

# “Building an Effective Board Team”

October 3, 2014

Ron Penner – Ron.Penner@columbiabc.edu

## 1. Refreshing Board Work

### Resources:

Richard Chait, William Ryan, and Barbara Taylor, Governance as Leadership: Reframing the Work of Nonprofit Boards. Boardsource, 2005.

Ram Charan, Michael Useem, and Dennis Carey, Boards That Lead: When to Take Charge, When to Partner, and When to Stay Out of the Way. Harvard Business Press, 2013.

Macro-Duties from Chait et al.

Fiduciary – ensuring the organization is operating legally, missionally, and safely.

Strategic – guiding the future of the organization.

Generative – collaborating with executive leadership to study a critical issue for the organization.

Key Ideas for every Board member from Charan et al.

The big new ideas are that Boards are to lead and operate more collaboratively with executive leadership. Board members have a duty of care, loyalty, and leadership

When to take charge, partner and stay out of the way...

Take charge around...

- Shaping the Central Idea (See below)
- Selecting the CEO
- Board competence, architecture, and Modus operandi
- Ethics and integrity
- Compensation architecture

Partner around...

- Strategy and capital allocation
- Financial goals
- Risk appetite
- Resource allocation
- Talent development
- Culture of decisiveness

Stay out of the way around...

- Execution
- Operations
- Delegated Executive Authority
- Nonstrategic decision
- Excluded by Board charter (Bylaws)

Shaping and understanding the organization’s Central Idea

“The central idea references why a company exists, whom it serves, how it should be nurtured, why it will flourish, how it will make money and manage risk, and where it must be going if it is to sustain a competitive presence and achieve its broader purpose.” 87

## 2. Building Team Health

Best stuff I have seen on healthy teams is from Patrick Lencioni, The Five Dysfunctions of a Team. Jossey-Bass, 2002. and Overcoming The Five Dysfunctions of a Team: A Field Guide. Jossey-Bass, 2005.

Source: <http://www.tablegroup.com/books/dysfunctions/>

- #1: Absence of Trust: The fear of being vulnerable with team members prevents the building of trust within the team.
- #2: Fear of Conflict: The desire to preserve artificial harmony stifles the occurrence of productive ideological conflict.
- #3: Lack of Commitment: The lack of clarity or buy-in prevents team members from making decisions they will stick to.
- #4: Avoidance of Accountability: The need to avoid interpersonal discomfort prevents team members from holding one another accountable.
- #5: Inattention to Results: The pursuit of individual goals and personal status erodes the focus on collective success.

To build or rebuild, begin from #1 and work your way through.

## 3. Including God

One of our temptations is to lapse into the psychology or tactics of good governance or group dynamics. As Mennonite organizations, we would view God to be engaged in our work and team.

Challenge: How do we incorporate Him into our meetings and decisions?

Listening for the voice of God by gathering inputs from all members – “What did you hear from God about...?”

## 4. Fostering Effectiveness

*Effectiveness is getting the right things done in a timely manner.*

Be sure everyone has core documents – Provide an orientation.

- Constitution, Bylaws, and Operating Manual
- Strategic Plan – Mission, Values, Vision, and Strategic Priorities.
- Budget

Create an annual “big issues” cycle (don’t do everything everytime) – eg. Planning, Budget, Audit, Personnel, Facilities, Programming, Assessment, Generative, Board evaluation.

Speed up work through: time-budgeting meeting items, more delegation (eg. Task Force), or schedule a special meeting.

Ensure materials are out 1 week before meetings and everyone prepares for meetings – note questions, ideas, options – if a big issue, alert chair before the meeting.

Decide on the gauges you want to track and nature of reports from committees and staff. My best shot is: *Headlines, Dashboard update, Progress on Strategic priorities, Risks, and Plans for next Quarter.*

Big decisions usually not expected in same meeting as introduced – they should have incubation time.

Request Succinct Recommendations with analysis and rationale – no more than 2 pages.

Minutes – Record decisions and key rationale or issues; action items with who and when; checked by Chair and Secty; out within 7-10 days.

Be a learning board.

**Special responsibilities of Board Leader** (Takes about 6 hours a week)

Keeping the Board engaged

Information between meetings – monthly update noting progress and refreshing actions items.

Affirmations

Fostering participation in meetings

Making appropriate assignments

Connecting with committees between board meetings

Bridging between the Board and CEO

## **Insights Exchange**