

DECISIONS! DECISIONS! DECISIONS!

**Board Leadership Calgary
Board Basics for Non-Profits**

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Jennifer Stark, AB Culture & Tourism

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Community Development Unit, AB Culture

Provides services generally at no charge to:

- Provincial, regional and local non-profit organizations
- Community coalitions, alliances, collaborations and networks
- Public sector organizations (publicly funded such as town councils, school boards)
- Government departments and agencies

Community and Organizational Development Services:

- Skill development training and presentations
- Facilitation (participatory workshops, public consultation)
- Consultation

Board Leadership Program:

- Board Development Workshops led by trained volunteers



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**Governance involves
decision making
and
Good governance involves
good decision making**

Many areas of overlap....

- Governance
- Effective meetings
- Roles and responsibilities
- Role of the chair
- Policies and procedures
- Liability and risk management

OVERVIEW

- 1. Responsibility**
- 2. Authority**
- 3. Processes**
- 4. Q & A Panel**



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RESPONSIBILITY

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RESPONSIBILITY

- The board is responsible for the welfare, effectiveness, outcomes and sustainable future of the organization it serves.
- It is ultimately accountable for, and has authority over, the organization's resources and activities.
- The board is therefore responsible for the **highest level of decision-making** and legal authority in an organization.



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FIDUCIARY

- a legal term that refers to a person who, because of the position s/he holds, has a responsibility to act primarily for another's benefit.



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FIDUCIARY DUTY

- The duty to act honestly, in good faith, and in the best interest of the organization at all times while using the care and diligence of an ordinarily prudent and reasonable person.
- Stakeholders entrust the direction and success of the organization to the board of directors.
- The fiduciary role as trustee must be at the heart of the board member's commitment.
- The public and the law look to the directors to ensure accountability.



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WHAT ARE DIRECTORS' FIDUCIARY DUTIES?

1. Duty of Care

The requirement to act with a certain standard of attention, competence, diligence and to be informed about issues in order to make good decisions for the organization.

2. Duty of Loyalty

The requirement to act honestly and in good faith in the best interests of the organization.



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BOARD DUE DILIGENCE

- Due diligence is the effort made by an ordinarily prudent and reasonable person to avoid harm to another party.
- Failure to make this effort is considered negligence.
- Individuals are liable when their conduct is below that expected by the community.



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LEGAL IMPLICATIONS

Incorporation as a legal entity provides a way to limit the individual board member's liability – it does not eliminate liability entirely.



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- Personal liability is minimized when board members are acting prudently, within their authority, and are not negligent.



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Role of the Board: ACCOUNTABILITY

To whom is the board accountable for its decisions?



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REPRESENTING VIEWS

As board members, you should be bringing up the positions, views, issues and concerns that your owners and community would bring up.



Responsibility to establish foundational elements and plans and use them to guide decision making

- Vision
- Mission
- Core Values
- Guiding Principles
- Goals



INDIVIDUAL RESPONSIBILITIES

- Attendance
- Preparation
- Punctuality
- Participation
- Follow up

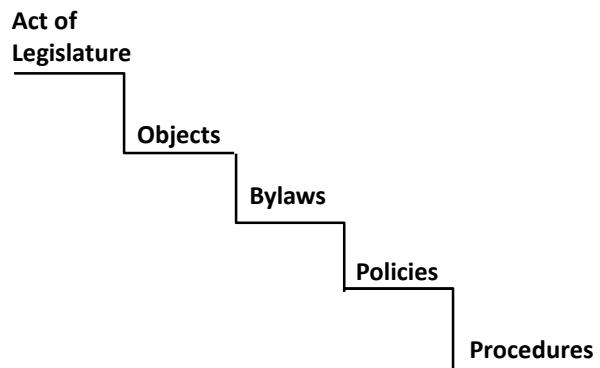


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AUTHORITY

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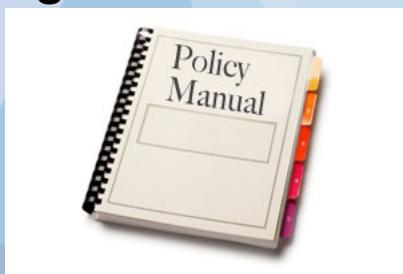
Legal Context: Ladder of Authority



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



QUORUM

The smallest number of people who must be present at a meeting in order for decisions to be made is called quorum.



Board decision making is all about

COLLECTIVE ACTION



**See with many
eyes, think with
many minds,
speak with one
voice**



COLLECTIVE ACTION

No board member has
any authority as an
individual unless that
authority has been
delegated by the board.



**Delegate decision making
authority appropriately,
clearly and wisely**



COMMITTEE AUTHORITY SHOULD BE LAID OUT IN TERMS OF REFERENCE

- Limited Advisor
- Active Advisor
- Limited Agent
- Active Agent



NOSE IN, FINGERS OUT



When a board delegates authority for decision making, it still carries responsibility for oversight, so reporting and monitoring are critical.



BOARD AUTHORITY

- ‘The buck stops here’...should be
‘The buck *starts* here’.
- ‘The board has the final authority...should be
‘The board has the *first* authority’.
- ‘The board has the final word...should be
‘The board has the *first* word’.





PROCESSES

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What type of decisions is
your board you making?

How do you make decisions?



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Good boards make fewer decisions,
but decisions of greater importance.



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



FOCUS ON THE RIGHT THINGS

**CAUTION:
THIS SIGN HAS SHARP EDGES**

Also, the bridge is out ahead



Freedom To Create. Spirit To Achieve.

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FOCUS ON THE FUTURE



Compare your board's role with driving a car....there is a reason the windshield is so much bigger than the rear view mirror!



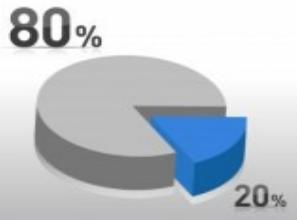
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80/20 RULE

80% of the agenda should be future oriented in discussion, deliberation and decision making.

20% should be reports that help you make long term decisions.



THE KEY TO GOOD GOVERNANCE



We make good decisions by having
CONVERSATIONS



ASK THE RIGHT QUESTIONS



Instead of asking...

“How can we get more members?”

ask...

“How can we make this organization
worth joining?”



Add light, not heat



Seek more information or advice
before making a decision when
you think you need it.



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What is the quality of your board's conversations?

What is your board's tolerance for the conversation process?

What, if anything, gets in the way of your board having high quality conversations?

What might help your board have higher quality conversations?



Small Group Decision Making Conversation

In groups of 3 or 4, read and discuss the question you have been provided.

Framework for Ethical Decision Making Markkula Center for Applied Ethics

1. Recognize an ethical issue
2. Get the facts
3. Evaluate alternative actions
4. Make a decision and test it
5. Act and reflect on the outcome



DEVELOP AND USE POLICIES TO GUIDE DECISION MAKING

- Whether or not you have staff, a main function of a governing board is to develop policies.
- A policy is an ongoing general direction, governing principle, or framework for carrying out work that does not change frequently but stays constant for one or more years.



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TYPES OF GOVERNANCE POLICIES

1. Framework Policies
2. Board Self-Governance Policies
3. Operational Policies
 - Program
 - Personnel
 - Financial
4. Advocacy Policies



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Use a **consent agenda** to reduce time spent on the decision making process by receiving, accepting or approving several items at a time.



'In Camera' Decision Making

- 'In Camera' refers to a private meeting or portion of a meeting where one or more of the people normally in attendance are excused.
- For deliberations on issues that require privacy or confidentiality, *not* secrecy.
- All other discussions should take place in meetings that are open and transparent.
- Legal meetings of the board, so the decisions made should be recorded in brief minutes that are kept confidential with any materials considered at the meeting.
- Afterwards, major decisions are generally entered into the regular meeting minutes by a follow up motion.



ROLE OF THE CHAIR



MANAGING THE DISCUSSION

- Identify who speaks next
- Summarize every few minutes or at the end
- Clarify
- Diagnose / analyze – what is happening?
- Process check – how are we doing?
- Gate keeping – what are your thoughts Bill?
- In-put survey – go around the table one by one
- Decision-making poll – are you ready to make a decision?
- Ask for topic/time keepers to interrupt when discussion strays
- Request flip charting or other visual recording
- Evaluate after the meeting



MANAGE BEHAVIOURS & PERSONALITIES

- Know-it-all
- Overly eager
- Overbearing, dominating or aggressive
- Monopolizer
- Obstinate
- Tangent talker, digresser or rambler
- Reluctant participant
- Distracted multi-tasker
- Devil's advocate
- Social butterfly
- Cynic
- Fence sitter
- Long-winded
- Abrasive
- Quiet, reserved, shy, silent
- Argumentative
- Inarticulate
- Quickly helpful
- Out to lunch
- Dead wrong
- Impatient or rushed
- Side commentator
- Blamer
- Irrelevant
- Combative, confrontational
- Disinterested
- Grudge-bearer
- Sniping comebacks and one-liners
- Inattentive



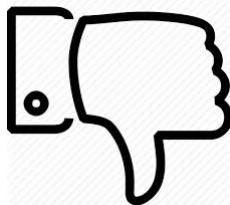
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Is it important to have unanimous decisions?

It is not the chair's responsibility to get a unanimous decision, but rather to facilitate a process to get a *majority* to support a decision so everyone supports and feels comfortable with the *process*, if not the decision.



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DISSENT: What if a director strongly disagrees with a decision of the board?

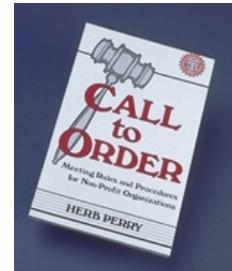
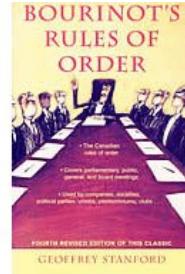


PARLIAMENTARY PROCEDURE AS A MEANS FOR DECISION MAKING

- provides a structure for efficient decision making
- protects rights of the minority
- protects rights of the majority
- provides a regulated opportunity for each person to state his views
- insists on fair and meaningful discussion



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



PARLIAMENTARY PROCEDURE

Four principles of parliamentary procedure:

1. Justice and courtesy for all.
2. Do only one thing at a time.
3. The majority rules.
4. The minority has a right to be heard.

Four fundamentals of parliamentary law:

1. To facilitate action, not obstruct it.
2. To enable the assembly to express its will.
3. To give every member a fair hearing.
4. To maintain order.



Making a Motion

When:

- Adopting agenda
- Adopting meeting minutes
- Reports
- Elections
- Special resolutions
- Adjournment



How:

- Making, seconding, debating, amending, withdrawing, rescinding, or tabling a motion
- Managing discussion (who, how long)
- Calling for the question
- Putting the question to the membership
- Voting on a motion
- Passing a motion



Voting Methods

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



Simple Majority

- More than 50% of the votes cast.
- Unless otherwise stipulated by the Act (statute) you are under or your bylaws, a simple majority is sufficient to carry a motion.



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Special Majority

A special majority is 2/3 or 66% of voting members present. However according to the Societies Act, special resolutions require approval of 75% of voting members.



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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.



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Red – No! Disagree! Not ready!

Yellow – Wait! Not sure! Need more information! Caution!

Green – Go! Yes! Agree! Ready!



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Can a board rescind or reconsider a motion that was either passed or defeated?



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ARE YOUR MEETINGS TOO LONG?

- Agenda control
- Repeat items that could have a policy
- Items that could/should be dealt with by committees or staff
- Items outside your mandate
- Insufficient background information
- Unpreparedness
- Rambling discussions
- Socializing during the meeting



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CONSENSUS DECISION-MAKING (CDM)

- People with diverse interests agree to work collaboratively to find solutions in the best interests of all.
- Participants work together to get tough on the problem rather than getting tough on each other.
- People rely on the collective experience and knowledge of the group.



QUESTIONS?

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Community Development Unit
Alberta Culture and Tourism

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