

ABA Bar Leadership Institute

Bar Association Governance March 15, 2007

Agenda

9:30 am – 9:45 am	Welcome and Introductions
9:45 am – 10:15 am	Board Roles and Responsibilities
10:15 am	Break
10:25 am – 12:00 pm	Framework for Characteristics of Exceptional Boards
12:00 pm – 12:10 pm	Questions and Concluding Comments

Slide 1

The Role of the President & Executive Director in Building Exceptional Boards

2007 Bar Leadership Institute
 March 15, 2007

Nancy Aelrod
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Slide 4

Group Exercise

- What are the basic responsibilities of the board as a whole?
- What are the individual responsibilities of board members?

Slide 2

AGENDA

- Welcome and Introductions
- Guiding Assumptions
- Roles and Responsibilities of the Board
- Principles of Exceptional Governance
- Volunteer/Staff Mutual Expectations
- Board Continuing Education
- Strategic Thinking
- Culture of Inquiry
- Concluding Thoughts

Slide 5

Roles And Responsibilities Of The Board

- Determine Mission & Vision
- Plan for the Future
- Ensure Oversight of Fiscal, Human, and Physical Resources
- Hire, Support, and Assess the Performance of the CEO
- Monitor Organization's Progress
- Provide Outreach Between Board and Stakeholders
- Ensure Legal Compliance & Accountability
- Provide for Board Succession and Development

Slide 3

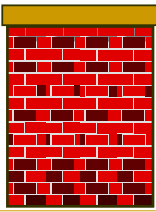
Guiding Assumptions

- Boards can be similar in their excellence and different in their approaches to achieving it.
- Good boards can always be better.
- Boards are often reluctant to change.
- Exceptional Board Governance is a continuing process.

Slide 6

Board/CEO Roles

The Theory

<p>The Board</p> <ul style="list-style-type: none"> > Governs > Decides What > Makes Policy > Sets Goals > Reviews Plans > Monitors Progress 		<p>The CEO</p> <ul style="list-style-type: none"> > Administers > Decides How > Carries out Policy > Plans to Achieve Goals > Implements Plans > Monitors Progress
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Board		Board/CEO Roles The Reality		CEO	
RESPONSIBLE	INVOLVED			RESPONSIBLE	INVOLVED
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	GOVERNANCE	→	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	←	ADMINISTRATION	→	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	DECIDES WHAT	→	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	←	DECIDES HOW	→	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	MAKES POLICY	→	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	←	CARRIES OUT POLICY	→	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	SETS GOALS	→	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	←	PLANS TO ACHIEVE GOALS	→	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	REVIEWS PLANS	→	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	←	IMPLEMENTS PLANS	→	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	←	MONITORS PROGRESS	→	<input checked="" type="checkbox"/>

Slide 10

Table Exercise

- What are the most important steps our board has taken to fulfill its fiduciary responsibilities and be more accountable at this time?

Slide 8

Table Task

- How well does the board understand its overall responsibilities?
- What steps could be taken to improve this awareness?
- In which areas are board-staff roles most unclear? Why?

Slide 11

Characteristics of Exceptional Boards

- Organizational Intelligence
- Stewardship
- Relationship-Building

Sources: *Twelve Principles of Governance That Power Exceptional Boards*, Washington, DC: BoardSource 2005; "What Makes Great Boards Great" by Jeffrey Sonnenfeld, *Harvard Business Review* Sept. 2002; *The Effective Board of Trustees*, by Chait, Holland, and Taylor.

Slide 9

Fiduciary Duties

- Duty of care .
- Duty of loyalty.
- Duty of obedience.

Slide 12

Building An Effective President-ED Relationship

- Shared understanding of the organization's mission and vision.
- Clear sense of roles and responsibilities.
- Trust.

Slide 13

Group Exercise

- What can executive directors do that will most help the president to be more effective?
- What can presidents do to most help the executive directors be more effective?

Slide 16

- Strategic Thinking
- Transparency, Ethics, and Integrity

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Slide 14

- Board Development & Renewal

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- Board Policies and Practices

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Slide 15

Table Exercise

- What are your best examples of or your most successful practices for the continuing education of your board members?

Slide 18

Table Exercise

- What are the strategic issues that warrant the board's greatest time and attention at your association?

Slide 19

- Board Culture

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Slide 21

Conclusion

- Questions?
- Ahas?
- What steps will you take away in your Leadership Team Action Plan?

Slide 20

Table Exercise

- What strategies help enhance your board's:
 - Openness to the diversity of perspectives among board members?
 - Capacity to generate alternative viewpoints?

Action Plan

Your team may not complete the Action Plan during the workshop. The activities are designed to initiate the conversation and team work for developing the Plan.

1. How well does our board understand its overall responsibilities? What steps could we take to improve this awareness?

2. In which areas are board-staff roles unclear?

3. What are the key steps our board has taken or could take to fulfill their fiduciary responsibilities?

4A. Using the 8 characteristics evaluate your board on the following characteristics. Please check your ranking for each principle in the box on the left, and give the reasons for those rankings in the box to the right.

<p>Organizational Intelligence: <i>Exceptional boards make informed decisions in the context of the mission, vision, values and culture of the organization. They:</i></p> <ul style="list-style-type: none"> • Stay informed about trends in the industry or field served as well as macro environmental trends that will affect the organization. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Recognize that one size does not fit all and work at perfecting the organization within the internal and external context in which it operates. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>
<p>Stewardship: <i>Exceptional boards work with the chief executive to diversify and maximize sustainable revenue sources to help the organization achieve its goals. They:</i></p> <ul style="list-style-type: none"> • Ensure that human, physical, and financial assets are protected and managed. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>

- Recognize that the good of the organization overrides any personal interests of individual board members.

Weak Adequate Strong

- Make decisions on the merits of the issues and avoid being overly influenced by others in the organization.

Weak Adequate Strong

- Monitor organizational performance without micromanaging.

Weak Adequate Strong

- Collaborate with the chief executive to develop and implement a process for assessing chief executive performance that is appropriate to the complexity and integrity of the position.

Weak Adequate Strong

Relationship Building: *Exceptional boards create a climate conducive to recruiting and retaining highly qualified chief executives. They:*

- Enjoy open, regular communication with the chief executive

Weak Adequate Strong

- Respect the responsibilities inherent in the CEOs role.

Weak Adequate Strong

- Interpret and communicate the needs of the members, donors, customers, and other stakeholders of the organization.

Weak Adequate Strong

- Serve as ambassadors to communicate the organizations' mission, policies, and programs/services to its different stakeholders.

Weak Adequate Strong

Reason for your ranking:

<p>Board Development & Renewal: <i>Exceptional boards incorporate board member education and development in the normal course of meetings. They:</i></p> <ul style="list-style-type: none"> • Help individual board members become students of effective governance while they serve. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Design effective methods for identifying, recruiting, orienting and educating new board members <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Institute mechanisms to periodically assess the board's performance. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>
<p>Strategic Thinking: <i>Exceptional boards recognize that one of the board's main responsibilities is the future growth and development of the organization. They:</i></p> <ul style="list-style-type: none"> • Help shape the organization's strategic priorities through their contributions to the strategic planning process. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Devote as much of the board's time as possible to strategic issues with the greatest impact on the organization's success. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>

<p>Transparency, Ethics, and Integrity: <i>Exceptional boards ensure that information is shared openly and on time with all board members. They:</i></p> <ul style="list-style-type: none"> • Ensure that the publics they serve have access to appropriate information about the organization's finances and activities. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>
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<ul style="list-style-type: none"> • Create mechanisms to implement and continuously monitor conflict of interest policies <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Serve as role models (collectively and as individual members) to demonstrate the organization's highest standards of ethical conduct. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	
<p>Board Policies and Practices: <i>Exceptional boards align board structure and board member assignments with the priorities of the board.</i> <i>They:</i></p> <ul style="list-style-type: none"> • Establish committees and ad hoc work groups that advance the work of the board. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Design and conduct board meetings that focus on institutional and board priorities. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Use board member time wisely. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p>	<p>Reason for your ranking:</p>
<p>Board Culture: <i>Exceptional boards work to create a climate of mutual respect among board members and between board and management.</i> <i>They:</i></p> <ul style="list-style-type: none"> • Provide opportunities for all to participate fully. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Strive to set and achieve group goals that further the mission of the organization. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Create leadership development opportunities within the group. <p><input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong</p> <ul style="list-style-type: none"> • Respect divergent views among board members and seek varied opinions to help 	<p>Reason for your ranking:</p>

<p style="text-align: center;">shape their decision making processes.</p> <p> <input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong </p> <ul style="list-style-type: none"> • Respect a healthy give and take, and speak candidly and openly with respect for others. <p> <input type="checkbox"/>Weak <input type="checkbox"/>Adequate <input type="checkbox"/>Strong </p>	
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5. What are the strategic issues that warrant the board's greatest time and attention at your association?

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