



## A COMMON BOARDROOM CHALLENGE: WRONG TOPICS, UNCONSTRUCTIVE DYNAMICS, FRUSTRATED TRUSTEES

*Susan Marsh, CEO of Montana's Drift Foundation, was preparing for Drift's quarterly board meeting. She was determined to focus the board discussion on whether Drift's current program strategy was right given its goals. She knew it would be a challenge to engage trustees on this topic because they often became bogged down in discussions about foundation operations.*

*Meanwhile, Stu Shepard, Drift's board chair, had just finished a phone call with Ed Jones, one of Drift's trustees. Not only was Ed dissatisfied with the substance of Drift's board meetings, he did not feel as though the other trustees valued his input. "I can barely get a word in edgewise," he complained. "The same folks always have the floor, and when I do try to voice my opinions, I am largely ignored."*

*Stu shares Ed's pain. He, too, is frustrated with the quality of Drift's board discussions. He and Susan work hard to create effective agendas. But even when the board doesn't get mired in minutia, the conversations never seem to focus on the most important issues.*

*Stu took a deep breath and then dialed Susan's number. When she picked up, he said, "Listen, this board is not nearly as effective as it could be. We are spending way too much time down in the weeds when we should be taking a strategic view of the foundation and its work. We also have to find a way to improve the way board members relate to one another during meetings — Ed just told me that he feels as though other board members do not respect his views. What should we do?"*

### BEYOND BOARD DRIFT: THE RIGHT TOPICS, HEALTHY DYNAMICS, PRODUCTIVE TRUSTEES

Foundation boards cannot be effective if they spend their time in meetings with poorly focused agendas and unconstructive group dynamics. By making a few small changes, foundation leaders can improve the quality of their boards' discussions, enhancing board performance and thus boosting their foundations' impact.

CEP's research identifies five keys to effective foundation governance, and one is that meetings focus on the topics of greatest importance to the board. This hardly seems surprising — few of us would set out to focus on inconsequential topics. Yet, too often,

discussions on the topics of greatest importance simply aren't happening.

Our research and experience suggest that the discussions board members characterize as important focus on the following issues:

- Foundation strategy
- Assessing the foundation's impact and performance against strategy
- Evaluating the CEO

Equally crucial is what topics do not emerge as most important to trustees:

- Grant approval
- Operational decisions
- Operational policy

Yet it is these very items — grant approvals and operations — that often comprise significant portions of board agendas. To be most effective, boards and staff must work together to structure agendas that focus on the items of greatest importance to the board, dealing with other necessary business in as efficient a manner as possible.

### TEERING UP IMPORTANT DISCUSSIONS: THE RIGHT MATERIALS, THE RIGHT AGENDA

Poorly structured agendas and voluminous, unfocused materials are enemies of foundation board effectiveness. In our survey of 550 trustees, only two reported that they received "too little" in the way of board materials, and more than half said they received "too much."

It's no surprise, then, that fewer than half reported reading all board materials.

Materials need to be streamlined and focused. The goal should be to enlighten, not to overwhelm, so discussions are richer, better questions are asked, and better decisions are ultimately reached.

Agendas should be structured to mirror the board's sense of what the most important issues are — with these issues receiving the most time and attention. Board agendas often allocate much more time to grant approvals than questions of strategy or assessment of foundation impact and performance. Yet the latter two areas are the only ones in which a significant proportion of board members feel more board involvement is warranted.

Foundation board members describe their best board discussions as the ones that were on crucial topics, supported by the right information, and structured to allow for adequate time full participation — without a feeling that time was too limited to discuss the issue fully.

As one trustee told us, the best discussions were ones where “everybody had... the pertinent facts. We would go around the room and we would talk. It would take

as long as we wanted. And then... we would have a vote and... live with the outcome.”

CEP Vice President - Research Lisa R. Jackson, PhD, says the role of those who staff the board is often overlooked in discussions of board effectiveness. “Who prepares the materials? Who types up the first draft of an agenda?” Jackson asks. “Almost invariably, it’s staff, and they need to understand the crucial role they are playing.”

Sometimes, of course, staff seek to keep the most important issues off the board agenda, in an effort to maintain control and keep the board relegated to roles that staff see as less threatening to their autonomy. “This isn’t good for board effectiveness,” says Jackson. “And it almost never works in the long term. When boards sense they are being controlled, and kept out of the important, strategic issues, they eventually rebel. It may take years, but it happens eventually.”

