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DEVELOPMENT AND DIRECTION FOR BOARDS
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Development and Direction for Boards of Directors

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DEVELOPMENT AND DIRECTION FOR BOARDS OF DIRECTORS

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PREFACE

North American society has been characteristically oriented toward the individual and individual achievement in the world. Perhaps for this reason we have been less sensitive to the needs and requirements of the group. Despite the fact that groups have always been important to us, we tend to ignore and dismiss them as incompetent and lacklustre. “A camel,” it is said, “is a horse assembled by a board of directors!”

Yet groups have many strengths different from and greater than the individual. They correct errors by providing a plurality of perspectives. Brainstorming can get many good ideas on the table for discussion. They provide social support. People need social support and validation for the ideas and concepts they express. Ideas are not usually presented fully formed but **are** elaborated on bit by bit by others. Such a conceptual “snowball” picks up ideas as it rolls along, resulting in a well-rounded concept. Then, too, groups foster competition for respect, which provides a stimulus for greater effort.

Each of these strengths, however, can have associated problems. A plurality of perspectives is not **useful** if people do not begin with correct information. Social support can lead to “groupthink” and pressures to **conform**. Competition can result in destructive effects. Nevertheless, groups are vital to the functioning of complex society.

A board of directors is one example of an important group in our society. It makes decisions about a range of matters appropriate to their organization. However, they need to improve their functioning and the quality of their decisions. The aim of this book is to help board directors and staff achieve this goal.

Anyone who works with a board of directors, or who is on a board of directors in the not-for-profit sector, will find this volume useful. It can best be used in connection with a training session, or sessions, for the board. Copies should be made available for each of the board directors. Exercises are included for each section with this in mind. Planners of the training sessions should use their knowledge of the board in question to select the most relevant portions of the training material to suit their particular case. The most effective sequence is: reading, then reviewing in a group discussion, and then doing the exercises, followed by additional reading and follow-up sessions.

We would like to express our appreciation to several people who commented upon this volume in great detail. Elmer J. Tropman, Gary McCarthy and Bob Myers made detailed comments which were extremely useful. Mention must be made, as well, of the many directors of nonprofits (I call them directors rather than “members”) who shared their perspectives and views with me.

Producing a volume like this involves several drafts. Without the assistance of Kathy Cornell, Dawnine **Jessen**, Roxanne **Loy**, and Ann Page this volume would not have been possible. They worked on the drafts and supervised the packaging, but did more: they questioned parts that were unclear, pointed to needed expansions, and noted sections which overlapped. With their help the volume is immeasurably better. They deserve special thanks.

1

A BOARD PERSPECTIVE

Introduction

This volume presents some systematic concerns and perspectives on the modern board. The board of directors is a much more complex, intricate and involved structure than is usually understood.¹

Despite the importance of board functions, board membership is often casually, if not shabbily, treated. This casualness and shabbiness is conspired in by everyone - by directors who accept directorships without proper scrutiny and review, by those of us who extend invitations to directorship in a thoughtless and offhand manner, by executives who put board education and training at the bottom of their lists of priorities, and by society itself, which tends to undervalue, if not devalue, group activities. Yet human service organizations, whether they be philanthropic or not-for-profit, must receive leadership, stewardship and trusteeship from their boards of directors if they are to survive the future.

Few areas of the modernization process have been as ignored as the board of directors in terms of research, training, or operating guidelines. Those who are seeking to learn more about this area and to improve it, hone it, and fine tune it, are to be commended. It is not a job full of praise and thanks. Rather, it is one likely to be greeted with some indifference, ambivalence and lack of concern.

There is an apocryphal story of a board training session in which someone stated that ignorance and apathy were the two major enemies of board activities. One director listening to this comment looked at another and said, "DO you think that is right?" "I don't know," the other director replied. "And I don't care." That dilemma is the problem as it lies before us. This document represents a small attempt to reduce apathy and ignorance.

¹ The reader may wish to refer to **three** additional **books** which enrich the perspective developed here. One is *Effective Meetings* by John E. Tropman, (Beverly Hills: Sage, 1980); a **second** is *The Essentials of Committee Management* by John E. Tropman, Harold R. Johnson, and Elmer J. Tropman (Chicago Nelson Hall, 1978); a third book is *Meetings: How To Make Them Work For You* by John E. Tropman, (New York Van Nostrand, Reinhold, 1984).

Purpose of Boards

The ideal board does not, of course, exist. But the goal toward which all boards **strive** is high quality decision making. The improvement of its decision making, through improved procedures and improved participation, is the board's goal. But what is the subject of these decisions? They aim at improving and enhancing the life of the organization and accomplishing its mission and purpose. Boards are legal directors of the corporation, trustees of organizational purpose, and in most cases, the final decision makers on all matters involving the organization (including those decisions that change the purpose of the organization **itself**). They oversee fiscal, programmatic and personnel activities and their integration, and are responsible for the survival of the organization itself. It is to this end that high quality decisions are aimed.

Concerns of Boards

In North American society the individual is frequently regarded as the superior problem solver and decision maker. For this reason, group activity is often not stressed as much as individual activity, and service on boards of directors is, therefore, less well attended to, less well prepared for, and less thought out than a golf game or a dinner party. If we prepared for our dinner parties the way we prepare for many of our board meetings, the results would be catastrophic: "We **didn't** prepare any food for you because we didn't know what you would like until you got here!"

Recent problems in board rooms **referred to frequently** in local papers suggest that directors are not paying adequate attention to their board responsibilities. These difficulties stem not from intended negligence, but rather from the great deal of ignorance and uncertainty surrounding group activity in general, and board activity specifically. What do boards do? What should they do? What are their responsibilities? What are the responsibilities of individuals on the board? These questions remain largely unanswered.

The confusion of board responsibilities manifests itself in many ways. For example, people will often use the word "board" and add a modifier to turn it into an "advisory board," a "decision-making board," a "**policy board,**" and so on. Such persons confuse responsibilities on the one hand and functions on the other. For purposes here, a board of directors is a legally chartered corporation which has overall and complete responsibility for the management of the corporation it directs. What is involved in this responsibility?

Basic Responsibilities of Boards

Eleven basic responsibilities are crucial:

- 1) Trustees of Civic Purpose (Chapter 2)
 - 2) Makers and Overseers of Policy (Chapter 3)
 - 3) Functional Appropriateness (Chapter 4)
 - 4) Selecting and Evaluating the Executive (Chapter 5)
 - 5) Training and Development (Chapter 6)
-

- 6) Proper Board Organization (Chapter 7)
- 7) Holding Effective Meetings (Chapter 8)
- 8) Roles for Boardship (Chapter 9)
- 9) Managing Decision Rules (Chapter 10)
- 10) Entrepreneurship for Boards (Chapter 11)
- 11) Strategic Planning and Change (Chapter 12)

A bit will be mentioned about each topic now. Then, in ensuing chapters, each issue will be developed in more detail.

1. **Trustees of Civic Purpose.** The board of **directors**, particularly the voluntary board, represents the embodiment of a larger civic purpose and is the vehicle through which civic impulses for the help and betterment of the community are expressed. These are flowery **phrases**, surely, but they do represent something very important with respect to the overall mission and role of the directors and the organization.
2. **Makers and Overseers of Policy.** The board of **directors** makes all relevant policy for the organization in question. The question of what is a *policy decision* and what is an *administrative decision* is one that frequently arises. Through its committee structure, the board must oversee the implementation of policy to some degree. Contemporary boards often fail both in the policy making and the overseeing aspects of their responsibilities. They avoid decisions, making them too late or not at all. Often, they do not ask enough questions of the executive, and sometimes fail to check the implementation of policy they have made.
3. **Functional Appropriateness.** Although this phrase is ambiguous, it does call attention to the functions of ethics, social and personal corporate **behaviour** within the director role, and the need to think systematically about what is appropriate social and personal **behaviour**. Aspects of this question range from adequate preparation for meetings to the most serious questions of ethics and personal involvement. It also relates to the board as an organization, and the need for the board to understand its own role, and its internal and external functions as well.
4. **Selecting and Evaluating the Executive.** One of the most important responsibilities boards have is to select the executive director of the organization and to evaluate that individual on a regular basis. All too often the **first** of these tasks is done poorly and the second is not done at all. Poor selection performance comes from the fact that most boards don't select executives regularly or frequently. Hence, whatever accumulated wisdom exists about the selection process tends to be lost in the interim. The search process overall, the legal requirements which may surround it, and the useful practices to follow, are forgotten. All too often evaluation is never done. Once the executive is hired not much more is heard from the board until, perhaps, the executive is **fired**. Sometimes "signals" will be sent in the form of lower or higher salary increments, but none of these can substitute for a sit-down, talk-through of the past year's accomplishments and problems. The lack of evaluation experience is an additional cause of the **lack** of experience which shows up in hiring problems.

5. **Training and Development.** Boards are responsible for the replacement of old directors, for the introduction of new directors, for the training of current directors, for the development of the **directors'** skills while they are members of the board, and for the development of the board itself. The phrase "a sophisticated board" versus the phrase "an unsophisticated board" suggests something of the idea here. One seems knowledgeable and sure-footed in the tangle of decisions; the other lumbering and inappropriate.
6. **Proper Board Organization.** Boards cannot simply "meet." They must develop a structure for attending to the various aspects of the business at hand. Directing a modern human **service** agency in a complex organizational environment requires a structure that is proper for the task. Typically such a structure requires the board to establish subcommittees which can deal with special aspects of the problems facing boards, and make policy recommendations to the whole board.
7. **Holding Effective Meetings.** A crucial board responsibility -- holding effective meetings -- is in some sense the sine qua non of the others. If the meeting sessions are not productive, and settings where relevant information is processed in timely fashion and decisions made, the other areas begin to atrophy. Members avoid coming to meetings, and then do not follow through on their assignments. By understanding a bit about why meetings can go wrong, and learning some rules about how to make them better, the director, chair or agency executive can take an important step toward making quality decisions.
8. **Roles for Boardship.** Having a set of rules to use in preparing and organizing boards and committees is a good start. But roles of directors involve not only what goes on in meetings but what goes on outside, as well. The chair, director and executive/president roles are not only meeting roles, but agency roles. Knowledge and skill about playing this combination of roles is key.
9. **Managing Decision Rules.** Boards make decisions using information on the topic in question, plus a set of decision rules which take different kinds of interests into account. Directors need to know what these rules are, and how to orchestrate their power.
10. **Entrepreneurship for Boards.** Agency vitality is not manufactured by doing the same thing again and again. Rather, the agency needs innovation and periodically may need to be "reinvented". Directors should be aware of their responsibilities here.
11. **Strategic Planning and Change.** Boards and directors have the responsibility of positioning the agency for the future as well as the present, for tomorrow as well as today. Vision, and the shaping of organizational purpose to that vision, is a crucial board activity, one more frequently lost than not.

Overall, boards of directors and their **director-members** are severally and singly responsible for the achievement of the social purposes which spawn the organization in the first place. Moreover, they are responsible not only for avoiding the occurrence of bad things, but for

initiating the **occurrence** of good and improved things. Boards seek to facilitate organizational development, to do strategic planning, and to constantly develop further ways in which the organization can flourish.

Conclusion

Boards are crucial to the functioning of the contemporary not-for-profit organization. It is imperative, **therefore**, that the organization's directors understand their mission and role, and the responsibilities they have as directors. So much of what an organization can and will accomplish depends on the leadership of the board and the directors. Often these persons do not feel that way, but it is important to say, right from the beginning, that their role is crucial.

Organizational excellence begins with the board. The document helps in that journey.

EXERCISE 1

Consider the 11 functions of the board. Rate your board on each. (A = Excellent, etc.) If you are not sure, put **D.K.** (Don't Know)

- 1) Civic Purpose
- 2) Policy Makers
- 3) Functional Appropriateness
- 4) Hiring and Evaluating the Executive Director
- 5) Trainers/Developers
- 6) Proper Organization
- 7) Holding Effective Meetings
- 8) Group Decision Making
- 9) Using Decision Rules
- 10) Using Entrepreneurship
- 11) Strategic Planning and Change

If your board rates less than A in any category, write down what you think the problem(s) is (are):

How could these problems be solved, and/or improved:

2

BOARDS AS TRUSTEES OF CIVIC PURPOSE

Introduction

The second main area of board responsibility is the trusteeship role. Trusteeship extends beyond the minimum legal requirements for avoiding suit. The trustee holds corporate charter for the benefit of the community. This is often the idea we seek to imply through the phrase "a civic group." Trusteeship looks toward the larger issue of responsibilities and obligations and the various constituencies that one has to consider in achieving the trusteeship position. The differences between boards of profit-making organizations and those of not-for-profits should be noted. The board of the for-profit organization has a responsibility primarily to the stockholders. (I underscore the word primarily, however, because increasingly society feels that unfettered pursuit of financial gain is not a tolerable posture for the profit-making organization.)

Social Responsibilities

While the realm of social responsibilities is as yet unclear and subject to much discussion and concern, it is nonetheless present whether one talks about seat belts, toxic waste, or responsibilities to staff for adequate salaries and so on. The nonprofit and charitable board has, perhaps, an even greater burden of social responsibility. In some cases, the social responsibility is direct because the very purpose of the organization is itself to achieve social goals. However, it is sometimes unclear how these are best achieved. For example, in a board designed to promote youth services, should youth be on the board? What if they cannot legally serve on the board? Perhaps an ex-officio role or a youth advisory committee structure is appropriate under those conditions. The problems, though, are very difficult. Charitable organizations or not-for-profit public benefit corporations which receive charitable **contributions** have a responsibility to the giver as well as to the receiver. And those are both enmeshed in larger responsibilities to the society.

The concept of trusteeship means that society in the large, as well as society in smaller units, has delegated to that particular board the accomplishment of a civic purpose. What is involved here is the need for thinking through the way the board goes about its business and organizes itself.

Board Composition

Boards **are** composed to direct the organization in **carrying** out its “public benefit” responsibilities. Board membership is often approached as a way to bring resources to this commitment.

There are many approaches to building a **board**. One approach seeks to recruit people with personal wealth who can contribute to the organization. The resulting “money board” is seen as a prime financial resource to the agency. Sometimes people with prestige rather than (or in addition to) personal wealth are recruited to add **lustre**, acceptance and “class” to the board, and hence, to the agency purpose as a whole. The “prestige board” is one which offers legitimacy to an agency. Sometimes people with knowledge and experience in a particular field of service are sought. The “community service” board seeks expertise?

The question which really needs to be asked about board composition is whether the individual members aid in carrying out the role of trusteeship. Are they interested and willing to participate? Hopefully, the answer is yes. If so, the decisions are likely to be of high quality.

Trusteeship Through Quality Decisions

Although it is difficult to assess the “quality” of a decision, it is important to do so. A board is a decision making body. Therefore, its **first** goal is to make decisions. All too often boards do not meet this standard, or do not meet it in a timely or honest fashion. The board which delays and delays, or which “rubber stamps” executive proposals is not meeting this qualification.

Even more, the board should aim at high quality decisions. High quality decisions are those which expand and enhance the board’s ability to carry out the function of trusteeship. All too often decision making is deferred and delayed so long that any decision **looks** good to the directors, and the question of whether the decision is any good or not is beside the point. Sometimes board discussion goes on so far into the day or night that exhaustion sets in, and directors will agree to anything, good or not. Or sometimes the executive director brings matters to the board so close to the time action is needed that coherent discussion is impossible, and a decision is made that is, in effect, the one the executive director wanted. In all of these cases, decision quality suffers.

²Who actually winds up on boards? A report of board membership of those attending a Youth Services Institute. at Oberlin College, August 1981, revealed the following: 54% male, 23% businessmen and 44% have no youth or consumers of **service**, respectively. The mean size is about 17 members. I found in a 1968 study of 38 community welfare council boards, for instance, that the business membership accounted for about one third of the total (Tropman, 1967).

Trusteeship Through Board Structure

The only criteria for board membership should be interest, competence, and *willingness to participate*. If input **from** a particular segment of a community is needed, and that segment is not represented on the board (for example, native, minority, or elderly communities), special hearings or special sessions can be held where appropriate input can be obtained. Trusteeship cannot be accomplished with **lacklustre** members participating in a haphazard way. It is quite possible, if one wishes to have such a community board, to set up what some organizations call a visiting committee or advisory **group** which has such members and which has **very** different responsibilities **from** those of the board of directors.

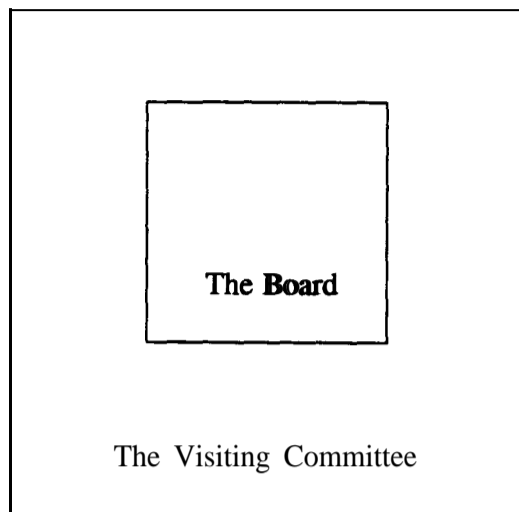
The development of interested, capable directors is a difficult issue confronting boards of directors. Typically, recruitment is approached in a very casual manner. Often the individual asked to join has no real knowledge of the agency; frequently there is no introductory material made available. It is common for new directors to say it takes a year or more before they know what is going on.

As an alternative to **current** practice, a visiting committee or committee/advisory board is recommended. It provides a broad base with respect to testing out trusteeship ideas and is a source of new directors. Such a board can meet four times a year or less, committees can be appointed from it, augmenting the strength of the board. Members can, as directors, leave the board and join the visiting committee as “emeritus” members, giving them a special honour, yet not losing their **expertise**. New members of the visiting committee can work to become future **directors**. Minimal participation is involved, and more reactivity than proactivity is expected from the visiting committee/advisory board. But a very clear distinction between the visiting committee which broadly represents the community and has input to the board, and the board itself, needs to be made. It is for this reason that we have talked about the need for calling board members “directors” -- to verbally reinforce the role which they have in law and in fact. Thus, balanced composition representative of the community is achieved through a two-tier structure rather than seeking to accomplish all purposes through a single structure.

This visiting committee is a good place, too, for **affirmative** action to take hold. If one needs certain people from backgrounds represented on the board, it is well to draw them from members of the visiting committee. Only then will knowledge of the agency and commitment to participation be assured.

It would look something like Figure 1.

Figure 1
The Board and the Visiting Committee



Recruitment as an Ongoing Process

Trusteeship cannot be accomplished if one is casual about recruiting. The agency visiting committee is an excellent place for recruiting to occur at a beginning level, but one should go beyond that. We recommend that a file of potential members for either board or committee **membership** be established immediately and maintained on an ongoing basis. Anyone can contribute to this file, but only one member of the board has responsibility for updating it.

When a person is **nominated**, an initial interview is held to determine interest, time constraints and so on, even though potential **directorship** is in the future. If interest is ascertained to be positive, then a gradual process of involvement can begin during which mutual testing can occur. Membership on the visiting committee should be an initial step toward directorship. A directorship should end rather than begin a process of involvement.

In the entire recruitment effort, the nominating committee plays a central role. That committee, one of great importance to the board, works closely with the executive to establish continuing lists of candidates. The nominating committee continually assesses board functions and performance to assure a membership supply which has interest and competence. Recruitment must be a planned thing, not the more typical “quickly fill the gap” approach so common today. Thus, recruitment and preparation of board members becomes the necessary, but not sufficient, condition for successful trusteeship

Conclusion

A nonprofit director serves as a trustee of civic purpose. This trust can be complicated, for it is not always clear what the “community” wants. But the nature and structure of the organization itself should be such that diverse and evolving areas of community concern can express themselves.

EXERCISE 2

- 1) Define the concept of “trusteeship” for your board.
 - a) What kind of job are you doing in the trusteeship role?
 - b) What kind of job is the board as a whole doing?

- 2) What steps does your board follow in identifying potential members?

Can this process be improved?

- 3) Think of establishing a “two-tier” community representative system as a way to achieve better representation (visiting committee; board). Could you do it? Why or why not? Do you have something like this in place already?

3

BOARDS AS POLICY MAKERS

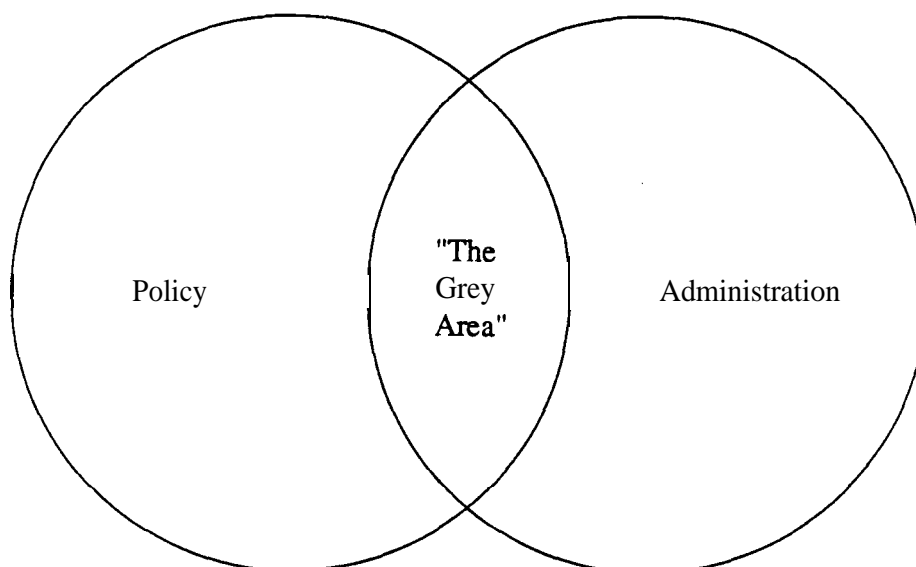
Introduction

Policy making is the vehicle of board action. But making good policy is not an easy task. It is not always clear what level of decisions boards should focus upon. This leads to a consideration of the policy/administration dichotomy.

Policy and Administration

The role of the board extends beyond policy making to the overseeing of policy implementation as well. The line dividing “policy” functions from “administrative” functions is always unclear. I prefer the intersecting sets idea as illustrated in Figure 2.

Figure 2
The Independence and Interdependence of Policy and Administration



Policy functions **are** those decisions which:

- 1) have broad scope and implication;
- 2) commit the organization's personnel or resources in a substantial way;
- 3) are hard to reverse;
- 4) are precedent setting; and
- 5) have force over long periods of time.

Administrative functions are those decisions which:

- 1) are relatively narrow in scope and implication;
- 2) involve reversible commitments;
- 3) tend toward the application of precedent rather than its establishment; and
- 4) have force over relatively short periods of time.

Clearly these elements are hard to differentiate.

Precisely because of their longer range implications, policy decisions require "oversight." Many aspects of a major policy decision require other subsidiary decisions to put the intent of the policy into practice. Board involvement is needed, in cooperation with administration, to effect policy. Without an understanding of the need for board oversight, executives may well resent the board, without an understanding of the need for executive involvement, the board may in turn resent the executive's intrusion into "policy" matters. There is, as noted, no completely clear demarcation between policy and administration. Relationships between executives and boards are worked out to the satisfaction of both in the individual instance. However, boards certainly cannot just "assume" that once a decision is made at the board level, it will be carried out. That is why regular reporting through a committee structure is useful. Generally, oversight in program and functional areas can be carried out through program and functional subcommittees, like finance and personnel.

The "grey area" includes those issues which involve both issues of policy and administration at once, or where the amount of either is unclear. Typically, these issues become the province of the executive committee, and **are** hashed out there before being allocated (or parts of them being allocated) to **directors** or executives.

Decision Accountability

One of the most important initial steps in evaluating policy decisions and being accountable for them is to make decisions in the **first** place. All too often when a problematic decision arises, people ask, "When and why did we make that decision?" And indeed, upon scrutiny of the records, the time and the reason is very unclear.

The decision was most likely not made at one point, but evolved at several points, almost as if one had contracted separately with six architects to design six different parts of a house which was then assembled by a builder. When one sees **the** house, one thinks, "My God, how did we get this?" At the end of the year, or whatever time interval is

appropriate, one should then be able to go back and not only answer the question, “What decisions were made during the particular year?” but also review the impact, structure and quality of those decisions overall.

Because it is often difficult immediately after a decision has been made to assess its impact, such retrospective assessment is essential to accountability. Sometimes the wisdom or foolishness of a decision emerges only after time has passed. Such an accountability review also takes into consideration the extent to which the information available at the time was sufficient and accurate. If an organization continually makes decisions that later turns out to be unsound, the process of information generation needs to be studied very carefully.

Here, the decision audit or autopsy is a useful device. The specific procedures for the decision audit/autopsy are reviewed in the chapter on effective meetings. However, it is important to emphasize that a decision audit and autopsy implies, as might be suggested, a careful review of the decisions made and an assessment or judgment about whether they were successful or problematic. Clearly, individuals involved in decision making will quickly notice that the result of a successful decision requires two interrelated elements: a high quality decision to begin with, and good implementation. An outstanding decision can be ruined by poor implementation. A poor decision can be tempered, and even made to look good, by creative and brilliant implementation. In any review process, directors should look carefully at both of these aspects. It should never be assumed that because the outcome was right, the decision was **right**; or because the outcome was wrong, the decision was wrong. Rather, the decision-making process should be looked at separately from the implementation process.

Review and Refurbishment

In addition to reviewing decisions, boards are responsible for policy review and refurbishment. Every five to seven years boards need to take an in-depth look at their mission, role, and articles of incorporation to ascertain whether any changes in direction are necessary. During each of the four to six intermediate years, one specific area of agent y/board relationship is selected for review and hopefully refurbished and improved. As noted, overall policy decision quality should be audited yearly. Thus, personnel policy might be scrutinized one year, financial policies another, and so on. At the end of the fifth to seventh year, all parts of the organization will have been reviewed. Frequent meeting satisfaction and yearly decision quality assessments, when combined with policy review and refurbishment and supplemented with information from the program audits, provide a useful overview of organization activity. These reviews can be accomplished during a yearly one- to two-day **retreat**, or at a special meeting in which people can look at the organization and reconsider their own role in it.

The review and refurbishment function is of longer range intent than the yearly assessments. The perspective and point of view is multi-year. Simply taking the yearly evaluations and then looking “at everything” at the end of a longer period, is both too little and too much. The yearly evaluations are combined with the more intensive “sector” analyses when one is looking at the overall agency mission and role in the five to seven

year review. The chapter on strategic change (Chapter Twelve) introduces detailed material on the **overall** change process.

The Sequence of Quality Decisions

Quality decisions are made in large and small areas. In a moment we'll talk about the assessment procedure for testing whether those decisions have been of high quality. Good decisions, though, are best enhanced with a **framework** which includes the following four generalized steps:

- 1) an overall statement of mission and purpose for the organization;
 - 2) three- to five-year plans;
 - 3) annual subcomponents of the long-term plan;
 - 4) **proportional** budgetary allocation to each of the annualized subcomponents of the plan;
 - 5) the operations audit.
-

Mission Statement

The mission and role statement for the organization should be looked at periodically by the board of directors. This is one way that trusteeship can be accomplished. Is the organization still aimed, and should the organization still be aimed, at those purposes and activities which originally gave rise to it? Has the local environment changed in any way that makes a **redirection** and refocus important? Have funding bases and demands changed in any fundamental ways? This kind of assessment is what corporate planners call "strategic planning" and it involves taking a long hard look at the external environment and adjusting one's overall mission and role to it. Mission and role assessment are not approached lightly and do not need to take place often. The end of the five-year plan is a *good* time to take a look at mission and role and perhaps at ten year intervals more detailed study, perhaps involving outside experts, can be brought to bear.

Three- to Five-Year Plan

A three- to five-year planning basis is something which demands more attention. Even those human service organizations which have a fairly well defined set of mission and role statements have no five-year plan for achieving those missions and accomplishing those goals. Boards of directors sometimes like three-year plans because they permit a rough articulation with the turnover of board members, giving board members a chance to have some perspective and new board **members** a chance to have input. Whether the period is three, four, or five years, however, it is important for the board to adopt a policy document which states the more concrete versions of goal and mission. For example, suppose a youth serving organization says that it wishes to be of assistance to youth in the community. In exactly what ways? How is that to be manifest? The three- to five-year plan specifies the ways in which such service is going to occur. It can, of course, be changed, either at the end of the plan or, if appropriate, **retargeted** during the period itself

after some review and discussion. While three- to five-year plans are important, boards should also emphasize flexibility and practicality. Indeed, a change of focus can be brought into the plan itself.

The Annual Plan

The annualized version of the three- to five-year plan simply sets yearly targets and yearly foci which guide the organization's work. Many organizations which have fairly well worked-out mission statements and five-year plans have no sense of how the activities in a particular year are going to move them toward the goal that they wish to achieve. Program committees need to make **reports**, usually in the period before budget assessment and approval, of the proposed annual plan for the organization. It is crucial that this be done before budget time because the budget is looked at with respect to the annual plan. All too often, the reverse is the case -- budgets come in for approval and the directors use the budget as a way to talk about their desired goals and activities. When this inversion happens, one has an organization which is driven by the budget rather than a budget which is driven by the organization's mission and role. In making the annual plan (or the three- to five-year plan, for that matter), it is crucial to have specific targets outlined. Annual plans with phrases like "*more*" emphasis here and "*less*" emphasis there are not acceptable. Rather, numbers and goals need to be **specified**. Then one can see whether goals have been achieved.

Fiscal Assignment

The last component, the fiscal assignment **component**, is one which moves toward implementing the annualized plan (and, by implication, the five-year plan and the mission and role statement) through assigning budgetary fractions to the program components of the organization. In this exercise, the board decides approximately what fraction of organizational resources should go toward accomplishing a particular objective. This assignment is made irrespective of the revenue which is generated by that particular component. Consider, for example, an agency which has two central components -- **counselling** and residential care. In looking at the budget, the board of directors might decide that it wishes to spend 60 percent of its resources on counseling and 40 percent on residential care. This kind of decision then permits the budget makers and other policy people within the organization to draw up a budget consistent with that general directive. It may be, for example, that the income **from** counseling and the income from residential care do not match the **proportions** of effort the organization wishes to spend upon them. In that case, the amount of subsidy that one program needs and the other program provides (that happens to be the situation in a particular case) is clear. The degree of outside fundraising is also clear and the extent to which support from such outside sources needs to be channeled to one or another functions becomes more apparent. One can simply extend this example to an agency that has four or five or six functions and the budget fraction allocation gives the board the opportunity to look at the various functions, assess the way in which those functions are helpful to the organization and assign proportions of effort represented in dollar units to the range of functions. (The Index of Dissimilarity,

discussed in a moment, provides a way to assess how close your organization is to where you want to be.)

This type of process is the **first** aspect of trusteeship through quality decisions. Quality decisions cannot be made in a haphazard, catch-as-catch-can way. There must be a coherent and understandable organizational plan for its mission and the organizational structure and allocation of effort must be then broken down into components which achieve this mission. As crises come up, they can then be considered within the framework of the organizational mission and role and the annual plan.

Operations Audit

Quality operations, of course, **are** hard to assess, but it is important that the board look at the agency's operations at the end of the year. An "operations audit" is useful here. What this involves is simply taking a look at the performance of the organization based upon the annual plan to see whether or not the components of the annual plan were in fact achieved and if they were not achieved, to ask the question, "Why not?" The next step is to either make the appropriate adjustments **in** the plans, targets, and goals, or to make the appropriate adjustments in personnel and other internal organizational elements to move toward more success in the coming year. The operations audit, incidentally, is good not only for what it does, which is review and adjust, but for what it signals, because employees of the organization **are** aware that given a set of organizational missions and roles, five-year and annual plans, there will be some accountability about the extent to which they have moved toward those goals. Particularly within the human service field, accountability is often lacking.

The Professional Unit System

One of the ways that boards may begin the process of fact gathering is to establish a common basis for assessing exactly how much **personnel/money** is available to accomplish **all** organizational tasks, and with that as a base, to look at how those resources are allocated. The **first** step is to develop a professional unit that is simple enough to allow all directors to have an intuitive understanding of the process, and yet complete enough to be useful. Such a system is the Professional Unit System, and when developed it will work well for the agency, board, strategic planning effort, as well as for the executive, in terms of developing material, assignments with staff.

The Professional Unit System works in the following way:

1. The executive director, and perhaps a small committee of members or directors, calculates the number of direct service workers available to the agency. In this case, consider only individuals who perform the actual work of the agency, not those who do administration, supervision, janitorial work, secretarial work, and so **on**. **In** a clinical service agency, it would be the number of clinicians, up to and including fractional amounts. In a planning agency, it would be the number of junior and senior planners, and so on.

These **are** called **direct** service workers. The other workers are called support staff. Even the executive, unless she or he happens to see a client or spend some time actually reviewing planning reports or policy documents, would be considered support staff. Let's assume it is known for purposes of these examples that an agency has ten direct service staff.

2. Calculate the number of weeks of work that are available to the direct service staff to do the agency work. In calculations that we have done in a number of **trials**, the approximate number turns out to be around 45 or 46 weeks, out of the total 52 in a year. This number comes from the fact that individuals have time off for vacation, sick leave, etc. But for purposes of ease of multiplication in this example, let us assume that the agency executive and board has 50 weeks of staff time per worker available for assignment to whatever tasks the agency chooses to undertake.
3. Multiply the total number of workers by the total number of weeks. In an example selected, the result is 500 worker weeks available for all agency programs and activities.
4. Divide the number of worker weeks into the total budget of the agency. This calculation gives the total dollar amount per worker week. In the example selected, let us assume that the agency's budget is \$500,000. The total amount of money per worker week is therefore \$1,000.

With this information the board and executive can now begin a process of analysis. Executives, for example, may wish to review with the directors their sense of the extent to which the agency effort measured in worker weeks divided by program makes sense in term of the priorities and values of the agency. It is common in human service agencies, as well as in other organizations, to experience organizational "drift" -- a process by which agency allocation, personnel and resources move slowly away from desired goals and objectives. A variety of informal and historical mechanisms cause this to happen, and it is frequently unnoticed. Actually, organizational drift is the rule rather than the exception. A strategic assessment would detect it and corrective or **redirective** activities could begin. It may also be that the agency is doing exactly what it is supposed to be doing given its goals and objectives, but upon review, that the goals and objectives are not really what the agency *should* be doing. Here again, the Professional Unit System will allow the overall allocation of effort to be seen more clearly both in terms of personnel and dollars.

The Professional Unit System fuses dollars and people into a single, easily comprehensible unit. Boards think more in terms of people than money. However, much of our planning and decision making is often done in terms of money (or disembodied monetary units), which removes it from the reality of human service organization activity. Therefore, the Professional Unit System allows a crisper, cleaner approach to strategic thinking. After all, once organizational objectives have been determined, one has to begin to allocate staff and budget to them, along with ample support staff. The Professional Unit System provides the overall broad picture and factual basis which allow organizations to look at what they are doing, what they might be doing, and to try to see whether or not actual activity corresponds with the desired activity.

The Index of Dissimilarity

How might one actually make such ideal-actual assessments? Here the Index of Dissimilarity is useful. This is an index which provides a numerical value which can assess how **different** the organization's actual activities are **from** those which **are** desired, and where the organization's actual assignment of staff differs from that which **would** be wished for. The index is a relatively quick yet sophisticated measure that provides a lot of information for minimum effort. It builds on the Professional Unit System, and works in the following way:

Once the executive and/or planning committee has developed a Professional Unit System, board members and directors are asked to **fill** out a small questionnaire. The structure of the questionnaire is simple. It is simply a list of the major organizational activities or programs, plus some lines which are empty. Across from the activity, directors are asked to allocate the percentage of organizational time they feel should go to each activity (Figure 3). If they wish to propose allocating organizational time to activities which are not currently undertaken, they can do so by filling in the name of the activity in the blank line (this process is illustrated in Figure 3). The planning committee and executives sum and average these allocations, and place them in column A on the Index of Dissimilarity Worksheet (Figure 4). In column B are noted the percentages of time actually allocated, as derived from professional unit allocations. Column A is thus the "ideal" column, and column B the "real" column. Column C represents a subtraction of column B from column A. Then the percentage differences in column C are summed, disregarding sign, and divided by two. The resulting number, called the Index of Dissimilarity, shows how different the organization's activities actually are from what it would like to be doing. This is terrific factual material which the board can then use to refocus, redirect, and reinspire the organization. The percentages can easily be converted back into professional units, so that the organizational directors can quickly see what their percent of effort means in terms of percent of budget allocation. Indeed, it is sometimes the case that, instead of professional units, actual budget fractions can be used in the column A and column B allocations.

The important thing about the use of percentage allocations is that it clarifies the choice process. Often, directors do not have a sense of the broad form of organizational allocations. Not infrequently, directors talk in terms of more emphasis on this, less emphasis on that, and so on. By forcing the choice through the use of the 100% mechanism, differences in approach and emphasis are pinpointed.

One deficiency of most organizations is very quickly revealed by the use of the Index of Dissimilarity. Many organizations will be shown to have no allocations for innovation, new programs, experimental work, and so on. Absolutely everything will be consumed by operating programs. It is tough to become an entrepreneurial board (Chapter Eleven) if there are no resources at all for the new and innovative programs. Therefore, the organization finds itself without *any resources*, **discouraging** innovation. A **guideline** is that 15% of the organizations resources should be **targeted toward** innovation; this item and percent are **fixed** in the examples. This goal *may take three* years to reach, if none is targeted toward innovation at the present time.

Figure 3
Index of Dissimilarity
Questionnaire for Directors

Please indicate the % of time you feel the agency should be spending here.

1.	Goal #1	_____
2.	Goal #2	_____
3.	Goal #3	_____
4.	Goal #4	_____
5.	Innovation (freed item @ %)	15%
6.	Individual Items	_____
7.	Individual Items	_____
	TOTAL	100%

Note: Give this sheet to each board member, **and**, if you wish, to all staff as well. Average the responses and list on feedback sheet.

Figure 4
Index of Dissimilarity Worksheet
 Use % of Time, Budget, or Professional Units

	(A) Average "Should" %	(B) Actual %	(C) A-B%	
1. Goal 1	_____	_____	_____	
2. Goal 2	_____	_____	_____	
3. Goal 3	_____	_____	_____	
4. Goal 4	_____	_____	_____	
5. Innovation	15%	_____	_____	
6. Individual Items	_____	_____	_____	
7. Individual Items	_____	_____	_____	
	100%	100%	_____	Sum of A-B
				Disregarding Sign
	Index of Dissimilarity =			$\frac{A-B}{2}$

The Index of Dissimilarity is extremely flexible. Executives may wish to use it with staff, comparing the executives' assignment of work load and staffs own percentage allocations. The fact that **there** are differences only points out what has already been known. What the index begins to show is the amount and scope of these **differences** and their location. As the beginning of a strategic process, either at the board level or within the organization, these techniques are a good start.

Conclusion

Policy decisions are the central feature of the organization. Improving them is a central feature of director's responsibility. Central to the development of quality policy is a continual process of goal development and review. Without constant examination, organizational ennui quickly sets in.

EXERCISE 3

1) Consider your board's recent decisions. Can **you** locate them **here**?

- Policy Matters
- Policy/Administration Matters
(**Grey** Area Matters: Figure 2)
- Administrative Matters

Are you working in the proper areas?

Why or why not?

How can you improve?

2) Has your board prepared a mission statement? _____

Has your board prepared a 5 year plan? _____

Has your board **prepared** an annual plan? _____

Has your board prepared a fiscal assignment sheet? _____

If not, why not? How can the board begin one?

3) Using the Professional Unit System, calculate the cost of worker weeks in your agency. Does it seem appropriate?

Why or why not?

EXERCISE 4*
Mission, Operational Goal, and Index of Dissimilarity

Write down a statement (“the” statement) of organizational goals.

Now list, in priority order, a set of operational goals.

	(A)	(B)	(C)
	Percent you	Percent you	Difference
Operational Goals	<u>want</u> to spend	<u>do</u> spend	(A-B where)
1. Counseling	<u>70%</u>	<u>50%</u>	<u>20%</u>
2. Home care	<u>25%</u>	<u>40%</u>	<u>15%</u>
3. Individual Items	_____	_____	_____
4. Individual Items	_____	_____	_____
5. Innovation	<u>15%</u>	<u>0%</u>	<u>15%</u>
6. Misc.	<u>5%</u>	<u>10%</u>	<u>10%</u>
	<u>100%</u>	<u>100%</u>	<u>60%</u>
	_____	_____	=====

To calculate the Index of Dissimilarity:

$$\text{sum of column 3} = 60\%$$

$$\text{Sum of Column } \frac{3(60\%)}{2} = 30\%$$

$$\text{Index of Dissimilarity} = 30\%$$

* In this exercise, subtract those percents of actual expense which are higher than **desired** expense from desired expense. (If your expenditure actually is exactly the same as your desired expenditure, then there is no **difference**.) Add these differences up and that number is the proportion of budgetary change you need to make in order to move actual expenditures into line with desired ones.

4

THE BOARD'S RESPONSIBILITY FOR FUNCTIONAL APPROPRIATENESS

Introduction

Boards play a range of internal and external roles in the process of carrying out their mission. It's important for directors to understand the various roles available, and the issues around each.

Role of the Director

Board members and the board itself are responsible for acting appropriately within the context of their roles. We have discussed the positive aspects of one's personal role, that is, acting as a trustee of civic purpose and taking a proactive accomplishment-oriented posture. There **are** more detailed discussions of the roles of the chairperson, member, executive director and staffer available elsewhere to flesh out these suggestions. However, the whole society of the 1990s is taking an increasingly closer look at the ethical **behaviour** of civil and civic servants. Directors are becoming more aware that simply wanting to "do good" is not enough. In many ways society holds higher standards for those in the voluntary sector than for those elsewhere. One cannot ignore these new foci.

Role of the Board

What is important to stress here is the way in which the board role is structured and presented to itself and to the community. Boards, and directors as members of boards, have certain functions to perform if the overall purpose of the organization is to be achieved. There needs to be a structure so that internal and external functions can be performed. Directors need to work toward board role appropriateness.

It is especially important to distinguish between legal decision making (generally an internal function) and advice giving (generally an external function). Overall, there are three internal and four external functions that are typical responsibilities of boards.

Internal Functions

1. Policy Decision Functions

These typically relate to the board as a whole and refer to those aspects of its role which involve formal legal authority as specified under articles of incorporation and under statutes of the state. The decisions made here are typically referred to as “policy decisions” although other types of decisions may have policy impact as well. Crucial to the policy decision function is adequate information, adequate time for review, adequate feedback from appropriate parties, and reasonably prompt action consistent with available information.

What needs to be avoided here is decisional prematurity and **postmaturity**. Prematurity occurs when an item is brought to a policy meeting without adequate available information. Typically, a **great** deal of time is spent on such an issue and then it is postponed. Decisional prematurity is one of the most significant causes of decisional **postmaturity**. A decision delayed is, all too often, a decision denied. It is legitimate for a director to charge a board with undue delay. The problem of what is undue is a difficult one and cannot be solved in general. Although **there** is no issue on which more information cannot be garnered and on which additional perspectives would not be useful, there is often a series of external constraints such as grant deadlines, fiscal year deadlines, and so on which make the very best informed decision useless if it comes too late. Therefore, within the policy deciding function, boards need to achieve a balance between information on the one hand and decisional needs and pressures on the other.

2. Policy Oversight Functions

Policy oversight functions are typically accomplished through the committee structure. They involve policy generating and review components, as well as assessment and program audit elements. Policy oversight occurs once a formal decision has been made by the board of directors. However, within the concept of policy oversight is a certain amount of policy proactivity. That is, the anticipation of upcoming events and the proposed adjustment of existing policies to take those new events into account. Members of policy oversight groups must be clear about the scope and extent of the **particular policy** that is being **monitored** and should neither overextend their role to encompass areas tangential to it nor ignore or minimize the responsibilities which they have.

3. Policy Administration Functions

Sometimes, given unique situations, a policy administering committee is set up by board of directors. For example, in an agency crisis, power may be delegated to a small group along with appropriate financial resources, secretarial and other logistical support to immediately handle, with the executive, a particular situation. Most typically, fast-breaking

situations require the development of such a task force. The task force dissolves when those situations have been resolved.

Over the course of a year, a board will typically perform **all** these functions, plus the external functions not as yet mentioned. The board needs to be sensitive to the differences they will encounter.

External Functions

Boards of directors of human service agencies play a series of four external roles that are quite different in nature and quality from the internal roles. As agencies move into the interorganizational environment, they no longer have the imperative control given them by their charter and articles of incorporation. Rather, they move **from** a position based in authority to a stance based in cooperation, which involves networking and coalition building. There are four external roles which the board may play (and sometimes may create other community committees which play these roles too): policy sharing, policy advising, policy coordinating, and policy implementation.

1. **Policy Sharing**

Policy sharing is a role in which the board agrees to cooperate with other similar agencies to acquaint them, and be acquainted with, ongoing programs. It does not imply any adjustment in programs, nor does it imply that any particular program is **right**, wrong, appropriate, or inappropriate. It simply reflects an agreement to get together for a “show and tell” session on agency programs. This activity reflects a cooperative posture only.

2. **The Policy Coordination**

Sometimes policy sharing leads to a policy coordinating function. Under this function a board will be asked to perform roles with respect to other organizations in terms of program adjustment. For example, it might be suggested, “We’ll handle young kids and you handle other kids,” or “We’ll handle boys and you handle girls.” These types of adjustments require either prior agreement from the board or actual board agreement once the proposal is made. organizational staff need to be involved as well. Agency or organizational coordination requires joint planning and joint agreement.

3. **Policy Implementation at the Community Level**

Sometimes, within the **interorganizational** system, the board of directors becomes part of a team asked to implement a particular community-wide decision. Again, we are speaking of delegated functions and functions that require constant board oversight and approval. When a board member joins a community-wide group for coordinating and implementing purposes, it does not mean that the individual carries board approval unless that approval has been specifically given. This is an important function for the board to play and we strongly encourage boards to

participate as boards in policy sharing, policy coordinating, and policy implementing activities at the community level. It is one of those situations, however, in which a special subcommittee or task force might well be developed to handle the relationship of the particular organization to the constellation of organizations which is seeking to accomplish larger social tasks.

4. Policy Advising

Sometimes a board is asked for a collective opinion on a matter of community concern. The Mayor, for example, may call and ask what your agency thinks about an issue. It is not sufficient to simply chew the matter around and then let the executive write up a quick recommendation. Rather, the matter must be discussed and language must be prepared which reflects the board's perspective. It must be approved by the **board** and entered into the minutes. Although a decision is actually made during the policy advisory process, the decision is only advice.

Conclusion

There **are** certainly many other roles that boards as boards may play. However, these seven internal and external roles **represent** the beginning of a perspective suggesting some of the differences which might be involved. It is our feeling that boards need to pay more attention to the external system than they have in the past - particularly in the human service community.

Boards tend to be more inwardly **focused**, playing roles as corporate citizens in the collective community less and less frequently. While it is appropriate that a balance be struck, some time needs to be spent in coordinating, implementing, sharing, and advisory roles. Decision making boards often find it difficult to play these external roles because they relinquish the authority they have when they deal with internal matters. This shift from authoritative posture to cooperative posture represents a challenge to a board.

EXERCISE 5

Think of the seven board roles:

Internal

Decision
Oversight
Administration

External

Sharing
Coordination
Implementation
Advising

Has your organization played all of these roles?

Which one does it play best? Worst?

Does the board adjust its **behaviour** when its roles shift?

5

THE BOARD'S ROLE IN SELECTING AND EVALUATING THE EXECUTIVE

Introduction

As mentioned in Chapter One, there are several problems with the search and evaluation process. The **first** problem is that the search process doesn't happen very often. Search and hire is not something that many directors do in their daily lives as regularly as they do some of the other things that board roles **require**. Hence, the amount of knowledge transfer is lower. Second, there are interpersonal problems inherent in selecting one candidate from among many and the problems of evaluation which involve agency criticism or redirection. None of us likes to receive criticism, and for that reason we don't like to give it either. Yet the health of the **board**, the health of the organization, and the ability of the board/organization to accomplish goals depends upon good hiring and good supervision of the executive. Improvement of these functions requires attention to three topics: the set of considerations and policies which deal with these matters; the specific process that one goes through to hire an executive -- the search process; and some specific techniques for accomplishing the process of evaluation.

Considerations and Policy in Executive Search and Review

The whole process of executive search and **review** can be made simpler if a few matters are first attended to. Among the more important of these is **the** setting up of a contractual period for which the executive is to be hired. Often **three** to five years is a good contractual period. **If** it is tilting toward the longer time period, then a specific major evaluation should be done midway and the intention to do so should be written into the contract.

Yearly evaluations should also be done and some procedures for them specified. "Why is it important," one might ask, "for us to be this **specific**?" The answer is in essence that a

stitch in time saves nine. It's always easier to set up procedures for a position when there is no one in it. This set of requirements can then be an integral part of the considerations used by the candidate.

All too often, executives stay because no one knows how to **get** rid of them. And it should be added here that- executive turnover is not **always** or even often due to incompetence or bad performance. It is more frequently due to changes in the goal structure and direction of the organization or changes **in** the desires of the specific executive for a larger or smaller or different role for herself or himself. We all recognize that people have different skills and it is not infrequently the case that the skills of a particular executive meet organizational needs at a specific time but don't meet them later. There ought to be a way to assist that executive to move to a job where his or her skills are more appropriate and to **secure** someone who has the skills for the new phase of the agent y's development and activity.

Part of the way this is accomplished is by linking the term of the executive with the major policy review and refurbishment schedule. It has been suggested that a major assessment of the organization occur every seven years. This could be a period when goals are readjusted. If the contract of the executive is tied to that schedule, then it becomes possible to make an adjustment in the executive director at the same time as and consistent with an adjustment **in** goals. **Often** if the former is not done, the latter will not occur even though formal a change in the mission and role has been approved by the board.

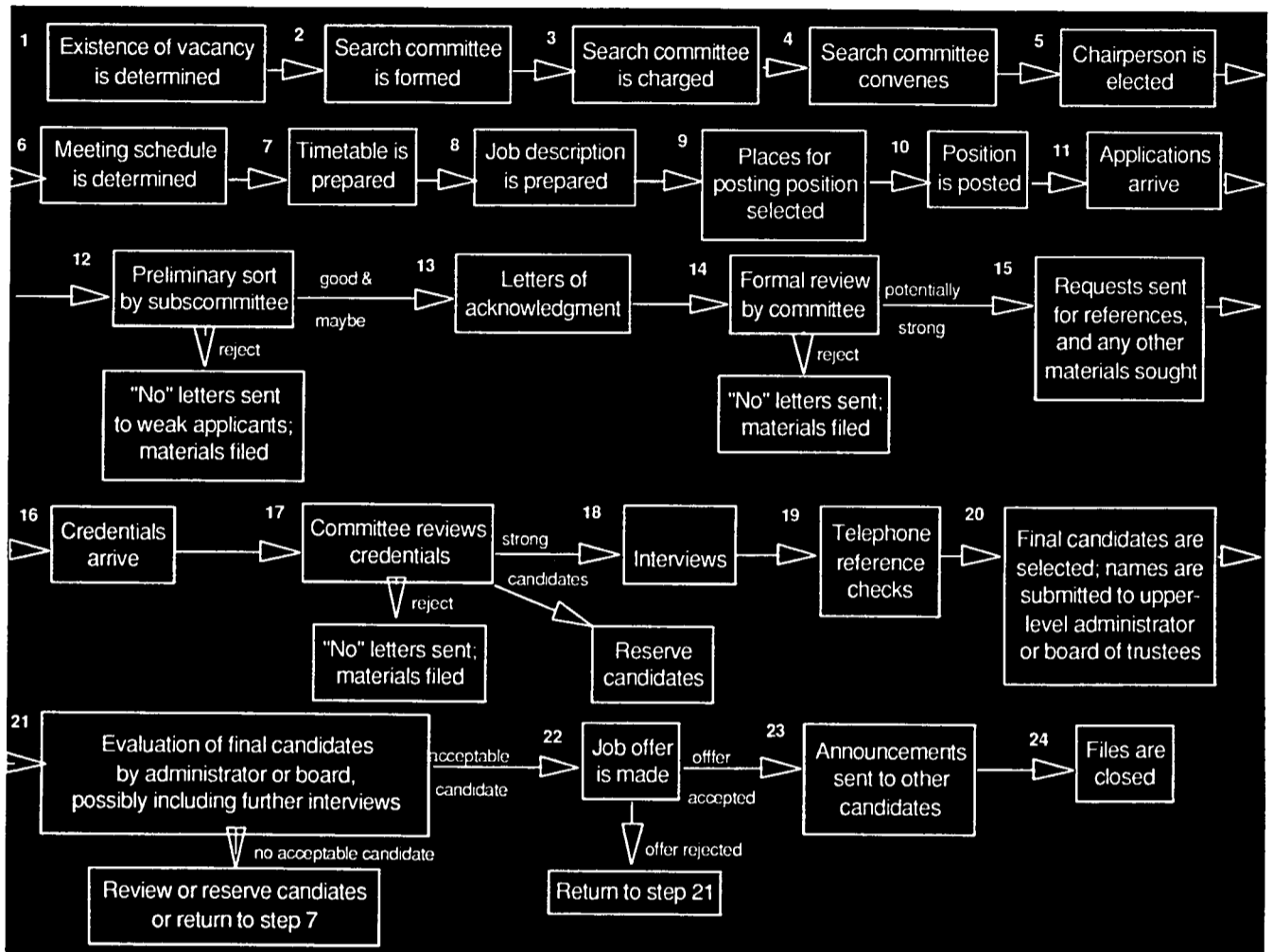
It is also necessary to be aware of any legal requirements which the organization must follow in thinking about a new executive. Some of these, of course, are specified in the bylaws and refer to specific procedures that must be followed to make the search and selection process legal and legitimate. The organization must also be sensitive to any laws which govern the search process.

Often, it is possible to secure help with both search and assessment **from** national agencies or special **firms**. For example, United Way of America and United Way of Canada both provide assistance to United Ways in the search process and it would be useful to confer with representatives from these central organizations before directors set about the job of selecting a new executive.

The Selection Process

The selection process itself is complex and involves many steps. It's useful to conceive of that process as a flow from the point at which the vacancy is determined until the final selection is made and announced. Since **there** are few available guidelines to assist directors in this task, the chart by Richard A. **Kaplowitz** called *Steps in the Search Process: Finding Top Staff* is on the following page (**Figure 5**). It was originally written for academic administrators, but the similarities are **great** enough that there's almost no board of directors that couldn't adapt the steps suggested by **Kaplowitz** to its own needs. The 25 steps which he mentions are perhaps more than would strictly speaking be necessary. Yet it is important to proceed thoughtfully, rationally, and systematically. Because we engage in this process so rarely, it is often handled poorly.

Figure 5
Steps in the Search Process: Finding Top Staff



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The overall **sequence** of steps is straightforward but there are a number of specific difficulties that are worth a word or two here. The **first** deals with the question of the search committee itself. Who should be on **it**, should it be a committee of the whole, should it be a specifically elected committee of the **board**, should it be the nominating committee, or should it be the executive committee?

Our suggestion is **really** none of these but rather what might be called an augmented executive committee, that is, the officers of the organization, plus the chairs of the other major committees, plus one or two members specially elected at large. This gives breadth and depth to the selection process. The chair of the search committee should be someone other than the president of the organization **because the** president will have enough ongoing responsibilities. Therefore, a special election can be held.

The next question that quickly develops deals with the staffer role and the search committee. What kind of individual should be selected to provide staff service? It has to be someone with access to the mechanical strengths of the organization -- the computer, the paper, and so on -- as well as someone who has knowledge about the organization. Sometimes the outgoing executive serves in this role. At other times it is possible to secure an outside individual. Sometimes a search **firm** can be used. Care, however, should be taken with respect to the possibility of internal candidates so that individuals who might be interested in the job are not given undue influence or neglected unduly by purring them in a specific role with respect to the search committee.

A third point of importance is budget. Some thought needs to be given to this along with a range of other search considerations. Is the search to be national or local? Are people to be brought in or **are** they to be interviewed by phone? Sometimes the committee wants to visit them. Overall procedures should be worked out and set down and then arrangements made with the organization for a special budget line and an allocation to that line so that the committee has some sense of what it has to work with.

The budget for the search itself is not the only budgetary item that needs consideration. Additional attention should be given to the salary range of the job and to the perquisites that one might wish to talk about with perspective candidates. For example, is the agency willing to pay moving expenses for an out-of-town candidate? Is the agency willing to provide a car, and so on? All too often questions like this are never thought about until the candidate raises them. This gives the candidate a bad impression and does not give the directors as good a sense of structure as they would like and deserve.

A fourth point of importance has to do with the question of the organizational mission. Many search committees flounder immediately because someone says, "Well, I can't look for anyone until I know exactly what we are going to ask that person to do." This statement sounds reasonable on the surface but it has the seduction of the half-truth. Certainly it is important for the organization to have a set of generalized expectations for the executive. They may even be written down in a job description. Yet it is equally true that most organizations hope that the executive herself or himself will assist in defining the mission and role of the organization and will give **vigour** and vitality to that process. In the back of people's minds is the notion that if the job is too well-defined, too specific and too **detailed**, the more interesting individuals won't take it. Who wants to simply

carry out the detailed instructions of others? Hence a general statement needs to be developed. It should be considered an "open statement" -- something not terribly detailed that will give individuals a sense of what the agency is about and what its interests **are**, and will also convey the expectation that the candidate himself or herself will be expected to materially contribute to that.

Fifth, there needs to be a balance between proactivity and reactivity, between invitation and response on the part of the search committee. Many committees take the view that they simply need to post a job and interested individuals will apply. From that applicant pool, one will be selected. This view is a partially **accurate**, but also partially fantasized view of the search process. Search committees often don't recognize that while they are looking over the potential executive, that person is also looking them over. The assessment and interview process is always a two-way street. Hence, search committees must perform the dual function of both assessing a potential candidate and recruiting that candidate. The archives of boards of directors are **filled** with sad stories about "the one who got away" -- the perfect individual who, in the final analysis, was not interested in coming to the particular agency, often because of hostile or negative treatment (sometimes called "tough questioning") by the **search** committee.

A corollary to this is that, at least in the initial stages, search committees should not be too rigid about who is and who is not a **candidate**. In some cases, committees ask individuals to "apply". But often the very person one wants already has a good job and had no interest in "applying". In these cases, it is **frequently** useful to invite individuals to "explore possibilities and perspectives" with the search committee. This can be an informal discussion in which the individual in question begins the process as a "consultant" to the organization. During the initial discussions the extent of the candidate's ability can be scrutinized in a more tranquil **atmosphere** and the extent of the consultant's potential interest can be explored diplomatically. There are many refinements to this phase, but the important aspect is that the committee be open to exploring possibilities with a range of people and a range of positions, at least during the early stage.

A second corollary to the above point concerns the need to **search**. Most search committees sit and wait for individuals to approach them. Alternatively, it is important to identify individuals who would be good and approach them -- ask them about their interests, invite their application or consultation, and take action to produce a good candidate **list**. Veterans of the **search** process know the complexities that can occur. The "best candidate" or "candidate of choice" drops out at the last minute for personal reasons. When that happens, the agency which has relied heavily on that individual simply has to start again.

A sixth point to keep in mind is the importance of maintaining an equitable and informative process with respect to the candidates on the one hand, and the board on the other. Once decisions have been made about the overall time schedule and procedures and a system (such as **Kaplowitz's**) has been **started**, the candidates need to be kept abreast of what is happening. Candidates who apply and are clearly not in contention should be informed of this quickly. Later, when the "short list" of **three** or four top individuals develops and a choice is made **from** among them, the search committee often wants to avoid rejecting the other two or three until they find out whether the frost individual is

going to **accept**. Perhaps there is no good solution to this problem. Many people do not like to tell someone that they ranked second or third. Yet if one looks at the situation objectively, that's not so **bad**, especially when compared to the most typical procedure of leaving the person without any information at all until some end point is reached.

In the final analysis, **all** individuals should be contacted throughout the search activity. Many times people never know the disposition of their application. Unbelievable as it may seem, once the selection has been made, many search committees forget about the other candidates and only months later tell them that someone has been selected. Very few organizational activities are undertaken with the rudeness and lack of courtesy that often attend the search process.

These points do not cover all the difficult areas, but they do touch on some of the most common ones. Perhaps what is important for the search committee to do is put itself in the applicant's shoes. This will enable it to have a more realistic idea of the kinds of questions to ask, their sequence and nature. It would also suggest the kind of treatment that might be appropriate.

Review and Assessment

The search process can lead into and set the stage for the process of evaluation. It has already been suggested that there should be an evaluation policy in place that specifies a contract period and regular evaluations. Yearly evaluations are the most useful, although other time intervals can be used if they seem appropriate to the agency or organization in question. The important point is **to** sit down and talk through accomplishments and failures during the year. This process is made easier if there are two periods rather than one.

What often works well is to begin the evaluation process with a discussion of the goals that the executive in the organization seeks to achieve during the year. These will be **organizationalized** versions of the larger mission and role statement of the organization (and the annualized goals) and represent agreed-upon trajectories of activity for the organization and the executive. Often it is useful for the president to ask the executive to set down a list of achievements that he/she hopes to achieve in the coming year and to link them to organizational problems and strengths. The board or the executive committee may then look at this memorandum, accept it, make revisions to it, and usually talk with the executive about it. Through discussion a mutually agreed-upon set of activities for the year develops. This becomes important because the executive's accomplishments depend, to a large part, on activities of others, not excluding the board itself. Hence, the board needs to be aware that insistence on some objectives for an executive might require board involvement in a variety of ways and they have to be prepared to commit those resources.

In any event, a document is agreed upon, and it is that document which provides the basis for assessment at year's end. Often the president will sit down with the executive and go over the list of goals seeking to cover the successes and the problems. Previous to the evaluation meeting, a self-assessment **from** the executive may be requested and the president and the board may each, using the same chart sheet, prepare their own

assessments. These can then be compared and **the commonalities** and differences noted and discussed.

There **are**, of course, other ways to approach evaluation, but this two-step process of setting up targets and then measuring progress **toward** them is among the better ones that boards can use. In part, it is the two-step aspect that adds strength, because all too often executives do not know that the board wants them to accomplish something other than what they are aiming for. This results **in** premature termination. But any system **can** be used. The point is to have one and to use it annually.

Termination

The whole process of search and review is designed to prevent the need for termination. Termination often represents the failure of processes of the sort described here. Frequently expectations and problems are not conveyed **and**, in some instances, executives are not only given no feedback, they **are** lied to -- "everything looks great." Privately, though, the board is upset and angry. This finally results in termination.

Problems of this sort can be avoided with thorough review and discussion. Regular, frequent meetings take the sting out of "one big blockbuster session." Executives do **leave**, but boards should **work toward** establishing the fit and assist executives in finding the fit, rather than anything else.

Sometimes **firings** do occur and perhaps even need to occur. Then feelings run high. The alternatives seem few. The best course **here** is to use specific, attainable goals, performance reviews, and to rely upon the "written record." **It** is not a case of how someone feels, but rather what someone has done that is important.

Regular reviews of the executive mean that such goals and objectives can be specified. Then one can talk with the executive about whether they have been met or not.

Conclusion

The hiring, evaluation, and termination processes are difficult. No amount of procedures, structures, or **rules** can make them easy or remove the tension, **uncertainty**, and complexities that surround them. However, **difficulties can be minimized and it is one** of the board's more important roles to handle these matters with dignity and dispatch.

EXERCISE 6

Review the Evaluation System used for the Executive **Director**.

Is there one in place?

Is it satisfactory?

Does it conform to the ideas suggested here?

How could it be improved?

6

THE BOARD'S ROLE IN TRAINING AND DEVELOPMENT

Introduction

Boards have a responsibility for training new directors as well as current directors. Nowhere has this need been more seriously recognized than during the "maximum feasible participation of the poor" during the 1960s in the United States. During that time many individuals lacking board experience were brought onto governing bodies of nonprofit charitable organizations. Rarely were they provided with any kind of orientation. Their subsequent failure was often perceived as their own fault! Orientation is an absolute necessity for new directors; ongoing training is equally critical for all directors.

Board Manual

The **first** step in training and development is to have the right books. In this case, it is a board manual. Every board should have a manual for directors. The board manual should begin with a statement of mission, the purpose of the organization, and a brief history and "**raison d'être**" of the organization. The legal responsibilities of the organization should then be detailed and should refer the reader to the articles of incorporation listed in the appendix.

The next section should contain a statement on the expected responsibilities of directorship, which outlines the role of the typical **director**. This is a "job description" of the director, and will be used for evaluation later on.

A fourth section, which can be updated regularly, should outline the current operating structure of the organization, i.e., the subcommittees, their functions and purposes; names, addresses, telephone numbers of directors, past directors, advisory committees; and any important links, training program plans, retreat dates, meeting schedules -- all of the specific paraphernalia of directorship which might be needed. It is useful as well to have the names and addresses of staff on a separate sheet which can be updated as necessary.

Another section should contain a compilation of annual reports. This gives each director an opportunity to see what the agency has done and to consider what it is likely to do in the years to come. Future or projected plans can also be listed here. In addition, it is useful to have a single summary sheet giving historical demographic facts on the agency such as its annual **budget**, per capita expenditure on children, etc.

Finally, if the board feels there is any reading material essential to the director, that can be included as well. These materials might include copies of relevant articles or bibliography.

This is only a skeletal suggestion for a board manual. Some manuals are more simple and direct, while others are **more** complicated and intricate. What is vital is that the board itself develop its own manual. Following well-accepted practices of community organization, the involvement of the board in developing its own guidelines should be taken **as** an important guiding principle.

Board Training

One of the most important board training activities is the new director training session. If the suggestion made earlier in this document is followed and the two-tier involvement process is used, the new director **will** not begin from zero. This is too often the case, however, and it frequently takes six months to a year for the new director to become a useful participating member. In either case, whether the new **director** has participated in ancillary groups or is an inexperienced person in this area, an orientation process should occur. It need not be long, but it should include two basic aspects.

The **first** deals with the substantive elements of the organization, that is, purpose, mission and commitment of the organization. The new director may well feel that his/her motives for membership may be making a "contribution" and that substantive contributions will come later. However, the director first needs to know what it is he/she is **getting** into before substantial contribution can be made.

The second aspect of this training should deal with the principles of good group decision making. Often this section of new member training can be linked to a program offered to other individuals on the **board. Indeed**, it is very good **if** that can be the case. Mutual education involving discussion, participation and the acquisition of new knowledge is one of the best ways to establish the new director-old director bonding required for effective and efficient decision making.

Board Development

While too few boards have proper training procedures for directors, even fewer have policies relating to board and director development. What is the difference? Board training is specific and focused directly on the **specific** mission of the organization in question. Board and director development is focused on the education of the board and the director toward a **more** general set of skills and competencies. It is supported by the same

rationale that supports professional and staff development anywhere. Of course staff need training in the specifics of the agency. But they also need to experience development, that general education which comes from attending **conferences** and seminars. The same expectation and benefit is due to directors.

In general, the board should make provision for, and establish the expectation of, one development activity per director per year. Such an activity can be individual -- a particular **director** going to a conference of interest to him/her -- or it can be a collective effort in which someone is brought in to provide some educational component for the entire group. The important feature here is that the director(s) have the opportunity to grow during **directorship**.

Assessment of the Board and the Director

The board and the individual directors ("members of the board") should be evaluated annually. This idea runs counter to the thinking of some, who feel that evaluating a "volunteer" doesn't make sense. The contrary perspective seems more appropriate however. The board volunteer, like any volunteer, agrees to take on a volunteer role. The fact that it is "volunteer" should not make that commitment any less important. Hence, evaluation of role performance is needed.

There are several reasons why evaluation is important. First, evaluation emphasizes the seriousness of the role. Roles -- paid or not -- which no one cares about are ones no one looks at. Thus, the very fact of evaluation, far from making the role less attractive, emphasizes its importance.

Second, evaluation helps to get the job done. All too often in not-for-profit organizations when jobs -- volunteer or not -- are not done, someone else "falls in" for the individual who is not pulling his or her weight. This filling in process is good in part -- we all need help at times. But as a regular thing it is not positive. It skews the nature of organizational performance and contribution and allows some individuals to enjoy credit without work, while others are burdened with overwork.

A third reason lies in the overall, as opposed to the individual, **results** of the evaluation. It becomes a vehicle for organizational assessment, and the information when compiled allows the organization as a whole to get a sense of its performance in the decision making realm.

Lastly, evaluation sends a message to staff, who **often** believe that directors do whatever they want, and no one holds them accountable, while they, the staff, are doing the "real" work of the agency and are always under scrutiny.

Directors' performance, then, along with overall board performance and the performance of other personnel should be assessed regularly. As has been mentioned throughout, an assessment system starts with the development of job descriptions, goal and mission descriptions, and proceeds from there. Without that initial step, at the individual or organizational level, examination of performance is meaningless.

Networking

Some aspects of director training **are** costly and too difficult for one agency to put on alone. Directors may wish to network and, in cooperation with other agencies, to create a "Saturday Seminar". Or, the board may wish to work with a key community "resource agency, like the United Way, to sponsor and **develop** such sessions.

Conclusion

The development of **directors** is one of the deficiencies in contemporary non-profits. Investment in director development will pay large dividends.

EXERCISE 7

Am I a Good Board Member?*

Is it possible to **identify** the **attributes** of the perfect volunteer board member? The question is academic because **all** human beings are a combination of strengths and weaknesses. A good **board**, therefore, blends imperfect human beings into an effective working team.

There are, however, certain attitudes which help to make good board members. Some of these are listed here.

0 = NO . . . 10 = YES

Good Board Members:

I DO

OTHERS DO

1. Are dedicated to helping others and modest in the light of their responsibilities as board members.
2. Approach their responsibilities in the spirit of a trustee on behalf of contributors, their intended beneficiaries, and the public at large.
3. Stand up for their convictions, even at the cost of misunderstanding or disapproval in business or social life.

* This exercise was **borrowed** from the National Information Bureau. Their phrase "board member" is used rather than the preferred word "director".

Exercise 7 (continued)

Good Board Members:

I DOOTHERS DO

4. Back up other board members and staff, rising to their defense when they **are** unjustly **criticized** or attacked
5. Treat staff as partners in a high calling, maintaining overall supervision and control, but not interfering with &y-to-day administration.
6. Avoid being overawed by others on the **board**, whether they be executive **staff**; tycoons of business, **labour** or society; professionals in social work, education, medicine, etc.
7. Welcome information and the best available advice but reserve the right to arrive at decisions on the basis of their own judgment.
8. Respect the right of other board members and of staff to disagree with them and to have a fair hearing of their points of view.
9. Accept as routine that decisions must be made by majority vote and will at times go against one or more members.
10. Criticize when necessary in a constructive way, if possible suggesting an alternative course.
11. Recognize that time and energy are limited and that over-commitment may prove self-defeating.
12. Endeavour to keep disagreements and controversies impersonal and to promote unity.
13. Maintain loyalty to their agency, within a higher loyalty to the welfare of the community **and** humanity as a whole.

Source: Volunteer Board Member in Philanthropy, National Information Bureau, 419 South Park Avenue, New York, New York 10016. Reprinted with permission.

7

BOARD ORGANIZATION

Introduction

The functions of the board which have been discussed so far are many and varied. Typically an entire **board**, sitting as a “committee of the whole,” cannot accomplish them. Therefore, most boards break up into subcommittees to address different tasks. It is thus important to say a word about committee structure.

Business consultants suggest, and our own investigations confirm, that approximately half of board time is wasted in unnecessary agenda items: items for which there is insufficient information and so on. Therefore, board organization represents one of the most important elements of **decision** quality. Referring back to the **figure** above, the entire board meets on policy matters. Committees, the nature of which will be elaborated, seem to meet with the executive and his/her staff in the policy-administration intersect area, and the executive handles the administrative matters. Without an appropriate committee structure, it is very difficult for the decision making and oversight roles to be carried out properly.

How Big a Board

In most cases, the minimum number of members per committee should be three. Thus, if three people were assigned to each of nine subcommittees, we would have a minimum board size of twenty-seven. We usually allow at least three extra members for ad hoc assignments, giving us a board of thirty. A guideline for board size is the number of committees plus one (for ad hoc assignments) times three.

Subcommittees

To some, structured committees violate notions of the openness, spontaneity, and freedom **which** they believe should characterize human service boards. We believe the contrary. Board **issues** should not be approached casually or in an off-hand manner, but should be given sustained thought. Boards operate much better when working from committee recommendations. Therefore, with rare exceptions, boards should **assign** upcoming tasks to

subcommittees, requesting that subcommittees study the matter with appropriate staff, other members of the organization and the **community**, and develop a proposal for action with alternative considerations to present it to the board. When this **groundwork** is laid, the board can deal with the matter much more effectively and efficiently than it can if it is trying to both acquire relevant information and make a decision at the same time.

What are the key committees? There are nine committees which **are** usual and important on an ongoing basis:

- 1) executive committee
- 2) budget and finance committee
- 3) resource development committee
- 4) personnel committee
- 5) program committee
- 6) public relations committee
- 7) community relations committee
- 8) nominating committee
- 9) recruitment and training committee

The Executive Committee

The executive committee is composed of the president, **officers**, the executive director, and committee chairs **from** the board. It **usually** can take action in emergency situations when the board cannot **meet**, and is often involved in sorting out the **activities** and proposals which need board approval. It coordinates the work of the other committees and takes on overall responsibility for the operation of the board itself.

The Budget and Finance Committee

The budget and finance committee deals with budget generation and financial oversight, and reviews financial trajectories on a monthly or sometimes weekly basis. It is involved with the chief budget officer of the organization in preparing budgets, making proposals for new expenditures, handling emergencies and so on. It is best to include **people** from the financial community on this committee so that access to banks and other kinds of financing can be facilitated when necessary, but involve others as well! The budget and finance committee report both overall budgetary strategy and specific budget proposals to the board.

The Resource Development Committee

This committee seeks to develop financial resources for the organization. Its activities may include seeking funds through public contributions, planning fundraising events, securing grants, developing **contributions** of property, and so on. It is important that all board members have the opportunity to serve on this committee. Because raising resources is

such a difficult task, people tire of it and “burn out.” Also, the need to raise the funds one spends introduces a note of realism into the allocations process.

The Personnel Committee

The personnel committee develops the personnel practices guide for the organization and stays in touch with staff and their concerns as well as with the broader personnel community. Issues it may deal with include compensation, burn out, holidays, and so on. The personnel committee also typically handles grievances and the review and proposing of top agency staff.

The Program Committee

The program committee provides structure and purpose for the organized mission and role of the agency itself. Usually agencies have somewhat general missions and roles which need to be given concrete programmatic manifestations. This or that activity needs to be undertaken while some other activity needs to be stopped, all activities need to be monitored and evaluated. The program committee, often composed of professionals in the area of concern and “lay” or volunteer people with an interest in it, makes program recommendations to the **board**. It is generally one of the committees which works most closely with staff. It should perhaps be called the “planning” committee, or at least the “planning and program” committee, because programs **are** the more concrete manifestation of longer range “plans.” On occasion, the program committee looks at the longer range plans for the agency, and is the committee that develops these plans and **forwards** them to the board, as well as the committee that handles shorter range program development.

The Public Relations Committee

The public relations committee enhances and improves the agency’s image to the general public. It prepares annual reports, newsletters and other pieces of public information. It seeks favorable publicity about the agency. Its function tends to be focused on media. Interviews with staff and preparation of newsletters and press releases are all part of the public relations task. Sometimes this committee is merged with the community relations committee.

The Community Relations Committee

The community relations committee focuses on the personal aspects of community involvement. For example, it organizes tours of the agency, provides speakers for public functions, and handles the personal interpretation of agency mission and role to key people in the community. While the public relations committee tends to concentrate on the media, the community relations committee focuses on people. It relates to government. Often,

this committee cultivates links with political figures at local, state, and national levels, and seeks to develop political “clout.”

The Nominating Committee

The nominating committee usually meets on an annual basis, sometimes intensively for a period of time, to develop a slate of officers. It may also be merged with the recruitment and training committee, although it is preferable to keep these functions separate. While the nominating committee moves people who have already participated in organizational life (from the “outer circle”) into membership and **officership**, the recruitment and training committee works to secure people from the outside and bring them into the organizational circles.

The Recruitment and Training Committee

The recruitment and training committee seeks to interest previously uninvolved individuals in the organization, its mission and its role. It is the recruitment and training committee that may well be the custodian of the list of potential people previously mentioned (the list of “good” people who might be interested). In the **recruitment** phase, its members meet with individuals, **interpret** the kind of job the agency is doing, and seek to promote involvement. In terms of training, it is the recruitment and training committee that is responsible for the **board** members manual, for conducting annual training sessions for the entire board, and providing additional training to **individual** board directors if they so desire. As **noted**, it is important that each board director of a human service organization have one personal improvement opportunity per year made available through board membership. It is also part of the responsibility of the director for this development experience. The principles are the same as they would be for a staff member who goes to a professional meeting.

Ad Hoc Committees

All boards will not need all these committees all the time. And sometimes others may be needed. Thus, the option of forming an Ad Hoc Committee for a specific purpose -- an event, a task -- should always be considered.

Conclusion

Board organization can be one of the most effective ways to position the board to carry out its functions. Careful attention should be paid to the way it is set up and the changes which it requires.

EXERCISE 8

Review the Training and Development activities of **your** Board.

Are they adequate?

If not, why not?

Can you think of ways to improve them?

8

HOLDING EFFECTIVE BOARD MEETINGS

Introduction

Boards of directors as a group and directors as individuals cannot accomplish the kinds of tasks discussed in this manual unless the actual board meetings, and the processes surrounding the development of board meetings, are effective and efficient. A casual meeting which approximates a social gathering and does not attend to the serious items at hand in a serious manner will not only produce decisions of inferior quality, but may also leave the organization open to judicial review. And it is not only the board meetings which need to be well run, but the subcommittee meetings as well, since they are part of the overall process.

Meetings are an unpleasant topic in North American society. Generally, the jokes people tell about boards and committees refer to their ineptitude and inability to accomplish social purposes. “Boards,” people say, “are forests of dead wood.” “Committees are groups which take minutes to waste hours.” In order to move toward more effective meetings we need to understand why things go wrong.

Why Things Go Wrong

Meetings go wrong for many reasons. Some of these need to be stressed because they may not leap immediately to mind. Since directors have many meetings in other aspects of their lives, they think they “know” about meetings. In all likelihood, they are not aware of some key problems.

Contrary to Values

The **first** reason things go wrong is that boards and committees, as an example of group life, tend to be contrary to North American values. Zander says it best:

However, readers face a dilemma... (we) are not **all** that interested in explaining or improving group life . . . individuals feel that the organization

should help them it is not the individual's prime job to help the organization. **(B)asic** values . . . foster the formation of groups that put the good of the individual before the good of the group. In Japan, in contrast, important values foster interdependence among persons, courtesy, obligation to others, listening, empathy, self-denial, and support of ones' group. **(Zander, 1982, p. xi)**

We like to do things individually, and it requires extra effort to improve on group decision making activities.

Hidden Functions

A second reason relates to a number of hidden functions that boards and committees perform -- such as seeking to represent the community, and seeking to provide a voice for those whose voice cannot be heard in other ways. Functions of representation and pluralism are sometimes competing with goals of equality and justice within the board of directors itself. Trying to perform up to four different functions at the same time creates a number of **difficulties**.

Vague Decision Rules

Decision rules are sometimes obscured. This is especially true for the human service board. Drucker points out what some of the differences are:

The basic . . . difference between a private service institution and a business is the way the service institution is paid. Businesses (other than monopolies) are paid for satisfying the customer Service institutions are paid out of a budget allocation . . . **from** a general revenue stream not tied to what they are doing. **(Drucker, 1973, p. 49)**

The prominence of money as a decision concern and the absence of profit as a decision criterion is confusing and difficult, more so perhaps in human service boards. (Chapter Ten deals with this point **specifically**.)

Lack of Training

Lack of training is another reason why things go wrong. Because of the problems of group life in general and board and committee life in particular, we tend not to be prepared for group roles. There is a simple lack of "knowing what to do" and the availability of a board manual as a remedy is **all** too rare.

Lack of Preparation

Finally, for **all** of the above reasons, we tend not to prepare ourselves well for the meeting itself. There's a sort of casual "let the chips fall where they may" approach. Material is often late and either inadequate or overly adequate. Members tend not to attend regularly and not to read the material when they do attend. To counter this trend, material is often reviewed at the meeting, which offends those who have prepared, and so it goes. Meetings are one disappointment after another, and for this reason, any investment in preparation is considered by many individuals to be a waste of time.

The Self-Fulfilling Prophecy

These five reasons combine to create a self-fulfilling prophecy that almost insures board meetings of poor quality. Since we don't believe in meetings, since they perform a range of obscure and often hidden **functions**, since the decision rules that we use are unclear, and since we neither have the training nor take the time to prepare for the meetings, they are likely to go badly. This experience often is a stimulus to inappropriate generalization. In other words, we come to believe that there is something inherent about meetings that makes them go badly. The evidence of poor meetings only reinforces the original presuppositions. This reinforcement in turn convinces members of the board that it would be a waste of time *to* spend any more of their valuable energy and effort on improving meetings. Such a conclusion virtually assures increased **difficulty** in the meeting itself. Hence beginning **difficulty** is exacerbated by the self-fulfilling prophecy. Once that mechanism is in operation there is a downward spiral of meeting quality.

This brief discussion of why things go wrong sets the stage for a recipe which will help make things go right. The ingredients of this recipe, like all recipes, must be applied promptly and together. One can't sprinkle a little bit here and there and expect things to come out in a good fashion. What this means for boards of directors is a systematic and planned approach to improving meeting quality.

Some New Principles

If board meetings are to be improved, and they can and should be, some new principles are needed which inform a new kind of meeting structure. These principles form an important base for thinking about ways in which meetings can be improved.

The Personality Principle

People often say that board meetings **are** bad because of "mental illness" on the part of individual members. This is explained with ample illustrations of "crazy **behaviour**" from this or that director. Often individuals are typed or characterized by aspects of their personality -- Arthur Angry, **Tillie** Talk-A-Lot, and Sam Stall are frequently found on boards of directors. Unfortunately, this diagnosis flows from our individualistic presuppositions. It is more important to see deficits and problems in roles than in the

character of individual **members**, and this manual invites us to look at the ways in which functions, procedures and rules can be strengthened and improved. This will make a substantial difference in meeting quality and enable us to rethink our diagnosis of “craziness” on the part of individual members.

The Orchestra Principle

Board meetings should be like orchestra performances. That is, they should be at the end of a process of development and preparation rather than at its beginning. No decent orchestra would simply stroll onto the stage and begin to play. First, decisions are made about the pieces to be played, rehearsals are **held**, the proper soloists and accompanists are procured. An orchestra would look very funny performing a piano concerto with no pianist. It would look even funnier if the conductor said, “Ladies and gentlemen, please excuse me, but the oboist has to leave early tonight. We know **you’ll** understand. Unfortunately, the last piece on our program has an oboe solo in it. Therefore, we’re going to ask the oboist to play those notes right now. Then, if you could kindly remember them when we get to the oboe section of the last piece, it would be a **favour** to us all. Thank **you**.” But how often is this scene repeated in board meetings? A president gets up and says, “Members and directors, Sheila has to leave early. Therefore, we’d like to go directly to her business,” regardless of the nature or complexity of that business or its position in the structure of the meeting itself. If board members and directors think of the meeting as an orchestra performance and apply to it the same rules of quality and structure that one would to an orchestral performance, they would move toward improved board meetings.

No More Reports

Reports have become the enemy of many board meetings. Frequently, boards have numerous standing subcommittees, each of which is invited to give a report at every board meeting, regardless of whether there is any actual business or not. Board meetings have been **transformed** into oral newsletters and minutes into actual newsletters. Under one of the rules that will be discussed below, all reports will be culled in advance for action, discussion, or **information** items, and will be scheduled in an appropriate place.

The No More Reports Principle thus contains two interrelated but crucial elements. First, unless **there** is specific business, no report is scheduled. Rather, an announcement of committee activity is written and attached to the meeting announcement. Second, and perhaps more importantly, **reports** are desegregated into their parts. Rather than having a “treasurer’s report,” which may contain some items for decision, some for discussion, and still others for information, those items **are** distributed to their appropriate places on the agenda. The treasurer may therefore appear three times on any agenda: once during the announcement stage, secondly during a discussion stage, and finally during a decision stage. This kind of structure is no odder than having the oboist appear at several points where oboe notes are called for. No one would seriously recommend a particular instrument get up and play all of its notes at one particular point in time, simply for the convenience of the performer. Yet we routinely schedule a large batch of unrelated items

for the convenience of the treasurer or some other committee chair. (Actually the items are not totally **unrelated**; for example, in the case of the treasurer they all apply to money. What is important **here** is not only their substantive link, but also their action imperatives [decision, discussion, announcement]).

No New Business

New business is the enemy of board meetings. This may come as shock and surprise. Frequently, presidents say, "**We** don't **know** what the board members want to talk about until they get there, do we?" Of course we don't, unless we ask them. Indeed, that becomes the first and most important rule of running effective meetings. It is imperative to find out in advance what items are coming up for discussion, because it is only in that way that one can be sure that the information and people germane to that discussion are present. Without adequate information individuals tend to substitute stereotypic information, "What we all know is true." The discussions around new business are typically the most unprofitable in any board meeting. The reason is that we are most ignorant of those items, but this ignorance does not keep us from participating. Rather, it seems to increase our desire to say something -- anything -- regardless of how ridiculous it may appear in retrospect.

Reactivity to Productivity

New business is often introduced under a cloud of **pressure**. An executive or president will come into a board and indicate that an item is up for discussion and decision, and that action must be taken immediately because of this or that pressure. Without question, pressure becomes the enemy of high-quality decisions.

Under pressure the clarity and quality of thought decreases, evidence becomes sparse, emotion and table pounding replace absent evidence, and in general a series of problematic decision-making steps are taken. Retrospective analysis of decisions which have gone terribly sour almost always indicates that an early step was made under conditions of great pressure. This kind of decision is reactive in nature. Major outlines of what must be done are already in place, put there by the environment, outside funders, etc. Directors have limited options and it is the very recognition of these limitations that causes pique and anger.

We need to move toward a proactive decision-making style which anticipates elements developing in the environment and tries to deal with them at an appropriate time -- not so far away that the issue seems unreal, nor so close that pressure makes solutions too difficult.

Three Characters Principle

At board meetings only three kinds of business occur -- announcement business, decision business, and discussion business. Nothing else happens. But we often schedule these items in disregard of their character, thus whipping the directors from an announcement to a decision then to another announcement, then to a discussion, and so on. The board becomes hopelessly lost. Frequently, because the exact character of the item is not identified, some directors think they are merely required to listen, others want to make a decision, and still others are prepared to discuss it, but not decide on it. What this means, of course, is confusion, if not chaos, in the meeting.

In the system developed here, items are **identified** in advance as decision, announcement or discussion items, and all items of a similar character are handled at once. This facilitates group interaction, and allows for orderly **progression** from one type of item to another.

High Quality Decisions

In the final analysis, what boards of directors are after high-quality decisions. These do not occur spontaneously, any more than excellence in any kind of performance -- sport, a piece of writing -- happens spontaneously. Often, when we observe outstanding or excellent performances, they appear to be so flawless and so easy as to seem quite simple. Yet anyone who has ever tried to saw his or her way through a violin concerto or to sink a twenty-foot putt understands the months and years of practice that go into flawless performances.

Board meeting decisions need to be approached with care not casualness. When approached with care, the resulting decision, as an output “performance,” is not only likely to be of high quality in and of itself, but is likely to be part of a pattern of high-quality decisions, which in **turn** flows from a high-quality decision-making system. It is to the construction and operation of that system that we now turn.

How to Make Things Go Right

Boards of directors need to think long and hard about how to improve their meeting process -- a prescription which would apply, as well, to meetings within the organization itself and meetings in which the organization joins with others in community efforts. The eight rules suggested briefly here are driven by information. It's important to understand that without that information, it's hard to make good decisions. The cumulative focus of these eight rules, therefore, is to follow-up items which need information, focus the information required, and get that information in an **understandable** form to the board in a timely fashion so that the board can act on it.

Rule #1 - The Rule of Halves

The **first** rule is a simple agenda rule. It asserts that **all** items for an upcoming meeting must be in the hands of the agenda scheduler halfway between meetings. Thus, for the monthly board meeting, the agenda items should be in the hands of the agenda scheduler at the two-week point.

Agenda schedulers are usually the executive and/or the president. A frequent pattern is for the executive to put together a draft agenda and then check it with the president of the board. This pattern is free, providing that under those conditions the executive takes a serious look at all of the items and screens out those which can be handled in other offices; sifts them for items which are too big and need to be broken down or too small and require other items to be joined with them to make a package; and assesses the candidate items with respect to the availability of information. There's very little point in scheduling an item if the information required to make a decision is not available. Sometimes the executive needs to check with people who are known to have items and the character of each item. Checking with them in advance is a courtesy as well as a help.

Rule #2 -- The Rule of Sixths

Once the executive has assembled a basic list of candidate items, they should be reviewed **from** the perspective of the rule of sixths, which goes roughly as follows: about a sixth of the items should be from the past, what used to be called "old business." About four-sixths of the items should be from the "**here** and now" -- a month or **two** ago, today, a month or two from now, but within the contemporary time frame. The final sixth should be "blue sky" items of an anticipatory nature, looking ahead six months, a year, or a year and a half. These items represent the fun part of **board** meetings, when directors really have the opportunity to look **ahead**, to influence the **future**, to structure their options. It is here where the principle of proactivity is enforced.

While not every meeting might contain such items, most should because they allow for a certain amount of psychological rehearsal. Executives and other agenda schedulers should anticipate the possibilities that may arise and take the board through a series of "what ifs." This not only **permits** the board to look ahead, it also forces meeting planners, executives and presidents to do some scenario constructing. It is amazing how beneficial this technique is. Often advanced discussion of a "what if" item permits the development of alternatives that no one had thought of before, introduces perspectives that had previously been concealed, and in general improves the quality of the proposal concerning the item which will come forward in the future.

Individual board presidents often say "we don't have the time" to do this. Long experience with boards and analysis of board decisions teaches rejection of this excuse or, more accurately, teaches that such statements **are** excuses. There are of course emergency items and these occur from time to time. But if a board faces a series of one emergency after another, it is imperative that it examine its decision-making system and **find** ways to deal with this situation.

Rule #3 - The Rule of Three-Quarters

The Rule of Halves permits operation of the Rule of Three-Quarters, which states that at the **three-quarters** point between meetings an agenda with appropriate attachments should be **distributed**. Executives and other agenda schedulers usually have to work very hard during the “third quarter” between the halfway point and the three-quarter point. It is here that information is brought together, individuals are lined up, reports **are** copied, and so on. Following the rule of threequarters will get information to individuals at just about the right time before a meeting -- not so late as to prevent them **from** reading it and not so early as to invite them to put it aside.

Rule #4 - The Rule of Two-Thirds

The Rule of Two-Thirds says that a meeting is divided into three parts. First is the beginning or start off part. The middle third is where the greatest amount of work is done. The last third is the time for decompression. The two-thirds point is a good time to schedule a break (similar to the seventh inning stretch in baseball).

Rule #5 - The Rule of the Agenda Bell

The Rule of the Agenda Bell states that items (following their availability **through** the rule of halves) **should be outlined in ascending and** descending order of **difficulty** with the most difficult (following the rule of **two-thirds**) in the middle and items for **discussion** (also following the rule-of two-thirds) at the **end**. **If one** follows a **seven-item** agenda, the flow of the board meeting might look **something like this**:

The **first** item might be approval of the minutes of the previous meeting.

The second item would be a few brief announcements designed to be noncontroversial and relatively factual.

Then, drawing **from** a process of prioritization made possible by the rule of halves, the third item would be one of modest difficulty. It would typically lie within the **first** portion of the meeting and begin the process of inviting people to make decisions.

Item four would be of modest difficulty and somewhat controversial.

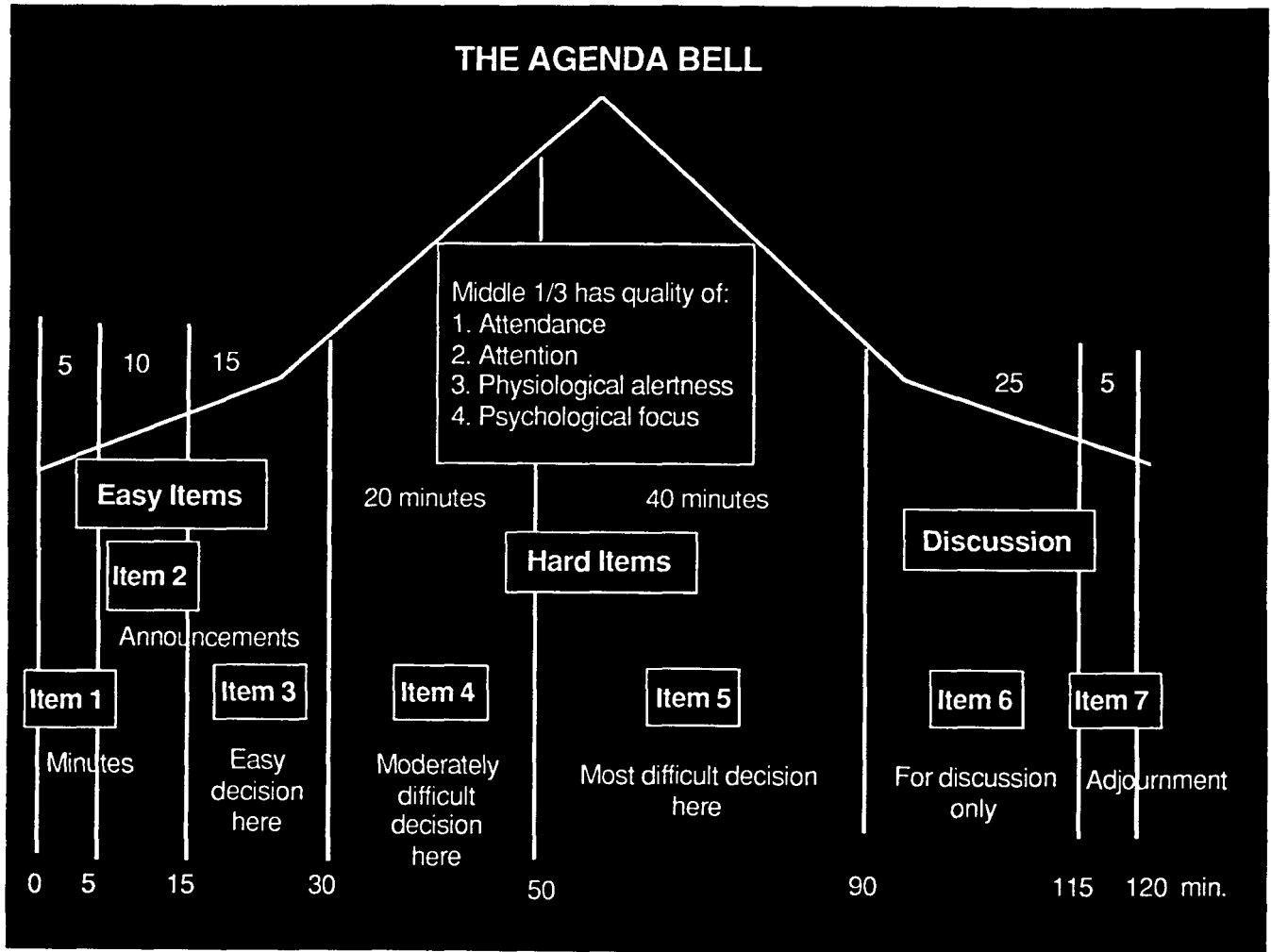
Item five is always of the greatest difficulty and always occupies the middle third of the agenda when most people have arrived but before early leavers have slipped out. At this point the psychological and physiological energy to deal with the complexities of tough items are at their high point. Item five completes the first two-thirds of the meeting.

Item six, which is a break type item, is listed for discussion only. Here, items which do not require decisions can be thought through; this provides a beginning for the process of **deintensification** that is necessary for the decision making group.

The last item, number seven, is always very easy. Its purpose is to put an end to the discussion in item six as well as to end the meeting on a note of **agreement**. Even though that agreement is a trivial one, it **still** is important from the point of view of group bonding.

The Agenda Bell makes it possible for people to structure the meeting consonant with the flow of energy throughout the time available for group decision making. For a sample agenda see Figure 7. Note that the language used tends to reinforce the decision and discussion aspects of the items, signaling directors in advance of the focus of the **particular** item. The Agenda Bell is illustrated in Figure 6.

Figure 6
The Agenda Bell



Rule #6 - The Rule of the Agenda

The actual written agenda for the board should be a clean crisp document that is instructive and helpful. It should contain the following elements:

1. Each item on the agenda should be at the level of specificity of a dish on a restaurant menu. Try to avoid general words for topic areas. A restaurant menu not would list "meat". It would say something **more** specific, such as "roast chicken". Similarly, instead of "finance committee report", for example, use "finance committee recommendation on vehicle purchase".
2. Under each item, again following the menu concept, write a brief statement concerning the essence of the item, just as restaurants do with their offerings. Using the above example, you could write, "Finance committee recommends the purchase of six vans at \$10,000 each."
3. Beside each item, in parentheses, place one of the words -- announcement, decision, discussion -- that signals what kind of consideration directors will be expected to give the item. Directors need to know the context of consideration as well as the actual substance.
4. On the right side of the "Board Menu", where a restaurant would list prices, include a running clock, giving times for each item.

A sample **agenda**, organized following the agenda bell concept, is outlined in Figure 7.

Figure 7
HAPPY DAY CHILDREN% CENTRE
 Pembroke, Ontario

BOARD AGENDA

(Sample)

1. Minutes of the Previous Meeting (Decision) 10 minutes

2. Announcements (Announcements) 10 minutes
 - a) Holiday Schedules
 - b) Open House Reminder
 - c) Other Matters

3. Approval of Grant Submission to Youth Services Bureau (Decision) 15 minutes
 A grant of \$8,000 for follow-up services to discharged youth is requested from **Y.S.B.** (Program Committee)

4. Approval of Mileage Rebate Increment (Decision) 15 minutes
 We wish to move from **18¢** per mile to **22¢** per mile (Finance Committee)

5. Approval of Board Training Plan (Decision) 30 minutes
 A day long plan for board training is proposed
 A copy of the proposal is attached (Training Committee)

6. Discussion of Directors Manual (Discussion) 15 minutes
 Should we have a board members manual?
 What should it contain?
 A preliminary outline, for discussion only is attached (Training Committee)

7. Approval of Official Letter of Thanks to Della Furlong (Decision) 5 minutes
 Ms. Furlong reached her 25th anniversary year this year.

NOTE: This agenda conforms to the structure suggested in Effective Meetings.

Rule #7 -- The Rule of Reports

The Rule of Reports starts **from** the assumption that most reports are too long and do not contain the essential information. It argues for an executive summary type report in three parts: statement of the problem, options for solution of the problem, and an outline of the option which seems most reasonable and is recommended by the **report** preparer.

This three-part consecutive summary style report is not only briefer than the typical report, but it also gives the group some tools with which to work. Since the recommended solution is placed following other options, decision-making groups frequently operate at their best **here** and take aspects of the options previously unrecognized, combine them with the recommendations offered and come up with a still stronger and better quality decision. Elimination of the options section takes away from the decision-making group one of its most powerful tools, and creates a rubber stamp situation with respect to the recommendations (as outlined in Figure 8).

Figure 8
HAPPY DAY CHILDREN'S CENTRE
Pembroke, Ontario

MEMORANDUM

TO: The Board of Happy Day **Children's Centre**
FROM: Training Committee
RE: Bead Training Proposal

The Problem

The Children's **Centre** is over thirty years old. Our recent evaluation visit from Child Welfare League of America raised some serious questions about the vigour and responsibility of the board. Their **report** suggested, as may be recalled, that we have let the executive take too much initiative, and needed "invigoration," to use their phrase. The matter was turned over to the Executive Committee which created a Training Committee to make a proposal to the board.

Options

We have several directions to **consider**:

- 1) doing nothing, in spite of the criticism,
- 2) beginning a planned improvement of board activity and involvement in decision making - a one day training session;
- 3) working to improve selected areas of board activity.

Recommendation

The Committee recommends alternative 2. We feel that doing nothing is not acceptable, and if one group raises this question, others cannot be far behind. Too, the executive has felt that a bit more than an overall program of **board** improvement was needed and that piecemeal activities should be part of that overall plan. We recognize that several directors feel that this is a waste of time, but hope that discussion of this proposal will lead to its approval. The Committee has some ideas about what the content of the day-long session should be, once approval in principle is given.

Rule #8 - The Rule of Minutes

The Rule of Minutes says that minutes should be content minutes not process ones, and that they should be agenda-relevant. In a **word**, content minutes take each topic outlined on the agenda, provide a brief summary of the issue, the various points of view, and then, in different type, or in capital letters, state the decision. Most issues can be handled in a paragraph or two. Directors will **find** this minute system more comprehensible and intelligible than other systems, especially those of the process variety which have endless streams of “he said/she said.”

The principle of agenda relevance simply means that the numbering system in the minutes should be identical to that of the **agenda**, making it easy for directors and other readers to find the minutes in reference to a particular item. Using this system will prevent the minutes from being a major cause for rehashing again this month last month’s meeting. A sample is outlined in Figure 9.

Rule #9 - The Rule of Agenda Integrity

The Rule of **Agenda** Integrity says the chair, members and staff should assure that **all** items on the agenda are discussed and items not on the agenda are not discussed. If directors are going to invest time reading the materials sent to them, that investment must pay off in discussion within the meeting itself. Should that not occur directors will systematically avoid doing the requisite preparation on the sensible grounds that it’s not a good investment of time.

Figure 9
HAPPY DAY CHILDREN'S CENTRE
Pembroke, Ontario

BOARD MINUTES

(Sample)

1. Minutes

The Minutes of the previous meeting were approved as submitted.

2. Announcements

2a. The holiday schedules for staff were announced.

2b. The board was reminded that the Open House on Christmas Day needs attendance spread over the day. Board **members** signed up for time slots.

2c. The new smoke slams have arrived and are being installed.

3. Grant to Youth Services Board

The board approved the submission of an \$8,000 grant to the **Y.S.B.** for follow-up studies of our youth. One member was reluctant, noting that too much time, she felt, was going into research.

4. Mileage Rate

The proposal of the Finance Committee to move the mileage rebate for staff **from** 18 cents to 22 cents was modified. The board approved a rate of 20 cents for the remainder of the year, 22 cents for the **first** half of next year, and 24 cents for the last half of next year. Members felt that the stepwise system was a more effective way to go.

5. Board Training Plan

The board training plan was approved in principle. There was considerable discussion of the whole idea of board "training" and several directors took strong exception to that language. Two **directors** abstained from voting on the plan. The Training Committee was instructed to **return** to the board with a day long schedule for final approval.

6. Discussion of Directors Manual

There was **considerable** discussion of the Directors Manual. Directors felt the outline was very helpful, and will individually communicate suggestions to the Training Committee by October 1.

7. Letter of Thanks

An official letter of appreciation to Della Furlong was approved, and signed by all the board directors.

As lack of preparation becomes **evident**, boards sometimes resort to extensive oral summaries which further insult those who spent time reading the material. Conversely, new items which come up at the meeting are typically ones for which information is low and effect is high - poor candidates for discussion. If you must have a new business category, put it at the end of item six and seek to use it as a period for generating items for the next meeting rather than discussing them immediately.

Rule #10 -- The Rule of Temporal Integrity

Temporal integrity means watching the clock. Begin on time, end on time, and follow a rough internal order of time using the agenda bell system. It is very useful to post times next to the items on the agenda. This will give people a rough idea of how long the agenda scheduler feels that is appropriate to spend on a particular item.

This rule is especially important for minor items which tend to balloon up and take inordinate amounts of time. The sample agenda listed in Figure 7 uses this system. The rule of the agenda bell begins with more modest items -- minutes and announcements -- so that if people are a little late, not a great deal is **lost**.

Starting on time is the best way to get people to come on time and one should always end on time even if there is a bit of a late start. It is crucial, especially for Board Meetings, to end on time. Making it possible to get business done within allotted times is one of the crucial reasons for planning meetings in the way described here.

Rule #11 -- The Rule of Decision Audit/Decision Autopsy

If boards of directors are going to take the time to plan and structure meetings, it is only fair and important that they be evaluated as well. Without evaluation, the feedback necessary to sustain the quality of decisions is not likely to be present. Therefore, both decision audits and decision autopsies are needed.

Under the new minutes system, decisions are easily **identifiable**; **extract** them and put them in a list. There should be a period of about six months between last decision and the decision audit to allow time to observe how the decision has worked. At this point a subcommittee of three members of the board is appointed to **review** the decisions and give each a grade. An "A" is given to a decision in which all parties **are** judged to have been winners. This is called the "all win decision" -- everyone affected by the decision come out ahead (though they do not all have to come out equally ahead). The "B" decision is one in which there were some winners and some losers, but in which on balance the

outcome was positive. The "C" decision is one in which there were winners and losers, and the balance between the two was about equal. In a sense, whereas the "B" decision might be called the "some win **decision**" the "C" decision is the "no win decision". In this case "no win" means that while there were no losses, neither were there gains. The "D" decision is the opposite of the B -- some wins, some losses, but on balance more losses than gains. The "F" decision, which might also be called a "nuclear war decision," is the "all-lose decision" in which everyone is **further** behind after the decision than they were before.

The ratings assigned by each member of the subcommittee are then compared and patterns are sought. One pattern occurs where there is agreement on the A or F level; these will be extracted for later autopsy. The other pattern is where there is a divergence of grading such as A given by one, C by another. When this difference occurs it most likely reveals a substantial divergence in the goal basis used to assess decisions and thus the discrepancy itself should become subject matter for the board to consider. A report is prepared feeding back the grades and the divergent areas for **board** discussion. Prior to delivering the report, however, a decision autopsy is conducted. Special attention should be given to differentiating between the decision process and the implementation process. A poor result could come **from** either source, but the change steps needed would be different.

A decision autopsy is the intensive examination of one pair of decisions, an A and a D/F. Naturally, when one does something right as in an A one wants to find out what was done and how it can be repeated. Reporting on this good work to the board serves also as praise for directors efforts. Similarly, but **more** painfully, when a bad decision has been made one wants to **find** out what went wrong and how it can be prevented. The potential defensiveness that a board has toward reviewing D/F decisions is in part (but only in part) blunted by inclusion of the A decision.

Autopsies that we have been involved in reveal some common patterns of difficulty. Among the most frequently occurring causes of bad decisions are the following: 1) pressure; 2) inadequate information; 3) lack of **board** willingness to tolerate independence and difference of view; 4) "group think" or premature/improper agreement on a restricted set of alternatives. These are among the most popular reasons why decisions are bad. The fact of their popularity does not make them less lethal and the rules that have been discussed in this section, plus the perspectives offered in the book as a whole, help to counteract these difficulties.

The Meeting Dynamic

These rules involve setting the meeting stage. The dynamic aspect of board meetings -- role playing and using decision rules -- require attention as well. These topics are covered in subsequent chapters.

However, the details of those discussions refer specifically to the situations which occur when one becomes chair, member, or executive/president of the board. Before that, though, in the general running of meetings, there may be many occasions when one is a chair, a member or a staffer, and some very general material about those roles, as they

apply to any meeting in the agency, needs to be covered here. Any meeting can consist, for example, of **chairing** or **membering** subcommittees, dealing with community groups, handling a staff meeting, and the like.

Let's begin with the chair. Being a chair requires one to consider the range of possible alternatives, and not argue against individuals in the group. Indeed, the chair supports individuals both in their presentations -- that is the **actual** sharing of ideas -- **and the** ideas themselves. Even if the idea suggested by a member is not the best, it may lead someone else to suggest precisely what is needed.

The chair models **behaviour** for members. If the chair attacks a proposal, then others are sure to follow. Through his or her **behaviour**, the chair should demonstrate courtesy, attentive listening and interest.

Further, and this idea is discussed in the next chapter as "becoming a statesperson," the chair does not advance pet ideas. That is not leadership. Rather, a blending of the ideas of others is **developed**; what is required is putting together of a component from this person and one from that person. While the chair does provide vision and overall direction, it is not appropriate to use the role of chair as a vehicle for getting one's own ideas implemented.

Part of the role of the chair is to facilitate accomplishment of tasks by **all** group members. The "Jack" or "Jacquelyn" of all trades who does it all herself or **himself** is not the appropriate chair role. If a chair finds himself or herself "doing it all" then the issue becomes one of developing skill at delegating.

Part of the role of the chair is that of committee administrator. This task is difficult and onerous, and often one that is passed off to clerical and other individuals. It involves preparing and organizing the physical meeting space, making sure that chairs and tables are in their proper order, cleaning up **after committees** which have not been so courteous, and leaving the meeting room in shape to be used by others. Often, of course, involvement of staffers and members in this task is appropriate and, **indeed**, as mentioned above, this kind of involvement is precisely what the chair should seek. However, it is also true that it is the chair's responsibility to see that these tasks **are** completed. Further, the chair acts as an administrator in working with any staff assistants or members who are working as the equivalents of staff assistants, to see to it that all materials **are ready** and available for the meeting, and following the Rule of Three Quarters, are sent out under appropriate time guidelines. Arriving at a meeting loudly complaining that "they" did not complete "their" end of the bargain is simply not acceptable chair **behaviour**. Figure 10 is an example of a checklist.

Figure 10
A Checklist of Items to Consider in Arranging A Meeting

<u>Physical Surroundings</u>	<u>Human and Interpersonal Relations</u>	<u>Organizational</u>
Space	Welcoming	Policy
Lighting	Comfort Setting	Structure
Acoustics/Outside noise	Informality	Clientele
Decor	Warm-up exercise	Policy and structure
Temperature	Democratic leadership	committee
Ventilation	Interpersonal relations	Meeting announcements
Seating: comfort/position	Handling VIPs	Informational literature
Seating arrangements, grouping/mobility/rest/change	Mutual Planning	Program theme
Refreshments	Assessing needs	Advertising
Writing materials	Formulating objectives	Posters, displays
Ash trays	Designing and implementing activities	Exhibits
Rest rooms	Evaluating	Budget and finance
Audiovisual aids	Closing exercise	Publish agenda and closing time
coat racks	Close on time (option to stay)	Frequency of scheduled meetings
Parking		
Name tags or cards		
Records/addresses, etc.		

From *Trainers Guide to Andragogy*, by John D. **Ingalls**, U.S. Department of Health, Education and Welfare, May 1973. -

The chair needs to be prepared for the meeting both in terms of the intellectual issues under discussion as well as the attitudes, values and **points** of view of the members. The Rule of Halves, of course, and the discussion that **goes** on around **preparing** the **agenda** under the Rule of Halves, helps the chair to prepare **for the upcoming meeting** in this-way. Sometimes, the chair relies on the staffer to prepare his/her by briefing the chair on what various members think and what the positions of various board members and committee members might be on particular issues. However the chair gets this information, it is important and appropriate to have it. Walking into a meeting without it is leaving one's self open for a great deal of criticism.

The chair needs to be balanced. Thus, the chair's presentation of an issue in introductory summary, for example, must be even-handed and clearly take into account all sides of an issue. Slighting one point of view, making snide remarks, using body language to convey disagreement or scorn of a particular position is not acceptable chair **behaviour**. Similar constraints apply to relationships with the public at large and the media.

As the meeting progresses, the chair of any committee seeks to assure that all members have equal access to the floor. In many committees there will be individuals who are

eager to participate. The chair must control the over-participants and encourage the **under-participant** in order to get the full range of views onto the floor. Frequently, those individuals who are slighted by the more aggressive participants in the meeting are among those whose complaints can be heard after the meeting.

As we will discuss in some detail in the next chapter, the chair must take the lead in summarizing and crystallizing issues for action. If the chair does not take leadership, the committee simply spins its wheels, going round and round on the same issue.

Finally, the chair follows Robert's Rules of Order, or some other form of orderly procedure which facilitates decision making. There is no magic in Robert's Rules of Order. Indeed, Robert, at one point, was a general in the United States Army, so his views on how meetings should run may be somewhat formalistic. What is important, though, is that some set of rules be **followed**, even general ones, so that the individual committee members are not taken by surprise. The "play it by ear" approach generally winds up leaving a lot of **resentment**.

The chair responsibilities, of course, are mirrored by responsibilities of the committee member. The committee member must come to meetings well prepared, and must encourage others to do the same. While this may seem odd to some committee members, a good example is the social legitimacy which has now developed enabling individuals to say "Yes," when others say, "Do you mind if I smoke?" What used to be a rhetorical question is now treated as a real one. Similarly, it used to be intemperate to say anything when an individual got into one's car and neglected to put on a seat belt. In the 1990s, however, it has become quite acceptable to say "Excuse me, would you mind putting on your seat belt?" That ability to ask others to **undertake** certain responsibilities should be encouraged in meetings. If someone is making comments on material that he/she has clearly not **read**, it is legitimate to ask that individual to take another look at the material.

Committee members should take initiative to participate in discussions. The Silent Sam or Silent **Samantha** technique is rapidly going out of favour. It is certainly understood that some individuals are shy, and find it **more** difficult to participate in groups than others. However, individuals should not leave it up to the chair to invite their participation. Rather, they should join in the discussions at least often enough so that they are not identified as "that quiet person." Similarly, the members should temper any tendency to overparticipate through matching the rate and amount of their participation to others so that each member participates more or less equally. Obviously, this will not always be the case. On some issues one feels **more** passionate than others. Nonetheless, if there is a pattern of **overparticipation** or **underparticipation**, the committee members should be alert to it.

Committee members should bring to the attention of the committee those issues which occur outside the committee framework but that are of interest. Each member serves as part of the committee's intelligence system. Sometimes this is a matter of the simple show and tell involved relating items from the local press. At other times it involves reporting conversations, interviews, and so on. The point is that members should **proactively** contribute to the committee's activities.

Members must follow through with assignments and requests for work. We have talked about the need for volunteer evaluation. Part of that evaluation takes into account whether or not the member is, **indeed**, following through. Sometimes, of course, people forget or get sidetracked. That is why the Rule of Halves is a good rule to follow because, under it, the chair or staffer assisting the chair, will be able to remind an individual about agreed upon responsibilities. **Members**, collectively with the chair, try to see to it that there is a fair division of tasks, and that everyone chips in.

Finally, members refrain from criticizing the committee to those outside the committee room. One is a member of a group, even if the decision made by the group is one with which the member disagrees. One does **not**, except in cases of violation of basic ethical **norms**, share those disappointments with others.

The last role to be considered **here** is the role of **staffer**.³ Before more specific discussions of the actual responsibilities of that role occur, some clarification is needed. The staffer is a term given to an individual who is paid or assigned to assist the committee in carrying out its function. The staffer is an assistant to the committee. The staffer, in the staffer role, does not have a vote. Frequently, this role is **confused** with someone who is on the staff of the agency, and sits with the committee as a member to provide help and assistance via the membership role. In that case, the staff member is also a committee member and is not serving in the “staffer” role. To emphasize again, the staffer is one who is paid or assigned to assist the committee in carrying out its function, and is not a member.

The staffer acts as a researcher, helping to gather information **from** libraries, books, journals, policies, memos, minutes, other companies’ agencies and organizations, and so on, upon the request of the committee to help the committee carry out its function. Frequently, what the committee needs is more information. The staffer gets this information.

The staffer also acts as a researcher in showing an ability to compile the research data and interpret **it**, making recommendations on how it applies to the particular **area** of investigation. In essence, this is what happens when a staffer prepares a report to the committee under the Rule of Reports. It does not do the committee much good for the staffer to simply collect a whole bunch of information and then dump it, via the Xerox machine, on a group of committee members. Rather, the staffer needs to collate, compile, organize, and process the information so that a comprehensible and intelligible report can be made. This report typically includes a statement of the problem, options, and **recommendations**, as indicated in the Rule of Reports. The staffer is able to make clear the difference between his/her own view on the one hand, and any recommendations which may **differ** from that on the other.

³The term staffer is used here to refer to a person on the staff of an organization who is assigned, as **part** of his or her job, to “staff” some specific policy committee. This **individual does the** work of the committee during the times the committee is not in session, makes sure that **all** information is properly assembled. etc.

With respect to these presentations, several points need to be stressed. First, the staffer should include all necessary and appropriate data, even -- in fact, one might say especially -- those data which go against the staffer's own personal point of view. The staffer in this case is a professional. The professional is assessing a situation and bringing the news to the committee for discussion and review. It is obviously the case that not all of that news will be to the staffer's liking. Sometimes successful programs -- to give one example -- are those disapproved of by the staffer. Nonetheless, that information should be brought to the committee just as an attorney would bring precedents which do not support a particular client's case to the attention of the client in order to consider them, and to think about how appropriate action may be taken. Similarly, the staffer recognizes and points out ambiguous data to the committee. Sometimes **all** of the data do not fall into neat piles of pro and con. Indeed, it may frequently be the case that what is most important is the fact that a fair amount of data is unavailable, of dubious quality, and so on. Therefore, the committee must rely on the staffer to point out what is certain, and what is less than certain. Obviously, the committee members and committee chair make some of these judgments on their own, as well. But they **are** guided by the professionalism of the staff person in these considerations.

Finally, the staffer refrains from presenting slanted or purposefully unclear views to the committee. It should be obvious by now that the staffer, in bringing together information and presenting it to for committee's consideration, has a lot of latitude. There are dozens of ways in which information can be organized and presented to "lead the committee" to certain "obvious conclusions." However, this **behaviour** is not professional. No physician, no attorney, no **pharmacist**, no social worker would do it. In the staffer role, it should not be done either.

One important aspect of information not mentioned needs to be **addressed** here. The staffer is also cognizant of the historical trajectory of approaches to the particular problem in the past, both within the agency in question, as well as in other similar agencies. Simply getting information from the library, though important, is not sufficient. There may be programmatic lore and culture that have a bearing on the committee's consideration of a particular issue within a particular agency context. A Jewish agency, a Black agency, a Catholic agency, a feminist agency, may have their own point of view on certain matters that should be brought to the attention of the committee. As well as an historical assay, the staffer also presents a political assay. It is important to know how powerful people feel about the issues in question. What is the political "lay of the land" with respect to issues and problems under consideration? While these analyses may not always make a difference, in some instances they are useful.

The staffer role involves documenting the proceedings of the committee and taking notes which are later transformed into minutes. Indeed, assistance in the minute taking and record keeping function is one of the key reasons for having a staffer.

Similarly, upon request and in conjunction with the chair, the staffer prepares communications from the committee to other organizations. These may involve letters, drafts, reports, memos, and so on.

The staffer works closely with the chair to make sure that all meeting requirements are met, that clean up and follow through are accomplished **as** needed, while, as mentioned

before, the chair has ultimate responsibility for committee mechanics. Another important reason for having staff assistance is to facilitate the accomplishment of those goals. The skilled staff person, after **developing a good** working relationship with the chair, will then proceed to assist members of the committee and others in preparing the meeting space, and organizing the physical setting.

The staffer assists the chair in agenda and document preparation, and sees that the rules mentioned for effective decision making are followed. Typical of a professional, the staffer refrains from joining in the discussion and sharing his/her view, unless specifically asked. Even then, consonant with professional norms, the staffer is cautious. Frequently, committees will give up their deliberations too quickly, and will turn to the staffer and say, "Well, why don't we just follow what the pros think?" As tempting as it might be for the staffer to share his/her professional view, especially when invited in this manner, it is often best to hold back. Board and member training and development is not enhanced by professionals taking over and giving their view. Workers with clinical experience **are** very much aware of this kind of trap. Clients will frequently say, "Well, counselor, what do you think I should do?" While sometimes a sharing of views is appropriate, in the main the counseling professional seeks to use this opportunity to help the client think through the pros and cons of a variety of alternatives. A similar tack is taken by the staffer, though the rules are somewhat less rigorous. Partly that is because the staffer is often paid as a substitute professional, as well as a meeting assistance professional. Hence, a greater degree of sharing, on occasion, is permissible.

This discussion of meeting dynamics touching on the roles of the chair, the member, and the staffer within the meeting context applies, as noted before, to any and all meetings that might take place within the board's subcommittee structure or within the agency structure itself. Role performance is an immensely complicated and **difficult** subject. A number of additional elements are discussed in the following chapter on the board roles themselves. Nonetheless, readers can usefully think of these two sections as linked together, providing a **first** general and then a more **specific** discussion of what is involved in the actual carrying out of the role. It is important to note that proper role **performance** is more **difficult** and complex than proper rule performance. Rule performance has a mechanical aspect to it: the Rule of Halves, the Rules of Sixths, etc. do not involve great **difficulties** in implementation, though they may involve a certain amount of discipline. Role performance, however, is **filled** with complexity and nuance. Therefore, it is to be expected that implementation of a number of these role prescriptions will involve some uncertainty at the **first**. Only in time will they become smooth, seamless, and ultimately, flawless. However, that time is well worth the investment.

Conclusion

No set of rules can guarantee perfect meetings, as directors with a lot of meeting experience know. It's also true, however, that for reasons mentioned in the beginning of this section -- especially lack of training and lack of preparation -- we tend to approach many of our board meetings casually and with a relaxed sense of mission. To a certain extent, of course, this is good. One should not take these things too seriously. On the other hand, considering the important range of activities for which directors are responsible

and the potential legal liabilities that they may suffer, a systematic and **planful** approach to decision making certainly is a good place to start.

EXERCISE 9

Meeting Assessment Form

Stanette Amy

INTRODUCTION:

A model is presented to assess meetings **in** order to determine strengths and weaknesses in the decision-making process. Feedback obtained may be used to improve efficacy. Evaluation should be conducted periodically, with recommendation being made for every six months.

The tool may be used by any committee/board member but is most appropriate for use by a staffer, i.e., a person familiar with the committee's goals and processes but not directly involved in any decision-making activity. However, chairs can make especially productive use of this instrument.

The model should enable a group to examine its method of conducting meetings and, based on its own analysis, provide information for the group to use in making changes and improving its performance. A final point: the committee should be reminded now, before evaluation is conducted, that unless the evaluation **results** are analyzed and recommendations based on the results are implemented, the effort will be wasted.

INSTRUCTIONS:

For Parts One through Four, the Evaluator may **read** the explanation of the items given, and after observing five meetings, indicate in how many of the meetings the item was accomplished.

For Part Five, the Evaluator has a guideline, as above, and indicates whether or not these functions are performed by the committee or body being reviewed.

Part Six, following the next chapter, Roles of the Board, consists of a series of statements having to do with persons acting **in** various roles, i.e., Chair, Member and Staffer, Executive. The staffer is a person acting as an administrative aide to the committee, but has no voting rights. Any or **all** of the duties listed in this category may be assigned to a Member by the Chair, in which case the Evaluation should make note for the committee's use in reviewing the findings.

In evaluating the Member, the Evaluator may choose, upon committee recommendation, to apply the questions to each individual member of the group, or to rate the membership as

a whole. In the latter case, the group can be divided into thirds, with categories being O to One-Third of the Group, One-Third to Two-Thirds of the Group, and Two-Thirds to All of the Group complying with the item.

In reporting back to the committee, the Evaluator may find it helpful, for Sections One through Four, to state a score of O-1 as 0-20% of the time, a score of 2-3 as 40-60% of the time, and 4-5 as 80-100% of the time. Similarly, the numbers of both Yes and No answers may be divided by the total of **all** Yes and No questions to obtain a percentage **score**.

- This guide was prepared by **Stanette** Amy, in consultation with the author.

PART ONE: THE FRACTION RULES

Out of Five Meetings
Observed, the Item
Occurred in How Many
Meetings?

0-1 2-3 4-5

Rule of Halves - All candidate items for an upcoming meeting must be in the hands of the agenda scheduler one half of the time between meetings.

Rule of Sixths - Approximately one sixth of agenda items consist of material from the past. Approximately one-sixth of agenda items consist of future or forward items.

Rule of Two-Thirds - All meetings are divided into three parts: a start-up **period**, a period of heavy work, and a decompression **period**; instructional, decisional and discussion items are scheduled into each of these phases.

Rule of Three-Quarters - The meeting plainer sends out packs of material pertinent to the next meeting at the three-quarter point between meetings.

PART TWO: THE WRITING RULES

Out of Five Meetings
Observed the Item
Occurred in How Many
Meetings?

0-1 2-3 4-5

Agenda Rule - Agendas are written in an inviting and clear manner, using active verbs and one sentence summaries following the agenda item.

Minutes Rule - Minutes correspond to the agenda, are content-relevant and are focused on decisions.

Reports Rule - Executive summaries and options memos are the primary sources for **decision-making** within the meeting.

PART THREE: THE AGENDA BELL

Out of Five Meetings
Observed, the Item
Occurred in How Many
Meetings?

0-1 2-3 4-5

First Item - Minutes, simple and straight forward, are read and ratified (if quorum is present).

Second Item - Announcements, noncontroversial and of a small number, are made.

Third Item - Items are considered which need action but **are** relatively noncontroversial.

Fourth Item - Items of moderate difficulty are considered. They may be potentially controversial and fairly complex. Forty percent of the meeting time should be over when this item is completed.

Fifth Item - Major Decisions. This item should take the meeting from one-half to the two-thirds point.

	0-1	2-3	3-4
<u>Sixth Item</u> - Discussion of items which will be decided at future meetings.	_____	_____	_____

<u>Seventh Item</u> - Small decisions of no great importance which serve to unify the group.	_____	_____	_____
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PART FOUR: THE INTEGRITY RULES

Out of Five Meetings Observed, the Item occurred in How Many Meetings?

	0-1	2-3	4-5
<u>Agenda Integrity</u> - All items on the agenda are discussed ; items not on the agenda are not discussed.	_____	_____	_____

<u>Temporal Integrity</u> - The meeting began and ended on time with general adherence to projected time lines within the meeting.	_____	_____	_____
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PART FIVE: DECISION REVIEW

YES **NO**

<u>Decision Audit</u> - A retrospective analysis of an important decision is made 3-6 months after the decision, which reviews if all parties came out ahead to some degree, gained more than lost, lost more than gained, or all lost.	_____	_____
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<u>Decision Autopsy</u> - Focusing on decisions in which everyone either gained or lost, the decision is reviewed to provide guidelines for future decision-making activities.	_____	_____
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PART SIX: ROLES

YES

NO

Chair: The Chair leads the group to consider alternatives and supports committee members both in their presentation and ideas presented.

The Chair models appropriate committee **behaviour** to other members of the group.

The Chair works to synthesize ideas rather than promote pet ideas/projects.

The Chair facilitates task accomplishment by all members of the committee rather than by doing it alone.

The Chair acts administratively you see that the meeting area is prepared and cleaned afterward, and that all required materials are ready and available.

The Chair researches both issues and attitudes of committee members in preparation for the meeting.

The Chair presents a balanced representation of the committee to the outside, **avoiding** one-sided and intemperate statements to the public and media.

The Chair assures that **all** committee members have an equal opportunity to be heard on any issue.

The Chair allows **more** time for large issues and less time for smaller issues during the meeting.

When **everyone** has had a chance to speak at least once on an issue, the Chair summarizes, crystallizes, and focuses the discussion.

The Chair follows Roberts Rules of Order or some other orderly procedure.

<u>Member:</u>	<u>YES</u>	<u>NO</u>
Member comes to meetings well-prepared and encourages others to do the same.	_____	_____
Member participates without prodding to take part in discussions.	_____	_____
Member tempers any tendency to overparticipate .	_____	_____
Member's overall participation is about the same as the rate of other group members.	_____	_____
Member is alert to and pursues outside information and perspectives that may be of use to the committee.	_____	_____
Member follows through with assignments and requests.	_____	_____
Member refrains from fragmenting the group image to outsiders by speaking of the committee's decision or policy rather than of internal dissent. (Portrays the committee as a decision-making body rather than a group of individuals.)	_____	_____
<u>Staff:</u>	<u>YES</u>	<u>NO</u>
Staff acts as a researcher to gather information from libraries, books, journals, policies, memos, minutes, other companies and organizations and the like upon request of the committee.	_____	_____
Staff demonstrates an ability to compile researched data and interpret it , making recommendations as to how it applies to the particular area of investigation by the committee.	_____	_____
Staff includes necessary and appropriate data.	_____	_____
Staff recognizes and points out ambiguous data or the committee.	_____	_____

	<u>YES</u>	<u>NO</u>
Staff refrains from presenting a slanted or purposefully unclear view to the committee.	_____	_____
Staff seeks out and presents historical information when needed: how similar matters have been handled in the past, how the organization is different today than at the time of the previous decision, etc.	_____	_____
Staff seeks out and presents political information: views of those in power within the organization, in outside organizations, both competitive and supportive, and in government.	_____	_____
Staff documents proceedings, taking minutes. Upon request, staffer prepares communications from the committee. Working with the Chair, the Staff prepares drafts of memos and reports for the committee's review and revision.	_____	_____
Staff assists the Chair whenever necessary to make sure all meeting requirements are met and that clean-up and follow-through are <u>accomplished</u> .	_____	_____
Staff checks and double checks the potential agenda items at the halfway point between meetings.	_____	_____
Staff makes sure the agenda is received by committee members three-quarters of the time between meetings.	_____	_____
Staff conforms day/date/time/location of meeting with members, making any necessary adjustments to accommodate members' special and group needs.	_____	_____
Staff presents written documentation but avoids verbally influencing committee discussion.	_____	_____
Staff participates in discussion when asked.	_____	_____
Staff refrains from providing committee with a professional opinion (e.g., medical advice if a physician).	_____	_____

9

ROLES FOR BOARDSHIP

Introduction

Much of what has been discussed so far focuses on the **more** formal or mechanical elements in the job of directing and governing the not-for-profit organization. However, there are dynamic personal elements involved as well. **What** does one actually do as chair of a board, or as the **director** of a not-for-profit organization? What are some of the specific kinds of activities and expectations that devolve upon one? These questions are worth some attention not only because they relate centrally to the performance of nonprofit directors, but also because **directors often** find themselves in board positions before they have a **full** idea of what is involved.

Board performance must to be both **efficient** and effective. Efficiency, of course, refers to the use of time spent in an economical manner. If time can be reduced through the use of a variety of preparatory activities, so much the better. But time reduction, however important it is, is not the only goal of directors. The other goal is effectiveness: spending time on the right topics. Good role performance stresses that these elements as interdependent and **interlinked**.

The Board Chair

The role of board chair is one of the most complex in the not-for-profit field. So many expectations and hopes devolve upon the chair, from being the custodian of the tradition of the organization to running efficient meetings to providing leadership for new directions, that it is **small** wonder that finding or developing chairs of subcommittees is one of the more difficult tasks that the executive director **needs** to undertake (in consultation with the nominating committee, of course). Finding or developing a good board chair is an even more difficult task.

Often the chair experience is a trying one for the incumbent, as well as for the other directors and sometimes for the whole agency. Frequently, problems **occur** because the new chair does not fully understand the roles of leadership and **organizational** development that

devolve upon the chair role and the board as a whole. Often chairs, frequently in combination with other directors, feel that “to do their job” they must become **deeply** involved with the daily operations of the agency or entity in question. They fail to realize that the leader’s job focuses more on creating expectations than on action, that “doing more” is not as important as “expecting more.” Not **infrequently**, chair **malperformance** is **attributed** to psychological characteristics of the chair **himself** or herself. There is no question that some individuals are “power hungry”. More **frequent**, though, is the scenario in which chairs are unaware of the kinds of roles they should play, the kinds of actions they should take, and often little help is given to them in preparation. This section will help rectify these omissions.

Preparation for the Chair Role

No one should move directly into the role of chair without first having performed a subsidiary or related role with the agency or organization in question. Often individuals, particularly those who perform a wide range of civic leadership functions, get “tapped” for organizational roles simply because of their prestige and status, and the skills they have demonstrated in the handling of the issues involving other organizations. The appeals are often seductive: they flatter the ego of the potential chair while minimizing some of the problems and difficulties the organization might be experiencing, and fail to share some of the unique, and not infrequently problematic operating styles and traditions which have created, and probably **will** create, problems for the particular agency. Thus, a key guideline for chairs should be, **from** the very start, to have at least one year of experience on an organizational board before assuming a **formal** leadership position.

Many organizations, of course, have incorporated this piece of wisdom into their by-laws and move people through a series of steps -- second vice-chair, **first** vice-chair -- leading to the position of chair. While this is sensible for organizations that have many of candidates, some organizations would **find** this approach problematic since they do not have enough individuals to fill these various positions. However, the idea behind it is a good one. Not only should individuals avoid taking formal leadership positions without prior experience, but organizations should avoid proposing such appointments. The ongoing work of the nominating committee, already mentioned as an important activity, will prevent some of these difficulties from occurring.

Pre-Acceptance Activities

Let’s assume that one is contemplating the chair’s position, either because of interest or request or a combination of the two. What are the tasks one should accomplish before assuming this role? Some **pre-acceptance** activities will greatly enhance one’s ability to be effective. Let’s begin with the preparatory activities, and then move to a discussion of activities within the role itself.

Perhaps most important is the “statesperson perspective.” Individuals moving into a chair role need to assume the perspective of a statesperson rather than that of a partisan. A typical director may have specific **interests**, programs, or ideas that she or he wishes to

promote, and may want to argue for them vigorously in board meetings. This desire is fine and, indeed, it is the role of the director to introduce and fight for ideas.

The chair of the board, however, needs to set aside a perspective that says, "Now that I'm the chair I can have what I want." It is expected that the chair will have ideas and, indeed, provide idea leadership. However, it is the blending and orchestrating of the ideas of others that is the hallmark of the chair's role. His role is comparable to that of **first** violinist who becomes conductor of the orchestra. As conductor, he/she must take to heart the perspectives and the problems of the entire orchestra, not just those of the violin section. Musical pieces must be scheduled which reflect and showcase the range of talent present in the orchestra, not just the violin section. Statespersonship and its assumption is a very important element in the pre-work potential chairs should undertake.

A second piece of **prework** is the detailed assessment of the other directors. We often work with individuals in an organization without knowing a great deal about them. The board chair needs to understand the motivation of the other directors in some detail. Why did they join? What do they hope to gain from membership? What ideas, skills, interests might they contribute? These and other questions allow the new chair to have a detailed and specific knowledge of the people with whom he or she will be working. Chairs should not assume that because they have "worked with" other directors over a long period of time, that they "know" their interests and motivations in any depth.

A way to explore the interests of other directors is to schedule a short informal meeting, perhaps over coffee, with each director prior to becoming chair. The interests and commitments of each director can be explored. This will provide the chair with information which can inform committee assignments, special assignments, and other duties the directors might be asked to undertake.

The third piece of prework the chair-to-be should undertake is negotiating any resources, special help, particular undertakings of interest, and so on, that would be a condition of appointment. Taking a chair's job is, in one respect at least, like taking "any" job. There is a period of negotiation at the beginning which is very difficult to recapture once one has accepted and in office. This is not to say that all chairs will have such special demands, but one should explore one's own interests to see if any exist. A discussion with other directors of the sort like "I'll be happy to be chair, but I would like us to undertake the development of a strategic plan as a condition for my acceptance . . ." is a perfectly legitimate piece of business. This is not to say that the chair-to-be's wishes will be granted, but the chances are greater at the early negotiating window than later, after acceptance. Many chairs have sadly learned that phrases like "Well, I assumed that when I took over the chair we would be doing . . ." is only an assumption.

Finally, the chair needs to do some self-assessment. The appointment of a chair is always a signal -- or at least perceived as a signal -- to other directors, to the executive director, and to staff of the agency. The chair-to-be needs to understand how others may regard him or her, even if that reading is somewhat inaccurate. For example, if the chair-to-be is an accountant or someone from the financial community, such **an** appointment is likely to be taken as an indication that financial tightening and focus on financial matters is to be in order during his or her tenure. If the chair-to-be is from the human relations field, it

might be assumed that a human relations focus is about to be announced, etc. These assumptions may not be accurate, but they inform the **behaviour** of others and, hence, should be taken into account.

If all of these elements can be **satisfied**, then the chair should feel free to undertake the responsibility. It may seem problematic or time consuming to go through these steps, but given the reports of problems chairs have experienced over the years in boards (nonprofit boards as well as boards involved in commercial responsibility) they are well worth the effort.

The chair has now assumed the formal chair position. What are the roles that the chair should now play? How specifically can the chair **carry** out chair responsibilities during the course of regular board meetings? There **are** a number of points which need to be kept in mind.

Overall, chair responsibilities fall into three broad **areas**: working with the executive or president, developing ideas, and developing people. Intellectual responsibilities refer to those aspects of chair sub-roles which involve idea generation, support, and management. Without leadership from the chair new ideas are not likely to surface, old ideas are not likely to be **carefully** reviewed and **refurbished**; premature decisions are made in some instances, based upon inadequate or **overadequate** information, **postmature** decisions are made in others. Chairs need to help groups consider topics and as well make decisions on the course of action needed. But that is only part of the chair's role. The other part is the "people" part, enhancing participation, involving those who hang back, dealing diplomatically with troublesome and difficult individuals. The hints **here** will provide an outline of possible actions to take.

Working with the Executive Director or President

Before beginning discussion of activities in the board meeting, it might be helpful to look briefly at the special relationship between the chair and the executive director. More about this role will be considered during the section on executive directors.

The chair of the organization and the executive **director** (sometimes called the president) work hand in hand at providing a central leadership core or leadership team. It goes without saying that as part of preparatory discussions, the chair-to-be should have had the opportunity to consider a range of issues with the executive director so that there are no surprises on either **side**. Frequently the executive director is involved in the recruitment of the chair because all executive directors know that the leadership provided by the chair is crucial to the ultimate success of the organization in general, and to the executive director's career in particular. Areas of agreement between the executive director and the chair should be mapped out which include both substance and process.

On the substantive side, strategic **matters** which will influence the overall direction of the not-for-profit organization in the coming year, and goals to be emphasized, should be agreed upon in advance. Such agreement does not **preclude** other directors raising these issues or putting a fresh item on the agenda, but at the very least the executive director

and the chair should have some understanding of where they are going , and what they would like to do. Disagreement or fighting between the chair and the executive will cause the organization to come to a standstill.

On the procedural side, the chair and the executive director should agree on the respective ways in which they will carry out their positions and roles. Some chairs like to give executive directors a great **deal** of latitude. Others like to be kept **more** directly **informed**. A typical pattern is that the new chair likes to receive **more** information at **first**, and less later on, when he/she has become used to the executive and their relationship has **matured**. Differences in style should be discussed in a frank and honest manner before the chair takes office. For example, what participation does the executive director want to have in meetings? How does the new chair feel about this participation? Are there particular ways and styles that the new chair would like the executive director to work toward? These and other issues should be ironed out as fully as possible so that there can be a relatively complete understanding of the wishes of each party. Human relationships being what they are, differences of view and disagreements will always come up. Prior discussion will help to minimize problems.

The chair meets regularly with the executive to review agency matters, plan meetings, and think through issues. Little can substitute for regular **meetings**. This means that the chair has at least three sets of regular meetings to attend meetings with the executive, Executive Committee meetings, and regular board meetings.

Intellectual Responsibilities

As already **mentioned**, the chair has responsibility for idea processing, idea development, and the general policy improvement and refurbishment of the organization. There are several activities which the chair should undertake in this regard. The **first** is the policy agenda.

Every new chair should establish a policy agenda for the coming year. This policy agenda takes off **from** the strategic plan which the organization has presumably developed and which covers agency direction for the next two or three years. If **there** is no strategic plan, one of the early jobs of the chair is to begin the organizational process to produce one within a year or so. Assuming such a plan exists, however, the chair identifies key areas of policy work for the coming year. These may be, in some important degree, already chosen given that the plan necessitates certain activities being undertaken within certain specified time **frames**. However, the plan may be more general than that, and a new chair may have the opportunity to set of his or her own interests as policy priorities, after discussion with other **directors**, the executive, and agency staff (via the executive **director/president**). In addition, a process of policy review and refurbishment should be undertaken each year. If there is controversy or conflict concerning a policy arena, there will obviously be more rapid review. However, agency conflict often results from the absence of such revisiting. Policies become outdated, provide **insufficient** guidance, and become a source of crisis and difficulty for the agency. This can be avoided to some extent through revisitation and review.

A second major activity of the chair is decision crystallization. This process is complicated and requires some discussion about how decisions are actually made in organized boards, and the role of the meeting head -- usually the chair -- in developing groups to the point of being able to make decisions within the appropriate time frames.

The Decision Mosaic

The **first** point to understand with respect to board decision making is the concept of the decision mosaic. Most of the items which we think about as decisions are really made up of smaller decision elements which are assembled together in the decision mosaic. Consider a simple type of board decision such as what to serve at the agency picnic. Following a meeting which discussed this topic, one might ask, "What did you decide?" The answer would in fact represent a composite or amalgam of small decisions -- decisions about the meat course, decisions about the vegetables, decisions about the time to serve, decisions about who prepares the food, etc. Each of these represents a decision element. Effective board chairs facilitate and lead development of the overall decision mosaic -- they build the decision, so to speak -- element by element until the total mosaic is assembled. Then, the facilitator or chair helps the group engage in "decision sculpting" in which the overall decision is examined and adjustments made to elements in order to create a higher quality decision.

The **first** job of the board chair, therefore, is to identify the range of elements to be considered in any decision mosaic. Simply **put**, that means "partializing the problem," or breaking down the decision into reasonable elements which the group can consider. Without taking this step, a fairly typical board scenario develops in which a chair might say, "Well, what should we have at the company picnic?" Individuals shout out "Meat" or "Let's have beer" or "How 'bout com on the cob?" or "Let's eat earlier than last year." Each contribution is important and appropriate by itself. Unfortunately, since one does not follow from the other, the decision building or decision constructing process is very difficult. It is up to the chair to **identify** the initial topic to be discussed -- for example, the main course -- and to proceed element by element, to build the mosaic.

Decision building occurs through "rounds of discussion." A round of discussion occurs when each director has had a chance to offer one opinion, or as many as wish have offered opinions, once. Readers will recognize the lull or pause that occurs at these points. When the chair says, "Does anyone **else** have a view?" and no additional views are forthcoming, the chair then engages in the process of decision crystallization with respect to this particular element. While decision crystallization does not have to be undertaken only by the chair, unless the chair takes the lead in the procedure and demonstrates a willingness to undertake the risks involved, no one will be willing to undertake it.

Decision crystallization is a three-part process. The **first** step is **summative** reflection. At the end of a round of discussion, the chair, who has been listening to and pulling together the different elements of the discussion, summarizes for the group what it has said. It is important for readers to remember that groups do not actually know what various members think until there has been a chance to share views. A neutral, factually-based, pulling

together of the views expressed in the group is the **first** step towards decision crystallization.

The second step is the decision suggestion or action hypotheses. Based on the views expressed in the summary, the chair risks suggesting action. It is extremely important that action or decision be suggested at this juncture. Groups often do not know whether they want to do something or not until an actual proposal is made. An example familiar to many of us is the age old question of "**Where** shall we go for dinner tonight?" Often, colleagues or family members say, "Gee, I don't know," or "It doesn't matter to me," etc., until someone says, "Let's have Chinese." At that point, under the threat of action, preferences become highlighted. Thus, **decisions** and actions offered in the decision or action hypotheses stage will frequently be rejected. That is free. It is supposed to be that way. It is a way to help the group explore what it does and does not want. Over time, as the chair becomes **more** skilled at understanding the underlying **commonalities** and uniformities of group life, the proposed action or decision will be more on the mark. We are **all** familiar with individuals who always seem to get their suggestions accepted. One wonders what special skills these individuals possess. Frequently, they are people who listen carefully and extract the common themes **from** among ostensibly diverse suggestions.

Let's assume for a moment that an action suggestion by the chair is accepted. The chair knows this acceptance through the nods, murmurs of agreement, and other **affirmative** actions on the part of committee members. **At this point, the** chair moves to the third stage, discussion refocus. After agreement has been tentatively reached on one element, the chair points the group towards the next element for discussion. This action targets the attention of group discussion and avoids the introduction of a heterogeneity of topics.

Decision making thus proceeds in the board element by element building to the final mosaic. When **all** of the pieces of a particular decision mosaic have been assembled, and all of the relevant elements have been decided upon in a tentative way, the chair invites the group to step back and look at the total package. Do all of the elements fit together in a synchronous and harmonious way? Should certain adjustments be made in earlier decisions because of the nature of later decisions? If, for example, in decorating an office it turns out that inadvertently **all** of the **colours** chosen were beige, then one might wish to modify one or another of them. However, it is **difficult** to approach this question until **all** of the elements have been reviewed by the directors.

Suppose, though, in the action or decision hypotheses stage a proposed direction is not accepted. That is, indeed, a likely result. What is one to do then? At that juncture, the chair backs off the offering. The original purpose of the offering was not to assure acceptance of that particular direction, but rather to aid the group in its own work. Thus, if in the restaurant example above, it turns out that Chinese is among the least preferred alternatives -- something which is now known because it has been stated -- the chair then proposes another round of discussion but seeks to "ratchet down" the alternatives in a couple of ways. One way is to remove the negated Chinese option. A second way is to set aside some other minor options (fast food burger place, a fast food fish place). Thus, the next round of discussion on the same element focuses on a reduced number of options. Managed in this way, the **board** can go through two **or three rounds** of discussion, each time narrowing and focusing until a tentative decision on **an** element has been achieved.

This process of decision crystallization is one of the central aids to high quality decision making in boards. Where it occurs, decisions are likely to be viable and reflective of a range of input. Where it is not **used**, decisions are likely to be haphazard, “by guess and by gosh,” and very lucky to be on the mark. While decision making certainly has its creative aspects within the board realm, and these should not be set aside, there are also very focused, very deliberate, almost mechanical procedures which, if used, can be of great help. Indeed, as in many other areas of life -- such as driving or perfecting one’s golf swing -- the initial rules will eventually sink out of consciousness and groups will proceed through them in a semi-automatic fashion.

The focus, so far, has been on the role of the chair as a decision crystallizer. If the chair **models** this **behaviour**, others will pick it up. Sometimes, though, situations arise where the chair needs to reverse this procedure and recrystallize a decision.

Typically, boards have difficulty making high-quality decisions in a timely fashion. Hence, the emphasis is often on decision facilitation. Sometimes boards make decisions too quickly, without a thoughtful and reflective approach to the subject matter. Sometimes, as we will discuss in Chapter Eleven, decisions are traditionally **conservative** or of an overboard sort and thus, **are** of questionable quality. In this event, the chair (and as always, others as well) may interrupt the decision crystallization process and begin recrystallization. This procedure involves broadening rather than narrowing the field of alternatives for consideration. In the case of premature closure, for example, when a board comes together and quickly says, “Let’s do this,” a **decrystallization** process introduces a range of other alternatives as well as raises questions about the implications and potential costs of the alternative just proposed. Hopefully, these interventions create enough uncertainty within some members of the group to move agreement **from** a critical mass to a marginal mass, and then open the entire subject up for more detailed and thoughtful consideration.

One point to emphasis here is the importance of item preparation and timing with respect to decision crystallization. This is essentially the **reason** for the Rule of Halves discussed in Chapter Eight. If boards do not have adequate time to consider issues, they will be forced into conservative and “Let’s do it as we’ve always done it” procedures, practices, and decisions. Hence, providing enough time to consider issues is the **first** step -- or certainly an important step -- toward the development of board change and improvement.

Interpersonal Responsibilities

Some of the responsibilities of the chair involve the idea development process. Others, however, involve the development of people. There are several aspects to this role element.

The **first** involves understanding that there *is* a development responsibility. What does development of people mean? It means that the chair takes leadership in initiating programs and activities, that among *other* things enable staff, executives, and other directors to grow, improve, become more capable in their jobs, or able to take on more

responsibilities in those jobs. Being a chair is not just “minding the store.” It is improving the store.

Most chairs do not recognize this aspect of their leadership responsibility. But without the growth and development of the agency’s human capital, talent and energy will not be available for new programs. Energetic developing people are needed for energetic, developing programs. Each stimulates and is a requirement for the other.

The specific programs which involve staff and **director** development are many and various. We have mentioned this role in Chapter Six. It makes less difference which programs are in place than the fact that some programs are in place. Whatever else the agency is, it should be a teaching institution, teaching both new and old ideas and approaches to those who fall within its compass. Not only will the teaching role be helpful in and of itself, but the culture it creates will add quality to all agency programs.

But the responsibilities of the chair do not end in taking this kind of leadership. There are other interpersonal tasks as well. The chair should assist in the development of a fun atmosphere in the agency. When the interpersonal climate is fun, people enjoy their work, which results in better staff, and enhanced productivity.

Additionally, the chair seeks to provide support to **specific directors** in and out of board meetings. The chair protects the **underparticipating**, and controls those who are **overparticipating**. The chair sets the stage for even-handed treatment of directors in and outside of the meeting. Overall, then, the chair seeks to make the climate of the board meetings and the agency itself one of interpersonal value and strength. While the means to this end are various and changing, the end remains the same: the development of the human capital of the agency.

The Director’s Role

Considerable discussion on the role of the chair has been undertaken because of the uncertainty and anxiety that the role generates. However, one cannot be a good chair without good directors as members of the board. This seemingly innocuous “**director** role” really serves as the heart of the board. If the chair is the conductor of the **board** orchestra, then the other directors are the musicians. In order to perform well, there are several things directors should keep in mind.

Before accepting nomination to a board, a director should review the agency, its mission and its purpose. As in the case of the chair, individuals **are often** invited to directorship with precious little understanding of the nature of the enterprise in question, its stresses and strains, its history, its potential conflicts, and so on. Indeed, in order to attract distinguished members, these are often minimized and, on occasion, misrepresented to potential directors. Only later, when they have already become members does it become plain that the situation was not quite as presented. Thus, a certain amount of background, including reading and participating with the board in several joint projects, is absolutely essential. The two-tier membership plan suggested earlier is a good method to use. Join a “**visiting** committee” group for a year or so and see whether the mission and purposes,

operating style, policies, procedures, and practices of the organization in question suit your particular taste as a potential **director**.

A second feature to look at with some care is the **presence** or absence of a mission statement and strategic plan. Decision making -- which is the essential job of boards -- is difficult without an overall sense of the mission and purpose, and the strategic direction in which the organization is moving. This is not to suggest that the new **director**, or any director for that matter, must necessarily to **agree** with the strategic plan. These can be changed, and frequently are. But the absence of a plan suggests the potential lack of thoughtfulness on the part of decision makers, and the likely presence of ad hoc decision bases which are constantly shifting. Therefore, potential directors should assure themselves that such a decision making framework is in place.

A third consideration that the director should explore is the reasonableness and thoroughness of decision making **procedures**. Not only are mission statements and strategic plans needed, but the appropriate mechanics must be in place or the organization will not be able to accomplish its ends, even if it wishes to.

Once the director has attained a degree of satisfaction with the organization's procedures, as well as sufficient fret-hand knowledge that, **indeed**, the organization is on a desirable track, one can accept a **board** position. Once on **aboard**, there **are** several rules of thumb that the director should observe.

The **first** is, do your homework. A related injunction is, don't lie or misrepresent the extent to which you have actually done homework. High quality decision making in boards requires preparation. Without preparation, discussion will not be of high quality and the decision is not likely to be as good. Thus, if you are not prepared, you should keep a low profile role at a meeting. **All too frequently** individuals who are unprepared for discussions seek to introduce extraneous matters into the board meeting which divert the board from a discussion for which everyone else is **prepared**. This **behaviour** is not exemplary and should be avoided.

A second rule is, do not "dump" on the group. Dumping on the group occurs when the director raises a problem for which he/she does not offer a possible solution. Try, in all instances, to offer solutions. Even if you don't believe that this solution should be the **final** one, it is helpful to get discussion rolling. Further, if one sees a problem but cannot think of a solution, the appropriate course of action is to share that uncertainty with the group. This **behaviour** will focus discussion on the problem itself, rather than on your potential solution.

Directors should also aid the chair. All too frequently when the chair asks for input, directors avert their eyes or are hesitant to speak. Then, when the meeting breaks and everyone leaves for coffee, loud discussion occurs as if by magic. Aiding the chair means chipping in occasionally when the chair asks. It means helping the chair control over-participants **and**, on occasion, too, inviting those who have not spoken to share their views. All too frequently, individuals say to a fellow director **after** a meeting is finished, "I know you have some great ideas on the topic. Why didn't you speak up?" **Who** knows? The individual may have been shy, or felt the need to be encouraged. In any

event, it is too late to share that wisdom once the meeting is over. **Therefore**, aiding the chair means assisting the chair while the meeting is in **progress**.

Frequently members will blame the chair for poor board meetings. "If only the chair had done this or that," they say, "the meeting would have gone well." Rarely does the director say, "**I** should have done this differently, **I** should have done that differently." Since we have the greatest degree of control over our own **behaviour**, this is perhaps the best place to start.

Being a director involves open and supportive communication in the board context. At one level, this means controlling one's body language to indicate **disfavour**. Observers at board meetings frequently report looks of disgust, head shaking, whispering to others as proposals are discussed. These attempts to indirectly communicate often fail because no one is quite sure how to read them. Nonetheless, they act powerfully to create a negative atmosphere and their main result is to cause other directors to be wary about making suggestions and proposals for fear of the scorn that may be indirectly heaped upon them. More **straightforward** statements of agreement or disagreement tend to a better effect and clear the air as well.

Related to this is loyalty to the **board**. Boards frequently have differences on policy matters. Individuals win and lose on policies which are important to them. Sometimes, one even loses on a policy proposal which later turns out to have been the correct road to have taken. It is important in **all** these cases to keep discussions and criticisms of the group within group boundaries **and**, particularly, within meeting boundaries. No one likes the individual who seeks to establish his or her own prescience by criticizing a board decision to *others*. Paradoxically, while the critic feels it enhances his or her status, in reality the opposite is true. Nonetheless, it is common enough to **require** mention here.

With these behaviors in **mind**, the director's role should be a productive one. While they are difficult to achieve, knowing them is a good **first** step.

The Executive Director or President Role

The executive director or president of the organization is often an ex officio member of the board of directors. Ex officio status was more clear cut when the title "executive director" was the most commonly used. In that case, a lay board of citizen volunteers founded or supervised a helpful enterprise called a social agency. They hired **an** administrator -- the executive director -- to do the administrative work and to participate by ex officio status in policy formation. Historically, it has been the practice in human service organizations that executive directors did not vote on matters which pertained to the agency, though they had a great deal of informal influence through personal contacts and participation at meetings. In corporate parlance, all directors of human service organizations have been, in the past, outside directors.

However, this practice is changing. We are now in a state of **flux**. **Some** executive directors, perhaps emulating their corporate colleagues, have assumed the role position of "president" of the organization in question. Many United Way organizations now have a

president who is the individual previously called the executive director. In a corporation the president is a voting member of the board. While this practice is not widespread in human service organizations, it does occur. This can be confusing because the title president used to be reserved for the head of the agency's board of directors. That title has now become chair of the board. Dealing with these **terminological** issues is necessary so that we know we are all talking about the same individual. In this case, when we say president, we are referring to the senior paid official -- not a volunteer -- employed by the organization to carry out its policies.

As we have **stated**, in most instances the executive director is a member of the board but does not have a vote (although, as just **noted**, this may vary in some specific context). The executive director provides a number of important services to the board.

First, she or he acts as the "staff" to the **board**, orchestrating the preparation of agenda materials for regular meetings, assisting the **board**, the executive committee and other subcommittees in carrying out their functions, synthesizing and organizing material and, on occasion, assisting in the actual writing of documents **in** collaboration with board committees. It is important that guidelines for the executive **director's/president's** time be established here so that the board does not ask the executive for this, that, and the other thing in a capricious fashion, inadvertently using up large amounts of executive time in inappropriate ways.

Apart from administrative tasks, the executive **director/president** performs a substantive function for the board. Typically, executive directors are hired because of their substantive expertise in the areas of agency mission. The board can expect the executive director/president to have this knowledge, and **to** apprise the board regularly of new developments of relevance in the field. In a sense, the executive director/president serves an educational function for the board, both collectively and individually. Again, some aspects of these tasks may be delegated lest they become too time consuming, considering there is only one executive **director/president**, and **frequently** many **directors**.

A delicate balance needs to be maintained between the board and the executive director. Typically, one thinks the board is responsible for policy and the executive director for administration. But there is an intersect between these two **realms**, as well as an important "grey area". Most **central** is the relationship between the executive director/president on the one hand, and the chair/president of the board on the other. These are the chief lay/volunteer and administrative/paid officials of the organization. Their relationship is important and they should find time to meet with each other to share perspectives and views not only on specific proposals under consideration, but on general philosophy and orientation as well. It is under the guidance of the president that the evaluation of the executive director occurs. It is frequently lamented by executive **directors** that just as they get a new chair "broken in," that person leaves and a new one takes over. It is frequently lamented by chairs that the executive "doesn't really want to spend any time with them." While it may seem overly formal, an early meeting between the executive director/president and the board chair that establishes a written memo of agreement about areas of interest and activity will go far in preventing conflicts which can sap an organization's productivity and morale.

It should be said that the final responsibility for the organization/agency lies with the board of **directors**. This is important even though the executive director/president devotes much energy to the development of particular services and orientations, and often holds strong views. Sometimes narrow-mindedness on the part of the board means that wise and prudent actions or recommendations from the executive director/president are not taken. Nonetheless, the overall wisdom of the field is that an independent, volunteer board of directors will, over the **long** run, produce the best decisions.

Conclusion

It is impossible to cover all the details of boardship roles here. Nonetheless, some of the most important of the dynamic elements -- what happens in interaction with directors, presidents, chairs of the **board**, etc. -- have been touched upon, and provide beginning guidance for chairs, executive directors and directors.

EXERCISE 10

Assessment of Board Roles

<u>Area of Responsibility</u>	<u>Assessment</u>			
	Often	Sometimes	Hardly Ever	Don't Know
<u>Chair</u>				
Prepared for chair role	_____	_____	_____	_____
Preacceptance				
Displays statespersonship	_____	_____	_____	_____
Assessed other director/members	_____	_____	_____	_____
Negotiated resources	_____	_____	_____	_____
Performed self-assessment	_____	_____	_____	_____
Working with Executive/President				
Meets to clarify expectations	_____	_____	_____	_____
Agrees on overall strategy	_____	_____	_____	_____
Establishes working relationship	_____	_____	_____	_____
Meets regularly with executive/ president	_____	_____	_____	_____
Intellectual Responsibility				
Establishes policy agenda	_____	_____	_____	_____
Uses decision crystallization	_____	_____	_____	_____
Uses summative reflection	_____	_____	_____	_____

<u>Area of Responsibility</u>	<u>Assessment</u>			
	Often	Sometimes	Hardly Ever	Don't Know
Uses decision hypothesis	_____	_____	_____	_____
Uses discussion	_____	_____	_____	_____
Uses recrystallization to prevent premature closure	_____	_____	_____	_____
<u>Interpersonal Responsibility</u>				
Recognizes people development role	_____	_____	_____	_____
Helps others to grow	_____	_____	_____	_____
Develops fun atmosphere	_____	_____	_____	_____
Provides support for directors	_____	_____	_____	_____
<u>Directors</u>				
Assess agency background before acceptance	_____	_____	_____	_____
Check strategic planning	_____	_____	_____	_____
Review decision making procedures	_____	_____	_____	_____
Do homework	_____	_____	_____	_____
Do not "dump" on group	_____	_____	_____	_____
Aid the Chair	_____	_____	_____	_____
Participate openly	_____	_____	_____	_____
<u>Executive Director/President</u>				
Clear definition of role established	_____	_____	_____	_____
Staffs the board	_____	_____	_____	_____
Provides the board substitute knowledge	_____	_____	_____	_____
Has working relationship with chair	_____	_____	_____	_____
Recognizes board has final responsibility	_____	_____	_____	_____

10

MANAGING DECISION RULES⁴

Introduction

Decision making in boards of directors is aided by a proper understanding of the background of the individuals, directors, and staff **involved**, the rules and procedures that one might follow, and an understanding of the dynamics and roles in the decision **process**. However, an additional perspective is 'needed which focuses on the decision **rules**. This little-known but important element of group decision making can make or break a decision strategy within a particular board.

What Are Decision Rules?

Decision rules are the bases or principles which a given group uses to know whether a decision has been made or not. **Individuals** who **are members** 'of several different groups will probably recognize these groups may use somewhat different decision rules or a combination of decision rules to arrive at various decisions. Sometimes a group uses a formal voting procedure. However, even in such a procedure **there** a subrules of importance. **There** must be a quorum or a certain minimum number of legitimate representatives present. Often, depending on the issue in question, different numbers of individuals are required to assent to a particular action. Regular **board** decisions may be affirmed by a simple majority; in other cases a two-thirds majority may be needed. Voting represents one kind of decision rule, consensus represents another. Some groups operate on the principle that as long as someone disagrees a decision cannot go forward. Hence, every individual who is a member of the decision making body in question has "veto" power over the others. Although that veto power is not always exercised, it is nonetheless

⁴Support for Decision **Rules** Research is provided in part, by the 3M Meeting Management Institute, 3M Corporation, Eastern, Tx: Special thanks is given to them paid to **Ginny** Johnson Director of the Institute.

present. Such groups will “keep at” an issue or “discuss it” until a solution has been arrived at to the satisfaction of all members.

Sometimes decision rules vary depending on the topic. Simple, relatively straightforward issues may be voted on while “consensus” or its multitude of variations may be used for more complex and more far reaching decisions. In any event, decision rules represent the several bases on which groups make decisions. For boards of directors some decision rules -- the voting rules -- are specified in the by-laws. However, it is very unlikely that this is the only form of decision rule used. Sometimes there **are** a variety of informal rules which are used as well as the more **formal** ones.

Major Decision Rules

Most boards use four simultaneous decision rules during any given meeting. These rules have both formal and informal properties and, to some degree, both conflict with and complement each other. It is important for chairs and members to be **aware** of the nature of these rules because they are not neutral. Each advances certain kinds of interest and pays less attention to others.

The **first** rule is the *extensive decision rule*, or the voting rule. This rule is the most common one used by boards of directors in their public actions and is frequently written into the by-laws. **In** this rule, which has a long tradition in North American society, each person has a single vote. Important as this rule is, however, it fails to take account of some other important interests, and for that reason other decision rules are brought into play, often informally.

The extensive decision rule does not deal with either the depth of preference or the involvement in particular matters under consideration. Hence, if a board is voting on a particular action that an individual director must carry out, that individual director is more involved and presumably **cares** more about the outcome than the others. After all they don't have to do it. Thus, an *intensive decision rule* is one that gives **more** weight to those with greater involvement. Frequently in board meetings when someone says something like, “Well, I'd like to hear what Sheila has to say, because, after all, she has to do it,” the intensive decision rule is being applied. It is the application of this rule that gives the executive director/president great weight since he/she is often the one who carries out board policies.

However, neither the extensive rule nor the intensive rule takes account of knowledge. Some individuals know more than others. Attorneys on the board are frequently listened to with respect when legal matters arise. Physicians on the board are similarly deferred to when medical matters are raised. Knowledge about the particular substantive area of a decision is often taken into strong account when the final decision reaches a vote. This point again is one which gives the executive director or president added strength since the substance of expertise is an important component of the executive director's responsibility.

None of the three rules, however, deals with the matter of social or political power and influence. In corporations this decision rule is **frequently** phrased with the words, “Well,

what does the boss want?" This rule gives individuals of high organizational status -- the board, the **president/executive** director -- greater weight. It **also gives individuals of great** social power, for example, physicians and attorneys, influence beyond their mere technical expertise, influence that extends into matters over which they have no greater knowledge than anyone else. However, they are listened to and heeded because of their social power.

In boards of **directors**, these four rules operate simultaneously. Frequently formal votes are taken only after **the** directors have assured themselves that sufficient attention has been paid to the other rules. Directors and chairs should be aware of the competition among the rules and the fact that different rules have greater weight under different conditions.

Managing the Decision Rules

The chair and other directors should be aware of the range of available decision rules. Individual directors will tend to advocate certain rules which, overall, favour their interests. For example, if a director **favours** a particular proposal and believes that she or he has the "votes" necessary to carry it, it is likely that director will advocate "Let's just take a vote." Alternatively, if it appears that the votes are not in **hand**, other decision rules may be advocated, such as listening to those who are better **informed** or **more** involved. Generally speaking, the alert chair will seek to invoke at least two decision **rules** in proposing that the decision go forward (this is especially **true** in the action or decision hypothesis stage of decision crystallization discussed in the previous chapter). Hence, a statement like "it seems most of us (extensive decision rule) favour the course of action under discussion and it also meets the **needs** of those who are most knowledgeable (involvement decision rule) and most involved (intensive decision rule)", invokes a range of rules in support of a particular course of action.

Directors may not have thought of the decision making process in this way before. Awareness can lead to a more detailed and in-depth understanding of what is actually going on when alternatives **are** proposed and either accepted or rejected. Invoking two or more decision rules in a particular instance enhances the opportunity the chance of a successful decision-making episode.

Conclusion

This brief section identified the different decision rules that exist in the decision making process in boards and spoke briefly about how one might align them to enhance high quality decisions. The process of decision making is deeply complex and involves not only substance, but external rules which we have learned over the course of our citizenship. Outstanding proposals often cannot get the support required to put them into action because chairs and other directors fail to understand the need for simultaneous attention to expertise and power and the depth of involvement as well as extensiveness of involvement at the actual point of decision. Action potential can become a stalemate when someone invokes a competing rule and chairs and directors **are** uncertain how to proceed. High quality decisions in boards of directors will **be** greatly enhanced by attention to decision rule activity.

EXERCISE 11

Decision Rules

Which decision rules are used on your **board**, and how often?

<u>Rule</u>	<u>Use</u>	<u>% of Time</u>
Extensive (voting)	_____	_____
Intensive	_____	_____
Knowledge	_____	_____
Status	_____	_____
Other	_____	_____
		100%

Are you satisfied with the way rules are used?

Should some be **added/deleted**?

Should % be changed?

11

THE ENTREPRENEURIAL RESPONSIBILITY OF BOARDS

Introduction

It may seem strange to talk about the importance of entrepreneurial activity for boards. Such activity is traditionally thought of as profit making and focused on small business. Nonetheless, as much of the entrepreneurial literature points **out**, entrepreneurship focuses on the development of new ideas and their introduction into ongoing systems. In this section four types of boards are briefly described -- the conservative board, the traditional board, the entrepreneurial board and the "**overboard**," as examples of organizational styles. While each one has its problems, the entrepreneurial board is the one which holds the greatest promise.

The Conservative Board

The conservative board is one which has unfortunately characterized many of America's business and agency **enterprises** in the latter half of the twentieth century. It is exemplified by a narrow-minded focus on doing things as they have always been done. Conservative boards tend to regard as wise things which are old and unwise things which are new, independent of a detailed specific examination of the "things" in question. The famous "not invented here" which has characterized many companies has also characterized many human service boards. This or that procedure cannot be used because "we didn't develop it."

While some conservatism is appropriate, if an entire board is characterized by **conservatism**, it will not notice the changes in the environment around it. Hard **as** it is to believe, there are cases of agencies established to serve particular ethnic groups that fail to notice that the ethnic **group** has left, leaving the agency in a physical facility surrounded by individuals who don't want the service that it offers. Conservatism is an excellent

perspective as long as it involves selective attention rather than keeping everything as it has been.

The Traditional Board

The traditional board is perhaps the most common board in human service agencies today. It is characterized by a hold-the-line mentality. Change, while not opposed as it is in the conservative board, is only approached over a very long period of time, gingerly and with great difficulty. The traditional board wants to “keep an even course,” and not “fix it if it isn’t broke.”

Traditionalism, like conservatism, has its virtues. However, if traditionalism is so strong that it drives out innovation, it can become problematic for the organization.

The traditional board or traditional set of directors is one which **often** develops out of, and has over time become captured by, the history of the organization. Clearly, many social agencies were developed to meet particular needs at particular times. Many have a distinguished history of service to the community. Nonetheless, agency services, like organization products, do require change and updating from time-to-time. **Over-**commitment to tradition leads to a stability of the sort that presages decline. One might ask, “Why is this? Isn’t focus and **centring** of agency attention one of the key things which keeps an agency’s identification and prestige secure within the community”? Yes, but only to a certain **extent**, because environments, needs, and problems are constantly changing.

Perhaps the most dramatic example of this and most cited example of this is the National Foundation for Infantile Paralysis, developed to provide aid to victims of polio. The organization faced a crisis when polio vaccines came on the market. It had a broad and high quality reputation, a solid national volunteer base, offices, **equipment**, all the requisites to do an important job. The only problem was that their job was now gone. They were able to refocus their efforts on closely related childrens’ services, and continue to flourish.

For many organizations, however, change does not come in such a dramatic form. Rather, it creeps up on **them**. Traditional organizations need to be aware that even though slow, change is present. Thus, organizational adaptation is a prime **requisite** for organizational health. Directors have the final responsibility for asking probing questions, making probing challenges, and questioning historic strategic directions.

Because traditional boards are not opposed to change, they **are** often willing to consider it if the issue is somehow raised in a forceful manner. In this respect, agencies with conservative boards are in worse shape than those with traditional ones. The conservative board may wish to retain traditional perspectives, operations, and trajectories at **all** costs. Many of these agencies wind up being “**defunded**” as community priorities and those of governmental and foundation **funders** shift over time. The traditional board, however, is willing to consider new directions and new initiatives. Its problems are only that it moves too slowly and too tardily in these directions. **All** too frequently, the approach to change is more happenstance than not. **If** the board happens to have someone on it, or with

access to it, who is interested in and committed to organizational change and development, that “champion” might lead the board in a strategic planning and development process. If, however, such an individual champion is not present, this development might not occur. The traditional **board**, unlike the entrepreneurial **board**, does not make organizational change and development an ongoing part of its enterprise.

The Entrepreneurial Board

The entrepreneurial board is one which focuses on “reinventing the agency” and establishing change and innovation as an ongoing part of the organization’s activities. The face that it seeks to present to the community is not one of “We have always done things this way and will always continue to do so,” but “We are innovative in changing in these ways to meet new needs.” Frequently some of these new programs may seem strange from a traditional or conservative perspective, as in the case of a hospital director who decided to market the hospital’s pies and cakes. Everyone, no doubt, said, “But hospitals don’t do **this!**” That **director’s** reply probably was, “We have the **expertise**, we have the **food**; we are not using it all; let’s give it a try.” The cafeteria boss had an entrepreneurial idea. Whether it will be successful or not is as yet unknown. But the principle is a good one.

A word should be said about the use of the term “entrepreneurship” in the context of boards of directors **and**, in **fact**, in the context of human service organizations generally. Typically, this concept is associated with the making of money in a small business enterprise. However, a close **reading** of entrepreneurial literature suggests that the concept has a more valid association -- one which involves the development of new ideas and their implementation on an ongoing basis regardless of context. Hence, entrepreneurship as thus defined can be used within the governmental agency, the advisory committee, the agency and the agency board as well as the commercial enterprise. Nor is size a requisite for entrepreneurship. Small and large organizations require entrepreneurship. The large public organization or welfare department requires new ideas and new approaches as much as the smaller human service organization. The concept is, therefore, not limited and narrow, but broad and useful applying as it does to a wide range of enterprises.

The entrepreneurial human services board makes the development and implementation of new ideas an ongoing part of its regular operation. **All** too many boards, especially conservative and traditional ones, spend a majority of their time reviewing what is already happening in the organization, checking and overseeing to be sure that nothing has gone wrong. Some portion of this activity often involves questioning of executive director/president and staff members about why this or that event occurred. Such activity is, of course, a necessary part of any board meeting, but **as** was discussed in the chapter on meetings under the Rule of Sixths, only a fraction of the board’s time should be spent dealing with items **from** the past (about one-sixth). If a board spends more than one-sixth of its time looking over what traditionally is called “old business” it is not really dealing with current and **future** items. As was also mentioned, about four-sixth of the items in the board meeting should be current hem-and-now activities that need board **judgement** and direction. But, and this is very important, for entrepreneurial considerations, a final **one-sixth** should be “blue sky items” for the future. It is here that anticipatory thinking goes

on, when the directors seek to understand the nature of the environment in which they live, the changes which **are** developing around them, the new services and programs that the organization might offer -- such as the pies and cakes idea proposed by the hospital cafeteria director -- and seek to stimulate and inspire the organization to be at the forefront of developments, encouraging proactivity rather than reactivity.

The entrepreneurial board must consistently “re-invent” the agency. This phrase was introduced by John **Naisbett**, and Patricia Aburdene in the book *Reinventing the Corporation* (New York Warner, 1985). It refers to the need to reconfigure, **recast**, reformat, redo the agency services to meet a changing environment. Unlike the traditional board which makes only occasional attempts at innovation, the entrepreneurial board makes change an ongoing part of its regular activities. Innovation in the entrepreneurial board is expected. Each meeting, typically, deals with some **innovative** aspect: for example, a new kind of therapeutic intervention, a new **office** design, a new policy. These innovations needn't be big. Rather, it is the culture of innovation which the board is stimulating by these activities. As readers know, to do something well one must do it **regularly**. One cannot play a musical instrument superbly, cook an outstanding meal, give an outstanding talk on an occasional basis. One must perform, cook, present regularly. Excellence is based on regularity, repetition, until the act becomes embedded in our “muscle memory” and neither the organization nor the sports person needs to think about doing it in any given instance.

The entrepreneurial board, therefore, **creates** conditions which stimulate innovation and entrepreneurial activity. The first step, already mentioned, is setting up within board meetings a time period when innovative, new, and future items can be discussed. This practice is not only the **specific** vehicle through which new ideas can be introduced, but it also serves as a model for the agency overall. “If the board is doing it, then it must be okay,” individuals will think.

A second element in entrepreneurial boardship is making innovation one of the evaluative dimensions for the executive director or president, for staff, for board meetings and decisions. The mechanisms of this evaluation have been discussed elsewhere in this volume and do not need to be repeated **here**. Nonetheless, the executive/president will know innovation is expected at **first** hire and then as an ongoing element in her or his performance review. Simply doing the job the same old way is not sufficient in this board's review process. Rather, new and innovative items and approaches, will be part of the review.

A third element a board needs is **failure** tolerance. Innovations do not always succeed. Indeed, if they did they would probably not be sufficiently innovative. Not all new ideas will pan out. Some new therapeutic techniques will prove to be less useful than some old ones. Opening a new field office might turn out to be a bad **idea**. What's important is the fundamental entrepreneurial idea that success is built upon failure and derives and draws its lessons from failure. Actor and training film producer John **Cleese** gave a speech not too long ago entitled “No **More** Mistakes and You're Through!” (Forbes, May 16, 1968) in which he commented that if you don't risk making mistakes or failure “... you can't do, say anything useful”. He pointed out that “...a positive attitude towards mistakes (failure) will allow them to be corrected rapidly when they occur.” The board needs to

adopt this attitude both for themselves and for the organization. Without the tolerance of mistakes **innovation** will not develop.

The fourth element which characterizes an entrepreneurial board is policies which make exploration possible. One policy has already been mentioned, that of executive director/president expectations at review time. Another policy, also noted, is setting aside financial resources to allow for experimentation. Many human service organizations budget themselves right up to **100%** of their allocation. Any innovation has to be funded from the surprise or occasional extra income which happens to arrive, or from money freed up because of an early **retirement** or other **personnel** shifts. If this is the fundamental approach to innovation -- and it tends to **be** in conservative and traditional boards -- then very little will occur, because people cannot even get the money to attend a meeting to discuss a new idea with somebody who is already doing it. Hence, the burden and innovative costs **are** put solely on the employee.

How much should be set aside for innovation? A good guideline is approximately 15% of an organization's budget. To many readers this will seem like an astronomical **sum**, at least at **first** blush. "How could we possibly save 15%?" they ask? C. Northcote Parkinson observed in 1955 that "work expands to **fill** the time in which you have to do it." The same is true with allocations. They expand to fund the people you have to spend it. It is a truism known to finance committees and others who deal with budgets that there is never ever enough money to do all the things an organization wants to do. Hence, budgeting is as always a process of choice. Even if an agency's budget were doubled -- and there had been cases where this has happened through a grant or some other activity -- everyone is **still** "terribly short of resources." **Therefore**, directors must realize that there is no end point where there will be enough "left over" to apply to innovative activity. Rather, **innovative** activity must be budgeted for as an ongoing and regular item and the other allocations adjusted around it. That may mean fewer resources for programs, though not necessarily, as we shall see in a moment. The **first** step, therefore, is to budget some amount for innovation and development. For the board which does not have any innovation funding setup, a 3-5 year plan involving a small percentage allocation each year would be a good way to start.

Although this change in allocation may result in **decreased** services, this does not have to be the case. The reason has to do with time and economy. After an agency has been functioning for a while, its employees are generally able to do the same amount of work in less time (though not necessarily for less money, since the time for which they were paid as opposed to the time they work remains the same). Organizations tend to do one of two things with this extra time. First, they may invest it in an organizational elaboration. Here we see more **management**, more committee meetings, etc. They do the same "work" for more money.

Alternatively, organizations may devote some of the extra time to program elaboration, doing more of what they are already doing. A few more clients or a few more programs are undertaken. This kind of internal reallocation of organizational resources is typically not something that comes to the attention of the **board**, but it represents an important **allocative** possibility. Instead of seeing more clients in the same way, perhaps an innovative program might be tried. **Indeed**, it is hoped the expectation, **signalled** by adding

innovation as an executive director/president review element, will falter down to all organizational employees. Hence, everyone might be expected to innovate within his/her realm.

The entrepreneurial board, therefore, is a board that tries to create a culture of innovation and implementation, and to remain at the cutting edge of **programs**, services, and organizational forms. We all know organizations like this in our own communities. There is no reason why your organization cannot be one as well.

The Overboard Board

Sometimes, however, the **board** of directors manifests **difficulties** that are at the opposite end of the spectrum from conservatism and traditionalism. These boards might be called “overboards!” They often appear chaotic and unfocused. They swing from topic to topic, from issue to issue without any overall sense of strategic or tactical direction. The overboard board undertakes corporate level action **in** a preemptor and premature way. It is preemptor because it often does not think through or study particular courses of action. It acts prematurely, without having brought along the individuals involved and worked through some of the issues and difficulties that might be involved.

The overboard board is often full of strong personalities and is **frequently** laced with personal conflicts among board members, between board and executive director/president, and even between board and staff. The overboard board **frequently** identifies itself as being the opposite of and therefore better than the conservative board. Unfortunately, the organizational chaos and “about faces” which characterize the overboard board make it impossible for the staff to develop any kind of cohesive and coherent perspective on the job that the agency is expected to do, and their place within that job. The tragedy here is that the overboard **board**, in its own way, is as troublesome and difficult as the conservative board. Never changing and always changing have similar dysfunctional impacts, though the mechanisms through which these occur are different. While the conservative board needs lighting and loosening, the overboard board need structuring and focusing.

The 4C Theory of Entrepreneurship for Board of Directors

If entrepreneurial orientation is the more desirable orientation among those available for boards, is there any perspective or point of view that might help boards achieve this perspective? Indeed there is. It's called the 4C **Theory** of Entrepreneurship for Boards (Tropman, 1989). This theory or perspective outlines four areas which boards should consider with respect to both their board **and** agency organization. They should seek to achieve development in **all** areas. The actual doing of it, of course, is left up to the board, but a good road map will help the board know where to go.

The 4C'S of the **4C** theory are characteristics, competencies, conditions, and contexts. To be on the cutting edge of innovation and implementation the organization has to have a perspective that involves development in each C area. Periodically the board may wish to

bring all members of the agency together in a 4C conference to look at the interrelationship among the C's with respect to the particular agency at a particular point and time.

The idea behind the **4C** theory is simple: new ideas and their development and implementation require that the agency have people with certain characteristics and **competencies**, and also that the agency have conditions that **are** stimulating and responsive to new ideas, and that these new ideas both respond to and articulate with the relevant context. Thus, both individual and **organizational/societal** elements are involved and as a final step the articulation of these elements is crucial.

Entrepreneurship is identified not only with small business and profit making enterprises, but with individuals as well. People frequently speak about the "natural" entrepreneur just as they speak about the "natural" leader or "natural" athlete. Unfortunately, this particular perspective is extremely limiting in two specific ways; first, the "natural entrepreneur" idea invokes a passive rather than an active response to new idea development just as the natural leader invokes a passive orientation toward leadership (you either have it or you don't). The second limitation is that it wrongly points to the individual as the sole repository of whatever is needed for new developments and **innovative** programs. A few moments of reflection will show how problematic this point of view can be. No matter how imaginative or innovative a particular new therapy or problem solving technique is, if the social agency is not willing to try **it**, then nothing more is likely to come from it. Hence, there has to be a receptive climate for the new idea as well. Finally, the new idea has to articulate (in the sense of both reflecting and leading) with the relevant context. A fantastic product with no market won't sell. An undeserved service niche with no service available isn't going to go anywhere either. Hence, there needs to be continual interaction.

This elaborated perspective suggests the following: first, new ideas require individuals with certain characteristics in the agency. Among these characteristics **are** tolerance for ambiguity, willingness to take risks, curiosity, a desire to be where the action is, creativity, and so on. Boards of directors may wish periodically to see whether individuals with these characteristics are indeed present in the organization and whether some directors themselves have these characteristics. It will certainly help the innovative process.

Having these characteristics is not enough. There are **competencies** involved as well. **Just** being creative and thinking up new ideas is never enough. One also needs the intellectual and interpersonal skills (already mentioned **as** the role of the chair) through which these ideas can be taken a step further. Intellectual skills involve idea management, conceptualization and synthesis. Once the germ of an idea has sprouted, it needs to be tended, cared for, looked after, combined with other ideas, and so on. Intellectual skills are required for this aspect of competency. Similarly, interpersonal competencies are needed. (These have been touched upon in the discussion of the role of the board chair.) The new idea will not "sell itself"; rather, opposition has to be persuaded. The organizational time and resources will be well spent by attending to this particular new idea. The opposition which always occurs in the realm of new ideas needs to be diffused so that the new idea can be med.

Readers may already perceive that what may be needed is an entrepreneurial team. Those who think up new ideas are not necessarily the best at elaborating their details. Similarly, those who **are** good at detailed elaboration may not have the creativity and fresh perspective that **generate** new ideas. And those who have the interpersonal **skills** that can “sell” and “persuade” may not be the best at either thinking up or manipulating new ideas. Hence, an entrepreneurial team is needed that involves different individuals with different **competencies** and characteristics.

It is also important to have organizational conditions that are hospitable to innovation. Essentially, organizational conditions refer to the structure and culture of a social agency. Structural points have already been **mentioned**; is there a resource fund available, is innovation an ongoing and expected part of the organization’s activity, is there space for innovation activities to take place, etc. These are structural features which provide a **supportive** environment for the new idea or new program.

Just as important is the agency subculture with respect to innovation. Is doing some of your activity in new and different ways prized, **rewarded**, featured and showcased? Does the innovation message get into the infrastructure of the organization as well as into the more formal aspects? Boards of directors need to assure themselves that agency subculture and structure are **supportive to innovation**.

Finally, boards of directors **need** to be attuned to the environment and changes within it as potential sources for opportunities and as potential pressures for changes. As Noel Tichy and Mary Ann **Devanna** have shown in *The Transformational Leader* (New York Wiley, 1986), too many organizations experience the “boiled **frog** phenomenon.” **Tichy** and **Devanna** explain in this somewhat gruesome metaphor that if a frog is placed in a **petri-dish** full of water and the dish is slowly heated over a Bunsen burner, the frog eventually boils to death. The reason for this, they explain, comes from the fact that the “just noticeable difference” in the environment from the frog’s point of view is never enough to cause the frog to jump out. **As** previously **noted**, environmental changes **are** often like those tiny changes in the water in which the frog sits, small, not terribly noticeable, and not so drastic as to promote action at any given time by common consent. Rather, every day and every year things are “just a little bit different.” However, after several years of “just a little bit different” the agency may **find** itself unfunded. Therefore, the board needs to respond to changes by **stimulating** conditions, developing **competencies**, and encouraging characteristics that allow for innovation.

But directors need to do even more than that. Rather than waiting until change occurs and responding to it, the entrepreneurial **board** seeks to test as yet undeveloped niches in the service needs environment. By the time an “environment” can “articulate its needs” it may already be too late. Sometimes the environment does not even know its needs. The case of Post-Its is a good example. Society got along for years without those little sticky papers. If anyone had **asked**, “Do we need little sticky papers?” the answer surely would have been, “Of course not. We have paper clips and staples.” Yet now Post-Its™ have become an almost indispensable feature of offices worldwide. The niche was **there**, the product met it, but until that experimental idea was translated into a marketable item the need was **unrecognized**. Social agencies and their directors can take a useful lesson from this example.

The 4C perspectives help directors of human service agencies to be aware of the elements needed to take a **more** entrepreneurial proactive role. Unfortunately, just being aware isn't enough. Specific and positive steps must be taken. Hence, a 4C conference is needed. The **4C** conference is an annual planning conference organized around the 4C concept. Different elements of the agency are asked to assess agency characteristics, agency **competencies**, agency conditions, and agency context. Then on a report day board and agency staff come together to talk about the mix among characteristics, **competencies**, conditions, and context. Results of course, cannot be foreordained. It may turn out that the agency has the **competencies** and characteristics that are needed for the context in which it is operating and it has a supportive set of conditions. On the other hand, the context may have **changed**, new **competencies** may be **needed**, adjustments and conditions may be **required**, new characteristics may be needed. One cannot, of course, know these things in advance, but the regular scheduling of a **4C** conference were permit continual, ongoing focus on each of the 4C'S, and **will** allow the agency to develop the appropriate articulation among them, **sufficient** to remain at the cutting edge of human service delivery. The next chapter, on Strategic Change, helps to provide some **specific** guidelines.

Conclusion

Human service organization boards can be **identified** as falling into one of four general styles: the conservative **board**, the traditional **board**, the entrepreneurial board, and the overboard board. Each has its strengths, but with respect to change and development the entrepreneurial board is to be preferred. The conservative board tends to resist change. The traditional board, while not resisting change, it does not **proactively** seek it. The overboard board is changing so much and so frequently that no one can get a clear focus of its interest, including perhaps the directors themselves. Only the **entrepreneurial** board makes change an ongoing part of its regular activity.

While it is useful to regard boards as falling into these various types, it might also be appropriate to look at these as positions or postures that any given board may take at a particular period of time. Sometimes a traditional posture is appropriate, sometimes even a conservative posture makes sense. Entrepreneurial orientations are appropriate in other instances and, on occasion, even some overboard activity might be just what is needed. Hence, boards will typically find themselves playing **all** these roles. The important point to keep in mind is to actually play all of the roles, as opposed to becoming trapped in one or another elements of the **board** repertoire.

Focus on the 4C Theory of Entrepreneurship for Boards can help. That focus involves attention to the characteristics of those who work for the organization, the **competencies** which they have, the conditions that the organization sets up for itself and the context in which the organization operates. Each of these requires constant scrutiny and oversight by the directors. A 4C conference involving an **annual** assessment of **the** interrelationship among these elements would be a way to keep the agency **current** and, indeed, ahead of the game.

EXERCISE 12

Entrepreneurship for Boards

Four board styles have been identified: conservative, traditional, entrepreneurship, overboard. Which best describes us?

Considering that all boards may exhibit some aspects of each style, what fractions best apply to us?

	%
Conservative	_____
Traditional	_____
Entrepreneurial	_____
Overboard	_____
TOTAL	100%

Could we use a 4-C's conference to become more entrepreneurial?

How?

12

THE INTRODUCTION OF STRATEGIC CHANGE⁵

Introduction

Often individuals involved in board work **are** struck with the permanence, if not intransigence, of board habits, board behaviors and board culture. The purpose of knowing good board **behaviour** is limited if there is no ability to introduce change into the board system. Obviously, many change efforts need to be targeted to particular boards. Some general considerations are helpful, too.

Benefits of Strategic Change

As boards seek to improve and develop their functioning and move toward missions and roles that apply to a set of directors, there are a number of benefits which will accrue, including a greater sense of board community, higher quality decisions, and more involvement with community and staff, to mention but a few. But if one undergoes a board change process, what are the benefits here?

A Broader organizational Picture -- Most organizations, especially boards, are only marginally aware of what their organization is actually **doing** when viewed as a whole. An overall assessment process and **strategic** initiative allows a more **global** and in-depth picture to emerge of the kinds of activities the organization is undertaking, and the costs and benefits of these activities.

A Focus on Facts -- Many organizations are full of what Robert D. Vinter of the University of Michigan calls "**lore**": **assertive** statements about what the organization is or

⁵ For details on these points, as well as a rich detailed **and** practical discussion of strategic transformational change, see RJ. Myers and Peter **Ufford** *On-Site Analysis: A Practical Approach to Organizational Change*.

is not doing, has or has not done in the past, will or will not do in the future, could or could not accomplish under a range of conditions. Only infrequently **are** such discussions based on a common foundations of facts. A strategic initiative process should develop a focus on facts.

Shared Problem Identification -- A strategic change process focuses upon the development of a shared perception of problems. Such sharing comes from interaction rather than assertion, from consensus rather than **command**, and it requires time and effort to develop the common points of view that will lead to sharing.

Additional Resource Identification -- A strategic change process not only points to problems to be solved, but frequently surfaces new resources with which those problems can be addressed

Alternative Solutions -- The shared examination of problems and a focus on facts, combined with the broader organizational picture, allows for alternatives to be developed for every particular problem. **Indeed**, the options memo technique, mentioned in a previous chapter, is a precise way of accomplishing this objective.

Team Building -- The common focus on board problems leads to the development of a team sense, rather than competing camps. Frequently, too, a sense of excitement is developed as old barriers to communication fall away.

Transferability -- The process of strategic development within a board can be and often is applied to other **areas** in which directors and board affiliates **are** involved. For this reason, there is high transferability as strategic techniques, and two that we have discussed, the Professional Unit System and the Index of Dissimilarity, certainly have this property.

Shift to the Future -- Many organizational and strategic planned discussions, especially at the board level, focus on defending the past. Individual identifications and egos become involved with programs that were doubtless appropriate for the time in which they were initiated, but with environmental changes, may now become passe, and in some instances, even counter productive. The ability to build on what is good right now, a generalized view of the board, the agency, and the environment is what is key. The strategic process involves revolution of expectations. These expectations **re-configured** the relationship of community, agency, board, and task environment. They allow for the opening up of new avenues of work and effort, and perhaps the closing down of some old ones. But this repositioning is always essential. As the organization grows and changes, so, too, does the environment shift and develop. Thus, what was a good **fit** at one time, may be a relatively poorer fit now.

Requisites for Strategic Change

As **directors** begin to involve themselves in a strategic development process, there are certain requisites, certain commitments that must be made from the beginning, if the process is to be a success.

Frame of Mind -- A different frame of mind is required. If directors come into the room with a “show me” attitude,” the process is almost certain to be doomed from the start. If, on the other hand, **directors** come in with a notion that this time we are really going to make some changes and I, as a director, am going to be able to help out in this process, the prognosis is much better.

Temporal Commitment -- One of the problems that **directors** often have is that they are extremely busy, and they sometimes travel, so that they are not around as much as they thought they would be. But executives and others planning a strategic board change effort should begin by being **frank** about the time required. Probably two or three days overall, including one day-long activity, is needed. If this commitment cannot be developed from the beginning, problems already have **occurred**, and there won't be the kind of back-up and investment necessary to actually accomplish the change.

Longer Range View -- Many directors, especially under the press of time, will opt for the quick fix, “What's the problem, lets do this, this, and this.” The North American penchant for action supports the “quick **fix**” solution. Yet, every presenting problem has a precipitating cause and a predisposing cause. One cause is the immediate precursor event. For example, a voluntary organization's United Way allocation was not made this year, or was substantially reduced. Obviously, the quick fix would be to replace those lost dollars with some other dollars and go about one's business. If this **were the** sole conclusion **and** action, it would be a sorry mistake. There are obvious reasons (though we may not know them clearly at this moment) as to why the United Way allocation was not made, and what that may portend. It is the predisposing causes that need to be more fully understood and acted upon before a total solution can be developed. Hence, the “right now” focus needs to be set aside and a longer term focus inserted in its place.

Facts/Focus -- It is important to work with the board in the initial stage to explain to them that common and conventional preconceptions should be set aside. Everything that “everyone knows” should be viewed at least in the initial period as suspect. This makes sense because one can always return to business as usual. Since business as usual is the thing that we are often trying to get away from, through such strategic initiatives, one should agree that there needs to be some kind of intellectual independence, an openness to the new, which can be a freeing, inspiring, creative process.

A Better Idea -- Finally, there needs to be a certain amount of commitment to the group itself as a source of ideas. All too often we tip our hat to groups and to the group process and strategic decision making, and then turn back to the old individualistic “long range” approaches that have been so comfortable for us in the past. Whether or not they were, of course, is an open question.

Performing a SWOT/Conducting a 4C Conference

Directors, board members, and agency staff may now ask, “Well, how do we go about achieving the benefits of strategic change?” The first answer to this question is leadership. Leadership involves developing a vision of where the organization might be. Leadership may come from anywhere within the agency or organization. A typical mistake is to

assume that leadership will only come from the president of the organization or the board chair. Fortunate is the organization which has leadership resources in these two positions. Often, though, leadership must come **from** other directors, **from** staff, and a process of developing a readiness to undertake a strategic change process is developed.

Sometimes individuals interested in introducing a strategic change process into an agency need to wait for an event that precipitates a willingness to action. A driver education teacher once said, "An accident really focuses your attention on driving." **Anyone** who has had experience teaching someone to drive knows the truth of this statement. **All** of the injunctions about "taking care," "drive carefully," etc., really do not hit home until someone has been involved in an actual accident and experienced the trauma it creates. Hopefully, it is a small accident and the benefits of learning far outweigh the inconveniences and difficulties. **A similar** point could be made about agencies and boards of directors. Frequently, the need for change is seen by a small leadership group within the organization. Often, in spite of their discussions with other directors, agency members, select community leaders, and so on, they are unable to create the kind of momentum and interest in strategic change until a cataclysmic event occurs. Such an event may be the sudden departure or resignation of an executive or president of the organization. It may involve severe criticism in the press or media about something which has happened within the organization. It may involve the failure to get an expected piece of funding. The list could go on. The overall **point**, however, is clear. Leadership is required to develop organizational readiness for strategic change. However, leadership alone, while often successful, is not always enough. Sometimes difficult and troubling events are needed to create the kind of organizational concern that is needed to move the process forward.

Given that an organization is ready to change, how might it proceed? There are several approaches that one can take. The on-site analysis approach discussed in Myers, Ufford, and McGill (1988) is one. A team **arrives** on site and takes the organization through a strategic change process, some of the key points of which have already been mentioned in this chapter. However, that process may be too costly or otherwise inaccessible to an organization, and its companion processes, typically involving the use of some outside consultant to orchestrate a strategic change process, may also be beyond the organization's reach. Then the organization itself may wish to engage its own volunteers in a strategic change process using a SWOT analysis technique, followed up with a 4C conference. SWOT analyses are relatively common in the strategic planning field and are used by consultants.

What is a SWOT analysis? It is really not very complicated. It involves analyzing the agency from four differential perspectives: Strengths, Weaknesses, Opportunities, and Threats. Teams of directors, staff, and interested volunteers are assigned to review the agent's position **vis-a-vis** these four variables, keeping in mind the injunctions mentioned earlier in this chapter. One team reviews the organization's strengths. What are its strong points? What are the things that it is known for, today and in the past? How might these strengths be capitalized, extended, or converted to new purposes? These and other questions are asked of the **strength** assessment group.

Parallel, of course, to organizational strengths are organizational weaknesses. A weakness team is assigned to think about the problems that the organization is facing. What are the

points of difficulty? The areas of low quality? The **areas** of trouble? Particular care must be taken here to be honest, open and direct. Every organization, like every person, has strengths and weaknesses. Organizations, like people, tend to overstate their strengths and minimize their weaknesses. **Indeed**, to listen to many individuals in organizations describe themselves one would think that the weaknesses were either infinitesimal or did not exist at all. Clearly, personal and organizational defense mechanisms are at work here, and powerfully so. They need to be set aside for SWOT analysis otherwise at a report conference the individuals receiving the weakness team report will not have a fair and honest idea of what is really troubling the organization.

A third team looks at opportunities **in** the environment. What opportunities might be available for this particular organization? Are they being exploited now, **or** could they be exploited in the **future**? Is the environment changing in a way to make new opportunities likely? For example, in the college and university area, it is well known that following the "baby boom" comes a "baby **bust**," with fewer students of college age. Naturally, colleges and universities will seek to expand the fraction of those individuals of college age who come to university or college. However, it is also possible, perhaps desirable, to redefine "college age". Many universities are aggressively seeking older students their thirties, forties, fifties, or sixties with a yearning for the education they were unable to get at an earlier age, or simply seeking to expand their knowledge base. It is an exciting **adventure**. However, one needs to see the opportunity in the older student before one can pursue it.

Finally, organizational threats **are** assessed by a fourth team. What is it in the environment that looks like it might harm the organization? Have government allocations become increasingly uncertain? Has a particular residential treatment centre, run by an agency, had a string of troubles and difficulties that have caused the attention of accrediting groups to swing in the agency's direction? Is there an ominous decline in individuals interested in working for the agency at the wage rates currently available? These and other questions represent an analysis of the threats facing the agency. They link up naturally with weaknesses, and if there is an unfortunate confluence of **threats** and weaknesses -- that is, if the threats to the agency seem to come in its area of weakness -- then the agency is in a perilous state.

There is no special formula for carrying out these analyses, although the large number of materials available on strategic planning suggest a variety of ways to approach it. The main point is to do it. After the analysis has been completed, agency members come together, often in a **retreat format**, to discuss the findings and to plot new directions. Presumably, new directions arise out of a consideration of strengths and opportunities on the positive side, and from a scrutiny of threats and weaknesses on the negative side. One seeks to neutralize threats and reduce the impact of weaknesses while augmenting strengths and seizing opportunities. This small exercise can really help an organization to avoid trouble and difficulty in the process of self renewal.

However, it is very difficult to undergo strategic **planning** every year. The process becomes tiresome and unproductive. Therefore, the organization should try to establish, on an annual basis, a **4C** conference. The **4C** conference builds on the 4C theory of entrepreneurship mentioned in the previous chapter. The 4C'S are, it is recalled, characteristics, competencies, conditions, and contexts. It helpful for a board of directors

to do an annual 4C assay. A **4C** assay is like a SWOT analysis, except that it is not as complex, not as difficult. It simply involves small groups of individuals looking at the characteristics of individuals in, and served by, the agency, and on the **board**; the **competencies** that **are** possessed by the staff and by the **directors**; the conditions of the organization, and structure and culture; and the context within which the organization operates. Then, on a retreat day, the analysts report, and the **board** and agency members discuss the fit between, and among, characteristics, **competencies**, conditions, and context. This **4C** conference allows for an ongoing, less painful adjustment to changes in the environment, changes in characteristics mix, changes in **competencies**, or the need for certain competencies, and shifts in organizational conditions. It is less dramatic and volcanic than a SWOT analysis. Because it is done yearly it is less threatening. Adjustments in changes required as a result of the 4C conference are smaller.

The annual **4C** conference does not set aside the need for a SWOT analysis. Indeed, one might want to use a SWOT analysis as a basis for the 5-7 year organizational renewal requirement, mentioned earlier in the volume. It does allow for an ongoing, regularized attempt to look at the members of the organization or agency, and the tasks and problems it faces, and make adjustments.

Conclusion

As boards enter the strategic planning process, it is imperative that they think through the requisites of such a process. The **first** step is to review the strategic blending perspectives and requisites, so that there is a common understanding of the kinds of energies required, and a common agreement to set aside presuppositions, **predefinitions**, simple solutions, and adopt a readiness to explore new opportunities, with this as a beginning point. The Professional Unit System and the Index of Dissimilarity can provide useful techniques or tools to engage in such a strategic planning process. However, without that original readiness, it is not going to make much difference what these or any other techniques you use, progress will not occur.

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