

Running an Effective Board Meeting

Introduction

Part of running an effective board meeting requires starting with board members who have the right characteristics and a board that has a healthy board culture. Beyond that, board members need to have a good understanding of the principles and practices of good corporate governance. Effective board members work toward good relationships with each other and with management.

It takes more than a qualified and experienced board chair to run an effective meeting. Board members must fulfill their board duties responsibly, faithfully and collaboratively. Board members must understand the semantics of running an effective board meeting, including how to write motions, resolutions and reports. They must give their board duties the time and attention that they require so that the whole board meets its commitment for responsible short- and long-term strategic planning, risk management and organisational oversight.

Characteristics of an Effective Board

As the leader and facilitator of the board, the board chair has primary responsibility for running an effective board meeting. However, each member of the board plays a participatory role in helping the board chair maintain effectiveness during board meetings.

Board members have a primary responsibility to serve their members and other stakeholders. An effective board holds tightly to the mission, and fully understands what they do, how they do it, why they do it and for whom they're doing it.

The board chair doesn't micromanage the board and the board doesn't micromanage the executive director or the people performing the day-to-day operational activities. Effective board members see the big picture and focus on short- and long-term strategic planning.

Effective board members also use annual self-evaluations to improve their individual performance and identify areas where they need additional training. Quality board members also understand the importance of diversity among board directors and professionalism in all of their duties.

Effective Board Meetings Depend on Developing a Healthy Board Culture

A board's culture refers to its beliefs, values, attitudes, customs and ways of behaving. The culture of individual board directors has an impact on the board's overall culture. The organisation's culture has an impact on the health and progression of the board's work.

An organisation's corporate culture typically starts from the top-down. When culture is strong, every member, volunteer and stakeholder will recognise it and be able to describe it in specific terms. The organisation's culture must closely adhere to the mission, vision and values.

Developing a strong culture begins at the recruitment stage for board directors, managers and senior staff. The organisation must also communicate the culture to others through newsletters, advertisements, and other print and audio materials.

Board directors need to be aware that their speech and actions reflect the organisation's culture. The adage, "You reap what you sow" certainly holds true as it relates to organisational culture. More importantly, culture affects the bottom line.

Running Effective Meetings is Part of Good Corporate Governance

While they aren't publicly listed and don't necessarily make a profit, nonprofit organisations, housing associations, universities, hospitals and certain governmental agencies are all corporations. Consequently, board directors of these organisations have fiduciary duties and responsibilities similar to those of their for-profit counterparts. Fiduciary duties include the duty of care, duty of loyalty and duty of obedience.

Duty of care means that board members must carry out their duties with the same care and concern that an ordinary person would. Duty of loyalty means that board directors must place the organisation's interests above their own. Duty of obedience means that board members have the responsibility to ensure that the organisation follows all federal, state and local regulations.

Public trust and confidence are the most valuable assets that organisations possess. Dissatisfaction spreads quickly, so it's important for board directors to follow best practices for good governance to promote trust with donors and the public.

Some of the more important tenets of good corporate governance are diversity, succession planning, director evaluations, board member orientation and continual board development.

Effective Board Meetings Include a Discussion of Long- and Short-Term Goals

We live in a time period where it's faster and easier to get the things we want than it was in past years. As a result, most people have a tendency to focus on short-term goals where they can see the results of their efforts faster. That philosophy isn't always different for board directors, staff and volunteers of organisations.

The reality is that board directors need to strike a balance between setting short- and long-term goals. Long-term goals are vital aspects of the overall financial health and sustainability of organisations, which board directors are responsible for monitoring.

A short-term goal spans a year or less. A midterm goal usually materialises in one to five years. Long-term goals typically take more than five years to achieve. Board members have a responsibility to find a happy medium between short- and long-term goals to truly be effective.

Board Composition Has an Effect on Board Effectiveness

Getting the right board composition is part of good governance. Board composition encompasses many factors, including diversity of gender and ethnicity, size and talent.

In recent years, the nonprofit and corporate worlds have brought to light the importance of bringing on more women and people of different ethnicities as board directors. The change has been gradual and, in nearly all cases, the addition of women and ethnic board directors has been extremely positive and valuable. Effective boards rely on diverse perspectives to help them carefully vet all sides of an issue before making collaborative decisions.

The average size of boards is 16 board members, although some experts say that the optimal size of boards is about seven individuals.

Smaller boards have the benefit of meeting more often because there are fewer people's schedules to consider. They lack the benefit of diversity, in many cases, but they gain the benefit of being more focused. Larger boards may not fully engage all board members, but they are more likely to benefit from diversity.

Young organisations may lack numbers of board members in the beginning. It's not effective for boards to run on a skeleton crew for very long.

Board Members Have Responsibilities of Running Effective Meetings

Duty of care is one of a board director's fiduciary duties. Board members have a duty to prevent and mitigate potential legal matters that may negatively impact the organisation. As part of their duties of care, board members may need to seek out third-party legal professionals or advisory board members for advice on contractual or legal matters.

In seeking outside experts and services, board directors must be careful to avoid any conflicts of interest. Board members can help meetings run more fluidly when they openly declare a conflict of interest and abstain from any related voting matters.

The executive director is in charge of daily operations, which is a major part of an organisation's activities. The board is responsible to oversee the hiring and firing of the executive director as well as setting the amount of compensation for the position.

In addition, the board is responsible for monitoring and managing finances, including expenditures and fundraising, which are significant items on board agendas.

Board Development is a Factor in Running Effective Meetings

An important and often overlooked factor in running effective meetings is the investment in board development. Board meetings run more efficiently and with better results when board members understand their duties, have the skills they need to fulfill them, and are accountable for their actions and participation.

Board development begins at orientation, where board directors should learn about their fiduciary duties, legal duties, job description and expectations for their service.

Board members should perform annual board director self-evaluations so they can identify areas where they need to improve their skills and participation on the board. Board development often incorporates areas like grant-writing, fundraising, understanding financial reports and education on parliamentary procedures, but it can include any areas that the board director or board feels are appropriate.

Healthy Board Member Relationships Are Crucial to Running an Effective Board Meeting

Board directors spend a fair amount of time with each other. Collaboration is necessary for them to make valuable decisions for the organisation. The diversity of perspectives sometimes causes dissension in the boardroom, but it should never cross over to being dysfunctional for the board. Red flags of a dysfunctional board are breach of confidentiality, lack of order, lack of respect, hostile meetings, lack of trust, personal or political agendas, dominating members and nonparticipating members.

Just as any other relationship requires time, patience and understanding, board director relationships sometimes need to be strengthened and solidified. Heated deliberations and board unrest will likely conjure up negative and unwelcome public attention.

An experienced board chair will know how to bring both sides together respectfully. Another useful method to bring board directors to a consensus is to invite the knowledge and expertise of outside experts.

Managing Conflicts of Interest to Keep the Board Meeting Running Smoothly

Duty of loyalty requires that board members place the interests of the organisation above their own interests. Often, board members get recruited because they have a wide network of casual and business acquaintances. Board members must be aware that their relationships with others in the workforce or society could create an unexpected conflict of interest.

A conflict of interest occurs when a transaction or arrangement benefits a board director, officer or employee on a personal level.

Boards should always have a conflict of interest policy written into their bylaws. Board members must

publicly state any situations in which they have – or think they may have – a conflict of interest. A director with a conflict of interest must abstain from any voting on matter related to the conflict of interest.

Boards can resolve most conflicts of interests without a board director needing to resign from the board.

The Role of the Agenda in Running an Effective Meeting

The agenda is an important tool that guides the board chair in running an effective board meeting. Agenda items require actions or decisions by the board. The board secretary must keep this in mind in writing up a board agenda. Most board secretaries utilise a manual or electronic template for creating board agendas, which makes the process more accurate and efficient.

With this in mind, here are some general items to include on a nonprofit agenda:

- Date, location and time of the meeting
- Call to order
- Approval of prior meeting minutes
- Reports – executive director, committees, staff, financial report (or use a consent agenda)
- Old business
- New business
- Open dialogue
- Public participation
- Comments or announcements
- Adjournment

An experienced board chair will know how to use an agenda to keep a board meeting running smoothly. For example, if the board is taking too long in discussing an item, the board chair may recommend that they table it or move the item to a committee

The Consent Agenda Streamlines Meeting Protocol

Boards that have many items on their agendas to discuss may find it helpful to use another tool called the consent agenda, which is also called a consent calendar.

The types of items that appear on a consent agenda are noncontroversial or routine items that the board discusses at every meeting. They can also be items that have been previously discussed at length where there is group consensus. The following items are typically found on a consent agenda:

- The minutes
- The financials
- CEO report
- Program or committee reports
- Staff appointments
- Volunteer appointments
- Committee appointments
- Correspondence that requires no action
- Perfunctory items – formal approval of items that had much past discussion

A consent agenda allows board members to vote on all items on the consent agenda at the same time. This provides the board with more time that can be used for discussing other matters.

The Role of Taking Minutes Is Related to Meeting Efficiency

The board secretary is responsible for taking and writing minutes of board meetings. With rare exceptions, the secretary should be able to take minutes without unduly interrupting the board meeting.

Meeting minutes should include:

- Date of the meeting
- Time the meeting was called to order
- Names of the meeting participants and

- absentees
- Corrections and amendments to previous meeting minutes
- Additions to the current agenda
- Whether a quorum is present
- Motions taken or rejected
- Voting: that there was a motion and a second, and the outcome of the vote
- Actions taken or agreed to be taken
- Next steps
- Items to be held over
- New business
- Open discussion or public participation
- Next meeting date and time
- Time of adjournment

The secretary should not delay in providing meeting minutes to board directors for approval. Board directors need time to review past board meeting minutes and ask for any needed corrections because the minutes stand as a legal record of board meeting proceedings.

Writing Board Motions That Keep the Meeting Moving

Board members will have the board agenda before the meeting. This gives them a chance to review any reports that may accompany voting decisions. Board directors may be motivated to form a motion to act on a specific item. There are different types of board motions, which include:

- Main motions
- Subsidiary motions
- Privileged motions
- Incidental motions

To avoid excessive and unnecessary discussion about the wording of the motion, board members need to decide exactly what they hope to accomplish with the motion and include details to support it.

Writing Board Resolutions That Keep the Meeting Moving

A board resolution is also sometimes called a corporate resolution. It's a formal document that makes a statement about an issue that is so important that the board wants to have a record of it. Resolutions have no specified or required length. They just need to be long enough to say whatever the board wants them to say.

A board of directors can decide to write up a resolution for almost any reason they choose. Think about it in terms of any decision that a board resolves to do. Resolutions can be written for the following reasons:

- To document that a new member of the board was voted in
- To record a decision made at a board meeting
- To document a decision made by the shareholders of a corporation
- When a company wants to hire new employees
- When a company wishes to sell shares in the corporation
- When a nonprofit organisation wants to delegate funds to a certain project
- When a government entity wants to honor someone

Writing Clear and Informative Board Reports

Boards are limited in the time they have to conduct board business, so it's important that board reports are clear, concise and informative. Committee reports should include the date, name of the committee and the committee chair, and should state the objective of the committee and its findings.

All reports should include a summary of information and any financial impact or dissenting opinions. Summaries should also include recommendations for the board and/or management.

Final Thoughts on Running an Effective Board Meeting

Running effective board meetings is essential to good governance. Board directors must participate in board meetings individually and collaboratively. They must use meeting tools like parliamentary procedure, the agenda and minutes appropriately and with integrity. Board composition and relationships play big roles in board meeting effectiveness. Effective meetings reflect a healthy board. Board directors are individually and collectively responsible for running effective board meetings.

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