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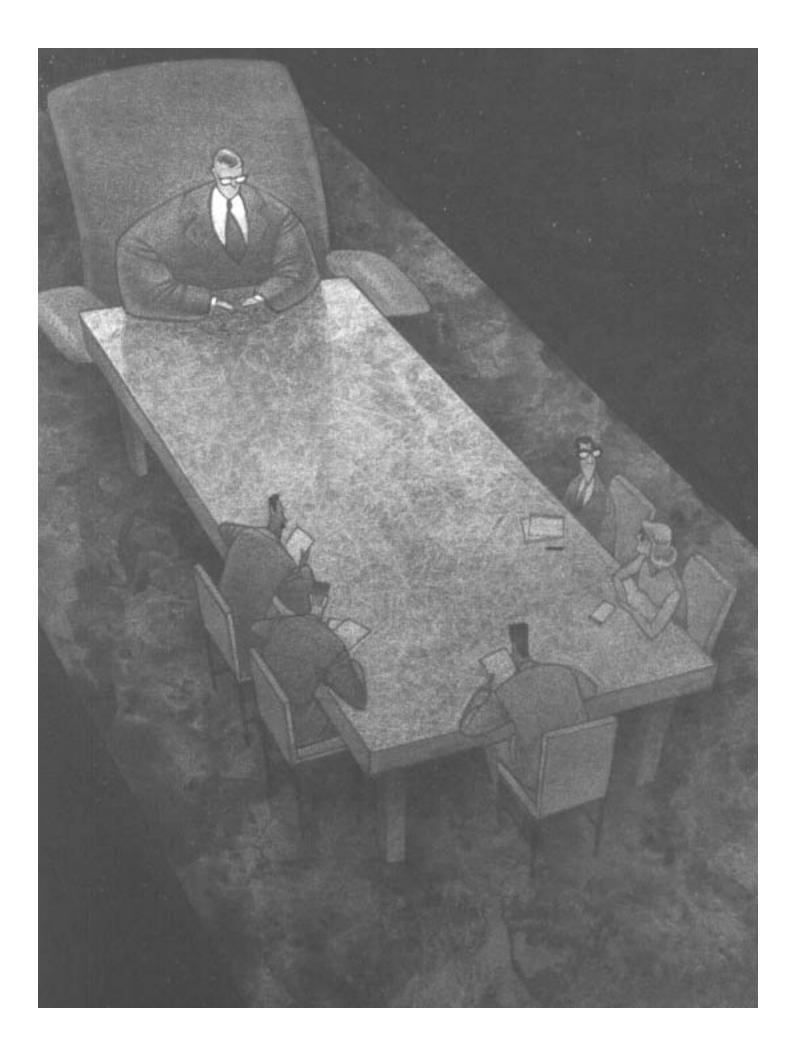- E-Business Integration

Building an
Ethical
Culture

Grappling with Dysfunctional Board Relationships

By Barbara Kaufman, Ph.D.

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A board peopled with renegades is a disaster waiting to happen. Here's how to bring the renegades back into the fold.

Many board chairs have favorite stories about dealing with "renegade" board members whose personal agendas or needs take precedence over the common good. Unfortunately, few of these tales have happy endings. No matter how much effort has been committed to developing a common understanding of the organization's mission and strategic direction, in the end, a board's effectiveness correlates with the level of trust in relationships among board members and between the board and management. Such relationships are built upon a shared code of conduct, a clearly defined governance structure and roles, and effective problem-solving techniques.

Developing a common understanding around board structure and process issues is no small task, given the diversity of board member profiles and the limited amount of time boards actually meet face-to-face. Harder still is bringing renegades back into the fold.

While it might not be an easy task, managing renegade board members is possible. The first step is to develop an understanding of who these individuals are and how they behave. Only then can strategies for modifying disruptive or unproductive behavior be put into action.

Types of Renegades

Merriam-Webster's Dictionary defines a renegade as "a deserter from one faith, cause, or allegiance to another" or "an individual who rejects lawful or conventional behavior." These definitions may seem somewhat harsh when referring to a handful of board members who lack Machiavellian motivation, but nonetheless apply because these people disrupt the effective functioning of the board. The typical board has at least one of the five following renegade types as a board member:

Retired and Looking for Work. These board members (often retired CEOs) have time on their hands and miss the action associated with managing a company. Those who have retired recently may feel isolated or under-valued and use their board roles to compensate for those feelings. One way to identify this type of renegade is by the number and frequency of calls they make to board officers and staff for detailed information about particular issues or board agenda items. In addition, they may consume too much time during meetings by failing to keep their comments at a policy level, leading other members to lose interest in the topic under discussion. As a result, the board loses valuable discussion and debate time.

This type of individual may think nothing of dropping in on staff to ask for special reports, calling for special committee meetings, and conferring with staff about board matters. When this happens, staff often tries to please them, thus reinforcing inappropriate behavior.

"What members sometimes don't understand is that all the board does is set policy," says Jim Kester, President of the Board of Tri-County Regional Center, a Santa Barbara, CA-based non-profit agency serving the developmentally disabled. "The board's only 'employee' is the CEO, president, or executive director, and directors really need to be cautious about asking other employees to perform additional work."

To address this behavior, recognize that the Retired and Looking for Work board member needs

Excusing undesirable behavior is counterproductive because renegades derive power from ambiguity.

to feel productive. Use the board governance structures to define meaningful roles for such people. [*Editor's Note: For more information on board governance structures, see the "Real-Time Strategy" column in this issue.*] Match board members' backgrounds, skills and interests with organizational needs.

For example, take the time to align the renegades' strengths with committees that need their areas of expertise. Offer positive feedback about where they can make the most difference. It may also be necessary to discuss any inappropriate behavior, giving specific examples of where the renegade blurred the lines between governance and management.

The Knowledge Expert. Knowledge Experts are passionate about matters related to their areas of technical expertise. These renegades are easy to spot because they consistently advocate for one "right" solution without actively listening to options. Knowledge Experts often focus on the technical aspects of an issue, regardless of the subject under discussion. They frequently demand airtime to demonstrate their competence — and, often, the staff's incompetence.

For example, a Knowledge Expert on one foundation board was a CPA at a major accounting firm. She delved into all of the foundation's day-to-day accounting practices and infrastructure and made daily calls to the CFO asking for detailed information about the software chosen for financial reporting. This behavior diverted the board's attention from policy-level governance issues related to financial priorities and risk management.

To modify the behavior of the Knowledge Expert, use the board committee structures to direct contributions. Create "win-win" experiences

by matching the "Expert's" areas of expertise with corresponding board needs. Focus the talents of these individuals in ways that are meaningful to them and productive for their boards. Maximize the board orientation process by devoting ample time to discuss the specific differences between governance and day-to-day management roles, using recent examples of issues the board tackled. Empower staff members with responsibility for ensuring that board members do not blur the lines between appropriate policy-level inquiries and attempts to delve into management issues.

If these attempts fail, do not abdicate by ignoring inappropriate behaviors. Use peer relationships to help manage the behavior by having another board member serve as an informal mentor. Ask the mentor to take the renegade out for dinner or a cup of coffee to provide candid feedback about the patterns of unproductive behavior. Dig deep and find the emotional component that may be triggering the behavior. If all else fails, move to a more formal meeting with the board chair and, if necessary, develop an exit strategy for the renegade board member.

The "C" Performer. This renegade is rarely prepared for board meetings. "C" Performers waste everyone's time by asking basic questions that were answered in pre-board meeting informational packages. Rather than demonstrating their abilities to ask the right questions, they generate resentment from well-prepared members.

Another observable behavior of "C" Performers is that they are often late for or absent from board meetings. When arriving late, they typically think nothing of asking their board chairs to reiterate the missed information.

"Our bylaws are very specific on conduct and include a point system for missing meetings," says Kester. "Members who accumulate too many points may be terminated by the executive board. The key is to set policies and then live with them. There is no reason to miss meetings. Members can participate via telephone or teleconference."

In some cases, board members are appointed through personal connections and don't have the appropriate command of their industries or of the issues their boards must confront. In other cases,

they have simply outlived their usefulness.

"Board members may have served since the organization's inception and are no longer in tune with the marketplace," says Pam Nelson-Cain, chairperson of the board of Member Research, a Southern California company that conducts customer satisfaction research for the financial industry nationwide.

"C" Performers may also be board members who don't have the courage to speak up in a group setting. "Some members just sit and listen," says Kester. "They don't raise questions and make sure they get answers, and then they leave a committee or board meeting feeling that they have accomplished nothing."

To modify the behavior of the "C" Performer, turn up the performance heat immediately. Refer back to pre-board meeting information packets. Let these members know that while questions are valued, the board meeting is the time for deliberation and decision making. To be part of this process, all members, no matter how busy, must commit to reading board materials prior to the meeting and must commit to active participation at meetings. Boards with formal Codes of Conduct should refer to them. If the behavior continues, use informal peer mentoring by a board member who models the appropriate behavior. Check the by-laws for ways to have "C" Performers graciously resign due to "scheduling conflicts."

Special Interest Flag Bearer. Special Interest Flag Bearers represent the most challenging type of renegade board members. Often, they have unfulfilled personal visions that may relate to areas of special interest, diversity, status, need for visibility, or the need to advance their own business interests. They may possess strong personal attributes such as being powerful speakers, having strong commands of the issues, or enjoying grass root support in their communities or with special interest groups.

Special Interest Flag Bearers may hold their ground even after their boards have made decisions, or they may try to persuade members to vote a certain way before certain issues are fully vetted. These members may leak news to individuals in the line organization or to the press to promote their points of view. At times, they may act out their frus-

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trations through launching verbal attacks against their board chairs.

"Some board members have tunnel vision," says Kester. "They close their mind to anything but their own personal causes. That's why training is so important. We have established a program whereby board members receive one hour of training every month on what it means to be a board member, and the duties and responsibilities of the position."

Changing the conduct of Special Interest Flag Bearers is especially challenging. Start by reaching out to these individuals as soon as their patterns are discernable. Don't treat the symptoms; dig deeper and try to uncover the root cause of the behavior. Find common ground and acknowledge that while the member's special interests are worthy, they may not be in the best interest of the organization, at least at this time. Sometimes individual mentoring helps these Special Interest Flag Bearers understand that their behavior may have adverse impact on other board relationships and board effectiveness. Appealing to someone who seems to be in an "enemy camp" may seem counterintuitive, but it is often possible to find a committee role for these members to channel their passions and skills.

Use the Board's Code of Conduct to help them stay on track without being singled out. For example, some board chairs keep a copy of the Code of Conduct posted in their conference rooms and, at the end of each session, ask board members to comment on the degree to which they have lived up to their commitments.

New Board Member. While not obvious at first, New Board Members can easily become renegades. This happens when a board faction "kidnaps" the

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newest members *and* their votes. Votes are easy to kidnap when a board orientation is nonexistent or when staff provides only a cursory overview of basic board structure, ignoring the more sensitive issues related to individual responsibilities and the board Code of Conduct. Thus, if the board has already developed factions around certain issues, proponents can make their case and hijack new board members to support their cause.

New Board Members are not easily swayed or manipulated when boards provide a strong board orientation and training program. In addition, when there are clear expectations about board roles and when informal mentoring is part of the board's culture, new board members are less likely to be indoctrinated in counterproductive causes and behaviors. "We assign a mentor to each new board member," says Kester. "The mentor orients the new member to procedures, bylaws, rules, committees, etc."

Why We Tolerate Renegade Board Members

Board chairs are responsible for setting expectations about board structure, roles, decision-making practices, and behavior. They influence board cultures and unwritten norms of behavior through their own behavior. However, chairs come to their roles with their own leadership baggage and perspective. They may tolerate a renegade board member because they do not want to take action that will damage individual relationships. Often, because of the voluntary nature of board members' roles, chairs do not deal with ineffective performance of fellow board members in the same way they would deal with renegades in their own organizations. Or, the board chair may simply be a "conflict avoider" altogether.

"Depending on the board member's personality, some cases warrant a strong approach, others a more subtle one," says Nelson-Cain. "It helps to have a chairperson who is sensitive to personalities."

Whether real or perceived, board chairs often express their concern about the risk associated with directly confronting renegade behavior. Do any of these comments sound familiar? "Joe is such a great community leader that I don't have the heart to tell him that he is a 'C' Performer." Margaret is well connected politically. We can't afford to alienate her, so we will just ignore her advocacy for that special interest group." "Jane is our only female board member. We cannot afford to single out her behavior." "Ken has always been a micro-manager. We are never going to change his behavior, so just instruct staff to deal with his requests."

Excusing undesirable behavior in such a fashion is counterproductive because renegades derive power from ambiguity about board structure, roles, responsibilities, and behavior expectations. They also co-opt power from board chairs who abdicate powers through their own inaction. Classic mistakes board chairs make include:

■ Failing to adhere to or develop a formal board Code of Conduct

■ Ineffective board orientations

■ Failing to invest in board retreats or other social events that encourage board member interaction and the informal modeling of behavior

■ Failing to make an initial investment in time to clarify roles and responsibilities

■ Absence of a mechanism to regularly assess board performance and the performance of the board chair

■ Allowing factions to develop, often as a result of information vacuums

■ Failing to confront renegade behavior and have a plan of action

■ Attempting to engage in a rational discussion with renegade board members when the root cause is an emotional or political issue

■ Failing to use peer pressure as an early intervention strategy to instigate behavioral changes

The delicate balance of power that exists among strong egos and the status associated with board members' outside roles may be other factors in failing to deal with undesirable behavior.

Whatever the reason, it is essential to remember that board decisions must support what is best for the organization and of the greatest benefit to all stakeholders.

"If that concept is used as a benchmark for board decision making, the organization benefits," says Nelson-Cain. "The ideal board member has the ability to see the big picture and an understanding of the ramifications of decisions made at the board level. It is necessary to have policies in place that allow for the removal of board members whose goals, decisions, and opinions do not meet the benchmark. Unfortunately it often happens that the bylaws were written when the company originated and are no longer seriously looked upon to keep the board productive." A review of that "gospel" may be the starting point to alleviating problems caused by unproductive and disruptive board members.

Effective Ways to Increase Board Productivity

Taking the time up front to discourage renegade behavior before it starts is, of course, the best way to go. But chairs saddled with renegade board members can initiate proactive strategies to redirect renegade members' energies and actions to contribute to the effectiveness of a board's work.

Among the ways to increase board productivity are the following:

Manage the Recruitment Process. "Sometimes the problem lies with recruiting policies for new board members," says Nelson-Cain. "If members are chosen to represent particular constituencies, such as an employee base or other stakeholder group, the focus of recruiting policies must be to ensure that the person selected continues to be a voice for that group rather than having a separate agenda."

Invest the time required to recruit or influence the appointment process of board members who fit the organization's needs. This effort might involve developing a matrix of board needs and candidates' profiles in areas such as diversity, industry knowledge, specialized skills, and fundraising. Such a tool

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provides a visual representation of the degree to which institutional needs and the individual "fit factor" are aligned among members. This helps reduce the likelihood of selecting board members based on the "chemistry" factor.

Leverage Board Structure. Develop a common understanding of the board's governance structure, including committee roles, board governance model, decision-making and problem solving processes, board protocol, and unwritten norms of behavior. Design from scratch, or more effectively use, the board orientation, board retreats, and mentoring of new board members.

Set Behavioral Expectations. "The ground rules for board members include a positive attitude, being cooperative, and working together with other members," says Kester. "All board members should participate actively, ask questions, and give honest opinions."

Develop, or more effectively use, a board Code of Conduct. This code should address board behaviors related to such interpersonal skills as setting aside any personal animosities before entering the board meeting and showing respect for diversity of opinion by not interrupting fellow board members engaging in vigorous debate and supporting the board's decision by speaking in one voice once the decision is made.

In addition, active listening to alternative points of view, managing conflict effectively, giving timely and appropriate feedback to one another, and maintaining confidentiality are essential behaviors for every board. Often such Codes of Conduct can be developed by board members at a retreat and can also address the issue of board ethics. However,

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such Codes are meaningless if they are not tied to specific board behaviors.

Overcommunicate. Communication is the glue that holds board relationships together. Shared information develops trust. When management supplies a steady stream of information to board members, surprises are less likely to turn into crises. In addition, every member must share a common understanding of the institution's mission, strategic direction, and key initiatives. Developing this common understanding starts with the board orientation and continues at every subsequent board meeting. These efforts will be rewarded by fewer instances of board members resorting to visiting "pity city" in the parking lot after board meetings.

Pay attention to the way board-meeting agendas are developed and ensure that agenda items reinforce the organization's strategic direction and the policy-level nature of discussions.

Finally, recognize that individual board members will have individual communication preferences. One president, who was about to suffer a vote of no confidence, discovered that the root cause of his poor relationships with the board chair and the key board members was a perceived information vacuum. He had simply failed to take the time to understand the history of the board and to address individual communication preferences.

Once he took the time, he was able to rebuild his relationships with board members.

Putting the Organization First

In his book *Welcome to the Board* (Jossey-Bass Publishers), Fisher Howe identifies several characteristics of successful board members: They are honest, enthusiastic, keep an open mind, are team players, tackle complex problems with relish, take an orderly approach to decision making, are competent, and have a sense of humor.

It is necessary to add that a successful board member puts the organization first, disengaging from personal perspectives and interests, to act for the common good. Perhaps Peter Drucker said it best some years ago when he reminded us that a basic competence of leadership is "... the willingness to realize how unimportant you are compared to the task." It remains a lesson that every board member should take to heart and model accordingly.

For board chairs and members frustrated by the behavior of renegades, the task is to use existing board structures to redirect destructive or unproductive behavior toward common interests and the good of the organization. Where bylaws and procedures are out of date or unspecific, their revision should be a high-priority agenda item. An organization functions best when management and staff are working in unison to accomplish its mission and goals. Such clarity and unity of purpose is only possible to achieve when modeled by the board. ■

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