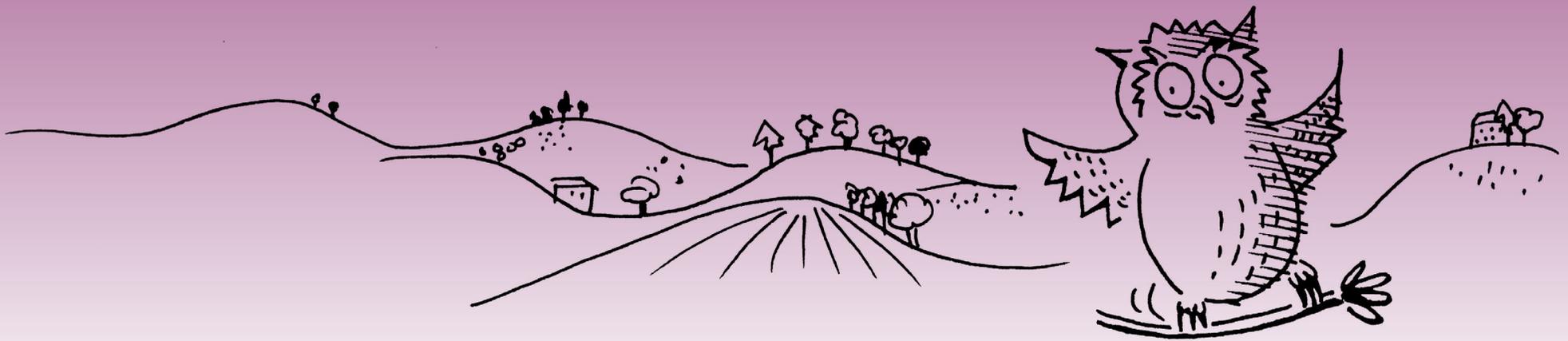


From conflict to co-operation

Booklet 5: *Role and responsibilities of the board*



www.uk.coop/fc2c

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Introduction

The *From Conflict to Co-operation* series aims to help co-operatives not only to deal with conflict when it arises (**Booklet 1**), but also to avoid unnecessary conflict by:

- Improving communication skills – **Booklet 2**
- Improving meetings and decision-making – **Booklet 3**
- Managing change caused by organisational growth and development – **Booklet 4**
- Clarifying the roles and responsibilities of the board – **this booklet**

This booklet describes ways in which misunderstandings or unchecked assumptions about the role and responsibilities of the board can result in organisational conflict. We suggest how to prevent or minimise such conflicts through clarifying the role of the board, identifying key responsibilities and understanding how the board functions.

We make recommendations, including an annual cycle of meetings, recruitment and induction of new board members, improving board performance and delegation of tasks to sub-groups or working parties.

Finally, we propose that if you can avoid cliques and develop an atmosphere of openness and trust, in which you can be open about difficulties and in which critical debate is possible, you will find it easier to avoid conflicts arising from misunderstandings about the role of the board.

“ *We must learn to live together as brothers or perish together as fools.*

Martin Luther King, Jr.

The role of the board

The board is a group of people who are elected by the co-operative's members, to carry out strategic management and to take a lead in the direction of the co-operative business. This means they are responsible for the long-term direction and guidance of the co-operative.

Board members have a legal duty to act in good faith in the pursuit of the best interests of the co-operative, and once the co-operative is established, their role is to direct rather than to manage it. The board has a responsibility to ensure there is a business plan and to approve it, but it is the role of employees to implement it.

In directing the enterprise, the board needs appropriate skills, knowledge and experience as it is the board members' responsibility to ensure that systems are in place for support and supervision of employees. It is also the responsibility of the board to ensure that employees have appropriate skills and attitudes to manage resources in accordance with agreed policies and procedures.



Different assumptions about the role of the board

Chris Cornforth of the Open University has suggested three areas where misunderstanding or different assumptions about the role of the board can lead to conflict.

■ Read more about Chris Cornforth: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/j.1467-8292.2004.00241.x>

Lack of understanding about who governs

People may make different assumptions about why they have been elected to the board (for example, one person might think they have been elected for their specialist expertise, while another may assume they've been elected to represent the views of their team). Neither assumption is necessarily incorrect, but unless those assumptions are shared, and agreed, they can lead to different views when it comes to decision-making.

Different assumptions about whether the board should be entrepreneurial or risk averse

There can be a range of assumptions about the attitude of board members to risk, which will vary according to the economic sector or development phase of the co-operative. Does the board wish to act in an entrepreneurial fashion, taking risks in a bid to develop new services or new markets? Or should it be more conservative, stewarding the organisation's assets for the future? Again, it's the unchecked assumptions that will cause conflict.

For example, if a person believes their role is to work with management, developing new markets or taking risks with the organisation's assets in order to generate greater income, and others assume that their role is to conserve assets for the future, not taking any risks, then the two parties will be at loggerheads and board meetings will be hard work! It's not about right or wrong – it's about clear communication.

Lack of clear boundaries between the overall direction of the enterprise and day-to-day management or operations

Such conflict can be the result of an overlap between the role of the board and day-to-day management, so that employees feel that board members are interfering with their day-to-day work, instead of being allowed to get on with the work.

On the other hand, if the board is too relaxed about its responsibilities, so that employees or volunteers are obliged to deal with matters which are really the responsibility of the board, again there will be problems.

There can also be confusion around the difference between supervision and support of employees. As ever, there's no right or wrong here, you're looking for a relationship that works, but it's helpful if everyone is aware how it works.

The board has legal responsibility for governing the organisation. It is responsible internally for the overall direction and supervision of the co-operative. Externally it is responsible for ensuring compliance with laws and regulations and for accountability to other stakeholders and the wider community.

What about when board members and workers are the same people?

Boundaries are still the issue here – what makes it slightly trickier is that the boundaries are in people's heads. In a co-operative where those involved have more than one role, it is easy to confuse them, for example by assuming that board decisions can be taken in the workplace, or undermining the workplace authority of a colleague because you are both members of the board.

Of course there will always be overlap, and you don't want to be too inflexible, but it helps if you can keep issues of the direction of the co-operative separate from day-to-day operational issues, either by having a separate meeting – or separate parts of the same meeting.

Board responsibilities, delegation and accountability

As we have seen, the board is responsible for the overall direction of the co-operative, however this does not mean it has to actually undertake all the work itself.

It's common for co-operatives to establish different departments and teams as they grow and develop with responsibility for performing tasks such as financial management, HR, sales or marketing. The critical issue is to ensure that these teams or departments, however they are named, have clear terms of reference including the delegated authority they need, how and when they are to be held accountable, and then left to get on with it.

It is important, therefore, that there is clarity within the co-operative about which teams are responsible for what. You might consider drawing a 'map' of the different teams and departments, perhaps with photos of the members of those teams, in an infographic showing who's involved in what team. Of course such an infographic will change over time, as people join and leave the different teams. It's a great idea to bring all the teams together from time to time.

A useful Away day exercise is to have each team sitting at a different table, then have 'emissaries' from each team going out to visit the other teams, armed with a list of questions, such as "*How can my team do our job in such a way that it helps you to do yours?*", "*What should we be doing more of/less of?*" or "*Where are the gaps/duplications?*".

Terms of reference means what a sub-committee or working party is set up to do, whether it is set up permanently or only until a specific piece of work is accomplished, how often it meets, what its role and responsibilities are, and any other rules with which it must comply.

“**Synergy – the bonus that is achieved when things work together harmoniously.**

Mark Twain.

Team working

The relationship between employees, volunteers and the board can be complex and interdependent, there is no one 'right way' of doing things. But to avoid conflict, you need to review roles and relationships regularly – things change!

“ ***Wearing the same shirts
doesn't make you a team.***

Buchholz and Roth.

Collective accountability and confidentiality

It is important that board members understand that decisions taken are collective decisions and must be respected, even if the individual spoke out against them. Board decision-making should be open and transparent, so that everyone involved in the co-operative is informed about the work of the board. However, board discussions are confidential and details should not be disclosed to people outside the board.

A team has been defined as “*a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.*” However, if you think of a football team, or an orchestra, it's clear that team members have different roles, and that they seek to achieve their common purpose by performing these roles to the best of their ability.

We would add that an effective team is based on mutual respect and trust, and utilises the collective skills of the team in productive meetings. The team respects individual differences in experience, skills and personalities, regularly reviews its performance and pays attention to individual development.

Task and process

A common cause of conflict in a team is the misunderstandings that can occur when some people are focusing so much on the task in hand – maybe because of a tight deadline or lack of funds – that they forget to pay attention to how well the group is working together and whether everybody is participating as much as they might.

Under such circumstances, there may be useful skills or experience in the team that we don't know about because we forgot to ask, or people maybe aren't contributing because they are being ignored. It is important for the team to acknowledge the need to pay attention to the process as well as the task, and that means being aware when someone is not participating and ensuring they can if they want to; practising listening skills; maybe telling a joke to reduce tension; promote open discussion of conflict and expressing support; and acceptance, liking and praise for other team members.

Research has identified several typical 'team roles' that board members can play – and it helps if you have all the bases covered. For example, you are great at dreaming up ideas, it helps if you have a colleague on board who likes to make sure that ideas are practical and can be implemented.

What's your team role?

Dr. Meredith Belbin, of the Industrial Training Research Unit at Cambridge, recognised that members of a team are playing two roles:

- **The first role**, or functional one, is obvious. Team members are present because of their work function – finance worker or shop co-ordinator.
- **The second role**, what Dr. Belbin calls the team role, is less obvious. We recognise it as the familiar behaviour of our colleagues. For example, one colleague is always coming up with new ideas; another is keen to ensure that annual reports and accounts are ready on time; and another is a good listener, and always sees both sides of an argument.

“*Do you want a collection
of brilliant minds or
a brilliant collection
of minds?*”

Henrik Ibsen

Dr Belbin's research and theory proposes that these characteristic behaviour sets (or team roles) crop up again and again, and that an effective team will have a number of different team roles to balance each other. Belbin says that people will typically express more than one of these team roles, and that under different situations, in different teams, individuals can play different roles.

Belbin invented a questionnaire to enable people to identify which role(s) they feel most comfortable in. The questionnaire can be downloaded for a small fee from his website.

“ *If you want to build a ship, don't drum up people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea.*

Antoine de Saint-Exupery

The Belbin roles

Plant: Creative, imaginative, unorthodox, solves difficult problems. BUT ignores incidentals, too preoccupied to communicate effectively.

Resource investigator: Extrovert, enthusiastic, communicative, explores opportunities, develops contacts. BUT is over-optimistic, loses interest once initial enthusiasm has passed.

Co-ordinator: Mature, confident, a good Chair, clarifies goals, promotes decision-making, delegates well. BUT can be manipulative, offloads personal work.

Shaper: Challenging, dynamic, galvanises team into action, thrives on pressure, drive and courage to overcome obstacles. BUT prone to provocation, can offend people's feelings.

Monitor/evaluator: Critical thinker and analyst, sound judgement, practical and objective. BUT can lack drive and ability to inspire others.

Team-worker: Concerned for process and team spirit, perceptive and diplomatic, listens, builds agreement, averts friction. BUT may be indecisive.

Implementer: Disciplined, reliable, conservative and efficient; turns ideas into practical actions. BUT can be inflexible, slow to respond to new possibilities.

Completer/finisher: Painstaking, conscientious, searches out errors and omissions, delivers on time. BUT inclined to worry unduly, reluctant to delegate.

Specialist: Single-minded, self-starting, dedicated, provides knowledge and skills. BUT contributes on only a narrow front, dwells on technicalities.

Induction and training

New board members need to understand the role of the board and their own role within it, so they need to be familiar with documents such as the mission statement, aims and objectives, business plan and policies and procedures.

If they are not already familiar with these documents, they need to receive a copy or information on where the documents can be located. However, as with all inductions, don't just give them a pile of paper to read. At the very least they should have a meeting (ideally prior to their first board meeting) with the Chair or Secretary to go through key documents and answer any questions. A mentor or buddy on the board for the first few months is a good idea.

Training is costly, not just in financial terms but also in terms of the lost hours that would have been spent generating income for the co-operative. However, as long as you are clear about your training needs and your goals for the session, it should be considered an investment, since if it is effective it will bring rewards in terms of a smarter and more efficient board, working fewer hours, making more informed decisions and avoiding the waste of time and resources involved in ill-managed and unnecessary conflict.

Two half day sessions can be more manageable and two sessions allows time for the concepts and ideas explored during the first session to be assimilated and maybe practised before the second one.

If you are bringing in an outside facilitator, make sure the person you choose has co-operative experience and skills. Co-operatives UK or your local Co-operative Development Body should be able to help.

■ Visit the Co-operatives UK website for more information: www.uk.coop/advice

10 tips for a flourishing board

1 A good starting point is to look at overall board responsibilities. What skills, knowledge and experience are essential and desirable? Carry out a board skills audit, asking board members for details of their experience, skills and qualifications and identify the gaps – what's missing? The next step is to discuss how to plug those gaps – could you send someone on a training course? Or organise training for the whole board? Or co-opt people or recruit new board members? (Co-opt means to appoint people on to the board who have not been elected by the members. They normally have to stand for election at the subsequent AGM. Your rules will usually specify how many co-opted Board members are allowed. Co-opted board members may or may not have a vote). The gap can be filled by purchasing software, such as an accounting package.

2 Clarify key responsibilities. Where is the line between board and day-to-day operational responsibilities? Don't be too rigid, it will change over time. Who can take which decisions?

3 Think about setting up additional sub-committees or time limited working parties to deal with specific issues and report back to the board.

4 Develop a board member's brief and use it for recruiting new board members. The board member's brief could include a description of the role of the board, including the type of decisions it takes and those which are the province of management or staff, an outline of the responsibilities of the post, a timetable of meetings through the year and arrangements for payment of expenses.

If you can avoid cliques and develop an atmosphere of trust in which you can be open about difficulties then – it will be easier to manage any conflicts which arise.



5 Check your governing document to see if it limits the length of time people can be members of the board. If not you could amend it, or adopt a policy covering elections to the board. For example, you could choose to have a third of the members stand for re-election every year, so you bring in fresh blood without losing continuity.

6 Draw up annual cycle of monthly or quarterly board meetings including at least one strategic planning meeting.

7 Carry out regular reviews of board performance and use the review to decide on issues which could be addressed through a training programme.

8 Organise a board training programme.

9 Hold board away days and informal get-togethers.

10 Try to build a culture in which critical debate is possible.

Summary

This booklet has described ways in which misunderstandings or unchecked assumptions about the role and responsibilities of the board can result in organisational conflict.

We suggested how to prevent or minimise such conflicts through clarifying the role of the board, identifying key responsibilities and understanding how the board functions. We made recommendations, including delegation of tasks, an annual cycle of meetings, recruitment and induction of new board members and improving board performance. We looked at the importance of team working and described some team building tips and techniques. Finally we proposed that if you can avoid cliques and develop an atmosphere of openness and trust, in which you can be open about difficulties and in which critical debate is possible, you will find it easier to manage conflicts arising from misunderstandings about the role of the board.

We hope ***From conflict to co-operation*** will be a useful and entertaining guide to coping with the inevitable conflicts that will arise as a result of the wealth of experience, knowledge and opinions in your co-op, as well as avoiding unnecessary conflicts.

We believe that if you are willing to try some of the techniques described, these booklets will go a long way towards helping you reduce conflict in your co-operative. In addition, you won't be fazed when conflict does arise, but will recognise it as a symptom of the wealth of ideas, experience and knowledge you have around you.

Above all, we know that these co-operative working techniques will help you work together and help you enjoy working together!

■ Download pdf copies of all booklets in the *From Conflict to Co-operation* series at www.uk.coop/fc2c

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