



INTRODUCTION

Before becoming a consultant on meetings and effective decision making, I was employed as an engineer. My motto then was: *Silence is golden*. Keeping quiet in meetings was safe and risk-free, and rarely did anyone solicit my ideas anyway. Had I shared my input, however, it might have improved the quality of my team's decisions and reduced its mistakes. Silence is a common and highly damaging Boardroom problem, one that increases risk and diminishes opportunities.

In 1984, I launched my consulting practice on meetings and rules of order. I had fun advising Boards on demystifying the rules of order and using them sensibly and intelligently to facilitate progress while protecting basic rights. While doing this work, I discovered another Boardroom problem: excessive reliance on rules of order. Boards become entangled in motions, amendments, and other formal procedures and are thereby distracted from core issues. They lose precious time, and their capacity to make quality decisions is eroded.

Since that time, I've observed Boards and councils—which are entrusted to govern substantial organizations and oversee significant mandates and large budgets—do the following: act impulsively, amateurishly, and childishly; display no strength in the face of vocal minorities; place narrow interests ahead of community interests; show no ability to tolerate differences of opinion or benefit from them; and invent solutions without first defining the problems.

What makes Boardroom problems especially puzzling is the fact that, as individuals, many Board members are educated, accomplished, and highly dedicated to their organizations. Some are prominent and respected community leaders. But put them together in a setting where they must share decision-making powers with others, and you often get trouble.

Why do so many Boards become mildly, moderately, or even

severely dysfunctional? Do Boardroom problems indicate malice and a deliberate disregard for the organization or the community that the Board is mandated to serve? I think not.

Consider this thought: *Never attribute to malice what can be attributed to misunderstandings, a lack of knowledge, or systemic weaknesses.* Even if you are certain that someone is acting maliciously, it is more productive to examine the systemic deficiencies that may be the root causes of a specific Boardroom problem. Only then can lasting solutions be found.

KEY PRINCIPLES AND DEFINITIONS

As the governing body of an organization or community, a Board has the duty to provide proactive, mature, sophisticated, and trustworthy leadership. Board decision making is shared among the members, usually on the basis of one-member–one-vote.

The functioning of Boards requires substantial investments in meetings, travel, staff support, liability insurance, and so on. Given this investment, Board decision making should yield higher returns than the quicker and less costly unilateral decision making, whereby one leader makes the decisions, with or without consulting others. Indeed, when a Board is effective, the above investments yield quality decisions and effective stewardship. In such cases, the Board is an asset. On the other hand, if a Board is mediocre or dysfunctional, the return on investment is small or nonexistent.

When a Board becomes a liability, or when its action or inaction impedes progress, it can be argued that the organization might be better off without a Board altogether. Some might even suggest that in such cases, more could be accomplished under the unilateral stewardship of a competent, honest, and principled administrator.

THE PROCESS AND SUBSTANCE OF BOARD DECISION MAKING

The success of a Board is determined by both the substance of its decisions and the manner in which they are made. An effective

Board *generates quality decisions, together, and within a reasonable amount of time*. Such a Board balances the need for effectiveness and efficiency with the need to engage its members as equal partners in debate and shared decision making.

It should be noted that *process* (the manner in which a decision is made) is just as important as *substance* (the decision itself). A substantively good decision may fail because it was rushed, minorities were bullied, or the community and stakeholders were not sufficiently informed or consulted.

Below are five *substantive* criteria and five *process* criteria for Board decision making. You may use them to score your Board's decisions and processes. Allocate up to 10 points for each criterion, with 10 representing full satisfaction, and then add the scores. If your Board is functioning well, the grand total for both sets of criteria will be between 70 and 100 points.

Starting with the five *substantive* criteria, a Board decision should be:

1. *Strategic*. The decision supports the attainment of the organization's mission, vision, and strategic goals. It transcends short-term crises and narrow issues and addresses broad and long-term priorities.
2. *Informed*. The decision is based on knowledge and objective analysis of benefits versus risks. It is not tainted by anger, envy, narrow interests, premeeting promises, conflicts of interest, and so on.
3. *Smart*. The decision employs creativity and innovation. It seeks to optimize the use of human, financial, and other resources and maximize the benefits over time.
4. *Balanced and Fair*. The decision achieves an appropriate balance among the needs of the whole organization, the needs of individuals and constituent units, and any other legitimate needs.
5. *Sustainable, Affordable, and Legal*. The decision is realistic and can be implemented with available and reasonably

foreseen means. It complies with legal requirements, bylaws, and policies.

From a *process* perspective, the manner in which a Board decision is made should be:

1. *Collectively Driven*. All Board members are included in the decision-making process, thereby arriving at the same outcome together as active partners and not as acquiescent or reluctant followers.
2. *Transparent and Accountable*. The community is kept informed from the conception of the decision to its implementation. If the decision has substantial impacts, the Board seeks community input on it.
3. *Respectful and Honest*. All parties to decision making are treated with respect and honesty. There are no hidden agendas. The process is not tainted by bullying and trickery.
4. *Measured and Gradual*. The pace of decision making is comfortable. It is neither rushed nor slow. Progress is deliberate and measured. Sufficient time is allocated to the scrutiny of proposals.
5. *Efficient and Timely*. The decision is reached within a reasonable amount of time and without unnecessary delays, which may be caused by a focus on minutiae and by poorly managed meetings.

BOARDROOM PROBLEMS DEFINED

Given that the function of a Board is to generate quality decisions, together, and in a reasonable amount of time, a Boardroom problem (or dysfunction) is anything that diminishes the Board's ability to function in this manner. Specifically, *a Boardroom problem is an individual behavior or systemic condition that diminishes the substantive quality of a Board decision and/or damages the decision-making process itself.*

Boardroom problems are costly in both tangible and intangible terms. They lead to bad decisions that diminish opportunities and increase risk. They generate internal feuds that can tear apart a highly relevant organization. They sometimes lead to expensive litigation, thereby diminishing the financial and human resources available for core activities. They can build a toxic culture, which makes it hard to attract and retain capable Board members and staff.

It should be noted that a degree of dysfunction is normal. Just like human bodies tolerate the occasional aches and pains or even chronic ailments, so do decision-making bodies. As with problems involving human bodies, measures to address Boardroom problems should be proportionate to their severity: You would not prescribe major surgery when an aspirin would do or when the body would heal itself over time. The same rationale applies to Boardroom problems.

OBVIOUS AND LESS OBVIOUS PROBLEMS

Not all Boardroom problems are obvious. Some are hidden; that is, they are not obvious at first but flare up later. Others are ingrained in the way the Board operates but remain dormant unless or until something changes and they rise suddenly to the surface. There are also problems that are not really problems at all; they are only perceived as such. Here are some examples of the different types of problems:

- *An Obvious Problem.* Board members are argumentative, interrupt one another, and don't listen to other views. As a result, meetings run late and no closure is achieved, especially on contentious issues. It is obvious that the Board is neither effective nor efficient.
- *A Hidden Problem.* Board members are quiet and very cooperative, and decisions are made quickly. Members are pleased with how fast things get done. Everything seems to be working smoothly. However, at a subsequent

meeting, a flawed decision comes back to haunt the Board. It then becomes clear that in its haste to end the earlier meeting, the Board ignored crucial data and made a bad decision.

- *A Dormant Problem.* Poorly written bylaws, ignored in times of harmony, can wreak havoc when controversy erupts. For example, suppose the bylaws of a nonprofit organization do not require Board approval of new membership applications. A hostile takeover is initiated at a membership meeting, and new members who have just joined dictate the outcome.
- *A Perceived Problem.* A new Board member asks tough questions and raises concerns. This slows things down and causes resentment among long-standing members, who had been treating the Board as a social club. Notwithstanding their negative reactions, the new member's actions are not a problem. In fact, the Board and the organization that it governs should be grateful for the diligence and scrutiny of this new member.

THE ROOT CAUSES OF BOARDROOM PROBLEMS

When confronted with a Boardroom problem, the usual inclination on the part of members is to search for quick fixes. For example, if a Board member acts as a rebel, attacks Board decisions after they are made, and violates confidentiality, there may be an instinctive desire to remove the person from the Board. Such an intervention may indeed tackle the immediate problem, but unless the root causes are addressed, the same situation may repeat itself at some future time.

To address the root causes of Boardroom problems, you need to shift your focus from problematic personal behaviors to systemic deficiencies that serve as nutrients for such behaviors. The root causes of the rebel problem may be the following systemic deficiencies:

- *A Lack of a Compelling Sense of Collective Purpose.* For example, there may be no mission, vision, and strategic plan, or—if they exist—they may not be adhered to. As a result, the work of the Board may be mediocre and uninspiring. This lack of a compelling collective drive makes room for individual drives (sometimes misguided) to emerge and dominate.
- *A Lack of Knowledge and Skill to Make Quality Decisions.* Such a deficiency can shift discussions away from logic, objectivity, and professionalism to emotion and hype. A proposal may win not on its merit but on the passion displayed by its rebel proponent.
- *A Lack of Mentors and Role Models.* Without principled leaders who effectively act as the organization’s conscience and compass, there are no barriers to stop assertive yet misguided members from taking center stage.
- *A Culture of Entitlement and Self-Interest.* The culture of the Board should promote the interests of the organization as a whole. If the Board is instead immersed in a culture of entitlement and self-interest, members focus on themselves and compete for power and control.
- *Weak Selection Processes.* For example, Board members may be selected on the basis that no one else is available for the job. They are not advised of the required commitment and of the Board’s code of conduct before their nomination or selection.
- *Weak or Nonexistent Board Orientation or Training Programs.* Such programs would emphasize—among other things—the duties to balance individual initiative with teamwork, keep Board confidentiality, adhere to conflict of interest guidelines, place collective interests ahead of narrow ones, and avoid undermining validly made Board decisions. Without such rules of interaction in place and

without them being reinforced and monitored regularly, there is a good likelihood that rebels will violate them.

- *A Lack of Feedback and Evaluation.* Board members may be afraid to confront others and give them honest and constructive feedback on counterproductive behaviors. As a result, they may talk *about* rebels instead of talking *to* them. In addition, there may be no regular evaluations of Board members, the Board Chair, the Board as a whole, and the CEO.
- *A Lack of Trust and Respect for the Board from the Community That It Serves.* Such a deficiency tends to generate support for dissenting members and fuel their sometimes misguided causes.
- *A lack of protocol for meetings.* People speak whenever they want, and no effort is made to equalize the opportunities to participate. As a result, rebel members can take over.

These and other systemic deficiencies must be addressed proactively. There should be organized efforts to establish a solid foundation for Board decision making. Such efforts will reinforce the Board's immune system and deprive dysfunctions of the nutrients they need to thrive.

INTERVENTION PRINCIPLES

An intervention is a measure to treat and/or prevent a Boardroom problem. To be effective, an intervention must be proportionate to the scope and severity of the damage that a problem inflicts. Consider one or more of the following options:

- *Wait a while.* If the problem causes only minimal damage, drawing attention to it may cause undesirable side effects. If the Board is generally effective, its decision-making process will likely recover on its own without any interven-

tion. For example, a minor digression from a meeting agenda, although against the rules, may give Board members a much needed mental break and enable them to reenergize and refresh themselves.

- *Intervene mildly.* Refocus the Board with a gentle reminder: “*Members, we need to get back on track.*”
- *Intervene more firmly.* If, despite warnings, a member still engages in personal attacks and name calling, say: “*Jack, we need you to focus on the issues and keep this discussion civilized. If you’re not able to do that, we may need to ask you to take some time out.*”
- *Try a collective intervention.* If a member rolls his eyes while another member is speaking, ask the speaker to pause and then address the group as a whole instead of addressing the impatient individual: “*Members, we need to show respect and listen to one another, even when we do not agree with other people’s views. Can we please have your support?*”
- *Intervene off-line.* If the damage can be tolerated for now, it may be effective to speak to the individual privately at a break or after the meeting: “*Jill, I did not want to embarrass you in front of your colleagues, but your questions showed that you could have prepared better for the meeting. Can we count on you to do this next time?*”
- *Take proactive or preventive measures.* To prevent verbal abuse at a contentious meeting, try this opening script: “*Before we carry on, I need to say this: The issues that we’re dealing with today are difficult. Many of you are passionate about your views, but I need to remind you to direct your passion at the issues and not at your colleagues. Can you please help me maintain civility and respect at this meeting? Thank you.*”
- *Address root causes.* If a member takes a long time to make a point, the root cause may be a concern that his or her point was not understood (in which case you can repeat and

confirm the point) or the fact that the person is naturally verbose (in which case you can give him or her feedback or offer training on communicating concisely and briefly).

- *Try nonverbal interventions.* If a side conversation is distracting for participants, ask everyone to pause, and then look in the direction of the side talkers. The silence will likely compel them to focus on the meeting.
- *Try shifting from negative to affirmative language.* Instead of saying, “*Stop disrupting the meeting or I’ll ask you to leave,*” try: “*In fairness to everyone, we need to hear from only one person at a time. Can we please respect the rules?*”

Chapters 1 to 10 of this book describe 101 boardroom problems, the damage they potentially inflict on Board decision making, and how to solve or prevent them. The book also includes four appendices: a Board Effectiveness Audit, Board Evaluation Tools, Myths and Truths About Rules of Order, and Tools for Meeting Chairs and Participants.

APPLICATION OF THIS BOOK

This book builds on the notion that Board decision making should work as a partnership among three entities: (1) the *Board* (providing policy direction), (2) *management* (providing the professional expertise and practical grounding for Board decisions), and (3) the *community* that the Board is mandated to serve (providing input on impending Board decisions).

The book will offer you practical ideas to tackle and prevent Boardroom problems. It draws on more than two decades of experience in mentoring Boards and helping them deal effectively with complex and contentious issues. With this book, your Board will be better positioned to make quality decisions—inclusively, transparently, and efficiently. With it, you will be better able to provide the caliber of leadership that your organization or community deserves.

The material in this book will benefit the following partners in Board decision making:

- Boards as collective entities
- Individual Board members
- Board Chairs, mayors, presidents, or other chief elected officers
- Chief executive officers, executive directors, or those who hold equivalent titles
- Senior professional staff and external advisers to Boards
- Consultants on Board governance and shared decision making
- Community members who want quality leadership from their Boards

It should be noted that:

- The reference to *Board* is interchangeable with the terms *council*, *commission*, or any other title of a governing body or decision-making team.
- Although this book focuses primarily on Boards and other governing bodies, it also applies to committees, task forces, and any groups that make their decisions jointly. Some of it may even apply to staff meetings where decisions are made unilaterally by a manager after hearing from the participants.
- For illustration, some examples in the book refer to male or female Board members. This does not mean that the same problem never involves the opposite gender.

CAVEATS AND DISCLAIMERS

As you read this book, consider the following caveats and disclaimers:

- Although the book covers a wide array of Boardroom problems, it is not an all-inclusive panacea for all Board ailments. Your Board may experience its own unique problems, but it can still solve them by utilizing the thought processes that this book provides.
- This book may surprise or even shock you. It may show the substantial damage inflicted by behaviors that you've considered normal. But there is no need to panic or despair. With a principled approach, you can eradicate bad habits or reduce their negative impacts. You may also wish to consider that a degree of dysfunction is normal and acceptable. Attempts to quickly achieve absolute perfection can create more problems than they solve.
- Some of the strategies in this book may be hard or impossible to implement under your Board's current realities. To make them work, you may first need to examine systemic deficiencies and reinforce the foundation for decision making, including the Board's direction, governance structure, culture, and other components.
- Every effort was made in this book to describe Boardroom problems in a generic manner so as to not identify specific organizations. Any resemblances between the problems described in this book and actual situations are purely coincidental.
- For illustration, each of the 101 problems is described in a specific context, such as that of a corporate, governmental, or nonprofit Board. The dynamics of one type of Board usually apply to others, although the terminology may vary.
- The information in this book does not constitute legal advice and should not be used as such. I am not a lawyer and cannot advise you on the legal validity (or lack thereof) of the ideas presented. All I can say is that my clients have found these ideas beneficial.