

# Chapter 1

## Board Rehearsal: Why?

VIRTUALLY EVERYWHERE in society we encounter organizations that have boards. Corporations have boards. We elect boards to govern our counties, cities, and schools. Boards lead professional societies and trade associations. And boards govern a huge array of nonprofit organizations, including those involved in health, human services, and the arts. Clearly, the job of a board is of immense social and economic importance.

But what makes for an effective board? Is a board simply as good as the people who are on it? Should it be better than the sum of its parts? Or is it, curiously, sometimes worse?

Governing boards are groups with a job to do. They are not mere figureheads, nor are they just pools of operational volunteers. The board's job is to govern the organization and ensure its accountable performance.

For other groups that must achieve success as a group, two conditions must be met. These conditions apply to boards too. The first condition is that the requirements or expectations of the group job must be clear. Without clear requirements or rules, groups become confused about their job. They often end up defining their job by default as whatever their individual members want to do. The second condition is that the skills and behaviors required to meet the expectations must be rehearsed.

### The Necessity for Clear Expectations

Whenever a job requires the work of more than one person, coordination of effort is essential. Multiple players present numerous opportunities for mistakes, misunderstandings, and failures. Groups, whether they are sports teams, orchestras, military units, flight deck crews, or governing boards, are by their very nature vulnerable to such risks.

## 4 The Board Member's Playbook

A key to success is the existence of expectations and rules not just about what group members are to do in “normal” circumstances but also about what is to be done when the unanticipated occurs.

The initial step is to define positions clearly. Who is supposed to be where? What roles are team members supposed to play? How much authority do they have over others? For a sports team, specific positions are usually well defined and understood. In a flight crew, a pilot and first officer have clearly defined roles, positions, and authority. In the context of the board of directors, there must be clarity about where the board fits relative to the other parts of the organization. There must be a clear understanding about the authority of the board and what this means about the authority of its individual members.

The next step is to clarify what people are to do in their respective positions. For symphonies, the musical score maps this out. Flight crews have clearly defined operating procedures. For sports teams, a document outlining specific intended actions is often called a “playbook.” Playbooks map out the proactive plays the team plans to initiate and utilize. Playbooks also outline the defensive actions and options available when it is necessary to react, whether to external circumstances (what the other team does) or to the need for internal backup and support (for example, if a team member for some reason fails to do what is expected). For boards, there must be clear expectations about what the board decides, what board members are required to do to contribute to the board's own work, and what is left to others to decide. These expectations should be as useful when the unanticipated occurs as when all goes as planned.

### **The Importance of Rehearsal to Skill Development**

Repetition of a skill is fundamental to improving or even maintaining performance. It is undeniable that an individual's performance of cognitive skills (such as speaking a foreign language) or physical skills (such as dancing) will improve if the skill is repeated and practiced.

Rehearsal is as important in the building of group skills as it is in the development of individual skills. Indeed, recognizing the importance of rehearsal, many groups, such as orchestras, sports teams, and armies, spend more time practicing than actually performing. This rehearsal is important even if each member of the group is, as an individual, highly skilled in playing his or her part. After all, a symphony orchestra that hasn't rehearsed together probably won't sound its best, regardless of the number of virtuoso musicians on stage, and a cast of actors must rehearse no matter how many Oscar winners are among their number.

## Practice for Boards

When a group has reached agreement regarding its purpose and process and has clarified its rules and expectations, it must practice how to work together. In this regard, boards of directors are not different from other groups. They need to rehearse how to work together in a way that is consistent with the rules they have established for themselves. This is especially important since boards have a great deal of authority and since other people depend on them to be fair and predictable.

It is important to note that governance rehearsal can be a meaningful concept only if the expectations and requirements of a governing board are clearly articulated. In other words, boards must rehearse in order to be effective, but unless there are established rules and expectations, *there is nothing to be rehearsed*. Accordingly, for many boards, the concept of rehearsal can be of no practical help until they have first decided and articulated their operating principles.

This book is addressed to boards that have operating principles whose use can be rehearsed. In particular, we are addressing governing boards that use or are considering using the Policy Governance model. These boards may be governing nonprofit, for-profit, cooperative, or governmental organizations. We advocate for this approach because Policy Governance boards have clearly articulated expectations of board position, performance, and authority. We will refer to these expectations as *policies*. We are assuming that readers have some familiarity with this widely used model, so we will use terminology specific to it. For example, the policies that describe the expectations of the board are referred to as *Governance Process* and *Board-Management Delegation* policies, and we will use these terms. If you are not familiar with the Policy Governance model, or if you want a refresher on its principles, you will find a summary of the model in Resource 1.

Policy Governance is a system that gives boards the tools it needs to establish the keys to group effectiveness. First, its use allows the board to spell out its rules and expectations for itself, as well as for those who report to it. These rules provide the board with the clarity we have described as essential to group success. They are in effect the board team's "playbook." Second, its use defines the board job clearly enough to allow the rehearsal of the skills and decision-making principles demanded by that job. After all, having a good playbook is important, but practicing how to use it is the essential second step. This book will show you how the board can rehearse by referring to its own policies to determine its response to problems or dilemmas.

## When Boards Don't Rehearse

Since boards occupy the most authoritative position in organizations, they must accept the responsibility that accompanies their position. It is easy for board members to underestimate the board's power and influence and to forget that both board action and board inaction will have a ripple effect throughout the entire organization. Boards can easily acquire the reputation among the staff of being fickle, unpredictable, and even capricious. Many boards are simply regarded as irrelevant. Commonly, this perception is based on the observation that the board, even when it has made policies, ignores them, telegraphing that policies are to be disregarded. Staff often observes that the board uses its authority to make judgments of staff performance in the complete absence of preexisting criteria, telegraphing that unfairness is a threat. They see the board serially delegating and then undelegating responsibilities, causing confusion about who has authority and for what and telegraphing that confusion and frustration can be expected.

Clearly, the risks of unrehearsed governance practice can be huge. The board is, after all, a group that has authority over the entire organization and accountability for the organization's successes and failures. This group can cause the organization it governs to be entirely unclear about the expectations it must meet or the authority that has been delegated to meet them. It can cause the staff to be unsure about reporting lines and the CEO to be held accountable for decisions made not by the CEO but by the board itself. Indeed, it can seem to expect more disciplined behavior and performance of the staff than it does of itself. Without rehearsal, the board can find that the exigencies of today trump its necessary focus on the future, and it may find that without practiced adherence to its own policies, its actual topics for discussion and decision making become merely a laundry list of the interests of its members.

## When Boards Do Rehearse

Surprisingly, governance rehearsal is not a common feature of board agendas, even though we know that groups cannot perform well without practice. Even Policy Governance boards often fail to rehearse the method they decided to use, endangering their ability to use it.

But when Policy Governance boards do conduct rehearsals, numerous benefits accrue. First, the board that systematically refers to its policies prior to making a decision can avoid spending time on decisions it already made. Second, it can actually see that its policies have covered all organizational issues at some level. Third, it can quickly get to the heart of the matter that

has come before the board. Fourth, it can understand clearly the nature of the decisions that it must make as well as those it should not make. Fifth, the power of its own words is evident to the board itself and to the staff, and the process of its decision making can be explained to others. Sixth, referring to standards of performance can protect against conflicts of interest and caprice. And finally, the board confirms that rigorous monitoring of its organization is absolutely essential.

It would be disingenuous if we did not point out some of the more difficult results of rehearsal. We have found that when a board systematically refers to its own policies to resolve problems, it sometimes uncovers that the problem has been caused by its own failure to abide by its word. If the board as a body or individual members of the board fail to live up to expectations, there can be no solution unless the board is willing to confront its own lapse. This means that the board must note its deviation from its own policies, correct the situation, and affirm its commitment to its own discipline.

For example, board rehearsal will press the board to lay aside personal negative opinions about a CEO whose performance is shown to meet expectations. Conversely, it will show that the board, despite its personal positive opinions, must deal with a popular but chronically failing CEO. Both situations are awkward to handle and tempting to avoid, and boards are as susceptible as any group to the impulse to gloss over problems. So the rehearsal of board discipline and consistency makes it hard to avoid dealing directly with problems, even when peers cause them.

## Summary

The level of rigor and exactness required of a Policy Governance board is far greater than that achieved or even attempted in most boardrooms. Accordingly, the correct use of the Policy Governance model demands that the board pay close attention to its own behavior and job performance. Since the board using Policy Governance has expressed its expectations of its organization and itself in policy, solutions to boardroom dilemmas are to be found in the policy manual. The purpose of governance rehearsal, therefore, is to build board skill in referring to and acting in accordance with already articulated standards. Rehearsal is a process that allows the Policy Governance board to practice the skills required to make decisions consistent with the principles to which it has committed itself in Board-Management Delegation and Governance Process policies. In addition, it enables the board to reexamine and if necessary revise policies in order to guide future decision making.

