

Vision: Leadership Focus



October 2010

Fast Focus Tips

- Exceptional boards demonstrate a culture that respects the mission enough to ask deep questions.
- They follow conflict-of-interest requirements and ensure decisions are not influenced by personal benefit.
- They develop systems of self-assessments and evaluations to monitor results to encourage fair critiques.
- Exceptional boards model innovative meeting practices to enrich quality discussions.

Find the book,
*www.boardsource.org

Independent-Mindedness Heroic Harmony or Tune-Up Time?

Ah, the sweet spot. A strong board can really hit its stride, find its rhythm, and enjoy mutual respect among fellow board members and with the chief executive. Add in some light humor, the right touch of probing questions directed toward well-chosen agenda items. Perfection, right?

Even better, the board has high attendance, is focusing on a clear and inspiring mission, has well-stated goals, and boasts promising progress reports. What more could a board ask?

But, and of course there is a “but,” there is a fine line to watch. It’s great to respect the more experienced or vocal fellow board members as well as a veteran and likeable chief executive. But that respect can result in being unduly influenced by these positive relationships such that deep questions or discussion and legitimate concerns are allowed to die with silence, leaning back in the chair while the moment passes. Sometimes a real effort is made to ask a good question, but it’s met with surprised glances around the room. It can be a subtle thing, meaning to get along or allowing real debate to surface.

So what’s a good respectful board to do? This issue discusses the 5th principle, Independent-Mindedness, from the BoardSource book, *The Source: 12 Principles of Exceptional Boards*. Independent-mindedness is fundamentally about making decisions free of undue influence. It requires a measure of detachment that seems to contradict energetically embracing mission. Independent-mindedness requires individual members to appreciate its value and find constructive ways to exercise it. Let’s see if you can spot at least **15 best practices** of an independent-minded board in this issue.



“Life is part positive and part negative. Suppose you went to hear a symphony orchestra and all they played were the little, happy high notes? Would you leave soon? Let me hear the rumble of the bass, the crash of the cymbals, and the minor keys.” ~ Jim Rohn

Indiana Association
of United Ways
3901 North Meridian, #306
Indianapolis, IN 46208
800-457-1450
www.iauw.org

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12 Principles of Governance That Power Exceptional Boards

1. Constructive Partnership
2. Mission Driven
3. Strategic Thinking
4. Culture of Inquiry
5. **Independent-Mindedness**
6. Ethos of Transparency
7. Compliance with Integrity
8. Sustaining Resources
9. Results Oriented
10. Intentional Board Practices
11. Continuous Learning
12. Revitalization

Vision features one 'power' principle in each issue. See past issues at www.iauw.org.

Drumbeats and Drills

Independent-minded boards build relationships with the mission, the work, and the people involved. Relationships become resilient, durable, graceful, and deeply satisfying. How does that evolve? The greatest challenge is getting all good governance elements to come together. Take a look at some best practices:

1. A sturdy framework of policy and practice
 - ➔ Develop and follow an **unequivocal conflict-of-interest policy**. Multiple loyalties can create conflicts of interest. Conflicts carry real risks of negative public perceptions (whether conflicts are real or just perceived). They can also compromise decision-making.
2. A set of board and organizational self-assessments using strong evaluation tools
 - ➔ Conduct a **formal self-assessment** every three years. Monitor goals and results with very clear standards about what constitutes acceptable performance.
 - ➔ **Review the chief executive** in a thoughtful and consistent way each year.
3. A smart secure executive
 - ➔ Exceptional boards **find balance in admiration for the chief executive**, fellow board leaders, and veteran staff and the need for thorough debate.
4. Individual board members who have overcome their hodgepodge of experience and style to work together as a unit
 - ➔ Skilled and confident **board leadership is supported by training and updates** to ensure they are well-informed for responsible deliberations.
5. Enough collective time together to build experience and a positive culture
 - ➔ Develop **boardroom and organizational values**. In their absence, subtle reactions can stifle dialogue and make fair questions feel awkward.
 - ➔ **Invite insightful questions**. Craft a culture of positive and healthy debate.

Conflicts of Interest in Brief

A conflict of interest exists when a board member, office, or management employee has a personal interest that is in conflict with the interests of the organization such that he or she may be influenced by their personal interest when making a decision for the organization. Conflict-of-interest *disclosures must be updated and signed annually*. For United Way Worldwide members, explore the new good governance guide (membership Standard C) including a sample Ethics Committee charter and sample conflict-of-interest policies. Develop a process for reporting and handling conflicts as well.

Responsible Boards x	The Source of Power =	Exceptional Boards
Adopt conflict-of-interest policies	Unqualified loyalty	Make decisions in the best interest of organization
Disclose and do not vote on matters of personal interest	Independent thinking drawn from multiple sources	Minimize risk of poor decisions and negative publicity
	Decision making free of undue influence	

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Beyond Robert's Rules to Great Jazz

Great jazz, like great leadership, combines the unpredictability of the future with gifts of individuals, according to author Max DePree in his classic book, *Leadership Jazz*. It's the true gift of nonprofit organizations that they **draw in a diverse range of voices** on their boards. DePree describes how jazz band leaders choose the music and find the right musicians who perform at their best, as individuals and as a group. Exceptional boards operate in similar ways by recruiting the right mix and ensuring all voices are involved in making major decisions. The diverse voices explore issues resulting in harmonious solutions. Only through robust and responsible deliberation can a board arrive at the best decisions. **Exceptional boards feel comfortable airing cautions and raising concerns while still respecting original ideas.**



So what techniques encourage easier dialogue and discussion? Take an easy risk! **Let go of Roberts Rules of Order** at times. First published in 1870, these very formal structures can squash hearty debate and discourage consensus building. Step out of the formalities and try some tips, below. Then, if official votes are needed, switch back to formalities to document the vote.

1. Frame up meaningful conversation. Present background and proposed goals for context.
2. **Draw out fresh thinking in small groups.** Skip the conference table set-up when an important decision is on the agenda. Craft table exercises to dig deeper into the issue and then compare ideas.
3. A skilled chair can watch for nuances that suggest tension or stifled conversation among quieter board members.

“Nothing shapes our lives so much as the questions we ask.” ~ Sam Kerr

The Art of Graceful Dissent

Independent-minded boards will disagree at times. An objection posed at the right time could make the difference between a poor decision and a refined one. Here are some pointers to help members feel comfortable raising questions or concerns:

1. **Encourage alternatives** and an occasional wild idea by rewarding innovation.
2. Listen for complete thoughts before offering your own point.
3. Following a Quaker tradition, ask board members to **offer at least one positive comment about a new idea** before stating an opposing view.
4. Even better, when a new idea is on the table, make a habit of identifying its benefits and opportunities before noting obstacles or concerns. Give it a fair hearing.

Appreciative Corner: Purpose in Practice

To bring about lively but responsible discussion, try these discussion framers and enhancers:



This decision seems to involve our organizational values.

- **How does this new direction reflect on our values?**
- How will we ensure that its implementation supports our core purpose?
- What aspect of this new work is essential to the project/initiative/strategy without which the new work would lose its meaning or driving force?

Be well-informed. Consider:

- Who are important players or experts on this topic?
- How can we learn from them or get them engaged before moving forward?

Indiana Association of United Ways...Bringing Indiana United Ways together to help them create a successful future.

Community - Building a network of local United Ways/Funds in Indiana to increase their learning and collective achievement

- 61 member organizations
- 1010 matching grant program
- Roundtables and collaborative assistance
- Vision Leadership Focus newsletter

Performance - Creating and delivering tools and resources increasing members' capacity to serve their communities

- State Leaders Conference and recognition programs
- 1010 grant technical assistance and training
- Regional conferencing and national program hosting
- Software user groups
- Indiana Nonprofit Resource Network
- NP&AS, Nonprofit Processing & Accounting Service
- Emergency Food and Shelter Program (EFSP)
- www.iauw.org and other Web site features

Advocacy - Representing United Ways to external audiences that contribute to United Way effectiveness and presenting education, income, and health learning and practice to members

- Partnerships and strong relationships with Indiana University Center on Philanthropy, Indiana Coalition for Human Services, Indiana Voluntary Organizations Active in Disaster
- Public Policy
- United Way Council of States and other national involvement
- Indiana 211
- Youth Philanthropy Initiative of Indiana
- Indiana Afterschool Network
- United Way of America

Indiana Association of United Ways Staff

Roger Frick, President
317-921-1399
Mike Cabat
317-921-1395
Lisa Hanger
317-921-1393
Sue Koralewski
317- 921-1390
Lucinda Nord
317-921-1394
Iverne Russell
317-921-1391
Kimberly Sokolow
317- 921-1398

Nonprofit Processing & Accounting Services Staff

Lucy Abshear
317-921-2241
Briann Black
317-921-1358
Emily Campbell
317-921-7526
Stephanie Coon
317-921-7507
Kathy Downing
317-921-7509
Linda Firebaugh
317-926-1490
Melody McVicar
317-926-1491
Cheryl Mitchell
317-921-2240
Sue Odom
317-921-1359
Rita Wootton
317-923-1882

Give it a Try: Crowning Achievements

Exceptional boards use a variety of discussion models to keep conversation fresh. Plan time for small group conversation around your highest priority topics. Here are some creative examples:



Hats Off: Everyone wears multiple hats. They draw from roles as volunteers, business leaders, and parents with geographic, generational, and many other influences. **Take time to filter discussions**

through several lenses around the table to work over an idea. Each new perspective adds strength in making it a success or anticipating obstacles that need attention.

Art of the Start: The way you start a discussion dictates everything about how it could flow.

- Start with an intriguing question, such as, "If your donor count tripled in 3 years, what would be the reason?"
- **Know where you want to go. Craft questions that will take you in that direction.**

laUW Supports: Go to the members' area (Boards/Governance) of www.iauw.org for sample board manual content including conflict of interest statements and other requirements. Check out the "Newsletters" tab in the public area of our Web site and review all of the *Vision* "Powers" of Exceptional Boards installments. This issue is the second-to-last topic in this series. Watch for the final installment in January 2011.