

**Decisions, Decisions, Decisions!**

**Board Basics 2016  
Board Leadership Calgary**

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Community Development Unit  
Alberta Culture and Tourism




## **Community Development Unit**

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### **What do we do?**

- CDU facilitators design and deliver services to strengthen and build capacity in organizations and groups specific to:
  - Strategic planning
  - Board Development
  - Planning and conducting effective meetings
  - Consultations with public and stakeholders
  - Identify, developing and enhancing partnerships and relationships
- Services are tailored to:
  - Community groups
  - Non-profit organizations
  - Municipal and provincial governments
- Community Development works to improve, enhance or and contribute in a positive way to the lives of Albertans.




## Objectives

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### Why are we here?

- Enhance our understanding of decision-making in the context of our work, including:
  - When and how decision-making happens
  - Levels of decision-making
  - Theoretical frameworks for decision-making
  - Scenarios for decision-making
  - Tools to assist with decision-making
- Share ideas, learn from each other, and understand the range of decision-making that happens based on differing organizations and perspectives.






**Board Responsibilities**

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- The board is responsible for the highest level of decision-making and legal authority in an organization.
- The board is responsible for the organization's:
  - Welfare;
  - Effectiveness;
  - Outcomes;
  - Resources/Activities; and
  - Sustainable future.



**The top function of the Board of Directors is to make good decisions that are best for the organization and its members.**

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**Just like teams, boards need a  
playbook to guide their  
decision making**



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**The Key to Good Governance...**

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**We make good decisions by having  
CONVERSATIONS**

***“Add light, not heat”***


# Levels/Types of Decision-Making

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## Rational vs. Intuitive Decision-making

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- **RATIONAL** - A step by step method for reviewing and systematically selecting among possible choices, based on reason and facts.
  - Can involve graphs, charts, and scoring methods
- **INTUITIVE** - using gut feeling or instinct (i.e. “knowing” the best answer), not reason, logic or facts.
  - Can involve models such as astrology, crystals, tarot cards, a roll of the dice.
- **COMBINED** – combinations of the above. Gary Klein believes that we naturally make up to 95% of our decisions this way.



## Different Types/Levels of Decisions

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- **STRATEGIC** - long-term goals/values, tend to be more broad and high level
- **TACTICAL** – Action-based decisions that support strategic decisions, medium range time frame
- **OPERATIONAL** - Detailed daily decisions and tasks that run the business, immediate impact



## What type of Decision do you think it is?

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In small groups, determine whether you think the decisions on the worksheet are:



- **STRATEGIC**
- **TACTICAL**
- **OPERATIONAL**

Based on your assessment and discussion.  
Make sure to answer “why” you made that decision!


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Sometimes boards feels more productive  
moving molehills a mile rather than  
moving mountains **an inch.**




# Understanding Decision-Making



## Decision-making Perspectives

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- Project Management Decisions
- Risk Management Approaches
- Strategic and Directional Decisions
- Processes for Making Decisions
- Who to listen to for advice, what data to use
- Ethical, moral, and values-related decisions
- Others?

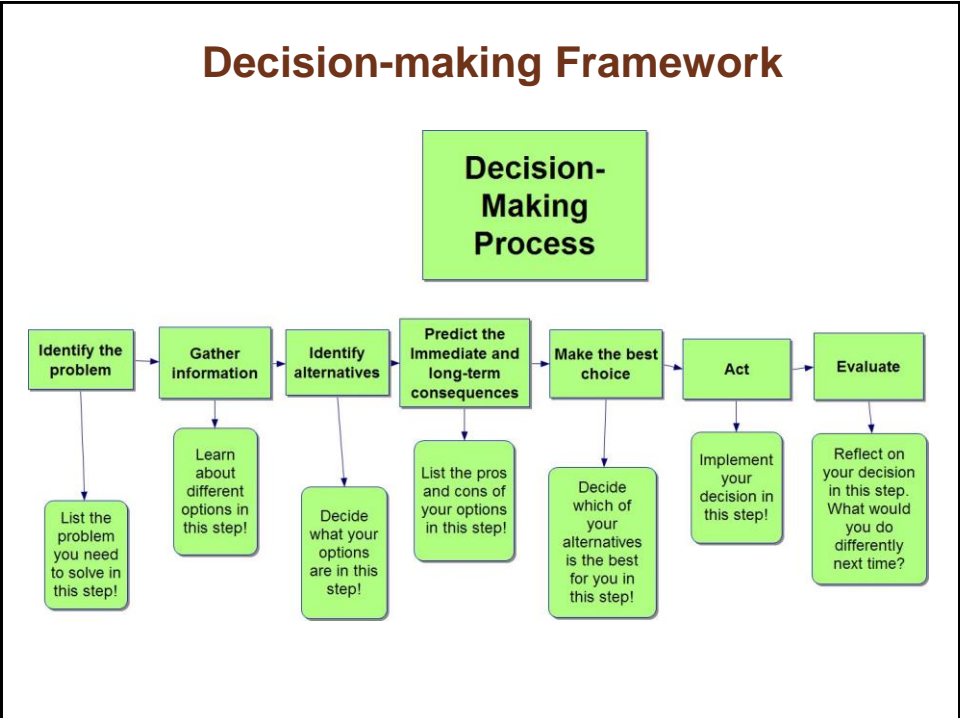


## The 4 Biggest Enemies of Non-profit Decision-Making

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- 1. NARROW FRAMING**
  - Decision: *“Should I fire this board member or not?”*
    - What’s the root of their behavior? Can their responsibility be altered?
- 2. CONFIRMATION BIAS**
  - Decision: *“Does the world need what we are offering?”*
    - Reality Test Your Assumptions
- 3. SHORT-TERM EMOTION**
  - Decision: *“How should we allocate program funding?”*
    - Purposely attain distance before deciding and pursue strategies that sidestep the emotions
- 4. OVERCONFIDENCE**
  - Decision: *“Will this direct mail campaign bring in enough money?”*
    - Apply a healthy dose of humility, and be prepared to be wrong.





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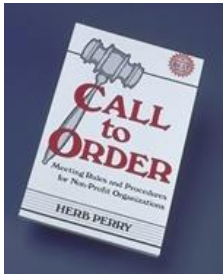
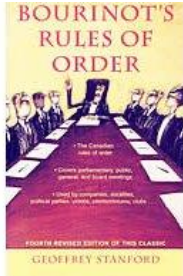
## Parliamentary Procedure

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- Four principles of parliamentary procedure:
  - Justice and courtesy for all.
  - Do only one thing at a time.
  - The majority rules.
  - The minority has a right to be heard.
- Four fundamentals of parliamentary law:
  - To facilitate action, not obstruct it.
  - To enable the assembly to express its will.
  - To give every member a fair hearing.
  - To maintain order.

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## Parliamentary procedure should be used as a tool, not a weapon, for conducting a meeting in a civilized manner.



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## Motions

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- Occur when a proposal is formally submitted at a meeting for discussion, action, and resolution via vote
- Bring up items that are urgent or that affect pending business
- Are either debated or moved directly to a vote


**TIP** *An individual seconding a motion does so only to get the motion debated, and not necessarily because he or she favors it.*

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## Steps in Making a Motion

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1. First person makes a proposal: *"I move to..."*
2. A different person seconds the motion.
3. The chair or secretary restates the motion as written.
  - a. The wording of this statement is the one being debated.
4. All members discuss the motion.
  - a. If discussion brings up changes to the working of the motion, it can be amended.
5. The chair asks for affirmative votes then for negative votes.
6. The chair announces the result of the vote and states the next course of action.



## Voting Methods

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- Consensus
- Voice vote
- Show of hands
- Stand
- Poll
- Ballot (not for board meetings)



## Consensus Decision-Making

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- Characterized by a lot of listening, healthy debate, and testing of options.
- Generates a decision in which everyone says, “I can live with it.”
- **Pros:** Unites the group. Demands high involvement. It’s systematic, objective, and fact-driven. It builds buy-in and high commitment to the outcome.
- **Cons:** It is time-consuming and produces low quality decisions if done without proper data or if members have poor interpersonal skills.
- **Use:** When decisions impact entire group, when buy-in is essential, when the decision is worth the time it takes to use the consensus process


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## Steps in Consensus Decision-Making


- *Prepare in advance for the meeting -- gather and share as much useful information as possible.*
- *Ensure there is enough time on the agenda for the discussion.*
- *At the meeting...*
  1. **Present the topic, problem, or issue and share all known facts**
  2. **Identify sources or causes of the situation or problem**
    - a) Identify any sub-issues that need to be resolved
  3. **Identify goals and hoped-for outcomes**
  4. **Consider many options/courses of action for achieving the goals**
  5. **Generate criteria a good solution should have**
  6. **Sort and eliminate options based on criteria**
  7. **Weigh the pros and cons of each remaining option**
  8. **Make a decision based on the information, criteria, pros, and cons**
    - a) Ensure everyone can live with the decision
    - b) Make a motion if appropriate
  9. **Develop an implementation plan (who will do what by when)**
- *Next meeting: Check back to see if the solution is working.*

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## Fist to Five Survey




- **Fist:** I vote 'no' and would need to talk more or require changes before I could support it.
- **1 finger:** I still need to discuss certain issues and suggest changes that could be made.
- **2 fingers:** I am fairly comfortable, but would like to discuss some minor changes.
- **3 fingers:** I'm not in total agreement, but comfortable enough with the decision without further discussion.
- **4 fingers:** I support it.
- **5 fingers:** I think it's a great idea and I'm ready to make decision.




## Analyzing Pros and Cons

- Ensures that all advantages and disadvantages are discussed
- Encourages the board to consider both sides before committing themselves
- Board works as collaborators summarizing information rather than competitive debaters.



## Sample Pro-Con Chart




*Use Condo Association  
Clubhouse For  
Holiday Party*

PRO	CON
<p><i>Lots of space Good lighting Kitchen Available Trash Receptacle</i></p>	<p><i>Pool Outside-Noisy Hard To Find \$25 Per Hour Must Have Insurance</i></p>

**Facebook Ads**





Pros	Cons
<ul style="list-style-type: none"> <li>&gt; Budget friendly</li> <li>&gt; Cost subject to results</li> <li>&gt; Simple to establish</li> <li>&gt; Ability to test a number of ads</li> <li>&gt; Quick way to generate more Likes</li> <li>&gt; Facebook offers Analytics</li> <li>&gt; Targeted Ads based on a number of factors</li> </ul>	<ul style="list-style-type: none"> <li>&gt; No guarantee on clicks</li> <li>&gt; Users find them annoying</li> <li>&gt; Can come across as spam</li> </ul>

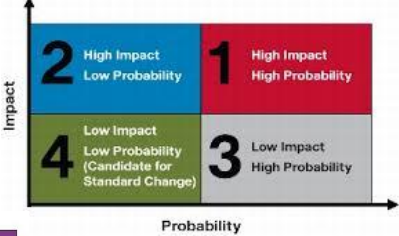


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## Impact-Feasibility Grid

- Uses pre-determined criteria (i.e. impact/feasibility) to evaluate and prioritize a decision

	Low Importance	High Importance
Low feasibility	<b>1.</b> Don't bother! 	<b>3.</b> Get creative to increase feasibility. 
High feasibility	<b>2.</b> Don't do it if it takes resources from cells 3 & 4. 	<b>4.</b> A no-brainer - Do it! 



- Assesses ability to proceed with a project
- Increases awareness of the impact on the achievement of your objectives

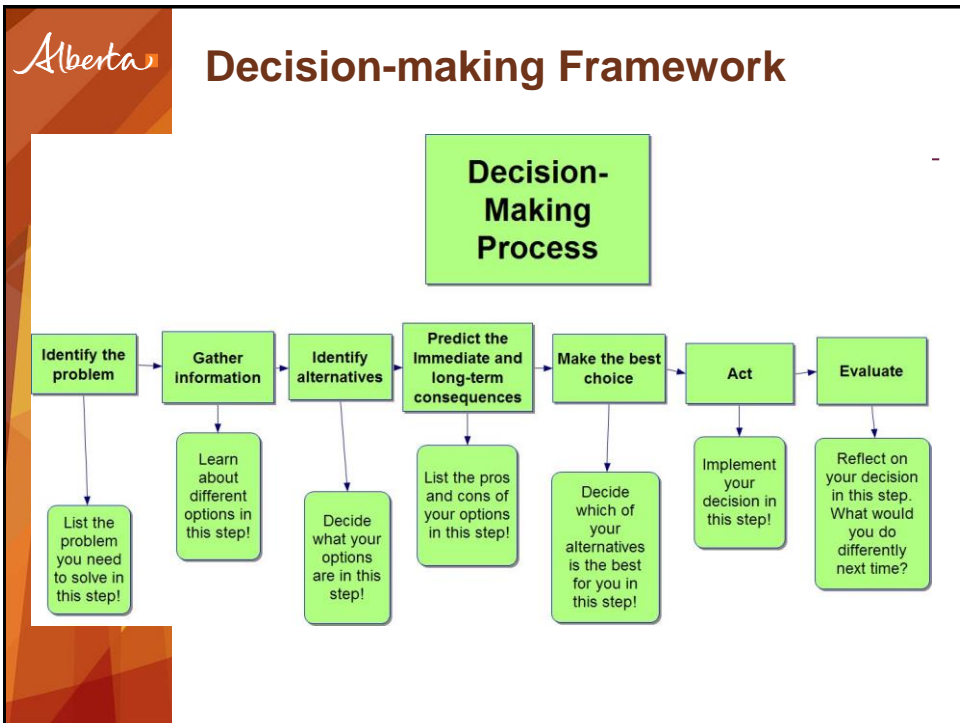
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## Matrix Assessment

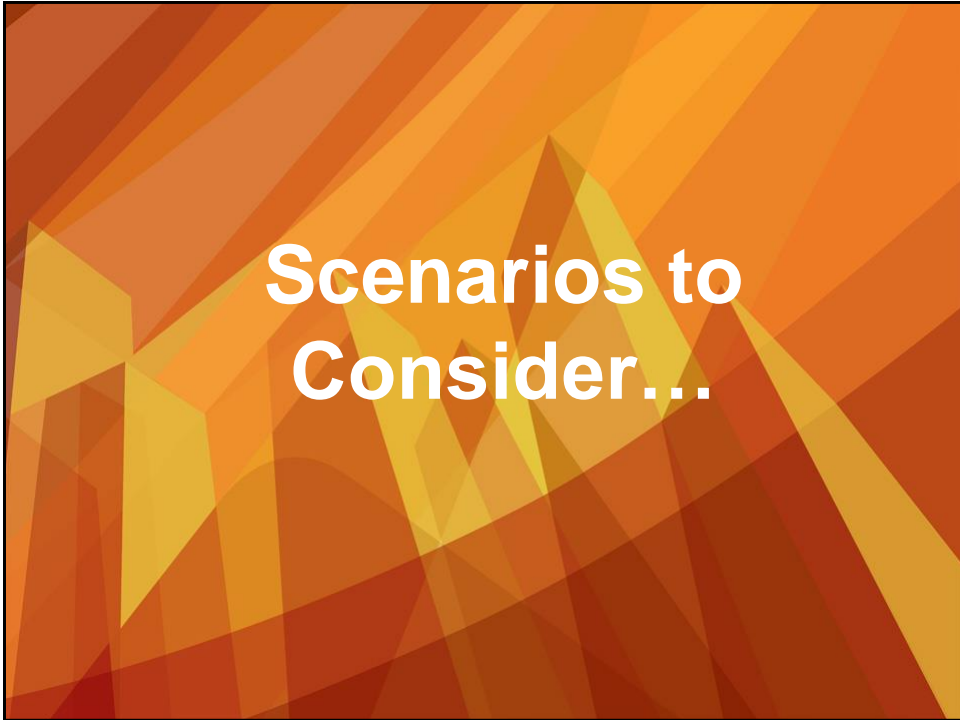
- Separates complex decisions into components
- Clarifies the trade-offs
- Markkula Centre for Applied Ethics has great decision-making resources and an app for download that will help you weigh the Ethics of a particular decision: <https://www.scu.edu/ethics/>

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Category	Criteria: Ethical Framework principle	Option A	Option C
Objective	In the public interest	4	5
	<b>Total</b>	<b>4</b>	<b>5</b>
Integrity	Consider people equally without prejudice or favour	3	4
	Place the public interest over personal interest	2	3
	<b>Total</b>	<b>5</b>	<b>7</b>
Trust	Build relationships based on mutual respect	4	1
	Uphold the law, institutions of government and democratic principles	3	3
	<b>Total</b>	<b>7</b>	<b>4</b>
Service	Provide services fairly with a focus on customer needs	4	3
	Focus on quality while maximising service delivery	3	5
	<b>Total</b>	<b>7</b>	<b>8</b>
Accountability	Be fiscally responsible and focus on efficient, effective and prudent use of resources	3	3
	<b>Total</b>	<b>3</b>	<b>3</b>








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## Decision Making Conversation

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- As a small group, you will be the board of the organization in the case study
- Go through the case study
- Use the framework model to work through the discussion
- Discuss as a group, and fill in missing information as needed
- Select a decision-making tool to use (if needed)
- Make a decision on what to do next

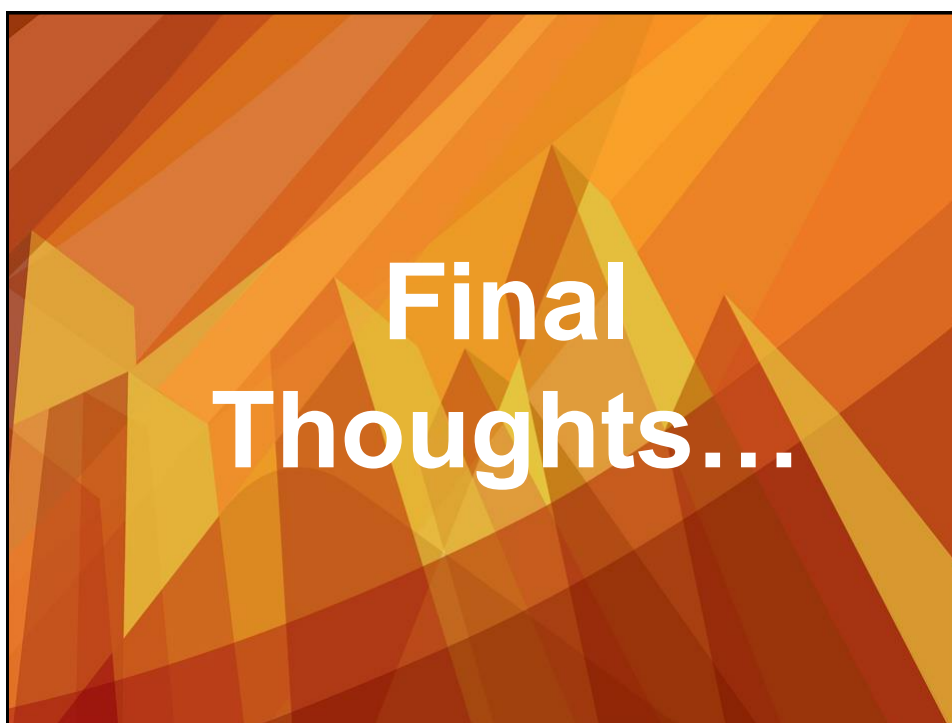



## Decision Making Debrief

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Share your group's scenario


- What did you decide to do?
- How do you think the framework informed your decision?
- Did you use any other tools or processes?
- Was it valuable to work through it this way?
- What else?







## An Effective Board Decision-making Process

- All board members contribute to the effectiveness of each and every board meeting
- Chairman organizes the meeting to allow participation, debate and decision as well as manage conflict and problems
- The board works with management to anticipate and provide the information needed for decisions
- New members are oriented as to the processes used by the board
- Multiple tools are used in choosing the best solution to a problem.



## Strategies when Making Tough Decisions

- **DISCUSS** the issue with members and employees.
- **CONSIDER** your mission and long-range plans
- **REINFORCE** the mission and goals
- **TALK** with other directors who have faced similar situations and find out what they did
- **ACT** like a director, not a producer, and make the best decision for the organization

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