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Studies and Strategies for Board Development: The Workbook of a Board Trainer of Voluntary, Not-For-Profit Organizations

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STUDIES AND STRATEGIES FOR BOARD DEVELOPMENT:
THE WORKBOOK OF A BOARD TRAINER OF VOLUNTARY,
NOT-FOR-PROFIT ORGANIZATIONS

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FOREWORD

It is our purpose in this manual to provide practical information and guidelines for a board development or training program of a voluntary, not-for-profit organization. Intended as a handbook for a consultant, trainer, or interested board or staff member, it includes documents which have been field tested in workshop sessions and some theoretical background as to their use.

It deals in depth with a relatively few subjects out of a lengthy list of board training topics. Focusing specifically on the board and its operations, it does not deal with some of its extraneous functions. There is little reference, for instance, to community relations, fund raising, or committees, worthy subjects which have been adequately developed by experts whose publications are available elsewhere.

Activist boards may find the viewpoint too conservative, and conservative boards may find it too liberal. It is decidedly middle-of-the-road, a stance which comes from trying both sides at one time or another.

To introduce board development or training into an organization's activities is a commitment to a continuing effort. The ebb and flow of new board members, new challenges and old problems in the life of the organization, as well as new insights and old attitudes require a consistent effort in order to maintain an effective equilibrium in the essential decision-making process of the board.

INTRODUCTION

Faced with a public which is weary of proliferating appeals
for funds, a public which is equally wary of burgeoning bureauc-
racy, it is becoming increasingly necessary for private, not-
for profit, voluntary agencies to find means of assuring their
publics that their organizations are efficiently and effectively
managed.

The foundation of management lies in the governing board
(or policy-making board) of the agency. Most states have a sen-
tence in their enabling statutes which says, in substance: "The
affairs of the corporation shall be managed by a board of one or
more directors."[1] No distinction is made between the board of
a not-for-profit corporation and a profit-making corporation.
The National Information Bureau (a monitoring organization for
ethical fund-raising) specifically defines a nonprofit board as
"an active and responsible governing body, serving without com-
pensation, holding regular meetings, and with effective adminis-
trative control."[2]

Boards are the democratic heritage of those many organiza-
tions which often were started as one person's perception of an
unmet need, frequently grown into organizations and institutions
of ever-widening influence and service. Ultimately, the destiny
of the organization is controlled by a collection of individuals

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acting as a decision-making body. Boards thus have evolved as part of the democratic processes of this country. Woven through John Dewey's definition of democracy, is also the thread of the definition of a board: "...any society or group which is committed to becoming aware of and responsible for the effects of its actions upon the life and growth of persons affected by them."[3]

However, this "group which is committed" to "effective administrative control" now faces more complexities than simply a weary and wary public. Government intervention, unions of professional and non-professional workers, consumerism, credentialing and licensing, and new professionalization have militated against the once painless and pleasant task of being a board member. University of Wisconsin Business School Dean Erwin A. Gaumnitz says, "More and more businessmen are getting skittish about being on boards."[4]

It is becoming notably difficult now to interest competent persons to assume all of the obligations inherent in being a board member. James O'Shea, Business Editor of the Des Moines Register, wrote an article titled, "The Plush Board Seat May be a Hot Seat."[5] This is a far cry from a quotation which appears in one of the first books written about voluntary boards. "I know I won't leave much money to my children, and certainly not a distinguished name, but I do think it is a sort of legacy for them that I should be the kind of person who is appointed on the library board."[6] Such euphoria presently is hard to find.

Board members, those persons who feel a responsibility to

serve and support the goals of their agency, now often find themselves in conflict with their ideals. Committed to the principle of citizen responsibility while at the same time unable to understand the new pressures on that role, they opt either for the safety of resigning or uneasy and hesitant performance. An option, of course, is to move the agency from the voluntary sector into the public sector and let it become the responsibility of government. For those who believe this is a weak recourse, the alternative is to preserve the American ideal of citizen participation in those actions which have an effect "upon the life and growth of persons affected by them," to repeat John Dewey, by keeping certain agencies under the management of the citizenry.

This is not to suggest that there is no citizen participation in government agencies. On the contrary, we acknowledge that the government is the citizens. Some government agencies, notably HEW,[7] are overtly seeking citizen participation in their decision-making processes. However, most citizens have more immediate access to and concern for those voluntary, human service agencies whose scope and breadth seem more available to their participation; a philosophy which is summed up in Zen and the Art of Motorcyle Maintenance, "Other people can talk about how to expand the destiny of mankind. I just want to talk about how to fix a motorcycle."[8]

How does an agency reassure a group of individuals who volunteer to assume the heavier burdens, and the risks, of decision-making? What techniques are used to apply substantive principles

merged with sound management practices to produce not only skillful board members, but an agency which is capable of responding to the revealed needs of its clients, not just on a Tuesday morning, but in two years? How do they adapt to the forces of change? How do they harness the forces of change without substituting technique for ideals?

The answers lie in providing specialized educational programs for old, new, and prospective board members. For our purposes, we label these programs as board training or development programs.

Hazards

The initiation of these programs is not without its hazards and its detractors. The first hazard lies in retaining the board member who suddenly realizes, possibly through the board training process, that his* board membership places him in a position of liability. If consumerism has done nothing else, it has stripped "immunity" from some of our revered institutions. No longer does the dissatisfied client remain silent and passive. He sues. He sues agency staff, the board, and board members. If the trauma of his vulnerability does not lead to the board member's resignation, it may at least provide a new motivation for accepting the board training program.

A second hazard is the board member's sense of his own adequacy. Many persons whose competency is unquestioned in

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*The use of the words "his" and "him" is an editorial convenience and is not meant to detract from the many women board members.

business, industry, or the professions, disavow any familiar-
ity with the management processes of a voluntary, not-for-
profit organization. (On the other hand, when board training
is suggested, they sometimes feel that their competency is in
question.)

A third problem is time and money sufficient to support
a board training program. Time, measured in two aspects, is
an important consideration. Measured against the schedules of
busy staff and board members, it usually is in short supply.
Measured against dollars-and-cents-per-hour labor by board
and staff, it may appear to be an extravagance ill-afforded.
However, board training pays dividends if it is perceived as a
learning experience which enhances "the processes by which
human beings receive help from and give help to each other,"
as Benne points out in his discussion of moral values in
democracy and science.[9]

The fourth hazard, however, may be something which board
members do not know already, such as the distinctive character-
istics of poor quality voluntary organizations. Mary
Ann Hoff, a psychologist, has reported on her research of 180
non-political, national voluntary organizations. Should a
board member believe his organization is superior in quality
of program, performance, and financial stability, he could
measure it against Ms. Hoff's list. Poor quality programs, she
says, show lack of accountability (to boards, clients, staff,
volunteers, donors); distortion of mission to suit funding

sources; lack of adequate information flow and openness to the outside; over-attentiveness to fund-raising and public relations (rather than client needs); inability to change programs over time because of being locked into a particular organizational image and fund-raising approach; over-professionalism in some areas and under-professionalism in others; inconsistent eligibility requirements for clients in different places; general lack of foresight and planning in program; and others.[10]

We recognize these and other obstacles to the initiation of a board training program. The purpose of this manual is to eliminate a few of them. For instance, one of the primary obstacles is background information and working documents. We provide a total of eighteen working documents throughout the text. In addition, in the appendix there are samples of handout materials for workshop use. Each chapter provides background information not only as to how to use the documents, but a point of view or suggested approach to the subject. The point of view may be challenged by a trainer or a trainee, but that, after all, is the kind of interchange upon which board development thrives.

The thesis is divided into four broad themes. The first, Chapters I and II, provides information and techniques for the selection, induction, and orientation of the board member. Specifically, Chapter I discusses his selection and the process which couples his unique qualities with expected criteria for performance. Chapter II, The Orientation of the Board Member, expands upon his introduction to the organization, his initiation to his board position, and his continuing education in the

organization as his awareness of its many facets broadens.

The second part of the book deals with major topics which should be included in the content of any board training program. Dealing with the parameters of board process, this section attempts to settle some of the issues which impinge upon board-staff relationships, though not dealing directly with the subject. Chapter III, for example, enumerates the basic responsibilities of the board. It goes further, however, and identifies legal responsibilities and liabilities. Chapter IV, The Ethical Responsibilities of the Board, contains, among other things, a checklist of unethical practices. Chapter V discusses some different concepts of accountability. It provides an outline for examining four areas of accountability: fiscal, program, human resources, and the future.

Aware that there no longer is a status quo for voluntary, not-for-profit organizations, Chapter VI explores the board's function as a change agent. More practical than philosophic, the chapter attempts to identify those factors which portend a board's readiness to change or to be changed. Based on a field experience, it is a report of an experiment which still has to be refined.

There is no clairvoyance in Chapter VII, The Board's Role and Strategies in Labor Negotiations, but predictions of the future characteristics of the work force seem to point to increasing involvement of the voluntary, not-for-profit organization in labor negotiation and arbitration. The chapter poses some questions relative to areas where policy should be set.

The third part of the thesis covers evaluations: of the board member individually and of the board as a whole (Chapter VIII); and of the chief executive officer (Chapter IX). Striving to produce evaluations which are not simply "good-bad" or "high-low," the chapter contains instruments which attempt to give more precise measurements than those generally used.

Having dealt with these and other substantive issues in the thesis, the appendix suggests implementation, the methods and processes of board training workshops. In effect, it is a trainer's journal, including commentary on workshop design, critical incidents, the adult learning process, and the pain and the pleasure of being a trainer. Sample workshop designs and their accompanying materials have been taken from actual experience. Covering most of the subjects of the previous chapters in the manual, there are outlines for a variety of time-spans for workshop presentations: two-hour, half-day, one-day, etc.

The authors of <u>Voluntarism at the Crossroads</u> say:

> We believe in the intrinsic capacity of voluntarism today to offer individuals an opportunity to participate in projects for the community good and to exercise forceful voice in decisions affecting their own lives; in the ability of voluntary effort and action to contribute to the solution of societal problems; and in voluntarism as a primary force which can make our democratic society function more effectively, in terms of choice among long-range goals, and with a [11] view toward improvement of the quality of life for all.

Considering that this statement reflects the basic philosophy of the six or seven million[12] voluntary agencies in this country today, it does not seem inconsistent to advise those persons

who have the responsibility for nurturing this ideal through policy-making decisions, to prepare themselves to be uniquely competent.

The first of our documents is on the following page. For those persons, board or staff, who want to test their basic knowledge of boardmanship, it is offered as a key which they may use either as an entrance to new learning experiences, or to refreshing the knowledge of others.

BOARD DEVELOPMENT CHECKLIST

	DON'T KNOW	YES	NO
1. Is there a job description for the president?			
2. Are there job descriptions for other officers of the board?			
3. Do board members understand their liabilities and the legal position of the board?			
4. Is there an overall job description for the board?			
5. Are standards of performance spelled out for board members individually and the board as a whole?			
6. Are there conditions or qualifications for board membership?			
. Is an attendance record maintained for each member?			
. Do members render services other than serving on the board?			
7. Is there a mandatory maximum length of service on the board?			
8. Do the committees of the board function effectively?			
. Do you know how many committees there are and what areas they oversee?			
. Do they have written purposes or descriptions?			
. Are agendas prepared in advance?			
. Are committee minutes kept?			
. Are written committee reports submitted to the board?			
. Are committee members appointed for a specific period of time?			
. Is there adequate staff support of committees to get their work done?			

	DON'T KNOW	YES	NO

BOARD MEETINGS

9. Is the length of board meetings realistic?

10. Are agenda prepared and sent to members in advance of meetings?

DIVISION OF BOARD AND STAFF DUTIES

11. Has a separation of duties been made in writing?

12. Is it accepted and understood?

13. Is it adhered to by board and staff?

14. Is there a mechanism for handling and controlling exceptions to the separation of duties?

ADVISORY ROLE OF THE BOARD

15. Does the executive director seek advice of the board as a group?

  . of individual directors?

16. Does the description of the responsibilities of the board cover this role responsibility?

17. Do directors give advice? If so, is it of high quality?

RESPONSIBILITY OF THE BOARD

18. Are areas of responsibility specified?

19. Is there a mechanism for reporting and control?

20. Does the board have a formal method for evaluating the performance of the executive director?

21. Are efforts being made to educate directors so that they can carry out their control responsibilities?

22. Does the board understand its role in ensuring quality of service?

	DON'T KNOW	YES	NO

BOARD MEMBER SELECTION

23. Is there a procedure for filling vacancies?

24. Is there a job description for each board member?

25. Is there a procedure for preparing a list of likely candidates using known criteria?

25. Are board candidates screened and interviewed?

26. Has a profile been drawn of the board's strengths and weaknesses?

DEFINITIONS OF TYPES OF BOARDS

1. POLICY MAKING BOARD*

   Is a governing body for the organization

   Makes decisions regarding program, policy, and allocation of funds

   Hires and fires the chief executive officer who reports to the board and is responsible to it

2. ADVISORY BOARD*

   Primarily gives advice and makes recommendations usually to the agency's chief executive officer

   The chief executive officer is not appointed by or responsible to the advisory board and does not have to follow its advice

3. ADMINISTRATIVE BOARD*

   Is a full-time working board whose members receive a salary from the agency

   Makes decisions regarding program and policy and acts as a plural chief executive of the agency

   Has members who participate directly in administrative activities

   Has a staff but no executive director

4. AUXILIARY BOARD

   Authorized by the policy-making (governing) board as an integral part of the organization

   Assumes only as much autonomy as is granted by the policy-making board

   Has purposes and goals which are identical to or in harmony with those of the organization

   Generally is delegated specific activities to perform, and is accountable for their performance

   Is usually unincorporated

*Adapted by National Center for Voluntary Action from the New Community Organization, by Arthur Dunham, Thomas Y. Crowell Publishers, N.Y: 1970, pp. 342-344.

CHAPTER I

SELECTION OF BOARD MEMBERS

Document #2   Matrix for Nominating Committee
Document #3   Nominating Committee Analysis
Document #4   Membership Contract

There is no perfect board. But whatever perfections or
imperfections exist in the board membership, it is the nominat-
ing committee which must carry either the glory or the guilt.
It is the nominating committee which possesses the power of
the future of the board. And yet, it is the nominating commit-
tee which is frequently given the least thought and the most
limited supervision of any committee of the board. Selecting
those members who seem to have enough time to make telephone
calls, the nominating committee, often working as autonomous
individuals, stumbles through the process of board member
selection.

"Behind every good board lies the careful work of a conscien-
tious nominating committee.[1] It is the "central committee of
the entire organization."[2] Facing the board on one side, and
the board member on the other, it holds special responsibility
for each: (1) to the board for maintaining continuity and effec-
tiveness; and (2) to the individual board member for providing
opportunities to use and develop competency. It is the aorta
through which the life-blood of the organization flows.

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The bylaws prescribe how the nominating committee will be selected, and will specify, in broad terms, its duties. Among the more satisfactory structures is the provision for rotating membership within the committee; i.e., a new member is appointed each year and the senior member drops off. The senior member automatically becomes the chairman, following which, as mentioned, he retires. Therefore, the term of office of each committee member is equal to the number of persons on the committee, usually three or five, but always an odd number.

The continuity which this system provides assures that confidential information about prospective nominees remains in a relatively closed group. Furthermore, it provides that candidates who are considered in the present, but not available in the present, will not be overlooked in the future.

In the event the organization is composed of a membership group, the bylaws may require that the nominating committee have representation from both the general membership and from the board. In such a case, in a rotating committee, there may be two (or more) members who retire each year and two (or more) who are appointed each year. The task of the committee then is to select its own chairman from among the senior members of the committee.

The appointment of retiring presidents to the nominating committee often is a judicious move because of their knowledge of the needs of the organization and how they can be met through specific skills, and also of those persons they have observed

who have shown potential for board membership.

Year-round activity strengthens the nominating committee's function. Hurried consideration and the pressure of an imminent deadline may cause irrational selections; but time to observe, to discuss, and to weigh choices through the year lends a thoroughness which assures a more competent slate.

Bylaws notwithstanding, the procedures of the nominating committee occasionally develop from precedent rather than from a well-defined and documented process. Assuming, however, that a board manual is part of the operational equipment of each committee of the organization (and it definitely should be), the section on the nominating committee would contain the articles of the bylaws referring to the nominating committee selection and its duties; duties and terms of officers; duties and terms of board members; method of presenting the slate; and elections. This general information would remain unchanged from year to year.

In addition, the nominating committee should have a set of guidelines which would be revised annually because the information contained therein varies from year to year. An example is shown on the following page:

Guidelines for the Nominating Committee

Basic Information

1. Names, addresses and telephone numbers (home and/or business) of members of the nominating committee

2. A list of members of the board

3. A list of members of the board not eligible for re-election by reason of tenure

4. A list of members eligible for re-election by reason of allowable consecutive term

5. A list of officers eligible for re-election

6. A list of officers ineligible for re-election

7. Criteria for selection of board members (Criteria will be referred to later in this chapter.)

8. Criteria for evaluation of board members eligible for re-election (See Chapter VIII, "Evaluation: The Board Member Individually.")

Schedule of Duties

1. Consideration and selection of current board members who have served one term and are eligible for re-election at the annual meeting

2. Consideration and selection of new board nominees who will be elected at the annual meeting, and who will commence their service at the board meeting scheduled for (date)

3. Consideration and selection of nominees for officers of the board who will be elected at the annual meeting and who will assume their duties on (date)

4. Consideration and selection of nominees for the Nominating
   Committee for the ensuing year (if bylaws are applicable)
   to be elected at the annual meeting and to commence serv-
   ing on __(date)__

5. Presentation of slate to __(board) (general membership)__ on
   __(date/s)__

Useful Instruments

1. Matrix for Nominating Committee (Document #2)

2. Report Card for the Board Member (Document #12)

3. Board Member Inventory (Document #14)

# # # #

Criteria for Selection of Nominees

A weak custom for selection is to draw exclusively from
friendships with prospective nominees, and not from any observ-
able criteria which are relevant to the board's processes.

Criteria for board member selection are unique to each
organization, and only that organization can make the determin-
ation as to what its standards will be for selection.

Standard criteria range from simple availability to ex-
pected financial contributions; from committee experience to
specific knowledge; or from status in the community to geo-
graphic location. Other considerations may be age, gender,
and race. Some church-sponsored organizations may require
religious affiliation. The Red Cross, among other criteria,
identifies community involvement, old family, and minority
group.[3] Houle uses committee needs as criteria: personnel,

investment, benefit, contributions, legal, and building.
In board workshops where participants have developed their own
lists, the consensus favors skills, experience in other organi-
zations or committees, and objectivity.

Among the most doubtful criteria is "commitment," a
word endeared by nominating committees. It apparently is
supposed to suffice for all of the positive attributes the
committee seeks in a nominee. But even Webster's Dictionary
provides vague definitions: "The act of doing or performing
something;" "the act of putting in charge, keeping or trust;"
"a promise or a pledge to do something;" and "an open declara-
tion of adherence." Under these definitions, "commitment"
is not specific enough to qualify as an observable behavior
or attribute, essential to the selection process.

In developing criteria, it must be kept in mind that
boards are basically futuristic: establishing policies to
meet future contingencies; approving budgets to meet future
needs; setting objectives to be achieved in the future, etc.
Consequently, the composition of the board must have in it
those elements of intelligence which will be attuned to the
anticipated deliberations of the future.

Thus, criteria for board selection are not necessarily
the same year to year. There can be no "standard" list of
criteria which is applicable to every organization. Each organ-
ization develops and maintains its own standards for selection.
For instance, as the organization adopts new objectives, as

new issues develop, and as programs and procedures are modified, new casts of characters, in the board and sometimes in the staff, are needed to move the agency forward. Capital improvements, or a broadening of the service base, or a new program all affect the board's agenda and the deliberations relative to these sub- jects. That board member, who was knowledgeable and helpful with the last major fund-raising campaign, may not be equally competent to discuss the establishment of satellite operations. Should he be asked to serve another term? Or should someone who knows something about satellite operations be invited to serve?

Among other things, therefore, situational competence is important to the selection process. The nominating committee may be looking for a person of prescribed competence gained through volunteer experience, or through being a client, or through living in a target area. On the other hand, there may be reason to search for a person of ascribed competence: teacher, social worker, lawyer, construction worker, etc., a person whose occupational skill suggests his ability. The value of either the prescribed or ascribed competence depends upon the future plans of the organization as revealed in the selection criteria of the nominating committee. Misplaced or misdirected competence may cause even the best plans to falter or to fail.

A similar issue revolves around whether the criteria should specify specialists or generalists. Some boards prefer to select specialists, persons with a specific skill which will be immediately available to the deliberations of the board, and who will help break down complex information into understandable elements. Others may want to select generalists, relying on the process of committee and board experience to develop them into specialists unique to that board. The development of a board specialist may follow one of several paths:

- Individual board members can be informed that they should in time develop a particular area of interest and expertise.

- A system of graded responsibility can be utilized to develop a board member's knowledge in an area.

- Individual board members can be assigned important jobs in areas in which there is a need for the development of expertise.

- A system of education based upon the individual's needs and interests can build upon natural ability.[4]

Time as a criterion should be given special attention if it is expected of the nominee. Depending upon the nature of the organization, the board member may be expected to give inordinate amounts of time not only to board work but to committees, consultations, and meetings. On the other hand, some organizations may require only attendance at the regularly scheduled board meeting.

It is quite likely, however, that in the near future some board members will have to be full-time. More and more not-for-profit organizations are relying on their board members to be extensions of the agency in the larger community, even at state and national levels. For instance, in an emerging role, the advocate board member may be expected to call on legislators, to encourage support from other local, state, or national organizations, and to associate directly with the client in the promotion of a cause.

Also, time is essential as voluntary organizations respond to the public demand for better coordination and larger coalitions and broader relationships. Whether we want these collaborations or not they will be "increasingly required by an irreversible shift in our society from tradition-directed policies and practices to knowledge-based policies and practices..."[5] The delegate board member, therefore, is indispensable. Because of the complexities of communication, distance, and funds, some organizations rely on one board member who acts as their primary representative in conferences and councils. The burdens of office frequently mitigate against the president adding these duties to the job; but a knowledgeable, articulate board member, skillful in the politics of coordinating and planning groups, can provide an adjunct service for his organization.

Not to be confused with the above, there also is the representative board member, a person whose presence on the

board assures that an important voice from a constituent group is heard in deliberations. The <u>representative</u> on the board frequently makes the difference between an "open" or a "closed" board. "Open" or "closed" applies not only to status characteristics, but to a point of view as well.

During the Sixties the heedless rush to create a "representative" board (usually of clients), brought in its wake the problems of tokenism. The Representative became the counterpart to the old letterhead board member: present in name, seldom in body, and never in deliberations. In fact, in many instances, the Representative was only a pawn in the game to get government funds available to those organizations which thereby had demonstrated "maximum feasible participation." Cunninggim says, however, "Yet it is better to have one woman than none at all, one black, one Jew, perhaps even one redhead and one southpaw, than none at all. Both tokenism and the effort to escape tokenism can get pretty silly."[6]

Another kind of "representative" is that person who is selected because of his connections with another organization. Purposefully chosen in a liaison capacity, that person must deal with split loyalties. Representing "his organization" while at the same time participating in the deliberations of another board, creates peripheral pressures on his decision-making. First, the <u>liaison board member</u> must be aware of potential conflict of interest, and to declare it when it occurs. Second, if there is no conflict of interest, he must understand that he has accepted the same

membership responsibilities as every other person on the board. As such, he must shed his outside identity. His decisions are his own, and not dictated by "his organization." To do otherwise is to arrogate powers he does not technically nor legally possess.

In still a different context of representation, the board member may be the ombudsman board member. (This concept is developed more specifically in Chapter V, "The Ethical Responsibilities of the Board Member.") The ombudsman board member assumes the trusteeship for a specific segment of the constituency: the donor, the client, or the employee. He acts as an overseer for the interests of one of these designees during the deliberations of the board, thus assuring that the ramifications of board decisions are never unbalanced.

Thus the criteria begin to develop: the generalist, the specialist, the available (time), the advocate, the delegate, the representative, and the ombudsman.

Selection

The process of selection (and retention) of board members is no simple task. One of the most effective instruments used by a number of organizations, including the Red Cross, is the Matrix for the Nominating Committee. Originally designed by Houle, it is simple but effective, and gives a nominating committee needed evidence for its task. (See Document #2 which includes an explanation of its use.)

A sample of an actual analysis done by an existing organization, using the Matrix, is shown in Document #3, "Nominating

Committee Analysis." Pinpointing specific needs in memorandum form, it provides a focus for suggestions and considerations of possible nominees and incumbents.

The Board Member Inventory, Document #14, (developed in detail in Chapter VIII, "Evaluations of the Board and of the Board Member") is also an evaluation, in a sense, of the work of the nominating committee. It provides visible evidence of the state of effectiveness of the board in a range from superior to poor. Used in conjunction with other instruments, the Board Member Inventory offers alerts to potential problems in the personnel of the board.

Terms and Tenure

Probably one of the most difficult and delicate problems an organization must face is the rotation of board members. Rotation has two meanings: (1) staggered terms where no more than one-half or one-third of the board are replaced annually; and (2) limitations on the number of terms one may serve before being retired, or "rotated," off the board. We shall deal with the latter.

There appears to be no universal rule about how long a board member should serve (except for public agencies which may have mandated terms). Some organizations have bylaws which limit re-election. Whether or not such a proviso is necessary must be weighed pro and con.

Essentially, a complex agency in a complex community may want less rotation than a simple organization in a small

community. On the other hand, the community relations value
of moving citizens through a board experience may outweigh the
disadvantages of losing experienced participants. Houle ad-
vises moderation saying, "Prolonged tenure and brief tenure
are both appropriate under certain circumstances, but, in
general, the weight of the evidence is against either extreme.
There must be a long enough tenure to provide continuity but
a short enough tenure to secure constant freshness of view-
point."[7] Something also must be said for the kind of personal
development which occurs when tenure is limited thus releasing
experienced board members to move on to other organizations
and a diversity of organizational issues.

Aging Board Members

A similar issue is the aging board member. Some boards
have an automatic retirement age at which the board member
is no longer eligible for re-election. But in view of the
newly adjusted mandatory retirement age established by Congress,
it is unlikely that past practices will prevail much longer.
A solution to the dilemma has been found by a hospital board
in Michigan.[8] After considering moving their over-age board
members to an honorary status, and being soundly rebuffed with
the idea, they realized that the "shelving" process invited
hurt feelings. Furthermore, they desired to acknowledge their
appreciation for the services of older members, some of whom
had been on the board for a number of years. Through an amend-
ment to the bylaws, (see Figure 1, next page) they are able to
establish a "vacancy" when a member reaches the age of seventy,

ARTICLE II

Trustees

Section 1.　(b)　Any Trustee now serving on the Board, or hereafter elected to the Board, who reaches seventy years of age while so serving as a member of the Board shall continue to be a member of the Board during his lifetime, in addition to the forty elected members, without the necessity of being reelected.

(c)　The additional members to be elected shall be elected to serve for the unexpired terms of such members who have reached seventy years of age and until the successors for such newly elected members are elected and qualify.　Thereafter, the additional members so elected by the Board shall be subject to reelection in the same manner as provided in Section 2 hereof.

(d)　As long as there are at least forty members, exclusive of the exofficio members, serving on the Board, there shall be no replacement for any regular member of the Board who is seventy years of age, or older, who resigns or dies.

Section 3.　Vacancies in the membership of the Board of Trustees shall be filled for the unexpired term thereof by the affirmative vote of a majority of the members of the Board voting in person at a meeting of the Board at which such election is held.

Sinai Hospital, Detroit, Michigan

Figure 1.

at which time the member automatically becomes a life member and no longer runs for re-election to the board. The quiet and unpublicized procedure is that the nominating committee is alerted when an individual reaches seventy and the "vacancy" is filled. The possibility that the board may grow too large does not appear to be a problem as attrition from illness, death, resignations and "trustee fatigue" keeps the board within workable limits. Because the age of new members is less than that of the pre-existing membership average, the average age of the board shows some decrease.

The Contract

As evidence of an organization's careful selection, the prospective board member and the organization may enter into a written agreement which delineates expected performance on both sides. Board membership is not a passive commitment. The board member expects things to happen to him as a result of his membership; and likewise expects to deliver certain attributes to enhance the board. The organization, by the same token, expects to see some positive consequences of the board member's presence, and also expects to deliver opportunities to use the board member's unique qualifications. Many of the most serious problems which develop between an organization and its board members are rooted in unrevealed expectations on both sides. Clarification of what each anticipates of the relationship relieves the tension of chance and unhappy revelations. It is in this vein that a written

contract is mutually developed.

Among the best such contracts is the sample shown in Document #4, "Contract." Couched in warm but explicit terms, it leaves no doubt as to the intent.

A contract, however, is not a substitute for archaic selection procedures. There is some room, but not much, for the organization which chooses to use ineffective selectiom methods. For those which do there is usually in every community some board which is a plaything. Everyone knows the board is simple window dressing and that the real work is being done by staff or volunteers. Nevertheless, these boards solve two community problems: (1) they become the parking lots for the low-performance member who feels that by his presence (in spirit, in person, or on a letterhead) he has made enough of a contribution; and (2) they keep these persons out of the mainstream of the high-powered, live-wire organizations who really demand intellectual, energetic, and responsible participation from their board members.

Conclusion

Ultimately, whether the board is dynamic or apathetic rests on the intelligent vigor of the nominating committee. The importance of the nominating committee is unassailable. It is the only credentialing component of the board and as such is responsible for the image and demeanor of the organization. To the prospective board member, the apparent care and thoughtfulness with which he has been selected is assurance to him that he is entering into a colleagueship which

will be worthy of his time and talents.   To the continuing
board member it is assurance that his efforts have provided
an essential service which otherwise would be lacking, and
that he must therefore maintain a high level of productive
activity, thus enjoying a sense of fulfillment and satisfac-
tion.

Essentially, the element the selection process strives
to ensure is quality, not only in individual board members,
but in the board itself. As Pirsig says in Zen and the Art
of Motorcycle Maintenance, "The Quality job is seen...and
the person who sees it feels a little better because of it,
and is likely to pass that feeling on to others, and in that
way the Quality tends to keep on going."[9]

But Quality does not tend "to keep on going" without nur-
turing and monitoring. As meticulous as the selection process
may be, the Quality it attempts to provide to the board (and
the organization as a whole) must be sustained through an orien-
tation process which commences with the invitation to join the
board, and which does not end until the board member retires.
The next chapter covers this life-span.

MATRIX FOR NOMINATING COMMITTEE
(Sample)

Criteria	Williams	Thompson	Robinson	Purcell	Little	Kreider	Gibson	Cox		Caspar	Beard	Auck	Alvarez
	Terms Expire 19___				Terms Expire 19___					Terms Expire 19___			
Male													
Female													
Age													
Under 30 years													
31 - 45													
46 - 69													
70 and over													
Geographic Distribution													
North													
South													
East													
West													
Inner city													
Suburban													
Time													
Full-time													
Part-time													
Responsibilities													
Personnel Committee													
Investment Committee													
Advocacy													
Financial Contributions													
Representation													
Labor													
Education													
Client													
Industry													

How to use: Remove the names of those who are ineligible for reelection. Check the criteria against the remaining names. Analyze the weaknesses as revealed. Write them down and use them as a guide in the search process.

NOMINATING COMMITTEE ANALYSIS
(sample)

TO: ALL BOARD MEMBERS, MEMBERS, STAFF

FROM: Nominating Committee

SUBJECT: POTENTIAL BOARD MEMBERS

It's the time of year when we need to look ahead to new members of our Board of Directors and WE NEED YOUR HELP! In looking over the needs and doing a Board Analysis of the 25 present members we find the following:

Present Board:		
	Men	17
	Women	8
	Ages under 35	2
	35-50	12
	50 & over	11

Geographic Distribution:		
	N.W.	2
	S.W.	2
	N.E.	3
	S.E.	5
	Central	8

Vacancies: 4 must drop off for 1 year at least
4 may be re-elected
4 of the remaining members are filling vacancies
1 may be elected as 25th member and President

From this analysis we find our needs are:

1. At leat 2-4 more women
2. Several members under 35 years of age
3. 2-4 prospects from N.E. and S.W. regions; 1 or 2 prospects from N.W. region
4. Representation from social services
5. Consumer and minority representation

Now, what you could do to help would be to suggest the names of several people in your area, circle of friends, community leaders, etc., who would meet the above requirements. Send us as much information as you can, and we will go from there. Please give it some thoughtNOW and drop me a line so we can begin.

We will appreciate your help tremendously!

Joe Nominator, Chairman
1234 Fifth Street
Anywhere, USA
(123) 456-7890

"CONTRACT"

between

EASTER SEAL SOCIETY FOR CRIPPLED CHILDREN
& ADULTS OF VENANGO COUNTY

THE EASTER SEAL SOCIETY
and
YOU

THE MEMBER OF THE BOARD

The Society promises you:

1. The opportunity for personal growth and education through:

    A. Orientation and continuing education about the Society as a whole and our local program specifically.

    B. The chance to mold public opinion and to be involved in important decisions to help provide needed services for the handicapped in our community.

    C. By effectively using your special training, skills and talents in the work of an efficient organization.

2. To fully inform you on what is expected of you as a Board Member.

3. To provide integrity, accountability and a good public image through a competent staff and careful selection of responsible board members.

4. To provide bonding and liability insurance to minimize your personal liability.

5. To fully inform you of your legal responsibilities as director of this society.

6. To fully explain duties of committees to chairman and committee members.

7. Self-fulfillment and camaraderie.

You promise the Society:

1. To be an enthusiastic Easter Seal salesman and "image builder" by:

    A. Faithfully attending all orientation and training sessions to become a knowledgeable, informed Easter Sealer who can and will tell the Easter Seal story at every opportunity.

    B. Attending all Board meetings prepared to ask questions, give your opinion and make decisions.

    C. Becoming really involved in the program by using your special skills, carrying out your assignments and working hard in the areas where you are needed.

2. To give your financial support and be willing to personally seek the financial support of others.

3. To be loyal to the Society and confidentially discreet.

4. To wholeheartedly support the Executive Director and the President in their efforts to effectively direct the programs and growth of the Society.

5. To be informed enough to offer constructive criticism where you feel it is indicated.

6. To have enough concern for the Easter Seal program to surrender voluntarily your place on the Board if you do not have the time to effectively fulfill the above committments.

* * * * * * * * * * * * * *

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CHAPTER II

ORIENTATION OF BOARD MEMBERS

Document #5   Pre-Induction Orientation
Document #6   Board Member Orientation
Document #7   Maintenance Orientation of the Board
Document #8   Information Test

It has been said that the retention factors for dissemin-
ated information are:

> 35% is forgotten in 20 minutes
>
> 75% is forgotten in one day
>
> 99% is forgotten in 7 days[1]

--and yet board member orientation generally is lumped into an
hour of speeches, more or less! Thus informed the board member
is expected to be prepared almost at once to participate judi-
ciously in the board decision-making process. There is little
wonder that many board members feel that only as their term
expires are they fully aware of all of the ramifications of
their role in the organization for which they have been respons-
ible.

The purpose of orientation is to increase the individual
effectiveness of the decision-making process of each board mem-
ber. The thoroughness of the orientation impacts throughout
the organization, affecting staff, clients, and extending into
the community itself, sometimes into higher echelons at the
state or national level.

A respected board member has said,

> Unless trustees are exceedingly well in-
> formed about the nature of the institu-
> tion and its needs, understand its present
> problems, and have a profound conviction
> about the nature of the enterprises go-
> ing on there, their judgment as to what
> that institution needs will undoubtedly
> be faulty. [2]

Procedures

Methods vary as to orientation procedures. Some organi-
zations, in the initial phase of orientation, include new
board members and new staff members in the general introduc-
tion to the organization, its history, philosophy, and goals.
As a device for team building it is effective.

Some organizations, using the "buddy" system, leave the
orientation in the hands of individual board members of some
seniority who are partnered with a new board member. They
provide essential information and act as a continuing resource
for the new member.

Other organizations have an orientation and education com-
mittee whose function is to orient new board members and pro-
vide continuing education for old board members. The chief
executive officer and the board president may carry the responsi-
bility for board orientation. Whatever option is chosen, cer-
tainly there must be a continuing and workable system.

However, the scope of orientation should extend beyond the
basics: bylaws, history, policies, and budget. And the pro-
cess should extend beyond the one-time shotgun approach. "It
is obvious that the achievement of skilled board member service

depends upon a continuing process of education."3

Orientation should be a continuum which commences at the point of invitation to become a board member, and is delivered in phases which correspond to his developing awareness. Each phase is designed to produce the ultimate retention. The phases are:

Pre-Induction	At time of invitation
Induction	At time of acceptance of invitation and before first board meeting
Mid-Year	Mid-way through the year, whether first term or subsequent terms
Maintenance	Continuing education of board as a whole, generally a regularly scheduled period of time at each board meeting

Pre-Induction

The first glimpse into the organization comes at the time the nominating committee (or some of its members) invite a prospective board member to stand for nomination. Although it is hoped the vista through the doorway to the board shows orderliness and effectiveness, it should also provide some insights into areas not visible.

For instance, the history of the organization is essential not because it is a saga of the progress of the organization, but because it provides the background for established goals

and objectives and revealed problems.

The last annual report, itself an historical document, provides an overall perspective on the long-range plans of the future.

Expectations and responsibilities of the board member should be carefully discussed in the pre-induction phase. With board members becoming increasingly concerned about their liabilities, certainly the legal responsibilities should be divulged.

The board member will be dealing with "futures" and his initial knowledge should give him the kind of information which will insure his sense of confidence and competence. The prospect, thus knowing in general the historical background, the objectives, and the problems has some comprehension of his future on the board.

In synopsis, the pre-induction orientation covers history of the organization as it relates to long-term goals and to current problems; the annual report as it relates to objectives; legal responsibilities; and the relationship of the nominee's unique qualifications to the total effectiveness of the board. The materials from this initial orientation are left with him and whether the organization acquires a new board member or not, at least it has acquired an informed citizen.

Induction

The induction phase occurs between the election of the board member and his first board meeting. It may be done individually or in a group session. But it must be done!

The presentation should be brisk, but not hurried, and interestingly staged. It may require films, slides, and other visuals; displays of special equipment; and tours. It may also require the support of staff members and/or volunteers. It is not the time, however, to unload the total information package on the new board member. An overload on the retention capacity will cancel out even the best presentation. The presentation should be limited to that which will give him a sense of being comfortably equipped to participate in decision-making at his first board meeting. The Red Cross advises, "Brevity and interest are the twin keynotes of this orientation. Ruthlessly cut back the presentation to information that the volunteer leader must have to function effectively."[4]

It is at this point that the new board member begins to build his board manual (which is a gift from the organization). Some information may already have been accumulated, such as the pre-induction (invitation) materials. As he moves through this phase and subsequent phases of orientation (and later into committee assignments and other responsibilities) his board manual will grow.

Some aspects of the induction phase are suitable for re-orientation of old board members. For instance, a tour of the agency or a review of standards or quality controls may revive a stale board member. With rapid changes occurring in every organization, old board members need and appreciate a refresher. Houle says, "Once the board member has been initiated, he must not be allowed to stagnate."[5]

Mid-Year

Midway through his first year the board member has be-
come associated with other aspects of the organization through
committee work, possibly on committees which are joint staff/
board. Having thus gone deeper into the functions of the
organization, he needs another layer of information (and he
usually knows he does!). He begins to see new components of
the organization and how they coordinate to work toward the
goal of the organization. Hence, departmental information is
a relevant source of information at this juncture. He also
needs to develop an understanding of staffing patterns within
the organization as they relate to day-to-day operation.

All of this is an inward look, but it is appropriate also
to broaden the external vision to an understanding of the
spheres of influence: how the organization relates to similar
organizations either locally, statewide, or nationally; how it
relates to tangential organizations such as planning bodies; and
how it serves and is serviced by outside agencies.

These areas, too, may change from year to year, and it
behooves the older board member to avail himself of mid-year
orientations in order to keep abreast.

Maintenance Orientation (Continuing Education)

Maintenance orientation should not be confused with board
training. Orientation in any of its phases is
always relative to the work of the enterprise; whereas board
training is relative to the technical functions of the board
and board member. Orientation is directed to information and

board training is directed to skills development.

Naylor says, "It is equally important for a Board of
Directors to accept the fact that an agency is a 'becoming'
organization, not a finished, polished, inflexible, crystal-
ized organization."[6] Consequently, there must be some method
by which the process of "becoming" is brought to the atten-
tion of the board members. Ideally, some time should be set
aside at each board meeting to allow for reports and discussion
of those subjects which now or in the future will affect the
course of the organization. Maintenance orientation provides
background information for possible future issues, and helps
the board maintain its equilibrium in deliberation when the
issues become crises.

As a word of caution, the scheduling of a segment of
maintenance orientation at each board meeting is not a substi-
tute for the chief executive officer's report. The two are
not necessarily the same and should not be considered inter-
changeable. Similarly, maintenance orientation should not sub-
stitute for current items on the agenda.

Orientation Patterns

The documents following this chapter are offered as sug-
gested orientation patterns for all phases. They provide a
checklist and procedural form for a complete orientation system.
There is no special sequence of priorities in each phase. These
will vary from agency to agency and from time to time.

It will be noted that the chief executive officer and the

board president in this system carry the heaviest responsibility. As to which one will initiate the procedure, there is no fixed responsibility. Houle believes that the president (chairman) of the board "must be aware of the need for developing the abilities of the board members more rapidly than by letting nature take its course."[7] He also says, "The executive plays a significant role in the continuing education of the board member."[8] Board membership should be a process not a condition. As a responsibility shared by the chief executive officer and the board president orientation must be an integral and continuing function.

Board Training as Continuing Education

As stated earlier in this chapter, board training and maintenance orientation are two separate procedures. However, they both logically belong under continuing education. Board training is the system which will assure improvement of skills and development of new skills. A skill development, for instance, may be the designing of an orientation program. Document #8, "Information Test," is an instrument which will initiate the process, and could be accomplished in a board training session. (The appendix contains sample workshops for board training, covering generally the basic skill aspects of board membership.) Continuing education provides a flow of information at whose confluence emerges a disciplined, potent, and knowledgeable board member. Within this domain is the board member's comprehension of his role and responsibilities, the dividing line between board and staff. Our next chapter enters this formidable area.

PRE-INDUCTION ORIENTATION

Name of Prospective Board Member _____

Date _____

DATE	SUBJECTS	PRESENTED BY	DATE COMPLETED
	History of org.	Member(s) of	
	Long-term goals	Nominating	
	Annual Report	Committee	
	Year's Objectives		
	Legal Responsibilities		
	Anticipated use of		
	prospect's skills		

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BOARD MEMBER ORIENTATION

NAME OF BOARD MEMBER _____

DATE OF INDUCTION _____ TERM EXPIRES _____

RE-ELECTED _____ TERM EXPIRES _____

PHASE & DATE	SUBJECTS	PRESENTED BY*	DATE COMPLETED
Induction (before 1st bd. meeting)	Tour of agency	CEO	
	Review of policies	CEO & Bd. Pres.	
	Standards/quality controls	CEO or designee	
	Charter, Bylaws Constitution	Bd. Pres.	
	Agency budget	Comptroller Financial V.P.	
	Bd. Member's job (i.e., committee assignments)	Bd. Pres.	
	Calendar, incl. bd., state, local, and nat'l conventions	Bd. Pres.	
Mid-Year	Overview of related organizations	CEO & Bd. Pres.	
	Departmental objectives and annual reports	Dept. heads	
	Departmental budgets	Dept. heads	
	Table of Org. & Staffing patterns	CEO	

*Determination should be made by the Board President and the CEO. It will vary from agency to agency and from time to time.

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MAINTENANCE ORIENTATION OF THE BOARD*
(Continuing Education)

Date Scheduled	Subjects**	Presented by	Date Completed
2nd bd. meeting	relevant litera-ture***	CEO/ Bd. Pres.	
3rd bd. meeting	the consumer/ client	appropriate staff	
4th bd. meeting	federal and state regulations	CEO or designee	
5th bd. meeting	community issues	Pub. Rel.	
6th bd. meeting	the national picture	Specialist	
7th bd. meeting	research and technical trends	Specialist	
8th bd. meeting	political issues	CEO/ Bd. Pres.	
9th bd. meeting	advocacy	Legislator(s) CEO/ Bd. Pres.	
10th bd. meeting	case histories, films, visuals	CEO or designee	

* This design is prepared for presentation to the board as a whole, not individually to each board member.

** The sequence of subjects may be adjusted to fit the special information needs of the board.

*** Literature should also include individual subscriptions for each board member to pertinent periodicals.

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INFORMATION TEST

Board members and staff members together may participate in planning an orientation for their mutual benefit. Correlations between the two sets of questions below will reveal a few orientation objectives:

FOR BOARD MEMBERS TO ANSWER:

1. What would you have liked to have known when you were a new board member, but didn't learn until later?

2. What information do you need now to help you to function better?

3. How do you rate yourself in terms of being well-informed about the agency?

   1   2   3   4   5
   (low)   (high)

4. How do you rate the board in terms of depth of knowledge about the agency?

   1   2   3   4   5
   (low)   (high)

FOR STAFF MEMBERS TO ANSWER

1. What information does the board need to help you meet your objectives?

2. If you were a board member, what would you need to know in general?

3. How do you rate yourself in terms of depth of knowledge about the agency?

1   2   3   4   5
(low)   (high)

4. How do you rate the board as a whole in terms of depth of knowledge about the agency?

1   2   3   4   5
(low)   (high)

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CHAPTER III

BASIC RESPONSIBILITIES, LEGAL RESPONSIBILITIES AND GRAY AREAS*

Document #9   Legal Checklist
Document #10   "What would you do if...?" (Legal responsibility
               situations)

Those tensions which occur between board and staff generally
are caused by confusion as to the limits of authority which obtain
to each. The rule-of-thumb that the board sets policy and the
staff executes it lacks specificity. Therefore, we are suggest-
ing seven basic responsibilities of the board which have been de-
veloped through the law, through requirements of national volun-
tary agencies, and from precedent and practice. We also observe
that there are some "gray areas" which must be mutually considered
and assigned to board or to staff or to both.

Our list of seven basic responsibilities is not in any particu-
lar order of importance.

Responsibility #1: To determine the organization's policies for
meeting short- and long-range goals

Policy determinations are based on understandable and veri-
fiable objectives. Without objectives, annually set and

_____

*This chapter is not to be construed in any way as providing
legal advice to any organization. It was prepared in consulta-
tion with a practicing attorney, knowledgeable in the affairs
of voluntary, not-for-profit organizations. It is assumed that
those who are responsible for the legal status of an organiza-
tion would seek and follow the advice of its counsel.

annually evaluated, there is no reason to set the policies which
will enable the achievement of the objectives.

In addition, the board should concern itself with develop-
ing long-range plans to cover periods of two, three, or four
years. As public policy and state and federal regulations prolif-
erate, it may become more difficult to set realistic long-range
goals and to structure long-range plans; but without a long-
range focus, the agency is apt to set policy from a base of ex-
pediency, thus losing its focus.

Responsibility #2: To be accountable to its membership, to its
community, and to its clients for the operation of the agency
in terms of assets, program, and human resources (This subject
is dealt with in detail in Chapter V, "The Accountability of
the Board.")

Board members, once thought of as being benefactors to the
organization which they served, now are regarded as trustees.
As such they must render an accounting to its constituents:
community, donors, members, clients, volunteers, and staff. As
more concern presently is being expressed about waste and in-
efficiency, the board must be able to prove that it not only is
aware of the problems of duplication of services, but also the
problems of misappropriation of human resources. The board must
also be aware of the economics of scale--that a small independent
agency may be too expensive or that a large conglomerate of
agencies may be too bureaucratic. The board must take upon itself
the responsibility for recognizing the mortality of its agency.

Institutions, like humans, need to be born, to develop, to die--
or to transform themselves.

Accountability can be demonstrated in four sectors: fiscal,
program, human resources, and future.

I. Fiscal accountability

    A. Select and retain outside auditors who will
adhere to the standards of the AICPA Audit Guide

    B. Approve, reject, or modify budgets

    C. Review and approve or set policy relative to
donations made to the agency or made by the agency

    D. Review and approve the accrual of assets or dis-
posal of assets

II. Program accountability

    A. Ensure accessibility of program to a recognized
target population

    B. Ensure quality and importance of service not other-
wise being duplicated elsewhere

III. Human resource accountability

    A. Evaluate the current worth of human resources
to measure the investment costs and losses in
human resources

    B. Ensure responsiveness, accessibility, and avail-
ability of the board to constitutents

IV. Future accountability

    A. Develop short- and long-range plans, revising as
necessary

    B. Execute a regular self-audit as an appraisal of
the organization in all of its aspects

Responsibility #3: To select and appoint the Chief Executive
Officer who is accountable to the board (As a rule, it is this
specific responsibility which distinguishes a policy-making

board from any other kind of board.)

In the appointment or hiring of a Chief Executive Officer, the board must define his/her responsibilities; establish the job performance standards and the compensation; and undertake a periodic evaluation based upon the performance standards and the Chief Executive Officer's personal objectives for the year. The board must also have some plan for continuity of management against that time when either by choice or accident it must find a replacement for the Chief Executive Officer.

Responsibility #4: To provide for perpetuating effective leadership and effective board organization

The board must assume the responsibility for maintaining itself as an efficient mechanism for conducting the exclusive business of the board. Although some of its work may be assigned to committees, consultants, or staff, it ultimately is the board's responsibility to keep its leadership resources viable by analytical selection of new board members, by annual evaluation of current board members, and by removal of ineffective board members. Through an annual review of the bylaws, enforcement of the bylaws, and annual evaluation of the board itself, the board must keep its corporate body in a state of health and vitality. (Evaluations of the board and board member are dealt with in Chapter VIII.)

Responsibility #5: To provide and maintain a sound and sufficient base from which to operate

The board must always be conscious of its responsibility

to provide adequate income to satisfy the operating and capital
needs of the agency. Of primary importance, the board must be
aware that funds and funding must be available to meet the long-
range plans of the agency.

Responsibility #6: To require sufficient information upon which
to make good decisions

Each member of the board must feel a personal responsibility
to ask questions. Board members are assumed to be persons of
intelligence and good will who can cease to be whatever they
are--laborers, lawyers, housewives--to divest themselves of
emotional or material interests and commit themselves to the
enhancement of human service through their agency. Coming from
diverse backgrounds of knowledge, experience, and financial status
each brings different insights. The board cannot make good de-
cisions in a fog of confusion, doubt, or embarrassment.

Responsibility #7: To ensure the correct legal status of the
agency

We will deal with this subject in more detail shortly.

Now, however, we want to consider the "gray areas" of
responsibility, not included in the above list, which can cause
problems in performance or conflict between board and staff.
They are:

A. Identifying the board's need for information

B. Supplying evidence for annual appraisal of objectives

C. Taking action to bring deficient performance of either
    the board or the CEO up to standard

D. Collecting data upon which to make decisions regarding property, funds, or program

E. Filing reports required by IRS and the Department of Labor (ERISA)

F. Maintaining appropriate relationships and communication with local, state, or national organizations

Depending upon the size of the organization, some of the above items may be handled by the president of the board and some by the Chief Executive Officer; or the responsibility may be dispersed among specific board members or specific staff members. In some cases there might be a partnership arrangement between the president of the board and the chief executive officer, or between the board and the staff, to share in the responsibility. Whatever the decision, there nevertheless <u>must be an assignment</u>.

We will go back now to <u>Responsibility #7: To ensure the correct legal status of the agency</u>

The statute under which most charitable organizations are incorporated by their state provides, in substance: "The affairs of the corporation shall be managed by a board of one or more directors." Some legislatures recently have revised this language to read, "The Board of Directors shall <u>supervise</u> the management of the affairs of the corporation." This change, although it appears to be substantive, in all probability will do little to shift the legal liability from the board members as traditionally defined. It should further be noted that customarily the courts have made little distinction between the liability of a board member of a not-for-profit corporation and a profit-making corporation.

It is well established in the law today that board members, under certain circumstances, can be held personally liable for personal injuries arising out of activities of the agency. This kind of liability generally can be covered quite adequately by the liability insurance of the agency, extended to protect the acts of its directors and agents. However, that is not what we are dealing with here.

It is the legal responsibility relating directly to the management of the agency (the corporation) that is of increasing concern to the board member. Essentially, there are two specific legal responsibilities. First, a member of a board of directors is liable for willful or fraudulent breaches of trust, or conflict of interest. This simply means that the board member must serve with loyalty the interests of the agency. In no way may a board member profit as an individual while he is acting in a position of trust as a member of the board. Some examples of violation of good faith are selling property to the corporation at inflated prices; concealing by silence of an interest adverse to that of the corporation in dealing with the corporation; purchasing corporate assets at unconscionably low prices; and failing to exert claims of the corporation against persons when they are legally due.

Conflict of interest generally is recognized in two situations: (1) where the board member has a personal interest in the transaction in which he is dealing with the corporation; and (2) where the board member is a member of the board of both

corporations which are engaged in a transaction between themselves.

Generally, the first situation receives a more searching scrutiny by the courts. Historically, the common law standard for such self-dealing was an absolute prohibition of the same, and the transaction was held to be void by the courts. It came to be recognized, however, that the corporation could be affected _adversely_ by not allowing it to be able to deal with a board member, and this rigid rule has been relaxed. Now the board member is required to make a full disclosure of his interest in the transaction with the agency (corporation), and to obtain the consent of all interested parties. If he does not make this kind of disclosure, the burden is on him to prove his good faith, honesty and fairness in the transaction. He should not participate in the transaction either by being counted toward the quorum of the board or by voting on any matters pertaining to the transaction.

In the second instance, where the director is on boards which have opposing interests, the same resolution as above generally would pertain. However, if the conflict is a continuing problem, where his declaration of conflict would disqualify him from board deliberations a substantial amount of the time, then he should resign from either one or both of the conflicting boards.

The second legal aspect of board member liability is the requirement that _members of the board must exercise ordinary and reasonable care in performing their duties_. Restated, _members_

<u>of the board are liable for negligence, or failure to exercise</u>
<u>prudent business judgment</u>. This standard is imposed by the
common law in most instances, but in an increasing number of
jurisdictions it is explicitly declared by statute. A typical
enactment is of the New Jersey legislature:

> Board members... shall discharge their duties in
> good faith and with that degree of diligence, care
> and skill which ordinarily prudent men would ex-
> ercise under similar circumstances in like posi-
> tions.   (Section 14A:6-114)

Generally, the board of directors may rely upon: (1) finan-
cial statements certified to them by independent auditors as be-
ing true and correct; (2) reports made to the corporation by its
officers; or (3) the opinion of counsel for the corporation, pro-
viding they do so in good faith.

"Lack of due care" has been defined by the courts based up-
on certain acts or failure to act. They have held that board
members are liable in this instance when there is:

1. Repeated non-attendance at board meetings

2. Lack of care in the appointment or removal of the
   Chief Executive Officer

3. Failure to examine the appropriate records of the
   corporation

4. Failure to require bonding of appropriate employees

With respect to "letterhead" board members, the courts have
stated in effect that board members who explain their neglect
by saying, "We did not do these things; we know nothing of them,"
are liable nevertheless. This entirely repudiates the notion
that a board may leave the entire affairs of the corporation to
certain members, and disavow any knowledge when disaster ensues.

Some states now have enacted statutes which attempt to excuse the board member from his negligent acts. However, until the courts have interpreted these new laws the board member should take little comfort in their language. Many courts find it difficult in these times to excuse those in authority from their acts of negligence. In fact, the trend seems to be to the contrary.

The documents in this chapter are designed for the use of both board members and the chief executive officer. Document #9, "Legal Checklist for Board Members," is not definitive in terms of all of the legal responsibilities of the board, but serves to identify many areas which might otherwise be overlooked. Document #10, "What would you do if...?" is a set of situations developed for the National Easter Seal Society for Crippled Children and Adults, and is used as an exercise for the board in consultation with counsel for the organization.

Every indication is to the effect that in the future the law will exact a far higher standard of performance by board members than they have ever had in the past. In these days of protection of the public and the consumer, one cannot but believe that the standards of board member performance will not only be raised to a higher level but enforced more diligently.

However, whether the standards reside in the law or in accepted practice, there are some which lie strictly within the conscience. The reputation of an organization which merely keeps narrowly within the law will never be as esteemed as the one which manifestly considers ethical standards of equal importance with legal standards. The following chapter deals with the domain of conscience, ethical standards.

LEGAL CHECKLIST FOR BOARD MEMBERS

____ Have you familiarized yourself with the Articles and Bylaws or regulations under which your organization is functioning?

____ Is there any evidence of conflict of interest existing between the organization and any of its board members? Do your Bylaws make provision for handling such a situation?

____ Have you reported to the Internal Revenue Service that you are a public charity, as opposed to a private foundation? (if applicable).

____ Are all required reports being filed properly and on time?

____ Are you in all aspects current in complying with the Internal Revenue Code and any other governmental agencies which may be appropriate?

____ If the organization is expending money from a trust (or from a grant) are the terms of the agreement being met?

____ Are all contractural arrangements current between the organization and

     ____ purchasers of service (grants, contracts, services to individuals)?

     ____ providers of service (grants, contracts, services to individuals)?

     ____ major suppliers?

     ____ housekeeping services (snow removal, landscaping, janitor services, etc)?

____ If the organization is currently leasing property, have the options for renewal been checked?

____ If the organization owns property, are the taxes paid or properly waived?

____ Are board meetings held regularly and well attended?

____ Is a current financial statement available at all board meetings?

____ (For governing boards only) Does the board review the Executive Director's performance annually?

____ (For governing boards only) Are the business expenses of the Executive Director reviewed regularly and is prudent judgment being used regarding such expenses?

____ Is the organization employing properly licensed staff if so required?

____ Are you aware of the major provisions of the Employee's Retirement Income Security Act of 1974?

____ (If you are doing any fund-raising) Are you aware of the Better Business Bureau's Standards for Charitable Solicitations?

____ Are the organization's employees and volunteers who handle funds and property adequately bonded?

____ Do you have adequate insurance protecting the organization's
   ____ property?
   ____ vehicles?
   ____ employees?
   ____ service volunteers?
   ____ board members?

____ After reviewing this checklist, do you feel that you have been fully informed of your responsibilities as a board member?

Dorothy Balfanz-Teas

LEGAL RESPONSIBILITY SITUATIONS

1. What would you do if a member of the Board was compensated for services rendered in carrying out the Society's business?

2. What would you do if an employee operating an Easter Seal motor vehicle negligently injures a pedestrian?

3. What would you do if members of the Board did not attend meetings, read their mail, or take an interest in the Society's operation and a decision resulted in a law suit charging careless depletion of corporate assets?

4. What would you do if a Society has unreasonably high administrative and fund raising expenses, as compared to program expenditures, for several consecutive years?

5. What would you do if a Board member who sold wheelchairs offered to be the Society's provider of wheelchairs for its equipment loan program?

6. What would you do if a client was injured while receiving treatment at an Easter Seal center and the Society realized a personal injury suit as a result thereof?

7. What would you do if, pursuant to the terms of a trust agreement, Easter Seals was required to expend annually a specific sum of money for the purchase of orthopedic appliances and did not do so, although a need for such appliances existed?

8. What would you do if the Society was being sued by a part-time employee because you were not aware of a particular point in the law which affected that employee's retirement benefit?

9. What would you do if a client was injured due to a malfunction or breakdown of a device (e.g., wheelchair) provided through the Society's loan closet?

10. What would you do if a former employee sues a Society having been fired for refusing an assignment given by the Executive Director after receiving successive good job performance ratings?

11. What would you do if the local newspaper disclosed that one of your service volunteers is driving the school bus regularly without holding a Class B license?

12. What would you do if it was brought to the Board's attention that a client had fallen from an Easter Seal van lift while being assisted by a service volunteer?

13. What would you do if the local Better Business Bureau issued a report citing the Easter Seal Society for not having met several of the Bureau's Standards for Charitable Solicitations?

14. What would you do if your Society's audit was qualified to the point where the auditor could not express an opinion?

15. What would you do if an Executive Director requested the Society to provide him with a business car?

16. What would you do if an Executive Director absconded with $20,000.

17. What would you do if a Board meeting were called and no current financial statement was available?

18. What would you do if no Board meeting were called for a year?

19. What would you do if the Medical Center Commission instituted legal action to reclaim title to a parcel of land which it had donated to the Society, alleging the Society failed to establish a medical center within the terms and conditions under which the land was donated? Subsequent to the donation, the Society sold the land to a third party and the commission is also seeking cancellation of this sales contract.

CHAPTER IV

THE BOARD'S ETHICAL RESPONSIBILITIES

"We live," said Lord Moulton, "under the dis-
cipline of three domains: one, the positive law
which prescribes rules of conduct and exacts penal-
ties for disobedience; two, the realm of free
choice which is covered by no statutes; and three,
that domain in which neither positive law nor free
choice prevails. In this sphere the individual
imposes obligations upon himself. In this realm
the individual is not wholly free, since he has
accepted a responsibility. Although he knows that
no law and no individual may compel him to fulfill
this commitment, he also knows that he cannot dis-
obey without betraying himself."[1]

A decade after the transition of the Sixties, the voluntary,
not-for-profit organization moves into a period of assessment,
not only by those who are involved within the sector but by
those who view it from without. The sometimes wrenching conse-
quences of consumer representation and consumer advocacy, the
heady experience of a pipeline of government funds, and the clash-
ing of new attitudes, values and philosophies has engendered in-
creasing uneasiness about the ethical _status quo_ in the volun-
tary not-for-profit organization.

The new requirements of accounting and auditing, and the man-
dated IRS forms for tax-exempt enterprises, provide indisputable
evidence for the questions of "How well did we spend our money?,"
or "What are our program priorities?," but there are no such easy
mechanics for "How ethical are we?" As a consequence, out of the

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Stressful Sixties has emerged a new organizational morality, what
Max Lerner calls the "Age of Virtue."[2]

Ethical concerns of organizations are not a recent manifes-
tation. The roots go back to the Ten Commandments of the Hebraic
culture; to the Beatitudes of Christianity; to penance in the
Middle Ages; to individual freedom in the Reformation; to the am-
bition of the Industrial Revolution; and to the scientific approach
based on law.[3]

Miller says these "different strands of ethical tradition
have been woven together. These sets of moral attitudes are contra-
dictory enough to be competitive--both in their institutional forms
and in their personal aspects."[4]

In their institutional forms ethical traditions are found
in the act of incorporating. Historically the articles of incor-
poration were granted to promote some socially desirable cause.
Goodman says, "...incorporation which has become a right started
out as a privilege (underline mine)...every corporation is still
indebted to society for the favors of limited liability and per-
petual succession which give it immortal life."[5]

One of the privileges prevailed in the doctrine of charitable
immunity which was based on the moral purposes of the organiza-
tion implicit, as previously stated, in the articles of incorpor-
ation. However, the doctrine of charitable immunity has not
applied for at least forty years in many states. Consequently,
the moral purpose of the voluntary, not-for-profit corporation
is no longer a defense from public judgment of its ethics.

Every not-for-profit agency or organization which has ever tinkered with concealing a budget surplus, or inflating a case load, or hiding miscellaneous expenses, or doctoring fund-raising costs has unethically abused its corporate privileges. In terms of its social value, any organization which has outlived its chartered purpose, but parasitically continues to live on the contributed dollar, has prostituted the public weal. Lippitt states the problem as "tension between organizational self-interest and social obligation."[6]

Recent headlines such as "Lung Association on Probation,"[7] "Fund-Raisers for Blind not Approved,"[8] "Public Broadcasting Admits Wrongs to Legislative Probe,"[9] and "Study Finds Ethical Conflict,"[10] indicate that public interest is aroused concerning at least some organizations' social obligations.

These and similar headlines may have prompted some of the responses to a survey conducted by Brenner and Molander.[11] Of 1,227 Harvard Business Review readers, 73 percent felt that ethical standards in business were either lower or about the same as they were fifteen years ago. (We do not know how many of the respondents perceived the not-for-profit organization as a business.) The study also revealed that honesty in communication, especially manipulation of numbers, was a particularly acute problem. Providing accurate information to clients, in advertising, and to government agencies is a major ethical concern, according to the survey. Interestingly enough, the 23 percent minority who felt ethical standards were higher cited "better media coverage,

increased public concern, a better informed public, and government legislation."[12]

These influences, however, do not reflect any strengthening of the moral fiber, but rather a reaction to outside monitoring. Whether monitoring will improve the internal sense of ethics over a long period of time is doubtful. It most likely leads to casting into concrete the notion that the best ethic is that which says, "Don't go beyond the point at which you will get caught."

One of the monitoring devices of the "age of virtue" is whistleblowing, an identification given to those who feel some indignation with the ethical environment. The word fights for its own justification against the American ethic of not squealing; and indeed the whistleblowers have felt the weight of disapproval through reprisals.

Senator Patrick Leahy (D. Vt.) headed a seven month study of federal employees who, prompted by fear of reprisals, observe a code of silence in reporting waste and wrongdoing. Released in 1977, the report is titled The Whistleblowers. Supervisors and fellow workers were interviewed, and harrassment and reprisals were found to be commonplace. Although the stories of about 25 percent of those who had experienced reprisals did not hold up, there nevertheless was no protection for those whose stories did.[13] Nader, himself the editor of a book called Whistle Blowing, suggests that legislatures "should grant the power to penalize a vindictive employer and to order compensation for the employee

who has been fired because of whistle blowing."[14]

It appears therefore that without a code of ethics, including enforcement and protection procedures, morally muddling through may have become a standard operating procedure.

Fortunately, there are some clues scattered throughout the literature which provide an alert to generally unacceptable ethical practices. Nader, Cunninggim, Andrews, Taylor and Katz, among others, each in his own way identifies those areas of ethical weakness which organizations, sometimes unwittingly, allow to slip into their procedures. Innocuous on the surface, they ultimately tend to erode the conscience of the organization. Synthesized, we call them the "Ten Alerts."

1. (a) Involvement in commercial enterprises unrelated to the not-for-profit status

   (b) Financial transactions unrelated to not-for-profit functions; i.e., borrowing to acquire productive assets; making loans for private advantage; and active trading of securities or speculative practices[15]

2. Extravagant fund-raising costs

3. Displacement of program goals by fund-raising goals

4. Delay in transferring funds to the avowed charity or beneficiary[16]

5. Lack of volunteers outside of board member volunteers

6. (a) No explicit qualifications for board membership[17]

   (b) Over representation on the board of a particular social viewpoint: doctors, lawyers, business executives, labor leaders[18]

    (c)   Lack of geographic, client, or constituent representation

    (d)   No limit on tenure for board members[19]

    (e)   Payment of a fee to board members[20]

7.   Poor administrative procedures

8.   Organization's service   duplicated or being done better elsewhere

9.   Lack of coordination, cooperation, and consultation with tangential agencies and planning bodies

10.   The assumption of virtue[21]

If monitors, whistleblowing, and alerts do not prevail, who is responsible for the moral and ethical conduct of an organization?

The Harvard Business Review survey, mentioned earlier in this chapter, also elicited from the respondents that they looked to their superiors (their bosses in the management hierarchy) for ethical guidance. If, as we believe, the governance of an organization is in the hands of the board of directors, and if, as we also believe, it is the superiors who provide moral guidance, then there is no question but that it is the board of directors who must carry the responsibility. Even as the governing board sets policy for the governance of the organization, so, too, it should set an ethical tone. The force of example is power squared when it is demonstrated in the upper echelons of the organization.

Not only does the governing board appear at the top of the table of organization, the person it hires, the chief executive

officer (CEO), fills the next top position. In addition to other qualifications, the CEO is also selected on the basis of "personal qualities,"[22] among which is integrity. (Drucker calls this an essential management virtue.)[23] The attitudes and philosophies of these superiors eventually are reflected in all of the lesser echelons.

That the integrity of an organization rests in the hands of the board and the CEO is not a matter of conjecture. The courts now uphold the view. Professor S. Prakash Sethi of the Center for Research in Business and Social Policy at the University of Texas says, "Increasingly, the courts, Congress and the regulatory agencies are placing the blame for corporate law-breaking on the top boss, holding him personally responsible and even jailing him...Criminal liability results from the defendant's responsible position in the corporation."[24] Citing a number of cases which found the "responsible" officers guilty, Sethi says that "sentencing guidelines from the Department of Justice recommend that the severity of the punishment rise with the defendant's relative position in the management hierarchy."[25]

Attrition of moral and ethical values in an organization may be the consequence of a number of factors. But ultimately these factors boil down to two: (1) a poor selection process for board members, resulting in poorly qualified and uninformed board members; and (2) the worship of the idol of unanimity and consensus.

The quality of board members in the profit-making sector,

as mentioned in the chapter on selection of board members, has been under consideration by the Federal Trade Commission and the Securities Exchange Commission. How the not-for-profit organizations will be affected by this inquiry is as yet unknown; but whether such a threat is implicit or explicit should not concern any organization which is fulfilling its legal and ethical responsibilities.

A board member who is qualified in other respects should also be conscious of the board's responsibility to be accountable to its constituents. He should also be vigilant of its ethical responsibilities as reflected in his personal commitment to the ideals of the organization.

Among the ethical ideals are two which have been more or less recently recognized in other countries. The first was presented by George Goyder, a British business man, who wrote a book in 1951 titled, The Future of Private Enterprise,[26] in which he theorized that the profit-making organization had an obligation not just to its shareholders but to the workers of the company and to the consumers of the company's products.[27] In the same year, the second ideal came from Western Germany. Mitbestimmungsrecht (codetermination) became a federal law providing for labor representatives to sit on the boards of directors.[28]

Adapting Goyder's suggested constituents to the not-for-profit's donors, workers, and clients and fusing them with West Germany's codetermination, we emerge with the representative board. Add another adaption: Beardsley Ruml's proposal

that specific directors be assigned to act in the special interest of either the customers, the vendors, or the employees. He says,

> Although he owes his nomination to his fellow directors, and his election to the stockholders, nevertheless he has accepted a trusteeship--a trusteeship which has been created voluntarily by those choosing him so to act as trustee. Now as he sits on the board, the interests /of his designee/ are his single interest. It is his duty to know what these interests are and to see to it that they are considered when matters affecting them are decided upon. [29]

In the not-for-profit organization, the ombudsman trustees, representing the donor, the employees, and the client, would not only give depth to the role of the trustee but would also provide assurance there would be an ethics overseer for the interests of these important constituents.

If one asks how the over-arching public interest beyond any single group (donors, workers, clients) will be realized, the answer is it is done through the total board. Most state statutes provide in the enabling laws that "The affairs of the corporation shall be under the supervision of a board of directors." [30] In this respect, no distinction is made between the not-for-profit organization and the profit-making organization. And, to reiterate our earlier point, the articles of incorporation are granted to promote some socially desirable cause or to promote the public weal. The public interest cannot be delegated to an individual. It is a collective responsibility of the board as long as the organization exists.

Regardless of the board's level of sophistication as to its role and character, it must manifest the courage of conscience. As an unknown quantity, conscience has the ability to stand alone, or to turn the tide of thinking, or to force reconsideration. All of which healthily threaten the second factor, the worship of the idol of unanimity and consensus.

That group which prides itself on its ability to settle issues and make tough decisions by consensus, should probe not only the ethics of a closed mind to "different" information, but also the ethics of supercilious behavior in what should be decision-making by democratic process. Practiced generally in the board, or the "inner circle," of organizations, consensus as a decision-making device is not only dangerously powerful but powerfully dangerous. Overriding the conscience and better judgment of even the strongest persons, it leaves no room for nay-saying. Individually, consensus is demoralizing, creating what Nader calls "obedient cogs and moral neuters."[31]

Behavioral scientists, especially Kurt Lewin, have shown that strong pressures are brought to bear upon the dissident member of a cohesive group.[32] A board which uses consensus, or concurrence-seeking, as a means of settling issues may let the technique override the issue. The technique becomes a norm and the group must demonstrate its loyalty to that norm regardless of the consequences which may disturb the conscience of even one member. Conscience-stricken persons may not want

to disturb the amiable "we-feelings," and thus remain silently disturbed.

The suppression of misgivings and important doubts creates its own false morality. Menninger labels this, "sin as collective irresponsibility."[33] He says, "If a group of people can be made to share the responsibility for what would be a sin if an individual did it, the load of guilt rapidly lifts from the shoulders of all concerned. Others may accuse, but the guilt shared by the many evaporates for the individual."[34]

Janis cautions against "groupthink."[35] It encourages, he says, "mutual effort among the group members to maintain self-esteem and emotional equanimity by providing social support to each other, especially at times when they share responsibility for making vital decisions."[36] The symptoms of "groupthink" are: illusion of invulnerability, rationalizing, false morality, stereotyped views, pressure on doubters, self-censorship or silence, and unanimity. Under such negative forces, that collective conscience which even weakly may exist struggles to survive.

The effects of "groupthink" decision-making, Janis says, are (1) discussion is limited to a few alternative courses of action rather than to all alternatives; (2) no reexamination of the course of action initially preferred by the majority; (3) little or no discussion of rejected alternatives; (4) lack of consultation with experts, sometimes within the same organiza-tion; (5) ignoring facts and opinions which do not support

preferred policy; and (6) no contingency plans to cope with fore-seeable setbacks that could endanger the overall sucess of their chosen course.[37]

"Groupthink " or "collective irresponsibility" may relieve the collective conscience, but it leaves the organization without a soul. Menninger says,

> The corporation never suffers from a sense of guilt. It can kill and it can be killed; it can do evil and it can do good; it can be sick and it can die. But on the other hand, it has no pity and, no matter what suffering or damage it causes, it suffers no remorse. [38]

Conclusion

Drawing from the preceding reflections and literature review, a basic outline of ethical responsibilities follows:[39]

1. Ethical relations with clients: The organization has a responsibility to provide what is advertised, promised, or stated as a goal for fund-raising.

2. Ethical relations with employees: The organization has a responsibility to provide a fair wage, proper working conditions, opportunity for promotion, appropriate fringe benefits, equal employment opportunity, and good personal relations.

3. Ethical relations with policy makers, donors, or volunteers: The organization has a responsibility to those who have invested capital, trust, or energy into the life of the organization. The responsibility to inform, consult, reward, and be influenced by these persons is an ethical

consideration.

4. Ethical relations with similar organizations: The organization has a responsibility to coordinate, cooperate, and consult with similar organizations to avoid wasteful duplication of services, and human and material resources; and jointly to contribute to enhancing their mutual goals.

5. Ethical relations with the community: The organization has a responsibility to the community to be accountable for those resources, human and material, which have come from the community and which have advanced the goals of the organization.

But a code of ethics is worthless unless there is a clear-cut way to implement it and to enforce it. Lip service to a code is itself unethical. If an "ethical organization" is one of the principles of the organization, the principles can be augmented through a series of steps:[40]

1. The board, and any others responsible for overall policy, will list the guiding principles of the organization. For instance, a guiding principle could be that no service, program or activity will be environmentally questionable.

2. Goals and management objectives will be set for all components of the organization. These goals will be stated within the terms of the guiding principles of the organization.

3. As part of leadership development, all board and/or

staff training programs will include concepts of the stated code of ethics.

4. As ethical problems occur, they will be reported and evaluated and become part of the board and/or staff leadership development effort.

5. Feedback mechanisms will be available to clients, employees, donors, other organizations, and the community to discuss ethical problems. Feedback mechanisms could be occasional open board meetings, open house days, audits of the "Ten Alerts," or community forums with panels from similar organizations.

6. Each component of the organization will have a code of ethics which will be enforced by the peers within that component. Management will not be expected to assume the enforcement, but will retain the prerogative, and will be responsible for its own peer group.

Aside from tests and codes and conveyances toward an ethical ambience, the ultimate measure is that it transcends moralism, pietism or legalism. It is more than trusteeship and stewardship; more than policy; and more than goals. A. A. Berle, Jr. sums it up best:

> Deep in human consciousness is embedded the assumption
> that somewhere, somehow, there is a higher law which im-
> poses itself on princes and powers and institutions in
> this terrestrial earth. Keepers of the tradition of this
> higher law...are regularly listened to with respect. They
> have power, though it is not the power either of purse or
> sword. [41]

External manifestations of the power of conscience are derived from the accountabilities of the board. Chapter V, which follows, explores this responsibility.

CHAPTER V

THE ACCOUNTABILITY OF THE BOARD

"Accountability" is an old word, newly dusted off in board jargon. Most of the literature on boards published before the last 1960's avoids a definition, or ties it into public relations. Confused with "responsibility," accountability has been allowed to stand for some rather vague procedure, perhaps issuing an annual report, which assures the public that the organization is behaving properly. Some authors ascribe bookkeeping, banking, bonding, and audits to accountability and let it go at that. We believe, however, that an organization must be accountable in four distinct areas: fiscal, program, human resources, and the future. In Chapter III, under a section on accountability, we have outlined ten specific points in these four areas.

Before the new "age of accountability," organizations luxuriated in rationalizations as a form of accountability. They were powerful in homogeneous enclaves and immune from questions or protests. Now the new concern grows out of an awareness that the voluntary sector is not exempt from slipshod practices and must atone or justify.

Concerned about financial practices, the public is asking how much of the contributed dollar is spent on program versus administrative costs; how much tax money is lost through property tax exemptions; and how expensive is duplication of services.

According to Alexander Grant & Company, Certified Public Accountants in Chicago, many potential contributors are requesting

to see IRS Form 990 which tax-exempt groups file with the federal government. Available to the public under the Freedom of Information Act, the form shows "names, addresses and compensation of an organization's trustees, officers, and directors; details of financial transactions between the group and a trustee of an organization that he is affiliated with; and the organization's revenues, expenses, and disbursements, and its assets and liabilities."[1]

At the same time there is an expressed disquietude about how well the service is reaching the target population; how well the service actually meets the needs of the client; and how the quality of service matches accepted and expected standards.

These anxieties have been amplified through client/community representation on boards, support for causes rather than organizations, and collaboration and coordination among organizations, all of which have created more opportunities for exposure. Clients, volunteers, supportive civic and philanthropic groups, and funding bodies form a constituency which deserves an opportunity to assess and respond to something more than a glossy annual report.

But what is "accountability"? Amitai Etzioni says, "...Advocates of accountability often use the term but fail to outline specific practical applications..."[2] How does one answer the board member's question, "What specifically must the board do to be accountable?"

Two separate approaches are developing toward specific working definitions of accountability.

The first comes from business administration. As expressed by the Child Welfare League of America, Inc., it is a "force that encourages planning, controlled management of resources, direction toward goal achievement, establishment of effective communications systems, and evaluation procedures."[3] Some may argue that the donated dollar should not be spent on such sophisticated measures and that to indulge in them would escalate administrative costs. On the other hand, it is quite likely that the lack of such management principles has been the cause of public questioning.

Comparability as a measure of accountability is key to the American Institute of Certified Public Accountants audit guides and standards of reporting.[4] Aware that the contributor wants assurance that the statement he reads of his organization can be compared, under the same criteria, with a similar organization, the AICPA has set guidelines which have been accepted by the majority of the health and welfare organizations. Commenced in 1964, and updated in 1974, these standards give a new meaning to "accountability" on the financial side.

The self-audit, an appraisal of the organization in all its aspects, may also be a demonstrated form of accountability. Taken from industry, it may occur annually, but more likely once every three to five years. These are the questions of a self-audit:

The present status of the organization [5]

1. What are recent trends and prospects?

2. What is the outlook for our product (service)?

3. Where is the target population?

4. What technical developments are affecting us?

5. What political or social factors may affect us?

The position of the organization in its arena of service

1. Has the organization maintained its position?

2. Has it expanded its influence and service area?

3. Has "competition" reduced its position? Is it duplicating?

4. What is the "competitive" outlook?

The position of the organization in the future

1. Are basic policies and objectives sufficient for the next five or ten years?

2. Are there any deviations needed in objectives, policies, procedures, programs, facilities, financial position, personnel, and management?

3. What revisions should be made in major and minor plans?

The second approach to accountability, and the one most difficult to define, comes from the social scientists. It is two-fold.

The first is "human resource accounting," a theory of Rensis Likert's.[6] Reporting on this theory, Koontz and O'Donnell say that when managers are asked to estimate how much it would cost to replace the human organization, they "come up with very high estimates, exceeding three times annual payroll... Yet, in commonly accepted accounting, the value of this asset is not shown in balance sheets..."[7]

Obviously not generally practiced in either the profit-making or not-for-profit sectors, it seems reasonable that the latter, usually operating in the arena of human services, would find practical satisfaction in the adoption of human resource accounting.

Koontz and O'Donnell say further:

> To cover the entire spectrum of human resources, the originators of this kind of accounting would have it include not only the asset represented by people within the enterprise, but also values represented by client* good will. They point out two deficiences of ordinary accounting. When an enterprise is investing in human capabilities and values, conventional accounting practice involves writing off these costs through operating expenses, thus...balance sheets are understated. [8]

Davis explains it thus:

> Through determining investment and utilization of that investment, a rough measure of return on

_____

* The word "client" has been substituted for "customer."

investment may be established...................
This system accounts not for the worth of the
individual but for how much the firm has invest-
ed in his employment and development. This is a
genuine employer cost which should provide a regu-
lar return on investment and which, for human
reasons, should not be wasted through underemploy-
ment. This investment figure is then used to com-
pute return on assets, return on investment in [9]
human resources, and similar accounting values.

If a dollar value is placed on the investment made in

"recruiting, transfer, training, and client* good will...

offset by reductions through obsolescence, retirement, trans-

fers, separations, and loss of client* good will,"[10] the

assessment will reveal how well the human resources have been

utilized. The investment and its utilization establish a

rough measure of the return on the investment.

For example, assume that the fund-raising division of an

organization has too many people for the job required and many

of them are working below their skill level. Human resource

accounting will bring this matter to light as a misappropria-

tion of resources because the extra investment in them would be

considered in computing return on investment.

In another example of misappropriated human resources,

one may consider the volunteer. The good will, willingness,

and adaptability of the volunteer are frequently offset by

poor planning, poor training, lack of integration, and illogi-

cal use of skills and talents. In other words, there is very

little investment made. However, the volunteer is not "free."

---

* The word "client" has been substituted for "customer."

Even at the most minimum, unsophisticated level of volunteer
utilization, the organization has an investment in staff
time for explanations, instructions, and supervision. Per-
quisites, such as meals or carfare, may also be added to the
expense. In more highly developed programs, there is a direc-
tor of volunteers, office and locker space, and uniforms.
These investments in the volunteer, offset by the value of
the volunteer's service and the volunteer's good will, reveal
the economic worth of this particular human resource. If
the volunteer is working below potential, for whatever reasons,
the accounting system will show the worth to be devalued.

Because many board members of not-for-profit organizations
understand data which is stated in fiscal terms, human resource
accounting may be more meaningful to them than information
which is so often stated in less specific staffing pattern
terms.

The literature indicates there is some interest in human
resources accounting. However, either it is too radical a
departure from tradition,or there is insufficient evidence
to demonstrate its practicality for it to have become
generally acceptable. However, one profit-making enterprise
has been using this form of accounting since 1968. A copy of
its balance sheet is shown on the following page:

"THE TOTAL CONCEPT"—R. G. BARRY CORPORATION AND SUBSIDIARIES PRO-FORMA (FINANCIAL AND HUMAN RESOURCE ACCOUNTING)

Balance sheet	1969 Financial and human resource	1969 Financial only
Assets		
Total current assets	$10,003,628	$10,003,628
Net property, plant and equipment	1,770,717	1,770,717
Excess of purchase price of subsidiaries over net assets acquired	1,188,704	1,188,704
Net investments in human resources	986,094	
Other assets	106,783	106,783
	$14,055,926	$13,069,832
Liabilities and stockholders' equity		
Total current liabilities	$ 5,715,708	$ 5,715,708
Long-term debt, excluding current installments	1,935,500	1,935,500
Deferred compensation	62,380	62,380
Deferred federal income taxes as a result of appropriation for human resources	493,047	
Stockholders' equity:		
Capital stock	879,116	879,116
Additional capital in excess of par value	1,736,253	1,736,253
Retained earnings:		
Financial	2,740,875	2,740,875
Appropriation for human resources	493,047	
Total stockholders' equity	5,849,291	5,356,244
	$14,055,926	$13,069,832

Statement of income	1969 Financial and human resource	1969 Financial only
Net sales	$25,310,588	$25,310,588
Cost of sales	16,275,876	16,275,876
Gross profit	9,034,712	9,034,712
Selling, general and administrative expenses	6,737,313	6,737,313
Operating income	2,297,399	2,297,399
Other deductions, net	953,177	953,177
Income before federal income taxes	1,344,222	1,344,222
Human resource expenses applicable to future periods	173,569	
Adjusted income before federal income taxes	1,517,791	1,344,222
Federal income taxes	730,785	644,000
Net income	$ 787,006	$ 700,222

Fig. 31.3 *Financial statements reflecting human resources at the R. G. Barry Corporation*

SOURCE: 1969 R. G. Barry Corporation Annual Report, p. 14. From W. C. Pyle, "Monitoring Human Resources—'On Line'," Michigan Business Review, vol. 22, no. 4, pp. 19–32, at p. 28 (July, 1970).

Finally, as a form of participative democracy, accountability is visible in the client/community representative on the board. Born out of the aggressive demands of the Sixties, the presence of the "outsider" on the board was the first breakthrough to the new accountability. Although the entry was a form of token participation, it nevertheless allowed access to a higher level of participation for policy making (as ranked by Sherry Arnstein). Neil Gibert says that when the recipients of service see people like themselves in "positions that influence service delivery decisions, they are guaranteed access and accountability."[11]

Still within the concepts of participation, the "system" of accountability has been broken down into three components by Ritchie Lowry.[12] These components are:

Responsiveness: Occurs between leaders and constituents* when political channels and avenues are available through which each can make their basic needs and desires known to the other.

Accessibility: Present when these channels provide a meaningful, permanent, and more-or-less face-to-face context for the relationship.

Availability: Refers to the potentiality, based upon responsiveness and accessibility, for quick mobilization of leaders by constituents and constituents by leaders to confront major problems.

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*Lowry uses the word "citizens."

Thus, within the concepts which have been developed from management and the social sciences, a checklist for board accountability may ask:

1. Can members or volunteers or clients easily and effectively make their desires known to the board and vice versa?[13]

2. Is the mechanism for mutual board and constituent accessibility--such as regular open meetings of the board and at least some general meetings of constituents at which all or most board members are present and formally accessible for interaction--a permanent and meaningful one?

3. Are there effective ways for constituents to quickly mobilize board members to confront problems, e.g., through petition procedures to force board attention on some issue or to hold special meetings with board members and organization constitutents?

4. Can the board likewise mobilize the latter quickly and effectively when needed?

5. Is there evidence that the organization has long- and short-range plans toward achieving specific objectives?

6. How are resources (funds, property, personnel) monitored to assure optimum strength?

7. Is there an annual assessment of the strengths and weaknesses of the organization?

8. What evidence exists outside of the annual meeting
    or the annual report that management practices are
    relevant and sound?

Accountability is complex and arduous. A hybrid concept
emanating from the disciplines of management and social
science, it invites espousal but has few knowledgeable or
sincere adherents. Without a substantive and standardized
process it does not create disciples. However, the board
which is willing to develop its own concepts of accountability,
and to practice and advocate them, will have achieved an in-
ternal and external reliability which will demonstrate that
accountability is not, in Etzioni's words, a "term for a thin
cover for inaction, a form of lip service."[14]

CHAPTER VI

OBSERVATIONS ON THE BOARD AS A CHANGE AGENT

Document #11   Participation and Group Judgment

Any board which perceives a weakness in its operations (role, responsibility, ethics, or accountability) must be able to effect positive change. The ability to change, however, is not inherent in every board. This chapter is a report of a purely exploratory endeavor to identify certain "readiness factors." I have some doubts about including the subject in this thesis, but the abundant literature on the subject of change prompted me to undertake an experiment, which may show future promise. Its limitations will be obvious. Some of them will be commented upon at the conclusion of the chapter.

Some unknown but contemporary philosopher has said that any organization which is satisfied with the status quo is already behind the times. Changes are occurring so rapidly that, according to Drucker, it is necessary to anticipate a future that has already happened.[1]

In fact, even the assumptions about planning for change have changed in the past decade. One assumption in particular has prevailed in most voluntary, not-for-profit organizations. It is identified as "truth-love": a theory of change "based on gentle nudges of growth...that is, with sufficient trust and collaboration with valid data, organizations would 'get it

together,' /and/ progress monotonically (and even monotonously) toward some vaguely defined vivid utopia..."[2]

In human service institutions, change generally has been revealed in case load, dollars raised, and numbers of employees. Now, however, with new accountabilities to constituencies within the organization as well as outside the organization, the pressure is not to set objectives to maintain "numbers," but to change to objectives which will affect quality of service.

The specific of change, however, is not as important as its inevitability. "Most students of our society agree that the major invariant is the tendency toward movement, growth, development, process: change."[3] There is no alternative as the "forces of change now present in the environment" will force the organization to change anyway."[4]

Benne says:

> Larger social systems ordinarily depend on small groups in formulating and maturing their policies and programs, whether the small group is a committee, cabinet, or board. Thus, change in the composition and functioning of such a strategic small group may produce change also in the wider social system which is dependent upon that group for guidance and direction.[5]

The implications, therefore, are that the governance of the organization must nurture an expertise in the ability to change and to be changed, and not assume that "truth-love" will suffice. The board, in its governance role, is the cell through which the impulses of change must flow. Exercising its prerogatives of setting policy, determining program, and planning,

its capability as a change agent can result in progressive per-
formance, opportunistic options, and creative processes, or it
can result in the status quo.

The instrument which evolves in this chapter draws for
the most part upon clues found in the literature of the social
scientists. It identifies nine readiness factors as follows:

I. Strong "we-feelings" (Lewin); sharing in decision-
making (Marrow).

II. Group esteem; group identity (Marrow, Havelock and
Benne)

III. Deviation from norms; locomotion (Cartwright and
Zander, Havelock and Benne)

IV. Appraisal of goals; tangibility of product or services
(Terreberry)

V. Cohesiveness, power, prestige relationships (Lewin,
Cartwright and Zander, Naylor)

VI. Fact finding; action-research; knowledge utilization;
(Lewin, Marrow)

VII. Equilibrium (Chin); pressures (Marrow); tension
(Lewin)

VIII. Internal/external domains, boundaries (Jayaram);
dynamical whole (Lewin)

IX. Information (Terreberry); transmission of information
(Havelock and Benne)

Adapting these factors to a survey instrument requires com-
prehensive knowledge about the organization. For instance, major
goals and subgoals must be used as a test for goal displacement
as well as for ranking of sub-goals. In order to assay the board
members' perceptions of its environment, it also is important to
know something about the organization's internal and external
constituencies such as clients and their families, community support,

and national affiliations.

In the management of any organization equal weight must be given to formulation, determination and execution of plans, policies, and programs. These activities are handled in a partnership between the board and the Chief Executive Officer. Therefore, a test for the ability to change should involve both partners; however, in this case only the board has been studied.

In order to relate the factors to the survey question, some background information about the experimental group is needed.

Among other state Easter Seal Societies, the Iowa Society is recognized as an outstanding and influential organization. Its executive director has held positions of prestige not only with the national association of Easter Seal Executives, but within other national professional groups. The board of the Iowa Society has had effective leadership as evidenced by the fact that a number of its members, through the years, have moved into the National Easter Seal Society at high levels of responsibility.

Its most visible effort is Camp Sunnyside, located in a forested, rural area near Des Moines. It not only is a camp for handicapped children and adults, but is also the center for a statewide outlet for the crafts of handicapped persons, and a loan center for equipment for the handicapped. It is financed principally by contributions ranging from a few dollars to handsome bequests. Many skilled persons, such as union carpenters

and electricians, have donated their time to constructing the
camp. It enjoys favorable attention of the media, statewide
as well as locally.

It was a forerunner in studying architectural barriers and
later influencing the legislation which established federal
regulations for eliminating architectural barriers in federally-
financed new construction.

The National Easter Seal organization frequently calls
upon the Iowa Easter Seal Society board or staff for testimony,
for pilot studies, and for leadership or direction on various
issues.

Following are the readiness factors and their correlated
questions as used in the survey instrument, Document #11, "Parti-
cipation and Group Judgment." An analysis of the responses is
included with each factor. For convenience, tabulation of most
of the responses is shown in the analysis. Of a possible 23
responses, there were 15, or 65%. The survey was made during
a board training session.

I. Strong "we-feelings" or "group mindedness"

Lewin says, "The chances for re-education seem to be increas-
ed whenever a strong 'we-feeling' is created."[6] White and
Lippitt say that "group mindedness" is based on the "we-I-ratio."[7]

In my opinion, there are at least two elements which contrib-
ute to the "we-feeling/group mindedness" factor. They are (1)
sharing in decision-making, and (2) equalizing of status levels.

Lewin's principle of sharing in decision making has been tested by others many times. Among them, for instance, is Marrow's experiment in a factory. He says, "The morale was proportional to the degree of their /the workers/ sharing in the decision making."[8]

Reducing the gap between leaders and members enhances "we-feelings," Lewin says. "In spite of whatever status differences there might be between them /they/ have to feel as members of one group in matters involving their sense of values."[9]

Statement #1:   When our board is making decisions, each person has a chance to speak his mind before the decision is made.

Agree   Disagree

Statement #2:   Decisions made by our board are not "rubber stamps" of decisions already made by a powerful few.

Agree   Disagree

II.   <u>Group esteem; group identity; attractiveness of group to its members</u>

A limited attempt was made in this survey to test members' attitudes regarding personal attraction to other members, effectiveness of performance by the group, and prestige in belonging to the group. (Prestige is dealt with in a later factor.) All of these elements compose "cohesiveness" as Back[10] has theorized. I chose here to deal with group esteem in terms of pre-eminence or pride, rather than abstractly in terms of power or authority.

Marrow says, "One source of fear is an individual's idea that he really cannot take pride in his group."[11] Havelock and

Benne say that security, trust in themselves, trust in each other "can be brought about when there is full recognition of the importance of self-esteem self-identity maintenance, group identity maintenance, and group esteem."[12]

Statement #3: Most of the decisions made by our board are important to the work of Easter Seals.

Agree   Disagree

Statement #4: Our board is better at making decisions and conducting its work than most other boards of similar agencies.

Agree   Disagree

Analysis of Factors I and II

Responses: Statement #1
                   Agree 14   Disagree 0

                   Statement #2
                   Agree 14   Disagree 0

                   Statement #3
                   Agree 14   Disagree 0

                   Statement #4
                   Agree 10   Disagree 1
                             Don't know 3

Responses show a very high level of group esteem and group identity. As adjuncts to cohesiveness, these factors show strength. Schachter has a further statement on this point, calling it "the total field of forces acting on members to remain in the group."[13] Cartwright and Zander define it "as one in which the members all work together for a common goal, or one where everyone is ready to take responsibility for group chores."[14]

III. Deviation from norms; locomotion

The survey statements in this factor were intended to test
the willingness of the individual board member to support a devia-
tion from the group's primary goal of maintaining Camp Sunnyside.
Inherently, the strength of group goals and group locomotion
are tested here. Cartwright and Zander say, "A group goal
specifies a preferred state for the group as an entity and guides
collective action toward achieving it."[15] In creating and main-
taining Camp Sunnyside, the board, over a period of fifty years,
has demonstrated classic "locomotion,"[16] and feels strong owner-
ship.

The two survey statements which follow were probes for
(a) readiness to make a minor change in group goals; and (b)
readiness to make an extreme or major change in group goals.

Statement #5:   If, for very sound and practical
                 reasons, the Easter Seal Society
                 should expand its program to sup-
                 port the mentally and/or emotionally
                 handicapped, I would

                 Agree   Disagree

Statement #6:   If, for very sound and practical
                 reasons, the Easter Seal Society
                 should move its headquarters to
                 downtown Des Moines and relinquish
                 its interest in Camp Sunnyside, I
                 would

                 Agree   Disagree

Analysis of Factor III

       Responses: Statement #5
                       Agree 9   Disagree 5

                       Statement #6
                       Agree 5   Disagree 9

There is a willingness to make a change provided that it augments the present program or amplifies the present goals. There is a majority feeling that they would not relinquish the present program, which, of course, is complete goal displacement.

Because the survey statements gave no indication as to how a new goal (relinquishing Camp Sunnyside for something else) would be approached, it is quite understandable that there would be an expressed reluctance. Raven and Rietsema deal with the clarity of group goal and group path,[17] citing specifically the work of Lewin, Lippitt, and White which is helpful in understanding the results of the unstructured or unclear situation the survey statement poses.

IV. Appraisal of goals; tangibility of product; attractiveness of activities

This factor is related to Factor II (group esteem) and perhaps should have been sequenced following it; but it also is related to the preceding factor as it is a test for ranking the primary goal, Camp Sunnyside, which is tangible and visible and has a "physical reality,"[18] against other goals which impinge generally on the success of Camp Sunnyside. Furthermore, in a hypothetical situation where Camp Sunnyside, as a goal, was displaced, would the board be able to move to a current, but subsidiary goal, and if so, which one? Ultimately, the question has to do not so much with goal displacement as with goal appraisal which is "more difficult as the 'product' of the enterprise

becomes less tangible."[19]

Cartwright and Zander say that "the formation of a group goal requires that the various goals for the group held by the different members be somehow converted into a single goal capable of steering group activities."[20] They also say that "in the long run a group decision which best reflects the preferences of the members will also result in optimal group effectiveness."[21]

The survey statement lists the various sub-goals of the organization. The responses should not only reveal ranking but also personal preferences of the members.

Statement #7: I appreciate being a member of this board because (Check the ONE nearest your attitude. Only one)

A. Its decisions usually are sound

B. It makes decisions which help handicapped persons directly: camp, crafts, equipment loan

C. It makes decisions which enable others to help handicapped persons: laws, legislation, regulations.

D. It makes decisions which raise money for the handicapped

E. It makes decisions which help other Easter Seal Societies do a better job: county, local, municipal, state, national

Analysis of Factor IV

Responses:

B. It makes decisions which help handicapped persons directly-- 9

A. Its decisions usually are sound--4

C. It makes decisions which enable others to help handicapped persons--1

Some parochialism is indicated by the fact that they relate their board responsibility only to that which is visible, Camp Sunnyside, rather than to the broader context of elements which ultimately may have some effect upon their decisions. Statement #7 confirms that Camp Sunnyside gives focus to the activities of the board. It is without a doubt the primary goal. Any activity beyond that "center" seems to be not relevant although the board effects and is affected by laws and regulations, for instance. They are willing to change, but only to something which is visible and tangible.

V. Prestige

As an inquiry into how the group perceived its strength and capability, I chose to focus on prestige. Naylor says, for instance, "I feel more effective within an organization whose ideals and purpose are consistent with my own values, and I like to be associated with it. What I could never achieve on my own can come about because of the combined strengths within my organization."[22] Then Lewin says, "Later on, the prestige a person acquires because of belonging to a certain group, family, university, club, etc., is one of the important vehicles to his achievements; he is treated by the outsider as part of this group."[23]

There is also a hidden element in this statement: self-evaluation. "The greater the clarity of the group situation, the higher will be the individual's self-evaluation."[21]

> Statement #8: Most of the members of the Iowa
> Easter Seal board are regarded
> as persons of (circle one)
>
> low prestige/medium prestige/high prestige

<u>Analysis of Factor V</u>

Response: low prestige   0
              medium prestige   9
              high prestige   5

The respondents had a difficult time understanding "prestige." There were several requests for me to define it. I declined on the ground that it had to be their own interpretation. Whatever their definition, the tabulation shows a positive feeling, which, if my hypothesis is correct, shows that they have faith and conviction that if their group proceeds toward a goal it has the power to succeed.

I believe now that this factor should be combined with Factors I and II under a general heading of cohesiveness. Beck says, "The relationship between cohesiveness and power /of the group/ holds /when/ the attraction is based on...the prestige obtained from membership."[22]

VI. <u>Fact-finding; action-research; knowledge utilization</u>

I believe that an effective board must have the ability (or freedom) to be curious, to seek facts, and to deploy for investigation; but more essential is its ability to assimilate this information to effect change. Is the board willing to seek facts outside of its domain: Is the board closed to any information generated outside of itself? Marrow says, "The experiences they share with others as part of a fact-finding inquiry makes possible the acceptance of new behavior patterns which under other conditions would be rejected."[23] Lewin says, "An individual will believe facts he himself has discovered in

the same way that he believes in himself or his group."[24]

Statement #9:　As a board member, if I should need information to help me vote on a difficult issue, I would prefer to (Check the ONE nearest your attitude. Only one.)

A. Rely on my own knowledge and information

B. Rely on information from staff

C. Rely on information from an "outside expert"

D. Rely on my knowledge plus staff information

E. Rely on staff information plus an "outside expert"

F. Rely on what other board members are saying

Analysis of Factor VI

Response:

D. Rely on my knowledge plus staff information　　7

E. Rely on staff information plus "outside expert"　　6

A. Rely on my own knowledge and information　　1

There is willingness to accept information from staff as well as outside experts. Apparently there is a feeling of equality and no tensions between board and staff in the sharing of information. Communications are open. They have already indicated high group esteem which may account for the fact that they do not feel threatened by information generated external to the board.

VII. Equilibrium; pressures; tension

Chin says pressures exist in any system. The purpose of the survey statement in this factor was to test the degree of tension. Without an ability to deal forthrightly with differences of opinion, differences of perception, or diffused energies, the board's locomotion is delayed or diverted. It seems to me that the more at ease members are in a board meeting, the more energy could be released for solving problems and dealing with the business at hand. The use of the word, "comfortable," in the survey statement has to do with communication in the sense of hierarchies, or the "high-lows" Zander et al[25] discuss; or the "privileged-underprivileged" of Thibaut's experiments wherein the levels of communication were measured between the superior and inferior status levels.

Chin sums it up: "The presence of tensions, stresses or strains, and conflict within the system often are reacted to by people in the system as if they were shameful and must be done away with...It is obvious, however, that tension and conflict are 'in' any system, and that no living system exists without tension."[26]

> Statement #10: When the board is in session, everyone feels comfortable with those board members and staff members present.
>
> Agree   Disagree

Analysis of Factor VII

> Response: Agree 14   Disagree 0

Apparently there are no power struggles within the group. In the responses to this statement as well as in the statements relative to cohesiveness, they indicate a <u>high</u> status. Kurwitz says, "/<u>highs</u>/ since they are more secure by virtue of their status than <u>lows</u>...will be less threatened by participation in discussion situations."[27] Lippitt proposes a series of "high-low" theories, such as, "The group member is more likely to 'contage' from the behavior of a high power member;"[28] or, "The group member is more likely to accept direct attempts to influence him which are initiated by a high power figure."[29] These specific theories cannot be identified here, but the response nevertheless reveals a good adjustment in the group. They are able to work comfortably in a tension-free atmosphere.

Factor VIII: <u>Internal/external domains; boundaries; dynamical whole</u>

The board is not a closed system. Its decisions and actions when implemented or transmitted will affect other parts of the system, to paraphrase Lewin.[30] I wanted to know how this board perceived itself in relation to other parts of the system, and if there was any consensus regarding these relationships.

Jayaram says,

> At successive stations in the process /of Open Systems Planning/, the client comes to evoke the underlying value systems in his internal environment and attempts to empathize with the value systems of the domains relevant to him in the external environment. 31

Statement #11:   After decisions about Camp
Sunnyside have been made by the
board, those decisions should be
transmitted to the following in
what order. Number the following
items in the priority you think
information should be forwarded,
1st being the highest priority.

    .absent board members (1)

    .members of the staff who were not
     at the meeting   (2)

    .fund raisers   (8)

    .Easter Seal clients and their
     families   (6)

    .Regional Advisory Committees (R.A.C.)(4)

    .The National Society (7)

    .Iowa Easter Seal House of Delegates (3)

    .other state societies (9)

    .those who were at the board
     meeting   (5)

    .others, such as __(1)__

Statement #13:*   To other Easter Seal Societies, the
decisions we make as the Iowa Easter
Seal board make

no difference/ some difference/a lot of
                       difference

Analysis of Factor VIII

Response: Statement #11 (shown in parentheses above)

Statement #13
        no difference   0
        some difference   8
        a lot of difference 6

---

* Statement #13 is out of numerical sequence, but not out
of context

Some parochialism is evident in these responses. In Statement #13, they show that they believe their decisions are important to other Easter Seal Societies, but in Statement #11, they rank other Easter Seal Societies ninth out of a possible ten. They also rank their national organization at seventh position. When coupled with Statement #7 (which also requires ranking), it appears that the board perceives itself only remotely related to its external environment.

IX. Information processing and transmission

I wanted to know how the board felt about the amount of information it was receiving for its fact-finding. It is important, I believe, for a board to feel that the decisions it makes are based on adequate and complete information. Information gaps are frustrating and demoralizing to a board; and if, for whatever reason, they believe they are not privy to all of the facts, they may have a sense of being exploited. There is also the problem of "lag, overload, feedback, and static."[32] Overload, in particular, seems to be a complaint in a few organizations. When the processing of information becomes too difficult for the board to handle, they either tune out or seek a processer or synthesizer. Havelock and Benne say,

> The task of communication is not completed when interpersonal problems are solved. Even when there is an atmosphere of acceptance and mutual understanding, the message must be composed, transcribed, translated, transmitted, received, and checked back for errors. [33]

Statement #12: The information I am getting from
the Iowa Easter Seal Society is

not enough/just about right/too much

Analysis of Factor IX

Response: not enough   2

just about right   12

too much   0

The board is satisfied with the amount of information it is
receiving. (Of course, the statement does not deal with the
quality of information.) The problem of processing information
is not an issue. Terreberry, citing James Miller, says, "Up
to a maximum which no living system has yet reached, the more
energy a system devotes to information processing (as opposed
to productive and maintenance activity) the more likely the
system is to survive."[34] This remark seems a little overstated.
My observation is that a board which spends time processing infor-
mation may neglect other essential matters. If it operates on
the basis that it cannot make a decision until it has all of
the information, its decision-making is paralyzed. There must
come a time when the board recognizes it has reached the optimum
level of information and must make a decision. It must accept
the consequences if the decision is wrong. To allay some of
the concerns in this regard, the board should be reassured that
it does have a repository of collective wisdom upon which to act.

Statements #14 and #15 are unrelated to any readiness
factor. I was interested in finding out whether the board saw
any need to make any changes, and if so, what they were. The
response to this question also would give me a clue to the
"mental health" of the board as I firmly believe that a board
which is satisfied with the status quo is a victim of smugness
and may have lost its dynamism. Dynamism, too, is relevant to
change.

> Statement #14: If there were ONE thing I could
> change about the Iowa Easter Seal
> Board, it would be...

> Statement #15: If there were ONE thing I could change
> about the Iowa Easter Seal Society,
> it would be...

Analysis of Statements #14 and #15

The tabulation of responses (which is not detailed here)
indicates a variety of suggestions for change. Regarding possible
changes in the board, there are more suggestions for improving
the operation of the board than for its organization or areas
of responsibility. As for changes in the Society, suggestions
for program expansion and community relations ranked above money
and equipment.

When I shared the results of the tabulation with the board,
they voted on which of the changes they would undertake first,
and chose "more frequent board meetings." An ad hoc committee
was appointed at that time to study the issue. This action reveals
two strong characteristics of the board, and reflects on its
ability to change: (1) willingness to move quickly if the need

arises; and (2) awareness that change must be handled objectively and thoroughly.

Conclusion

Developing and using this survey has been an interesting experience for me. I am now sure that it does not have enough credibility to justify its use in its present form. Using a modified version with other groups has only confirmed my belief that the potential is there, provided it is refined.

For instance, some of the language is ambiguous. "Prestige," in Statement #8, is one word I would change. McClusky says, "Prestige is not a self-report term,"[35] and my problems with Statement #8 prove it. "Comfort" is another vague word. In Statement #10, I would now substitute "trust" or "approval."

In Factor III, an optional goal should be offered when testing for goal displacement. In Factor VII, I would follow the clue found in Cartwright and Zander (when probing for differences of opinion). They say, "If differences of opinion exist within a group, forces will arise on the members to restore unanimity of opinion."[36] I would put the matter forthrightly into a statement, such as: "There are differences of opinion within our board, but we are able to work constructively with them."

One of the major modifications I would make in a future instrument would be to eliminate "agree-disagree" responses, and use instead a rating scale of 1 to 5. Based on simple manifestation of polarities, this instrument is difficult to interpret. In event there were wide disparities in the responses within the

various factors, I am not sure how one would interpret the readiness level of the board. It is a problem, as indicated earlier, even when there is a degree of unanimity in the responses.

New members' responses may have an important influence on the tabulation. I would, therefore, solicit information regarding the length of time the respondent has been on the board.

The Chief Executive Officer should have an important contribution to make to the change process. Therefore, either a separate, but compatible, instrument should be designed for him, or the present one should accommodate responses from him.

Admittedly an awkward attempt at seeking information, I shall nevertheless not abandon the project, but will continue to use it and modify it until I am convinced it shows no promise.

One of the most imminent opportunities to test for ability to change is in the board's role in labor negotiations. Traditionally a quiescent sector of the administrative process of the voluntary, not-for-profit organization, labor problems are becoming more complex. Consequently, the board may have to reverse its disinterested or hands-off stance in this arena, and change its role to that of an involved bystander. This role-change is discussed in the following chapter.

PARTICIPATION AND GROUP JUDGMENT

	AGREE	DISAGREE

1. When our board is making decisions, each person has a chance to speak his mind before the decision is made.

2. Decisions made by our board are not "rubber stamps" of decisions already made by a powerful few.

3. Most of the decisions made by our board are important to the work of Easter Seals.

4. Our board is better at making decisions and in conducting its work than most other boards of similar agencies.

5. If, for very sound and practical reasons, the Easter Seal Society should expand its program to support the mentally and/or emotionally handicapped, I would

6. If, for very sound and practical reasons, the Iowa Easter Seal Society should move its headquarters to downtown Des Moines and relinquish its interest in Camp Sunnyside, I would

7. I appreciate being a member of this board because (check the one nearest to your attitude * ONLY ONE)

   a. Its decisions usually are sound
   b. It makes decisions which help handicapped persons directly: camp, crafts, equipment loan
   c. It makes decisions which enable others to help handicapped persons: laws, legislation, regulations
   d. It makes decisions which raise money for the handicapped.
   e. It makes decisions which help other Easter Seal Societies do a better job: County, Local, Municipal, State, National.

8. Most of the members of the Iowa Easter Seal board are regarded as persons of (circle one)

   low prestige   medium prestige   high prestige

9. As a board member, if I should need information to help me vote on a difficult issue, I would prefer to (check the one nearest your attitude - ONLY ONE)

   a. Rely on my own knowledge and information
   b. Rely on information from staff
   c. Rely on information from an "outside expert"
   d. Rely on my knowledge plus staff information
   e. Rely on staff information plus "outside expert"
   f. Rely on what other board members are saying

10. When the board is in session, everyone feels comfortable with those board members and staff members who are present   AGREE   DISAGREE

11. After decisions about Camp Sunnyside have been made by the board, those decisions should be transmitted to the following in this order.
(number the following items in the priority you think information should be forwarded, 1st, 2nd, 3rd, 4th, etc.)

         absent board members
         members of the staff who are not at the meeting
         fund-raisers
         Easter Seal clients or their families
         R.A.C.'s
         The National Society
         Iowa House of Delegates members
         other state societies
         those who were at the board meeting
         others, such as_____

12. The information I am getting from the Iowa Easter Seal Society is

    not enough   just about right   too much

13. To other Easter Seal Societies, the decisions we make as the Iowa Easter Seal Board make

    no difference   some difference   a lot of difference

14. If there were ONE thing I could change about the Iowa Easter Seal <u>Board</u>, it would be

15. If there were ONE thing I could change about the Iowa Easter Seal <u>Society</u>, it would be

Dorothy Balfanz-Teas
6/77

CHAPTER VII

THE BOARD'S ROLE AND STRATEGIES

IN LABOR NEGOTIATIONS

Behind strategy lies policy. Management certainly has
the responsibility to make policy, and the ultimate authority
in the hierarchy of management is the board of directors of the
organization. The Chief Executive Officer may have the author-
ity to decide and execute activities, but the parameters are
fixed by the board. It would seem, then, that the strategy of
labor negotiations must begin at the highest level; not to de-
termine technical and mechanical tactics, but to amplify on
principles which would be involved in negotations, such as atti-
tude toward unions, public/community relations during negotia-
tions, the limits of compromise and the patterns for coopera-
tion or capitulation, among others.

It seems especially important in the not-for-profit organ-
izations that the board, usually representative of the public
constituency, have a voice in planning strategy. Depending
upon the public for support financially and philosophically,
these organizations look to their boards to provide this link-
age. The negotiating team which does not reflect the attitudes
of its board, i.e., constituency, places its institution in
jeopardy.

It is unlikely, and in principle unwise, that a board

would involve itself directly in labor negotiations. Specific-
ally, it is unwise for the board president, or someone at a
similar level, to be on the negotiating team. Any person with
decision-making power impedes the negotiating process. Hanna-
ford, an expert on conferences, says the presence of a "brass
hat" is a source of distraction to any conference group, and
his power to make decisions may upset the delicate balance of
negotiating.[1]

Granted that an executive would keep his board informed
of the progress of negotiations, it is better to proceed from
previously enunciated policy rather than expediency. Buttressed
with policies from the board, stated broadly enough that the
negotiating team has latitude to exercise its own judgment,
(but precisely enough that the limits are known), the negotiator
is free to develop his own techniques and strategies. Questions
which clarify policy issues are:

1. What are the objectives in each issue?

2. Which objectives are not negotiable?

3. What tenets do you wish to sell?

4. What are your strongest points?

5. What is the total plan?

6. What are the anticipated needs of the other side?

7. Will the meetings be open or closed to the public?

8. Who will make the announcements to the media?

9. What concessions are allowable?

10. How will volunteers be affected? In case of strike?

11. Will it be necessary to bring in experts?

12. Do we have a strong negotiating team?

But what are the justifications for the board to be concerned in this arena? Why not follow a simple policy that the problem of negotiations is in the hands of the chief executive officer? There are five considerations to this question:

    I. Labor negotiations are now in a state of dramatic change caused by, among other things, new and different attitudes of the work force.

Fleming states, "The continued success of labor arbitration almost certainly depends on its ability to respond to new needs."[2] The "new needs" do not necessarily supplant the old, but are in addition to them. The old issues of wages and hours have provided the base for new issues such as personal appearance, religious beliefs, fraternization, use of personal radios, and coffee making.[3] In a survey of young members of the work force conducted in 1969 by the U. S. Department of Labor, there was evidence that they placed "more importance on the interesting nature of the work, on their opportunity to develop their own special abilities, and on their chances for promotion."[4] As one of Studs Terkel's characters in Working says, "The almighty dollar is not the only thing in my estimation. There's more to it--how I'm treated. What I have to say about what I do, how I do it...I can concentrate on the social aspects, my rights."[5]

Occupations also are changing. In a projection through the 1970's, the U. S. Department of Labor foresees a great demand for personnel in "occupations requiring the most education and

training."[6] Scientific and professional workers in the United States have increased from $3\frac{1}{2}$ million in 1940, to $7\frac{1}{2}$ million in 1960, and an estimated 13 million in 1975.[7] The introduction of scientific and professional workers into the work force, notably in the human service agencies, adds another element to present and future negotiations. Believing that labor and professionals are differently motivated and differently oriented to work, Davis asserts that it is quite likely that the professional employee will reject the union and will either align himself with management or will rely on his own professional organization to represent him at the bargaining table.[8] Thus, the agency may be entering into collective bargaining with more than one union.

As one employer said, two unions may be more desirable than several. In the hospital and health field where there are numerous categories of employees, it is quite possible that, as one hospital administrator put it, "We could end up with thirty-four different unions...(We hope we) will have to deal with only two unions, at most."[9]

> II. Professional associations are assuming a new role as a bargaining agent; but when they sit at the bargaining table they create a dichotomy with their more traditional role.

The concept of the professional worker, with his specialized knowledge, is that he shows a set of characteristics in his attitude toward his job which sets him apart from union operating workers. Not only does he have intellectual expertise, he seeks freedom to handle his work as he sees it should be done; he has a commitment to his own profession and professional organization;

and he observes the responsibilities and self-discipline of his
profession. His demands are no different. He wants to bargain
for career development training, workload, tuition subsidy,
mission of the agency[10] and meal allowances.[11]

There is no doubt that professional associations, primarily
concerned with accreditation, certification, standards, and edu-
cation of their members, now have entered the collective bargain-
ing arena in order to satisfy the unique demands and characteris-
tics of their members. However, when the association sits at the
bargaining table, the agency is trapped between what it has per-
ceived as the association's traditional role and the new adversary
role. As one employer put it:

> In agreeing to act as a bargaining agent, the pro-
> fessional association takes on a multipurpose role
> and poses a most difficult issue...The association
> acts as a union organization but at the same time
> acts as an educational tool...To discredit the asso-
> ciation's role as a union organization is, in fact,
> to discredit its other role--education. [12]

> III. The not-for-profit organization has no immunity
> from labor unrest regardless of the worthiness
> of the cause. Society seems firmly to support
> "rights" now rather than "causes," and may in
> fact question the "cause" before it questions
> the "right."

That those who are in a perceived position of "Sacred Trust,"
such as teachers, nurses and doctors, would go on strike would
have been heresy a few years ago. But now their strike may re-
ceive community support. For instance, in March, 1976, more than
2,000 doctors went on strike for four days in New York. The
issues were not money, but shorter working hours and better patient
care. Sponsored by the Committee of Interns and Residents, which

is their union, the strike had the support of two leading New York City newspapers. The strikers won their points.[13]

    IV.   The voluntary not-for-profit organization may not be able to assume that its labor negotiations can be assigned to just any available person on the staff.

Collective bargaining is an annual ritual (assuming a one-year contract), and the core of bargaining, as the word implies, is negotiation. Consequently, as one session of collective bargaining ends in the signing of the contract, preparations for the next session commence.

Bernstein has analyzed the increments of a plan for negotiation and has charted them into a year-long agenda with specific quarterly objectives.[14] An analysis of this time-table reveals that considerable time is spent in group decisions which can only be arrived at in meetings. In addition, there is much individual preparation in data collection and logistical planning. It is obvious that labor negotiations, under these circumstances, are not a spare-time activity in the management of an organization.

Of course, if collective bargaining negotiations reach an impasse, and the issues go through all of the steps to arbitration, another layer is added to the time factor. In 1963, H. T. Herrick, General Counsel of the Federal Mediation and Conciliation Service, surveyed 250 cases of arbitration to ascertain the time lag between impasse, through all of the steps, to arbitration and settlement. Here is what his survey revealed:[15]

Impasse to demand for arbitration	86 days
Demand to appointment of arbitrator	30 days
Appointment to hearing	51 days
Hearing to decision	73 days
	240 days

V. The not-for-profit organization should have access,
either temporarily or permanently, to a person or
persons who have some workable knowledge of inter-
vention structures, models of change, and problem
analysis and problem solving.

The measure of the future of labor negotiations may lie
in the recommendations found in the literature. For instance,
Stern and Pearse say, "We need to utilize existing techniques
of conflict resolution developed by the behavioral sciences to
minimize the negative consequences of win-lose power bargaining."[16]

Herrick, Bartholomew and Brandt say, "Participatory skills
are more and more necessary to the effective functioning of
business and industry."[17]

Hannaford, the expert on conference leadership, says it is
important to recognize "the range and scope of human contacts"
which develop through meetings. He classifies negotiations as
a "Type 5" meeting, one which reconciles conflicting interests.
He says that in negotiations between union and management "the
expectance of acceptance decreases, primarily because of the com-
promise type of adjustment which is inherent in reconciling differ-
ences,"[18] and outlines four steps to promote acceptance and recon-
ciliation.

Drachman of Labor Management Relations Service says the
basic "feature of negotiation is communication," which is a
science unto itself.

Whether it will be through an injection of the behavioral
sciences, the enhancement of participatory skills, the techniques
of conference process or communication skills, all generally seem

to indicate that labor negotiations while becoming more complex may at the same time become more humane, less impersonal and more responsive to the individual's needs.

Certainly the measure of the evolution of labor arbitration can already be found in the philosophical distance between the traditional "union steward," an adversary (to management) position, and "corporate ombudsman,"[20] an advocacy position. The board should take cognizance of these new subtleties and prepare itself and its organization to comprehend them and handle them with intelligence and fairness.

"Intelligence and fairness," are these primary qualities for a board member? The following chapter probes for answers.

CHAPTER VIII

EVALUATION OF THE BOARD MEMBER AND OF THE BOARD

> "...vitality is not to be found in
> things, in machines, or dollars, or
> material resources of any kind.
> Vitality is something people demon-
> strate through sustained competence;
> through creative, venturesome drive,
> and through a strong sense of respon-
> sibility..."[1]

The board and staff of voluntary not-for-profit organizations in the past decade have had every reason to be confused as they have attempted to assay the competence of their operations. Be- set by proliferating laws and regulations, consumer and client aggressiveness, contributor-donor wariness, and public (in some instances, private) investigations, they suffer from such diver- gent appraisals that the character of their organization may be unrecognizable.

Credentialing, licensing, and certification essentially measure the worth of an organization, and there are some attempts to create "industry" standards which provide a measure against which to evaluate an organization authorized to perform a speci- fic service or function. Many of these standards require that

the organization be governed by a board, but the more forceful
requirement is the statute in all fifty states which provides
in substance that, "The affairs of the corporation shall be
managed by a board of one or more directors."[2]

Yet the "sustained competence" of the board, or of the mem-
bers who compose this body, is generally only a subject of peri-
pheral evaluation based on the results of their deliberations
as revealed through the organization's degree of success. It
should be noted, however, that the competence of board members,
among other issues, has recently been under consideration by
the Securities and Exchange Commission (SEC). Along with the
Federal Trade Commission, the SEC is reviewing corporate accounta-
bility as reflected in the character of the board. The SEC is
suggesting a requirement of greater disclosure in the process
used to select board nominees, their qualifications, and the
amount of time incumbent directors devote to corporate affairs.
Granted that these investigations are directed to the profit-mak-
ing sector, it is not unlikely that not-for-profit organizations
will be caught in the ripple.[3]

Competency, of course, commences with the selection process
initiated by the nominating committee. The criteria it establish-
es for selection are an evaluation, generally, of the needs of
the board. (The selection process is dealt with in Chapter I,
and will not be considered here.) One of the criteria, however,
should be that the nominee is willing to be evaluated annually.
After the board member has been nominated and elected, how will

his continuing competency be measured?

Such evaluation is complicated by the fact that the board member of a voluntary not-for-profit organization serves out of a conviction that he has something to offer. To question the quality may be to imply otherwise and may be construed as denigration of his service, thus losing not only his contribution but his empathy and loyalty as well. In terms of human relationships, an evaluation must not destroy the spirit nor create antagonisms, and like any other procedure its effectiveness depends in great measure upon the attitude with which it is used.

There must be some fundamental beliefs about evaluation which must be shared by the total group. They are:

. The belief that evaluation enables the organization to improve its service to its clients

. The belief that evaluation will lead to improvement which cannot be left to chance

. The belief that the development of improvements is one of the primary functions of the governance of an organization

. The belief that an open-minded attitude--the willingness to view revealed inadequacies as clues to future strengths--is essential to growth and progress

. The belief that an improvement for the future is not a criticism of the past

. The belief that a point of view that considers the good of the entire organization rather than that of any one component (staff, board, committee, volunteer, client) is essential in developing organizational improvements

. The belief that sustained competence must be a goal constantly pursued

Such a compassionate philosophy notwithstanding, what are the justifications for a performance review of a board member?

First, nearly every not-for-profit organization must present itself at some time to a review committee or commission of some sort, such as a funding body, a credentialing or licensing board, or a governmental or quasi-governmental agency. Although the not-for-profit organizations are what Richard Cornuelle calls a part of the "independent sector,"[3] they are dependent upon community support for continuation of programs and services. Thus, in effect, they are in a constant stage of appraisal or evaluation. (This is the organization, however, not the board.)

Second, the board, as one of its primary functions, hires, evaluates, and retains (or fires) the chief executive officer. To be sure, the evaluation function is sometimes overlooked, a point to be dealt with in Chapter IX. Nevertheless, the responsibility prevails.

Third, the chief executive officer generally is responsible for evaluating the employees of his staff. Merit reviews and annual performance reviews are directly or indirectly part of his personnel procedures.

Professionals on the staff in some instances are subject to peer review. Certainly, their professional associations have standards for competency. Even the client is evaluated in terms of eligibility.

Evaluating the Board Member

All other individuals in the organization having been evaluated, who evaluates the board member, that component of the unit which provides the necessary function of governance? Does

he not deserve the same evidence that his performance is essential? That he has objectives which must be fulfilled? That there are standards of performance which are expected of him?

In considering criteria for evaluation of board member performance, the most natural response is a listing of personal characteristics. Houle's and Trecker's evaluations suggest these qualities. Houle, for instance, lists interest, support and assistance, confidence, strength, and significance of service.[4] Trecker, discussing the basic characteristics of a board chairman, (a likely pattern for evaluation) cites: (1) is informed about agency; (2) shows competence plus concern plus commitment; (3) sees connection between needs and agency's ability to provide; (4) knows how to work in and through his own organization and to cooperate with other organizations with similar goals; (5) has sense of history; (6) is aware of new developments and trends.[5]

To go beyond these criteria may be to touch a nerve as evidenced by the fact that it has been seventeen years since Paul H. Davis devised a "Test for Trustees."[6] This test, which should have fulfilled an organizational need, has lain more or less dormant. "Report Card for the Board Member," Document #12, is an adaptation. It suggests more specific behavior, rated by a point system. It defines three to four performance levels within each of the following: (1) possesses skills or experience not duplicated by other board members; (2) conducts independent self-education relative to his role, to the

organization's history, philosophy, and plans, and, to local and national issues; (3) prepares carefully for board meetings by studying background reports; conducting research; demanding information; (4) speaks with knowledge of the organization; (5) takes an active interest in long-range planning, future leadership, and available resources; (6) has served on committees and has carried out committee responsibilities; (7) attends all board meetings and encourages others to attend.

In using this instrument in a number of board development training sessions, the members are willing to evaluate themselves, but display some reluctance to use the instrument to evaluate their peers. Possibly an evaluation of the nature of a peer review introduces a potential seed of conflict, such as disruption of cohesiveness, or creating status discrepancies, or ego-deflation.[7] When asked collectively to set their own criteria, they, like Houle and Trecker, seem to prefer listing abstract ideals. In fact, during one such session, after a number of suggestions had been made, two members, recognizing the similarities, began to chant the Boy Scout oath.

Over a period of several years, my experience shows that when pressed for criteria, as in the above situation, there are five which remain constant. They are: attendance, knowledge of organization and its clients; skills and experience; objectivity; and vision for the future. It will be noted that the latter shows some sophistication in terms of the needs of the board.

Assuming that a board does select criteria for evaluating its own board member performance, the usefulness of the criteria is enhanced by identifying various performance levels within each criteria as "Report Card for the Board Member" does, (Document #12). Then assigning numerical points to each level provides a range which is more precise than simply "high" or "low."

The summary at the end of the Report Card for the Board Member, totaling all of the points, will reveal a "grade." The "passing" mark shown in the sample is arbitrary and should be determined by the board as a whole. Some boards which require high performance and substantial commitments of energy, time, and substance, may opt to use the passing score as a point below which a board member would be asked to resign. At least, a below passing score would signal that the board member would be ineligible for re-election under any circumstances.

A similar, but considerably condensed, version of the above is Document #13, "Rating Scale for the Board Member." Using this matrix, the board selects five criteria for evaluation, assigning each a percentage weight which is reflected in the gradients of the point rating. The percentage weights used in the sample document are merely suggestions and may be more diversified. However, the point rating consequently will need to be adjusted to the percentage scale. Also, if more than five criteria are selected, the percentage weight and the point rating would change. Essential to the success of this method, it should be noted, is that the board selects its own criteria

and determines their relative value to the total evaluation. How the aggregate scores of the board members are used to determine the overall competency of the board, will be handled later in this chapter.

However, there are two evaluation techniques which also must be considered, which do not require any charts or forms. The first is the honest self-appraisal of the board member, who, as Houle suggests, asks himself the following questions:[8]

1. Do I continue to be strongly interested in the program?

2. Am I providing effective support and assistance for the program?

3. Do I have confidence in the effectiveness of the board itself?

4. Am I at least as well qualified to serve as anybody who might take my place?

5. Is my continuing membership likely to strengthen the caliber and unity of the board?

6. Is the service I am performing on this board at least as significant as any other service to which I might devote the same time?

The second technique is for those fortunate organizations which have access to a skilled facilitator/interviewer. Open-ended interviews with the board, either collectively or individually, may help to examine aspirations, frustrations, satisfactions, concerns, etc., about their individual experience and performance.[9]

Aside from the outside expert, there are at least four options as to who will do the rating. The safest is the self-

evaluation where the board member is the sole judge of his performance.

Other methods involve the evaluatee with other configurations of individuals. Whatever the procedure, however, the evaluatee is a crucial element of the team.

One option may be to have the president and the chairman of the nominating committee act as two of the three members (with the evaluatee) of the evaluating committee. Each individually does the rating and the averages are taken for the final rating.

Another option is that two members of the nominating committee, plus the evaluatee, act as the evaluating committee, and follow the same procedure of averaging scores. It must be realized, however, that the nominating committee which carries the responsibility for selecting the board member in the first place is in effect rating its own judgment and may not be impartial. If the nominating committee has changed or rotated sufficiently, this caution would be negated.

A third option is to select an anonymous evaluating committee of two persons whose ratings plus the rating of the evaluatee would be averaged out.

There may be other alternatives, but whatever they are, important considerations are confidentiality, discretion, and sensitivity. Hence, the necessity of keeping the evaluating committee small. Only the evaluatee and the evaluating committee would know individual scores.

Evaluating the Board

The most dramatic results of individual evaluations are the confrontation by the board as a whole of its own strengths and weaknesses, based not on some vague perception of what "seems to be," but on solid, self-selected evidence of what really is.

"Board Member Inventory" (Document #14), based on a point system, is used as a master exhibit to reveal the amassed evidence from individual board member evaluations. Individual, but anonymous, scores are placed in each box on the inventory sheet, using the color code shown in the corners of the document. Interpretation of the color pattern is then left to the board as a whole. Certain obvious conclusions can be drawn if it shows a heavy green/yellow set, or if it shows heavy blue/red set. In other words, the board has been evaluated through individual board member performance evaluations. Preserving this "portrait" from year to year gives visible evidence of the board's possible metamorphosis.

But there still are other ways to evaluate a board as a whole. "A Rating Scale for Boards" (Document #13) is adapted, with minor changes, from Houle. "A Yardstick for Measuring the Board" (Document #16) is Trecker's design. Used by board members to evaluate their own board, both have been used successfully by many organizations for many years.

In the event that a board is seeking impressions of itself from outside, a legitimate form of evaluation, "Broad Spectrum

Evaluation" (Document #17), is helpful. As its title suggests, this evaluation can be used by board, staff, and other sectors such as community, professionals, clients, etc. The determination as to where it may be used is left to the board. The results will reveal diametrically opposing impressions between board and staff, board and community, etc., and can pinpoint areas of tension, lack of knowledge, and misinformation. As an instrument to solicit impressions from the community, it serves as a resource for planning community relations or public information programs. But more importantly, it might also suggest new modes of representation and involvement by community, clients, and others in board and organizational activities.[10]

Conclusion

This chapter has not dealt with all of the techniques of evaluation, only with some of the devices. Philosophically, it assumes that an evaluation is made because it is needed and wanted, and that its purpose is for self-development and organizational improvement. It also assumes that once an evaluation system is accepted, it must be followed through from year to year as a continuum which reflects some of the important nuances which might otherwise be overlooked. Furthermore, it assumes that the board, and the total organization, is willing to effect the changes which an evaluation indicates are required.

Evaluations, however, go beyond the board and the board member. They cover all personnel in the organization, including the chief executive officer. This topic deserves its own chapter which follows.

REPORT CARD FOR THE BOARD MEMBER by Dorothy Balfanz-Teas (Adapted from an article in the Summer 1964 issue of The Educational Record, published by the American Council on Education, Washington, D.C., titled "Test for Trustees," by Paul H. Davis.)

NAME OF BOARD MEMBER _____

CURRENT POSITION OR ASSIGNMENT ON BOARD _____

DATE JOINED BOARD _____

DATE TERM EXPIRES _____

1. SUITABILITY AS A BOARD MEMBER (Total possible, 20 points)_____

    20 pts. Fulfills an important role on the Board. Represents in his/her own background a pertinent high degree of competence and experience and/or is in a position of unique influence with others critically important to the success of the organization. (These qualities do not merely duplicate those possessed by other members of the Board.) His/her presence on the Board contributes to the rounding-out, in a major way, of the total board complex of strengths, abilities and experience deemed necessary for major progress of the organization.

    12 pts. To a lesser degree meets criteria above but is not of optimum strength within the probable availability of such strength to the organization.

    4 pts. Of some value as a member of the Board but largely duplicative of interest and competence represented by stronger members. Substantially below level of strength, competence and experience of other conceivably available for Board membership.

    0 pts. Must be largely discounted as having any significant degree of ability to contribute to soundness of board decisions or effectiveness of board actions.

2. GENERAL PREPARATION AS A BOARD MEMBER (Total possible, 20 pts.)
    _____

    20 pts. Has briefed himself/herself well on the organization's problems and needs. Visits the office/clinic/center, etc. Has visited similar organizations and discussed issues of mutual concern with board members of similar organizations. Knows the organization's history, philosophy, and plans. Endeavors to keep abreast of national and state trends and programs.

12 pts. Generally knows the organization's philosophy and problems. Has undertaken some independent self-education to improve abilities as a board member. Understands the role of a board member.

4 pts. Little Knowledge but some interest in general problems of the organization. Only sporadic interest in self-briefing.

0 pts. Almost no knowledge of, and little demonstration of interest in, general problems of organization or duties and responsibilities of board membership.

3. SPECIFIC PREPARATION FOR ACTION AS BOARD MEMBER
                              (Total possible, 20 points.)_____

20 pts. Prepares carefully for board meetings. Has studied and understand reports and background materials. Asks probing and insightful questions at meetings; focuses on policy. Demands and gets information necessary for major decisions. Will conduct his/her own additional research when he/she needs to know more about an issue.

12 pts. Generally prepared for discussion of problems at board meetings. Has read materials supplied for briefing, and participates intelligently and constructively in discussion in a manner showing some prior thought and consideration, but does not often ask probing questions.

4 pts. Some, but little, evidence of study of problems prior to meetings. Willigness to let most of leadership fall to others.

0 pts. No evidence of prior preparation for board meetings. Discussion participation, if any, often negative and unhelpful.

4. AMBASSADORSHIP   (Total possible, 20 pts.) _____

20 pts. Enthusiastic and honest spokesman for organization. Speaks with knowledge.

14 pts. Friendly. Mentions organization constructively to others when asked.

0 pts. Apathetic. No evidence of active ambassadorship.

5. PARTICIPATION IN PROGRESS AND DEVELOPMENT OF THE ORGANIZATION
(Total possible, 20 pts.)_____

20 pts.   Interested and active in planning for the future of the organization. Helps identify prospects for leadership development. Shares knowledge and expertise or identifies resources which will be helpful.

12 pts.   Occasionally takes an active interest in long-range planning, future leadership, and available resources. Must be encouraged to think in these terms.

4 pts.   Little or no personal participation in progress and development of organization even when asked. Appears to prefer the status quo.

0 pts.   Does not demonstrate any interest in future plans or growth. Almost always votes against any proposals for change.

6. COMMITTEE EXPERIENCE   (Total possible, 20 pts.) _____
(May also be read in present tense.)

20 pts.   Has served usefully on at least one important committee affiliated with the board. Suggested new ideas to committee. Carried out committee responsibilities efficiently and promptly.

12 pts.   Was nominally loyal to committee responsibilities. Carried out responsibilities perfunctorily.

4 pts.   Attended committee meetings fairly regularly but little or no activity on behalf of committee.

0 pts.   Little or no activity or sense of responsibility in committee assignments; or refused committee assignment.

7. ATTENDANCE   (Total possible, 20 pts.) _____

20 pts.   Attends all board meetings or has a valid excuse for the few that he/she does have to miss. Shows an interest in attending and encourages other to attend.

12 pts.   Attends the majority of the board meetings or has a valid excuse, but makes no effort to encourage others to attend.

4 pts.   Sporadic attendance, and usually offers lame excuses.

0 pts.   Poor attendance. Usually offers no excuse. Does not seem to consider attendance important.

8. SPECIAL SERVICE   (Total possible varies.) _____

    If service of board member is of vital importance to the
    organization in a single, special significant way, even
    though the scores in the other areas are low, a special
    score may be added at this point. For example, a rare situ-
    ation may arise when attendance at board meetings is realis-
    tically difficult, but the member contributes a unique dis-
    tinguished service to the board not available from another
    person. No special score should be given if this special
    service occurs in another individual on the board.

REPORT CARD SUMMARY

NAME OF BOARD MEMBER _____ DATE_____

1. Suitability as a board member   _____

2. General preparation as a board member   _____

3. Specific preparation for action as a board member   _____

4. Ambassadorship   _____

5. Participation in progress and development
    of organization   _____

6. Committee experience   _____

7. Attendance   _____

TOTAL (80 is passing*)   _____

8. Special service   _____

FINAL SCORE   _____

                    *   *   *   *

EVALUATIONS   (Highest possible score is 140 points.)

Excellent (120 or more)   _____

Good   (80-119)   _____

Fair   (59-79)   _____

Poor   (25-58)   _____

Useless   (under 25)   _____

*This is merely a suggested "passing" score. The evaluations also
are merely suggested ranges. The board may establish its own
scoring system. However, it is reasonable that an effective board
member should score at least 100 out of the possible 140 points.

500 points equals 100%

Grade	Minimum	Maximum
Superior	420	500
Above Average	340	420
Average	260	340
Below Average	205	260
Poor	Under 205	

FACTOR   Point Rating

	*Weight	Superior 105-125	Above Av. 85-104	Aver 65-84	Bel. Av. 50-64	Poor Bel. 49	Total
	25%						
	25%	105-125	85-104	65-84	50-64	Bel. 49	
	25%	105-125	85-104	65-84	50-64	Bel. 49	
	15%	65-75	55-64	45-54	40-44	Bel. 39	
	10%	40-50	30-49	20-29	15-19	Bel. 19	

GRAND TOTAL _____

*The weights shown on this chart
are merely used as an example.
In actual use, the board would
determine the weighting to be
given to each factor.

Dorothy Balfanz-Teas
6/77

Use with Report Card
for the Board Member--
Code for Evaluation

Use with Rating Scale
for Board Members--
Code for Evaluation

120 & over   Excellent (green)
8-119   Good   (yellow)
57-79   Fair   (orange)
25-58   Poor   (blue)
under 25 points   Useless   (red)

420 - 500   Superior (green)
340 - 420   Above average (yello
260 - 340   Average (orange)
205 - 260   Below average (blue)
Under 205   Poor (red)

The number of boxes should equal the number of board members

Dorothy Palfanz-Teas

Characteristics	How the Board Rates			
	Excellent	Good	Average	Poor
A. The board is made up of effective individuals who can supplement one another's talents.				
B. The board represents the interests which are to be consulted in formulating policy.				
C. The board is large enough to carry all necessary responsibilities but small enough to be a deliberative group.				
D. The basic structural pattern (board, board officials, committees, executive, and staff) is clear.				
E. There is effective working relations between the board and the executive and staff.				
F. The members of the board understand the objectives of the agency and how those objectives are achieved by the activities undertaken.				
G. The board has a feeling of social ease and rapport.				
H. Each member of the board feels involved and interested in its work.				
I. The board formulates specific goals to guide its work.				
J. Decisions on policy are made only after full consideration by all parties concerned with the decision.				
K. The board is certain that effective community relationships are maintained				
L. The board has a sense of progress and accomplishment.				

A Yardstick for Measuring Our Board
Suggested Criteria For Boards To Use In Self-Evaluation

Criteria or Measures of:	Your Rating			Group Rating
	Yes	No	Need to work on this	
A. Selection and Composition				
1. The Agency has a written statement of qualifications for Board members.				
2. The Nominating Committee works on a year-round basis and solicits staff, board, clientele and organization suggestions for nominations to the Board.				
3. The Agency is always thinking ahead and has a pool or reservoir of potential Board members for the future.				
4. The Board is composed of persons vitally interested in the work of the Agency.				
5. The Board is widely representative of the community.				
6. The Agency has a formal plan for limiting the tenure of Board members which specifies rotation so as to assure a steady supply of new Board members.				
B. Orientation and Training				
1. The Agency has a clearly written statement outlining the duties and responsibilities of the new Board members.				
2. The Agency has a written plan which it follows in its program of orientation for its new Board members.				

	Your Rating			Group Rating
Criteria or Measures of:	Yes	No	Need to work on this	
3. The Agency has a Board Member Manual which it supplies to all Board members. The manual is revised periodically.				
4. The Agency has a plan for and program of Board member training carried on throughout the year.				
5. Board members participate in community, state, regional, and national training opportunities.				
C. Organization of the Board				
1. The Board has a simple, concise set of By-Laws which provide clear duties for the officers of the Board and spell out the procedures by which the Board transacts its business.				
2. The Board has an elected executive committee to handle matters which may come up between meetings.				
3. The Board has working committees such as program, personnel, legislation, public relations, etc., through which work is channeled.				
4. Committee assignments and responsibilities are in writing and copies are supplied to committee members.				
5. Committee assignments are reviewed and evaluated periodically.				
6. Working relations between the executive and the Board are clearly defined and understood.				

	Your Rating			Group Rating
Criteria or Measures of:	Yes	No	Need to work on this	
7. Board and staff members are clear about their specific duties and responsibilities.				
D. The Board At Work				
1. Meetings begin on time and end on time and held as regularly scheduled.				
2. There is adequate preparation of material including agendas, study documents, etc., in advance of Board meetings.				
3. Board meetings are characterized by free discussion, general participation, active thinking together.				
4. Board meetings deal primarily with policy formulation, review of plans, making broad authorizations, and evaluating the work of the Agency.				
5. Routine matters, that is, items requiring official action, but little discussion, are handled with dispatch.				
6. Minutes of Board and committee meetings are written and circulated to the members.				
7. Regular reports of committee work are made to the Board.				
8. Individual members of the Board accept and carry assignments within the area of their special talents and competencies.				

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	Your Rating			Group Rating
Criteria or Measures of:	Yes	No	Need to work on this	
9. Board and staff members work together on specific programs and projects from time to time.				
10. Executive functions and direct services are left to the staff.				
E. Evaluation of the Board				
1. Board members give sufficient time to the work of the Agency and have a good record of attendance and support of the Agency.				
2. The Board conducts an annual review of its own organization and work.				
3. The Board has an agenda of future plans for the Agency scheduled in terms of program priorities.				
4. New leadership is emerging constantly from the Board and its committees.				
5. The Board participates actively in community-wide social welfare planning programs.				

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BROAD SPECTRUM EVALUATION

1. What is the purpose of the board?

2. Which of the following terms describes the board?

efficient	_____	inefficient	_____
friendly	_____	closed corporation	_____
accepting of change	_____	wasteful of talents	_____
		elderly	_____
using its full capabilities	_____		

3. How does the board respons to crises (check One)

by investigating the facts	_____
emotionally	_____
slowly	_____
positively	_____
don't know	_____

4. Are competent leaders usually available

for elective offices?   yes _____ no _____ don't know_____

for committee chairmanships? yes_____ no _____ don't know_____

5. Are there any problems in finding leadership?

yes_____ no _____ don't know_____

6. Are you satisfied with

the quality of the board's deliberations? yes___no___don't know___

the range of the board's deliberations?   yes___no___don't know___

the appropriateness of the board's deliberations?   yes___no___don't know___

7. Do board and staff share problems before they reach a crisis stage?   yes___no___don't know___

8. Which one of the following seems to describe best the community's concept of the organization? (check one)

hardworking, but static ____

hardworking and progressive ____

a social club for persons with leisure time ____

concerned only about money ____

concerned about serving the community ____

9. Which one of the following seems to describe best the concept the staff has of the board?(check one)

helpful ____   knowledgeable ____

a member of the   representative of
team ____   the establishment ____

interfering ____   fund raisers ____

10. Which one of the following seems to describe best the concept the board has of the staff? (check one)

knowledgeable ____   worth listening to ____

ineffectual ____   not worth listening to ____

a valuable ad-   overbearing ____
junct ____

capable of carrying   fund raisers ____
out new projects____

11. Do you think the board represents the total community the organization serves?
              yes____   no____   don't know____

12. Do you regard the board as a source for help in determing community attitudes?
              yes____   no____   don't know____

13. Which do you consider the board is:

service oriented?___   money oriented?____

14. Is the board involved in long-range planning?
              yes____   no____   don't know____

15. Does the leadership of staff and board communicate?

regularly _____ through formal meetings _____

never _____ informally _____

when there is a problem _____ occasionally _____

don't know _____

16. Does the board encourage staff to suggest new ideas
and new programs?

yes _____ no _____ don't know _____

17. Does staff encourage the board to suggest new ideas
and new programs

yes _____ no _____ don't know _____

18. Other comments

I am a
board member _____

staff member _____

other (name it) _____

Dorothy Balfanz-Teas

CHAPTER IX

EVALUATION OF THE CHIEF EXECUTIVE OFFICER

Document #18 A Report Card for the Chief Executive Officer (CEO)

It has been said that evaluating the Chief Executive Officer can be viewed as a threat, a ritual, or an opportunity. What should also be added is that it is usually a myth.

That a formalized, regular assessment of the CEO's performance is seldom done may be attributable to a number of reasons. The power center may create a barrier to evaluation. The CEO may be so strong and forceful that he completely dominates the board, which, under these circumstances hesitates to presume an assessment. Conrad and Glenn say, "Professional dominance results in rubber-stamp boards, and lay dominance results in arrogation of the operational authority of the staff and eventual loss of purpose."[1] In the same vein, Lippincott and Aannested say that "the philanthropist-errand boy relationship obtaining in some of the early history of voluntary agencies is out of the window today."[2] That either situation would exist is sufficient warning that an evaluation on both sides is overdue.

Assuming that dominance is not the case, and that there seems to be equilibrium between the board and the CEO, the board may reason that since harmony prevails there can be no reason for assessment--of either side.

Customarily used at lower levels of personnel, evaluation
is used for promotion or salary increase and therefore may
not have the same implications for the CEO. Budgetary and
hierarchial constraints in voluntary-not-for-profit organizations
seem to obviate the necessity within that context; but that
is not the true purpose of assessment. The purpose of evalu-
ation of _any_ _component_ of the organization is to assure func-
tional effectiveness and improvement, and this should be a
universal philosophy, especially in the voluntary not-for-
profit sector.

Failure to evaluate may be due to the fact that it is
difficult to find in a not-for-profit organization a parallel
in business and industry. There the CEO's evaluation is based
on profit-making, seldom on any other criteria. In either
sector, however, the responsibility of the board remains the
same: to monitor top management and score it just as carefully
as management scores its subordinates.

Among the specific functions of the board are those of
(1) hiring the Chief Executive Officer, and (2) appraising or
evaluating or monitoring the management of the organization.
In fact, Koontz says, "...the one dominant function of a direc-
tor /board member/ is to select company management and appraise
it."[3] An admonishment from Trecker indicates that should the
board fail regularly to evaluate the CEO, he does not really
know where he stands, and furthermore the staff does not know
how he, the CEO, is regarded.[4]

In some states the courts have held board members liable
for not exercising "prudent judgment" in the appointment and
supervision of employees who manage the corporation.[5]

> This means that sometimes it is necessary to
> take the hard step of replacing an executive
> director who the board feels simply isn't do-
> ing an efficient job. Indeed, some attorneys
> counsel that...directors of an organization
> should not attempt to cultivate too closely
> a social or personal relationship with the
> management just because the necessary degree
> of independent judgment would thereby be
> compromised. [6]

If the purpose of management is to accomplish the goals
of the organization; to use effectively the human and capital
resources of the organization; and to develop and involve a
continuing leadership group, then the board and the CEO togeth-
er are responsible for the achievement. This, however, does
not excuse either partner from checking on their respective
capabilities. A CEO worth hiring probably has credentials which
endow him with some sort of accreditation, but that is seldom
based on current performance within his own organization.

That the board holds the responsibility to evaluate the
CEO does not necessarily mean that the board <u>as a whole</u> must
participate in it. Edward McSweeney, writing in <u>Business Week</u>[7]
proposes an audit committee (for a profit-making enterprise).
He implies that the committee should do more than simply audit
operation. It must also audit CEO performance. He warns, how-
ever, that the work of an audit committee may be intentionally
blocked or slowed down. Possibly a close parallel in the not-
for-profit organization would be the personnel committee.

McSweeney also suggests that individual board members use a score card, and pool the net results.

Following the logic of peer review, the "chief" of the staff and the "chief" of the board could simply accomplish the evaluation on a one-to-one basis.

Although it seems quite unlikely that an organization could not handle this evaluation intramural, the use of a consultant or outside evaluator may be a course of last resort.

Regardless of who does it, certain evaluation disparities may exist. They are:

1. The halo effect. An evaluator is likely to rate higher if the interpersonal relationships are comfortable.

2. Constant error. Some evaluators consistently rate higher than usual or lower than usual.

3. Lack of understanding of the job being evaluated. Some evaluators, outside of the personnel committee, may have a serious lack of information relative to the job which is being evaluated.

Types of Evaluation

Trait-rating remains the most commonly used appraisal today. But, "Trait evaluations provide little tangible to discuss, little on which participants can agree as fact, and therefore little mutual understanding of what would be required to obtain improvement."[8] Even experts who caution against trait-rating nevertheless suggest such factors as cooperativeness, dependability, initiative, intelligence, and industry, but interspersed with quantity of work, quality of work, and knowledge of job.[9] Obviously, the ideal is to find a middle road between

subjectivity and objectivity.

Trait-rating, which is purely subjective, usually frightens board members who are embarrassed by the psychological overtones and their inability or reluctance to translate them. Recognizing these deficiencies in trait-rating evaluations, experts in business administration are continuing to search for a more perfect instrument.

The most current evaluation theory is based on management by objectives, an operational tool accepted in both profit-making and not-for-profit enterprises. Harold Koontz, Cyril O'Donnell, and Keith Davis, to name a few, all advocate using performance objectives as the basis for appraisal. Davis says, for instance, "The hallmarks of modern appraisal philosophy are (1) performance orientation, (2) focus on goals, and (3) mutual goal setting,"[10] each a consequence of management by objectives.

Mutual goal setting and appraising by the objectives achieved produces a workable and comfortable procedure for the board and the CEO to follow. Koontz tells of a CEO, who said at the conclusion of a joint goal-setting session, "This is the first time I have ever understood what the board expected of me..."[11] He further says, "Most top company officers would rather have clear goals by which to be judged than rely on the caprice of subjective judgments."[12]

Using as an example a financially sound, well managed, community voluntary, not-for-profit enterprise, some mutually set (board and CEO) goals and objectives against which the CEO

would be evaluated are:[13]

To establish within one year

I. An improved system of financial planning with the
    following characteristics:

    A. A system of variable budgets for the agency as
        a whole and for each department to meet the
        program and service goals of the agency

    B. Forecasts of client fees and contributed incomes
        made one year in advance and revised quarterly

    C. A regular (not less then semi-annual) review
        of variable budgets

    D. An actual monthly, twelve-month moving average,
        and year-to-date summary report of performance
        against budgets

II. A system of new program development to assure an
     increase of client participation by ___ percent,
     with the following characteristics:

    A. Review and selection of new programs which will be
        consistent with the agency's financial resources,
        its service capabilities, and its acceptance by
        the public

    B. Submission of new program proposals which exceed
        $_____ to the Board of Directors for approval

    C. Planned control of dissemination of information
        about new program(s)

    D. Formal, rigorous, and regular review of new program(s)

    E. Monthly summary report of new program(s) and progress
        to the Board of Directors

III. A revised chart of executive approval authorizations
      to be submitted to the Board of Directors within
      three months and regularly (not less often than semi-
      annually) reviewed with a view to revision thereafter

IV. An organization plan for three to five years in advance
     based on, among other things:

    A. The availability and capacities of present managerial
        personnel

B. The possibilities of training of present management personnel

C. The possibilities of recruitment of new managerial personnel

V. A proposed program of compensation for key staff, including salary adjustments and adequate fringe benefits

VI. A plan of new facilities for new program(s) and extension of existing programs, including the gradual move, within five years, to such facilities which will:

A. Not interrupt current program

B. Provide for minimum possible losses of trained personnel

C. Provide for employment of additional personnel, if necessary*

It is advisable that limited objectives, such as the above, be selectively set. After all, one of the principles of setting objectives is that they must be feasible, and an overload may deter their accomplishment no matter how effective the CEO is as a manager. If long-range planning is done, the goals and objectives may be varied from year to year based upon established priorities.

Obviously, the goals of the agency become the goals of the CEO. The two are inseparable. That some not-for-profit organizations may not have recognized the fact has lead many a CEO down rough paths, following the direction of a board which moves onward, never upward, on whimsey.

_____

*This set of performance objectives have been used in "The Report Card for the Chief Executive Officer, Document #18.

At the risk of digressing from the evaluation of the CEO, mention should be made that the performance objectives of the CEO are translated into performance objectives for all personnel. Each employee and volunteer should participate in mutual goal setting with his supervisor or manager, taking appropriate increments of the CEO's/organization's goals, and adopting them as performance objectives for himself. Evaluation of capability measured against mutually set objectives focuses on what a person does rather than on what someone thinks of him.

Katz says the executive is hired by the trustees "partially on the basis of personal qualities,"[14] and that brings us to the second part of the evaluation: personal factors. His performance evaluation may be superior, but the impact he makes on his employees and in the community in accomplishing these objectives must also be weighed. His personal characteristics may affect morale, agency image, development of human resources, and his own health. Consequently, we move into a subjective arena, but the evaluation must accommodate these elements.

The board, as an assistant or partner to the CEO, has a responsibility to remove obstacles to his performance. Thus, if the obstacles are personal they should be identified before they impede progress toward goals and objectives. The CEO, as the essential link between the board and the agency, carries the operational burden for the success of the agency. A conscientious board cannot allow success to be encumbered by factors which may ultimately disrupt the delicate internal machinery

of the organization.

In order to arrive at some subjectivity, the CEO and the board (or the personnel committee) can apply a weighting to these personal factors. The weighting may change from time to time depending upon the annual agency objectives as well as other circumstances. For instance, a major calamity may have placed such a physical drain on the CEO that his health factor may have an important weighting in an evaluation. Or a major capital improvement program may unexpectedly cause a schism in the community. The factor for community relations therefore would be given a high weighting.

A serendipity of the mutuality of a CEO evaluation is that the partnership between the board and the CEO is strengthened. Commencing with mutual goal setting, the board acts as a sounding board as the CEO presents his plans to follow through. One executive says that his safeguard is "proving his point to an independent group that are damn good judges, who have not been participants in the plans, but who stand aside and judge."[15] Another said that when he presents a plan and has to defend it "when you come out of there and they say it's all right... then you go with confidence."[16] And lest it seem that all benefits flow only one way, the perceptive CEO realizes that a hidden factor is that every step of the way the board is being educated. As Robert Townsend says, "...the board of directors is supposed to be a tree full of owls--hooting when management heads into the wrong part of the forest."[17]

The Report Cards

The Report Card for the Chief Executive Officer, Document #18, is designed to rate as objectively as possible both performance and personal characteristics. It links with the Report Card for the Board and the Report Card for the Board Member. These evaluations become the tools which help to probe into the dark corners of some of the problems an organization may encounter. They should become part of a standard operating procedure, used routinely. They will help to strengthen deliberations, decision-making, and determinations. They will reveal strengths and weaknesses and clarify them for those who sincerely care to see them as opportunities for subsequent modification and revision.

They will lead to the "vitality derived from sustained competence," which was the premise we started with at the beginning of this section on evaluation, and which should be the premise of every board and CEO.

A REPORT CARD FOR THE CHIEF EXECUTIVE OFFICER

Date _____

Part I

Performance Rating*
(Based on mutually set objectives)

	Weight**	Good	Fair	Poor	Total
		25-30	13-24	0-15	
I. An improved system of financial planning	30%				
II. New program development	25%	20-25	11-19	0-10	
III. Chart of executive approval authorizations	5%	4-5	2-3	0-1	
IV. Organization plan for 3-5 years	20%	16-20	9-15	0-8	
V. Compensation plan for key staff	5%	4-5	2-3	0-1	
VI. New facilities	15%	12-15	7-11	0-6	

TOTAL PERFORMANCE POINTS
100 points equals 100%

* Based on sample goal setting on page 145.
** These weights are purely arbitrary and merely used as an example.

Part II

Personal Characteristics***

	Weight	Good	Fair	Poor	Total
		8-10	4-7	0-3	
I. Development of success-ors (Is he seriously trying to develop his subordinates as their coach, teacher and counselor. Does he keep an eye on promising young persons?)	10%				
		16-20	9-15	0-8	
II. Development of organi-zational morale (How does he meet and solve problems? Can he live with his decisions? Does he develop tensions and anxiety when things turn out poorly?)	20%				
III. Development of agency image (What does he give back to the community? Does he overdo it? Does he make reasonable contri-bution of time and effort to the community?	20%	16-20	9-15	0-8	
		25-30	13-24	0-12	
IV. Development of growth potential (Does he fore-see opportunities to move the agency forward? Is he capable of discarding the old and outdated for the new and innovative?)	30%				
		16-20	9-15	0-8	
V. Health (Is he watching his physical condition? Is he trying to handle everything himself to the point of physical ex-haustion? Is alcohol a problem?	20%				

***Adapted from Business Week, June 8, 1974.

TOTAL PERSONAL POINTS
100 points equals 100%

SCORING CHART

Directions: Score Part I, Performance Rating, and Part II,
Personal Characteristics separately. Grade each part against
the scale shown below. 100 points is highest score.

Grade	Minimum	Maximum
GOOD	78	100
FAIR	44	77
POOR	0	43

Dorothy Balfanz-Teas

SUMMARY OF THESIS

The hypothesis of this thesis has been that without proper-ly trained and properly informed board members, the voluntary, not-for-profit organization stands in jeopardy. As the legally recognized governing body, responsible for money, program, and personnel, the board carries the responsibility, in theory if not in fact, for the future of the organization.

In the aggregate, the board members of the voluntary, not-for-profit organizations of this country, hold the key to the maintenance of this sector in our society today. Abbrogation of their responsibilities, indeed, of their power, must surely lead to a more socialistic state and the diminution of voluntarism.

Manser and Cass, in <u>Voluntarism at the Crossroads</u>, (New York: Family Service Association of America, 1976, p. 47) express the concern as follows:

> Voluntarism, the activities of voluntary organiza-tions across the length and breadth of the land, occupying the time, the talents and the dedication of, at the very least, a quarter of our total adult population, and supported by more than 25 billion dollars a year for every type of civic, charitable, educational, and cultural endeavor--this indeed is a significant phenomenon in American life today. Can we afford to simply step aside in the face of forces which would change its character, weaken its impact on our social and cultural institutions, and noticeably impede the forward thrust of this move-ment which is both part and parcel of our democratic process and reflection of the finest aspirations of the human spirit?

"The finest aspirations of the human spirit," however, are not sufficient credentials for board membership. The selection

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of the board member need not be randomly from the merely avail-
able. With thoughtful preparation, using tested procedures,
identification of suitable candidates will bring specific attri-
butes which in the entirety will provide a knowledge base for
decision-making.

Assimilating these meticulously chosen individuals into the
processes of boardmanship, also requires a specifically designed
plan. Essential to the process, however, is recognition that
as experience broadens the board member's perception of his role
and his organization, his need for supplemental information and
knowledge increases. The learning process for a board member
is never static. It is, in fact, one of the more invigorating
aspects of being a board member.

Aside from the careful nurturing of the board member, it is
hoped few, if any, of them suffer the trauma of being sued. The
safest recourse is to be expertly apprised of one's legal respon-
sibilities and liabilities. In fact, if this is not one of the
major concerns of present and future board members, it certainly
should be. Unfortunately, there is very little in the literature
with which to work. It is hoped, therefore, that the counsel
for every voluntary, not-for-profit organization will assume the
responsibility for confirming the board member's legal role.

Unlike the legal role of the board member, ethical respon-
sibility and accountability have traditionally been only nebulous,
sometimes artificial, qualities which, like motherhood and apple
pie, are thought to be fine but difficult to state in absolutes.
The manifestation of the board's ethics, or conscience, is internal

to the board's deliberations. On the other hand, accountability is manifested externally to the organization's constituents. Ethics and accountability merge and become the reputation and demeanor of the board and its organization.

Although conscience cannot be measured, there are other attributes which can. The board member's routine evaluation, as a process of his self-development and growth, links with all his colleague board members' evaluations to provide a composite of the effectiveness of the board as a whole. At the risk of banality, a board is only as good as its members. Board member evaluation introduces a sensitive area. It is easier to evaluate a group than a person. However, just as other members of the organization must be evaluated (the chief executive officer, staff, clients, volunteers) the board member should not be exempt. Handled with discretion and delicacy, evaluation should be an acceptable and continuing process for all within the organization.

Evaluation of the chief executive officer is, in effect, an evaluation of the board's management acumen. Responsible for the hiring and firing of the chief executive officer, the board must justify, through periodic evaluation, its reasons for maintaining the person in whom they have placed their trust for the administration of the organization.

Evaluations, individually or collectively, may reveal effectiveness. But the measurement of effectiveness is found in the board's capability to change or to effect change. Nine readiness factors dealt with in the experiment cited in Chapter VI could

be condensed for future study. There are four which emerge as central to readiness to change. They are: (1) cohesiveness; (2) locomotion, goal appraisal and goal setting; (3) communication: conflict, tensions, information processing; and (4) domains: awareness of environment.

Further study should also be undertaken on the relationships between the chief executive officer and the board. The literature recognizes the importance of the relationship, but appears to deal with either the tensions which may exist in the relationship, or lists of "do's and don'ts" which are presumed to create a good relationship. The concept of partnership between the chief executive officer and the board needs further development.

Basic, however, to present as well as future studies is the acceptance of the fact that board development and training is an ongoing program, not an extraneous activity undertaken when there is enough time or money. If there were any standards of performance in the voluntary, not-for-profit "industry," certainly board development and training should be included. It reveals a concern for tapping the human resources at their highest potential; for maintaining superior criteria for operations; and for fulfilling an obligation to the community and other constituents to move beyond and above the status quo.

APPENDIX

THE JOURNAL OF A BOARD TRAINER

In any workshop session, the trainer has some specific
obligations, not to deliver an encyclopedic interlude, but a
package which will: (a) be specifically tailored to the needs
of a particular organization; (b) fit the available time of
the organization's board and staff; and (c) be fun. The work-
shop designs in this chapter are offered with these considera-
tions in mind. Each workshop has been taken from an actual ex-
perience, and the diary which explains them is revelatory of a
trainer's experience. The inclusion of these workshops in
this section is based on the fact that they contain most of the
topics of earlier chapters in this manual. They are
in various increments of time: one-hour, one-half day, and
one day. With some adjustment, they can be combined into one
longer workshop, provided they suit the needs of the sponsoring
agency.

Workshop design draws from the social sciences and from
education in order to be effective. For instance, a board train-
ing workshop must incorporate principles related to adult capa-
cities to learn, status and role of the adult participant, value
orientation of the adult, group processes, strategies for change,
instructional techniques for adult groups, and instructional
equipment and materials.

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The Learning Environment

National Training Laboratories has issued a set of objectives for organizational development which Carl Rogers[1] identifies as being important to organizational health. They are adaptable to the kind of group dynamic effective in creating a climate for learning in a board training program. They are (as adapted):

1. To create an open, problem-solving climate

2. To supplement the authority associated with role or status with the authority of knowledge and competence

3. To build trust among individuals and groups

4. To locate decision-making and problem-solving responsibilities as close to the information sources as possible

5. To make competition more relevant to work goals and to maximize collaborative efforts

6. To develop a reward system which recognizes the achievement of the agency's mission and the growth of people

7. To increase the sense of "ownership" of organization objectives

8. To help board members to manage according to relevant objectives rather than according to "past practices" or according to objectives which do not make sense for one's area of responsibility

9. To increase self-control and self-direction for people within the organization

Content

In terms of basic and advanced training programs, the categories shown below encompass certain topics, keeping in mind that there should be enough flexibility to transfer a subject from one level to another, according to the needs of the trainee group.

Basic Board Training

I. Legal Responsibilities

.Articles of Incorporation and bylaws

.Policies: personnel, fiscal, program

.Contracts: other agencies, unions, employees

.Tax exemptions

.Insurance

.Bonding

.Audits

.Reports: officers, legal counsel

.Affiliations: local, state, national

.Acquisition of resources

II. Moral and Ethical Responsibilities	.Orientation of board to agency
	.Nominations to board
	.Education or reorientation
	.Loyalty
	.Relationships with staff
III. Decision-making	
	.Defining objectives
	.Setting priorities
	.Identifying problems
	.Making group decisions
	.Using committees
IV. Accountability	.Evaluations: of board, of board member, relevance of agency
	.For funds, program, physical facilities
	.Financial planning
	.Social values: equal rights, affirmative action, social justice, civil liberties, environmental protection, architectural barriers, etc.
V. Board Organization and Operation	
	.Records
	.Board Manuals
	.Tenure - Rotation
	.Meetings: minutes, agendas, quorums, parliamentary procedure
	.Elections
	.Bylaws review
	.Annual reports

Advanced Board Training

I. Legal Responsibilities

.Conflict of interest

.Prudent judgment

.Chief Executive Officer: hiring, firing, performance evaluation

.Maintenance of leadership: board and staff

.Lobbying - Advocacy

.Grants and Proposals

.AICPA accounting practices

II. Moral and Ethical Responsibilities

.Preparation for leadership

.Characteristics of board member: physical, financial, motivational, availability, skills, experience, attitudes

.Identifying community resources

.Identifying duplications of service

.Community relations: public relations, publicity

III.Decision-making

.Problem solving

.Conflict and Confrontation

.Discussion techniques

.Identifying power sources

.Change mechanisms

IV. Accountability

.Accessibility

.Responsiveness

.Alertness to decline of organization

V. Board Organization and Operation   .Documentation of
                                            improvement of
                                            management process
                                            of board

Although the above sequence of learning experience focuses

on the policy-making board, very little adaptation

would be necessary for a training program for other types

of boards.

INFORMATION FOR PLANNING A BOARD
TRAINING INSTITUTE

Participants:

A "team" registration is preferred. That is, a board member with his opposite staff member, such as a board president and the chief executive officer of the agency. All participants must agree to be present for the entire institute.

Length of Institute:

The following time arrangements are offered:
1. Two days (16 hours).
2. One and one-half days.
   Example: a. 8:00 a.m. to 6:00 p.m. - 1st day
                 3 to 4 additional hours - 2nd day

   b. 2:00 p.m. to 6:00 p.m. and 7:30 p.m.
      to 9:30 p.m. - 1st day
      7:30 a.m. to 2:00 p.m. - 2nd day

   c. Other hours may be arranged; but, an all-day
      and evening meeting is not recommended.

Responsibilities of Requesting agency:

1. Development, reproduction, and mailing of all promotional materials, invitations, or announcements.

2. Advance mailing of study material. Depending upon course content, participants may be required to review pertinent material in advance of session.

3. Logistics: Arranging for conference room(s) and their set-up; equipment; meals and coffee breaks. An equipment check-list will be supplied by the board trainer in advance.

4. Reproduction of materials to be used by participants. Materials will be developed by board trainer based on planning committee's decisions and used as instructional materials.

5. Assignment of participants to work groups, if necessary. Trainer will notify in advance.

6. Costs: a. Trainer's fee $___ per day and expenses
          b. Reproduction of training materials
          c. Conference rooms, equipment, etc.

<u>Minimum and Maximum</u> requirements for number of registrations

Limits will be determined following consultation with the
agency's planning committee. Generally, no less than ten
nor no more than 300 is satisfactory.

In the case of the upper limits, it will be necessary to
have discussion group leaders, or work group leaders, or
group facilitators in the ratio of 1 to 10 registrants.
The trainer will advise in their selection. This may be
a <u>cost</u> item in terms of traveling expenses and/or fees.

<u>Planning Committee</u>

The trainer will have at least one meeting with a planning
committee selected by the agency. The purpose of this
committee is to help the trainer determine special interests
or special problems of the agency in order that the
institute will be structured in terms of content and
methodology to meet the needs and expectations of the agency.

# # #

TWO-HOUR WORKSHOP

ON

LEADERSHIP

This two-hour workshop was one of four held during the
annual meeting of the Iowa Hospital Association. Seventy-five
persons attended my workshop, other registrants attended one
of three other workshops which ran concurrently.

Pre-Planning

Because of the limited time, a two-hour workshop, in my
opinion, requires more careful planning than a lengthier work-
shop. Setting a tempo which seems relaxed, while at the same
time moving toward an objective which must be reached quickly,
requires the trainer to exercise more control of the group
processes, and to have a more thorough knowledge of the sub-
ject. According to Training Volunteer Leaders, "In planning
training, the trainer takes into account such variables as
time available for training and realistic assessment of what can
be achieved."[1] Consequently, when the sponsor group suggested
that the workshop cover "Leadership," I felt we had to be more
specific in terms of what their needs were in order to accom-
modate the time limit.

Concurring with Gwen Winterberger, author of The Workshop
Planner, that "all topics must support the main workshop
goals and objectives,"[2] I asked that registrants identify those

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subjects within "Leadership" which would give me a focus on specific topics. Cautious about overloading a short workshop, I asked them to prioritize the subjects with the understanding that I would attempt to cover at least three of them. The four topics were:

1. Problems of leadership

2. Problem solving techniques

3. Information gaps relative to the hospital

4. "Rotation" of board members

Another factor which is important to the workshop leader is the number of persons expected to attend the workshop, as this influences the methodology. Numbers of persons, coupled with the time element, is the logistical base upon which workshop design is developed, and is important in the pre-planning phase. "The planner's advance information enhances effectiveness of the workshop and plays an important part in goal accomplishment."[3] A successful workshop design is based on providing opportunities for participation by all registrants, hence the need for knowing in advance an estimate of attendance.

"Participation" is a word used in the literature in a variety of disciplines. For example, Simon, McGregor, Koontz and O'Donnell use it in management; Rogers in therapy; Blake and Mouton, Benne, Schein and Bennis in change; and Tiba and Melchior in education. There also is ample support of the theory that active participation is usually generated in small groups.

"Small" has been established at seven to ten by Weldon

Shofstall,[4] four to six by the YMCA,[5] and an outside limit of
twelve by Jay.[6] In any event, as a technique of participation,
the small group process is essential, but not without logistic-
al flaws in a workshop of short duration, because moving persons
into and out of groups eats up the minutes. Under these circum-
stances, I prefer to use what I call the "Cascade Pattern." The
process is to organize early in the workshop groups of twelve-or-
so persons, and use the groups as the base cluster from which
sub-groups of three, four, or six can be "cascaded" without time-
consuming movement. Assignments to small groups in a workshop
may be various: achieve a consensus, set priorities, identify
problems, design a model, practice an activity, make lists, pro-
vide answers, and so on. For this reason, a base cluster pro-
vides a capability to handle group assignments in a number of
configurations for a number of purposes.

Optimistically, in spite of the time problem, one would
hope that the small group in the workshop would be able ulti-
mately to manifest its inherent importance. Benne identifies
it in this manner:

> Larger social systems ordinarily depend on
> small groups in formulating and maturing their
> policies and programs, whether the small group
> is a committee, cabinet, or board. Thus,
> change in the composition and functioning of
> such a strategic small group may produce
> change also in the wider social system which
> is dependent upon that group for guidance
> and direction.[7]

However, the opportunities to illuminate the principles of
change are very remote in this particular workshop.

Workshop Process and Design (See page 173.)

Having identified the sponsor's suggested content, and be-
ing aware of the logistical problems, the workshop designer is
able to move into process: the method by which the content
will flow through the workshop time period, resulting in a good
learning experience for the registrants and the trainer.

There will be no time, in this instance, for what Schein
and Bennis call "disconfirming information,"[8] or what Lewin
calls "unfreezing."[9] The short workshop, especially this one
with its explicit multiple purposes, can only involve the cog-
nitive element of learning.

It is assumed there are few, if any, workshop planners who
believe that a parade of speakers is a "Workshop." The YMCA
training manual says, "People learn more efficiently through
having experiences than by such means as reading, listening to
lectures, or watching movies."[10] Sheats says, "The use of dis-
cussion procedures is the trend--away from lectures--lectures
are useful only for 'informing.'"[11] It is for these reasons,
as well as those previously stated relative to the small group
advantages, that I structured this workshop around group pro-
cess.

Referring to the objectives listed on page 166, it is evi-
dent that the first two are problem centered. In the workshop
structure I merged objective #1, "The Problems of Leadership,"
with objective #2, "Problem Solving," using the group's express-
ed leadership problems to lend reality to the exercise. Again,
the constraints of time limit the problem-solving process to

what Samuel Culbert calls convergent problem-solving: "accepting a problem more or less as it has been stated and systematically directing our thoughts and actions towards solving it."[12]

Using small group discussion techniques, each group was asked to identify three major problems of leadership. Problems were listed on a newsprint tablet and duplications were eliminated. Then each registrant was given a handout, titled "Steps in Problem Solving,"[13] (see page 174 to study. As workshop facilitator, I designated one person from each cluster to form as a demonstration group to be observed by all participants while they used the "Steps" to resolve one of the newsprint-listed problems. Following the demonstration and a group discussion about the process, each cluster group was assigned one of the listed problems and proceeded to resolve it. After a brief sharing period, the total time elapsed was one hour and ten minutes, slightly more than half of the scheduled workshop. The important point here in workshop design is that when possible, workshop subjects, which have a natural affinity, should be combined in order to save time.

Fortunately, I had anticipated that "rotation of board members," objective #4, would emerge as a leadership problem. And it did! (Had I not been working in familiar territory, I would not have taken the chance.) There remains only one objective, "To identify some information gaps relative to the hospital."

The groups were re-formed to allow those persons from the same hospital to sit together. "The content of learning needs

to be applicable and relevant to the participant's back-home group and situation," says the YMCA's training manual.[14] An important element of this exercise was to devise a take-home plan for identifying and remedying lack of information about each registrant's home hospital. Together they answered the questions on the handout sheet (see page 175), pooling their information. Those questions to which no one had an answer emerged as the gaps which should be remedied back home. Since each hospital group knew its own organizational abilities best, they were then set to the task of planning how to present this information, when, and by whom when they returned to their own community (see page 176). There was enough time for some of the plans to be reported to the total workshop group.

Wrap-up and Questions and Answers

"Start on time, stay on time, finish on time," Winterberer admonishes and says further, "Make the first concession here and you have promised something you can't possibly deliver even though planning has met every other standard."[15] I agree except that whether a workshop concludes on time or not, it neverthe-less is necessary to provide a question and answer period in order to satisfy those who may have an unanswered, burning ques-tion. The question and answer period may simply be a "token" of what should be a longer time, but the frustrated registrants, those who have a question and those who want to leave, have at least had a modicum of satisfaction.

The wrap-up time is also used by the facilitator to review the processes the participants have experienced in the workshop,

and how these processes can be integrated with past and future experience. This is what Cantor calls the "remaking of experience." He contends that learning is not a process of storing data but that learning is "to re-shape, re-form, re-make one's experience."[16] One of the facilitator's frustrations is not knowing, under these circumstances, just how much re-shaping, re-forming, or re-making will occur within the registrant's organization as a consequence of the workshop experience. Whether the local organizations will move or change is unknown. At best, the facilitator can only aspire to provide a tenuous toe-hold on change intervention through the use of models, principles, or theories.

Before handing out the evaluation sheets (see page 177) at the end of the workshop, the participants were again reminded what the stated purposes of the workshop were. Occasionally some arrive with their own purposes and expect them to be satisfied at the expense of other participants. They were asked to evaluate against the stated purposes, listed on the evaluation sheet.

My own evaluation of the workshop is that registrants are exhilarated by a rapid pace and are able to sustain it for a two-hour period. They were cooperative and hardworking. In spite of my misgivings about "overload" or "shotgun" presentation, a registrant comment indicated that the broad overview was helpful in terms of planning specific, in-depth subjects for next year's annual meeting.

Conclusions about a Two-Hour Workshop

1. Leader/trainer/facilitator must exercise more control over group process than in longer workshop.

2. Leader/trainer/facilitator must have thorough knowledge of subject, if it is a "subject" workshop.

3. Estimated number of registrants is needed in advance for logistical planning and methodology.

4. The "cascade pattern" is effective in expediting formation of discussion groups, buzz groups, dyads, triads, etc.

THE IMPORTANCE OF YOU: AS PRESIDENTS, CHAIRMEN, AND
BOARD MEMBERS
(A two-hour workshop sponsored by the Iowa Hospital Association)

ELAPSED TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	REFER- ENCES
0:00-0:10	Introduction: Objectives of Workshop	lecture		
0:10-0:25	Problems of Leadership	group discussion: problem census	v/ flipchart	
0:25-0:35	Problem-Solving	demonstration with volunteer group	h/o Steps in Problem Solving	A
0:35-0:55		buzz groups each assigned one problem on flip- chart. "Follow the Steps in Problem Solving."		
0:55-01:10		Report Back		
01:10-01:20	Information Gaps	Individual work	h/o Question sheet	
01:20-01:30		Pool information with your back-home group		
01:30-01:40		Identify & list "weak spots" in shared infor- mation.		
01:40-01:50		Devise plan on how you will remedy. Report.		
01:50-02:00	Wrap-up and Workshop Evaluation	Questions & Answers		

* * * * * *

List of handouts:
Steps in Problem Solving
Question sheet
Evaluation

List of Visuals:
flipchart

PROBLEM-SOLVING*

OBJECTIVE: To look at ways to work with others in forming a problem solving unit.

CONTENT: The small group may be looked at from one point of view as a task-ac-complishing, problem-solving mechanism. Each of the activities of the group members may be analyzed or interpreted in terms of the contribution of the activity toward the solution of the problem(s) confronting the group.

For purposes of analysis the problem-solving process may be broken into five steps or stages:

1. Defining the problem. Defining the problem so that it may be effectively worked on; internalizing the various aspects of the problem through discussion.

2. Producing ideas. Creating various alternative solutions to the problem; getting ideas.

3. Testing the ideas. Examining the ideas or alternatives; collecting data and interpreting their relevance to the ideas; examining feelings and/or perceptions when relevant; reality testing.

4. Choosing among ideas. Reaching a decision on alternative solutions to the problem as defined; choosing.

5. Planning for action. Examining implications of choice for action-taking; making detailed plans for action; reality testing and replanning, which may involve returning to earlier stages.

HELPFUL METHODS FOR VARIOUS STEPS: If methods are appropriate to the needs during a particular step in the problem solving they will be helpful. Some methods are suited only to certain stages of problem-solving.

1. Problem definition: problem census; buzz grouping; general discussion.

2. Getting ideas: brainstorming; buzz grouping; silent periods; individual work.

3. Testing ideas: case method; general discussion; gathering data.

4. Deciding: exploration of feelings; segmentation of problem.
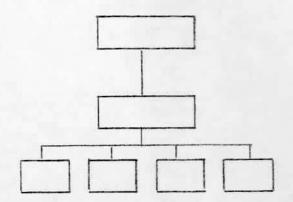
5. Planning action: subgrouping; reality testing.

(over)

* Presented at Institute on Hospital Public Relations, Chicago, May 18-20, 1964, by John H. Bigger, Director, Division of Education, American Hospital Association.

In a problem-solving meeting, the behavior of group members (including the chair-man or leader) can be evaluated by whether or not it helps the group to go through the necessary steps in the problem-solving process. Five general types of behavior are required:

1. Direct contributions to the phase of the problem-solving process on which the group is engaged.

2. Inviting others to contribute to the problem-solving process.

3. Direct contributions to the improvement of group processes.

4. Inviting others to contribute to improvement of group processes.

5. Relieving tensions generated by the group activity.

In addition to these special types of contributions, there is need all through the process for frequent summarization of what has been accomplished, "where we are now" and conscious group attention to "what needs to be done next."

1. Some hospitals have more than the one role in patient care.
    Name them.

2. A single organization chart for a small voluntary hospital
    is shown below. Beginning at the top with the highest
    authority, fill in the various levels.

3. Where did (will) the money come from for the hospital's
    most recent (new) construction?

4. What percent of its income did the hospital receive from
    stand an/or federal government for patient care last year?

5. What percent of its income did the hospital receive from
    health insurance plans for patient care last year?

6. What does JCAH stand for and how does it affect your hospital?

7. How many employees are there in your hospital?

8. How many volunteers are there in your hospital?

9. What percent of the hospital budget is for wages?

10. Where does the hospital get money to pay its employees'
    wages?   to buy equipment?

11. What is the most recent state or federal legislation to
    affect your hospital?

Dorothy Balfanz-Teas

BACK HOME PLAN

1. What method?

2. Who would plan it?

3. Who would do it?

4. When would it be done?

5. Who would evaluate it and how?

Dorothy Balfanz-Teas

WORKSHOP EVALUATION
IOWA HOSPITAL ASSOCIATION

April 27, 1977

Workshop Purposes:

1. To identify some of the unique problems of leadership.
2. To experiment with problem-solving techniques.
3. To identify some information gaps relative to the hospital.
4. To analyze "rotation" of board members.

# # # # #

A. Overall, I thought the workshop was (circle one):

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

B. In terms of meeting the workshop purposes as stated above,
    I thought the workshop was (circle one):

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

C. I would rate the techniques of presentation as follows:

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

D. In terms of knowledge and information, I thought the
    leader was: (circle one):

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

E. This is what I would do to make this workshop better:

F. Future workshops should include subjects on:

G. I feel that I just have to say that

HALF-DAY, ROTATING WORKSHOP

ON

THE DYNAMICS OF THE BOARD

This report covers a three-day institute, sponsored by the American Hospital Association, for volunteers serving as board members, present and potential auxiliary officers, and committee chairmen--the volunteer leadership group. Registration, originally limited to 100 persons was closed at 115.

All participants were residents of the Hilton Inn, Atlanta, for the duration of the institute, which created what Schein and Bennis describe as a laboratory setting:[1]

1. The laboratory is temporary.

2. The laboratory is informal and egalitarian.

3. The laboratory is self-contained, a cultural island.

4. There is no product to be manufactured or service to be performed.

5. None of the relationships are permanent.

6. Most basic needs--food, lodging--are met.

7. There is a clearcut routine of activities. There is no need to make choices.

Although registrants were not completely isolated from other hotel guests, they generally were remote from public areas. For instance, the noon meal was communal. Although it is difficult to proclaim it in promotional materials, this kind

of opportunity for informal dialogue among registrants pro-
vides an added educational value. (Institute/Conference/Work-
shop planners would be well-advised to keep this point in mind
when making arrangements with a facility.)

Purpose

The Department of Education of the American Hospital Asso-
ciation defines its institutes as "instructional conferences,
using seminar techniques of group discussion and teaching."
The purpose of this institute was "to provide an in-depth study
of current principles and practices of effective volunteer
organization management so that participants can best perform
in their leadership roles." Five major program topics were
designated, each one assigned to a specific faculty member. The
first one listed was my assignment and will be the focus of this
report.

1. The Dynamics of the Board--its organizational develop-
   ment, policies and procedures, and functioning

2. Committeeship--the organization, implementation, and
   maintenance of committees to ensure maximum function-
   ing

3. Human Resources Development--how to develop, attract,
   and retain membership

4. Planning and goal setting--the long- and short-range
   planning process and methods by which to evaluate
   organization programs

The above topics were handled in a seminar setting. The total
registration was divided into four groups of approximately
twenty-six persons, each of which would spend one-half day in
each program topic, rotating through these four topics in two days.

5. The volunteer leader's role as a change agent was scheduled on the last half-day in a general session, not in a seminar setting.

Content

The content of the institute curriculum which provided the base from which the major topics developed was composed of three elements:

A. Materials and expertise supplied by each faculty member, specifically within their assigned program topic

B. Indicators of needed change within the participant's organization as a consequence of identification of new management principles or reinforcement of old principles

C. Specific objectives within each program topic

Ideal Faculty

The faculty was the classic example of everything Hilda Tiba[2] recommends for an ideal workshop:

1. It was willing to be flexible and to adapt to the needs of the participants.

2. It was able to convey to participants that they, the faculty, would serve as intermediaries, translators, or facilitators and would act as a partner in learning.

3. It developed an atmosphere for its own growth and learning by daily faculty meetings which were concerned with correlating and coordinating experience and information which would provide continuous enrichment to the institute as well as to themselves.

4. They acted as a team, were willing to share with each other, and to experiment with their own concepts, techniques, and materials.

These attributes were not spontaneously generated by this faculty. All members had worked together in previous institutes and were comfortable with one another. Schein and Bennis

say that a staff (faculty) which exhibits little tension among themselves reduces the threat to learning.[3] The relaxed, open, and tension-free learning environment of this institute was proof of their theory.

Registrants' Motivations

The registrants were a homogeneous group from hospitals across the country. Already recognized as leaders, they had demonstrated what Argyris calls "interpersonal competence."[4] Generally necessitating a personal investment of money and time, the institute attracted highly-motivated registrants. Typically, they illustrated an educational need defined by Malcolm Knowles as "something a person ought to learn for his own good, for the good of an organization, or for the good of society. It is the gap between his present level of competencies and a higher level required for effective performance as defined by himself or others."[5] Knowles' statement is reinforced by Schein and Bennis who say the same thing more explicitly. They say the motivations of registrants in a laboratory setting are: (1) personal motivation to learn; (2) problem solving for the organization; (3) curiosity--a chance to evaluate experience for someone else; and, (4) need for appraisal or counseling.[6]

Workshop Theory

Each faculty member was allowed the freedom to use personally preferred training techniques for a workshop setting. Grant Caleo, of the American Hospital Association, in an unpublished speech titled, "Planning for Education," (Chicago, June 7, 1969) defined the characteristics of a workshop as (1) exploring

a relatively unknown or ill-defined area; and (2) involving

registrants in contributing what they know by participating

in discussion or sharing problems. Melchior says, "In old

times a workshop made new articles or repaired old ones."[7]

In involving participants in their own learning experi-

ence, the structure of the workshop allowed for discussing

and sharing. For some registrants, the results of the work-

shop possibly would provide them with a completely new board

structure; and for others, it would patch up existing

boards ("new articles or repairing old ones.")

The performance objectives were:

1. Participants will analyze the organization of
   their board and measure it against modern,
   accepted theories of board organization.

2. Participants will analyze the operation of their
   board and measure it against modern, accepted
   theories of management.

3. Participants will examine the roles and responsi-
   bilities of board members, and measure performance
   of current board members against workshop-developed
   standards.

I agree with Monroe and Quinn[8] that instructional objec-

tives should include not only performance objectives but be-

havioral, program and curricular ones. Such categories of

objectives are feasible when applied to a long-term educational

setting, but I doubt the feasibility in a three-day institute.

I would like to have had an objective which stated something

to the effect, "All participants will return to their own hos-

pital and within six months will have altered its board to

meet the criteria discussed in the workshop." This objective

would have at least fulfilled Monroe's and Quinn's sequential
pattern for writing objectives: observable outcome, level of
achievement, and conditions of evaluation.[9]

Workshop Outline (See pp. 189-196.)

Having thus stated my objectives, I move on to the struc-
ture of my workshop. Klevins[10] refers to Houle's model. As
a former student of Cyril O. Houle, I am able to adjust easily
to his outline and have used it as a checklist. The relevant
items of his outline which I simplify and adapt to my design
are:

1. Refine a statement of objectives.

2. Design a suitable program (format, methods, materials).

3. Decide how program is to be measured.

4. Carry out learning activities.

5. Evaluate objectives.

6. Appraise.

(Such items as financing and public relations were not in my
domain for producing this workshop.) I prefer Houle's outline
to others inasmuch as he adds "Appraisal." Appraisal is "a
diagnostic sensitivity to the effects of its own actions upon
others."[11]

The format, methods and materials for this series of work-
shops cannot be static for each of the half-day sessions.
After the first half-day, registrants have been exposed to
one other workshop within the institute. For instance, Group I
comes to me for the first half-day to study volunteer boards
with no previous experience out of this institute. However,

on the second half-day, Group II comes to volunteer boards
having had a previous half-day with "Human Resources Develop-
ment." Group III, on the third half-day brings to volunteer
boards previous workshop experience in "Human Resources De-
velopment" and "Committeeship," and so on. (See schema on
page 185.)

Consequently, each of my four workshops although dealing
with volunteer boards must adjust to the additional, sometimes
supplemental, information the registrants have recently re-
ceived. Whereas I could spend some time with Group I or
Group II on committees as an operational arm of the board, it
was not necessary to do so with Groups III or IV. Similarly,
with Groups I, II, and III, it was necessary to allow time
to discuss and define, in general terms, what long-range plan-
ning is and what kinds of goals were relevant for boards to
develop. Group IV, having had the session in "Planning and
Goal Setting," needed no elucidation. Had each faculty mem-
ber had to repeat the same material four times in a forty-
eight hour period, it would have been stultifying. On the con-
tray, it was stimulating to be able to observe how the escal-
ating knowledge of the registrants affected their participa-
tion as they worked their way through the institute process.

Four outlines of my workshop are on pages 189-196 in the
sequence in which it was presented. It will be noted that
each workshop covered three general topics: the functions
of the board, structuring the board, and who sits on the board.
For the reasons noted above, each topic had a different

SCHEMA FOR ROTATION OF PARTICIPANT GROUPS THROUGH PROGRAM
TOPICS OF INSTITUTE

Program Topics	First ½-day	Second ½-day	Third ½-day	Fourth ½-day
The Dynamics of the Board	I	II	III	IV
Human Resources Developm't	II	III	IV	I
Committeeship	III	IV	I	II
Planning and Goal Setting	IV	I	II	III

(Participant groups are designated by I,II,III,IV)

→ - → - → - group's path through program topics to and includ-
ing The Dynamics of the Board

Figure 2

emphases in each workshop. Group I, for instance, spent time on identification of "policy" (versus procedures), and "objectives." I also spent some time on defining committees under "3M" (Monitor, Maintain, and Mandate).[12] For Group II, this exercise was supplanted by using the "3M" exercise in direct application to the responsibilities of the board. For Group III, "3M" was dropped and "internal and external" functions of the board was substituted. Group IV spent considerable time in speculative areas of board responsibilities and the dynamics of size. It is important to mention that there was more physical movement planned for Group IV as its workshop fell immediately after lunch. Experience has shown me that adults who have not been accustomed to a sustained learning experience become very fatigued after a day or a day-and-a-half stimulation. Fatigue becomes especially evident following lunch. For this reason, I always plan some kind of exercise which moves persons around and keeps them on their feet, more for physical stimulation than mental stimulation.

All materials used in my workshop are found at the end of this section. Not all items were used in all workshops for the reasons explained earlier. Additional materials were supplied by workshop registrants who were advised to bring with them copies of their bylaws, board minutes, and board roster. These materials were used in many of my workshop exercises to give relevancy to the principles being explored. This method is what Cantor calls integrative, not additive. He says significant learning is "integrated into the past

and ongoing experience of the learner--not just merely adding unrelated data."[13]

Evaluation

Using much the same form I have developed from the Training and Development Journal (January, 1972), evaluation questions covered overall workshop evaluation, meeting workshop purposes, techniques of presentation, leader's knowledge and information, meeting participant's needs, and a final, open-ended statement for workshop improvement. A sample of this evaluation form (used in a similar institute) is on page.

My own evaluation of my workshops within this institute is that each was good. I especially enjoyed being in the position of observer of the changes in attitudes of the participants as they were exposed to new concepts.

The change in attitudes was expertly revealed by a skillful faculty member on the last half-day in a general session titled, "The Volunteer Leader's Role as a Change Agent." This was a learning experience for me, reinforcing many of the concepts and theories we have dealt with in my cluster at Lindenwood Four.

Appraise

To follow through to Houle's "appraisal: were the steps taken the best ones?" In the future I would augment one of the steps which I used in the first two groups. Among the handouts is a document titled, "Attitude Survey." This is a simple survey which I designed to reveal the attitudes persons have about their board (See page   ). Had I used

this instrument consistently in all four groups, I might have now been able to make some comparisons between the attitudes of Group I (no previous institute workshops) and Group IV (at the end of all institute workshops). Would they have shown more or less positive feelings early in the institute, later in the institute, or not at all?

In appraising my own skills improvement in this workshop session, I use a list which Thomas Staton[14] considers essential in a teacher-trainer:

1. Motivate: state objectives of training program in concrete, specific terms related to the viewpoint of those to be trained.

2. Hold attention: employ humor, on-the-job application, enthusiasm, audiovisual aids, group participation.

3. Promote mutual activity: diads, triads, buzz groups.

4. Create a clear picture: summarize, showing relationship of materials to total outline or picture.

5. Assure comprehension through application. Use facts as tools to resolve a problem.

6. Repeat: use visual aids, tests, surveys, questions.

THE DYNAMICS OF THE BOARD   (No. 1 of a series of 4)   May 3-5, 1977
(One-half day: 3 hours)   Sponsored by American Hospital Association

ELAPSED TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	REFER ENCES
0:00-0:10	Introduction: Objectives of session	lecture		
	Registrants' attitudes about boards	questionnaire: Individual "Fill out. Return to me now. Tabulation will be reported at end of session."	h/o questionnaire Attitude Survey vey	
0:10-0:30	The Unique Functions of a Board	group discussion and lecture	v/ yellow "flags"	A
0:30-0:45	What is "policy"?	by board group "Write some policy statements of your board."		B
0:45-1:00		Discussion		
1:00-1:15	What are "objectives"?	"Write out your board's objectives for this year."		C
1:15-1:30		Discussion		
1:30-1:45	B R E A K			
1:45-2:00	The Functions of your Board	Find examples in your minutes of your board exercising its unique functions. Refer to yellow flags. Find examples of your board functioning improperly (for ex. behaving like a committee)		
2:00-2:15		Discussion		
2:15-2:30	Structuring the Board	Lecture on "3M" and "Using your committee list, separate them into 3M categories."		D

2:30-2:50	Who sits on the Board? Why:	Buzz groups What are the qualifications of a good board member?	
			v/
		Report back & discussion	flipchart
2:50-3:00	Report on tabulation. Wrap-up Evaluation of workshop		h/o evaluation	E

* * * * * *

List of handouts: Visuals:
Attitude survey   yellow "flags"
evaluation of workshop   flipchart

THE DYNAMICS OF THE BOARD   (No. 2 of a series of 4)   May 3-5, 1977
(one-half day: 3 hours)   Sponsored by American Hospital Association

ELAPSED TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	REFER- ENCES
0:00-0:10	Introduction: Objectives of session	lecture		
0:10-0:40	The Unique Functions of a Board	group discussion and lecture	v/ yellow "flags"	A
0:40-0:50	"3M"	group discussion: "Identify the functions using the 3M principle."		D
0:50-01:10	The functions of your board.	"Find examples in your minutes of your board exercising the principle of 3M."		
01:10-01:30	Structuring the Board	"Structure the board of 'City Hospital" using the principle of 3M."	h/o City Hospital board list	
01:30-01:40	B R E A K			
01:40-02:00		"Structure your own board using the principle of 3M."		
02:00-02:20	Who sits on the Board. Why?			
	Qualifications	Buzz groups What are the qualifications of a good board member?		
		Report back & discussion	v/ flipchart	
02:20-02:45	Tenure: Deadwood vs New Blood	By board group "Fill out tenure matrix for your board."	h/o tenure matrix	
		Discussion: Identify your board problems with deadwood		

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02:45-3:00   <u>Wrap-up</u> and   Questions & Answers   h/o
              Evaluation of workshop   Evaluation   E

                                        * * * * * *

List of handouts: List of visuals:
City Hospital board list   yellow flags
tenure matrix   flipchart
Evaluation of workshop

THE DYNAMICS OF THE BOARD   (No. 3 of a series of 4)   May 3-5, 1977
(one-half day: 3 hours) Sponsored by American Hospital Association

ELAPSED TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	REFERENCES
0:00-0:10	Introduction: Objectives of session	lecture		
0:10-0:30	The Unique Functions of a Board	group discussion and lecture	v/ yellow "flags"	A
0:30-01:00	The functions of your board	by board group: "Find examples in your minutes of your board exercising its unique functions." "Refer to yellow 'flags'."		
01:00-01:10	Structuring the Board	lecture: "Internal & External Functions"	h/o Patterns of Organization	F
01:10-01:30		buzz groups: "Identify internal & external functions of City Hospital Board"	h/o City Hospital Bd.	
01:30-01:40		Group discussion		
01:40-01:50		by board group: "Identify internal & external functions of your organization."		
01:50-02:00	B R E A K			
02:00-02:25	Who sits on the board. Why?	Triads: "List qualifications of a good board member."		
		Report to group	v/flipchart	
		Group discussion: "Develop a rating scale, using flipchart qualifications."	v/flipchart	

02:25-02:35	self-evaluation	Individual work: "Rate yourself using the rating scale developed by the group."	
02:35-02:45	board inventory	Individual work: "Using the master inventory sheet, fill in your own rating score."	h/o Board inventory
02:45-03:00	<u>wrap-up</u> and evaluation of workshop	questions & answers	h/o evaluation E

* * * * * *

List of handouts:

Board inventory
Evaluation of workshop

List of visuals:
yellow "flags"
flipchart

THE DYNAMICS OF THE BOARD   (No. 4 of a series of 4)   May 3-5, 1977
(one-half day: 3 hours)   Sponsored by American Hospital Association

ELAPSED TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	REFER-ENCES
0:00-0:10	Introduction: Objectives of session	lecture		
0:10-0:40	The Unique Functions of a Board	group discussion and lecture	v/ yellow "flags"	A
0:40-01:00	Board evaluation	by board group: "Evaluate your board."	h/o Report Card for the Board	G
01:00-01:30	"Gray areas" of board responsibilities	"spell-down" card exercise of gray areas of bd. responsibility	h/o 23 cards	
01:30-01:45	B R E A K			
01:45-02:00	Size of Board	lecture: "Graicunas's theory of subordinate-superior re-lationships."		H
02:00-02:15	Number of relationships	groups of 4,5,6,7 "Figure no. of relationships in groups of 4,5,6,7." Report findings.		
02:15-02:30	The dynamics of size	by board group: "Restructure your board to no more than twelve persons."		I
02:30-02:45		Sharing and discussion		
02:45-03:00	Wrap-up and evaluation of workshop	Questions & Answers	Workshop evaluation	E

* * * * * *

*Designed especially for an after-lunch session when registrants are apt to be listless.

List of handouts:

Report card for the Board
23 cards "Gray Areas"
Workshop evaluation

List of visuals
yellow "flags"

REFERENCES (Workshop Design)

From the literature, the following sources were used in the workshop series either indirectly as the basis for exercises or as direct quotations to support principles being enunciated. They are listed in the sequence in which they appear in the set of four designs as indicated by the capital letter appearing in the column "References."

A.   Koontz, Harold and Cyril O'Donnell, Principles of Management: An Analysis of Managerial Functions: 5th ed. N.Y: McGraw-Hill Book Company, Inc. 1972. pp. 384-387.

B.   Hanson, Pauline L. and Carolyn T. Marmaduke. The Board Member: Decision-Maker. Sacramento, California: Han-Mar Publications, 1972. p. 30.

C.   Olsson, David E. Management by Objectives. Palo Alto, California: Pacific Books. 1968. p. 90.

D.   Makowski, Robert J. "Mandate, Maintain, Monitor: A Model for Hospital Governance," Trustee, 29:1, January, 1976. p. 34.

E.   Reeves, Elton T and J. Michael Jensen, "Effectiveness of Program Evaluation," and
Patten, Thomas H., Jr., and Lester E. Dorey, "An Equal Opportunity Sensitivity Workshop," Training and Development Journal, January, 1972.

F.   Sussmann, Patricia. Unpublished discussion outline. "Patterns of Organization." American Hospital Association. February, 1969.

G.   Trecker, Harleigh. Citizen Boards at Work. New York: Association Press. 1970.

H.   Koontz, Harold and Cyril O'Donnell. op. cit. p. 252.

I.   Jay, Antony. "How to Run a Meeting," Harvard Business Review. March-April 1976. p. 43.

Tenure Matrix

	Term began	Term ends	1st time on board yes or no?	Has been on board consecutively (check one)	4 years	6 yrs	8 yrs	10 yrs.	More than 10
President									
Vice president									
Vice president									
Vice president									
Vice president									
Recording sec.									
Corres. sec.									
Treasurer									
Ass't. Treasurer									

10/76
DB

OFFICERS' ROLES

Using the appropriate documents of your organization (bylaws, administrative policies and procedures, etc.) and the current list of the board, please answer the following questions about any two positions on the board.

1. What is the person's title?

2. As briefly as possible, what is the responsibility of the office as stated in any of the above documents?

   Is the stated responsibility close to the actual responsibility the person now in the job assumes?

3. To whom does this officer report?

4. How often does he/she report?

5. How does he/she give the report? (written, verbal)

6. How long is the term of office?

7. How long has the present individual held this particular office?

8. Approximately how long has the incumbent been on the board? (Make a guess if you have to)

9. How does he/she prepare his/her successor?

10. What records is he/she required to keep?

11. How long are the records of this office kept?

12. Where are the records of this office kept?

Dorothy Balfanz-Teas

ATTITUDE SURVEY

1. What is the purpose of the board?

2. Which of the following terms best describe the board?

   efficient _____   inefficient _____

   friendly _____   closed corporation_____

   accepting of change_____   wasteful of talents_____

   using its full   elderly _____
   capabilities _____

3. How does the board respond to crises? (check one)

   by investigating the facts _____

   emotionally _____

   slowly _____

4. Are competent leaders usually available?

   for elective offices   yes_____   no_____

   for committee chairmen   yes_____   no_____

5. Are there any problems in finding leadership?   yes_____no_____

6. Are you personally satisfied with

   the quality of the board's deliberations?   yes_____no_____

   the range of the board's deliberations?   yes_____no_____

   the appropriateness of the board's
   deliberations?   yes_____no_____

7. Do board and administration share problems before they
   reach a crisis stage?   yes_____no_____

8. Do you think the board represents the total community the
   organization serves?   yes_____no_____

9. Do you regard the board as a source for help in determining
   community attitudes?   yes_____no_____

10. Do you consider the board

    service oriented?   yes_____no_____

    community health oriented?   yes_____no_____

    fund-raising oriented?   yes_____no_____

11. Is the board involved in long-range planning?
                                   yes_____no_____

12. Does the board have a 5-year plan for

    recruitment?   yes_____no_____

    finances?   yes_____no_____

    services?   yes_____no_____

13. Do the administrator and the board president communicate

    regularly   _____   through formal meetings _____

    never   _____   informally   _____

    only when there
       is a problem   _____   occasionally   _____

14. Does the board president encourage administration to
    suggest new ideas and new programs?
                                   yes_____no_____

15. Does the administration encourage the board to suggest
    new ideas and new programs?
                                   yes_____no_____

                                        Dorothy Balfanz-Teas

Determine who is responsible for the following actions:

1. Provide a profile of present and projected needs of the community served.

2. Analyze above data.

3. Define the powers of committees of the board.

4. Recruit new board members.

5. Ensure the existence of a plan for continuity of top management.

6. Carry out plans and policies of the board. Understand the degree of latitude in making exceptions to policy.

7. Know when policy applies and when it does not. Deal with situations not covered by policy.

8. Determine policy in regard to procuring finances for growth.

9. Approve major personnel policies and programs.

10. Assure a soundly-conceived staff organization and revise it when necessary so that it will always be effective.

11. Submit operating budgets.

12. Approve, reject, or modify budgets.

13. Review and approve donations and contributions to and by the agency.

14. Determine personnel procedures. Recruit personnel. Establish work conditions.

15. Resolve conflict among staff.

16. Be responsible for procedures in budgeting, accounting, purchasing.

17. Identify the board's need for information and arrange for timely supply of this information.

18. Review agency performance in terms of policies, objectives, plans.

19. Inquire into causes of major performance deficiencies.

20. Use physical resources effectively.

21. Inform the board when it is not fulfilling its moral and legal responsibilities.

22. Supply evidence for annual appraisal of objectives.

23. Take appropriate action to correct deviations from planned and desired standards of performance.

Dorothy Balfanz-Teas

AMERICAN HOSPITAL ASSOCIATION
INSTITUTE ON MODERN MANAGEMENT PRINCIPLES
May 3-5, 1977
Nashville, Tennessee

EVALUATION for the DYNAMICS OF THE BOARD

Purposes of this workshop:

1. To identify the unique functions of the board

2. To consider board structure relative to internal and external processes

3. To explore new techniques for evaluating board member performance and board activity

A. Overall, I though the workshop on Dynamics of the Board was (circle one):

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

B. In terms of meeting the workshop purposes as stated above, I though the workshop was (circle one):

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

C. I would rate the techniques of presentation as follows:

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

D. In terms of knowledge and information, I thought the leader was:

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

E. In terms of meeting my needs in my position, the workshop was:

POOR   FAIR   GOOD   VERY GOOD   EXCELLENT

F. This workshop would be better if

ONE-DAY WORKSHOP

ON

MAINTAINING DYNAMISM: BOARD, COMMITTEES, MANAGEMENT

Schedule and Format

The schedule of this one-day workshop as I had originally
designed it varied considerably from the actual workshop.
There always is some discrepancy between what is planned and
what actually happens, but in this workshop it was more dis-
similar than usual. Critical incidents are part of a trainer's
professional experience, and the ability to make quick adjust-
ments and immediate revisions is a test of the trainer's ex-
pertise.

Critical incidents may be caused by uncontrollable outside
influences, by poor planning, by the registrants, and by the
trainer. This workshop was a great laboratory for all of these
factors.

The trainer nevertheless has an obligation to deliver a
good session regardless of the circumstances; and to deliver
in such a way that registrants' learning-readiness is not dis-
turbed or disrupted. Whether or not the trainer is able to
overcome these problems can only be measured through the evalu-
ations of the workshop by the registrants themselves.

Critical Incidents

The following critical incidents occurred:

1. Materials which were to be handed out to registrants
for their use in various exercises did not arrive. It was not
possible to duplicate all of them in the limited time avail-
able; nor was it practical from the standpoint of expense. The
format of the session consequently had to be revised to accom-
modate fewer handout items.

2. The planning committee of the local host group had
arranged the meeting at the Hanover Inn in a room called "The
Tavern Room," so named because it actually was used as a tavern
at night by Dartmouth students. In traditional tavern style,
it was dimly lit with small-base bulbs which could not be re-
placed with higher wattage bulbs. This eliminated the use of
newsprint sheets as a training technique, except for one tablet
on one easel under a spotlight. It was not possible to use news-
print notes, generated usually through group discussion or lec-
ture, as reference points for exercises or for processing data.

3. The logistics of moving 115 persons through a buffet
luncheon allowed for one hour. However, the dining room facil-
ity was not able to accommodate that demand, and the lunch hour
extended to one-and-a-half hours. This circumstance was of
course not apparent until it actually occurred so the resulting
revision in the workshop schedule, the second revision, occurred
midway through the workshop. Time and timing are critical com-
modities in workshops, and the loss of thirty minutes impacts
on the total workshop.

4. I had developed a new exercise on "Principles of Com-
mittees" and was trying it for the first time. It proved to

be time-consuming and unproductive, and I abandoned it by subtly changing it from a group process to a trainer lecture. I shall do considerable revision on the exercise before using it again. Also, I shall not use an untried exercise when my time-frame gets out of predictable limits.

Serendipity

A workshop or training session is never a one-way learning experience. Each session is an educational opportunity for the trainer who must extract and use from the registrants their wealth of knowledge and experience and tie it into the processes which are occurring in the training session or workshop. For example, in this workshop an exercise on "The Dynamics of Size" (as related to board and committee operation) was based on information from The Functions of the Executive, by Chester I. Barnard. He demonstrates that a group of five persons may develop ten pairs, eight triplets, and five quartets, each a different configuration of individuals. Registrants in the workshop were divided into groups of five, six, seven, eight, nine, and ten persons and asked to determine the number of pairs in each group. It was a lively and stimulating exercise which they enjoyed. It not only demonstrated to the registrants the dynamics of numbers, but also communications and relationships or sociometry as Moreno defines it.[1] However, more important than the success of the exercise is that one of the registrants offered a formula for calculating the number of pairs in any given number-group. The formula was $\frac{N(N-1)}{2}$. If a good mathematician

verifies this formula, it will certainly prove serendipitous.*

My Evaluation of the Workshop

At the beginning of the workshop, I discussed the purposes; that it would cover three general subjects:

1. The board   the realities of its responsibilities;
                  the dynamics of size

2. Committees: function versus fiction; new categories

3. Management: setting objectives; evaluating behaviors

The purposes of the workshop were reiterated at the conclusion and were also on the evaluation sheets. The evaluation sheets, returned to me by the registrants, reflected my own feelings on the section on management. It was weaker than the other two sections. I believe a trainer who is sensitive and tuned in to the feeling tones occurring during the workshop will not find any surprises on the evaluation sheets. Somehow one just knows what goes well and what does not.

As a whole, however, it was a successful workshop as the evaluation sheets indicated. I felt I had good rapport with the group. They were responsive and cooperative and had a good time, important elements of a successful workshop. I believe they were unaware of all of the adjustments occurring in schedule and format, and that is important, too.

---

*I learned later that V.A.Graicunas, in 1933 published a paper relative to the span of management. His theory is that there is a geometric increase as the number of subordinates increases. The formula is $N[2^{N-1} + (N-1)]$. Cited by Harold Koontz and Cyril O'Donnell, Principles of Management (New York: McGraw-Hill Book Company, 1972), pp. 252-253.

MAINTAINING DYNAMISM   April 19, 1977

CLOCK TIME	SUBJECT	PROCESS	HANDOUTS VISUALS	Refs
10:30-10:45	Intro & Purposes	Lecture		
10:45-11:30	Board Responsibilities	Table Discussion: "List Purposes of Board" Group report	h/o Report Card	A
		Process & Lecture	v/ yellow flags	
11:30-12:00	Dynamics of Size	Table Discussion: (assign 4,5,6,7, etc.) "Figure no. of duet relationships."		B
12:00-12:30	Size of Board	Indiv. work "How many relation-ships on your bd?"		C
* * * * * 12:30-2:00 * * * * *	L U N C H			
2:00-2:30	"Gray areas" of board responsibility	card exercise	h/o 46 cards	
2:30-3:30	Committees	Group Discussion List advantages-disadvantages-abuses-principles of good committee leadership	v/ flipchart	
		Triads - Dyads "Fill in the missing words, using flip-chart words."	h/o 50 statements: 1 statement to each team	
		By organization: "List the committees on your board"		

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| | 3M: Monitor, Maintain Mandate | Lecture | D |
| | | Identify your committees under 3M | |

3:30-3:55	Evaluating board behaviors & performance	Group discussion "List performance criteria for board members"	v/ flipchart
		"Prioritize items on flipchart list."	
	Lecture	How to convert this exercise into a report card for the board member's performance	

| 3:55-4:00 | Evaluation of workshop | | E |

* * * * * * * *

List of handouts: Visuals:

Report card for the Board   Flipchart
50 statements - cut up   Yellow flags
"Gray areas" cards
Evaluation of workshop

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REFERENCES

The following were used in the workshop content either indirectly as the basis for exercises or as direct quotations to help support principles being enunciated. They are listed in the order in which they appear on the workshop design, as designated by the letter in parentheses.

A.   Trecker, Harleigh. Citizen Boards at Work. New York: Association Press, 1970.

B.   Barnard, Chester I. The Functions of the Executive. Cambridge: Harvard University Press, 1966.(p. 108).

C.   Koontz, Harold, and Cyril O'Donnell. Principles of Management: An Analysis of Managerial Functions. New York: McGraw-Hill Book Company, 1972. (p. 259).

D.   Makowski, Robert J., "Mandate, Maintain, Monitor: A Model for Hospital Governance," Trustee, January, 1976, p. 34.

E.   Evaluation sheet adapted from Reeves, Elton T. and J. Michael Jensen, "Effectiveness of Program Evaluation," Training and Development Journal, January, 1972, pp. 36-41.

FOOTNOTES

TO

INTRODUCTION

1. Thomas C. Teas, Legal Responsibilities of Board Members (Chicago: The National Easter Seal Society for Crippled Children and Adults, 1973), p. 1.

2. Brenda Hanlon, "In Boards We Trust," Voluntary Action Leadership, Winter, 1977, p. 19.

3. Cited by Kenneth D. Benne, "The Moral Orientation of Laboratory Methods of Education and Changing," The Planning of Change, 3rd ed. Warren G. Bennis, Kenneth D. Benne, Robert Chin, Kenneth E. Corey, editors (New York: Holt, Rinehart and Winston, 1976), p. 499.

4. "The Board Under Fire," Newsweek, August 31, 1970, p. 58.

5. August 17, 1975, p. 8C.

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