A Collision in Governance

Roles, Expectations and Structure

Presenters

Mark Engle DM, FASAE

Dave Bergeson, Ph.D, CAE
Drivers of Organizational Performance

Boards curate strategy and embrace a culture driven by strong interpersonal relationships
-Will Brown

“Foster a Board culture that promotes trust, teamwork, candor and constructive conflict.” -Nancy Axelrod
Governance Challenges

One thing I would change about our board is...
Governance Challenges

One thing I would change about our governance structure is...
• Drivers of Change in Association Governance
• Trends – what we are seeing
• Common Dysfunction
• Streamlining
• Case Study in Conflict Management
• Agendas
• Transparency
• Evaluation
• Nomination Process
Changes in the Legal Profession

• Fewer Lawyers in the Future?
  • More retiring than entering the profession
  • 4 generations practicing law
    • Lawyers lack for networking

• Delivery models
  • Online Lawyering
  • Legal smartphone apps
  • Paralegal technicians

• Legal Process Outsourcing
Why are associations looking at governance?

1. More timely & nimble
2. To be entrepreneurial
3. Increasingly competitive environment
4. Limited resources (time, talent & treasure)
5. Generational

“Feedback from younger members indicated that they are discouraged from being more involved in leadership because it is viewed as a long and bureaucratic process.”
Its tough out there…

• In 2016, the Harvard Business Review published a study of 30,000 publicly listed companies over a 40 year span that identified a striking conclusion.
• “Companies are dying at a faster rate than ever before.”
• The reasons, according to the research: “Organizations are dying younger because they are failing to adapt to the growing complexity of their environment.”
• How do associations adapt? Governance and Strategic Planning
Governance Trends:

• Structures are being designed or reconfigured for flexibility
• Moving away from the traditional, hierarchical array of governing bodies
• Reconfigured to better leverage volunteer resources
• Realigned structures that are less political and more knowledge- and skills-based.
• Multi-year commitments are declining.

• Association Forum of Chicagoland Professional Practice Statement
Governance Trends:

• Governing bodies are becoming less procedurally rigid.
• Representative forms of governance are replaced by more direct member input
• Staff is viewed as a governance partner

Association Forum of Chicagoland Professional Practice Statement
“We find that the AVMA policymaking process is too slow, cumbersome, political, and, at times, inefficient at soliciting input from knowledgeable sources. The HOD meets only twice a year, and its size alone prevents reaching consensus or making decisions on a timely basis. Key resolutions are subject to months of inaction and delay, harming the AVMA’s ability to respond to significant issues on a timely basis. It is a common occurrence for AVMA spokespersons on Capitol Hill to be hesitant to articulate AVMA policy when asked by lawmakers, even after the Executive Board acts on the issue, due to the uncertainty that the HOD may change the Board’s action at its next meeting.”
10 Dysfunctions of a Board

- Power Struggles
- Vote-Counting Prior to Meeting
- Lack of Civility and Respect
- Board Micro-Management
- Preoccupation with Bylaws/Parliamentary Procedure
- Focus of Negative Attention on the Executive
- Last Minute Proposals
- Overly Powerful Executive
- Directors as “Representatives”
- Rump Sessions

Mark Alcorn© 2002
Unusual Elements in Association Boards

- Planned, frequent turnover
- Subject matter experts
- Peers, collegial relationships (leaders and customers)

Even MORE Unusual Elements in Bar Association Boards

- Regulatory function
- Public Meetings
- Public Board Members
- Representational governance
- Complexity
- CEO Reporting relationship
- Limited Authority
Governance: What is it and what does it look like?
Article 6. The House of Delegates

§6.1 Powers and Functions. The House of Delegates, the legislative body of the Association, shall formulate policy for the Association. It may adopt rules consistent with the Constitution and Bylaws. It is the ultimate governing body of the Association. It shall elect the officers of the Association and the members of the Board of Governors. It is the judge of the election and qualifications of its members. It has all the powers necessary or incidental to performing those functions.
ASHA Case Study

1. Strategic issue identified
2. ‘Charter ’approved
3. Task Force appointed
4. Consultant retained
5. Data collected
6. Analysis and Education
7. Options drafted & shared
8. Conflict identified, managed, and/or pre-empted
9. Final recommendation prepared
10. Vote Conducted
Focus of High-Performing Boards

Governance as Leadership

Strategic

Fiduciary

Generative

Governance as Leadership: Reframing the Work of Nonprofit Boards

Richard P. Chait
William P. Ryan
Barbara E. Taylor

ABA BAR LEADERSHIP INSTITUTE
DOCKET
Of Subjects for Consideration by the Committee
to Promote Attendance
of the
Business Secretaries Forum
at Its
First Regular Meeting
To Be Held in the West Room, Hotel Sherman, Chicago, Ill.
1:15-1:45 P.M., Central Standard Time
Friday, November 20, 1929

MEMBERS
R. R. Little, Chairman .................. Will be present
W. W. Woods ........ (At another meeting, Will not be present)
L. C. Smith ......................... Will be present
M. O. Maughan ....................... Will be present
W. E. Fitch ................. Will be present
M. J. Donna ....................... Will be present
N. L. Godfrey . (Critically ill in hospital. Will not be present)
J. G. Williams, Secretary ............. Will be present

a. Declaration of Quorum by Chairman .... (Time......)
b. Announcements, re Dinner, Theater, Pullman Reservations, etc.
c. Adoption of Docket.
d. Statement of Secretary
e. Statement of Chairman

Item I. Day of Week and Date Each Month of Meetings
       (a) Advantage of fixed day and date. (See letters Exhibit A.)
       (b) Disadvantage of fixed day and date. (See letters Exhibit A.)
       (c) What has been our experience? (See O. L. Moore statement, Exhibit A.)
       (d) How shall we decide. (See suggestion re referendum, Exhibit A.)
       Conclusion

Item II. An Attendance Committee
       (a) Should an attendance committee be appointed? (See
EQUIPMENT NEEDED FOR COMMITTEE MEETING

One committee table—two small tables placed end to end.
One white table cover.
Seven guest chairs (not folding chairs, these were comfortable chairs).
One pitcher of ice water.
Six drinking glasses.
Three ash trays.
One cigar box—a dozen cigars.
Two packages of cigarettes.
Few packages of matches in addition to those in ash trays.
One spittoon.
One hat rack.
Six scratch pads.
Six pencils.

POINTS DEVELOPED BY THE MEETING

At the conclusion of the committee meeting, the chairman made it clear that the purpose of this meeting was not directed primarily toward promoting attendance at Forum meetings, but instead to stress the technique of holding committee meetings. He said there had been incorporated in this docket features from the many examples of docket (or agenda) now in use by different members of the Forum. He called attention to the following points:

(a) The value of the docket itself whereby members of a committee are advised well in advance of their meeting of
High Performing Board Agendas

**Consent Agenda**
- No decisions required

**Fiduciary**
- Board obligated items
  - Meeting Minutes
  - Committee Reports
  - Staff Updates
  - Financial Reports
  - Performance Dashboard

**Strategic**
- Decisions/Action Items
  - Generally well-framed
  - May be crisis or contentious
  - Issues regarding the Strategic Plan and Corporate Objective
  - Issues challenging the core of the association or profession

**Generative**
- Unframed
  - Unframed & Trend Seeking
  - Unfiltered
  - Limited Boundaries
  - Directional, not Decisional
  - Environmental Scanning

*Time*
- Generative
- Consent Agenda
- Strategic
- Fiduciary
Board of Directors
Meeting Agenda
(Date/Location)

MCA Vision: Metal is the construction material of choice for the building envelope

1. CALL TO ORDER – Todd Miller, Chairman (8 am)

2. WELCOME AND OPENING REMARKS – Miller


4. GENERATIVE DISCUSSION
   - Projected Skilled Workforce Shortage
     How important are their employees, their customers’ workforce? In five years will there be enough skilled workers to install our high-end products?
   - Implications of Commercial Construction Rebound
     Where is MCA vulnerable with the forecast of another year of no growth in the market? Membership, productivity, and other programs? What are the implications of no growth in member companies?

5. FINANCIAL OVERVIEW* – John Smith, Treasurer

6. STRATEGY
   - ADVOCACY/PUBLIC POLICY
     MCA is the recognized leader influencing public policy affecting the use of metal in the building envelope.
     a. Legislative issues – Smith/Henry
        Action: Discuss/Approve position statement on energy tax credit*.
     b. Research and Code Initiatives – Parnera/Williams
        Action: Discuss 2015 codes/Meetings strategy*.

   - MEMBERSHIP
     MCA’s membership has grown in quality and engagement through penetration of new and existing industry segments.
     a. Membership Discussion – Seela/Herwood
        Action: Discuss/Approve new membership category*.
     b. Communications Strategy: Discussion – Miller/Ryan
        Action: Discuss/Approve messaging strategy*.

7. COMMITTEE INITIATIVES
   Issues requiring Board direction or decisions.

8. 2016 BUDGET – Smith/Henry
   Action: Discuss/Approve Budget*.

9. CONSENT AGENDA*
   a. Approval of Minutes – May 11, 2016
   b. Committee Appointments
   c. Trade Show Report
   d. Committee Reports
   e. Future Board Meetings Schedule

10. ADJOURNMENT – Todd Miller, Chairman (11:30 am)
The Role of Transparency in Association Governance

Transparency in Gathering Information
- member needs assessments
- program evaluations
- environmental scans
- committee/task force/staff recommendations

Privacy in Board Deliberations
- in a timely manner from the board as a body
- to members and other stakeholders
- about decisions made including rationale

Transparency in Communicating
## Board Member Self-Assessment

### Preparation
1. I prepare for Board meetings by reading and understanding advance materials  
   | 5 | 4 | 3 | 2 | 1 |
2. Based on the Board meeting material and agenda I prepare questions in advance of the meeting  
   | 5 | 4 | 3 | 2 | 1 |
3. I solicit ideas and input from colleagues and members to help shape organizational strategy  
   | 6 | 4 | 3 | 2 | 1 |
4. I provide input to the Board meeting agenda when asked  
   | 5 | 4 | 3 | 2 | 1 |

### Engagement/Attendance
5. I attend all board meetings  
   | 5 | 4 | 3 | 2 | 1 |
6. I participate in discussions when I have something to contribute  
   | 5 | 4 | 3 | 2 | 1 |
7. I challenge issues and assumptions, not individuals  
   | 5 | 4 | 3 | 2 | 1 |
8. I avoid revisiting committee work during board meetings  
   | 5 | 4 | 3 | 2 | 1 |
9. I disclose my potential conflicts of interest  
   | 5 | 4 | 3 | 2 | 1 |
10. I keep Board discussions, minutes and meeting materials confidential  
    | 5 | 4 | 3 | 2 | 1 |
11. I understand and honor my duties of Care, Loyalty and Obedience  
    | 5 | 4 | 3 | 2 | 1 |
12. I value and respect the opinions of other Board members  
    | 5 | 4 | 3 | 2 | 1 |
13. I value and respect the opinions of staff  
    | 5 | 4 | 3 | 2 | 1 |

### Decisions
14. Before voting, I ask questions and have the necessary information and understanding to cast a meaningful vote  
    | 5 | 4 | 3 | 2 | 1 |
15. I vote  
    | 5 | 4 | 3 | 2 | 1 |
16. I support the board’s ultimate decision publicly and privately  
    | 5 | 4 | 3 | 2 | 1 |

### Follow Up
17. I follow up on assignments and requests in a timely manner  
    | 5 | 4 | 3 | 2 | 1 |

### Support
18. I support the organization financially by paying dues on time and contributing in other ways if and when asked  
    | 5 | 4 | 3 | 2 | 1 |
19. I actively recruit new members and leaders  
    | 5 | 4 | 3 | 2 | 1 |
20. I actively serve as an ambassador for this organization  
    | 5 | 4 | 3 | 2 | 1 |
Appoint Leadership Committee

Discuss board needs competencies & representation

Establish candidate interest form

Confirm available seats & if potential re-election of current member

Prepare matrix for scoring system

Obtain leadership team input

Collect nominations & candidate statements

Solicit/post call for nominations from membership

Determine gaps between culled list & board needs

Score and rank candidates

Conduct interviews of culled list

Prioritize candidate list

Obtain leadership team input

Petition Process

Present a slate comprised of the highest ranking candidates (1 per open position) to the membership for ratification

Communicate results

Board to determine final slate (x for x seats)

Solicit/post call for nominations from membership

Prepare matrix for scoring system

Determine gaps between culled list & board needs

Score and rank candidates

Conduct interviews of culled list

Prioritize candidate list

Elect Directors & Officers

Petition Process

Communicate results

Board Selection Process
3. Case Studies

Themes

- Respect for Process
- Interview Candidates
- Communication
- Ambassador
- Composition
  - Diversity
  - Skills & Competencies
- Elections
  - Slate
  - Competitive

3. Case Studies
Anomalies

- Wild Card
- Treasurer
- Appointed Directors
Questions/Discussion
Thank you...

Mark Engle DM, FASAE

Dave Bergeson, Ph.D, CAE