

Better Board Decisions: An Action Framework

Board Leadership Calgary

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About This Session

1. Governance
2. Size & governance culture: the context for making decisions
3. Three essential ingredients
4. Diagnose and take action on the blocks to better decision-making
5. Practice



Your experience in making a good decision

- ✿ Recall a challenging situation when your Board came to a good decision
- ✿ Fill in the blank: It was a good decision because.....
- ✿ Name one thing (or person) that helped the Board
 - ✿ Contributions of individual board members and staff ?
 - ✿ Processes your board used?
 - ✿ Established policies and roles?



My starting point

A good board decision

- ✿ Gives leverage
- ✿ Identifies and weighs key factors (the +'s and -'s)
- ✿ Anticipates risks
- ✿ Gains agreement
- ✿ On time

Ingredients

- ✿ Members contribute talents, knowledge & insights
- ✿ Process engages the whole board and supports diverse perspectives
- ✿ Structural foundation in place (policies, practices, roles, ...)



Governance Defined

Determines who has power, who makes decisions, how other players make their voice heard and how account is rendered.

<http://iog.ca/defining-governance>

- ⊗ Authority
- ⊗ Decision making, how, who has a voice
- ⊗ Accountability
- ⊗ Systems and processes to support these



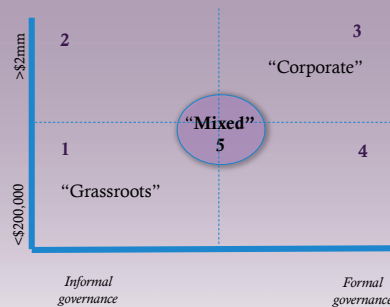
Governance



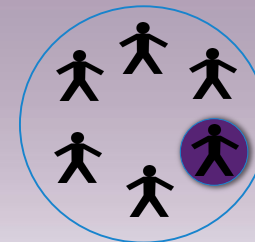
Size and culture shape governance practices

Where is your organization now?

Where do you need to be in the future?



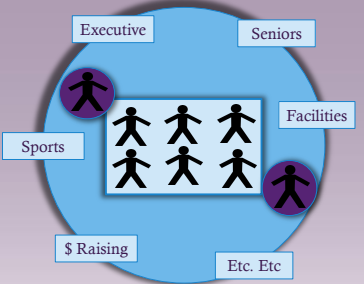
The Grassroots Example



- The "Doing" board
- Informal
 - Action focused
 - Short time horizon



The Mixed Model

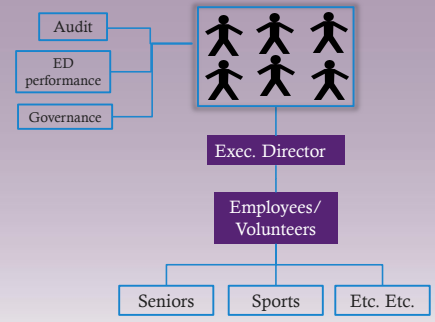


The "Transitional" board

- Differentiated roles
- Staff supplements directors' admin responsibilities
- Action & policy focus
- Mix of time horizons



The Corporate Approach



The "Policy" board

- Board & staff committees
- Strategy focus
- Formal roles
- Written policies



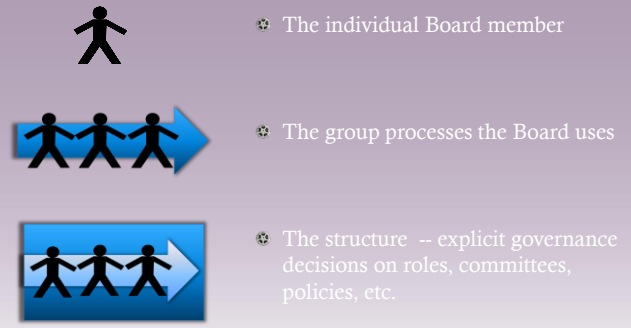
Governance Continuum

Do	Supervise	Direct	Oversee
Full Administrative Board <ul style="list-style-type: none"> • no staff • volunteers & board do all work • May have working committees 	Partial Administrative Board <ul style="list-style-type: none"> • some staff • board manages operations • May have working committees 	Transitional Administrative Board <ul style="list-style-type: none"> • recent ED or GM • board involved in operations • May have working committees 	Partial Policy Board <ul style="list-style-type: none"> • ED manages some operations • Board manages some operations • Usually working & policy committees
			Full Policy Board <ul style="list-style-type: none"> • ED has full control of operations • Board focuses on Policy • Policy committees are common


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Three points of intervention to improve Board decision making




The individual board member




What is their fit to the Board?

- Interests and values
- Capabilities to do the work
- Understanding of assigned roles
- Knowledge of organization & operating environment




Tip 1: Hold an Annual Conversation to improve fit

Who	<ul style="list-style-type: none"> • President/Governance Committee leads • Individual director self-assesses
Past Year	<ul style="list-style-type: none"> • Contributions to Board work • Sources of satisfaction • Compliance to code of conduct • Issues?
Future	<ul style="list-style-type: none"> • Clarify/reset expectations • Desired future contributions • Leadership potential
Actions	<ul style="list-style-type: none"> • Report general trends/issues to Board • Assignments to fit capabilities and interests • Follow up on commitments




The Group Process




Do established processes support the decisions that need to be made?

- Positive team dynamics (inclusive, candid, high trust)
- Effective leadership
- Quality Board-ED partnership
- "Expert" support



Tip 2: Get clear on the level of agreement needed

Unanimity	<p>100% in agreement <i>For symbolic or vital decisions</i></p>
Consensus	<p>All can agree to proceed <i>For the good of the organization; important issues; compromises</i></p>
Majority	<p>50%+1 (or per bylaws) <i>For routine or deadlocked decisions</i></p>



The Governance Structure



Does structure support desired group process & individual capabilities?

- Role definitions
- Assignment of responsibilities
- Delegation of authority/ED policy of limitations
- Formal (and informal) policies and procedures

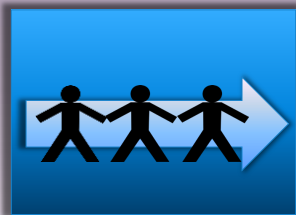


Tip 3: Use Committee Terms of Reference

- ⊗ Purpose
- ⊗ Authority
- ⊗ Chair
- ⊗ Timeline
- ⊗ Meetings
- ⊗ Membership
- ⊗ Quorum
- ⊗ Decision making
- ⊗ Reporting
- ⊗ Budget



Summary: 3 Ingredients for good decision making



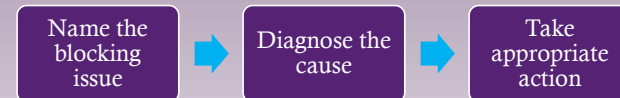
The individual member

The group process

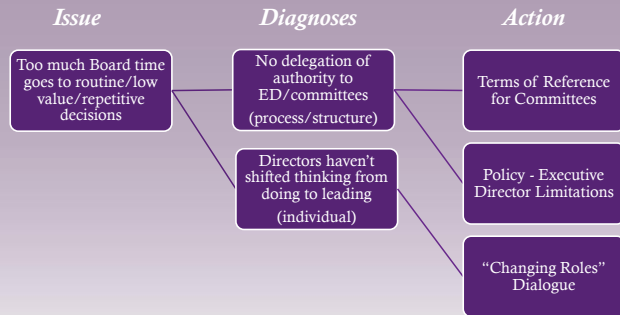
The governance structure



Taking Action



An Example



Practice

- ✿ Consider your own board: what is one way you would like to improve its decision-making capability?
- ✿ Work through the *naming-diagnosing-action worksheet* to find a path that makes sense to you
- ✿ Share your analysis with 1-2 others



Summary

- ✿ Know your organization's culture: Grassroots? Corporate? Mixed?
- ✿ Fit decision-making practices to your desired type of organization
- ✿ 3 points of intervention: individual, process, governance structure
- ✿ Design your intervention through the *Naming-Diagnosing-Action* sequence



PS -- Your efforts at good board governance matter!

Rick says good-bye to Ilsa at the Casablanca aerodrome



".. The problems of 3 people don't amount to a hill of beans in this crazy world..."



Thank You

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