Imagine This: A Self-Disciplined Board That Adds Value

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Between us, we have had more than 40 years' experience in association management. That means that we have seen a fair number of boards of directors come and go.

But our experience with boards goes deeper than that, much deeper. Our membership during those 40 years was comprised of boards, in our case publicly elected school boards. Some would say that particular kind of board carries its own special brand of challenge, and we would not debate that. But the main point to be understood is that not only have we worked with and for our own boards of directors, but we also served boards as members, trying to help make them as effective as possible. In terms of board behavior, there isn't much we haven't seen first-hand.

We have seen the good, the bad and the ugly of board behavior. We know the value of a good board and what it can do to advance the effectiveness of the organization. And we know how devastating a misguided board can be to the organization. When the wheels come off in the boardroom, every dimension of the organization is affected. Staff attention is diverted, and the board, instead of adding value to the organization, becomes an impediment to its progress. The board's internal preoccupation serves neither itself nor any part of the organization well. Clearly, these boards need to do business differently.

But so do many of the boards we typically label "good". While they may not be an impediment to the welfare of the organization, do they really make a distinctive contribution to it? Or do they mostly review actions already taken by the CEO or debate and approve CEO recommendations about primarily operational matters?

If we ask a board to define its chief responsibility, we usually hear a response that somehow includes the word "policy." Yet when we look at agendas and minutes of board meetings, it is clear that boards don't do policy. What they typically do is make decisions about operational issues. These are the reasons why the roles of the board and the CEO become confused: both are playing in the same sandbox, both participating in the making or re-making of the same decisions.

But the worst part of such board behavior is that the board is exerting very little, if any, real leadership. How much leadership is represented by the board's reviewing or redoing decisions made by the CEO? Not much. There must be a higher contribution that the board can make and, in the process, function at the level members say is theirs: policy.

Our work with boards has led us more and more to the belief that the traditional model of board governance is flawed. We know that for the most part, the men and women who volunteer to serve on boards come to those positions committed to do something to make the organization better. Most work hard, and they have the best interest of the entity in mind as they go about their work.

But at the end of their service, many tell us that they had not been able to make the contribution they had hoped. Our belief is that the culture in which they worked had something to do with that disappointment. There isn't much fulfillment in making the kinds of decisions many boards make. Many never experience the real excitement of deciding a future for the organization they serve and creating expectations for its success.

Increasingly we have come to realize that for a board to function well, it must have a defined "operating system" for itself, some formal means to get its work done, positioning the board to do the right work. To make that happen, we created pour own governance model, which we call Coherent Governance®. Coherent Governance suggests that boards are expected to make virtually every decision a policy decision, leaving the operational decisions to the CEO, but with boundaries on CEO discretion. All policies are to be monitored according to a fixed schedule, and policy will be the single driver for what the organization does.

A handful of policies—usually not more than 35 or so—will adequately express the board's values for the organization. These policies fall into four categories:

Results: what end results is the organization expected to achieve, for whom and at what cost. Results policies drive all staff work. The CEO is expected to make the Results happen, which essentially is the bulk of the CEO job description. Association Results policies describe the ultimate good the organization commits to provide for members. They are the "swap": defined benefits in return for dues and other support from the members.

Operational Expectations: these policies establish the operational standards for the CEO, and for the organization. as the CEO makes operational and strategic decisions. As long as the CEO's operational decisions comply with the policy standards, the CEO and staff are empowered to act without further board authority. No more "mother-may-I." If the board has not stated in policy that a condition either must exist or is unacceptable, the CEO and staff are free to do their jobs as they determine best. However, remember that the CEO is held accountable for results, and that all policies are monitored continuously.

Board-CEO Relations: these policies clarify the transfer of authority from the board to the CEO, the board's only employee. They define organizational and CEO success, and state how performance is to be measured.

Governance Culture: these policies deal only with internal board conduct and role responsibilities. They establish, in policy, the board's agreed-upon culture of board performance. GC policies specify the board's job description, its governance focus, and how it will conduct business. If a member steps outside these board-approved agreements, that action constitutes a policy violation.

Why should an organization consider Coherent Governance? There may be several reasons:

• **It allows the board to make a distinct contribution to the organization**, transforming the board from the realm of operations to the level of policy

• **It clarifies once and for all who does what**: if the board has not prohibited or directed a specified activity in policy, the CEO is free make any reasonable decision in pursuit of achieving the Results

• **It allows the board to get to the meaningful, future-oriented work** that few now find time to address, and in the process assure that the organization remains a viable advocate and service provider for the members

• **It makes policy the single driver** for what the organization does; no more competing layers of goals and plans to confuse direction

• **It creates, in policy, a governance culture that the board can leave as a legacy for future boards**

• **It aligns the total resources of the organization behind the single ultimate goal: make the Results happen**

During the past 20 years, we have worked with boards of all types throughout the United States to help them adopt this new way of doing business. While Coherent Governance is not a guaranteed fix for a misbehaving board, we know that it establishes the foundation for significantly improved organizational and board performance. It is a structure that offers the best hope we know of to boards whose members want to make a significant contribution, but who find themselves bogged down in a system that encourages them to do the wrong things.

In short, after 60 years in this business, it's the first governance model that has made sense to us.

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