Effective Chairmanship of

Boards and Committees

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Seminar outcomes:

• Increased **effectiveness** in my role as a board/committee member.

• Improved standard of **governance** on boards/committees where I hold membership.

• Enhanced **productivity** in work-related group meetings that I attend.

• **Demonstration** of personal commitment to excellence in Christian leadership.
Why board processes matter:

• Most leadership training in the Seventh-day Adventist Church is for individualized positions of responsibility. Most major decisions are made in groups.

• Effective group decisions do not arise spontaneously. They are the result of deliberate designs in structure and social dynamics.

• The pursuit of excellence is worthwhile...because God’s work deserves such.
Our challenge:

“...there is one thing all boards have in common, regardless of their legal position. They do not function.” --Peter Drucker
Our challenge:

“Though possessed of ultimate organizational power, the governing board is understudied and underdeveloped…where opportunity for leadership is greatest, job design for leadership is poorest.” --John Carver
Our challenge:

“The development of all our powers is the first duty we owe to God and to our fellow men. No one who is not growing daily in capability and usefulness is fulfilling the purpose of life.”

--E G White

*Christ’s Object Lessons*, p 329-330
What goes wrong on boards:

• Time consumed is not proportional to results.

• Tendency to drift:
  – from strategy to operations
  – from long-term challenges to short-term performance
  – from collective action to individual initiatives

• Driving by the rearview mirror...last month’s financial statement gets more attention than an agency’s strategic position.
What goes wrong on boards:

• **Reactive** stance rather than **proactive** … redoing what staff has already done is not leadership.

• Leaky **accountability**. Board members get personally involved in matters that should be left with the CEO.

• **Uncertainty** over boundaries of authority.
Complaints from board members:

• Issues brought to the board are unimportant, disconnected, don’t deal with strategy.
• Meetings are boring, agenda tightly scripted, outcomes predetermined, opportunity to influence decisions severely limited
• Lots of paper but don’t know what it all means, deluge of data, lack of whole picture
Complaints from board members:

• Failure to achieve **synergy** of the parts to enhance the whole, sub-groups/cliques seem more cohesive.

• “My presence is basically **immaterial** to the outcome. We are like accomplished musicians unable to play a **symphony** together.”
The role of the chairperson

• Before the meeting begins.
• During the meeting.
• After the meeting.
Before the meeting begins:

• **Orientation** of new members (see page 6)

• Appropriate notice of meeting
  • Conduct meetings on a regular basis
  • Supply agenda information and reports in advance

• Awareness of agenda items

• Determine pace and sequence of agenda
  • Help senior management determine **what matters most** (avoid syndrome of "everything matters most").
  • Use a consent agenda for items that can be approved without further discussion or deliberation by the board
During the meeting:

- Call to order
- Define the dimensions of **success** for the meeting
- Establish basic rules of conduct (use of cell phones, private conversations, executive sessions, etc.).
- Keep group focus on agenda
- Draft recommendations in advance
During the meeting (cont’d):

• Maintain orderly processes (rules of order)
  – See handout—Quick reference on parliamentary procedure
• Encourage good social dynamics (See page 6)
• Call for the vote
• Create opportunities for CEO to think aloud
• Arrange for board/committee education
• Close the meeting
Following the meeting:

- Verify accuracy of minutes
- Keep in touch with absentees
- Maintain communication with CEO
- Monitor implementation of actions
The role of the Chair in Board/Committee member orientation
What directors need to know:

• Who selected him/her?
• What is the term of service? Re-electable?
• What is organization’s purpose?
• What constituencies are served?
• What corporate documents exist…?
• What parties can question decisions?
• What protection is there against liability?
• What are director/member’s rights?
Director/member rights:

• Access to management
• Access to records and documents
  – may not ignore what is believed as illegal activity
• Ample notice of meetings
Legal responsibilities of boards:

• Duty of care
• Duty of loyalty
• Duty of obedience
Social dynamics on a board:

• “We need to consider not only how we structure the work of a board but also how we manage the social system a board actually is. …their more pressing need—to be strong, high-functioning work groups whose members trust and challenge one another and engage directly with senior managers on critical issues facing corporations.” –Jeffrey A Sonnenfeld, “What Makes Great Boards Great”, Harvard Business Review, September 2002
Creating good social dynamics:

- Physical arrangements (seating, lighting, sound) of the meeting place.
- A virtuous cycle of respect, trust and candor. How can boards create respect and trust among members? Does the CEO trust the board enough to share sensitive information? A board’s ability to monitor and oversee an organization is seriously compromised if it doesn’t have access to relevant and adequate information.
Creating good social dynamics: (cont’d)

• Minimal impact of political factions. How can this be done?

• A culture of open dissent encouraged. Be careful not to confuse dissent with disloyalty. “…the highest-performing companies have extremely contentious boards that regard dissent as an obligation and that treat no subject as undiscussable.” —Sonnenfeld, ibid.
Creating good social dynamics: (cont’d)

• Deliberately develop/examine **alternatives**. Challenge cherished roles and assumptions.
• Give board members **meaningful** tasks that involve accountability.
• Regular **evaluation** of a group’s performance. (See sample of board self-evaluation form, pages 7-8.)
Ten commandments for board chairs:

• Thou shalt honor, respect and **promote** the organization’s mission and structure.
• Thou shalt serve as an **ambassador of good will** in the organization’s interface with the community and constituencies.
• Thou shalt maintain **regular communication** with the President/Director.
Ten commandments for board chairs:

• Thou shalt maintain board focus on governance.
  • Appoint, monitor, evaluate leadership
  • Ensure faithfulness to the organization’s mission
  • Sustain financial stability
  • Regularly update plans for the future

• Thou shalt arrange for and do board member orientation.
Ten commandments for board chairs:

• Thou shalt ensure **integrity** in board processes.
• Thou shalt **comply with** …bylaws and policies and with applicable SDA policies.
• Thou shalt fulfill board **commitments**.
• Thou shalt have a crisis **response plan**.
• Thou shalt be a personal **model of excellence**.
Acknowledgements:

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