



BUILDING GREAT BOARDS

JUNE 14, 2018

1:30-2:15



AGENDA

- Describe why strong boards are required for successful management
- Describe the roles and responsibilities of your Board Directors
- Recruit the Directors you need
- Develop a relevant Orientation package



FACT:

We need Boards of Directors as part of our overall organizational structure.

WHY?



Ask Yourself

Hand Put # 1 Group Exercise # 1: Who Does What?

What expectations do you have of your Board?

Ask Yourself

Hand Out # 2 Group Exercise # 2: Understanding Board models

Which Board Model do you currently have?

Which Board model would help you become more effective?



Ask Yourself

Handout # 3: Board Duties

- Are your Board Directors aware of their duties?
- Why not?
- What can you do to ensure they do?

High Performing Boards

Educate Directors on expectations of their basic legal responsibilities

Directors accept personal accountability for their legal responsibilities

Boards follow their on their basic legal responsibilities:

- (1) **duty to manage** /delegate and supervise,
- (2) “0” tolerance for breach of **duty of loyalty** to the organization:
i.e. acting honestly and in good faith (and declaring any conflict)
- (3) **duty of care**: exercising diligence and skill that a prudent person would in similar circumstances: a matter of *means to an end* taking precedence over the actual decision



WHY Build Great Boards

- The payoff in building a strong board is the ability of the organization to deliver high performance on a sustained basis, and to attract highly qualified talented people to the Board
- Qualified talented people bring expertise, strategic guidance, financial support and passion to fulfill an organization's highest aspirations

High Performing Boards

- Shape the direction through their mission, strategy and key policies
- Ensure leadership, resources and finances are in place to support the vision
- Monitor their own performance and that of the organization
- Expect prompt corrective action when needed
- Respond proactively to their environment
- Sustain commitment to enable effective Board practices

Directors on Great Boards:

- Take attendance, ask the right questions and keep minutes of meetings
- Implement Codes of conduct, conflict, confidentiality, privacy, respect, grievance process
- Establish a matrix for Board recruitment: Competency (functional knowledge), Behaviour (group dynamics/roles), Strategic alignment
- Develop position description for officers, committee chairs and directors
- Require Committee terms of reference
- Self assess performance after each Board meeting & on committees & annually as a Board, with and for each other and for the Chair
- Are accountable to each other for building and sustaining performance

Building a Dynamic “Great” Board

1. What do *I* need to know about the organization?
2. What do *I* want to know about the organization?
3. What is *my role* in sharing information with the other Directors ?
4. How can *I* encourage other Directors to apply their best thinking in support of the organization’s strategy and vision
5. What board decision, action or outcome do *I* wish to influence as part of my duty as a Board member?

Steps to Building a (Dynamic High Performing) Great Board

- Establish an explicit, formal process with accountability and leadership to build a dynamic Board
- Identify ongoing opportunities to review Board performance using a reliable, objective and valid (diagnostic) process
- Share and discuss implications of the findings
- Agree on SMART goals and create an implementation plan

Director Recruitment

- Design a Nominations process that is transparent, objective and reliable and select key directors on the Committee
- Create and implement skills and behaviour matrices to identify gaps
- Develop Director job specifications/descriptions/terms
- Design and conduct a thorough selection process: from screening, to interviewing, to references
- Ensure Directors are covered by Director's Indemnification and Officers' Liability Insurance

Recruiting Great Boards

- Recruit for the 6 “C”s :
 - Chemistry, Candor, Communication, collaboration, collegiality, consensus
- Implement a positive culture:
 - Climate of trust and candor, culture of open dissent, individual accountability, annual review of board performance
- Establish Good Governance:
 - Clear roles and responsibilities, clear direction, effective accountability

Areas of Accountability

- Effective Governance (Adherence to principles of good governance)
- Planning, service delivery and results (goals, compliance, quality stds, regulations and reporting)
- Financial performance: achievement of objectives and application of sound financial controls
- Capacity and conduct of business: extent to which the organization has capacity, resources, people, tools, systems and structures to meet its objectives and over the long term, and adherence to operating values such as equity, prudence and integrity

BROKEN LINKS: PERFORMANCE AND GOVERNANCE

- Champlain CCAC : budgets, scaling back operations
- Toronto Humane Society: Execs and Board charged with cruelty to animals
- Toronto Community Housing Corp: AG reports failure of:
 - controls over spending, following policies, oversight on operations
- Distribute local case study



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