Damn Good Advice for Chairs

25 questions and answers for not-for-profit chairs

ourcommunity.com.au
Where not-for-profits go for help

INSTITUTE OF
COMMUNITY DIRECTORS
AUSTRALIA
▸Knowledge ▸Connections ▸Credentials

Damn Good Advice for Chairs:
25 questions and answers for not-for-profit chairs.

Published by Our Community Pty Ltd
Melbourne Victoria Australia

© Our Community Pty Ltd

This publication is copyright. Apart from any fair use as permitted under the Copyright Act 1968, no part may be produced by any process without permission from the publisher.

Requests and inquiries concerning reproduction should be addressed to:

Our Community Pty Ltd
PO Box 354
North Melbourne 3051
Victoria, Australia

Please note:

While all care has been taken in the preparation of this material, no responsibility is accepted by the author(s) or Our Community, or its staff, or its partners, for any errors, omissions or inaccuracies. The material provided in this guide has been prepared to provide general information only. It is not intended to be relied upon, or to be a substitute, for legal or other professional advice. No responsibility can be accepted by the author(s) or Our Community or our partners for any known or unknown consequences that may result from reliance on any information provided in this publication.

Images: iStock

ISBN 978-1-876976-41-5

First published Augustl 2020

Damn Good Advice for Chairs

25 questions and answers for not-for-profit chairs

Thank you for chairing a not-for-profit board – we want to support you in the important work you do.

You're committed to a cause, and you've joined up with others in a group to work for it. You've been involved in the organisation's work for years now, you've been on the board for a year or so, and now the annual general meeting is coming up and someone's asked whether you're interested in standing for election as chair. What does it involve?

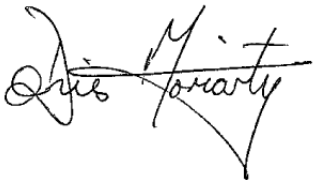
Well, it depends. Australia has around 600,000 not-for-profits, of every conceivable variety. They include companies, associations, co-ops, universities with incomes of over a billion dollars, social groups with miniscule budgets, nationwide powerhouses that have HR sections *within* their HR sections, local book clubs that have to go to the library computer to download *Moby Dick*, limited companies that have their meeting refreshments professionally catered, and rural communities where the chair has to personally shoo the possums out of the hall before putting out the seats. General observations are hard to come by.

Still, some things apply to all organisations, and one of them is that just about any not-for-profit group needs someone to sit at the head of the table and say "The meeting is now open", and later, when a new world order has been properly planned, "The meeting is now closed."

That person is now you, the chair. Once the meeting is open, it must be managed; when it is over, the story must be carried forward. By you. The world awaits reform.

The torch has been passed, and you're now holding it boldly skywards while trying to stop sparks from catching on your sleeves. It's a big responsibility, and you'll need all the help you can get. With any luck, this guide will give you both a general overview and a few timesaving tips.

Remember, though, that in the nature of things we advice-givers tend to focus on the things that can go wrong. You won't have to deal with *all* the problems we talk about, and you may not have to deal with any of them. Don't be put off; you're doing a vital job, and because of people like you, Australia is a much better place.



Denis Moriarty
Group Managing Director
Our Community

Contents

A note on terms 9

Section one: the position 10

1. What do I have to do? 12

2. How much time will it take? 14

3. Who do I have to satisfy? 16

4. What powers do I have? 18

5. What's in it for me? 20

Section two: the leading 22

6. How do I get the board directors to follow me? 23

7. What's my role in planning? 24

8. What's my role in shaping the culture? 26

9. What's my role in fundraising? 28

10. Chair and CEO – who leads whom? 30

Section three: the meetings 32

11. What goes into the agenda? 33

12. How do I run the meeting? 35

13. How do I make procedural decisions? 40

14. How do I maintain board solidarity and board confidentiality? 46

15. How do I work the tech? 48

Section four: the people 50

16. How do I work with the CEO day-to-day? 51

17. How do I deal with conflicts of interest? 53

18. How do I keep in touch with – and accountable to – general members, stakeholders, and the public? 55

19. How much PR do I do? 57

20. How do I work with difficult people? 59

Section five: the board 61

21. How do I get the best board possible? 62

22. How do I get ideas through the board? 64

23. How do I handle conflict? 66

24. How can I be sure that everything's on the up-and-up? 68

25. How can I know if I'm doing a good job? 70

Appendix A 72
Board chair's position statement

Appendix B 76
Codes of governance

Appendix C 80
Culture: actions and evidence

Appendix D 82
Board profile worksheet

Appendix E 85
Board meeting agenda template

A note on terms

The not-for-profit sector operates in all Australian states and territories under a number of different laws using different terminology. This means it uses a number of different words that mean much the same thing from a functional point of view. Just for ease of reading we've settled on one common set of terms.

When we say	We mean
chair	chair *or* chairperson *or* president
board	board *or* committee of management *or* council *or* executive committee
board director	board director *or* board member *or* committee of management member *or* trustee
manager	manager *or* chief executive officer (CEO) *or* director *or* coordinator *or* executive officer
constitution	constitution *or* rules *or* articles of association
by-laws	by-laws *or* policies *or* club rules
not-for-profit sector	not-for-profit sector *or* non-profit sector *or* community sector *or* third sector *or* voluntary sector
not-for-profit organisation	unincorporated association *or* incorporated association *or* company limited by guarantee *or* cooperative

Section one: the position

A good not-for-profit board chair, if you consult the relevant literature, combines the leadership skills of Alexander the Great, the inspiration of Ruth Bader Ginsburg, and the self-sacrifice of St Francis of Assisi.

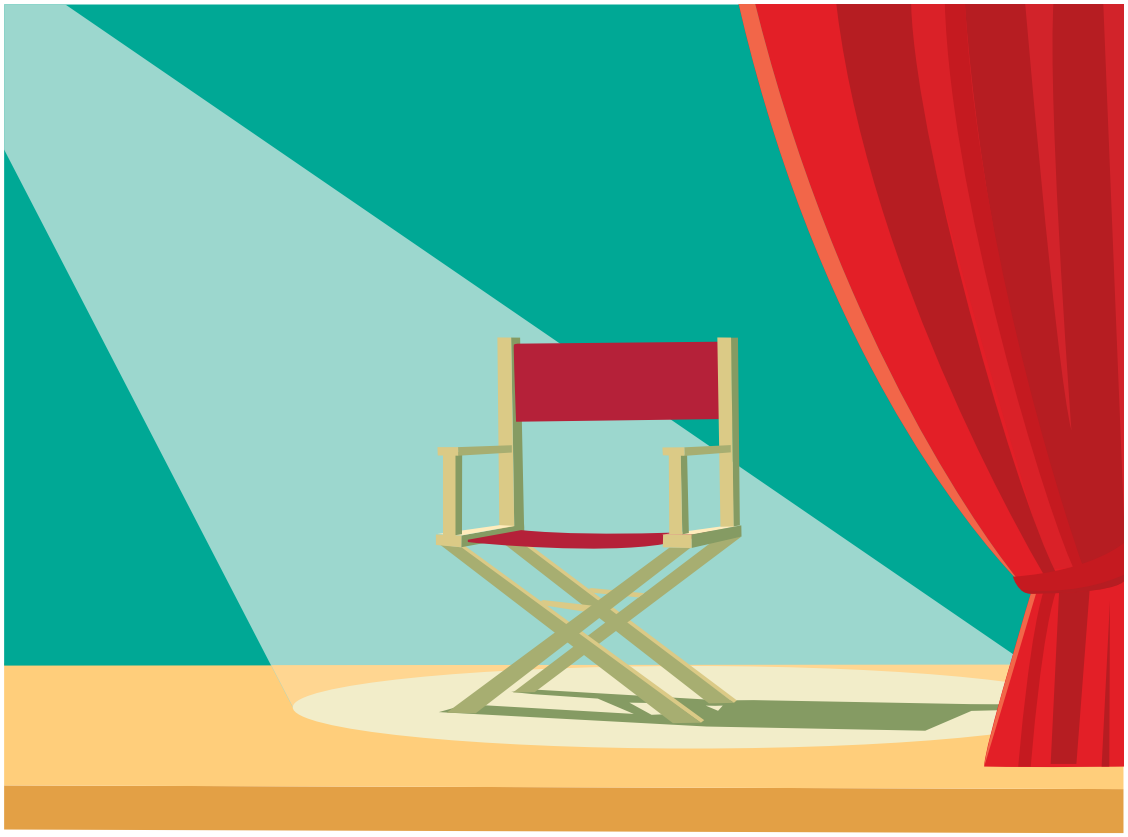
This has the predictable result of making the average person – someone with the leadership skills, say, of me, the inspiration of you, and the self-sacrifice of whichever one of us used the last of the milk and didn't replace it – feel that the job's going to be beyond them. That's why so many people run a mile when board directors come sniffing around, and that's why we end up with some not-for-profit boards under the direction of chairs who combine the self-sacrifice of Louis XIV, the inspiration of David Brent, and the leadership skills of Pooh Bear.

Leadership doesn't have to involve charisma or a special personality or a firm chin, but it does involve a willingness to take a lead – to be the first to offer a suggestion, to take responsibility, to allocate responsibility, to speak up, and to make decisions that have to be made. This doesn't mean that as the chair you have the right (or the power) to impose your views on others, but it does mean that if everybody is going around in circles it's up to you as the chair to bring matters to a close by putting forward a proposal to be voted up or down (it's often more important to make a decision than it is to make exactly the right decision).

If chairing a board required transcendent virtues, we wouldn't have many boards. As it is, we've got about 600,000 of them across Australia, and all things considered they work surprisingly well. Over the years, not-for-profit chairs have come up with many ways of making do with the resources they've got. This guide will tell you about a few of them.

What you are, in essence, is the organisation's official grown-up. You have to listen to the children tell tales on each other. You have to pull them apart when they're fighting. At the end of the day, you're the one responsible for keeping the money coming in to pay for groceries.

The problem with behaving like a parent is that it can make the other board directors more likely to behave like sulky adolescents. They will probably acknowledge your authority, but out of your presence they may complain bitterly about everything you do and develop an attitude of passive-aggressive opposition. This is no fun; ask any parent. But families do wrangle their way through, and children do eventually grow up and become grown-ups themselves, and take over. That's what you want to see.



As chair, you need to be willing to take a lead.

1.

What do I have to do?

You have to ensure that your organisation is effectively pursuing its objectives. You're there to make things happen. You're there to change the world.

You also have to check now and again that the organisation is solvent and legal, but that's secondary to your real task.

In practice, the roles carried out by the chair vary according to what stage your organisation is at in its life cycle. In the early stages of an organisation's growth the chair often has a more direct role, straying into operational matters. As the organisation grows and becomes stronger, the chair's role becomes more narrowly defined.

Once the organisation is up and running, it's the board's duty to keep the dream alive, and it's the chair's duty to make sure the board knows its duty. The front-line staff may be too close to the work to see the big picture; the board and the chair are supposed to be able to stand back and take a detached view.

Taking an overview, mind you, does involve keeping your distance from the day-to-day administration (except in small all-volunteer organisations). You're there for governance, not management. You should be steering, as the saying goes, not rowing. You're not supposed to be checking the petty cash or, as a general rule, second-guessing the CEO's hiring decisions. You shouldn't be discussing administrative issues with the staff at all, in fact, unless you've cleared it with the CEO, and the staff shouldn't try to raise matters with you unless they're in fully fledged whistleblower mode (which is rare).[1]

It may sound paradoxical to say that you have to ensure that the organisation is being properly managed when you're not able to intervene in its management, but that's the model that has evolved over the past few centuries – and for centuries, not-for-profit boards and chairs have in the main managed it. It can be done. Indeed, one of the things you're there for is to reassure stakeholders that it is being done.

All this can't be a one-off effort. A vision that isn't constantly renewed goes stale or becomes irrelevant, and it takes a continuous process of reinvention to maintain a living ideal.

Keeping the goal in view takes concentration. Some organisations put the mission on the agenda of every meeting, as a special item, just to keep everyone's eyes on the prize. This can lead to purely formal box-ticking, of course, which is to be avoided. But having it on the agenda at least once a year is essential, and some groups go as far as to arrange a day's retreat where everybody can get away from the housework and dedicate themselves to big-picture thinking.

You have to think big – which doesn't mean, of course, that the chores don't also have to be done, by someone. The following pages provide a quick overview of your various duties, with helpful hints as to how you can get someone else to do part of the work.

1 There will always be exceptions, but when you've come to the point where you don't trust the CEO to be straight with you, the odds are that you need a new CEO (or a new chair), and in that case going around them to work with the other staff is just evading the issue.

As the chair of an organisation, it's your job to think big.

2.

How much time will it take?

Lots. As well as scheduled board meetings, there'll be extraordinary meetings, subcommittees, the annual general meeting (AGM), working groups, things to read, invitations to events, and more.

Most boards meet monthly (except January, when most people are away) and each meeting runs a minimum of two hours. There's usually at least two hours of reading to do before a meeting, and this can increase dramatically when big decisions need to be made.

Boards often have subcommittees or working groups, and most board directors are expected to sit on (or chair) at least one of them. As well as the formal meetings, there may be a plethora of informal gatherings that board directors are invited (or expected) to attend. You don't have to go to *every* function, but a dedicated chair will be seen at most – to gain insights into the organisation, and to build connections with the people at the coalface. An ordinary not-for-profit board director would be looking at a couple of days a month, and as chair you're better than ordinary.

Still, that's not the most important point, which is that if you have to ask how much time it'll take then you probably don't really want the job. The only reason to take on these responsibilities in any organisation is your deep commitment to supporting its goals. If someone's trying to sell the job to you on the basis that you only have to turn up for five evenings a year and sign the minutes, that means they're looking for an agreeable figurehead, and that's mildly suspicious in itself.

That said, if you allow other people to decide how much work you'll take on you'll be working 24/7/52, and you do want some private life.

So: delegate.

The division of labour in the average not-for-profit organisation is ambiguous and ill-defined. In other words, everybody is going to try to unload all their work onto your shoulders. The better you are, the more people think of you first when a task comes up. You're the one person in the organisation who's supposed to know what's going on in all areas – it's not far from there to making you responsible for what's going on in all areas.

Get in first. Place real responsibility on to the other office-bearers. Don't forget the deputy chair, who usually gets a title without much work and a head start on becoming chair at the next vacancy. Make them do their fair share – give them the responsibility (with the secretary) of doing the preparation for the meetings, and give them the job of following up with people afterwards.

In the meetings, you're the only person who always has leave to speak. Use this to assign firm responsibility for every item on the agenda to a named board director. If it's too much work for one person, set up a subcommittee. Get the staff to write the papers, if you have a staff. Remember, anything you haven't assigned to someone else reverts back to you (or doesn't get done). Don't let this happen.

Recruit

It's all very well assigning people to do things, but what if they don't? If there's one trick that not-for-profit board directors learn very quickly, it's that if you stuff something up often enough and badly enough, people will eventually stop asking you to do it. If you allow this to happen, your delegating will unroll until all the jobs are back with you. You have the power to call people out on this, and you should certainly use it, but while that's surprisingly effective it's also stressful for you – which is the thing we're trying to avoid. To move people you have to be able to apply meaningful sanctions, and as board directors generally aren't paid, the only possible sanction is to remove them from the board. And you can't do that unless you have someone else ready and willing to step in.

That means keeping a recruitment committee functioning and active, and feeding it with candidates. This is the part of "being a public face for the organisation" that makes your life easier. It's work, but it's less work than soldiering on while putting up with the work-shy. Having back-up keeps board directors on their toes and makes it easier to replace them if they don't shape up. Recruit good candidates for board director positions, and then recruit ordinary general members to vote them in at your AGM.

A chair shouldn't need to be a superhero – if you're working too hard, you're doing it wrong. The whole point of having an organisation is to spread the load.

Get it in writing

Nothing drains your drive and dedication to the mission faster than continually adjudicating petty, pointless squabbles between board directors on procedural issues. At best, you have to make a lot of decisions that should have been settled at a lower level; at worst, you're left with a legacy of bad feeling and people resenting your authority.

Try to switch the decision point away from you and onto the organisation's rules. Get policies in place so that things don't have to be litigated from first principles every time an argument comes up. As a first step, put a policy subcommittee in charge of perusing the ICDA Policy Bank and see what you should download to adapt to your own circumstances (see **https://communitydirectors.com.au/tools-resources/policy-bank**). Oh, and check your constitution for moth holes every five years or so.

3.

Who do I have to satisfy?

You have to satisfy your regulators, such as the Australian Charities and Not-for-profits Commission (ACNC) or Consumer Affairs – but that's easy provided you keep up with the paperwork. You have to satisfy your general members, at elections once a year or so. Your fellow board directors, all the time. Stakeholders – funders, donors, governments – only occasionally, but they're *very* hard to please – the people who have the money generally are. The staff. Clients and users. Creditors, if the organisation has been borrowing. The public, but usually only when something goes wrong.

Thankfully, you don't have to *report* to all these people. As chair you will have to write a page or so for the annual report to the membership, detailing any important developments in your organisation over the preceding year, but that shouldn't be hard.

If you want to keep things moving, those are the groups you need to keep on side. If you antagonise any of them, you'll find yourself getting nowhere. It has to be said, though, that in practice none of them except the board can actually make you do anything you don't want to do.

At the Institute of Community Directors Australia (ICDA) we get a large number of inquiries from boards about not-for-profit governance. After checking the relevant state Act and Regulations (which can be found at **www.austlii.edu.au**), we can usually tell them whether what they're suggesting is legal, illegal, or (as is generally the case) voluntary. In almost all cases, though, we have to add that whether it's legal or illegal, they can in practice do whatever they like without interference. The only real restrictions on the average community board are their own common sense and their own morals.

Between AGMs the board is, for all practical purposes, the organisation. General members may complain that their board is doing something foolish or immoral or unecological and needs to be stopped. Well, there's nothing to stop a board from doing the wrong thing: if it was illegal to act foolishly, then two-thirds of the world would have jobs monitoring the other third (and vice versa). The only real remedy is to get the numbers on the board (or, at a pinch, at the AGM) and reverse the policy (or replace the board). If complainants are seeking a way around this, it generally means that they know they don't have the numbers. The average general member of an organisation has as much control over the board as the average shareholder in a mining company has over the mine management.

Other complainants, however, go further. They say that the board or the chair or the CEO is going against the constitution, or is in breach of the standing orders, or going against approved policies. This is, in theory, a much stronger argument. Boards are supposed to obey their constitutions. The issue, though, is what happens when they don't; and the answer, essentially, is nothing.

What we have here is a "You and which army?" problem. There is a clear legal instruction, but an absence of any easy enforcement mechanism. In almost every Australian state the relevant regulator posts on their website words to this effect: "NSW Fair Trading cannot intervene in matters relating to the internal administration of an association, including disputes. Neither the Director-General nor the Minister has the authority to determine the facts of any internal dispute."

There are two kinds of law in Australia: criminal law, which is enforced by the police, and civil law, which is enforced by the parties. A member's dispute with the board is civil law; specifically, the law of contract. An association's constitution is a contract between the organisation and the member, and between the member and every other member. If a member wants to enforce that contract, they've got to go to court to do it – and that's likely to be a very long and expensive undertaking.

A board *can* do something that actually breaches general law and attracts a formal penalty, but it's quite difficult to do, and such a breach is likely to be pretty irrelevant to anything you actually care about. An example would be changing the person who holds the role of public officer in your organisation and not informing the regulator. ICDA has never, ever had a complainant inquire about a public officer. Most people – including most board directors, even – wouldn't know what one was (it's the person who fills out the forms, basically).

For most organisations, most of the time, problems with boards or chairs violating the constitution don't arise. People do what they're supposed to because they want to do the right thing and are embarrassed if anybody accuses them of going against the rules. When they do go against the rules, it's generally because they haven't got the constitution out for 10 years and they've forgotten what's in it, or because the breach is both trivial and convenient, or because something minor has erupted into a major problem and everybody has agreed on the best way out of it. None of these situations generally give rise to disputes, either because nobody notices or because nobody objects.

Where arguments over constitutional issues do arise, you'll have to settle them between yourselves. Your constitution will have a disputes resolution procedure (**https://communitydirectors.com.au/help-sheets/dispute-resolution-for-community-boards**), which won't work unless both parties are calm and reasonable and generally not the kind of people who get into such disputes in the first place. If there's any utterly irreconcilable difference in the organisation, there's no outside authority to appeal to. You're on your own.

The good news, conversely, is that if you're trying to fix a problem there's nobody much to stop you, either. ICDA gets a lot of inquiries from people who have somehow got themselves into a constitutional bind – who have had their board numbers drop below the level for a quorum, say, so that there's no way to call an AGM and elect new board directors to make up the numbers. It wouldn't be proper for them to ignore their constitution and hold a meeting without a quorum, but we do often invite them to contemplate the hypothetical: that is, if they did, who would mind? If they're acting in good faith to fix a real problem, the chance that anybody's going to object is minimal, and the chance that anybody's going to penalise them for it is virtually nil.

And how far does the "in good faith" string stretch? Well, you're the chair. You decide. The buck stops with you.

4.

What powers do I have?

Leadership is a word you won't find in the legislation, or in the constitution, or in the standing orders. The law may, where it is relevant, acknowledge that other board directors expect the chair to take a leadership role, but there is no legal distinction between the duties of a chair and the duties of any other board director. In the eyes of the law, all board directors are pretty well equal, and the chair is only first among equals.[2]

The real power of the chair comes from a number of sources.

First, the board has voluntarily vested power in the chair through the process of election.

Second, most of the other people who might enjoy the honour and glory of the position don't want to do the work. (There's an old joke about five miners in a cabin in the snow who make a deal that anybody who complains about the food has to take over the cook's job. After six months the cook is sick of cooking and serves everybody a heaping plate of horse droppings with tomato sauce. The first diner, taken unawares, shouts, "Hey, this tastes like horse droppings!", and after a second's thought adds, "Nice, though.")

Third, while you the chair (probably) have only one vote, the conventions of the organisation place control of most of the levers in your hands. You write the agenda, you determine who speaks for how long, you can speed things up or slow them down.

Fourth, and very much an afterthought, power may come from the personal qualities of the occupant of the position.

In the chair, at the head of the meeting, your powers are that

- you say who is a board director, and therefore who can vote
- you say what is or is not constitutional, and what is or is not within standing orders
- you can call on the speakers, and control in what order people speak
- you can regulate debate – for example, you can limit how long people can speak
- you can call the vote at the time of your preference.

All of these powers have clear limits, in that when you make a ruling it's open to the rest of the board to call for a vote on a motion to override your decision.

The great thing about being chair is that, like the job of prime minister, it's an elected position. Your rivals could have stood against you, but they didn't, and if they did, they lost. That means that your colleagues collectively think you're the best person for the job, and even the ones who think they could do the job better than you know they don't have the votes to challenge your position right now. You're entitled to assume that the rest of the board believes that your actions are intended to promote the goals of the organisation, rather than yourself, and that you're doing so effectively.

You know, too, that your colleagues (most of them) share the same goals as you and want the same outcomes. That's a good start. Just try not to stuff it up from there on in. Don't make it about you. Spread the responsibility. Wherever possible, settle a dispute by a snap hands-up vote.

It follows that if you consistently lose votes like that, you're probably not going to enjoy being chair very much. Step down. Know where your last straw is, and make sure everybody else knows too. That's your ultimate power, and waving it around will win you some important arguments – if you're not bluffing.

All that, of course, assumes that you want the power to lead and are prepared to exercise it. That's the approach we'd recommend, but it's not the only possible approach. Some people don't see the chair's role as one of leadership (generally because they don't like the direction you're leading them in). They say that chairs should be neutral, holding the balance, ensuring a level playing field, and not letting their own opinions show. The chair's job, seen in this light, is something like that of the speaker of the House of Representatives, an impartial arbiter.

That's all very well, and a certain level of speaker-like impartiality is good, especially when the chair is wielding the gavel, but the history of the speaker's role in parliament shows why that's really not enough. Each house of the parliament not only has a speaker (or a president, in the case of the Senate), who's supposed to be unbiased (sort of), but it also has a government whip, an enforcer whose job is to make sure party members vote along party lines.

As Newton pointed out in his laws of motion, a body at rest will continue at rest unless operated on by a force.[3] Organisations need a force to press them towards making a decision, and they need a force to give them forward momentum towards their goals. They need a prime minister as well as a speaker, and the chair has to be able to combine the best qualities of both.

You can be committed, but you can't be unfair. You can't play favourites, either for people or for principles. You shouldn't, for example, always call on your supporters to speak before your opponents, or declare motions out of order just because you don't like them. Your opinions needn't be averaged out, but your actions as chair have to be based on a common set of rules for everybody. Use all the marketing you like, but when it comes to the checkout, don't put your finger on the scales for any faction.

---

2 Your constitution may give you a casting vote in the case of a tie, so when that happens you're effectively first and second among equals, but ties don't happen often.

3 Newton also said that a body in motion would continue in motion. However, when the body in motion is a not-for-profit board, it is likely to come to a halt unless the chair keeps pushing. Newton will get you only so far.

5.

What's in it for me?

Most importantly, you're a public-spirited person, and you want to contribute to the public good. There are people out there who need the help you can give them, and you know you're making a difference. That's rewarding.

Working for a not-for-profit is interesting, too. It provides you with a way of passing the time that you can feel good about. It has social advantages – you get to meet people who share your values and interests and who value your involvement. You get all the advantages of a hobby along with the warm inner glow that comes from making a contribution.

In the longer term, serving on a board builds your governance skills (and your CV). As the chair you'll learn about meeting procedures, reading a budget, and producing an agenda. More broadly, you can use the experience to develop skills in working with people, financial planning, marketing and lobbying. You may learn quite a lot about plotting, conniving, covering your backside, and minding your back, all of which may serve you well in other arenas.

There's also the prestige. You gain the respect of your community – though that depends on the size of the organisation and the size of the community, of course. Prospective employers, or the chairs of other boards, will certainly register your public spirit and note that other people appreciate your talents.

Being involved in a community group improves your outlook and lessens your health risks.

Perhaps because of these advantages, being on a board is probably good for you. While most studies aren't focused exclusively on chairs, it's certainly been proved that involvement in community groups improves your outlook and lessens your health risks.

As Robert Putnam wrote in his paper "Social Capital: Measurement and Consequences" (2001), published in the *Canadian Journal of Policy Research*: "Controlling for your blood chemistry, age, gender, whether or not you jog, and for all other risk factors, your chances of dying over the course of the next year are cut in half by joining one group, and cut to a quarter by joining two groups."

There's a large body of hard evidence that says how you fit into your community is just as important for your health as anything you do yourself as an individual. Hitting the exercise bike is good for you, eating well is good for you, but neither of them is as good for you as having a supportive network of family, friends, and colleagues to interact with.

Social integration of the kind you encounter in community groups leads to reduced mortality risks, and to a better state of mental and physical health.

Social isolation lowers your immune function, while socially supportive interactions have the opposite effect. Volunteering boosts your health and your sense of wellbeing.

People stay healthy if they have confidence in their friends and their work and their lives. Social bonds help us to understand the world as coherent and meaningful. Community organisations foster social bonds.

The evidence, too, is that autonomy – not being ordered around – is good for you. People may talk about the stresses of command, but research shows that the lead baboon in a troupe has less heart disease than its subordinates, bosses tend to have better health than their employees, and chairs probably do better out of voluntary work than the other board directors do.

All of these things explain why people do become chairs and generally want to stay chairs. You may find it hard to remember them when you're listening to a well-meaning board director hold the floor and talk pointlessly at length along entirely the wrong track, but the good news is that as chair you have the power to ask them to sit down.

Section two: the leading

The job of chair requires someone who has the vision to see where the organisation should go and the leadership to convince other people to take it along that route. Don't, however, rule yourself out of contention for chair because you don't see yourself as a visionary or a leader. These are skills that you develop by practising them.

In our still-patriarchal society it's necessary to make a particular appeal to women. A much-too-large proportion of chairs are men, and a similar proportion of the writing about being a chair is done by men. Men tend to emphasise the need for the qualities that many men admire and aspire to, with an emphasis on autonomy, ambition, dominance and order. Less "macho" qualities such as patience, cooperation and compromise generally come lower down the list.

As chair, man or woman, you should be prepared to recognise your own power and privilege – starting from your role as board chair, and peering on through the lenses of race, age, disability, or class. Use your positional power responsibly and defensibly. Check out the profile of your community, and your clients and participants, to see if there's anything you're missing.

In fact, if you're a man (for example) standing against a woman (for example) for the role of chair, consider whether your own undeniable talents balance out the boost that your organisation would get from increased diversity. Nothing personal.

6.

How do I get the board directors to follow me?

Do what they want – but first, demonstrate to them what that is. Live the vision.

Ideally, a board won't need much leading – common aims and common information will lead to general agreement. In practical terms, the chair has to listen to the board, not dictate to it. You have to tease out what each director thinks should be done to move towards the organisation's objectives. You must work through the pros and cons of their preferences, face to face, to see what's feasible. Where different directors want different things, the chair has to find a way to reason through so that everybody comes out more or less content, if not actually satisfied – or at least satisfied with the integrity of the process. You need to assemble a majority for every motion. Every director demands respect and values personal engagement. Yes, all this takes time: that's exactly why it's valued. You get what you pay for.

Maintain your own enthusiasm. Board directors will be more helpful if you're able to match their enthusiasm and avoid blunting their expectations. Try to put something uplifting and cheerful – a case study, say, or someone you've helped – into every board meeting, just to remind everyone what they're there for. A warm inner glow from knowing you're making a difference is a great motivator.

Encourage board bonding. Try to break down cliques and factions. Broker compromises where possible. Cultivate humility. Never stop learning.

A large part of keeping people motivated is doing the simple things right. Nothing turns people off so thoroughly as wasting time. Don't hesitate to shut speakers down if they're repeating themselves (and make sure you're not the one causing the problems).

The chair needs to be in touch with the feelings of the board directors and to know whether they need reinforcement. This involves a lot of time making small-talk outside meetings. Don't skimp on the post-meeting coffee and biscuits.

The board is supposed to be on your side, and if you can't sell the board directors on your mission then you're not going to have much chance of selling anybody else, so practise on them first.

Leadership doesn't necessarily involve carrying the flag up the front of the procession, and it generally works best when it doesn't.

7.

What's my role in planning?

Your organisation's vision requires quite a bit of unpacking and spelling out to give it traction in the real world.

Getting from the world as it is now to the comparative utopia of your mission statement requires planning. Your organisation will need a strategic plan, setting out where you want to be at various places along the way to your eventual goals, and you'll need a business plan to make clear what that involves in dollar terms. You may need to have a marketing plan, and a fundraising plan, and a media plan. If you don't have a plan you won't know whether you're ahead of the game or behind, or whether or not what you're doing works. The vision is the atlas; the plan is the GPS software.

As the chair you have to make sure planning happens. You have to keep the plan in view and you have to ensure that the plan represents the best the organisation is capable of.

In medium and large organisations, drawing up the strategic plan (and the business plan, and the marketing plan, and the fundraising plan…) is going to be a job for the staff, under the CEO. They know what your constraints are, how hard or how easy it's going to be to change what you're doing now, and what happened last time the organisation tried that. As chair, though, you've got to be involved in the discussions, just to make sure that the staff realise what's important.

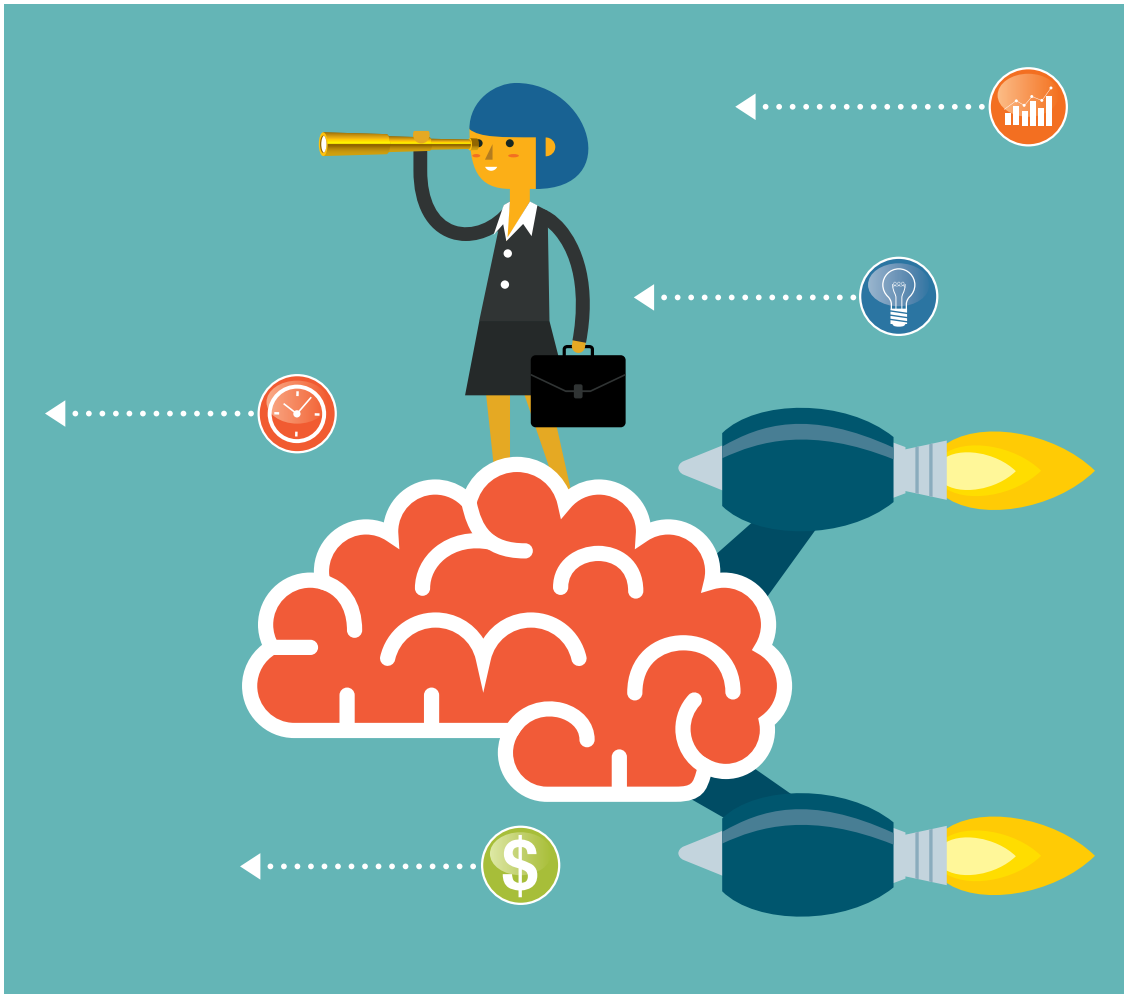
The default setting for any organisation is to prioritise its own survival. If it manages that, it'll look for an opportunity to grow larger. If the available funding is mainly in one corner of the field, or even just outside it, that's what you'll be pulled toward.

In commercial organisations, that's an opportunity, not a problem. When the Japanese beverage firm Yakult discovered that there was more money in trading financial derivatives than in selling probiotic drinks, that's where the firm's investments went (and that's where the company lost over a billion dollars in a single day, but that's another story)[5]. Not-for-profits aren't like that; the clue's right there in the word. You're doing what you're doing specifically because the money isn't the be-all and the end-all, and because there are things that have to be done that nobody's prepared to pay for. Rowing against the current is generally part of the job description.

Yes, you have to make compromises. Yes, there may even be times when your choice is between moving into a valuable and rewarding but not-quite-core field and closing down altogether. Yes, you have to take account of the interests of your employees and their investment in job security. But the reason why we have this model of governance, where an unpaid board holds power over the CEO and the staff, is that you're called upon to uphold the original ideals of the founders even when it hurts the budget. Your bottom line is about the mission.

The board is the guardian of the organisation's values. When it settles on a vision, it must take its own words seriously. This means that the board and the chair have to hold the organisation to those ideals, and that means they have to be prepared to admit where the organisation has fallen short or gone wrong. This can be stressful, but it is vital that the vision is able to serve as a yardstick. If it's only a set of hopes that isn't intended to resemble what the organisation actually does, then go back and redraft it.

5 www.nytimes.com/1998/03/21/business/international-business-japan-company-derivatives-loss.html



As chair, you have to make sure planning happens, and you have to keep the plan in view.

8.

What's my role in shaping the culture?

Every chair has to look after the board. A good chair looks after the culture.

A healthy culture has values that can't be shuffled to avoid embarrassment, it has systems and procedures and incentives that have been built with room for those values, and it has enough self-respect to apologise when necessary.

When organisations fail (and in recent years quite a few large Australian not-for-profits have crashed spectacularly in public esteem), observers generally blame the culture – the general atmosphere, the shared assumptions, the background noise, "the way it's always been". Culture is what your people do and say when there's nobody looking over their shoulder. That can sound a bit airy-fairy, but it's not. There's nothing as real as trust. There's nothing as corrosive as the lack of it.

Culture starts at the top, with you. In the simplest possible terms, the chair is the template. Anything you do that falls short of the ideal gives everybody else down the line a message as to what they can get away with. Anything you pass by without comment shows where your priorities lie. If you inflate your expenses, you're going to find it difficult to police the CEO. If you aren't frank about conflicts of interest, that's the standard that the rest of the board will seek to shelter under. If you shout people down in meetings, the organisation's bullying policy is no more than wastepaper.

If you pad your expenses, it'll be noticed, because you're also supposed to be setting an example of openness and transparency. Your dealings with the organisation need to be declared, demarcated, and publicly accessible. Similarly, your own intellectual honesty is also going to be a factor in other people's attitudes. You want an organisational culture where people listen to criticism without getting defensive, learn from their mistakes, and admit they were wrong rather than doubling down on their errors.

If you make mistakes, own them and learn from them.

The law tells you that you have to have a workplace free of racism, harassment, bullying, and discrimination. It can't make your organisation positively value diversity. That's up to you.

It's not about demanding that you be an angel, free of human failings. You just need to be professional and keep your own personal shortcomings as far as possible out of the business of the organisation. Review and reflect before speaking or acting. The wise person, a Chinese proverb goes, opens her mouth seven times and speaks once.

Once you've accepted these high standards, then impose them on others. The chair's role begins with setting a good example, but it certainly doesn't end there. You have to get the message out to the board, and from the board to the staff. You have to be prepared to push.

Consider how you, as chair, would counsel a board director who's been missing meetings for no good reason (and that's one of the easier tasks that's likely to fall to you). You'll have to remind them of their responsibilities. How easily does applying that kind of moral pressure come to you? Remind yourself that there's work that needs to be done if the organisation is to prosper, and that you don't want to do it all.

Like so much else in business, politics, and life, a sound culture comes down to common human decency. And like so much else, it involves continuous vigilance.

You want people to act properly even when they don't have to, but that doesn't mean there's no place for rules and enforcement. Your organisation must have rules and guidelines, which are themselves an expression of your culture. Your values should be written into the organisation's policies, programs and standard operating procedures, so that everybody knows what to expect. There have to be consequences for not meeting those standards of behaviour, and the organisation must have procedures to investigate breaches. All this involves working with the CEO and staff.

Specifically, you need to be able to refer to a code of ethics (for individuals) and a code of governance (for the board and the organisation).

The ICDA Policy Bank offers a **sample code of ethics** that covers volunteers, staff, general members, board directors and office-bearers. You can download it from **https://communitydirectors.com.au/policies/code-of-ethics**.

A more specific example of a code of ethics is that of the Institute of Community Directors Australia itself. You can read it at **https://communitydirectors.com.au/icda-code-of-ethics**.

For a **sample code of governance**, see Appendix B at the end of this guide (page 76).

You need to know that people have read your codes (as part of their induction) and that they can find them easily if they want to refresh their memory. Post them in the staffroom, or on the bulletin board, and online.

You also need to know that the culture you project is not only accepted on paper but also followed in practice. The federal government's Aged Care Quality Standards provide an expanded practical example of what this might mean for an organisation. Standard 8, requirement 3b of the Standards states, "The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery." It goes on to outline a number of reflective questions that boards in the aged care sector should ask themselves, along with examples of actions and evidence that would demonstrate that a board is doing what it should be doing in this regard. You can read standard 8, requirement 3b in full at **www.agedcarequality.gov.au/providers/standards/standard-8**. It is also reproduced in Appendix C of this guide (see page 80).

In very small organisations, you can get an indication of how you're faring in setting the culture of your group by listening to (and joining in) the chatter over tea and biscuits after a board meeting. Larger organisations might conduct an annual cultural review, which typically involves surveys and statistics. This takes resources, but it's worth it. It draws on 360-degree staff and volunteer reviews (in which staff are encouraged to air their views of their managers and the organisation) to gain feedback about an organisation's culture. Keep an eye out for such signs of internal dissatisfaction as staff absenteeism, sick days, and staff turnover. Reach out to funders, suppliers and clients and ask how they see you exhibiting your values.

9.

What's my role in fundraising?

Different not-for-profits have different business models. Some get most of their income from selling their services (and some of their clients pay for those services themselves, while others receive government funding to pay for the services).

Some put in for government or philanthropic grants, some rely on collections from the public, some get big donations from the better-off. ICDA recommends a balanced portfolio of all these sources of income, along with business sponsorships, member subscriptions, social media appeals, and special events.

As chair, your job is concentrated in those approaches where one-to-one contact is feasible. If your organisation is in a business–community partnership, you should be hosting social events for your partner executives. At the very least, they'll expect you to be the person who signs the correspondence, as a mark of respect.

Similarly, if you're raising money from large donors, you as the chair should be on personal terms with them. Get to know them – personally. You ought to know what they value, what their hobbies are, and how they like their coffee.

And here we come to a contentious issue. You're asking other people to give: what are they entitled to expect of you? In Australia, the tradition is that what board directors contribute is their time. But is that really enough?

You are, after all, the person who knows most about the organisation and is most committed to its success. How does it look if you don't think it's worthy of your cash?

You may not have much money, of course. If you're heading up a disability organisation, or a small community group, or a self-help collective, you may be quite hard up. But even then, you should give something. You don't have to give much on an objective scale, or by the standards of a billionaire philanthropist – what counts is what it means to you. If you're on Newstart, five dollars will hurt quite a bit, but you should give that five dollars. It's money well spent.

Part of your job as chair is to get to know your organisation's large donors personally.

As the chair you're going to have to sit down with people – even other board directors – one by one, face to face, and ask them for money. If you can't tell them that you've given yourself, it'll probably end right there. You have to set an expectation that they'll contribute.

You'll have to press your fellow board directors to nominate prospects from their own extended family, their friends, and their work contacts – people who have enough money to be worth pursuing, and people who would value your organisation's opinions on where to direct donations. After all, you know why someone ought to give to the organisation, because you've made a donation yourself. It's just a matter of spreading that consciousness around.

Once you have a list of potential donors, you should assign their cultivation to the people closest to them. Give them some role-playing practice, a rough script, and a specific sum to ask for. You have to take them with you outside your comfort zone.

Many chairs complain that if they ask board directors to give money or give names then they're going to lose board directors and be unable to recruit new ones. Many chairs who make that assumption do so without ever having tried it. American charities, in contrast, often provide new board directors with a handout that sets down in writing exactly what's expected of them in terms of a financial contribution. It's a rather different culture, admittedly, but the question remains: if you can't sell your mission to the people who are closest to you, how are you going to sell it to the general public?

You have to set a board culture of giving. Beyond that, you have to make everybody in the building realise that getting funded is not an irritating distraction from achieving your goals but rather an absolute precondition for reaching them.

After that, it's the culture (again). If your organisation has a marketing section or a marketing person, ask them about it. If you haven't got one, think about getting one. And the first thing they'll tell you is that their job isn't to do the marketing, it's to make sure that everybody else in the organisation, from the receptionist to the CEO, from the chair to the general members, is oriented towards marketing. Every point of contact with the public has to be sticky, everybody has to be able to remember the words to the anthem, everybody has to be able to give the 20-second sell.

10.

Chair and CEO – who leads whom?

What the board does is governance, and what the staff do is management. It seems simple enough – except when it isn't.

The idea is that the board concerns itself with longer-term – strategic – issues: setting overall aims, establishing policies, and working with the CEO on strategic plans, objectives and targets. Staff members under the CEO have responsibility for short-term, day-to-day operations – carrying out administrative work, monitoring progress, and reporting to the board on outcomes. To complete the circle, the board must work to evaluate the organisation's performance against its targets.

Both the board and the CEO should know, understand, and support this in-principle division of responsibility.

The board leads the organisation, at least in theory. If you read your constitution you'll see that it's the board that is called upon to set the organisation's priorities, put together its budget, and oversee its staff.

Mind you, what's said in an organisation's constitution doesn't correspond directly with what actually happens on the ground. If you read the Australian Constitution, for example, you might easily come away with the impression that the governor-general is an absolute dictator, controlling the armed forces and from time to time taking advice from her hand-picked appointees to the Federal Executive Council. In practice, of course, Australia is governed not by the governor-general but by the parliament, and not so much by the parliament as by the Cabinet (which is mentioned nowhere in the Constitution) and the party (ditto) and the prime minister (ditto). This isn't a way of working that's confined to Westminster governments, either; in practice the priorities of large organisations are generally set as much by their full-time expert paid staff as they are by their boards, and this applies to not-for-profits, too.

Governments and not-for-profit boards are able to cope with constitutions that are misleading and incomplete for two reasons. First, parliaments and boards all work within a shadow structure of expectations, limitations, and conventions that generally stops people from pushing things too far. Second, most of the people involved share generally the same goals and therefore point in much the same direction. Boards and staff usually don't see each other as adversaries.

In practice, effective leadership is negotiated between the board and the staff (and between the chair and the board) from organisation to organisation, from case to case, from issue to issue, and from meeting to meeting, depending on such matters as how much real choice there is in a given situation, how much trust applies, and how deeply individuals care.

The board is supposed to set policy and lay down broad approaches – to give a framework that the staff can work within. The board should lay down the criteria, and the staff, who are closer to the coalface, should make the decisions under those criteria. That's easy to say, mind you, and a good deal more difficult to work out on the ground, but it's still a basic truth.

If the CEO brings a paper up to the board recommending a particular course of action, the board doesn't have to accept it, but if the board rejects too many papers too often this will raise the question of whether the board is having difficulty making its wishes known or whether the CEO is unable or unwilling to comply. The worst possible situation is that good proposals are rejected because the board thinks that the CEO is usurping the prerogatives of the board.

Ideally, the question of who's in charge isn't going to arise because the policy will have been formed through give and take with all the parties around a table debating the best course of action. The CEO should work closely with the chair, and the chair should keep on top of the feelings of the board, and the direction forward should emerge naturally from the interaction.

If there is irreconcilable conflict, the decision of the board can override the opinions of the CEO on any matter at all – but that's the nuclear option, and it raises more questions than it answers.

It's just as important that board directors know their limitations as that staff members understand their roles. If board directors put up motions that wander too far into operational territory, the chair should steer them back. If this happens often, the chair may have to set aside a session to go through the board's proper roles and functions – preferably with reference to the board orientation package that your organisation should have on hand for new board directors – to make sure everybody's clear.

The chair is the designated link between the staff, the CEO and the board, but shouldn't be the only point of contact. The CEO and the chair must arrange to have frequent and full reports presented at board meetings. Consider having a staff representative on the board. Is the CEO a board director, or at least permitted to attend the meetings?

If the board wishes to instruct the staff, it has to say so, in a motion from the board meeting. Motions should be phrased in such a way as to allow the staff maximum flexibility in implementation. Staff members should be able to use their expertise and experience to carry out board decisions without having to keep dashing back to the board to change minor points.

The chair should never undercut the authority of the CEO by going past the organisation's management structure and instructing a staff member directly. If the board trusts the CEO, all business should be conducted through the CEO; if this isn't the case, then you ought to take steps to replace the CEO with someone you do trust. Staff must work to the CEO, not to the board. This means that the board – through the chair – can give an order to the CEO, but not to the receptionist.

The aim is not to cut the board off from the staff. Board directors have many important skills that the staff needs. Board subcommittees can help bridge some of these gaps and bring the board directors closer to the pointy end of the organisation, able to look at the detail of an issue without overburdening the business of the board.

The board has responsibility for running the organisation, and has the final word. The board must therefore authorise all important policies and all important changes in policy. These decisions, and the reasons for them, must be documented.

All decisions that come before the board, however, should be supported by background material to show what's involved and what the consequences of each course of action will be.

This material should come from the CEO, preferably in writing. However, the CEO shouldn't run the show; and this means that the board should be given options where there are options, not simply presented with a single decision to rubberstamp.

If the board brings up options that the staff hasn't canvassed, on the other hand, you should hold off finalising matters until the CEO has had a chance to comment on their feasibility.

Both staff and board perspectives are needed, and the final word must come from the board. A productive partnership between both will smooth the path to clear and solidly grounded decisions that everybody can fall in behind. If you can't agree, though, it's the CEO who has to leave.

For more information on working with the CEO day-to-day, see page 51.

For a longer discussion of the relationship between the chair and the CEO, see *A Question of Balance* by Ruth Lesirge and Rosalind Oakley, published in 2015 by the UK-based Association of Chairs (**www.associationofchairs.org.uk/resources/download-qob/**).

Section three: the meetings

A board meeting is a performance. You need to write a rough script (leaving room for improvisation here and there). You need to rehearse. You need to cast other roles (you yourself want to be nominated for best supporting actor, not best actor). You need to know your lines and recognise your cues. This section explains how.

11.

What goes into the agenda?

The chair, who will have to lead the meeting through the agenda, must draw up that agenda – in consultation with the secretary, who has to keep the papers straight, and the CEO, who knows what decisions have to be made to keep the show on the road.

You can leave the formalities (minutes, apologies, and so on) to the secretary.

Then come ongoing activities.

- Is there anything under "Matters arising from the minutes of the previous meeting" that is going to raise significant issues?
- Are there any decisions that have to be made so that the staff can get on with things?
- Are there any administrative decisions that have to be endorsed by the board?
- Are there any matters coming out of the committees that are at a point where the full board has to make a decision on them?
- Are all these items accompanied by clear recommendations and unambiguous motions?

Then comes the new stuff.

Each matter for decision should have a separate listing on the agenda. (On that note, if there aren't any matters that require decisions to be made, you should probably cancel the meeting.) Ideally, there should be a supporting paper for each issue, and a written motion.

As a general rule, put a time allocation next to each item, in proportion to its importance. Don't be obsessed with clockwatching, but you want to be able to give the important things the time they need, and you can't do that if you've frittered away the meeting time on trivialities. Time allocations also give you, as chair, more leverage when you're telling people to stop talking and sit down: it's because you're out of time.

You should also consider alternating procedural meetings (where you hear reports and move motions and follow a regular agenda) with planning meetings (where you brainstorm and analyse and work on strategy, and where the agenda consists of your strategic objectives, one by one).

If there's any item in which you know a particular board director has a special interest, check it over with them before the meeting to keep them on side and the meeting on track.

No board meeting should run for more than two hours, or people will become tired and unproductive.

Apart from the necessary formalities – apologies, matters arising, treasurer's report – every item on the agenda should have earned its place. Don't include anything that doesn't require a decision to be made. Some clubs, for example, used to have a section for correspondence, in which they tabled (or even read out) every letter they'd received. That's completely unnecessary.

If the board has a lot of routine business, consider having a consent agenda, which means routine motions, such as to accept committee reports or approve expenditure within the budget, are starred, and will be carried automatically unless someone asks the chair to move any of them to the regular agenda. This allows the board to concentrate on issues that are either important, or new, or both.

Not everything has to go to the meeting. If some material is of interest to only a few directors of the board, make a committee out of them and let them handle it. If a matter is still in the preliminary stages of discussion and negotiation and it's not clear what's going to come out of it, it's probably not ready for the board to consider. If a minor point requires extended discussion between two board directors, have them sort it out before or after the meeting and report back.

Put any item that calls for energy and fresh ideas near the beginning of the agenda. Put urgent items on early, in case the meeting has to break with unfinished business. At the other end, don't make the agenda too long. Under no circumstances should a meeting run over two hours. After that people become tired, unproductive and irritable.

Some important but complicated issues (CEO evaluation, for example, or long-range planning) don't belong on the agenda of regular board meetings unless they come with reports or specific recommendations for board action. These issues can dominate a meeting and take important consideration away from other agenda items that may be less important but that do really need a board decision right now. A complex issue is better handled at a special meeting (or a retreat) where you can focus on this issue alone and talk through all its aspects without having to break off and take up other business.

The social element of a board meeting is important, but it should be clearly marked off from the business element. You want conversation before and after the meeting, but the meeting itself should be concentrated on the business it has to conduct. Beginning and ending on time is important in keeping discipline.

For more information on creating agendas, see the agenda template in Appendix E (page 85).

12.

How do I run the meeting?

Being prepared, being willing to take charge, and good oral communication skills will stand you in good stead when it's time to chair a meeting.

In meetings, the chair's main aim is to keep things running smoothly, efficiently and effectively. This entails:

- conducting the meeting in such a way that all significant views can be heard and all necessary decisions can be made within the allocated time
- maintaining cooperation and respect between board directors and ensuring that discussions are conducted without personal remarks or irrelevant considerations
- Setting an example for the other directors of professional and ethical behaviour.

Speed through the formalities

Be sure to start on time. Don't wait for latecomers. They'll learn.

Begin the meeting by introducing new board directors, if any. Have the secretary note attendance and apologies. Ask whether there are any additions to the agenda. Ideally, there shouldn't be. Ask people to put their items on the agenda in advance. This gives other people time to consider their positions. Not everybody on a board is that organised, and people must be given a chance to bring up important issues at short notice, but if something really important comes up at this stage then consider holding it over till the next meeting.

The problem is that many board directors haven't worked out their propositions in advance because they haven't opened their board papers between meetings, and this is a problem the chair may have to address through education, urging or motivation. Remind directors frequently that the job involves some work between meetings. (And make sure the papers go out early enough that people do have time to read them.)

Have the meeting vote to accept the minutes of the last meeting. Some boards say that only people who were at that meeting are entitled to vote (this can cause difficulties), while others let all directors have a say. In any case, a show of hands will do.

You have to sign off on the minutes of the last meeting (literally, with a pen on paper) once the board accepts them. After this comes matters arising from the minutes; this is an opportunity to check that the things that were planned at the last meeting have in fact been started by the people who were assigned to do them (a good chair will have checked this over with the staff before the meeting). Make sure that this agenda item doesn't swallow up the rest of the meeting's business – nothing should be discussed under this heading if it appears elsewhere on the agenda, and you may have to politely cut people off quite often.

Receive reports

The treasurer delivers the financial report and answers any questions. This is simply an explanation of the situation as it now stands – any discussion of fundraising or economies should come elsewhere in the meeting under its own agenda item.

The financial report should come early in the meeting, just in case the board has to decide on spending elsewhere in the agenda and needs to know the background.

The chair should have had a brief discussion with the treasurer before the meeting to be sure that he or she is on top of the figures. It is definitely part of the responsibilities of the board to satisfy itself that the organisation has adequate procedures to cover unexpected emergencies – enough insurance, a way of keeping an eye on cash flow and forward commitments, contingency plans, etc.

If there's a report from the CEO it usually comes next. This is the opportunity for the board and the staff to communicate. The CEO reports on background to the organisation's activities, for information only. If the issues require any decisions from the board then they should be given their own place in the agenda and voted on separately.

If the board has any subcommittees they should have a communication channel to the board, and this is where they come in. The committee reports on its activities and brings recommendations and proposals to the full board.

Run the debate

You have to start with everybody in agreement on what you're all talking about: in other words, each agenda item should be detailed enough to guide the discussion. A notation to discuss "Future" is probably too vague, while "To approve the attached motion to install new lightbulb in passage" may be over-precise.

If there's room for ambiguity, or areas yet to be developed, there should probably be something in writing to give you a rough map of what's what. In any case, the chair sets the boundaries of debate. You get to say what's material and what's irrelevant or trivial, and how much leeway speakers are going to be given to wander from the strict point or the direct path.

You're looking for productive and fruitful discussion, where the ideas you bring to the table are unpacked, examined, prodded, developed and improved.

You want to be able to draw out the talents and expertise of each director, bringing a variety of perspectives to bear on your problem. You want debate to range widely, but you also want to be able to bring the group home to a decision at the end of the time allotted. You may need to encourage shy directors to speak up, and you'll certainly have to get any showboaters to pull back.

Along the way you'll have to ensure that people are nudged into line if the discussion threatens to become personalised, disrespectful or offensive. Again, there are going to be general decisions to be made about how much leeway people have. You get to set the boundaries – but they do have to be the same for everybody: you can't play favourites.

Conduct business

After the board's received the background it can consider the motions that need to be decided. Any amendments to the motions should be made in writing – not only for the convenience of the secretary but so that it can be shown that decisions have been made according to the rules if there's any argument later. For this reason, too, decisions should be made in the form of motions even when everybody agrees on them and there's no need for a vote.

Motions are the crystallised opinions of the board, and set down what is going to happen. Anything that doesn't get as far as a motion isn't going to happen.

It's therefore necessary that any motion be precise and unambiguous, appropriately detailed, and recorded in writing for posterity.

The process, then, is this:

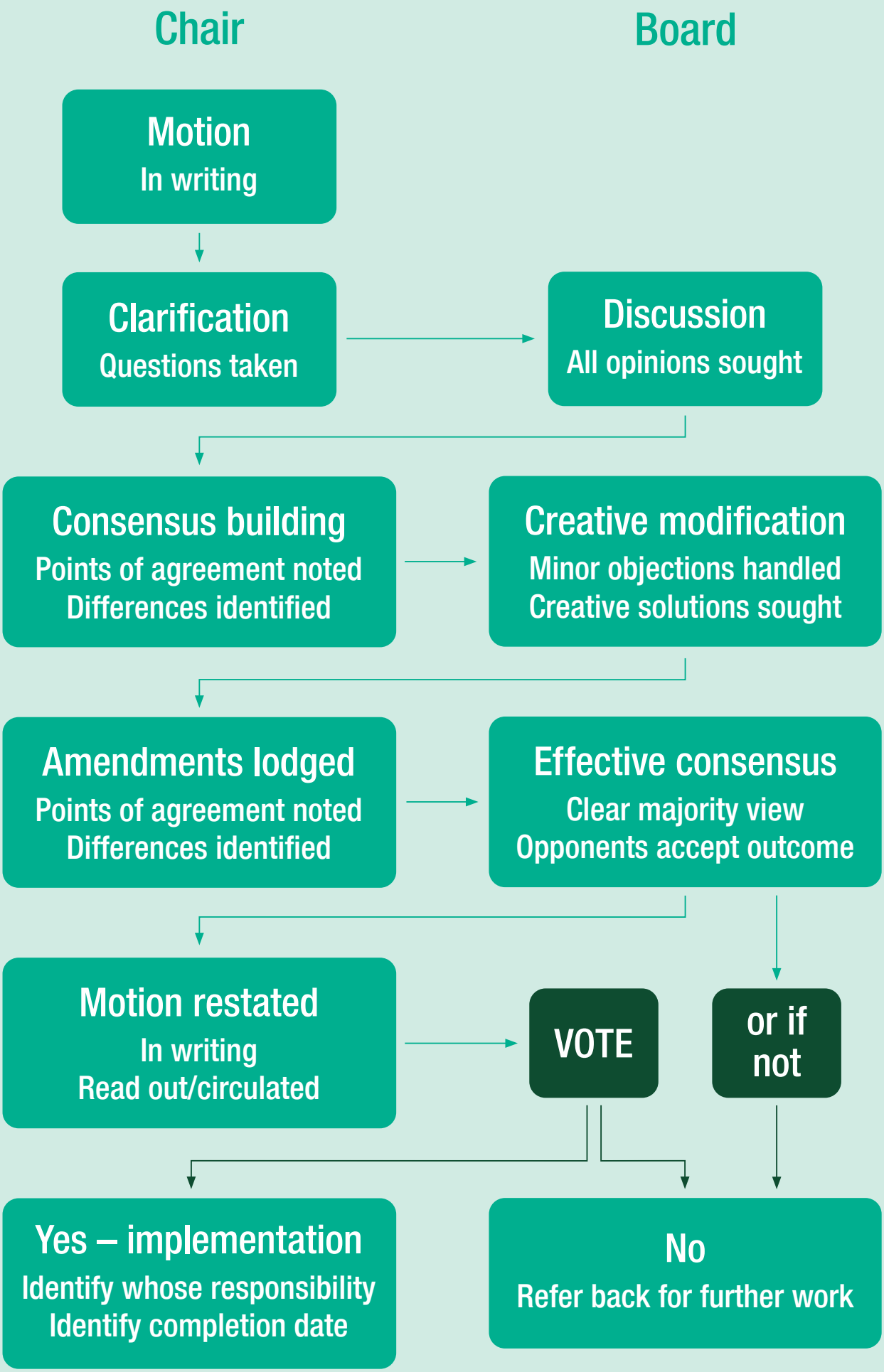
- Somebody moves a motion. If you as chair accept the motion, then there's a discussion, and then a vote; or
- There's a discussion and somebody moves a motion. If you as chair accept the motion, then there's a vote.

You can't reject a motion just because you don't like it, but you are able to rule it out if it's in the wrong form, or defamatory, or inconsistent with other existing policies (in which case you'd have to have a motion to change the policy first).

People then get to propose amendments.

Ideally, the motion that emerges (and is written down) will be the consensus of the meeting.

Don't think the job's done once the decision has been made. Now you reach the most important question – who's going to do it? That's where the chair comes in, assigning the job to the right person. Don't always make it the person who proposed the idea – you don't want people deciding it's too risky to have ideas.


Chair
Board
Motion
In writing
Clarification
Questions taken
Discussion
All opinions sought
Consensus building
Points of agreement noted
Differences identified
Creative modification
Minor objections handled
Creative solutions sought
Amendments lodged
Points of agreement noted
Differences identified
Effective consensus
Clear majority view
Opponents accept outcome
Motion restated
In writing
Read out/circulated
VOTE
or if not
Yes – implementation
Identify whose responsibility
Identify completion date
No
Refer back for further work

Don't take the easy way out and give the job to somebody who's absent – they're probably already halfway out of the organisation and this may push them over the top. Encourage someone at the table until they accept.

After you've handled all the business on the circulated agenda, discuss any items that were brought up at the beginning of the meeting without notice, bearing in mind that if it's anything significant you'll probably need to defer the question till the next meeting.

Enforce time limits. People don't like chairs who are overbearing, domineering, or bullying – but they *really* dislike chairs who let the discussion run on so that the meeting runs over time and people get home late. For the meeting as a whole, and for individual agenda items, one of the most important things a chair can do is cut in ruthlessly to bring a discussion to a conclusion, either by finding the sense of the discussion and embodying it in a resolution, or simply by bumping it along to be wound up at the next meeting. It's easier to do this once people know you're not bluffing.

Try to end the meeting on an upbeat note – if there's a success to announce, bring it up here.

Close the meeting

The chair declares the meeting closed and everybody can settle down to socialise over tea and biscuits. This part is important too – good relations between board directors rely on social exchanges of this kind. If people tend to scuttle out the door the moment the meeting closes, consider scheduling a tea break during the meeting, or looking for ways to encourage people to stay on afterwards, even if that means starting an hour earlier.

It's the vibe

Along the way, throughout the meeting:

1. **Think before you speak.** This may sound obvious, but nobody who's ever attended a committee meeting will think it doesn't need saying.
2. **Don't speak for the sake of speaking.** Remember the French phrase "He passed up a perfectly splendid opportunity to keep his mouth shut." When an opportunity like that comes along, grab it.

The social element of a board meeting is important – in fact, good relations between board directors rely on social bonds.

3. **Listen to what people are saying – and thinking.** Pay attention to the arguments. Be open to different ideas. And remember, people aren't always open about their real thoughts – try to be sensitive to unspoken messages. Listen to the music as well as the words.
4. **Don't interrupt often.** Don't share every thought as it comes up. Don't even correct each mistake as you notice it. And don't sit tensely on the edge of your chair waiting for your chance to interject without listening to what's being said now.
5. **Don't think anything's too obvious to need saying.** If you notice that the next meeting's been scheduled for Anzac Day, don't assume that there must be a good reason for this. Same goes when you're looking at the budget. Don't assume that everyone's noticed that the decimal point is in the wrong place.
6. **Play nice.** Take every possible opportunity to praise someone – to move a vote of thanks, for example. You're much more likely to bring people with you if you're positive. Don't shout, "The building's on fire! Run!" Instead, say, "Jeff's been doing a wonderful job with the front lawn – let's all go and have a look at what he's achieved, shall we?"
7. **Don't get personal.** This doesn't just mean you should refrain from insulting other board directors. You shouldn't become personally involved in the proceedings. You shouldn't, for example, see a particular motion as your own motion, to be defended against amendments – it's the board's motion, for the whole organisation. People who worry a lot about getting credit for their work don't make good chairs.

The chair should give people enough time for discussion – allow for opposing points of view, clarification of ideas and expression of personal viewpoints – and should press the shy ones to contribute, but should also head the discussion back once people start rambling or repeating ideas from earlier in the meeting.

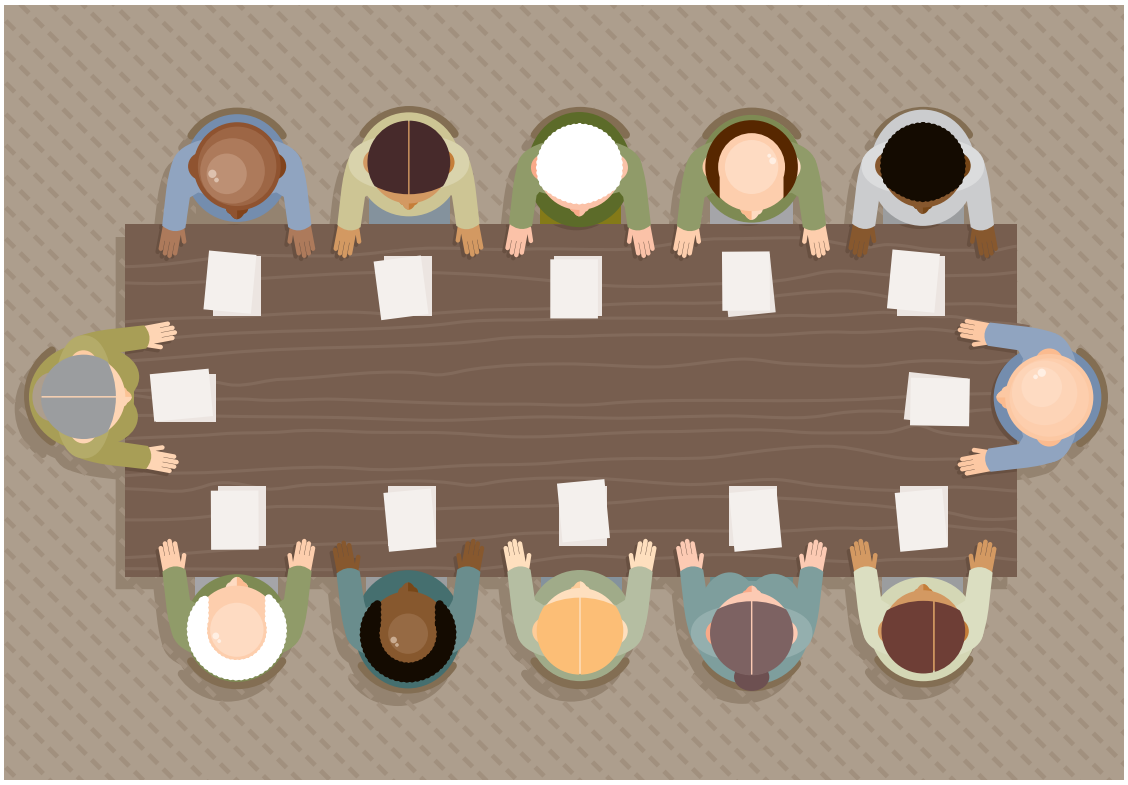
That's for other people, mind you. For you, as chair, some repetition is part of your job. You have to keep the point of the discussion out in front so that everybody can see it clearly. Tell people what you're going to tell them, tell it to them, and then tell them what you've told them. It may help to give a terse summary of the discussion from time to time, stressing areas of agreement.

Be firm about distractions. Don't allow directors to introduce new topics during discussion of an unrelated agenda item; leap in and offer to put the matter up at the next meeting, or to refer it to a subcommittee. Watch carefully when the discussion is moving towards the kind of trigger – government policy, personal comments, bureaucratic red tape – that can start a stampede of anecdotes, and bring people back to the terms of the motion.

13.

How do I make procedural decisions?

Most of the work of chairing doesn't involve rules or standing orders or written procedures of any sort. It's informal persuasion – nudging, requesting, blocking. Any recourse to the rule book involves time-wasting of its own and encourages bureaucrats and pedants to pull out their own copies and join in the game. Hold formalities in reserve whenever possible.



Your board's standing orders – your rules for running your meetings – are there to help things proceed smoothly.

Know the constitution, and know the standing orders, but don't get bogged down in technicalities. Board directors want interruptions to the free flow of business to be removed, not agonised over. Use common sense, minimise formalities, and wait for someone to complain.

The basic principle is that you're in charge. You can to a large extent run the meeting the way you want to. And you want to run the meeting in the way that produces the best outcome for the organisation.

Board standing orders

Your standing orders are your rules for running your meetings. They're not in the constitution. They're set by the board itself, and the board can change them at any time (or just suspend them for the present meeting, if that's all it wants).

There are two ways for a board to write its standing orders. It can try to set rules to cover any eventuality, or it can delegate the board's powers of decision-making in these matters down the line to the chair. ICDA recommends the latter. For one thing, it's hard to predict the problems you may need to fix down the track, and even more difficult to lay down strategies in advance. For another, most of your difficulties are going to be fairly unimportant, and rather than going to a lot of trouble in advance all you really need to know is who's in charge of fixing them. When it comes to meetings, the best person to be assigned the fixer's role is you, the chair. It's an elected position, and there are provisions in the constitution to remove a chair who abuses the office, and almost all of the time that should be sufficient in the way of safeguards.

Over the page, then, is an example of a bare-bones set of meeting rules.

Some very small organisations, it has to be said, operate more informally, and if you as chair bring in standing orders, people may feel that everything's getting too pedantic. Movers and seconders? Motions in writing? Speaking through the chair? To some board directors it might sound like a lot of outmoded bureaucratic mumbo-jumbo; why not have the minutes written on parchment with a quill pen?

Even then, we'd recommend your group tries out a bit of formality for a while. It just might grease the wheels of the meeting. Following the standing orders takes hardly any more time than not following them, if the chair knows their job, and can help things to run smoothly without confusion or ambiguity.

	Standing orders	Guidelines
Calling of meetings	Meetings shall be held on dates nominated by the chair, except that the board shall meet at a minimum the number of times set down in the Act and the constitution.	Meeting dates shall be set following consultation with board directors, with the aim of enabling the maximum number of board directors to attend over the year. Where possible, at the first meeting of the board, meeting dates should be set for the entire year to provide for the maximum amount of notice.
Notice of meeting	The chair shall ensure that all board directors have notice of the date, time and place of any meeting of the board as specified in the constitution.	The agenda of the meeting and any supporting papers should be circulated with the notice of meeting, to enable directors to understand them before the meeting.
Quorum	The quorum for any board meeting shall be as laid down in the constitution. At any point after the opening of a meeting any director of the board may call attention to the lack of a quorum. If no quorum is present within five minutes, the meeting shall then terminate.	The quorum for the meeting of any other committee shall be as laid down in the committee's terms of reference, or if not specified there shall be as adopted by the committee. You should allow for people to be considered present if, in the words of some statutes, they are "using any technology that reasonably allows the member to hear and take part in discussions as they happen" – a clause that allows people to attend meetings via Skype, for example, but not via email or text messaging.
The chair	The chair is in charge of the conduct of the meeting. The chair's rulings on procedure are binding unless and until reversed by a vote of the board. The chair may set a time limit for debate on any issue under discussion, and may set a time limit for any speaker.	If the chair (and the deputy chair) are both absent, or unwilling to chair the meeting, meeting participants can elect their own chair for that meeting.
Speaking	Members may speak to any motion only when granted the right to speak by the chair. The chair shall grant priority to directors who express an intention to move dissent with a decision of the chair.	Members should direct their arguments to the chair, and not address other directors directly (an attempt to reduce personal feelings and reduce occasions of animosity). Disagreements with the chair's rulings should be decided quickly, with a minimum of debate.

	The chair may terminate the speaking time of any speaker at any time. In speaking to any motion or amendment, directors are to confine their remarks strictly to that motion or amendment, and shall not introduce irrelevant matters or needless repetition. In this matter, the chair's ruling is final and not open to challenge.	These standing orders do not include a provision for the board to vote on motions that the speaker be no longer heard. ICDA generally takes the view that cutting repetition and irrelevance short is the chair's job, to be carried out respectfully and politely but flexibly and informally.
Reports	Each meeting of the board shall receive a report from the treasurer and shall accept or not accept it. The board may receive a report from any other committee, office-bearer, or employee nominated by the board.	For more information on financial reports, see *Damn Good Advice for Board Members* and *Damn Good Advice for Treasurers*, both available as free downloads from **https://communitydirectors.com.au/tools-resources/free-advice-guides**. The board can move to accept such reports separately, or as a group, or can move to adopt all reports that no board director wishes to discuss further. Any recommendations for action contained in these reports should be moved as separate motions. The board can include any outsider in its meetings as it wishes, for any purpose, though they are not entitled to vote.
Motions	The chair may refuse to accept any motion if, in the opinion of the chair, it is trivial, personally objectionable, or likely to damage the organisation. Any motion put before the board must be in writing.	The sponsor of the motion can move a motion of dissent, but this still provides some slight protection against defamation, irrelevancies, and wild speculation. You're having the meeting to make decisions, and it's important to know exactly what those decisions are. If people can submit their motions before the meeting so they can be added to the agenda, so much the better.

	Any motion put before the board must be moved by one director of the board and seconded by another director. Any motion may be discussed by the board until the time allotted by the chair has expired, at which time a vote shall be taken on the motion.	This is optional. You don't have to have a mover and seconder. The purpose of calling for two people to bring a matter before the board is just to ensure that the board as a whole is likely to be interested. It's not much trouble, but it may slow things down unnecessarily. General time limits should be listed in the agenda, to give some idea of what the important decisions are.
Amendment to the motion	Any director may move (in writing) an amendment to the motion. The amendment shall be voted on before the vote on the substantive motion. If the amendment is carried, the amended motion becomes the motion.	If the mover accepts the amendment, include it in the motion. No more than two amendments should be moved to any motion, or things simply get too complicated to follow. Nobody should move an amendment to an amendment, for the same reason.
Voting	The chair must receive and put to a vote any properly seconded motion moved by any director of the board, including motions dissenting from decisions by the chair. The method of voting (show of hands, ballot, etc) shall be as determined by the board from time to time. Members of the board may vote for any motion or may abstain. A motion shall be declared carried if a majority of directors present and voting vote in its favour. In the event of an equal number of votes for and against a motion, the chair shall have no casting vote.	These standing orders give the chair considerable authority. This is limited by the board's ability to overrule the chair by moving a motion of dissent. Without clear provisions emphasising the board's powers of review, the chair might domineer offensively. You can give the chair a casting vote if you want to lend them extra weight, but it shouldn't be necessary.
Minutes	Minutes of any meeting of the board shall be circulated to all directors before the scheduled date of the next meeting. The minutes shall record: • the date, time and venue of the meeting • the names of those present, and their positions in the organisation • the name of the chair • any apologies tendered • any failure of a quorum	

	• a record of items considered • whether those motions were carried or not carried • details of any declarations of interest, and the action taken in relation to such declarations. Any other matters may be recorded at the discretion of the chair.	There's no requirement to name the mover and seconder. There's no requirement to give the voting figures, still less who voted on each side. The secretary is responsible for taking the minutes, but they should be cleared with the chair before being sent out to board directors, and the chair has the right of final cut.
Directors' interests	Every director present when any matter is raised on which they directly or indirectly have an interest, apart from any interest in common with the public, is under a duty to fully declare any such interest to the meeting. This disclosure is to be recorded in the minutes, along with any subsequent abstention of such directors from discussion and voting on the item. No directors shall vote or take part in the discussion of any matter at any meeting where they, directly or indirectly, have any interest as defined in law, other than an interest in common with the public, or with the clients of the organisation, or with the staff of the organisation.	The exact details of what constitutes a conflict of interest vary between the Australian states and territories. It's best to include provisions clarifying the position in your constitution, and you should also have a conflict of interest policy in your policy manual. This is the most restrictive treatment of conflicts of interest. In some state and territories you can be present while the matter is discussed, and in NSW you can even vote on it, if the board votes to allow you to.
Amendment	The board may amend these standing orders at any time either permanently or for a specified period.	Standing orders aren't in the constitution, they're just an agreement among board directors. Any time the board decides to run meetings another way, all it has to do is adopt new standing orders.
Other matters	The chair is to decide all questions where these standing orders make no provision or insufficient provision. In reaching decisions the chair is to take account of, but not to be bound by, Robert's Rules of Order (**www.rulesonline.com/**).	If you find any of the technicalities useful, by all means use them.

14.

How do I maintain board solidarity and board confidentiality?

Back in 1841, the British prime minister, Lord Melbourne, the person after whom the Australian city was named, ended a Cabinet meeting by calling out, “Stop a bit! Are we to lower the price of bread, or raise it? It doesn’t much matter which, but we must all say the same thing.” He was, oddly enough, enunciating a fundamental principle of governance.

Your board may look like eight or so opinionated people debating around a table, but in the eyes of the world it's one unified force speaking with a single voice. This is in the nature of governance. No matter which way the passengers in a car vote, the car can't go 60% down one lane and 40% down another. The car, and the organisation, have to go in one direction at a time. The motion has been carried, the board has spoken, the car is moving into the right lane.

That's what votes and motions and the entire mechanism of governance are for. They convert the wandering minds of a collective into the equivalent of a single person with a single opinion, expressed in the form of a motion.

In theory, this principle is supposed to be carried quite a lot further. The board's practical unity – only one motion makes it over the finishing line – is supposed to be portrayed in public as real unity. The people who argued against the idea and voted against the motion shouldn't advertise their opposition after the vote has been taken – instead, they should rally behind the decision and defend it to outsiders. Otherwise, it's thought, the board will be weakened in its dealings, cabals and factions will continue to prevent the group from moving forward, and there won't be closure. Not all deliberative bodies take this approach. The government, by and large, does. The parliament, as you will certainly have noticed, doesn't.

As the chair, and as the board's spokesperson, you're certainly bound by board solidarity. You can't announce that the organisation is on the right track except for the bits you lost the vote on. If you've been voted down, you've got to grin and go on bearing it. If you really think any particular decision is indefensible, you'll have to step down as chair or even leave the board altogether. When you took on this role – when you became a director of the board, in fact – you gave up your right to express your opinion freely.

The rule of solidarity isn't unbreakable and it's certainly not unbendable – an individual conscience can't be confined, and fiduciary duties can override polite conventions – but if you're thinking about setting it aside you'd better be sure you have a very good reason.

It's not so easy, though, to enforce board solidarity on the other directors. If they want to go around muttering to anybody who will listen that the place is going to the dogs, you don't have any readily accessible way of getting them to stop. If they're really organising to oppose the policy – if they're pushing back against the operations of the organisation – you may consider that to be acting against the organisation's interests and a reason to expel them under the rules, but that's messy, uncertain, and to be avoided if at all possible.

As chair, you need to be able to get board directors to sing from the same song sheet without bullying them and without making them feel like bad people.

Board confidentiality, on the other hand, should be enforceable. Within the general principles of transparency, anything that the board actually treats as confidential and not for general release should be protected. Leaking commercial confidences, personal details from client files, or material from in camera sessions is definitely malpractice and has to attract sanctions. If you can prove it, expel the leakers.

Even in ordinary debate, where there's no particular secrecy about what's being discussed, it isn't always a good thing to report the discussions outside the boardroom in any detail. People talk more freely when they're not being reported. The minutes should depersonalise the debate, covering the issues without attaching names to them or painting anyone into a corner. It's a matter of respect. You're trying to eliminate mocking and hostility, not reinforce them.

You should check that material on board solidarity and confidentiality is included in your board induction folder.

15.

How do I work the tech?

The trend towards online meetings accelerated during the COVID-19 pandemic, and it will continue to gather pace. This means, among other things, that Australia's laws and rules are increasingly out of sync with what we actually do.

Your constitution may or may not take account of any technology later than the typewriter, and your state Associations law may or may not cover social media. In general, our advice would be to take up every technological possibility that's on offer.

Newer Associations Acts allow you to do more. The Victorian Associations Incorporation Reform Act 2012, for example, says

SECT 62 Use of technology at general meetings

> (1) An incorporated association may hold its general meetings, or permit members to take part in its general meetings, by using any technology that allows members to clearly and simultaneously communicate with each other participating member.
>
> (2) A member of an incorporated association who participates in a general meeting in a manner permitted under subsection (1) is taken to be present at the meeting and, if the member votes at the meeting, is taken to have voted in person.

This doesn't give you open slather. The key point is that there still has to be a meeting – that is, a discussion that begins at one time and closes at another, at which every member is able to communicate with every other member.

If you want to go beyond that – and certainly the general trend is for everybody to be connected all the time – you can't yet do it for general meetings. However, you would be able to do it for board meetings provided that you wrote into your constitution provision for such time savers as circular resolutions (where you send out a motion by email and declare it passed if a majority of members have emailed back their assent within a set time).

Not all state Associations Acts have caught up, and some still don't contemplate anything more technologically complicated than pen and paper, but you can be absolutely certain that – whatever the law is where you are – nobody is going to second-guess your procedural decisions. If electronic long-distance meetings make life safer and easier for you, and the board, and the organisation, then do it. In the country, in particular, where you're calling people in from hundreds of kilometres around, technology can be a lifesaver – provided you have enough bandwidth and tech-savvy individuals to carry it off.

The type of app you use for your meetings, if you go down this path, will depend on your organisation's circumstances, preferences, budget, and existing systems.

Free tools such as Zoom and Skype may be used for video conferencing between up to 100 individuals (Zoom) and 50 individuals (Skype). The free version of Zoom is limited to 40-minute meetings. You can overcome this limit by purchasing a subscription, but you may prefer just to hurry through the business.

A lot of meetings now happen online instead of in person, and this trend will continue.

For larger groups and more control over participation, as well as more record-keeping, chat recording and data collection tools, GoToWebinar is a good option, although it isn't free. It enables participants to raise their (virtual) hands, ask questions and more. There's a free seven-day trial for evaluation purposes, and if you're only holding one meeting that should be enough.

GoToWebinar also has the ability to record webinars, providing an additional record of the AGM. A GoToWebinar session typically has one organiser, plus panellists, and participants. For the purposes of an AGM, these can be thought of as a secretary/chair, board members, and members, respectively.

All the options mentioned here can be used on smartphones or computers.

Section four: the people

Chairing is a people business. Moving people to do things is difficult. Getting around that is what micropolitics is all about.

You don't have to have unanimity – you only need a majority. Don't abuse that licence, though, by being contemptuous of the minority – you may need a different majority next time. This means you need to:

- talk with the stakeholders
- listen to everybody
- be willing to compromise
- push till the decision gets made
- not fuss about who gets the credit
- move on to the next thing.

16.

How do I work with the CEO day-to-day?

You should be friendly with your CEO, to the extent that's compatible with being their boss and maybe having to let them go at the end of their contract.

Have coffee together, share a meal occasionally, laugh at their jokes. Nurture the relationship so that suggestions and information and criticism and problems can be shared frankly without fear of consequences. The CEO should be able to use you as a sounding board, which means that they need to have confidence that you'll maintain confidentiality.

Friendship doesn't constitute a conflict of interest, although a more intimate relationship might (it's probably not a good idea to chair an organisation if your partner is the CEO, for example, although in small towns it's been known to happen). You have to be careful, though, to avoid capture, where you start to behave as if your job is to further the CEO's goals rather than the other way round.

A good relationship between chair and CEO requires a clear understanding of who handles what – all that stuff we covered earlier (see page 30), but in more detail. Whether you're friends or not, any tasks that get passed between the two of you should be documented.

The CEO will have a lengthy position statement, with performance indicators for major goals, and the chair should have a broad idea of how the CEO is travelling so that nobody's surprised when the annual evaluation comes around.

In a small organisation, the chair will do the evaluation; a larger one may have a special subcommittee to carry out this task. In the annual review you're not picking holes in the record, you're trying to work with the CEO to identify where there are issues and what has to be done about them. If it's feasible, get feedback from your organisation's clients (or members or supporters) and staff to include in the mix. Keep the big picture in sight.

What you're looking for is an in-depth exploration of how, if at all, the organisation's progress under the CEO is tracking in relation to the plan. Take the process seriously. It may not entirely be the CEO's fault if the KPIs haven't been hit; it may even be the board's fault for having unreasonable expectations. In that case your miscalculation not only has to be corrected in the context of the CEO's evaluation, but also needs to be taken into account in all your other planning.

Your other CEO-related role is only occasional. Every now and again you'll find yourself heading up the search for a new one. This involves going back to your objectives and your strategic plan, working out what you need now to get you to where you want to be. You'll be involved in drafting a position statement and KPIs, you'll be chairing the selection committee, you'll be interviewing and asking questions and finally coming to a judgement.

You should meet with the CEO regularly outside meetings to talk about what has to go into the agenda and what kind of back-up you need in the meeting papers. As chair of the meeting, you may have to cut the CEO's speaking time back. If there's a lot to be said about an item, the CEO should have put it into the meeting papers: if they're taking up too much of the allocated time, it's irritating for the board directors.

Some boards have an item on every agenda (or every second or third agenda) that sees the CEO sent out of the room to allow a brief discussion on anything that might be sensitive. Having it as a regular item means that it doesn't suggest any particular crisis (or precipitate one).

It has been known for a chair to have real difficulties working with a CEO – one or the other is ineffective, or distracted, or uncommunicative, or a bully, or unable to stick to a budget, or unwilling to follow the board's direction, to the point where it can't go on. This doesn't happen terribly often, because it's such a recipe for disaster that one or the other generally leaves. If you as chair are confident you're in the right, and your board colleagues agree, it shouldn't be you. The board has authority over the staff and should have the final word.

As chair, you should meet with the CEO regularly outside board meetings.

17.

How do I deal with conflicts of interest?

In theory, you as a board director make decisions based only on your impartial judgements as to what's in the best interests of the organisation. In reality, you might make decisions on the basis that:

- the motion is moved by a friend of yours (or an enemy)
- the decision is in line with your own religion, ideology or prejudices
- it will help your bid to be chair next year
- that's what the people who elected you want
- the decision benefits you, your family, your friend or your lover
- the founder, executive committee or CEO is in favour of it and you don't want to make life difficult by crossing them
- another director is bullying you to vote that way, or you're afraid they might
- you're a member of another club with conflicting priorities
- somebody asked you
- the person against it is a communist, Mason or Collingwood supporter
- you don't really care one way or another what the decision is so you'll go with the way the mood seems to be flowing.

All of those motivations are improper, and some – but only some – are covered by the law.

The clearest case of a possible conflict of interest is where a director of the board has a financial (or "material" or "pecuniary") interest in a matter before the board. A board director, wearing another hat, might be tendering for the organisation's printing contract. There's an obvious possibility that that director might swing the vote to lock the organisation into an unfavourable contract benefiting them personally. It's important to remember that having a conflict of interest is not actually forbidden, or necessarily wrong, or even always discreditable. Directors are perfectly entitled to have as many conflicts of interest as they want, and the law is mainly concerned with whether they declare them. As long as the board knows you may be conflicted, the theory is, it can weigh your contribution accordingly.

In some states and territories the law is that if you have a conflict of interest you can't vote on the motion, or speak to it, or even remain in the room when it is discussed. In others (such as NSW) the board can, if it wants to, allow you to do any of those. Your constitution and your policies may add more rules – if you want them. After all, if you are lucky enough to have a local printer on the board, wouldn't you want them to apply their expertise to a discussion of printing specifications? You have other procedural protections – that's why you're asking for tenders. If you know a director has an interest, you can make allowances for it. You can always ask them for a discount. Once there's a declaration of a conflict of interest, there's no need to be unreasonable.

These rules about financial conflicts rely heavily on people being, in the main, frank and open. Still, noncompliance can have consequences, and people who are being paid off for their vote have been known to end up in court. The further your conflict of interest gets away from the straightforward act of money changing hands, though, the weaker the sanctions become and the less likely it is that anybody will be called out on it. If a board director's niece is stepping out with a tenderer, for example, or if they belong to the same swimming club as a job applicant, and they keep quiet, it's not easy to find out about it or to rule against them if you do. Directors ought, as a matter of routine and without criticism, to tell the board where they're coming from, in detail; but if they don't, no regulator is likely to take any interest, if only because by that time the debate's over, the motion's been passed, and every day that passes makes it harder to unravel the outcomes.

If anything is going to be done about an undeclared conflict of interest, it's going to have to be done by you as chair. You want the board to know the facts and to approve the processes, and you have some powers to make this happen. If you have any reason to think that a board director has a conflict of interest, you can ask them about it, and if you're not satisfied with the answer you can disallow their vote. It's within your jurisdiction.

You're not omniscient, though, so there's lots you're not going to know. Here, again, you'll have to rely on the culture you've been trying to develop – one where frankness is encouraged, where financial control procedures protect the organisation, where people appreciate the commitment they've made. And a good culture has the extra advantage of addressing some of the other problematic motivations listed above.

The obligation to make the decision that's best for the organisation also overrides what in other circumstances might be perfectly valid reasons for making a different decision. If you're elected to parliament by the citizens of Manly then you won't get any stick for saying that you'll do what the citizens of Manly want. If you're elected to the board as a representative of the organisation's staff, though, you're not supposed to vote on the staff's instructions. Every decision a board director makes on the board has to be their own. Nobody can order a board director to do anything.

18.

How do I keep in touch with – and accountable to – general members, stakeholders, and the public?

Transparency and accountability are important. You want the general members of your organisation to be plugged in to what's happening, and not only because you need to be able to catch them when you're looking for volunteers or donations.

In the first instance, this means that your default setting should be that official papers are public except when the board decides otherwise, not the other way around. As chair, you should keep confidential items to a minimum. The board isn't obliged by law to make its minutes available to the organisation's general members, but it should (except for in camera sessions)[6]. The organisation isn't obliged to make its general meeting minutes available to the general public, but it should (except for disciplinary meetings, where privacy concerns take priority). Motions to go into confidential session have to go through you: don't accept them without powerful supporting arguments.

It has to be said, though, that the minutes of board meetings and committees are never going to challenge Stephen King as unputdownable reading, and if you want to reach members you're going to have to go well beyond that into the world of social media[7]. As chair, you're one of the organisation's designated front folk, and you should be making public statements and sharing pictures of your own interactions with special events (within your overall publicity framework, so everybody's on the same page).

Facebook, Twitter, LinkedIn, Instagram, blogs – as chair, if you want to be able to talk to anyone who grew up this century you should be participating (thoughtfully) in every social media opening that comes along. And you'll have to allow feedback, and that means you'll have to have a more or less real-time system for monitoring it all, responding to it, and sieving out the obscene, the actionable, and the generally unwanted.

Mind you, feedback of any kind isn't guaranteed. Getting people to listen to you, let alone reply, is a tough ask in the cacophony of messages squealing for attention at every moment. Emphasise the informal and the personal. Emphasise outreach. Send out occasional questionnaires to ask the general membership's opinion on what to do next; people value being involved, and engaged members give more. While you're at it, you might try paying attention to what they say and bringing it before the board; people do occasionally have good ideas, and may see hazards you haven't bargained for.

Send out a media release when you have good news. Look out for human interest stories you can share from the front line. Put up any papers or submissions you've prepared. Polish your annual report so that it's readable, or at least has good graphics. Pass any media coverage on to the members.

That's if you're just holding steady. If you're introducing major changes – if you feel that the organisation's been drifting off course, or if you want to start up a new enterprise or terminate an old one – your burden of explanation is considerably greater. You need to keep your supporters on side, and if they've been contributing to a particular program that's now obsolete you'll need to get some information out to them showing how your new plan is even better. If the members of your group are sufficiently localised, hold a public meeting (with you in the chair), explain it all, and invite questions. Pay attention to the feedback.

Major donors, as we've said, deserve the personal touch. Report to them individually.

6 It's not absolutely clear what papers the general members are entitled to access, and in any case this differs from state to state; as with most things, the board should decide for itself what it's happy with and let anybody who disagrees go to the trouble and expense of challenging it.

7 If this involves recruiting more young people to the board, that's not a bad thing either.

19.

How much PR do I do?

If the organisation you chair is small, you'll often be the public face of the organisation – so think twice about posting controversial opinions on Twitter.

If your group is big enough to have employees, the chair is usually not the organisation's spokesperson. You're the spokesperson for the board, but the board isn't often what outsiders want to be informed about. Reporters head for the CEO, who knows more about the details and will probably be held responsible for anything that's gone wrong.

If there's a crisis, or if you've got a really major initiative to report, you and the CEO should be up on the dais together, just to emphasise that there's a unified direction, but otherwise you're not going to be called on as a speaker that often.

Anyway, nodding and smiling for the cameras is all very well, but while you're being friendly to the media, what sort of experiences are the clients or general members of your organisation having?

A brand isn't just about giving yourself a catchy name and an impressive logo, changing your letterhead and producing a few advertisements. It's about getting to the stage where a mere mention of your name triggers a series of positive expectations and associations.

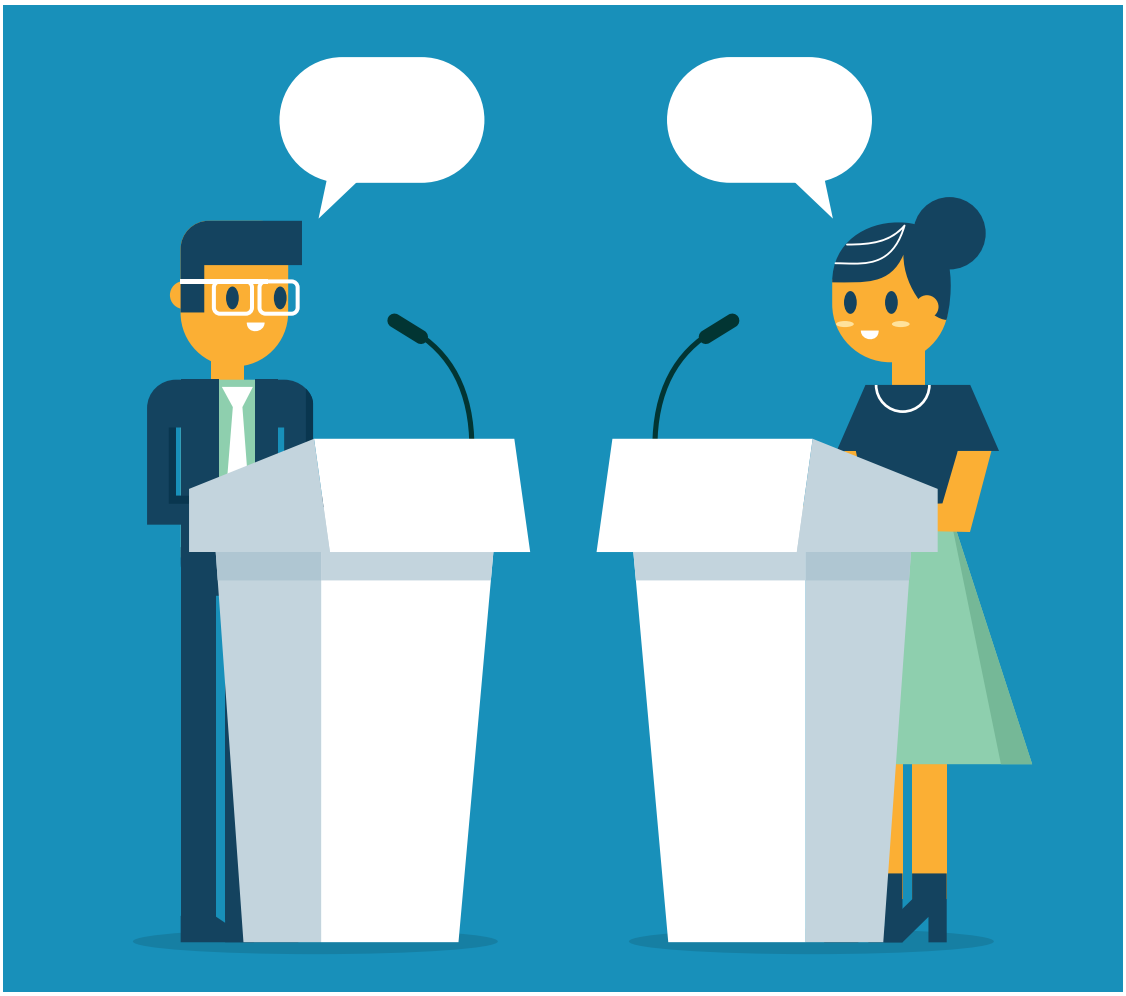
Branding is a synthesis of market positioning, identity, image and messaging that taken together has the power to influence people's decisions to give to your organisation, participate in your programs, invest in your capital campaign, buy your event tickets and read your newsletter. Your potential donors are looking over a multitude of requests for support that press in on them daily. If you have a brand, you stand out because you're standing on a stepladder.

A brand begins with a mission, and your mission statement. If you asked a random general member, or a staff member, or even a board director, would they be able to recite it? If they can't, you need either a new training and induction program or a new mission statement. You must help your supporters understand that by giving their time and money to your organisation they are part of a larger movement. Let them feel the hair standing up on the back of their necks because what they are doing is making a lasting difference to people's lives. A brand reaches out with that kind of powerful connecting experience that goes beyond your immediate services and connects with what your consumers want to believe about the best of themselves.

Have we mentioned the culture yet? It's about the culture.

As chair, you're also expected to do a fair bit of informal PR among your contacts. If you have friends who are active in Zonta or Rotary, for example, or are local councillors, you'd be remiss not to keep them up to date with your group's successes and its needs.

You believe. Share it.



If your organisation has a big initiative to report, the chair and the CEO should both act as spokespeople, but otherwise, as chair, you won't often be called on to front the media.

20.

How do I work with difficult people?

There's a story about long-serving Australian prime minister Robert Menzies that bears on people management. Towards the end of his 19 years in the top job, when the Australian public was getting a little restless, one of his Cabinet ministers took him aside for a little heart-to-heart.

"Your trouble, Bob, is that you don't suffer fools gladly."

"What do you mean?" replied the PM. "I'm talking to you, aren't I?"

Suffering fools relatively gladly is part of a chair's position description.

You may well be faced with bureaucrats (who fixate on the rules) and outlaws (who ignore them) in the same meeting, and you'll have to fend both off without encouraging either.

Some people have never had an unexpressed thought. Some people see themselves as guardians of the organisation's traditions, opposing all change. Some people obsess over trivialities and will shut down a discussion of strategic objectives for half an hour to hunt down an unnecessary comma in the papers. Some people have relatives who are clients, or employees, or consultants.

Some people join up together to push their own agenda. Some people never give up on an idea even when it's been voted down three times in the past year. Some people insist on importing party politics into the boardroom to fuel unnecessary arguments and bad feeling.

Whenever you encounter any opposition, though – however lacking in insight, however self-interested, however ignorant – your first duty as chair is to ask yourself, "Okay, is there anything in it?" From their point of view, remember, they're not fault-finders, they're just precise; they're not time-wasters, they're covering all the angles; they're not scratching old wounds, they're reminding everybody of the lessons of history; they're not seeking personal advantage, they're speaking from personal experience. No board director is a villain in their own story.

Incompetence can be even more troubling than any of these personality flaws. There are people who'll never volunteer for tasks, people who'll volunteer happily but forget all about it before leaving the room, and people who'll take on the job and enthusiastically mess it up. For all of them, you'll have to make them do their job, directing them and training them till they can actually pull their weight and take on their part of your burden. Assign them mentors, point them at examples, pass them useful guides like this one, send them on training programs.

You can't lose your temper, or your sense of proportion, or your sense of humour. Contrary to popular belief, it takes only one to make a quarrel. As chair you can't threaten people and you can't bribe them, so you will need to flatter them and persuade them. If you can't say anything nice, don't say anything at all.

Even bullies see themselves as firm but just. However, this is where compromise and accommodation and appeasement have to stop. Bullies are an existential threat to a volunteer group, and can cut a swathe through the board and the staff and the mission unless someone is willing to wade into a nasty scene; and that person ought to be you. No, you have to say, you cannot do that, stop. You are breaching the policy. If you continue we will expel you.

Then find someone to stand against them at the next AGM. There are means of removing unwanted board directors, but they are so much trouble, so unreliable, and so likely to create many more problems than they remove, that it's almost always better to wait until the next election rolls around.

Divisions within a board are rarely to do with differing ideologies. Even when they begin with differences of principle, they almost always gradually transition into personal vendettas. It's hard to get people to let go of a grudge, and many organisations have their own equivalent of the Great Tea Trolley Disaster of 2002.

We don't want to sound too critical, or too paranoid. Most not-for-profit board directors are nice people who sincerely want to make a contribution and will work with you in a spirit of good-hearted commitment. If you find them irritated, indecisive, or unproductive, then it's time to review what you're asking of them and the way you operate.

They want to see the enterprise succeed, so let them know about every achievement and every step forward. Make them feel they share in every daily gain and every occasional triumph. Don't spare the praise if it's remotely justified. They're volunteers, and they deserve respect. That's the only currency you've got.

Not-for-profit board directors are volunteers, and they deserve respect.

Section five: the board

The board is a mechanism for making decisions, and the chair facilitates the operation of the machine. A smoothly working board is best for the organisation and easiest for the chair – it's a win-win. If you as chair are feeling overworked, underappreciated, frustrated, enraged, or all of the above, that points at structural flaws in your processes that need to be addressed.

21.

How do I get the best board possible?

People don't usually nominate for the board unless someone asks them to. It's your job to see that someone does ask them, and that the right people are asked.

"The right people" doesn't mean "people who agree with you", it means the people who have the skills, and the qualities, you need.

A good board is made up of board directors who have:

- the ability to work cooperatively
- relevant skills
- diversity as a group
- a personal commitment to the organisation's mission, and
- a sense of humour.

Not all boards need people with the same skills, and there's no such thing as a one-size-fits-all checklist – "Accountant, lawyer and PR." "Techhead, finance guru and media star."

Still, boards are generally acutely aware of their shortcomings, and know where they need reinforcement. They should be beating the bushes looking for suitable candidates.

Don't wait for lightning to strike in the form of suitable people spontaneously putting their hands up at the AGM and wanting to be voted in. As a board, identify your gaps and weak spots – use the board profile worksheet in Appendix D (page 82). Go around the table asking directors to list all their contacts in that area. Use the free Board Matching Service offered at **www.icda.com.au/board-positions** to advertise your vacancies and reach a wider audience of potential applicants, specifying the sort of expertise you require.

Your board also needs to reflect the diversity of your community. Half of the board directors (and the office-bearers) should, as a general rule, be women. The board should include people from diverse cultural and language backgrounds – not only Anglo-Celtics – and it should include at least one person young enough to have internalised the importance of social media. You should certainly be looking to draw on the experience of Indigenous people, people with disabilities, and people from other minority groups.

Involve your prospects in the group as soon as possible. Ring them and ask whether they would be interested in knowing more about your organisation. Be upfront about your intentions without being too pushy. If there isn't a vacant board position right away, ask them to join a short-term ad hoc subcommittee (even if you have to set one up specially). If they're at all interested you can take them for a coffee and see what kinds of things might draw them in. Invite them to your special events.

The other side of the task, of course, is ensuring that positions become vacant. Some groups have extreme difficulty filling the positions; some have all the directors hanging on year after year. Some groups have term limits written into the constitution, but these can cause more problems than they solve.

You can certainly have words with anybody who's not pulling their weight. Directors who don't attend meetings and don't do any work are the bane of any board (and if that person is the chair, it's a disaster). There comes a stage when these people are a drag on the board's operations. Some boards have a warning process after two missed meetings without an apology, or three missed meetings in a row. Contact the absentee and ask them whether they have the necessary commitment to continue. If they haven't, consider asking them to step down and make room for someone else.

Below is one example of a letter to an inactive board director. Most Australian boards don't work like this – which would make it all the more impressive if yours did. It's unlikely you'd have to send such a letter twice.

«Name»

«Address»

«Address_2»

Dear «Name»,

On behalf of our members and clients we would like to thank you for your past involvement as a director of the board of «Name of Organisation». As you know, the board is very active and dedicated to supporting the important work of «Name of Organisation».

Active participation in the board is critical to its effective functioning, and our records indicate that you have not fully participated in this activity in past years. Because of this, «Name», we are asking you to relinquish your membership of the board. We understand that interests can change over time and that you may well have other priorities now. We hope you understand our need to ensure all current board directors have adequate time available to properly support «Name of Organisation».

Please know how much we have appreciated your past involvement. We hope that you will continue to support the work of «Name of Organisation».

Yours sincerely,

Board chair

22.

How do I get ideas through the board?

Don’t let up, ever. Don’t think that having an idea 60% there, or 90% there, or 99.99% there, is enough to get it over the line. Follow the process from information to debate to motion to executive action and keep up the prompts until the thing is done.

Even without active resistance, stonewalling opposition, or sabotage, you should never underestimate the malevolent power of straightforward inertia. Nothing – *nothing* – happens automatically.

Confine board discussions to policies, not particular instances. People get worked up over actual situations much more often than they argue about principles (and they get worked up about people more than they get worked up about decisions).

If you get in ahead of the fight and put forward a policy on, say, conflicts of interest, you can then have a document to point to when push comes to shove. There's nothing that drains your drive and dedication to the mission faster than continually refereeing arguments about procedural issues. At best, you have to make a lot of decisions that should have been settled at a lower level; at worst, you're left with a legacy of bad feeling and people resenting your authority.

If you want to get your way on important issues, begin by working on the organisation's policies. If you can get things right at the policy level (we did mention the ICDA Policy Bank, didn't we? – **www.communitydirectors.com.au/tools-resources/policy-bank**), it'll save a lot of argument day-to-day.

You don't really want factions on the board; everybody ought to work together in harmony. If there *are* factions on the board, though, you certainly want yours to be the largest. Here's where the power to set the agenda comes in handy.

You need a team. There shouldn't be major differences of principle between the chair, the treasurer, and the secretary, or between the board and the CEO. To get to consensus, you need to have opportunities to toss issues around outside meetings until you're all satisfied.

In the longer term, remember the words of physicist Max Planck: "A new …. truth does not triumph by convincing its opponents and making them see the light, but rather because its opponents eventually die, and a new generation grows up that is familiar with it."

Luckily, the life cycle of a board is considerably shorter than that of individual humans. You can get quite a lot done by encouraging sympathetic candidates to stand at the next AGM, provided you're prepared to put the work into having your supporters turn up on the night.

You don't want factions on the board; you want people to work together in harmony.

23.

How do I handle conflict?

If conflict didn't exist, you'd have to invent it. Disagreements about how to reach the organisation's goals are healthy, and necessary to ensure that ideas are properly thought through. If you have to argue for your proposals, fierce debate helps identify the weak points and leads you towards improved solutions.

That's why you have votes on motions – because that's how disagreements are resolved. You identify the issue, clarify the exact points in dispute, give all viewpoints the opportunity to be heard, take a vote, record the outcome, and move on.

Ideally, every board combines a wide range of opinions with a willingness to accept the majority view. Sometimes, however, not everyone is willing to move on. Friction brings on blisters, and running sores, and open wounds. Conflicts, as we shall be dealing with them here, are irreconcilable disagreements that move from simple arguments towards damaging feuds.

Unhealed bad feelings can take up a quite unjustifiable proportion of everybody's time and effort, and will eventually destroy morale, threaten the mission, and undermine the board's survival.

As chair, you begin by keeping interpersonal relations on the board civil, respectful, and productive. You make sure that everybody's voice is heard, that there's no intimidation and nobody is shouted down, and that the meeting reaches a resolution that everybody can live with. You don't let people interrupt, you keep the discussion on principles and not personalities, and you don't get offended by incautious remarks (and certainly don't make any). You're pushing for an organisational culture of understanding, tolerance, and respect for the opinions of others.

The chair should anticipate possible disagreements and where possible get ahead of them. You might, for example, think about referring the contentious point to a subcommittee (either one of your standing committees or an ad hoc working group) to have the different views talked through and their implications teased out.

When you want people to follow a particular course of action, you begin by setting out the reasons it's a good idea. You show the arguments and the evidence, and where they come from and why you favour some over others. You set out the options, and show why some of the ones that look attractive at first sight will have harmful consequences down the track. You make it clear why you've come to the position you have.

If everybody's convinced, well and good. If not, listen to the disagreements and see what points they're making. Negotiation comes into the picture when persuasion has failed, and persuasion comes in only when you've finished listening.

Ideally, any significant proposal you're putting forward should already incorporate wide discussion and exploration of alternative viewpoints. You should have a good idea of what people think is important, what evidence they find weak or strong, what trade-offs they're prepared to make. You should have incorporated any valuable suggestions, covered any obvious objections, and made any unnecessary but inexpensive changes that stakeholders were particularly set on. And at that point you bring it up for a vote.

If the disagreements are pursued, though, sooner or later they'll probably land in your lap. At this point, the aim of the process is to resolve the dispute. While this sounds obvious, many people think that the aim is to establish fault and assign blame. This is emphatically not the case. It's seldom useful to pursue the history of any dispute back too far. Your task is to decide who needs to do what to remove the difficulty, and then to find ways to persuade them to comply.

The first step, always, is to talk to the parties. Many people don't like doing this, because it can involve confrontation, and they prefer to try to clothe arguments in a structure of rules and processes that they think will make issues less personal. This almost never works.

The best way to settle a dispute is to give in. If you can honestly look over the question impartially and say, "Hey, you're right, we should do that," then that's infinitely better than any dispute resolution process ever devised. Even if you think their idea is no better than yours, a bad peace is often better than a good war.

If you can't do that, the second-best way to settle a dispute is to compromise. Talk it through with a willingness to settle for less.

If you're locked in a cycle of conflict, look to your mission statement as a reminder of your aims.

If that doesn't work, the third-best way to settle a dispute is to do it by the book. Have policies in place. Every organisation should have a dispute resolution procedure in its handbook (see the ICDA website for an example: **https://communitydirectors.com.au/help-sheets/dispute-resolution-for-community-boards**).

That said, there's nothing magic about dispute resolution procedures; they work if people are prepared to be reasonable, and if not, they don't.

Another way, then, to settle a dispute is to seek professional advice where needed, maintaining discretion and confidentiality. The nature of internal conflicts – occasions, often, when small things become ferociously important and compromise begins to look like caving in – is such that they can invariably benefit from the participation of an unbiased outside observer. A mediator may be called for, although in many cases no particular professional skills are required. Only in rare cases is legal advice useful.

Avoid making the matter any worse. Be careful what you say, and read up on the law of libel. Don't say anything you can't prove. Ideally, don't say anything that's going to deepen divisions and cause even more ill feeling.

If you're locked in a cycle of conflict, one or both of you has lost touch with the mission. Go back to the mission statement as often as you need as a template for what you're both, theoretically, trying to achieve.

24.

How can I be sure that everything's on the up-and-up?

As a general rule, the people who run not-for-profits are honest, competent, and reliable, and financial deception hardly ever happens.

If you're the chair, though, the words "hardly ever" have an unfortunate ring of frequency about them. Yes, embezzlement and malpractice are rare, but if they happen on your watch you won't be able to avoid responsibility on the basis of those odds. You can't just say that the treasurer should have told you, or that the CEO changed the figures before letting you see them. You should have found out.

People in the not-for-profit sector aren't extravagantly rewarded – some organisations are all-volunteer. That's good, but every now and again someone somewhere in the system begins to feel that the organisation owes them something, and that they're entitled to skim their compensation off the top for themselves. After a while it becomes a habit.

Yes, but how can you find out when you're being lied to? You have to trust the staff to do the day-to-day money management while the board lays down general policy, but at what point does that trust become negligence?

At the most basic level, you have to actively understand the finances. You need to be able to read a balance sheet and ask questions, rather than just glancing over columns of figures to get to the bottom line. You need to be able to pick out discrepancies and follow up unlikelihoods (and so does everybody else on the board, but it's you people will come looking for if the organisation goes under). Go over the financial reports with the treasurer until you're on top of the money side of things.

Next, you need to satisfy yourself that the organisation has financial control policies in place that will (if applied consistently) protect your assets – things like having expenditure authorised by at least two people, and requiring paperwork to back up credit card expenditures. Like so many other things in not-for-profit admin, this involves annoying formalities several times a day to minimise the chance of a problem that only comes up every couple of years, at most, but the real question is how often the problem would occur if the formalities weren't there. People respond to incentives, and you can expect that if fraud is easier there will be more of it.

The same person shouldn't handle every aspect of a transaction – they shouldn't open an invoice for an item, for example, and sign off on receiving the goods or services afterwards. The organisation shouldn't keep money around in cash – deposit it in a bank where there are records. For a fuller account of the precautions you need to take, see *Damn Good Advice for Treasurers* and *Damn Good Advice for Board Members*, both available as free downloads from **https://communitydirectors.com.au/tools-resources/free-advice-guides**.

So far, so good – but good policies still only move the problem out one stage. If a person is willing to fiddle the books when only one signature is called for, they'd probably also be willing to forge a second one and lie about it.

The bottom line? Trust, but verify.

The treasurer is reporting that the cash at bank this month is such-and-such. Good; but you should be one of the people who has online access to view the bank records, and every now and again you should run an eye over them.

That goes for other risks, too. The organisation is supposed to have insurances to cover a range of contingencies, and policies to ensure that the organisation complies with a bewildering range of national, state and municipal regulations. You don't have to do all that paperwork yourself, but you do need a way to drop into the processes and confirm that it's happened, just so that people can't disregard the possibility.

All this needs to be proportionate, of course – the more money that's sloshing around, the more care you need to take. If your organisation is large, your board may need a dedicated audit committee.

The nature of the implied contract between your not-for-profit group and Australia at large is that Australia will let you have public acceptance, the right to ask people for money, and various tax breaks in return for being, in part, public – overseen by a board of people chosen from the general population who don't have vested interests or the expectation of gain from what they're doing.

And what's the place of whistleblowers in all that?

As an employer, you want your staff to show initiative in all parts of their job. You want them to strive for continual improvement, and to pay attention to areas where you or others are falling short. And you want them to make these weak spots known to you.

You want staff members to raise problems with their supervisors, even if they're on the trivial end of the spectrum, so that your processes can be reviewed, but you don't want those staff obsessing if they're told there's nothing in it.

You want staff to trust management, and to believe that generally management wants to do the right thing.

You want your staff to take a long view of the organisation's reputation and to bear in mind the interests of its wider stakeholders, and you want them to act ethically.

All that said, this is an imperfect world, so you'll need whistleblowing policies too, but don't forget what you're really looking for.

In any case, you want your normal channels of communication to be the first step taken by well-meaning whistleblowers, and you want them to be confident they'll have your support and protection in speaking up. A fine balance is required, and this can be achieved only by continuous monitoring and improvement.

We've outlined some of the characteristics of a positive organisational culture, and the things you want from your staff. But how do you get these?

The tone is set at the top. Leaders have a fundamental role to play in creating the kind of organisational culture in which your whistleblowing program is robust and well understood but doesn't actually need to be brought into play. This is not something to be done once and ticked off. It's ongoing. Leaders need to clearly, firmly and openly endorse a "speak up" culture within the organisation.

Starting with the chair, leaders should demonstrate a clear commitment to organisational integrity through public displays and endorsements such as:

- having the board request disclosure statistics for consideration and actioning at board level
- taking whistleblower anonymity and protections seriously by providing a safe environment for reporting
- reminding and encouraging employees, "When in doubt, speak up."

25.

How can I know if I'm doing a good job?

Don't overpersonalise it. If the organisation is doing a good job, it's quite probable that the board is too – which is why you need to develop a set of measurable objectives to check yourself by. If the board is doing a good job, you're doing a good job – which is why you need the board to self-assess at regular intervals.

Pay attention to the needs of board directors: are they satisfied? If not, try job sharing or swapping some responsibilities with other board directors.

If a board director leaves before the end of their term, try delving into the reasons behind their departure to ensure that any concerns they may have with the organisation (and the board, and the chair) are addressed. People generally say that the reasons are heavy workloads in their real job, personal issues, or thinking it's time for a change; if this is the case, ask whether there is anything you can do to help them achieve their new goals. Ask them to retain an interest in the group – they may be available again if their circumstances change, and in the meantime they can be approached for other forms of support.

You measure and evaluate performance at this level based on your organisation's goals and mission. Are your goals being achieved, or not, or only in part? What role does the board play in this? Are you keeping your end up on the board?

Some chairs measure their performance by passing out forms[9] at the end of a meeting occasionally, asking how the board directors rated the meeting.

9 The form opposite is adapted from *The Board Building Cycle* (1st edition) by S Hughes, B Lakey and M Bobowick, published by the National Center for Nonprofit Boards, Washington (2000).

	Okay	Needs improvement	Suggestions for improvement
1. The agenda was clear, supported by all necessary documentation, and circulated before the meeting.			
2. Reports circulated before the meeting were clear and contained all necessary information.			
3. All board directors had read the circulated papers and were ready to discuss them.			
4. We avoided getting into administrative and management details.			
5. Diverse opinions were expressed, and issues were dealt with in a respectful manner.			
6. The chair guided the meeting effectively.			
7. Directors participated responsibly.			
8. Next steps were identified and responsibility for carrying each of them out was assigned.			
9. All board directors who weren't sick or interstate were present.			
10. The meeting started and finished on time.			
11. We came away thinking we'd made progress.			
12. We enjoyed being together.			

Giving board directors more paperwork – including feedback forms – risks leaving them feeling harassed and overburdened, so handle that carefully.

Self-assessment is all very well, but you really need external perspectives. For how the board is doing, try asking the staff to fill out a questionnaire (anonymously).

Ask how the organisation as a whole is perceived. Survey your general membership or your clients to see whether they're satisfied.

Maintaining board excellence takes a lot of hard work and commitment. If you find that the board is losing its energy and momentum, it's up to you to jump-start it.

APPENDIX A

Board chair's position statement

This appendix accompanies the answer to the question posed on page 12: "What do I have to do?"

	Small organisations	Larger organisations
Duties applicable only to start-up organisations are given in *italics*. Statutory duties (those specifically required by law) are given in **bold type**.		
Governance	Provide leadership to the organisation.	Provide leadership to the organisation.
	Ensure (in partnership with the board) that the organisation's objectives, goals and mission are being followed.	Ensure (in partnership with the board) that the organisation's objectives, goals and mission are being followed.
	Ensure (in partnership with the board) that the organisation develops in the appropriate direction.	Work with the CEO to ensure (in partnership with the board) that the organisation develops in the appropriate direction.
	Ensure (in partnership with the board) that the organisation operates in an ethically, environmentally, and socially responsible fashion.	Work with the CEO to ensure (in partnership with the board) that the organisation operates in an ethically, environmentally, and socially responsible fashion.
Planning	*Produce (in partnership with the board) a strategic plan for the organisation.*	*Oversee (in partnership with the board) a strategic plan for the organisation.*
	Ensure (in partnership with the board) the regular review and development of the strategic plan.	Oversee (in partnership with the board) the regular review and development of the strategic plan.
Meetings	Ensure that appropriate standing orders are in place.	Ensure that appropriate standing orders are in place.
	With the secretary, prepare the agenda in advance of the meeting.	With the secretary and the CEO, prepare the agenda in advance of the meeting.
	Chair board meetings according to standing orders.	**Chair board meetings according to standing orders.**
	Rule on issues of meetings procedure not covered in the standing orders.	Rule on issues of meetings procedure not covered in the standing orders.
	Report to the annual general meeting on the situation of the organisation.	Report to the annual general meeting on the situation of the organisation.
	Chair general meetings according to standing orders.	**Chair general meetings according to standing orders.**

Administration & management	Chair the executive committee between board meetings.	Chair the executive committee between board meetings.
		Serve on board committees as required.
		Liaise with board committee chairs and report to the board where appropriate.
	Assign (in partnership with the board) administrative duties to board directors and volunteers.	
	Personally carry out administrative duties as assigned.	
		Ensure that appropriate recruitment policies and procedures are in place for the CEO and other staff.
		Oversee the recruitment of the CEO.
		Ensure that appropriate personnel policies and procedures are in place for the CEO and other staff.
		Oversee the annual performance review of the CEO.
		Oversee the succession of the CEO.
	Manage the business of the board.	Oversee the management of the business of the board.
	Manage (in partnership with the board) the recruitment, induction and training of board directors.	Oversee (in partnership with the board) the management of the recruitment, induction, and training of board directors.
	Manage (in partnership with the board) the assessment, review and renewal of the board.	Oversee (in partnership with the board) the management of the assessment, review and renewal of the board.
	Manage the organisation's grievance procedures.	Oversee the management of the organisation's grievance procedures.
	Ensure the harmony of board deliberations.	Ensure the harmony of board deliberations.
	Manage (in partnership with the board) the succession of the position of chair.	Manage (in partnership with the board) the succession of the position of chair.

		Liaise with the CEO and, through the CEO, with the staff.
		In consultation with the CEO, report to the board on staff management issues.
		In consultation with the CEO, draw up a CEO succession policy.
Media	Under the organisation's media policy, serve as spokesperson for the board and the organisation as appropriate.	Under the organisation's media policy, serve as spokesperson for the board and the organisation as appropriate.
Promotion	Promote the organisation in the community as opportunities arise.	Promote the organisation in the community as opportunities arise.
Negotiation	Serve (as nominated by the board) in negotiation with other organisations.	Work with the CEO in negotiation with other organisations; report to the board.
Legal	Ensure that: • the modes of performance of all legal requirements are featured in the procedures manual • the performance of all legal requirements is reported to the board • the performance of all legal requirements is fully documented.	Oversee staff to ensure that: • the modes of performance of all legal requirements are featured in the procedures manual • the performance of all legal requirements is reported to the board • the performance of all legal requirements is fully documented.
	Ensure that all legal requirements are met.	Ensure that all legal requirements are met.
Finance	With the treasurer, ensure the organisation's financial control procedures are adequate and that risk management strategies are in place.	With the treasurer, oversee the CEO to ensure that the organisation's financial control procedures are adequate and that risk management strategies are in place.
Other duties	As for board directors.	As for board directors.

APPENDIX B

Codes of governance

This appendix expands on the answer to the question posed on page 26: “What's my role in shaping the culture?”

About codes of governance

A code of governance sets out the values that an organisation considers central to its operations, describes the boundaries of acceptable behaviour for the organisation based on these values, and identifies the areas in which procedures are required to police these boundaries. A code of governance cannot overrule the organisation's constitution, still less the legislation that establishes it. It is enforceable only with the agreement of its users. A code is not self-actuating; it can deal with any abuses only where the board is prepared to act in its defence.

A code of governance deals with the responsibilities of the board as a whole – the board as a separate legal entity – rather than the responsibilities and obligations of its individual directors, which are covered in an organisation's code of ethics. (For more on codes of ethics, see page 27.)

Any code is of course necessarily general in nature, and every community organisation will have to go through the process of clarifying its own principles into the policies that flow from its codes. On the ICDA website there's a bank of policies that your organisation can use as models – see **https://communitydirectors.com.au/tools-resources/policy-bank**.

Once the organisation has developed its own policies, it will have to make sure that the people who are covered by these policies know what they are by publishing a specific procedures manual and putting the code and the ensuing policies into the induction and training packages for board directors, staff, and volunteers.

Sample code of governance

1. Commitment to the mission

The board has the responsibility to focus intensely on achieving the organisation's mission.

1.1 The board must decide on the organisation's strategic direction, its budget and its major financial affairs, and its policies on governance and management. No major policy should be put into effect without consideration by the board.

1.2 The board should delegate operational (day-to-day management) issues to its staff. The chief executive officer (CEO) should be responsible for the operational management of the organisation. Liaison between directors and the organisation's staff should, except in exceptional circumstances, go through the CEO. The board must institute effective monitoring and evaluation procedures.

1.3 To enable the board to pursue its vision, the board should be independent and free of outside direction.

2. Democratic governance

The board has the responsibility to facilitate open debate and responsible decision-making.

2.1 The board should ensure that its procedures allow for all directors to bring issues before the board, to be informed on these issues, to discuss these issues productively, and to take informed decisions. The board should ensure that clear policies and procedures are in place to protect the rights of directors of the board to voice their views without fear of reprisals.

2.2 The board should support the chair to fulfil his or her functions. The board should adopt standing orders that are flexible, efficient, and simple, and that allow motions of dissent to be put before the board without obstruction.

2.3 The board should ensure that while each director has the right to argue for their own point of view and vote as their conscience dictates, all directors should, once a decision has been taken, not speak or work against the decision outside the board.

3. Board culture

The board has the responsibility to conduct its business equably and impartially.

3.1 The board should develop a culture of collective decision-making.

3.2 The board should take ultimate responsibility for ensuring that effective mechanisms are in place for dealing with and managing conflicts, ensuring that directors treat each other frankly and honestly but with respect.

3.3 The board should have in place clear policies to ensure that all potential conflicts of interest are dealt with legally and ethically through appropriate disclosure or recusal.

4. Transparency

The board is accountable to its directors and also accountable to those served by its mission.

4.1 The board should ensure that clear procedures are developed to provide a transparent framework for conducting its meetings, recording its decisions, communicating those decisions, and receiving feedback from the organisation's members and the users of its services.

4.2 The board should withhold from public scrutiny as little information on its operations as is possible. All board deliberations should be open to the stakeholders and the broader community, except where the board passes a motion to make any specific portion confidential.

4.3 The board should report to the organisation's stakeholders at least annually in a format and using a medium best suited to the stakeholders. The report should completely disclose information on the topics and indicators required to demonstrate the impact of the organisation's activities and to enable stakeholders to make decisions.

5. Board recruitment

The board must be both sufficiently competent to meet its needs and sufficiently diverse to meet its social obligations.

5.1 The board should institute procedures and policies that recruit as candidates for election persons whose skills or life experience would benefit the operations of the board.

5.2 The board should respond to the needs of its own users for representation on the board.

5.3 The board should ensure that its directorship profile reflects the composition of the Australian community, undertaking tangible efforts to increase the representation of women, minority cultural and linguistic groups, under-represented age groups, people with disabilities, and Indigenous Australians.

6. Risk management

The board must satisfy itself that the organisation and those who deal with it are protected.

6.1 The board should ensure that robust risk management policies and procedures are in effect to minimise any risk to the organisation's mission, its assets, its programs, its reputation, its clients, its staff, and those who come in contact with its operations, especially those who may for any reason be vulnerable.

6.2 The board should continuously test, review and refresh its risk management policy and procedures.

6.3 The board should establish and implement whistleblower policies and procedures that enable individuals to come forward with information on illegal practices (or violations of board-approved policies) without fear of retaliation.

7. Fair dealing

The board should ensure that the organisation keeps its word.

7.1 The board should ensure that when funds are given to it to be spent for particular purposes those funds are then spent for those purposes.

7.2 The board should ensure that when data is entrusted to it for particular purposes that data is used only for those purposes.

7.3 The board should not accept any funding that might compromise its ethics, its finances, or its mission.

8. Effectiveness

The board should ensure that the organisation is efficient and must ensure it is effective.

8.1 The board should ensure that the organisation as a whole, and its programs, are regularly reviewed, and its outcomes assessed against the organisation's mission.

8.2 The board should periodically review its own effectiveness, and take any necessary steps to ensure it works as it ought.

8.3 The board should regularly review and evaluate the performance of the organisation's CEO.

9. Responsibility to the community

The board should recognise that it is part of a larger movement with wider responsibilities.

9.1 In its decisions the board should take into account not only the mission of the organisation but also the rights, interests, health, safety, and wellbeing of its users, its general members, and its workforce.

9.2 The board should work to encourage social diversity, access and inclusion, community participation, and consumer participation.

9.3 The board should ensure that the whole organisation, in all of its systems, operations and activities, upholds and promotes the imperatives of community empowerment.

10. Responsibility to the future

The board must recognise its responsibility to the world in which it operates.

10.1 The board should do its part to reduce systemic social disadvantage in Australia.

10.2 The board should contribute to the development of the Australian community sector as a whole.

10.3 The board should ensure that the organisation actively works to increase the environmental sustainability of the planet.

APPENDIX C

Culture: actions and evidence

This appendix accompanies the answer to the question posed on page 26: “What's my role in shaping the culture?”

Let's look at what governments ask for when they write "culture" into regulations. The following text is an edited extract from the federal government's Aged Care Quality Standards: standard 8, requirement 3b:

The organisation's governing body promotes a culture of safe, inclusive and quality care and services and is accountable for their delivery.

Intent of this requirement

This requirement states the governing body of the organisation is responsible for promoting a culture of safe, inclusive and quality care and services in the organisation. The governing body of the organisation is also responsible for overseeing the organisation's strategic direction and policies for delivering care to meet the Quality Standards.

A culture of safe, inclusive and quality care and services is one that is embedded in all aspects of organisational life and owned by everyone. It is the organisation's governing body that enables this through its leadership, decisions made and directions set for the organisation. It will be reflected in how the organisation communicates its meaning and purpose to the workforce, consumers and those outside the service.

Reflective questions

- How has the governing body shown it is committed to, and leads, a culture of safety and quality improvement in the organisation? How is the extent of this culture in the organisation known?
- What priorities and strategic directions has the governing body set and communicated to the organisation for safe, inclusive and quality care and services?
- What information does the governing body ask for about the organisation's performance and continuous improvement to meet the Quality Standards?
- How does the governing body look at how inclusive the organisation's care and services are for a diverse range of consumers?
- How does the governing body know it is meeting what consumers, the workforce, the community and others expect for safe, inclusive and quality care and services from the organisation?

Examples of actions and evidence

Consumers

- Consumers are confident the organisation is run in their best interests, and their views and needs shape how the organisation is run.
- Consumers feel the service culture (the way things get done) supports their health, safety and wellbeing and is inclusive of their identity, culture and diversity.
- Consumers can describe ways the organisation asks for their opinions to improve the service culture.

Workforce and others

- The workforce can describe how the governing body promotes a culture of safe, inclusive and quality care and services. They can also describe how the governing body tries to understand how things are done in the organisation.
- The workforce describes how management of the organisation demonstrates the behaviours and values the governing body promotes. They say this gives them confidence to do the same.
- The workforce can describe the organisation's vision, aims or strategic objectives that affect their practice. They say the organisation is run in a way that supports consumer outcomes.
- The workforce can give examples that show how the organisation includes safe, inclusive and quality care and services in the organisation.

Organisation

- Evidence that members of the governing body have the right experience to govern an organisation providing care and service to vulnerable consumers.
- Evidence of how the governing body decides, explains, assigns and puts their quality, safety and cultural goals into action within the organisation.
- Evidence that the governing body asks for and receives the information and advice it needs to meet its responsibilities under this requirement.
- Strategic, business and diversity action plans that describe the priorities and strategic directions for inclusive care endorsed by the governing body. Evidence of how the organisation implements, monitors and improves these.
- Evidence that the governing body understands and sets priorities to improve the performance of the organisation against the Quality Standards and consistent with the Charter of Aged Care Rights.

You can read the Aged Care Quality Standards in full at **www.agedcarequality.gov.au/providers/standards**.

APPENDIX D

Board profile worksheet

This worksheet accompanies the answer to the question posed on page 62: "How do I get the best board possible?"

First describe the membership of your current board in the column provided. Then study your organisation's strategic plan to help define the sorts of new skills and understandings that the board is going to require in the near future.

You'll need to adapt this table to suit the needs of your own organisation, and you should consider that the same organisation will have different needs at different stages of its development.

Skills and attributes of board directors	Current members	Future needs
Aged under 18		
Aged 19–34		
Aged 35–50		
Aged 51–65		
Aged over 65		
Male		
Female		
Indigenous		
Non-English-speaking background		
People with disability		
Other (specify)		
Connections		
Community		
Corporate		
Education		
Media		
Political		
Philanthropy		
Small business		
Social services		
Organisation's client group		
Other (specify)		

Qualities		
Ability to work cooperatively		
Leadership skills		
Sense of humour		
Commitment to the organisation's mission		
Ability to donate		
Other (specify)		
Skills		
Meetings		
Fundraising		
Budgeting		
Planning		
Other (specify)		
Areas of expertise		
Accounting		
Administration and management		
Banking and investment		
Community development		
Data and evaluation		
Entrepreneurship		
Fundraising		
Government		
Human resources		
Law		
Marketing, public relations		
Physical infrastructure (architects, engineers)		
Real estate, property		
Strategic planning		
Technology		
Other (specify)		

APPENDIX E

Board meeting agenda template

This template accompanies the answers to the questions posed on page 33 (“What goes into the agenda?”) and page 35 (“How do I run the meeting?”).

[Name of Group] Agenda, Board Meeting **to be held on** [Date] **at** Time] **at** [Address]

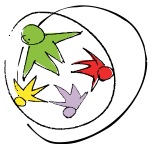
[Insert your group's mission statement here to serve as a reminder throughout the meeting.]

		Item
Formalities		
	1	**Welcome**
	2	**Apologies**
	3	**Declaration of conflict of interest**
Attached or separately circulated	4	**Confirmation of minutes of the previous meeting** Minutes of meeting held on 11 May 2020 at 7.30pm at Centre HQ, 74 Chamberlain St, Fitzroy, Vic
Matters arising from the minutes		
	5	
	6	
	7	
General business *Suggested order of business:* Matters for decision (e.g. adoption of policy; adoption of financial reports) Matters for discussion (e.g. progress on recruitment of new CEO; update on ongoing HR issue) Matters for noting (e.g. correspondence; CEO report; minutes from subcommittee meetings)		
	8	
	9	
	10	
	11	
	12	
Further formalities		
	13	**Review of actions to be taken**
	14	**Clarification of items/decisions for public disclosure**
	15	**Date, time and location of next meeting**
	16	**Meeting close**

The template is also available as a Word download from **https://communitydirectors.com.au/tools/agenda-template**. You'll need to be a member of ICDA to download it. For information on ICDA membership, go to **https://communitydirectors.com.au/membership**.

	Motion *Proposed motion, "That ..."*	**Estimated duration** *Aim for a total of no more than two hours*	**Consent agenda** *Starred items to be passed without debate unless requested to be moved to general agenda*

INSTITUTE OF
COMMUNITY DIRECTORS
AUSTRALIA
▸Knowledge ▸Connections ▸Credentials



an enterprise of:
ourcommunity.com.au
Where not-for-profits go for help

The Institute of Community Directors Australia (ICDA) is Australia's best-practice governance network for not-for-profit boards, committees, councils, schools, and their staff.

An Our Community enterprise, ICDA delivers information, tools, training, events, qualifications and credentials to not-for-profits of all kinds. Our Community is a pioneering social enterprise that services the needs of Australia's 600,000 not-for-profit groups and schools. See more about Our Community's history, vision and work here: **www.ourcommunity.com.au/aboutus**

What we do

Training

We offer a wide array of training to suit your level, time and budget – including webinars, self-paced online training, in-house training services and other special events.

www.communitydirectors.com.au/training/home

Diploma of Governance

We are proud to offer a Diploma of Governance, which has been designed for the board members of Australian not-for-profit boards and committees, and the CEOs and other senior staff who work alongside them.

www.communitydirectors.com.au/training/diploma-overview

Tools and resources

Whether you need to know more about starting up a not-for-profit organisation, have just landed your first role as a board member, or you're looking to take your directorship to the next level, our tools and resources will help you get your head around the basics.

www.communitydirectors.com.au/tools-resources/home

Policy Bank

A bank of policies that are free for any not-for-profit organisation to download and use, so long as it is for a non-commercial purpose and that the organisation is not paying a consultant to carry out this work.

www.communitydirectors.com.au/tools-resources/policy-bank

Board positions service

A place to both find and advertise board positions - for free.

www.communitydirectors.com.au/board-positions

The Community Advocate

The source for not-for-profit sector news, views and issues. Subscribe for free.

www.communitydirectors.com.au/news

Community Directors Intelligence

Our monthly leadership publication contains great guidance for not-for-profit leaders. Subscribe free, plus get alerts about training, resources and events.

www.communitydirectors.com.au/newsletters

Institute of Community Directors Australia

The Institute of Community Directors Australia (ICDA) is the best-practice governance network for the members of Australian not-for-profit and government boards and committees, and the senior staff who work alongside them – providing ideas and advice for community leaders.

communitydirectors.com.au