Beyond Bylaws: Sharpening Expectations to Tap the Full Potential of Your Board

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Have you ever wondered what might be possible if your board was more energized and engaged? Many chief executives and board chairs of community benefit organizations long for that to be the case, but are uncertain how to make it happen. Through the relatively simple process of clarifying expectations, you can move your board to higher levels of energy, engagement, and passion, and tap its full potential.

Despite research demonstrating that clear roles increase board engagement, many boards still shy away from getting specific on how they will hold each other accountable. Bylaws typically set out basic rules for operating an organization. But, because some states require that the most current version be filed with a designated department, advisors suggest that they contain only the bare minimum. While this reduces the potential need for changes—and, therefore, the need for special votes and re-filing with the state—it also reduces the potential of the bylaws to guide behaviors. Some organizations also develop job descriptions for individual board members. But, they often don't provide enough detail to truly hold members accountable in areas such as attendance, giving, confidentiality, and the like (see Gray Areas below). Nor do they usually deal with the interactions between board members or the board as a whole. They tend to focus instead only on the individual board member's responsibilities.

Fuzzy expectations are the enemy of a strong board. I'll bet you can easily begin a list of "gray areas" that affect your boardroom. Here's one common example: Is it ok for Mrs. Bigbucks, who is an actual or potential super-donor and so involved in the community that her other commitments conflict with our meetings, to miss more than half of the board's meetings? And, if so, how do we then view similar attendance by another board member, who was brought on the board to represent an underserved community?

Indicators of an Energized and Engaged Board

- Good attendance at board meetings

- Everyone pitches in; no one person, group, or committee dominates

- Committees are active and productive

- Board fully supports fundraising

- Recruiting new board members is easy—perhaps there's even a waiting list

- Board meetings are characterized by robust discussions and healthy difference of opinion

- Problematic behavior by board members is quickly addressed

- Board leadership forces clarity and closure on tough issues

For a group that meets relatively infrequently, it can be easy for these "fuzzies" to creep into the picture, and to develop without much attention paid to them. Soon, though, it's easy to end up with a huge dust bunny gumming up your accountability, and sapping the focus and engagement of your board members. If these fuzzies are left unattended too long, they may eventually spill over into parking lot or email tirades, and only make it into the boardroom after they have escalated into major issues. Even if they don't erupt, inconsistency and uncertainty will inevitably undermine commitment, and contribute to a downward spiral.

So what can a board to do to instill clarity of expectations? A *mutual expectations document* (sometimes also labeled *governance policies*) can come to the rescue. Such a document describes the board's vision of "the board we want to be," and the specific areas on which board members will hold themselves accountable in order to reach that goal.

The process of developing that document has several steps:

1. Engaging the board in envisioning "the board we want to be"

2. Identifying those fuzzy areas where expectations are currently vague

3. Clarifying expectations for those situations

4. Determining how the document can become a living guide for the board

This process can be both a team-building process and an educational one, upping commitment, and leading the board to rethink how it can best work together for the organization's and the community's interests.

It's hard to imagine a board that wouldn't benefit from this practice. The Hawaiian concept of Ho'omau—similar to the Japanese concept of Kaizen, which engendered Continuous Quality Improvement—embodies the idea that every aspect of our lives deserves to be constantly improved, and that organizational culture is made healthier one habit at a time. Board accountability based upon common expectations is certainly no exception. But a board's culture can either make or break these efforts.

Culture–Culprit or Catalyst?

Every board has its own unique culture. Some have set high expectations, while others have established a vicious cycle of low expectations. Each culture is unique, and flows from how it sees itself, and how it holds its members accountable. If a board isn't clear about the expectations that it has for its members, it is safe to say that it isn't performing at its maximum potential.

Culture isn't static; it tends to have either upward or downward momentum. Leave a disengaged board alone, and disengagement will grow over time. Increase its energy, and it will often build on that energy. Unfortunately, we tend to gravitate toward the path of least resistance and what is most familiar. So, if yours is a culture that tolerates minimal engagement from the board, reversing direction can require significant work. And yet, the effort is worth it if the organization is to endure for the long haul.

The following elements contribute to successful long-term change and sustained positive momentum:

- The vision for the future is clearly identified

- Board members feel that they have had a chance to be heard in defining the desired vision or future state

- Expectations are clear, relevant, and realistic

- Progress is monitored, supported, and celebrated

If creating an appetite for change seems elusive, you may want to consider undertaking a board self-assessment process.

> ### *Practical Tip:* How a Board Self-Assessment May Clarify Mutual Expectations
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> If making the case for change is difficult, or if you anticipate that your board may not agree on a vision for the future and how to get there, consider using a board self-assessment process. It can be an excellent catalyst to identify where the board thinks improvements need to be made, and to develop an action plan to move things forward in the areas that are of highest priority to the board. It can allow members to think about what could be, and to define their own plan for the future rather than having one imposed upon it. Even for boards that are initially comfortable where they are, or do not see other options for how they conduct themselves, a self-assessment can be a real catalyst for positive change. The opportunity of self-reflection almost always enables boards to see new and improved ways to work together in the future.

Because board members meet only periodically, and often have other demanding responsibilities that claim the vast majority of their busy lives, creating and/or changing board culture can be challenging. Long-term cultural changes require intentional work, with buy-in from all of those involved. But as stated earlier, if change is needed, one healthier habit at a time is a way to begin. When this opportunity is overlooked, the full value of a board isn't achieved, and board members and executives can become bored, frustrated, and disengaged.

Envisioning "The Board We Want to Be"

The first step in the process of developing mutual expectations is to describe the desired end product—"the board we want to become." This is a great opportunity for a board to explore how it intentionally wants to interact as a board, and how it might differ from other boards. Completing the following statements can help:

- As a board, we want to engage in more. . .

- As a board, we want to engage in less. . .

- Our ideal meetings should look and feel like. . .

- We will encourage, or even mine for, healthy conflict by. . .

- We will make sacrifices in order to. . .

- When we become aware of a mistake we will. . .

- When we have disagreement we will. . .

- When we know we are facing a difficult issue we will. . .

- When we finish a discussion we will. . .

- When we become aware of unproductive behaviors we will. . .

- We will recognize and celebrate success by. . .

- We will hold each other accountable by. . .

- We will make sacrifices in order to. . .

- We will intentionally choose to be different from other boards by. . .

The point of this exercise is to start first with where the board wants to be, rather than with any problems the board may currently be experiencing. By reverse engineering what needs to be in place for the board to achieve its vision, a board can end up in an entirely different place than if it starts first with problems. This is because it is easy to get mired in current negative behaviors. Whereas, focusing on a positive vision can engage and vitalize the board, enabling it to see and move beyond present difficulties. If problems come up, simply note them on a "parking lot" list, and refocus the discussions on what could be possible, rather than what is. Once you have a clear vision for the highest potential of the board, you can then go back to the problem or "gray" areas.

Getting the Gray Out

The next step in the process of developing mutual expectations is to identify areas where there may be unspoken expectations assumed by some directors, but not necessarily by others. This occurs when the expectations have never been explicitly communicated.

Gray areas can commonly include:

- *Attendance*. At what point do absences create a situation in which either a board member no longer has the appropriate context in which to make informed decisions about issues coming before the board, or the board is revisiting previous discussions for the benefit of a member who has been chronically absent—even if their absences have been "excused," or have some reasonable explanation? Is attendance at committee meetings weighted equally with attendance at full board meetings? If a director's attendance is poor, at what point is it appropriate to suggest another role within the organization that might better fit the person's availability and talents? Are such decisions automatic or subjective? Who is empowered to raise attendance issues, and what action are they authorized to take??

- *Fundraising and level of individual giving.* Is there a minimum expectation for individual giving? Can "getting" makeup for "giving?" Are board members expected to pay full price to attend organization events? If so, what portion of such payments—e.g., full value or fair market value—is credited toward any board-established minimum for individual giving?

- *Dealing with troublesome members.* When someone perceives another board member's behavior as problematic, what is the expected next step? Is it to talk about the matter directly with the person, or discuss it with a designated officer or member of the board? What happens if the behavior continues, even after its impact has been brought to the attention of a director?

- *Relationships with staff and clients*. What is the correct balance for board members between getting to know staff and clients, versus encouraging circumvention of management? What is the appropriate channel for dealing with issues that are raised directly by staff or clients to a board member? Is it ever appropriate for a board member to date, or otherwise be involved with, staff or clients? What are the expectations for a board member to self-disclose such involvement?

- *Supporting decisions of the board*. What are the appropriate ways for board members to express their disagreement with a board decision? What are the options for a board member who has strong disagreement with a board decision? Are board members provided suggested talking points to communicate to the community their support of decisions of the full board, or a committee, even if they don't personally support the outcome?

- *Role of the individual board member versus the collective board*. What is the difference between a board member acting as part of the collective board, and that same person assisting staff as an individual volunteer or committee member? Are there safe ways for board and staff to remind each other of the different roles that a board member might play in dealing with staff?

Food for Thought: **Board Members Wear Two Hats**

Very often, board members serve in two roles at the board table: 1) exercising their fiduciary, strategic, and generative responsibilities as a representative of the full board, and 2) assisting staff in a volunteer capacity with day-to-day tasks. In this latter role, a board member may suggest the theme for a fund-raising event, or solicit community members to be table hosts for the event. These are functions performed as an individual volunteer rather than as part of the responsibilities of the full board. The same individual reviewing and approving a fund-raising plan to ensure that the organization is likely to have sufficient funds to meet its budgeted program expenses, or setting policy on targets for the ratio of net to gross proceeds from events, would be acting as a board member.

Situations sometimes arise where board members acting in the volunteer role, mistakenly believe that they individually possess authority to dictate decisions. The "power" of the board rightfully rests with the board as whole. To prevent this misguided power-grab, some boards actually remind themselves during meetings which topics are the purview of the entire board, and which are informational/advisory. Some go so far as to state, "We're putting on/taking off our volunteer hats at this point."

- *What's confidential and what's not?* What types of information should be kept confidential? Is this situational with respect to who the information is disclosed? What should board members do if they are uncertain about whether something can be disclosed or not, or if they think they may have inappropriately disclosed information?

Each board's expectations—and responses to the questions above—can be different. So, there is no one standard mutual expectations document that can simply be adopted by every board. The true value of identifying and clarifying expectations is the robust consideration of how things might be different and, subsequently, the buy-in by the board as to the expectations that they choose to adopt for themselves.

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Getting Buy-In

The third step in the process of developing mutual expectations is to be certain that proposed expectations have buy-in from the full board. Most boards will delegate these first steps to a task force or committee. But, it is critical that any sub-group of the board keep the full board aware of its charter and its progress. This means that it must periodically vet its work with the entire board.

At a minimum there should be a full discussion, including exercises intended to engage the board, at the conclusion of each of the major steps outlined above. If a task force has deliberated long and hard over some of these questions, it can be tempting to simply present the results for an up or down vote. But, in doing that, much of the value of the process can be lost. It is always better to err on the side of extending the process rather than rushing it.

On the other hand, there is no reason to take the perspective that a mutual expectations document is carved in stone, and must be all-inclusive and permanent. It should be a living document that is reviewed periodically. A board can still obtain value in completing just one category of expectations at a time. Remember, the value is in reaching clarity and consensus, not in having an exhaustive document.

From Written Word to Active Ownership

Beyond having initial buy-in to a mutual expectations document, a truly successful process will also look for ways to encourage real understanding and application of these decisions on an ongoing basis. What are some ways to not only remind the board of its mutual accountability, but to ingrain the expectations in the minds of every board member?

- Set aside time on meeting agendas to reflect on hypothetical or real situations related to a particular topic.

- Use executive sessions during each board meeting to assess how the board is doing in terms of holding members accountable for the expectations to which everyone has agreed.

- Be transparent, within reason, when situations arise that require someone be challenged on accountability. Otherwise, if members observe behavior contrary to agreed-upon expectations but are unaware of any corrective action, they are likely to disengage and question the validity of their own commitment to the guidelines.

Other Ways to Put Your Mutual Expectations Document to Good Use

As noted above, a large part of the value of setting expectations is the process itself of clarifying values and standards unique to an individual board. Once documented, these expectations need to be met on an ongoing basis. Members need to feel empowered to call each other to account when the group is settling for something less. There are a number of areas in which a mutual expectations document can, and should, be used.

Getting the right people on the bus—or "in the canoe," as we would say in Hawai'i—is as important for a board as it is for the rest of an organization. Setting clear expectations can be an invaluable recruiting tool. Use your mutual expectations document to point out to prospective board members how you are different from other boards. Make it clear what will be expected of them if they join your board. Once they become directors, use the mutual expectations in your orientation, and give your board orientation depth by exploring situations where these expectations might come into play.

The expectations can also serve as an important element for self-assessment by the board. They can be considered in formal board self-assessments, member 360-degree reviews, quick evaluations of meetings, or as a regular executive session topic.

A Final Word

Great boards continuously learn and improve, both collectively and as individuals. An emphasis on intentional efforts to sharpen expectations and increase accountability will pay off for your organization. If all board members have had a part in setting mutual expectations, not only are they aware of the behavior expected by their fellow board members, but they are also much more likely to challenge others who are not living up to those agreements. As you clarify expectations and build accountability, you are also laying a foundation that will support robust discussions, and allow for healthy conflict. The process can be an investment, well worth the time and effort as you reap the rewards in board commitment, energy, and engagement.

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