



## Building a Positive Board Performance Culture, Part 1\*

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Imagine a board that moves positively forward with a shared understanding of board purpose; following their own words about how they will operate and doing so in a way that respects individual diversity and voice, on the way to making decisions as a unified and intentional whole. Boards that do this over the long haul have built a Positive Board Performance Culture (PBPC) and purposefully work to maintain and strengthen this shared set of performance values.



Poor board culture leads to unhappy and frustrated people – directors and managers. This makes it hard to recruit and retain high quality directors and managers. It's just not as much fun.

### The 2 main ingredients of Positive Board Performance Culture

- ◆ **Shared Understanding of the Job of the Board** – we agree what our job is
- ◆ **Shared Expectations for Board Performance** – we agree how we'll do our job

#### Shared Understanding of the Job of the Board

If we don't agree on why we are here, we will certainly struggle. We may have problems setting priorities or spend time on things that are not our job. What is the job of the Board? Why do Boards exist? While this could encompass many things, a board needs to have a shared agreement on what it means for them. At a minimum it includes:

- Providing Effective Governance (rather than management) of the organization through
  - providing strategic leadership through intentionally understanding member values and deepening our understanding of issues impacting member lives, member needs and possibly the future of the co-op,
  - building written governing policies translating member values in a way that clearly directs and empowers the co-op's manager regarding results, beneficiaries and conduct limitations,
  - assuring organizational performance through rigorous monitoring of outcomes and conduct limitations and
  - perpetuation of excellence in governance.
- Evaluating General Manager performance against prior written expectations (written policy).

#### Shared Expectations for Board Performance

Agreement on job function is necessary to build PBPC, but if we don't also agree on **how** we should go about performing our duties, at best we will be inefficient and at worst could jeopardize our organization's very existence. Lack of clear expectations (and agreement to follow them) will likely derail other efforts to build PBPC. These expectations should include:

- Responsibility for the tasks and processes of the board regarding agenda planning, board meetings, officer roles, committee principles and board perpetuation. Specifically, this may include:
  - Having clear agendas that reflect the Board job and priorities. Having a clear plan and spending your time wisely will help PBPC.
  - Introducing each agenda item to be sure that all directors understand the context and the point of what's about to happen. (It's good when directors understand what's happening!)
  - Committing to regular attendance—decide what that looks like, what the penalty is for failure to meet that, and hold everyone to it. If a director is not there, they cannot be effective and that puts undue burden on the remaining directors—that will not help build PBPC!
  - Insisting on diligent preparation, including distribution of all meeting materials with adequate lead time for all participants to review. Material should NEVER be read during a meeting. Any item on the agenda should have been distributed in advance and all participants should be ready to ACT on it, including meaningful discussion if necessary. (5 minutes spent quickly skimming material that should have been thoroughly read prior to the meeting may be *JUST 5 minutes*, but given the number of hours the typical Board works in a year, it is the same as a full time employee wasting 4 hours—that's half a day!)
  - Respecting defined roles.
  - Knowing and adhering to state law, articles of incorporation, bylaws, contracts, and policies.
  
- Relations with one another based on board holism, while respecting the diversity and voice of individuals on the board on the route to board decision making. Boards should expect respectful discourse, active participation and should restrict board member self-dealing and individual attempts to exercise authority. Specifically, this may include:
  - Encouraging a healthy exchange of ideas and discussion so that each individual director is able to vigorously assert their point of view AND conscientiously and attentively listen to other points of view.
  - Subjugating individual director's needs to member-owner needs and the Board's needs. Disclose and avoid conflict of interest. Recognize that individual directors have no authority. The authority lies with the Board as a whole. When it is clear that directors are acting in what they believe is the best interest of the cooperative and the member-owners, it will be much easier to find common ground.
  - Supporting a legitimate decision made with a legitimate process, *even if you disagree with it*. Because individual directors have no individual authority, agreement with the decision is not a central issue. If a decision has been reached, even if the margin was narrow, the entire Board reached the decision so the entire Board supports the decision. Individual directors undermining a valid Board decision can quickly undermine PBPC. (If this is too difficult to follow for a board member, then working for a cooperative governance body may not be a good match and resignation is a potentially appropriate action.)
  - Exercising group responsibility—it is not the Board chair's job to police the Board; that is *every* director's duty. Having every director contribute to creating a culture of accountability helps build PBPC.
  - Maintaining confidentiality.
  
- Board investment in its skills and abilities to govern with excellence and maintain/strengthen its Positive Board Performance Culture. Specifically, this may include:
  - Allocating sufficient time and resources to board development.
  - Utilizing a clear board development plan.
  - Assessing the board through intentional self-evaluation and reflecting on results.

*Your board expectations should be provided to all directors (and potential directors during recruitment).*

**TIP:** Consider having directors sign a commitment each year (when seating new directors) to abide by and uphold these expectations.

Questions for discussion:

1. Is the job of the Board clear to each board member? What areas need further clarification?
2. Do we have a shared understanding of Board expectations in each of the areas? What areas could use further clarification?
3. Do we have a plan for educating Directors about their job and expectations?
4. Does our board have a positive culture?
  1. a. If not, what do we need to do to improve our culture?
  2. B. If yes, what do we need to do to maintain and strengthen our board culture?

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**\*Part 2 will focus managing the Board Team Development Process**