EFFECTIVE AND ACCOUNTABLE BOARDS OF TRUSTEES: Some pointers

10 December 2018

In my many years in the not-for-profit sector, I have seen a several Board failures. I am talking here about Boards of Trustees / Conseil d'Administration in French). Some dysfunctional examples are:

- The "*Board of Friends*": Board members are chosen because they are personal or professional acquaintances of the Executive Director (ED). But many do not have any professional qualifications or experience of management, finance, organisational development, human resources management, legal requirements etc.
- The "*Absent Board*": Board members are just there for the prestige of sitting on a Board, don't meet very often, come unprepared or not at all to Board meetings, don't pay any attention in between, and are generally disinterested and failing in their responsibilities;
- The "*Dominating Executive Director*": The ED tightly controls all communications with and information to the Board, manipulating them into uncritically accepting his or her narrative, and where the blame for organisational failures is put on unforeseeable external events or incompetent other staff. This is further enabled by Board members not having any direct and independent contact with other staff.
- The "*Dominating Chair of the Board*": S/he denigrates and micro-manages the Executive Director, uses the organisation for her or his personal agenda, not only tolerating but even instructing financial irregularities; and keeping other members of the Board deliberately in the dark and side-lined;
- The "*Complicit Duo*": There is an unhealthy alliance between the Chair and the ED, who protect each other's interests and positions, together maintaining a distorted narrative of the health and performance of the organisation;
- The "*Shareholder/Members Board*": Many Board members, possibly even the Chair, come from member organisations (or shareholder groups), who nominate members to the Board to protect and advance their own interests. Yet shareholder interests do not always coincide with the best interest of the organisation. As a result, the organisation loses its necessary autonomy from the members (or at least the politically active and astute ones), and with it the ability to advance norms and standards among them, exercise oversight and hold members to account.

All of this can happen easily, especially in countries where there is little or no regulatory oversight over the effectiveness, integrity and accountability of Boards of Trustees.

Fortunately, I am also part of, and able to work with, Boards that strive for integrity and effectiveness. These are Board whose meetings are well prepared, who may have an Executive Committee that meets more regularly; whose members have qualifications and who come prepared; whose Chairs work with but also maintain the necessary distance from the ED; who demand solid and in-depth strategic, programmatic and financial reports that are scrutinised and discussed. Boards being accountable for their own performance is still a fairly unusual notion.

Some of them have a structured induction programme for new Board members, a few of them organise periodic retreats for the Board members, to have more time to learn and discuss about an important emerging topic, and/or to work on their interpersonal relations.
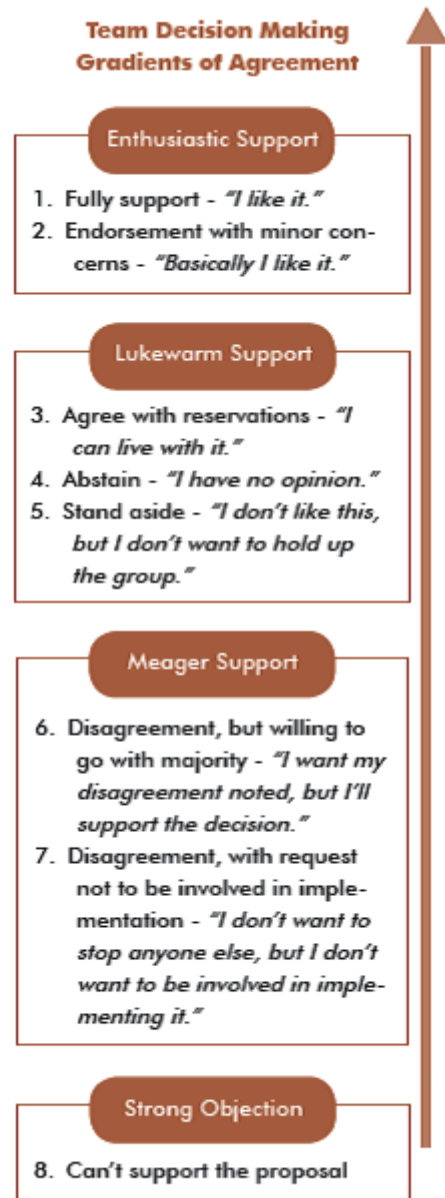
Recently, for example, I had the pleasure and privilege to design and lead a two-day retreat for the Chairs of 15 national chapters of an international network/movement, around the central question: *How to be an effective Chair of my Board?* We spent half a day reviewing what the core functions of a Board are and what makes for an effective and accountable Board; half a day sharing organisational evolution pains and how to anticipate and mitigate them, and reviewing whether we are good at failing forward'; half a day on financial matters within the network; but also half a day on understanding below-the-surface group dynamics and interpersonal relations, and skills to manage these constructively.

Some of the attention points I have picked up from my work in and with Boards are:

- **Sufficient strategic analysis and scenario-thinking**: Strategic planning is one responsibility of an organisation's senior management. Boards typically must sign of on the strategic plan and, in smaller organisations, may even get involved in the planning. There is a tendency to fairly quickly go into the planning and to do so according to a scenario that anticipates a medium-term future not radically different from the present. With a world changing increasingly rapidly and becoming more volatile, because of technological developments and significant political and financial changes and shocks, that is no longer good enough. If you have been a successful organisation, others will start coping your methods or products; if you are smaller one there is probably learning to be absorbed from others in the same field. Nowadays, we must *plan for serious disruptions* in our strategic environment and try to 'think the unthinkable'. [i]

- **Distinguish different voices and conversations in the same space**: Board members can and do speak with different voices and can wear different 'interest hats': While their primary role in a Board meeting is as stewards of an organisation whose best interests they should be considering, some or more Board members may also come from member or partnering organisations or represent certain constituencies or stakeholders. Each of these have their own interests and priorities with regard to the organisation the Board is a steward of. Conversations about 'membership' or 'partnering' or stakeholders and constituencies will come up during Board meetings. Board members then need to be *explicit what role they are speaking from*, or the Chair must ask them to clarify this. Otherwise the conversation will become very confused.

- **Control conflicts of interest**: Several Boards have rules that oblige members to declare a potential conflict of interest, real or likely to be so perceived, in which case they *can still contribute but cannot vote* on certain issues. That becomes particular important when Board members of a standard-setting and/or grants making entity, are also associated with its member or partner organisations. That creates a risk that the standard will be watered down, or grant-making criteria skewed towards the member or partner agencies' interests.

- **Time for debate, time for decision**: Finding the right *balance between the necessary time for debate and decision-making* is a real skill that Chairs and Vice-Chairs need to have. Pushing for decisions when Board members are not ready may be perceived as if the Chair is pursuing his or her own agenda and abuses the power of position. Taking the time for quality debate and reflection, and possibly the pursuit of additional information, may lead to better decisions that have broader support. If a decision is time-sensitive, this means setting Board meeting agendas with enough anticipation. At the same time, debates should not be allowed to carry

on for ever, nor should a Board member who is opposed to a certain proposal, be allowed to send the debate back to start.

▪ **Gradients of agreement**: Common forms of decision making are by consensus or voting. Consensus is desirable, but also runs the risk of one or more Board members being able to exercise a de facto veto, possibly blocking much needed change, or pushing decisions down to the lowest common denominator, which may not really address the problem or challenge. 'Gradients of agreement' *changes decision-making from 'consensus' to 'consent'*: Board members can still express doubts, reservations or disagreement (which can be noted in the minutes) but decide not to hold up the decision in a certain direction.

▪ **Interpersonal skills and group dynamics:** A Board is a group of people that need to work together out of a shared responsibility towards a common purpose. Any grouping of people generates its own *dynamics and atmosphere.* Boards will have their formal structure, often with a Chair, Vice-Chair, Treasurer and Secretary, but need the combination of informal roles that allows groups or teams to perform: a driver and shaper; a critical thinker; the implementer, the finisher, the inclusion guardian, the positive atmosphere promoter etc. Also Boards are vulnerable to problematic dynamics such as group-think, extroverts dominating introverts, confusion and irritation arising from different communication styles, leadership rivalries, toxic behaviours, division and conflict etc. Chairs and Vice-Chairs, but also all Board members, can benefit from learning about below-the-surface group dynamics, different leadership styles, responsible followership, and the importance of emotional intelligence in dealing with one-self and other people.

▪ **Styles of leadership and responsible followership:** Chairs of a Board of Trustees are supposed to lead. But other Board members are not supposed to simply follow. They are there to contribute their experience, expertise, contacts etc. As in any leadership role, Chairs need to develop a *broader repertoire of leadership styles* than the one or two must of us tend to use. Rare but impressive are those who can operate along the full spectrum between decisive and servant leadership. In practice that means being equally good at offering good answers/solutions as at asking stimulating and catalytic questions. As in all situations, personal authenticity will generate a deeper level of respect and a better working atmosphere. Board members (and servant leaders) need to demonstrate *responsible followership.* This means remaining focused on the purpose of the organisation (or network) they are stewards of and speaking up when positions are advocated that are not in line with that purpose or in the best interest of the organisation or erode the values and principles that inspire it.

Team Decision Making Gradients of Agreement

Enthusiastic Support
1. Fully support - *"I like it."*
2. Endorsement with minor concerns - *"Basically I like it."*

Lukewarm Support
3. Agree with reservations - *"I can live with it."*
4. Abstain - *"I have no opinion."*
5. Stand aside - *"I don't like this, but I don't want to hold up the group."*

Meager Support
6. Disagreement, but willing to go with majority - *"I want my disagreement noted, but I'll support the decision."*
7. Disagreement, with request not to be involved in implementation - *"I don't want to stop anyone else, but I don't want to be involved in implementing it."*

Strong Objection
8. Can't support the proposal

- **Modelling accountability:** Boards are typically responsible for the hiring, performance assessment and if need be, dismissal of the Executive Director. It should by now be common practice to insists on a 360 degrees performance assessment of the ED. And Board members should speak with other staff directly. Rare however are the *Boards who model accountability also collectively and individually*. In practice this means asking who they are accountable to for their collective performance and being proactive about this. Individually, Board members should not be simply renewed in that role, because the Statutes allow it and the individual is still willing. Why not also conduct a peer-appreciation of their individual performance, and take that into account in the renewal-or-not decision?

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[i] Langdon, C. & N. Gowing 2018: Thinking the Unthinkable. A new imperative for leadership in a disruptive age. John Catt Education Ltd. www.thinkunthink.org