

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:

- *Boards That Make a Difference*, 2nd edition, John Carver, Jossey-Bass Publishers, San Francisco
- *Guidebook for Directors of Nonprofit Corporations*, Section of Business Law, American Bar Association
- *Meeting the Challenge*, Video, BoardSource—formerly the National Center for Nonprofit Boards
- *Ten Basic Responsibilities of Nonprofit Boards*, Richard T Ingram, BoardSource
- *The Board Meeting Rescue Kit*, BoardSource
- *What Boards Are Supposed To Do*, The Governance Institute
- “What Makes Great Boards Great”, *Harvard Business Review*, September 2002
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