

Better Board Decisions A Framework for Action

Board Leadership Calgary

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About This Session

1. Governance
2. Size & governance structure: the context for making decisions
3. Three essential elements
4. Diagnosing 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
- ❁ How do you know it was a good decision?
- ❁ What was going on?
 - ❁ Contributions of individual board members and staff ?
 - ❁ Processes your board used?
 - ❁ Usefulness of established policies and roles?



My starting point

A good board decision

- ❁ Gives leverage
- ❁ Identifies and weighs key factors
- ❁ Anticipates risks
- ❁ Gains agreement
- ❁ On time

Ingredients

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





Governance



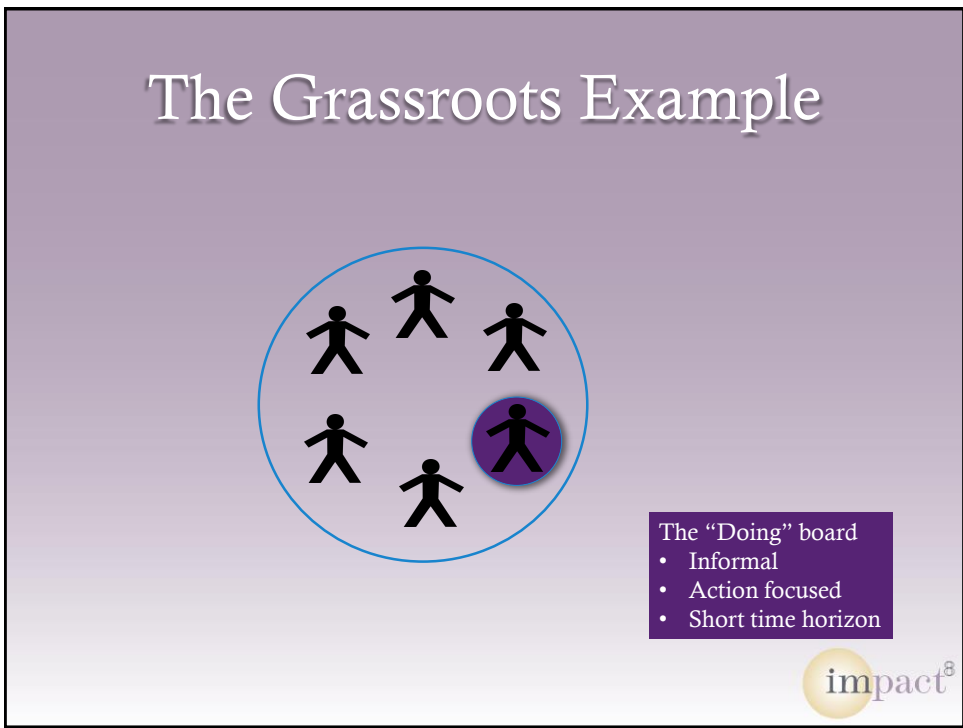
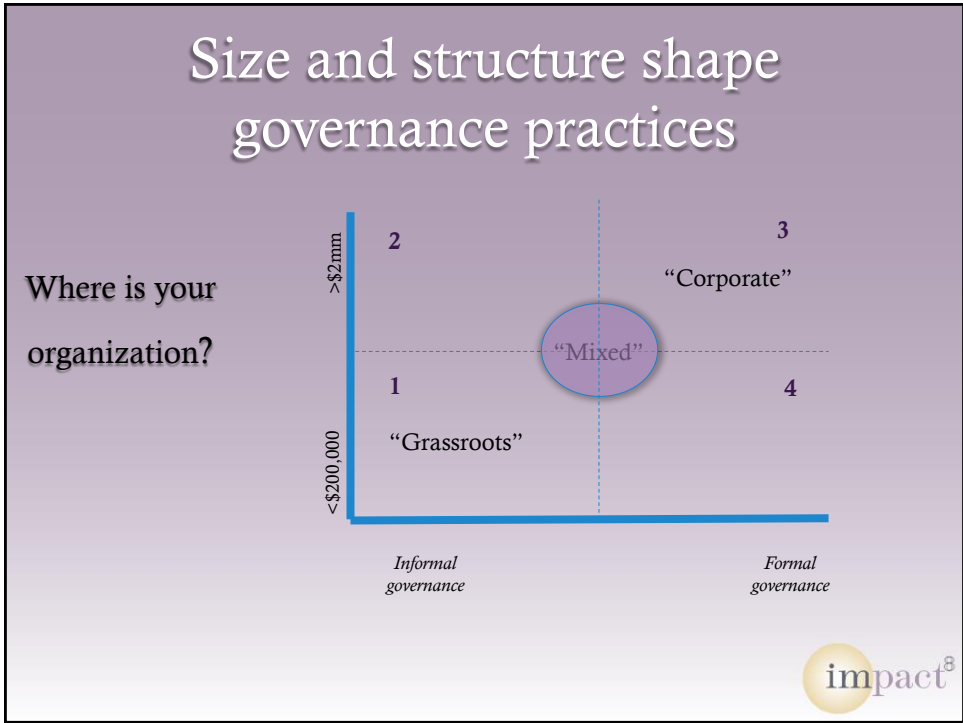
Governance Defined

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






The Mixed Model

The diagram illustrates the Mixed Model. A central circle contains six stick figures representing board members. Surrounding this circle are six labels in light blue boxes: Executive, Seniors, Facilities, Sports, \$ Raising, and Etc. Etc. Two purple circles, each containing a single stick figure, are positioned on the left and right sides of the central group.

- Executive
- Seniors
- Facilities
- Sports
- \$ Raising
- Etc. Etc

The “Transitional” board

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



The Corporate Approach

The diagram illustrates the Corporate Approach. At the top is a box containing six stick figures representing the board. To the left of this box are three boxes: Audit, ED performance, and Governance, with lines connecting them to the board box. Below the board box is a box for the Exec. Director, followed by a box for Employees. Below Employees are three boxes: Seniors, Sports, and Etc. Etc., with lines connecting them to the Employees box.

Audit

ED performance

Governance

Exec. Director

Employees


Seniors

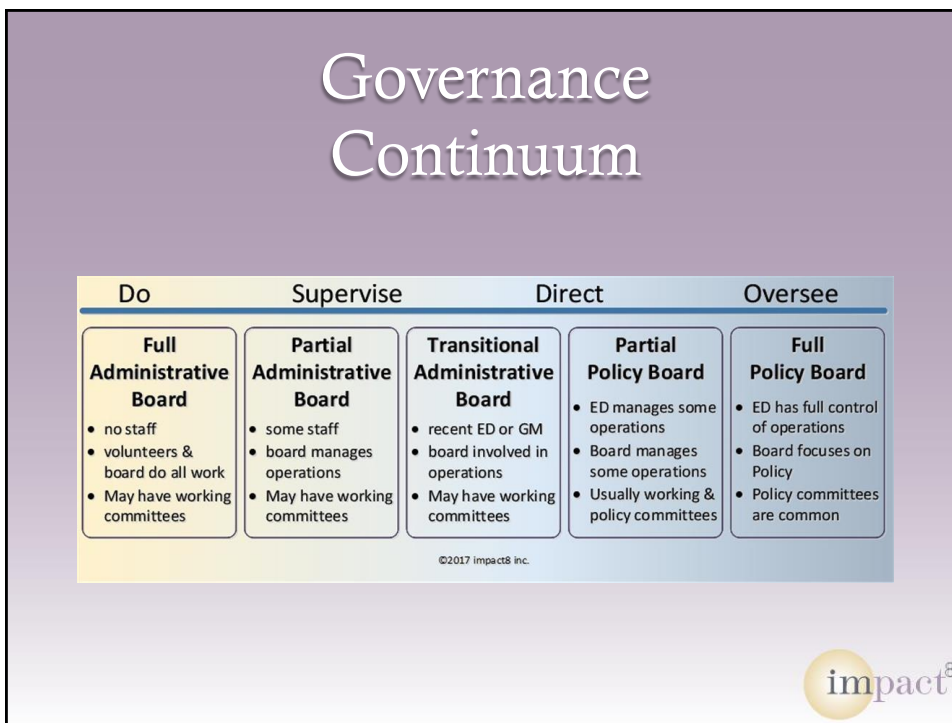
Sports


Etc. Etc.

The “Policy” board

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





- ## Three points of intervention to improve Board decision making
- The individual Board member
 - The group processes the Board uses in reaching decisions
 - The structure -- explicit governance decisions on roles, committees, policies, etc.
- 

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

- President/Governance Committee leads
- Individual director self-assesses

Past Year

- Contributions to Board work
- Sources of satisfaction
- Compliance to code of conduct
- Issues?

Future


- Clarify/reset expectations
- Desired future contributions
- Leadership potential

Actions

- Report general trends/issues to Board
- Board assignments to fit capabilities and interests
- Follow up on commitments




The Group Process

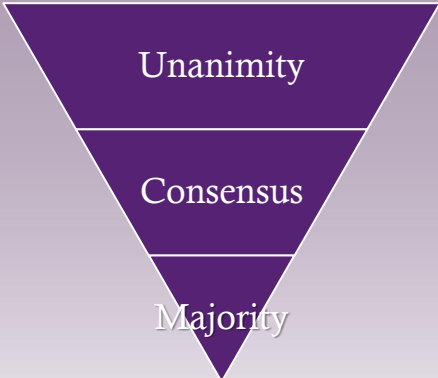


Do established processes support the decisions that need to be made?


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



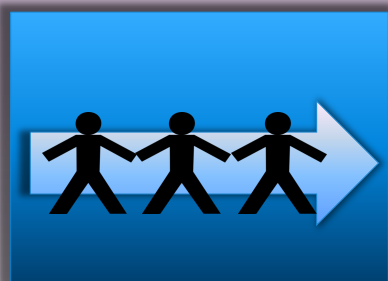
Tip 2: Get clear on the level of agreement needed



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



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 | ❁ Membership requirements |
| ❁ Authority | ❁ Quorum |
| ❁ Chair | ❁ Decisions |
| ❁ Timeline | ❁ Reporting |
| ❁ Procedures:
(meetings,
reporting) | ❁ Budget |



Summary: 3 Elements of Governance in decision making



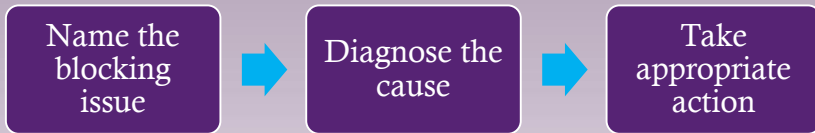
The individual member

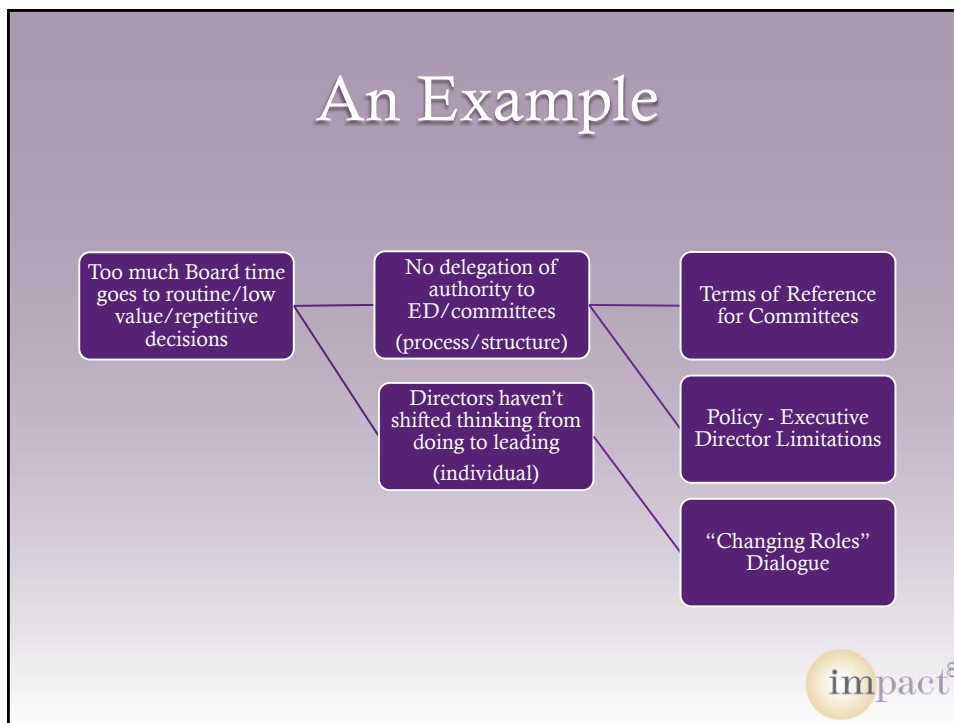
The group process

The governance structure



Taking Action





Practice

- ♻️ Consider your own board: what are one or two ways 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 type of organization: Grassroots? Corporate? Mixed?
- ♻️ Fit decision-making practices to your type of organization
- ♻️ 3 points of intervention: individual, process, governance structure
- ♻️ Improve decision-making through the naming-diagnosing-action sequence



Thank You

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