

BOARD GOVERNANCE GUIDEBOOK



CD-ROM

For more information on where to obtain the CD and guidebook and any updates, go to:
www.agriculture.alberta.ca/boardgovernance

Disclaimer

While every effort has been made to ensure accuracy, none of the sponsoring agencies or authors accept responsibility for errors or omissions. The publisher, editors and all contributors to this publication cannot be held responsible for publication errors or any consequences resulting from the use of this publication.

Copyright ©2011. Her Majesty the Queen in the Right of Alberta (Alberta Agriculture and Rural Development). All rights reserved.

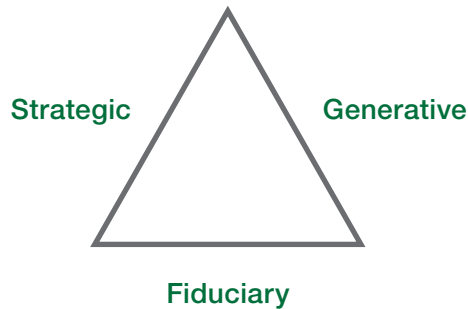
ISBN: 978-0-7732-6095-5

TABLE OF CONTENTS

SECTION 1: WHAT IS GOVERNANCE?	4
Three areas of responsibility	4
Understanding the commitments required of a Board Director	4
Differentiating between various models of governance	6
Awareness of fundamental governance principles	7
SECTION 2: BOARD STRUCTURE	8
Identifying different types of organizations that have boards	8
Recognizing key components of board structure	8
The Secret Formula for Organizational Effectiveness™	9
Setting of regulations for the Board	10
SECTION 3: ROLES AND RESPONSIBILITIES	11
Working together as a board	11
Skills of an effective board member	11
A board member liability checklist	12
Identifying major areas of responsibility for Board Directors	13
Identifying areas of responsibility for the Senior Staff Person	15
Board Committee Chairperson	16
Sample Committee “Terms of Reference”	17
SECTION 4: RISK MANAGEMENT	19
Identifying and addressing risk	19
Financial Management Checklist	21
SECTION 5: BOARD DEVELOPMENT	22
Recognizing the importance of continued board learning	22
Describing strategies for effective board recruitment	22
Recognizing the importance of effective orientation	23
Board Orientation Manual	24
SECTION 6: PLANNING AND STRATEGIC DIRECTION	25
Understanding the importance and benefits of a strategic plan	25
Identifying and sequencing the steps in the planning process	26
How to use planning documents to make informed decisions	27
SECTION 7: COMMUNICATIONS	28
Awareness of the benefits of good communication	28
Best practices of effective communication	29
Elements of good board/owner communication	30
Public Policy Self Assessment Tool	31
SECTION 8: BOARD MEETINGS	34
Why meetings fail	34
Understanding how board culture can impact a meeting	35

SECTION 1: WHAT IS GOVERNANCE?

Three areas of responsibility for a governing body and how they interconnect:



- Fiduciary responsibility:** Legal responsibilities of the Board in guiding the organization
- Strategic responsibility:** Decisions about the use of resources, programs, and services
- Generative responsibility:** Development of new ideas in line with the core values

Understanding the commitments required of a Board Director:

(Source: Board Development Program)

Loyalty

You must uphold the interest of the organization and its membership.

Conflict of Interest

You have the fiduciary responsibility (hold a position of public trust) to act in good faith and in the best interests of the organization.

Individual Authority

Through your position as a board member you must not try to exercise individual authority over staff or parts of the organization. Your Board should speak with one voice in dealing with the organization and the public.

Conduct

When you interact with your colleagues, staff members, clients, or with outside bodies in your community, your behavior should reflect the principles of fair play, ethics and straightforward communication.

Meeting preparation

This includes reading the minutes of the previous meeting and identifying any questions or concerns.

Active participation

You should attend all board meetings and meetings of any committees to which you have been assigned. Ask questions and develop a working knowledge of meeting procedures.

Board and staff relations

You should encourage a friendly working relationship with board members, staff and service volunteers. In most organizations, the Board has only one employee (the Executive Director) and the Board typically asks one person (the Chairperson) to handle formal communications with that employee.

Confidentiality

You should keep board business and matters of a delicate nature confidential as defined by the Board.

Image

You should present a positive view of the organization to the public.



Did You Know?

Board members who are involved in operating activities wear two hats – a “governance hat” and a “volunteer hat.” Learning how to balance the two is an important part of a board member’s job.

Board members might wear their “volunteer hat” when reporting to the Board on the activities of a volunteer committee on which they serve. The rest of the Board would then wear their “governance hats” while considering questions or debating motions raised by this report.

Differentiating between various models of governance

The three most common models of governance are advisory boards, policy governing boards, and administrative boards.

Advisory boards do not have formal authority to govern an organization. It is a collection of individuals such as former board members and community leaders whose unique knowledge and skills allow them to work with the formal board to govern more effectively.

Policy governing boards are responsible for governance functions. It sets policy for management and delegates the responsibility for implementation of the policy to an Executive Director.

Administrative boards are responsible for governance functions. It sets policy for management and assigns the responsibility for implementation of the policy to Board Committees and their members.



Awareness of fundamental governance principles

The following key principles are essential to a sound governance system:

Principle #1: Clarity of Mandate

The presence of a clearly established mandate set in legislation and local bylaws.

Principle #2: Clarity of Authority

The degree of authority must be made clear for the Board and senior staff.

Principle #3: Public Accountability and Responsiveness

The mandate must be reliant on the endorsement of the public.

Principle #4: Clear Sense of Purpose

An organization requires a clear sense of its purpose to be stated in its mandate, goals, objectives, and strategies.

Principle #5: Full Disclosure

The governing body must have access to the information necessary to make decisions.

Principle #6: Sense of Integration

The Board and its associated entities must all be seen to be operating from the same page.

Principle #7: Sound Relationship between the Governing Body and a Senior Staff Person

The relationship of the Board and its committees to the Senior Staff Person is critical to how well the overall system is run.

Principle #8: Independence of the Governing Body

While the governing body may receive advice from several sources, the act of governing must remain solely its responsibility.

Principle #9: Orientation and Succession Planning

The Board should ensure that new and returning members receive an orientation briefing at the beginning of each term and that a succession plan is up-to-date.

Principle #10: Ongoing Performance Assessment

Any model of governance must include a system with steps to ensure that it is performing as expected.

SECTION 2: BOARD STRUCTURE

Identifying different types of organizations that have boards

For-profit sector, the not-for-profit sector, and the public sector. Corporate businesses and some co-ops are in the for-profit sector. Other co-ops, charities, libraries, and Part 9 companies are some examples of not-for-profit organizations.

The public sector typically includes school boards, police services, and crown corporations.

Recognizing key components of board structure

Every successful board shares several key components.

Distinguishing between owners (members, stakeholders) and customers

- Board members must understand owners' views and know how to represent them in order to make successful policy decisions. The Board, not staff, should communicate policy decisions to the owners.

Committees

The Board organizes and completes its work through the effective use of committees.

Committees perform different functions within an organization.

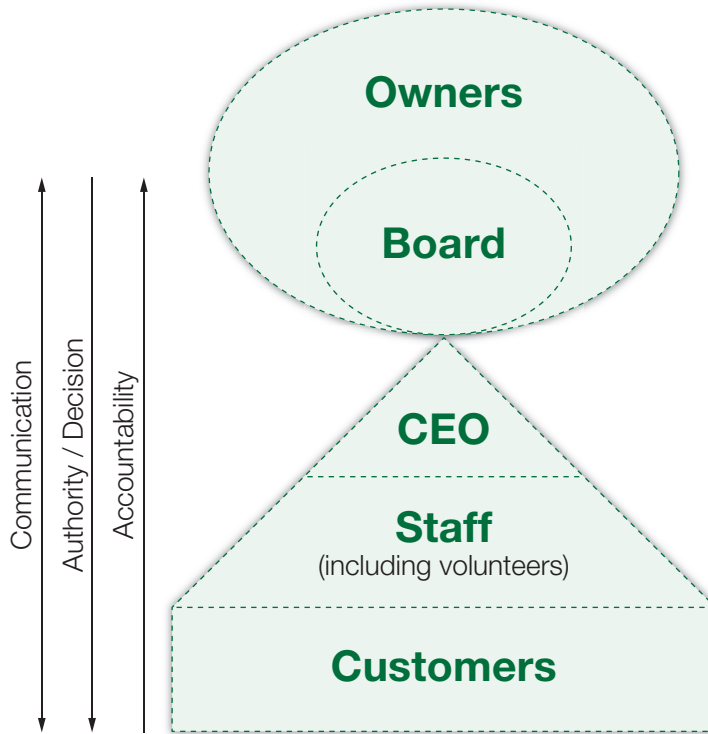
- Board Committees report to the Board and assist with governance functions. They perform tasks such as developing and reviewing policy, conducting research, and support improved governance.
- Committees involved in organizational operations are formed and directed by staff or service volunteers.

Committee appointments should be made while considering the goals of the group and the skills the Committee requires. Members can be appointed from within the Board, the organization, and the community at large, offering the chance to bring new blood into the Board. These appointments can help promote the organization within the community as well as increase the Board's effectiveness. Letting outside members sit on committees can also serve as a tool for recruitment to the Board, allowing new members to "test drive" the Board while older members evaluate the potential of the new recruits.

The Secret Formula for Organizational Effectiveness™

Source: STRIVE!® "Foundation for Governance", © 2005 – 2011

Effective organizations have a clear structure with clear lines of communication, authority, direction and accountability.



Types of committees

Standing Committee – an ongoing committee of the Board

Sub-Committee – a work unit; reports to a Standing Committee

Ad-hoc Committee – a short-term, temporary committee formed to complete a specific task

Setting of regulations for the Board

The objects and bylaws are the incorporating documents for a society or organization. They establish the organization's legal mandate.

Objects – Why was the organization formed? The organization's philosophy, mission, and goals.

Bylaws – How will the organization be governed? The basic rules of the organization, the bylaws provide clear statements that all members should understand.

Once bylaws are in place, policies and procedures will naturally follow. A policy and procedures manual gives your organization a tool to run the programs, facilities, and events that contribute to the community. This manual expresses the will of the Board and provides the framework, terms, conditions, and procedures to guide the actions of committees, staff, and volunteers

Policies – What will the organization be doing? The course of action to be followed by the organization.

Procedures – How to carry out the policies you create. The details that take policies to action.

The Board is the “what” and the “why” of organizational policies – the staff or committees are the “how.”



SECTION 3: ROLES AND RESPONSIBILITIES

Working together as a board

A board member must be a full partner with the Board Chairperson and possess the ability to work with the rest of the Board as a unit.

Board members are not required to agree with every move the Board takes. As a member, you should function as an intelligent advisor to help the Board meet the needs of the community and stakeholders. Once decisions are made, members must reinforce majority decisions outside the boardroom, even if their personal views differ.

Board members should know that they can ask questions when they are unsure and challenge any decision that does not seem right.

Skills of an effective board member

- Attends meetings regularly
- Is willing to serve on committees
- Speaks up during the meeting, not after the decision
- Keeps comments relevant
- Asks for the opinion of others
- Understands how to compromise
- Gives praise when due
- Accepts the majority vote in motions
- Reads background material and minutes.
- Organizes thoughts before presenting
- Listens when others speak
- Keeps confidentiality of discussions
- Receives and gives constructive criticism
- Understands how to negotiate
- Keeps members informed
- Speaks as one voice outside the boardroom

Board members can be held to personal account for the following:

- **Non-management:** When a board member does not fulfil his or her individual/board responsibilities.
- **Negligence or wilful mismanagement:** When a board member conducts duties poorly, improperly, or dishonestly.
- **Conflict of interest or self-dealing:** When a board member stands to gain personally from a transaction the organization is making.

A board member liability checklist

Review this check list with your board to minimize your liability.

In order to minimize liability, each board member must:

Know and support the organizations beliefs, vision, mission, target, and aims statements	<input type="checkbox"/>
Attend all board meetings and assigned committee meetings	<input type="checkbox"/>
Read per-meeting material before each meeting	<input type="checkbox"/>
Be familiar with the Board's policies	<input type="checkbox"/>
Be familiar with the minutes of the Board and assigned committees	<input type="checkbox"/>
Know the responsibilities and functions of the Board and its committees	<input type="checkbox"/>
Know who is authorized to sign cheques, and for what amounts	<input type="checkbox"/>
Monitor the community's response to the organization's programs and services	<input type="checkbox"/>
Participate in approving the annual budget, audit, annual financial report and periodic financial statements	<input type="checkbox"/>

Identifying major areas of responsibility for Board Directors

Example of what a Chairperson or President can do:

- Provides leadership to the Board of Directors
- Makes sure the Board adheres to its bylaws and constitution
- Prepares the Board's agenda with input from board members and senior staff
- Chairs meetings
- Encourages participation in meetings and activities
- Keeps the Board's discussion on topic
- Keeps the Board's activities focused on the organization's mission
- Evaluates the effectiveness of the Board's decision-making process
- Chairs meetings of the senior staff
- Ensures committee Chairpersons are appointed
- Orients board members and committee Chairpersons to the Board
- Serves as ex officio member of committees and attends their meetings when needed
- Develops a process to evaluate the effectiveness of board members, using measurable criteria
- Recognizes board members' contributions to the Board's work
- Act as one of the signing officers for cheques and other important documents
- Plays a leading role in supporting fundraising activities
- Promotes the organization in the community and to the media
- Prepares a report for the annual general meeting
- Orients the new Chairperson

Example of what a Board Secretary may do:

- Serves on the Executive Committee
- Keeps copies of the organization's bylaws and the Board's policy statements
- Keeps lists of officers, board members, committees and general membership
- Notifies board members of meetings
- Brings official minute book to meetings
- Keeps record of board attendance
- Makes sure that there is a quorum at board meetings
- Keeps accurate minutes and records all corrections
- Signs board minutes to attest to their accuracy
- Keeps copies of minutes of both board and committee meetings
- Distributes copies of minutes promptly after meetings
- Conducts general board correspondence and keeps all records
- Signs board minutes and corrections to confirm their accuracy
- Signs official documents of the organization as required
- Files the annual return, amendments to the bylaws and other incorporating documents with the Corporate Registry
- Makes sure members are notified of general meetings
- In the absence of the Chairperson and Vice-Chairperson, chairs board meetings until the election of an alternate Chairperson
- Orients the new Secretary

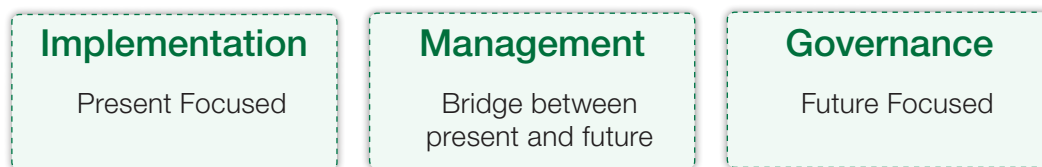
Example of what a Board Treasurer might do:

- Serves on the Executive Committee
- Gives regular reports to the Board on the financial state of the organization
- Keeps financial reports on file
- Chairs the Finance Committee
- Orients the new Treasurer
- Acts as signing officer, with another officer or senior staff, for cheques and other documents

Identifying areas of responsibility for the Senior Staff Person

There are three levels of authority for the functions of a society: Implementation, Management, and Governance.

Individuals and their roles



The authority for governance rests with the Board, whether policy or administrative.

The authority for management depends on the type of board. A Policy Board gives this authority to the Senior Staff Person, while an Administrative Board gives the authority to an Executive Committee.

The authority for implementation also depends on the type of board. A Policy Board gives authority for implementation to paid staff and/or service volunteers through the Senior Staff Person. An Administrative Board gives authority for implementation to paid staff and/or service volunteers through the Executive Committee.

Ten key responsibilities for senior staff

1. Policy Management
2. Strategic Planning
3. Visioning
4. Leadership
5. Program Management
6. Personnel Management
7. Financial Management
8. Risk Analysis
9. Advocacy Management
10. Senior Staff's Performance Appraisal Process

Board Committee Chairperson

Effective committees require effective Chairpersons.

You must decide which committees your organization needs. The number and terms of reference for Board Committees will vary. Finance and Nominating Committees are common Board Committees.

Board Committee Chairperson

- Reviews the terms of reference and mandate of the Committee as outlined by the Board
- Recruits an appropriate number of committee members to carry out the mandate
- Orients members to the Committee's mandate and position in the organization
- Calls committee meetings and develops agendas with the input of the members
- Chairs committee meetings
- Encourages members to participate
- Keeps discussion on topic
- Guides the Committee through its meetings
- Recognizes each member's contribution
- Delegates appropriate tasks
- Knows staff members' roles on committees and makes sure they are heard before recommendations are sent to the Board
- Plans and evaluates the Committee's work with the help of the members
- Makes sure meeting minutes and other relevant information are recorded and filed
- Reports the Committee's progress to the Board of Directors and to membership on a regular basis
- Orients the new Board Committee Chairperson

Sample Committee “Terms of Reference”

Source: “Food, Beverage and Entertainment Committee” ABC Conference; Terms of reference (May, 2007)

General Purpose:

Provide food, beverage and entertainment requirements for 300 people.

Key Duties and Responsibilities:

- Make arrangements with the catering services for all meals.
- Locate sponsors for coffee breaks, highlighting local ethnic foods.
- Make arrangements for 2 evenings of entertainment.

Committee Composition:

Three to five volunteer members, excluding Chairs.

Remuneration:

All persons working on the conference shall be volunteers who will not receive funds for personal expenses, such as travel and meals to attend meetings, or an honorarium for serving on the Committee.

Meetings:

Regular meetings will be held in person or by conference calls.

Resources:

Operating Budget:

- Food – \$20,000 (varies with conference numbers)
- Entertainment – \$1,000
- Buses – \$2,500
- Decorations – \$300.

Authority and Accountability:

The food, beverage, and entertainment committee shall approve all numbers for meals, confirm contracts for food service and entertainment receive and review billings for food and entertainment, and communicate all decisions made by the sub-committee to the steering committee.

- Seek approval from the steering committee for expenditures that exceed the amounts established in the budget.
- Provide a written report to all steering committee meetings.

Timeline:

- June-Theme has been selected for conference
- September 01 – Quotes for catering have been
- September 15 – Confirm outline of evening activities
- October 10 – Provide Write-ups for printed program
- January 30 – Secure numbers for conference with caterers

Ways to assess the performance of the Board, the Directors, specific positions on the Board, and senior staff.

The objectives of board evaluation are to provide credible means of enabling the Board to assess its own leadership, to enable each board member to improve his or her capacity to serve, and to build confidence in each board member.

Ways of evaluating board performance

- Evaluation by all board members using an anonymous survey
- Evaluation by an Executive Committee of the Board
- Evaluation by a credible external third party
- Anonymous peer evaluation, with results collated by the Chair and one-on-one feedback provided
- Rotating peer meetings guided by a discussion instrument



SECTION 4: RISK MANAGEMENT

Identifying and addressing risk



Did You Know?

In a not-for-profit organization, the Board is responsible, and potentially liable, for the services run by the organization. To reduce risk, boards must be aware of their responsibilities and develop policies to ensure these responsibilities are met.

Identifying types of risk that boards may face

Risk can occur in areas such as:

- **People:** health and safety concerns, wrongful dismissal suits, conflicts of interest, service quality, etc.
- **Finances:** property loss, asset loss, damage or theft, misappropriation of funds, event mishaps
- **Reputations and goodwill:** loss of reputation can affect the ability to raise funds and attract staff, volunteers, and clients
- **Technology and intellectual property:** loss of data due to loss of computer, theft of sensitive data
- **Regulatory matters:** unmet commitments to the government (i.e. financial documents; changes in government policy can affect the status of the entire organization)

The difference between risk management and insurance

Insurance is a form of risk management. Taking out insurance transfers the responsibility for specific types of risk to a third party. But there is more to risk management than insurance; many risks, such as damage to an organization's reputation, cannot be insured against.

Director's and Officers' Liability Insurance provides personal financial protection for Board Directors and officers against liabilities imposed while performing their duties. This is especially useful in covering legal costs if a frivolous lawsuit is brought against the Board or its members. This cannot protect against deliberate fraud or negligence by Directors. Board members must still act prudently, within their authority, and without negligence to minimize their personal liability.

Awareness of different strategies to minimize risk

Different risks require different strategies to deal with them. Some risks may require a combination of strategies.

- **Avoid the risk:** Stop doing the activity or fix the problem.
- **Reduce the risk:** Change the activity or create procedures to decrease the risk.
- **Transfer the responsibility:** Purchasing insurance and outsourcing are ways to transfer the responsibility for the risk to someone else. Not all responsibility can be transferred.
- **Accept the risk:** Some activities have risks that cannot be avoided. Plan for the possibility and move on.

Assessing risk

There are three elements to the Board's role in risk management:

- **Risk direction:** Understanding what risks may prevent the organization from reaching its goals. Best accomplished by the Board or by a designated Risk Committee.
- **Risk oversight:** Monitoring the risk management system to ensure effectiveness. Best accomplished at both the Board and committee levels.
- **Risk control:** Making sure the organization is moving in the right direction. Best accomplished by an audit committee.

Financial Management Checklist

The following list can serve as a guide for policy review or updating:

Has the Board adopted a written policy stating the responsibilities and authorities it has delegated?

Does the Board periodically review the activity of the individual(s) who have been assigned financial duties to ensure they have not exceeded the scope of their authority?

Does the Board review the financial statements of the agency on a regular basis?

Is your organization required to file annual reports to Revenue Canada or with any other government agency? If so, are they filed on a timely basis?

Has the Board of Directors given all agency banks resolutions authorizing bank accounts and designated cheque signers?

Does the Board determine that agency activities remain consistent with those indicated in its operating budget?

Is your current budget consistent with your organization's goals and plans?

Do you review on a monthly or quarterly basis actual income and expenditures compared with your current budget?

Does the Board approve the operating budget and the capital expenditures of the agency?

Must the Board give its approval before the budget can be exceeded?

SECTION 5: BOARD DEVELOPMENT

Recognizing the importance of continued board learning

Training exercises help provide the development opportunities board members need to sustain their interest and involvement, and often increases effectiveness.

Training exercises can include:

- **Information sessions at board meetings:** Short sessions can liven up meetings as well as introduce new outside resources.
- **In-service training and workshops:** Special sessions can help to examine issues in depth.
- **Retreats:** Can allow more time to explore options, consider the organization's direction, create new ideas, and get to know each other.
- **External workshops and conferences:** External services can offer different viewpoints. Board should commit funds to finding a foundation or corporate sponsor who offers bursaries.
- **Books, audiovisual materials, and electronic resources:** These resources should always be available to all board members.
- **Distance education:** Board members who may be geographically isolated can still participate via self-directed learning, teleconferencing, and other methods.

Describing strategies for effective board recruitment

What motivates potential board members?

There are many reasons why people may choose to join your board including:

- Opportunity to contribute to the community
- Effective use of the member's skills and time
- Chances to develop new skills, experience new opportunities, and receive training
- Convenient meeting schedule
- Networking possibilities

Duties of a Nominating Committee

- To develop and maintain records of board and board committee members including information on skills, interest, experiences, board-related orientation and training, and terms of service.

- To work with the Board Chair to identify future board needs.
- To analyze the strengths and weaknesses within the current Board.
- To identify necessary selection criteria for recruiting new board members.
- To gather and to generate names of prospective board members.
- To research and screen prospective board members.
- To recommend a list of possible board nominees to the Board.
- To work with the Board Chair to make sure that proper nomination and election procedures are followed.
- To review bylaws, policies, and procedures on recruitment, selection, assessment, and training and to make recommendations for change to the Board on an annual basis.
- To make sure that orientation, training and other development opportunities are available to the Board and to the individual board members.
- To make sure that the effectiveness of the Board and individual board members is assessed on a regular basis.

Recognizing the importance of effective orientation

Training and orientation methods

To contribute in a meaningful way to the Board and organization, new board members need relevant information that meets their time and learning needs. Utilizing a variety of methods to orient board members increases interest and enthusiasm. Some suggestions are:

- **Group orientation session:** Generally held within the first month of the term, this session includes all group members. The format can be based on discussions, presentations, or tours.
- **Board orientation manual:** All members of the Board should have a copy of the manual and ensure that it is kept up to date.
- **Mentoring system:** Partnering new members with more experienced members allows an exchange of skills and knowledge.
- **Three month check-up:** The Board Chair should monitor each member's development and concerns via periodic meetings.

Your board's manual should include the following:

- Table of Contents**
- Mission Statement**
 - Vision, values, beliefs
- History/Background**
 - Minutes, annual report, audit reports (financial statements)
 - Brochures, promotional materials
- Board Structure and Operations**
 - Meeting dates, times and locations
 - Board and committee structure
 - Board agenda format
 - Board member job description
- Bylaws**
 - Objects and bylaws
- Policy Manual**
 - Current policies
 - Long-term strategies
- Financial Summary**
 - Annual budget
 - Insurance
 - Summary of funding sources and holdings
- Board Committee's**
 - Each committee's terms of reference, year-end reports, goals and objectives for current year
- Board List**
 - Names, position, length of service, addresses and phone numbers, biographies

SECTION 6: PLANNING AND STRATEGIC DIRECTION

Understanding the importance and benefits of a strategic plan

Strategic planning is a governance tool, meant to help an organization narrow its focus and work steadily towards achieving its goals.

Good planning:

- Creates a clear direction for your organization
- Helps board, executive and staff have a shared understanding and common language
- Can improve morale as leaders communicate their intentions for meeting their mandate to staff and volunteers and as people's efforts are recognized as contributing to the common good
- Can be used to communicate your focus and your needs with a variety of stakeholders
- Can measure progress and success
- Can eliminate repetitive decisions
- Is part of a cycle, taking into account busy times, funding periods, seasonal requirements, community needs, etc.
- Involves all identified stakeholders and provides them with opportunities to "own" and support the initiatives
- Takes the capacity of the organization into consideration so that people are working within their means
- Reflects the needs and desires of the community, including realities and uniqueness
- Aligns with legislated or funded mandates and shows how your organization contributes to the bigger picture

Differences between strategic planning and business planning

Strategic planning helps determine the direction in which you want to take your business or organization and involves setting overall goals. Business planning is about laying out a detailed road map that will take you in that direction. The two should work together, but one does not replace the other. Effective strategy development requires you to shift your focus from the day-to-day concerns of your business and instead consider broader and longer-term options.

Identifying and sequencing the steps in the planning process

The board is responsible for setting the direction of the organization and ensuring it stays on course to achieve its goals.

A strategic planning session can last as little as two to three hours. Consider: where your organization is now, where it should be in the future and how you are going to get there.

Standard cycle of planning



How to use planning documents to make informed decisions

Once the strategic plan is in place, it should be consulted when major decisions are required.

Administrative governing boards will be actively involved in the implementation of the plan, while policy governing boards can delegate the implementation to their Senior Staff Person.

Ensuring the plan is acted upon:

1. Have the monthly report at your meetings connected to your goals. Provide a progress report on their initiative.
2. Review your plan every 2-3 months so you know where things are at, and what may need to be revised or changed.
3. Assign tasks to have completed by a certain date. Follow up at the appropriate time. Remind people of approaching deadlines.
4. Have the Board review the plan each year and identify priorities for the year based upon what was completed and the resources available to you at that time.
5. Once your plan is done, take a few moments for reflection with your executive and planning team. Here are some questions to use to define where you are now, your next steps, and where you have come from.
 - Think back to what we did during this planning process, we did a lot. What did we do?
 - What worked well for you? What parts of the planning process were successful? What do you like about our plan?
 - What did not work well? What were some of the challenges? What concerns or troubles you (either about the process or what you came up with)?
 - Has the work helped us to do a better job towards improving our organization or our community? What impact will it have?
 - What do we still have to do to ensure successful implementation of our plan?

SECTION 7: COMMUNICATIONS

Awareness of the benefits of good communication

Communication within the Board is vital to ensure everyone is operating from the same knowledge base, and to provide accountability and transparency for outside observers. Clear and timely communication is vital on three levels:

- **Intra-board communication:** information-sharing and decision-making among Board Directors
- **Board/employee communication:** knowledge and information must travel from board to staff and from staff to board
- **External communication:** board members should be able to communicate the vision and goals of the organization to external constituents

Principles of effective communication

Knowledge enables sound decisions. A board is only as effective as the extent of information that is available to board members. Ensure that your organization's board is equipped with high-quality, predictable information to enable informed decision-making.

Add value through interaction. Board members should have access to value-added briefings and analyses from senior staff. These should be integrated analyses and thinking rather than siloed perspectives from various functional areas.

Accountability is key. Board proceedings should be professionally captured and published as part of the organization's commitment to openness and transparency.

Increase face time. Board decisions should be made based on appropriate, high-quality communications, face-to-face where possible or via teleconferences in pressing situations. E-mail should not be a forum for decision-making.

Clearly identify roles. The CEO should be the key interface between staff and board.

Use resources appropriately. Board members may be called upon to help support public communications, but this should only occur upon approval by the CEO in cases where there is a requirement for particular expertise or for a second language spokesperson.

Best practices of effective communication

- 1. Foster openness and transparency.**

Openness and transparency is imperative at every level, particularly for organizations in the public and para-public sector. This includes interactions among the Board, between the Board and the staff, and between board members and external stakeholders. Some issues will require confidentiality, but they should be the exception rather than the rule.
- 2. Use communication to foster sound decision-making.**

Effective communication empowers the Board to make sound, informed decisions. Board members' decision-making should be supported with the best quality information and data, providing a strong forum for dialogue, and recording past decisions accurately to inform the deliberative process.
- 3. Support board members in their role.**

Board members need support to succeed through their governance role. This support should be provided through the Director's continuum of service to the organization – from clear and accurate information about roles in recruitment, to orientation, to focused support for particular roles such as the chairmanship.
- 4. Manage effective board and staff communication.**

The Board and staff should share a respectful relationship based on trust and clear understanding of scopes of responsibility. The CEO should generally mediate communication between staff and board, but it should be clear that the Board and the staff are working collaboratively toward a common purpose and result.
- 5. Position board members as ambassadors.**

Board members play an important role as ambassadors for your organization at the community level. They should be supported with practical tools such as key messages and updates on important public files.

Awareness of the need for open, transparent, and ethical two-way dialogue within the organization and with stakeholders and owners.

Elements of good board/owner communication:

- **Talking to the owners:** Effective Boards communicate trials and triumphs at pre-determined times of year and when issues arise. Communication ensures the owners understand that the Board has their best interests at heart.
- **Listening to the owners:** Board members must proactively solicit input from owners, ensuring the Board represents their views accurately. One of the Board's primary responsibilities is to protect the owners' interests; acting contrary to the owners' wishes is acting outside the Board's mandate. Owner feedback may be time consuming and include criticism, but can help the Board make better decisions.
- **Confidentiality:** Transparent communication does not mean that all information must be shared. Negative information about individuals should only be shared if it is vital to board operations. Open communication will make it easier to trust a board when it must claim confidentiality.



Public Policy Self Assessment Tool

This tool was first published in "Be H.I.P.P.: Have Influence on Public Policy" and is reprinted here with the permission of YMCA Canada.
www.ymca.ca/media/59241/be_hipp_manual.pdf

A – Telling Your Story

	Yes	Sort of	No
Our organization has a strategic plan with clearly defined priorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a 'one pager' that describes our organization, its scope, impact, and contributions to the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has volunteers, board members, and staff who can give a compelling presentation about how our organization achieves its charitable mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have up-to-date data that gives a good picture of our organization (e.g. number of members, program participants, volunteer hours, financial data).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have evaluation data describing the impact of our programs and services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We regularly provide training to volunteers, board members, and staff to ensure they understand and can articulate our charitable mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Board Chair, volunteers, staff and/or I have received media training and feel comfortable dealing with the media.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has an inventory of political contacts among our volunteers or staff describing who knows people in positions of influence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has an external relations/public policy committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has developed a strategy for influencing government as a means of forwarding our mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B – Understanding the External Environment

	Local			Provincial		
	Yes	Sort of	No	Yes	Sort of	No
Our organization has a strategic plan with clearly defined priorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have a 'one pager' that describes our organization, its scope, impact, and contributions to the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has volunteers, board members, and staff who can give a compelling presentation about how our organization achieves its charitable mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have up-to-date data that gives a good picture of our organization (e.g. number of members, program participants, volunteer hours, financial data).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have evaluation data describing the impact of our programs and services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We regularly provide training to volunteers, board members, and staff to ensure they understand and can articulate our charitable mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Board Chair, volunteers, staff and/or I have received media training and feel comfortable dealing with the media.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has an inventory of political contacts among our volunteers or staff describing who knows people in positions of influence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has an external relations/public policy committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization has developed a strategy for influencing government as a means of forwarding our mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C – Relationship Building

	Local		Provincial	
	Yes	Sort of No	Yes	Sort of No
I have met within the last year with key elected officials at the local and/or provincial level to make sure they are aware of the contributions of our organization and to hear about their plans and activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have met with public servants at the local and/or provincial level to make sure they are aware of the contributions of our organization and to hear about their plans and activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have effective working relationships with local and/or provincial public servants, elected officials, and other community leaders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization can easily partner with other local and/or provincial organizations, as needed, to achieve our goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My Board Chair or I have met with the key local and/or provincial media contacts to ensure they are well informed about our organization.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have given tours of our organization to our key stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board members, staff and/or I have participated over the last two years in local and/or provincial public forums, committees, or task forces to discuss issues linked to our mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have involved some of our key stakeholders in our organization's activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board members and/or I have successfully influenced our local and/or provincial government.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We know whom we can draw upon for advice and support in positioning our organization on public policy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Total of all pages: "Yes" _____ out of 47

- Score:**
- 1 – 20 You May need to review "Be H.I.P.P." again.
 - 21 – 39 You're on the right track.
 - 40 – 47 You're on the fast track and your organization is well positioned to influence your local and provincial governments.

SECTION 8: BOARD MEETINGS

Why meetings fail

Meetings are often seen as a waste of time or unnecessary. These misconceptions can be cleared up by effective communication about the necessity and role of a meeting.

Do you make these ten common mistakes that can cause a meeting to fail?

- 1. No agenda.**
This suggests the meeting has no real purpose.
- 2. No advance communication.**
This can lead to surprising behaviour and a lack of consideration of the issues.
- 3. Not encouraging participation.**
This results in no interaction or feedback.
- 4. No time management.**
This costs the organization money.
- 5. Allowing conflict to get out of control.**
Discussion is important, but can, if uncontrolled, result in chaos.
- 6. Not reaching consensus.**
This suggests that nothing was accomplished and the meeting was a waste of time.
- 7. Allowing sub-meetings.**
This shows a lack of focus or direction.
- 8. Not controlling difficult behaviour.**
This may lead to more challenging behaviour in future.
- 9. Not summarizing actions.**
This can lead to misunderstandings of the next steps to be taken.
- 10. Not motivational.**
This means attendees may leave feeling flat and despondent rather than energized.

Understanding how board culture can impact a meeting

Behind most effective not-for-profit organizations is a healthy board with an understanding of what it takes to lead in challenging times. Board members must be willing to identify the components that are important to the success of the organization. They must also be willing to support their beliefs by contributing their time and effort.

New Directors as well as those who have sat on a board from some time can benefit from considering the following pledges as part of a leadership covenant to help form a healthy, effective board:

Serve the ownership – by making decisions that best suit the interests of the ownership as a whole.

Prepare and participate – in order to add value to the organization at all board meetings and functions.

Honour each other – around the table and outside of meetings, appreciating the value and diversity that each other's experience and perspective bring to our leadership responsibility.

Speak with one voice – outside of meetings so that our staff, our members, and the public receive a clear, consistent, honest message that honours our organization.

Respect confidentiality – of any information learned during the course of our duty unless and until the Board determines such information should be made public.

Avoid conflicts of interest – by informing the Board whenever there is perceived conflict and abstaining from discussion or decision-making if necessary.

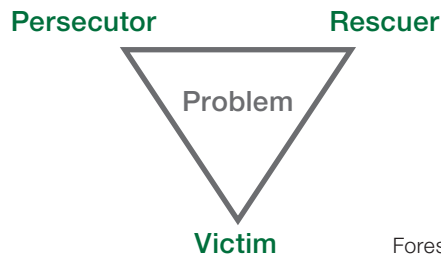
Uphold commitments – by supporting and acting on the plans and policies set by the Board and by fulfilling the tasks and duties assigned and accepted in our roles.

Seek excellence – by investing in personal and corporate development and humbly receiving corrective feedback from each other.

Negative board culture

A negative board culture can result in interpersonal drama. Forest and Karpman's "Drama Triangle" explains the roles people play during interpersonal conflicts. All three roles are different aspects of victimhood; all define different identities that people take on when faced with conflict.

Both "Persecutor" and "Rescuer" are on the upper end of the triangle; this reflects the roles' desire to relate to others as though they are better, stronger, smarter, or more together than the "Victim," who is at the bottom of the triangle. The Victim, feeling "looked down upon" or "worthless", builds resentment and eventually progresses to retaliation. He or she then moves into the Persecutor role. The Persecutor or Rescuer then moves into the Victim position. All players sooner or later rotate through all positions.



Forest and Karpman's "Drama Triangle"

Diverse board culture

Understanding the various personality types, their strengths and weaknesses, and the ways in which they complement and complete each other can help manage the interactions between strong personalities on your board.

Jung's theory of personality types suggests that seemingly random variations in behaviour from person to person is actually quite consistent and can be traced to basic differences in the ways individuals prefer to use their perception and judgement.

The Meyers Briggs Type Indicator Instrument (MBTI) was developed from Jung's analyses of psychological functions. MBTI tools can assist a person in identifying significant personal preference; they are frequently used in the areas of group dynamics, employee training, leadership training, and personal development.

Knowing about personality types helps us understand and appreciate differences between people. All types are equal; there is no 'best' type.

There are numerous variations now available. Some are free resources, while others carry a cost associated with a consultation to review the results and a report provided to the user and/or organization.

ACKNOWLEDGEMENTS

The Alberta Association of Agricultural Societies, the Solicitor General and Public Security, the Alberta Agriculture and Rural Development, and the Alberta Culture and Community Spirit with the assistance of Dynacor Media have developed this resource, “Board Governance.”

Thank You to the following:

Karen Burrows – Content Editor

Tim Carson – Video Host

Dynacor Media – Video Production and Editing

Dynacor Media – Booklet