

By Ralph Kikkert, 1999

It's amazing how one board thinks its staff is the greatest, and another board has such problems with staff competence and output. I wonder how much of this has to do with the culture and performance of the board as a whole!

My experience is that boards that consider staff as valuable, capable, and part of the team are those who get the greatest results. They get these results because these boards stay out of operations. They provide the necessary direction, tools, and authority so staff can implement effectively. If boards have

confidence in their staff they will provide them with broad goals, directing the use of the organization's resources. They will also set limits for staff to protect the organization. Staff so empowered tend to stay. They grow and develop new skills to the benefit of themselves and the organization. Boards that have no confidence in staff and their skills tend to get into operations. They do not delegate authority to complete tasks. Staff are doomed to fail because the board restricts the staff's ability to do its job, proving the board's perception of staff incompetence. Resignations, firing, and recruiting staff are common problems for these organizations.

### *Word to the Wise*

Staff can be your board's greatest resource or your biggest headache.

In this article we talk about how you can encourage staff to be what the organization truly needs—competent, enthusiastic, and innovative.

## How Does the Board Direct Staff?

The board's purpose is to direct and protect. This sounds easy, but how does the board direct its staff to meet the desired outcomes and protect the owners' interests?

Some boards feel that since they are in charge of the organization they must take a hands-on approach by telling staff what to do. Others think, "Staff work at this everyday, who are we to tell them what to do?" They let staff do whatever they want to do. Yet other boards review report after report to monitor staff operations to ensure that they have done the job as the board members wish it to be done, ready to pounce on any mistake.

Boards who are very hands-on create long, frequent board meetings. They believe they must direct staff in their daily or weekly work. The board being directly involved in the majority of operational decisions discourages staff from using their wisdom and skills. Staff become totally dependent on the board for all minor decisions, creating bureaucracy and inefficiencies. Approvals and input from board members on little details become the organizational culture. This reduces results, organizational impact, and competitiveness. This is not the best way to direct and protect the organization—it is very costly in time for staff and board members and produces limited results.

For those who prefer taking the total hands-off approach, problems also develop. Even though it may be tempting to let staff take care of all issues since they are closer to operations, it is not wise to leave them without direction and accountability. Studies have shown that people with no accountability do not perform as well as people who are held accountable. For staff to complete critical and large tasks as required by the board, they require constraints and direction. The organization could be put at great risk if the board does not develop policies regarding staff behaviours and actions. Board members could be held liable for inadequate policies regarding staff.

There may not appear to be an easy or simple answer to directing staff to protect the organization. However, there is one method which can work very well. When we acknowledge the board as the direction-setting resource and employees as capable implementers, appropriate policies can be set and progress can be made.

It is the board's job to provide direction for the organization to enable efficient and effective utilization of the staff resource to meet its goals. When the board determines a clear vision, mission, values, and critical success factors for the organization, it provides direction for staff. The clearer the goals and the better the communication of these directions the more effectively staff can channel their energies in one direction to accomplish the corporate ends set by the board.

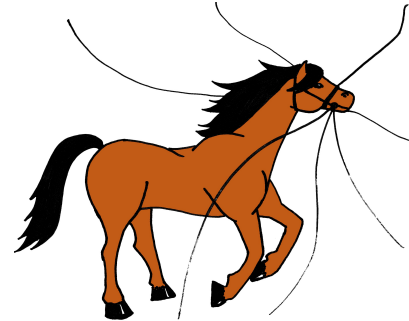
In addition, the board is required to protect the organization. To do this you need to set limits so staff know what not to do. We have laws which tell us not to drive the wrong way on divided highways to protect us from danger and to enable good flow of traffic. In the same way an effective board will tell staff what it may not do to protect the organization and support its values.

When the board articulates corporate ends and staff limits, staff have direction to follow and guidelines to live within. The benefit of this board behaviour is that staff are empowered to be innovative and creative in their work. They will often exceed the expectations of the board and organization. At the same time staff are held accountable to meet the goals and follow the limits set by the board.

## How Does the Board Set Limits?

Many boards set positive policy statements for staff and provide them with direct ways to accomplish the task. This leads to staff not being empowered or innovative, creating cost and time inefficiencies in addition to morale problems among staff. The other difficulty is when more than one direction is given to staff—such as the corporate goals, individual board member input, and CEO direction—they may not always be congruent.

When someone receives two opposing directions, confusion results—and the employee does not know what to do. She wastes time trying to determine what to do and gets caught up in senior level conflicts when her role is to implement the direction of senior people. Board policies on staff operations which declare what staff must do cause this type of frustration, lack of output, indecision, staff turnover, and ineffectiveness for the organization. This behaviour is like a horse being pulled in various directions by different forces—thus it stands still.



Effective boards set limits on staff to enable staff to follow board values and requirements. Staff limits are worded in a negative format as they set boundaries which are not to be crossed. Stating negative policy gives staff freedom to do what is best to achieve the corporate ends. Examples of limits which the board may set for staff are:

- staff will not use corporate resources for personal benefit
- staff will not break any municipal, provincial/state, or federal laws
- staff will not borrow money on behalf of the company, beyond the limits set by the board
- staff will not fail to protect intellectual property and documents from loss or significant damage



Thus the board builds an outer set of boundaries in the form of policies and lets staff make specific decisions within them. This is like building a fence, freeing the horse to run within the boundaries.

During a challenging time, it might feel right for the board to solve the problem and take action instead of setting additional negative staff limits, especially when staff did not follow the board's intended actions. However, it will inadvertently discourage organizational performance and lead the board into operations. Rather, the board is better to create a new policy to ensure a past staff mistake, incorrect perception, or action is not repeated.

## Why Set and List Staff Policy Limits As a Board?

Having staff limits discourages board member interference in operations. When there are clear corporate ends and limits for staff, staff members are more confident to stand up to board members who try to politically or directly control staff activities. By referring to a board policy, the staff either cause the board member to address the issue at the board or back off his manipulative behaviour.

Staff limits give direction to staff on what they cannot do. If the board policy does not prohibit an action and management direction does not provide instruction, staff are encouraged to proceed as they deem best to accomplish the organization's goals within the intent of the board's broad policies.

Boards that set limits reduce their personal and corporate liability exposure. Having no set limits can expose board members to law suits as they are providing inadequate direction for the organization.

## Summary

When boards establish limits for staff, they enable staff to be innovative, creative, major players in the success of the organization. When staff take initiative within these limits they generate quality results for the organization. Strong boards realize appropriate staff are critical and empower them to fulfill the objectives of the organization.