLE is what success will look like.**

## BUSINESS PLAN (FINANCIALS TO MATCH STRATEGIC PLAN)

### ANNUAL BOARD WORKPLAN

## THE OPERATIONS PLAN = THE MANAGER'S JOB

- reviews past year's budget and strategic plan for achievements and outstanding work
- evaluates present resources
- plans for next year
- a process that can take 6 - 12 weeks
- is a black & white tool to be used by staff
- is discussed & approved by the board
- used for the Annual Performance Review

## BOARD GOVERNANCE MANUAL & CODE



---

## THE LIFE OF A BOARD WORKPLAN

As previously stated one of the board's tasks is to organize itself and the organization to run efficiently. This is done through role clarification and planning. One of the simplest tools to assist effective board work is an Annual Board Calendar or Workplan. It is important that this step is done with everyone's best interests in mind and the full knowledge that "things happen" that are beyond our control. You can build flexibility into your calendar by resisting the temptation to put too many activities into the calendar.

### ANNUAL BOARD CALENDAR/WORKPLAN

This tool helps to communicate when things are happening so that directors can set aside time and be prepared. If it feels like your board operates on a crisis management basis or that things "just don't" seem to get done" this tool will help. It should be reviewed prior to and at every board meeting.

#### 1. Backwards Planning

Know the date of your year-end, then set the following few dates and the rest falls into place.

- **Set your AGM**, this is when you are going to approve your budget and Operational plan for the next year. This is usually after year-end because you need to know for certain your last year's net income before you can set a new plan. Remember that you or your staff is going to need time to close the books, have them audited or reviewed by an accountant, and adjustments completed. This could take anywhere from 3 - 6 weeks or more depending on the size of your organization.
- **Back up about 4 months** to set the date of your **ANNUAL PLANNING SESSION**. This is when you as a group, review the goals you have achieved in the year, assess progress towards goals yet to be achieved, and review your strategic plan. Ideally you consider new goals off the strategic plan for the next year and add new long term goals to the strategic plan. You will begin to consider how to meld regular operational needs with projects in progress & new goals then attempting to set priorities and discuss resource allocation (time, money, staff/board).
- **Back up a month, send out a BUDGET CALL** with a deadline just short of the Annual Planning session date. A "budget call" lets the various stakeholder groups within your organization know it's time to put forth budgets and requests to be considered in next year's budget.
-

---

## **2. Meetings**

- Determine how many, dates, times, method and length. People need to know what to expect. Mutual respect is gained when these items can be negotiated ahead of time and adhoc meetings are kept to a minimum.

## **3. Overarching priorities & Actions**

- Check your Strategic Plan for priorities and actions

## **4. Specific Events**

- These might be big or special events, or special whole board tasks i.e. a retreat, a conference, a special meeting with stakeholders, etc. Often at the AGM directors do not have enough information about their personal schedules, or about the event to set a date. By noting them here they can be confirmed at a later date.

## **5. Concurrent events**

- These will be events, tasks, etc. that are set by other bodies which will impact your organization.
- Some quick investigation with other local/ related organizations will identify any scheduling conflicts. Often reasonable dates can be negotiated if done far enough in advance. It is unfortunate when two related organizations have their big fund-raisers or conferences on the same weekend which impacts attendance, etc. It can't always be avoided but it's worth the try.

## **6. Nominations Call & AGM Notice dates**

- At least 35 days prior to the AGM a written call for nominations for new board members is sent out.
- At least 14 days prior to the AGM a notice and Agenda is sent out, it is good practice to have motions prepared and sent as well or to notify Members and directors of voting needs at the AGM

## **7. Board Development Activities**

- These include team-building, training, or social events that are just for directors.

## ANNUAL BOARD WORKPLAN EXAMPLE

### Typical Dec 31 year-end:

- October 1<sup>st</sup>
  - Budget call
- 1st week of November
  - Board Annual Planning Session / Retreat
- Nov 15th – Dec 31
  - Research resource needs for new goals
  - Staff Start Operational Plan
- Dec15th – Dec 31
  - Staff begins year-end reporting process
  - Board typically slows down for Christmas
- Jan 1st - Jan 15th
  - **Financial year-end reports completed**
  - Call for nominations for new board members is sent out
  - AGM notice sent out
- Jan 15<sup>th</sup> -31
  - Financial statement audit/review by accountant
  - New Budget & Operational Plan are completed
- February Board Meeting
  - Present Draft Budget and Operational Plan to Board
- Feb 15- 28th
  - AGM Meeting/ Budget and Operational Plan Approved
  - New Board meets
- March – October
  - work towards goals
  - contracts renewed
  - mid-year planning review with semi-annual financial reports
  - policy reviews

**ANNUAL BOARD WORKPLAN**

| Month     | Date to occur | Action | Who | Status |
|-----------|---------------|--------|-----|--------|
| January   |               |        |     |        |
|           |               |        |     |        |
|           |               |        |     |        |
| February  |               |        |     |        |
|           |               |        |     |        |
|           |               |        |     |        |
| March     |               |        |     |        |
|           |               |        |     |        |
|           |               |        |     |        |
| April     |               |        |     |        |
|           |               |        |     |        |
| May       |               |        |     |        |
|           |               |        |     |        |
| June      |               |        |     |        |
|           |               |        |     |        |
| July      |               |        |     |        |
|           |               |        |     |        |
| August    |               |        |     |        |
|           |               |        |     |        |
| September |               |        |     |        |
|           |               |        |     |        |
| October   |               |        |     |        |
|           |               |        |     |        |
| November  |               |        |     |        |
|           |               |        |     |        |
| December  |               |        |     |        |
|           |               |        |     |        |
|           |               |        |     |        |

---

## **Board Governance Manual**

(Boards that Lead Module, StratPoint Solutions)

This document is a tool for current Boards and future successors. It defines how the Board works, how the organization functions, and the “code” for group and individual conduct. This tool has the greatest impact on Board effectiveness and efficiency. Without this the organization is left to a culture full of implied traditions which is passed down with healthy or unhealthy practices.

### **It includes:**

- Governance structure and roles of governance & committees
- Officers job descriptions
- Purpose of the Board within the organization
- The limitations of authority and responsibilities
- Code of Conduct (acceptable behaviours and standards of practice)
- Expectations: specific, measurable, achievable “doable”, relevant to the vision and mission, time-limited , minimum standards and negotiate expectations
- Process for decision making
- Policies
  - Conflict management policy
  - Succession policy
  - Conflict of interest and how to deal with it
- What performance is monitored
- What results are measured
- Accountability issues for each relationship:
 

|                 |   |       |
|-----------------|---|-------|
| Stakeholders    | → | Board |
| Board chair     | → | Board |
| Vice-chair      | → | Board |
| Secretary       | → | Board |
| Committee Chair | → | Board |
| Board Member    | → | Board |
| CEO             | → | Board |
- etc.

---

## ***The “Code” of Conduct***

It is helpful to have a document defining what are acceptable practices and behaviors for the people involved in your organization. This document should be created by the people involved and voted into action; it should be reviewed occasionally and amended if necessary. Rather than restricting people it will help to reduce ambiguity and clarify decision making. This can take some time to draft and approve. A “Code of Conduct” interprets values into behaviors to be exhibited. Some detailed examples include:

### **Conduct with Members**

#### **Open**

The (ORGANIZATION) is an open organization to its members. Its members should be informed of the board's deliberations and the organization should deal with matters in an open and honest fashion.

### **Director Conduct**

#### **Solidarity among members**

The (ORGANIZATION) board members are expected to look out for the interests of other board members in relation to (ORGANIZATION) matters. This may include providing information that is relevant to functioning as a board member, preserving the reputation of individual members where required, and standing behind decisions taken by individual members.

### **Board Conduct**

#### **Transparent process**

The (ORGANIZATION) operates in an open and honest fashion. The interests of individual board members and the interests of the members they represent will be clearly known before any vote is taken. Members shall be informed of the decisions taken and their implications.

#### **Clear definition of representative role of board members**

On individual issues, it is the responsibility and expectation that board members will put forward the position of their constituency clearly and forthrightly.

### **Conduct with External Organizations**

#### **Professional**

(ORGANIZATION) operates in a professional manner and expects its relations and communications with others to be professional.

---

Below you will find a template which can be completed modified by your group:

***(Organization name) Code of Conduct***

In (year of vote) various values have been agreed to by the members of the (organization) board. These values reflect how the (organization) wants to interact with its members, how directors will conduct themselves, how the board will function, and how (organization) will interact with external organizations. The following is the (organization) "Code of Conduct":

***Members***

Decision Making Process  
Communication  
Active involvement  
Access & input to decision making  
Service function  
Equality

***Directors***

Individual Member Treatment Director's responsibility to be informed  
Show cooperation and respect  
Appropriate task assignment  
Solidarity among members

***Board***

Transparent process  
Clear definition of representative role of board members  
Clearly defined communication plan  
Conflict resolution structure at policy level

***External Organizations***

Inclusive  
Professional  
Credible  
Transparent  
Share information  
Reciprocity  
Participation / integration into national or international organizations

---

## OFFICER JOB DESCRIPTIONS

One of the board's tasks is to organize itself and the organization to run efficiently. This is done by clarifying the roles and expectations of the officers and other groups such as committees. Some organizations have only the 4 officers outlined in the Societies Act while others have more directors and use committees and task forces. Within an Operational/ Working board structure the officers and committees do the work. When you have an Executive Director(ED), General Manager (GM) and staff, committees/ task forces recommend to the board who then directs the ED to meet the outcome; sometimes directors volunteer to assist the ED to get the work done.

### **Officers**

The officers are directors who have been appointed to serve the Board in the roles listed below. Ideally they can meet to prepare the agenda and do some pre-board work but they may not act in the place of the entire board.

#### **1. President/ Chairperson**

- **manages board process** and functioning:
  - works to distribute work and power amongst directors & committees
  - facilitates team-building
  - develops agendas which are circulated with supporting documents in sufficient time
  - undertakes to run meetings efficiently with transparent decision-making
  - helps the board act according to its own rules including confronting destructive behaviour
  - initiates and oversees an annual board workplan
  - develops the leadership within the board
  - with a policy board structure ensures directors do not interfere in management activities
  - addresses and works to resolve conflict of interest issues
  - initiates board and director annual evaluations
  - sensitively assists the retirement of directors who do not meet expectations
- maintains **communication with Executive Director/General Manager**
- provides communication to stakeholders
- **represents the board** based on only what the board has said and is public domain after minutes have been accepted
- is the main or **only representative to the media** and public
- **not responsible for the functioning of the organization,** the whole board is.



## 2. Vice-president

- fills in for the President in his/her absence
- chairs the **Strategic Planning Committee**
- oversees the consistent operation of the reporting system and maintain the reporting system (makes sure the reports are coming in & are distributed)

## 3. Treasurer

- **Working Board = is responsible for all financial activities:**
  - establishes fiscal methods
  - keeps complete and accurate books of account including dealing with receipts and disbursements according to the Generally Accepted Accounting Principles
  - acts as signing authority
  - collaborates with designated parties to create and annual budget
  - monitors financial performance and adjusts budgets regularly
  - recommends a competent auditor
  - collaborates with an auditor to review and present annual financial statements
  - reviewing related polices on an annual basis to ensure relevance and best practice
- **Policy/Leading board = responsible for “big picture” work such as:**
  - reviews related polices on an annual basis to ensure relevance and best practice
  - receives financial reports from Ed/ Manager
  - monitors the financial picture organization wide
  - can chair the **Development Committee** to ensure financial sustainability in a small organization

**If you have an ED/ Manager**, that role is responsible and accountable for developing and working out the budget, ensuring money is being spent correctly. The ED should be given the authority to do what is necessary to maintain the level of fiscal safety the board has determined is acceptable i.e. what level of funds do you want left at the end of the year? Without this reality the ED has very little accountability or authority to make decisions to get things done.

## 4. Secretary

- responsible for board documents, ensures proper maintenance, security and confidentiality of files and records
- certifies minutes and policies
- compulsive about correctness, accuracy and appearance
- responsible for reporting on & noting any inconsistencies of Board actions

---

## **POLICY: GETTING THINGS DONE**

Policies are the tools that enable Directors to gain satisfaction from their work. Directors don't have time to be controlling every detail of the organization, however, they are accountable for the operation. Focusing on policy development frees the board to lead thriving organizations instead of reacting to the details and events the way a good manager does.

### **What are they?**

- Policies are Board “values in skin” i.e. we hold this value and this is what it looks like when lived out in real life. Values are any beliefs or strongly held perceptions that guide or drive our behaviour.
- Policies are clear rules and expectations to guide the organization's functions

### **How they work**

- The Board resolves the broadest decisions and creates the broadest policies. When issues arise ask, “What is the board level issue?” “If we do this or that what value are we supporting?”
- Policies should be in line with strategic outcomes, “If we set this policy, how will it impact our desired outcomes?”
- They should be consistent and supportive, “If we use this policy, how will it impact other policies?”
- The process includes: Issue Identification, Issue Analysis, Generating Solutions, Consultation, Evaluation and Annual Review
- An effective policy process is one that includes two-way communication between board and staff. End-user input increases clarity and agreement.
- Policies can be communicated in various forms: bylaws, specific policies, motions, contracts, and informally through correspondence.
- Policies can be either formal or informal. Formal policies often follow a standardized format which assists the board in providing advice and direction.

### **Why Bother?**

- Policy clarifies issues and decision making.
- They facilitate efficiency. Once you have decided on a policy it can be referenced the next time the issue arises.
- Policies strengthen organizations by adding continuity. When directors and/or staff leave there exists a set of guidelines for their successors to follow. \* This has become a critical organizational issue as more and more people retire.

---

### Policy Examples

1. Board A reviews each staff member's salary while Board B has a policy that allows salaries to be adjusted up to 15% so long as the budget balances. (Board A spends hours deliberating over amounts and Board B goes golfing while their Administrator works out salary adjustments.)
2. Board A sets mileage reimbursement at 54 cents but Board B's policy states that the rate will be consistent with the government rate. (Board A has set a random amount which will be difficult to justify while Board B believes that they should pay at least what the local government would pay.)
3. Staff has a plan for office hours to be 11am - 7pm Mon - Fri or 10am – 6pm Tues to Saturdays. Board A argues about what is best and Board B goes to the beach while their Administrator has a new office hour sign painted. (Board A doesn't have a policy for office hours and Board B has an Office Hour policy which states that office hours should not penalize those clients who have daytime jobs.)

### INEFFECTIVE GOVERNANCE

A. Three months ago one of the directors received a request from a stakeholder to have your logo on their website. Two directors think that it would be great PR, a few of you question the other company's integrity, and you all know this stakeholder contributes a substantial amount of time. You wonder why nothing has been done. There is no policy.

B. It is budget time and staff wage increases need to be addressed. Some of you think that they should only get raises if there is money left over, some of you think that raises should happen because staff have worked hard, and one director thinks that a raise comparable to the cost of living increase is the right thing to do. Why is this so difficult? There is no policy. Each group holds different values, no one is right or wrong but deciding will take some research and negotiation.

### POLICY TEMPLATE

|            |   |
|------------|---|
| Title      | Policy name.  |
| Dates      | Date issued and/or date policy is in effect.  |
| Status     | Current, deleted, new, revised, under review.   |
| Policy     | Usually, the policy statement is the major guide to future action. It is generalized, philosophically based and goal oriented.  |
| Rationale  | This briefly introduces the policy & provides a history/ rationale for it.  |
| Procedures | Procedures outline the steps required to implement the policy. Generally, they outline who does what, how, and in what order. Procedures can be either "mandatory" or "discretionary." Use of the word "shall," or "must" indicates mandatory items. Use of the word "may" or "should" indicates discretionary items. |
| References | Other manuals, handbooks, documents, reports, Acts, regulations and policies which provide additional information.  |

---

## GETTING THE BEST FROM YOUR BOARD: EVALUATION

There must be a process of accountability to the members through which the Board can establish its' trustworthiness and contribution. So if you don't have one, creating and implementing a Board evaluation is best practice! *The board chair initiates* evaluations while the Nominating, Board Development, or Audit Committee coordinates the process. The results should be compiled into a report, with highlighted priorities, and then presented for discussion at a board meeting. You need to clarify what is good and what needs work, a scorecard approach is helpful.

### The benefits:

- Improved performance
- Encourage accountability and task completion
- Act as a motivator
- Identify required changes and potential new initiatives
- Refocus efforts
- Pinpoint training and support needs
- Recognize and reinforce success
- Re-establishes your personal effectiveness as a board member!

### Why Evaluate?

- To identify unobservable issues, the "hidden elephants"
- Identifies stakeholder trends which affect the organization
- Results are used to establish new plans and goals
- Highlights strengths to celebrate, and areas for development or change
- To keep the "hidden elephants" out of the room.
- To prevent resignations without notice, due to conflict or insignificance!

### Why Boards DON'T Evaluate:

- We don't want to rock the boat!
- We don't know what to measure,
- The outcomes aren't specific it and precise so it isn't valid,
- Self-evaluation as a group can seem distressing,
- Our experience sets us up to believe that the "report card" has the potential to label us "failures",
- Would hate to accept that we need to change!

*Effective  
governance is  
founded on the  
fact that we all  
need to be...  
Encouraged  
Equipped  
Appreciated*

## WHERE IS YOUR LEADERSHIP TEAM AT?

Taking an honest look at your Board (leadership team) is the first step in accomplishing great things. Through honest evaluation you can determine your strengths and also your areas for development.

### Action ➔ Describe your Board...

What makes your group great?

Check those that apply and add your own.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Motivated                | <input type="checkbox"/> Complacent                 | <input type="checkbox"/> Challenged       |
| <input type="checkbox"/> Inspired                 | <input type="checkbox"/> Status Quo                 | <input type="checkbox"/> Disengaged       |
| <input type="checkbox"/> Action-oriented          | <input type="checkbox"/> Grumbling                  | <input type="checkbox"/> Talks in circles |
| <input type="checkbox"/> Enthusiastic             | <input type="checkbox"/> Negative "It won't happen" | <input type="checkbox"/> Worn out         |
| <input type="checkbox"/> Positive "It's Possible" | <input type="checkbox"/> "Does nothing"             | <input type="checkbox"/> _____            |

### Action ➔ Your crew consists of...

Write the names of your crew in the last column in the row that best describes what stage he/she is at.

| Type of Member             | Stage            | Needs for growth               | Your Crew |
|----------------------------|------------------|--------------------------------|-----------|
| <b>New member</b>          | Enthusiastic     | - needs direction              |           |
| <b>A developing member</b> | Committed        | - needs communication          |           |
|                            | Disillusioned    | - needs coaching               |           |
|                            | Slow completer   | - needs support                |           |
|                            | Achiever         | - needs responsibility         |           |
| <b>Ineffective members</b> | Non-contributing | - Skills used better elsewhere |           |

---

Example Board Review Score Card:

| Topics   | Circle the one you agree with in each row.           |  |  |
|--|--|--|--|
| <b>Overall board atmosphere:</b>                   | Is pleasant, active and stimulating                  | Is boring, inactive and dissatisfying                      | Is disagreeable, tense, full of conflict         |
| <b>Meetings are:</b>                               | A good length  | Too long/ too short  | Are often cancelled                              |
| <b>In a year there are:</b>                        | Enough meetings                                      | Too many/ too few meetings                                 | Are often cancelled                              |
| <b>Meetings:</b>                                   | Run smoothly   | Are disorganized   | Convene too late                                 |
| <b>Pre-meeting materials are:</b>                  | Good quality   | Lacking in detail  | Not available                                    |
| <b>Materials are sent:</b>                         | In good time   | Too late   | Not at all                                       |
| <b>Committees:</b>                                 | Regularly provide clear, useful timely reports       | Provide occasional/ vague/ late reports                    | Do not report                                    |
| <b>Agendas are:</b>                                | Planned well   | Too full/too vague   | Not used   |
| <b>Most discussions are:</b>                       | Regarding relevant concerns                          | Go off topic   | On irrelevant matters                            |
| <b>Discussions on important issues are:</b>        | Very Well informed                                   | Somewhat informed  | Uninformed                                       |
| <b>The discussion environment is:</b>              | Open & Constructive                                  | Tense & Guarded  | Critical & Aggressive                            |
| <b>Decisions are made:</b>                         | In a timely manner                                   | Too quickly/too slowly                                     | Aren't made                                      |
| <b>Motions are drafted:</b>                        | Carefully  | Vaguely  | Not drafted ahead                                |
| <b>Directors' skills, knowledge and expertise:</b> | Are used very well for Board purposes                | Are somewhat used  | Are not used/don't know what exists              |
| <b>Directors:</b>                                  | Diligently perform their duties and responsibilities | Know their roles, duties and responsibilities              | Do not know their duties and responsibilities    |
| <b>Directors:</b>                                  | Know and refer to the Strategic Plan regularly       | Somewhat know and occasionally refer to the Strategic Plan | Do not have a strategic plan/ do not refer to it |
| <b>The New Director orientation process:</b>       | Prepares people well                                 | Is adequate  | Doesn't exist/ help                              |
| <b>Ongoing Director development is:</b>            | Very useful  | Somewhat useful  | Doesn't help/exist                               |
| <b>Total circled in each column</b>                | _____ x 4 points=                                    | _____ x 2 points=  | _____ x 1 point=                                 |

---

## THE BOARD / STAFF PARTNERSHIP

Having a good relationship with the Chief of Staff is good practice, having clear lines of authority is critical organizational work. Some Boards use their Chief of Staff as a secretary and gofer, some let the Chief of Staff run the organization with no feedback or accountability, and some strive for a partnership that provides satisfaction for both parties.

### A Nightmare or Reality?

You have hired your first General Manager (GM)/ Executive Director (ED) and everyone is very proud that the organization has come this far. However within 4 months you see a change in her and your Directors are grumbling. You decide to explore the situation by helping in the office getting reports ready.

On Monday one director calls the GM/ED and says there is a new event that the organization should go to and talks for 30 minutes about who should attend, etc. A little while passes and another director calls to suggest that a scholarship program should be implemented. On Tuesday the Board secretary calls to suggest that a whole day orientation should be developed for new directors. Wednesday arrives and so does another director who stops by and suggests the GM/ED find a cheaper supplier for the t-shirts. You show up on Thursday and see a note from the director who used to oversee maintenance, suggesting that a new safety program be implemented. As well, the director who wants the scholarship fund started calls to see how much the GM/ED has done. Friday comes but your GM/ED doesn't.

### How to have a positive working relationship

- The Board **speaks as one** entity to the GM/ED. All director discussion happens at the Board table and then feeds through the President to the GM/ED and all staff conversations happen with the GM/ED who reports back to the Board. This keeps communication simple, things aren't missed and personal agendas can be kept to a minimum.
- Some essentials are: mutual respect, intellectual flexibility (you won't always see things the same way), and a willingness to ask and answer tough questions
- Since the Board knows what it wants and the GM/ED knows what is possible **negotiating expectations** is good team work. Ensure there is a strategic plan so the Staff can have an operational plan.
- **Define the boundaries/limits between** GM/ED and Board roles and have a constructive process for dealing with areas that overlap.

- 
- **Develop expectations/outcomes** for this position. By refraining from telling the GM/ED how to achieve results you can eliminate micromanaging and the GM/ED maintains accountability for that work. If you indicate “how to do the job” the GM/ED should then be relieved of accountability for the task because he/she had no say in how to achieve the outcome. An Employee Contract will do.
  - **Evaluate the GM/ED** annually. Important principle: the Board is the higher authority to which the GM/ED reports not the other way around.
    - The area that can cause the most stress for GM/EDs is that they have no idea whether they are doing the right thing or the wrong thing or doing a good job or a bad job. An annual evaluation relieves this stress. It is an opportunity for the employee to define what he/she has been doing, what has been accomplished or what can't be accomplished and why, and to be praised and encouraged to develop in a specific area. It gives the Board a chance to stop and take stock in what is working out and what needs to change. There are always good things and areas for development.
    - **A 360 degree review process is** extremely valuable in obtaining a well-rounded picture of the employee's performance. It includes **Part A for the employee to provide general feedback, Part B which is a review of the job from the employee's perspective, and Part C which is filled out by those who have been in working contact with the employee.** The evaluator collates all information and holds a collaborative meeting with the employee.

*What happens when there is no system for accountability?* The GM/ED is left to define his/her own position and over time the Board discovers that it has relinquished its authority. This shift of power often results in the GM/ED driving the organization. The organization dangerously rides on the back of one individual who lacks the collective expertise of the Board.



## WHO DOES WHAT?

Boards influence a group toward the achievement of goals. Boards are in the position of leading an organization therefore having a good understanding of the difference between leadership and management will help when you are wearing the variety of "hats" within the organization.

*"To lead instead of follow, Boards must get to the other end of the parade. Rather than following agendas driven by what the staff wants approved, boards should initiate the agendas"*

John Carver  
"Make a Difference"

### LEADERSHIP ROLE

#### VISION & STRATEGY

- Envisions the future & then defines it
- Creates broad strategies for action
- Knows the logic of how and why
- Focused on achieving the vision
- Seeks constant communication
- People oriented-Understands and empowers individuals
- Aligns people
- Inspires people to work together to reach their potential
- Challenged by change
- Produces long-term change

**No progress =**

**Lack of management**

### MANAGEMENT ROLE

#### PLANS & BUDGETS

- Needs the vision and broad strategy before they can function
- Implements strategy with detailed plans and budgets
- Often doesn't know the "why" something is being done
- Under communicate, lack time
- Controls and organizes people
- Task oriented
- Monitors results and seeks compliance
- Prefers the 'Status quo' to change
- Predictable, short-term result

**Crisis management =**

**Lack of Leadership**

*Leaders must **always lead** and sometimes manage.*

*Know where you are leading &  
be clear who you are managing.*

---

## ALL THE PLAYERS

**The Board** holds the position of stewardship/ leading the entire organization. Boards depend on their head of staff day-to-day management of the organization, information and reports, and valuable input in decisions regarding the organization.

- Develops Policy to communicate to the head of staff
- Hires and evaluates the head of staff and sometimes part of the management team
- Reports to the Members

**The head of staff** holds the position of operating and managing on a daily basis. He or she also needs the collective wisdom that Board members can bring to decisions about direction and values and should view the Board as more than a legal requirement.

- Manages the daily operations
- Hires management team and other staff to run the organization
- Reports to the Board

**The Staff** hold positions of “getting things done”

- Relationship between staff and head of staff, responsibilities, expectations and limitations of authority should be written out with job descriptions found in the Office Manual.
- Reports to the head of staff

**Members & Shareholders** holds ownership by association or equity

- Defines their relationship with the Board in the bylaws
- Reviews the Board’s annual report & decides whether the Board has succeeded or not
- Affects Board makeup through re-electing current Board members or electing new Board members
- Appoints external auditors to ensure fair practice & validity of management reports
- Has some say in business dealings that would change the fundamental basis of the organization i.e. changes in corporations articles or bylaws, amalgamation, dissolving the organization
- Leaves the rest to Board and management.

**BEST PRACTICE**      The head of staff can ensure that all grants, subsidies, etc. are coming in; however this position may not have the resources to manage anything more in this area. This is a negotiable responsibility depending on organization size. To keep responsibility lines clear the Board may have a Development Committee or the head of staff has a Development Director.

## SIGNIFICANCE TO THE WHOLE TEAM

Being part of a team you are part of a system that includes staff, stakeholders, members, processes, etc. Being aware of your own strengths and what significant contribution you can make helps the team succeed.

### **Knowing your strengths & differences:**

- helps to ensure that you are in the right place to add the most value,
- affirms that you are significant,
- leads to better understanding of others,
- facilitates mutual respect, and
- **is essential for you to be an effective, strong part of the team!**

### **YOUR UNIQUE CONTRIBUTION**

- Expertise: What are you good at? What do you know? What do you bring to the team?
- Values & Motivators: What's important to you? Why do you want to be a director?
- Individual limits: What balance do you expect for fun/ friends/ family/ community/ school/ work/ etc
- Personality characteristics: preferences, communication & conflict resolution skills

### **Action ➔ Expertise: What do you bring to the board?**

Place a 0, 1 or 2 beside each skill to indicate how expert you think you are

**0** = no expertise      **1** = can do but have little experience      **2** = I am very comfortable performing

#### **Leadership Skills**

|                     |                             |                     |
|---------------------|-----------------------------|---------------------|
| Innovation          | Cascade Vision              | Leading Change      |
| Strategic Planning  | Problem solving             | Decision-making *   |
| Brainstorming       | Process Analysis            | Discernment         |
| Goal setting        | Working with others         | Run meetings        |
| Prioritizing        | Objectivity                 | Evaluation          |
| Negotiation Skills  | Communication               | Project Planning    |
| Presentation Skills | Initiator                   | Resource Allocation |
| Client Analysis     | Reframes i.e. mistakes into | Encouraging         |
| Serving Others      | Reflective Listening        |                     |

#### **Team Competencies**

|                       |                     |                                      |
|-----------------------|---------------------|--------------------------------------|
| Good communicator     | Negotiating         | Accepting = Diversity Awareness      |
| Trustworthy           | Conflict Resolution | Collaborating =work well with others |
| Reliable              | Mediation           | Planning & Organizing                |
| Supportive            | Teachable           | Vulnerable = let others do their job |
| Encouraging           | Peer coaching       | Delegating                           |
| Assertive             | Cooperative         | Risk taking                          |
| Tolerant of Ambiguity | Problem solving     |                                      |

### Operational Competencies

|                           |                            |                      |
|---------------------------|----------------------------|----------------------|
| Policy/ Bylaw development | Strategic Planning         | Public Relations     |
| Accounting                | Management                 | Marketing            |
| Bookkeeping               | Organizational Development | Event Planning       |
| Taxes                     | Human Resource             | Hospitality          |
| Law                       | Employee Relations         | Advocating           |
| Contract Negotiations     | Labour Relations           | Real Estate          |
| Budgeting                 | Information Technology     | Building Maintenance |
| Board Management          | Training & Development     | Desk-top Publishing  |
| Fundraising               | Administration             | Word processing      |
| Investing                 | Non-profit Administration  | Proposal writing     |

### Action ➡ **Values & Motivators**

Circle up to 10 words that define, "What's important to you? Why you are a director?"

|                     |                 |                   |                       |
|---------------------|-----------------|-------------------|-----------------------|
| Interesting work    | Independence    | Diversity         | Influence             |
| Opportunity         | Variety         | Routine           | Status                |
| Intelligence        | Relationships   | Honesty           | Authority             |
| Team work           | Selflessness    | Achievement       | Imagination           |
| Hard work           | Consensus       | The best decision | Information           |
| Education/ learning | Experience      | New approaches    | Autonomy              |
| Lifestyle           | Rules           | The "right work"  | Good work environment |
| Free time           | Working smarter | Physical Fitness  | Creativity            |
| Conversation        | Risk taking     | New challenges    | Being Active          |
| Acceptance          | Being part of   | Leading others    | Spirituality          |
| Integrity           | Managing others | Competence        | Resume experience     |

### Action ➡ **What balance do you want for home/ work/community?**

Indicate percentage of time 100% = 1 month

**Home Life**

**Work**

**Community**

**Other**

### Action ➡ **Personality characteristics, preferences & team member strengths**

### Action ➡ **\$100,000 Groups: Artisans, Idealists, Rationalists, Guardian**