

A review of the governance framework for Hospitality Newfoundland & Labrador (HNL)

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1.0 Executive Summary

The HNL Board is comprised of volunteer directors from the private and public sectors all of whom appear to care passionately about the HNL organization and the health of the tourism industry in Newfoundland and Labrador. However, the governance framework of HNL is outdated and no longer adequate for the task of overseeing the organization. The few strengths of the governance framework that do exist are eclipsed by the weaknesses, of which the most significant are that:

- the Board has expanded to a point at which decision-making is very difficult;
- member groups and stakeholders' only avenue of representation is through the appointment of a director;
- the workings of the executive committee and the Board are not transparent to the membership and wider industry community; and
- as a consequence, the membership do not appear to understand the Board of directors or the decision making process.

An obvious consequence of these weaknesses is that the HNL mission and mandate are not clear to the directors, members or other stakeholders.

This report recommends a significant change to both the structure and process of governance. The changes are summarized as follows:

- the Board is reduced in number to about ten directors;
- the Board is comprised of a hybrid of some of the most significant member groups and some regional representatives;
- the executive committee would be dissolved, the full Board would conduct all Board business at monthly meetings; and
- a new mechanism for connecting with members is proposed. A "members forum" or "tourism town hall meeting" to be held three times each year will create appropriate, formal events at which members can discuss priorities and communicate with representatives of the Board.

There are many other suggestions for improvement of the governance framework included in the body of this document. All of these are important but many should be addressed only after the primary changes recommended above have been addressed.

2.0 The Structure of this Report

To aid the reader, sections identifying best practice have been shown in separate side-bars and coloured in blue. Where appropriate, the source of the best practice material is identified. The identification of best practice is not a recommendation that it should necessarily be followed. A healthy governance framework requires a process of choosing elements that are appropriate for the organization.

3.0 Methodology

This assignment was conducted using the following method:

- Scope setting;
- Interviews with directors, executive committee and other stakeholders
- Research of existing organizational materials;
- Attendance at a Board meeting and an executive committee meeting;
- Report writing; and
- Subsequent to the submission of this report it is intended that it be presented to the executive committee and the Board.

3.1 Scope Setting

Following the approval of the proposal for this assignment, the first task was scope setting. This was done through a series of meetings between the consultant Alex Twells and the Executive Director, Nancy Healy and the existing governance sub committee.

3.2 Interviews

A representative group of the executive committee and Board members was nominated by the Executive Director to be interviewed by the consultant to give opinion and evidence for the report. This list was chosen to give a range of views. It was left to the consultant to change the list of interviewees based on the feedback from those being interviewed.

3.3 Other Research

In addition to the face-to-face interviews, the consultant attended an executive meeting on the 21st September and a Board meeting on the 24th September. Other written research materials were analyzed, including but not limited to:

- Minutes of previous Board meetings and EC meetings;
- The by-laws;
- Articles of Association (2007);
- Board Policy Manual (2007);
- Organization Chart (2007);
- Annual Report (2006);
- AGM Minutes (2007 draft); and
- Membership report (2006).

4.0 Description of the Existing Governance Framework

The existing governance framework consists of the following structural elements:

4.1 The Board of Directors

The Board of HNL is a “Policy Governing Board”. A policy governing board sets policy, and hires an executive director to implement the policy.

The executive director is responsible for carrying out the day-to-day work of the organization, with the assistance of paid staff and/or service volunteers. The executive director is directly accountable to the board, and is responsible for hiring, supervising, and releasing both paid staff and service volunteers.

The Board consists of 21 voting directors and three ex officio directors. Of the 21 voting directors five are appointed by the Executive and include:

- Newfoundland and Labrador’s representative at the Canadian Tourism Commission;
- HNL appointee to the Provincial Tourism Strategic Plan;
- Chair of the provincial tourism marketing council;
- Culture and Heritage representative; and
- Campgrounds and Attractions representative.

Six of the Board members take their seat as the current presidents of their associations, namely:

- B&B Association;
- Hotel / motel Association;
- Cruise Association;

- Adventure Tourism Association;
- Beverage Association; and
- Restaurant Association.

Each of these associations elects an executive, and traditionally their president sits on the Board of HNL.

Five of the remaining eleven directors take their seat as members of the executive (see 4.2 below). Two directors are elected “at large”. Three are representatives of Regional Tourism Authorities (Eastern, Western and Avalon).

Board meetings are held quarterly.

4.2 The Executive Committee

The executive committee (EC) is a sub committee of the Board of directors and consists of the following executive officers:

- President;
- Vice-president;
- Past president;
- Secretary; and
- Treasurer.

The HNL Board orientation manual states that the EC is “responsible to the membership for all activities of the association”.

The executive meet monthly, except for some summer months when members’ businesses are at peak season.

4.3 Annual General Meeting (AGM)

The AGM is held in February each year. All members are invited to attend. Significant changes to the structure and processes of HNL are brought to the AGM to be voted on by the membership. The timing of this report did not allow the consultant to attend an AGM.

5.0 Strengths and Weaknesses of the existing framework

5.1 Strengths

- Formal meetings are planned and executed according to a published schedule;
- Information relating to formal meetings is distributed well in advance of the meetings giving participants time to read and understand it before being asked to comment or vote upon it;

- Meetings are generally well attended and a quorum for voting is usually achieved;
- Minutes of meetings are comprehensive and distributed after each meeting;
- Formal decision making protocols during Board meetings are observed and structured;
- Good documentation exists specifying the:
 - Role of the Board;
 - The role of the executive committee;
 - The role of executive officers;
 - The responsibilities of directors;
 - The responsibilities of the Executive Director;
 - The protocols for decision making;
 - Parliamentary procedures for meeting conduct; and
 - The by-laws;

5.2 Weaknesses

Weaknesses are grouped into primary and secondary. Primary weaknesses are those deemed to be direct governance weaknesses. Secondary weaknesses are not direct governance issues, but arise as a consequence of the primary weaknesses. The significance in the distinction is that the secondary weaknesses cannot be addressed until the primary governance weaknesses are addressed.

5.2.1 Primary

The following weaknesses are directly applicable to the governance framework:

- The Board is too large to be effective. The Board meeting attended by the consultant did not meet normal standards of effectiveness. It appears that Board meetings have become good forums for communication between member and stakeholder groups. This is achieved at the expense of developing and monitoring long-term objectives;
- In many cases, the documents shown above in “Strengths” are ignored. For example the Board Policy Manual states that, amongst other things the Executive is responsible for:
 - Establishing clear objectives against which the performance of the ED can be measured; and
 - Evaluating Board performance annually.

Contrary to the manual, there is no evidence that the executive committee currently performs these tasks;

- The workings of the executive committee are not transparent to the Board or membership. For example, the full minutes of the executive committee are not distributed or available to the Board;
- The workings of the Board and executive are not transparent to the membership. The minutes of the executive and Board are not distributed or easily available to the general membership;
- The primary method of stakeholder representation is through appointment to the Board. This is a weakness because it creates a large Board, and does not provide an adequate forum for members to communicate or share their priorities;
- The majority of directors are either appointed by the Executive or are appointed as a consequence of a position held in a stakeholder organization. This “automatic appointment” reduces the accountability of these directors to HNL. It also encourages a parochial behaviour in which directors seek to maximize the gain for their stakeholder organization, at the expense of HNL as a whole;
- Many directors are not engaged in a vision for a healthy HNL, hence the meeting agendas becomes sidetracked to issues of low relevance to the organization;
- Most directors are unaware of their responsibilities to HNL and their legal liability;
- Different methods exist for the selection of Board members. Some are elected as the representatives of other organization. Some are appointed by the existing Board;
- There is no formal review of Board performance;
- There is no formal review of the performance of the ED;
- There is anecdotal evidence that directors do not always respect cabinet responsibility or confidentiality; and
- The membership has placed a limitation on the use of funds in TIA Holdings. This limits the Board’s financial flexibility.

5.2.2 Secondary

The following weaknesses were identified by directors as a consequence of the primary weaknesses above:

- The mission and mandate of HNL is unclear to members, stakeholders and the wider community;
- No strategic plan exists to direct decision-making;
- HNL is losing relevance for members and stakeholders; and
- The AGM has become an “unpredictable talking shop”.

6.0 Recommended Governance Priorities for HNL;

As the previous section indicates there are many areas of the governance framework that could be improved. This section deals with priorities within this list.

The single most significant change that would help improve the governance framework at HNL is a reduction in the size of the Board and a restructuring of the composition of the Board to suit the needs of the organization.

The Board of HNL has expanded as a function of the stakeholders it represents. This has been the primary method for representation. This is not unusual in not-for-profit Boards but has significant drawbacks. The current trend is for organizations to separate representation from the Board.

This raises two fundamental questions:

1. What is the right size of the Board? and
2. How should stakeholders be represented, if not as a director?

6.1 The Size of the Board

A board should be large enough to include individuals with diverse competencies to exercise its responsibilities, but small enough to engage in discussion, make timely decisions and bond as a team.

There is no fixed answer to the question of the perfect size of the Board; however, a range can be identified by considering the following criteria:

- The Board should comprise a group of skilled and passionate individuals who can meet regularly to conduct the business of the organization;
- The business of the Board should be focused on the priorities of the organization as a whole;
- Directors need to have the skills and competencies appropriate for overseeing the organization;
- A Board may require specialist skills to be represented (policy making, lobbying, air industry, finance etc);
- Administration of the Board should be as simple, flexible and cost effective as possible;
- Directors at all times should represent the best interests of the organization as a whole;
- The Board needs to be big enough to be able to deliver a smooth succession plan; and
- The Board needs to be big enough to create a culture in which all views can be considered and debated openly.

It is against these criteria that Boards of eight to twelve members are now seen as most effective.

The weaknesses inherent in very large Boards such as HNLs, lead to the need for an executive committee to which most of the decision making is delegated. This may appear to have some merit, but ignores the fact that directors are individually liable for the actions of the organization. Delegation of decision making by directors to an executive committee, therefore shields directors from their responsibilities and legal liabilities. This is obviously unhealthy, both for the organization and the individual directors.

6.11 Best practice - Executive committees

When a Board of directors is large, or meets infrequently, or is widely scattered geographically, it may decide to create a smaller group, often called the Executive Committee that can act for the Board as a whole between meetings

The membership, powers and reporting responsibilities of the Executive Committee need to be spelled out carefully in the Boards own By-Laws. Boards may also, from time to time, hand off specific problems or questions to such a committee for research, decision or action. Doing so must be permitted by the By-Laws; the By-Laws may set limits on what can be delegated in this way.

It is important to remember that the Board of directors holds both the authority and the responsibility for every action the organization takes. The Board can, in certain circumstances, delegate its authority. Commonly, of course, Boards delegate.

No reasonable Board would delegate ALL of its power to act to another body, as the liability still fully rests with the Board. The officers should be bringing recommendations to the Board, and keeping the Board informed of actions taken within their authority

In the event that an executive committee is formed, and used the meetings should be completely transparent for the Board of directors. The Board should receive all agendas and minutes of the executive committee.

Source: Boardsource

A Board of eight or ten directors is more than adequate for an organization such as HNL. In this circumstance an executive committee would

be unnecessary. The Board would be empowered by the organization to be responsible for all the oversight decisions (see below). In return it would be the responsibility of the Board that the workings of the Board and decision-making be transparent to members and stakeholders.

6.2 Board Composition

For direction about the perfect composition of the Board one should look first to the mission and mandate of HNL. However, the HNL directors interviewed for this governance assignment suggest that the mission and mandate are unclear and not adequate for the task of giving clear direction about the Board structure.

This creates an unfortunate paradox where the Board is not functioning well enough to clarify the mission - but a clear mission is needed to be able to restructure the Board.

Without exception, the directors interviewed for this study agreed that the mission, mandate and strategy will need to be updated as a matter of some urgency.

This cycle needs to be broken and the sensible decision has been taken by the executive to fix the governance framework first and then tackle the mission mandate and strategy with a more focused Board.

The research suggests strongly that the existing Board representation model is not serving HNL well.

The other extreme, from the current structure, would have the HNL Board composed of all “at-large” directors elected by a poll of the membership. Research suggests that this model may be over-simplistic. A hybrid model combining a mix of directors from specific member groups and some at large directors may be more appropriate.

In reality, HNL is dominated by a few member groups whose numbers and economic value do merit consistent representation at the Board level. In addition, the large geographic area covered by HNL suggests that some regional representation would be necessary to prevent the organization becoming dominated by St John’s and the Avalon area.

A possible hybrid model of a smaller Board might look like this, representatives from:

1. Hotel accommodations;
2. Bed and breakfast accommodation;
3. Adventure tourism / attractions/ heritage / culture;
4. Restaurants/ food service / bars;
5. Transportation;

6. Western region - at large;
7. Central region - at large;
8. Eastern region - at large;
9. Avalon region - at large; and
10. Labrador - at large.

From this group of ten, the executive officers would be elected including President, Past President, Vice President, Secretary, and Treasurer. Under this model the executive would not sit as a separate committee. All Board business would be conducted by all Board members.

Immediately following governance improvements, HNL will need to develop a robust strategy (see section 7 below). Through this process, it will become clear which skills and competencies HNL will need on the Board.

Appendix II gives some advice for the process of determining the competencies required of a board of a not-for-profit organization.

HNL may understand the need for some specific skills on the Board, in addition to those of a “normal” director. These may be in areas such as policy development or lobbying. In this circumstance, the governance committee would identify a gap in the existing Board competencies and make a recommendation to the Board that it should

6.2.1 Director Selection

Recruit board members who are interested in governance as well as committed to the organizational mission.

Another thing to consider when selecting a board is the interests of potential members. While it is vital that all board members have a strong interest in the goals and objectives of the organization, it is also important that they be enthusiastic about governance and financial leadership.

All board members should understand exactly what their role will be. An orientation session for new members is a good way to ensure everyone is on the same page. But, if members are more interested in program delivery than governance, it is very likely their formal responsibilities will be pushed aside.

A board that does not spend enough time working through its governance and, especially, its financial stewardship responsibilities is headed for disaster. Those with a serious interest in these issues will become frustrated and possibly leave. A weak board may force the ED to step in to make sure the core governance responsibilities are met.

Source: Institute on Governance

actively seek candidates with specific qualities.

6.2.2 Qualities of a Good Director

What are you looking for?

Whenever we do board development work, we start by asking the group what they are looking for in a board member. And without fail and only half in jest, each time we get the same response: Warm blood and a pulse.

I say only half in jest because one look at some of their board members will tell you that this has indeed been their selection criteria!

You can't find the right people to lead your organization if you don't know what you're looking for. Step One, therefore, is to establish criteria for selecting board members, so you'll know when you've found the right people!

Look for qualities that will help the board function better, do its job better.

Some examples may be:

- Understanding of our community and its needs
- Passion for our cause
- Willingness to commit time for board meetings, committee meetings, planning sessions, special events
- Team player - works well in a group
- Someone who listens well, is thoughtful in considering issues

The list will differ for each organization, and will change as the organization changes.

In cases where specific talents are needed, those talents should be considered IN ADDITION TO the qualifications you create for all board members. For example, the Finance Committee may be looking for someone who is financially savvy. If you find someone who knows a ton about financial matters but is a bear to be around, they are probably a poor choice. So look FIRST for the overall qualities, and SECOND for those specific talents.

Source Help4Nonprofits.com

Under the hybrid model recommended in this document, the process for the selection of directors would vary slightly. The stakeholder groups (hotel, bed and breakfast, adventure tourism, attractions, heritage, culture, restaurants, food service / bars, transportation) would in all likelihood send the current chair of their own associations. Where representation is amalgamated, the associations would have to choose how to split the HNL directorship (swapping each year etc.)

The regional directors would need to be nominated by the RTAs in each region. It seems sensible to maintain the stipulation that the regional directors be private sector operators from the region.

Appendix I shows some possible generic criteria for selection of Board members.

6.2.3 Directors Term of Office

The balance that needs to be struck is between consistency and a healthy flow of “new blood”. If terms of office are too short, the Board and HNL suffer from a lack of continuity. If they are too long the Board becomes stale and disconnected from the rest of the organization.

In reality, the stakeholder organization holding directorships will decide the length of office of their nominees. So, for example the president of the hotel association may hold the role for six years. This would give a six year term on the Board of HNL. It is quite conceivable that directors become passionate about HNL and find themselves as the nominee of different organizations or groups through their HNL “career”. So, for example the president of the hotel association may, after six years cease to be the president but become elected to the board of HNL for the Eastern Region.

The executive committee is elected each year for single year terms. The president typically serves for two concurrent years. This appears to be an appropriate turnover model and this report does not recommend change in this area. For clarity, the president needs to have served as a director for two years and held at least three executive roles prior to becoming President.

6.3 Logistical Considerations

A balance is required to reconcile the desire for a smaller more focused Board and the logistical difficulties associated with gathering a volunteer group from across the province each month for a Board meeting. Fortunately, telephone or video conference can be used to reduce cost and time. These are already being used well by HNL and under the proposed model their use would need to be expanded.

To give the Board and other member groups access to each other it may be sensible to rotate the Board meetings to say Gander, Corner Brook at least once or twice each year. This may be scheduled to coincide with new member forums (see below).

The exact composition of a new Board will also be influenced by the mechanics available for selection / election of directors.

6.4 Stakeholder Representation

The question remains, if some existing stakeholders do not automatically get to appoint directors, what is the most appropriate method of representation? Again, no standard solution exists. A number of reasonable choices exist.

Before we analyze the choices let us understand the *features* of representation that would need to be present:

- Stakeholders / member groups need to feel that their interests are well understood by the HNL Board. A formal communication channel would need to exist to feed the Board with information;
- Stakeholders / members groups would need to feel that their priorities are adequately dealt with by the Board. A clear template for the setting of HNL priorities would need to exist; and
- Stakeholders / member groups would need to be able to develop policy recommendations covering their area of responsibility and have a clear process for escalating these to HNL policy.

[It is relevant to identify that a number of the directors interviewed for this study felt that they did not need to be a director. They appreciated an opportunity to share their priorities with the wider group but felt that sitting through the whole agenda of a Board meeting to be mostly irrelevant.]

It would be essential that the creation of a new smaller Board not be viewed as a demotion for those groups not automatically represented.

To create an open and inclusive HNL, seen by members to be relevant and in touch with their issues, much of the business currently conducted by the Board will need to be conducted in another forum. The Board meetings are predominantly a communication / talking shop for a wide variety of issues. This is natural, as they are some of the only opportunities in the HNL calendar to do this. A more sensible approach would be to separate the general industry communication needs from the business of the Board and create another more appropriate forum.

Under this scenario, HNL would host a number of member / stakeholder meetings each year (member forums / tourism town hall meetings). Three might be a sensible number, say September, January and April. These forums might concentrate on different sectors or regions, rotating through the sectors and regions on a regular schedule. The objective of these sessions would be the creation of a formal two way communication channel between HNL and its members. It would be appropriate that the ED and at least two Board members be present at each session. Issues and priorities from each of these sessions would be summarized and form input to the subsequent Board agenda. For transparency, it would be important that the Board agenda and minutes be widely available to the membership so that they could see the connection between these new communication forums and the overall workings of HNL.

This would have the following advantages:

1. the Board meetings could be much more focused on the true priorities of HNL;

2. members would have a more comfortable and appropriate forum for exchanging information; and
3. HNL could connect with a wider group of members without slowing the administration of Board meetings.

An option would exist for the Board to meetings to be run before or after some of these sessions in the months that they coincide.

6.5 Board Committees

Under the scenario outlined above, the Board would need to delegate some responsibility to sub committees. As with the composition of the Board, the first place to look for direction on the right committee structure is the mission and strategy.

It has already been concluded that the mission and strategy need reworking. Whatever the outcome of the mission and strategy work, there would appear to be valid justification for the following committees to assist the Board:

- **Governance committee-** *to refine the governance framework, facilitate Board self assessments, plan succession and to keep governance high on the priority list for the Board etc.;*
- **Policy committee-** *to identify HNL policy objectives and priorities and become actively involved in advocacy to achieve these aims;*
- **Member services -** *to ensure the needs of the members and stakeholders are adequately represented at the Board level. This group would be the steering / advisory committee for the member forums; and*
- **Professional development -** *to ensure that the work conducted by HNL in this area is relevant and cost effective.*

Other committees might be struck according to need, such as a finance committee or ad hoc committees to handle issues of particular importance, such as strategic planning or Provincial elections.

Committees act as advisors to the Board. They do not have decision-making power, but make recommendations for decisions to the Board. Responsibility rests with the committee to do the relevant research and reach sensible conclusions. [Research maybe conducted by the committee members themselves, or delegated to staff if appropriate] Accountability for the decisions made rests with the Board as a whole. It is vital, therefore, that the Board has total confidence in the abilities of the committee members.

Committees need to be chaired by a director, but can contain committee members drawn from outside the organization.

7.0 Identification of Best Practice for Focus Areas; and recommendations for improvement.

7.1 What should the Board concentrate on?

Modern not-for-profit Boards are adapting to better serve their memberships. The general rule is not to do more - but to focus more. At a generic level, the areas that should receive most focus are shown in the diagram below.

HNL can use this diagram as a template for high performance. In other words if the Board spent its time developing competence in all the areas identified above, the organization would be significantly more effective. As a consequence, it would also be more relevant to members, a more enriching place to work for employees and a model for governance change within the tourism industry.



Adapted from Jensen / Kilpatrick of McKinsey

As indicated several times in this report, HNL does not currently have a robust strategic plan. It should be considered a priority of a newly constituted Board of directors to develop such a plan. This is not a one-off exercise. Having completed the first plan, re-planning is an activity that should occur at least

once each year. It is through the strategic plan that the Board identifies to the membership and executive director, the results that it is expecting and will invest in. It is against the strategic plan that performance and progress will be measured.

7.2 Transparency

In addition, HNL can make some easy improvements to the governance framework by increasing transparency. As a member driven industry organization, the workings of HNL should be easy to access and scrutinize by members and stakeholders.

A quick win would be to use the web site to publish the following information:

- A schedule of formal meetings;
- Agendas / minutes / information for each meeting; and
- Current policy priorities.

With some adaptation, the web site could also be used as a method of soliciting information from members and stakeholders about their priorities. This would be useful especially for groups based in remote locations.

8.0 Next Steps

This report contains many recommendations for improvements and identifies the governance objectives that HNL should strive for. Achieving these goals will require strong leadership and investment. It will be impossible to tackle all the governance issues simultaneously. This section suggests a logical high level plan for change and improvement.

At the highest level the following sequence of activities would be appropriate:

- 1. Structural change as identified in section 6 above;**
 - Engage membership in the process of change
 - Make changes to constitution / by-laws
 - New smaller Board
 - Member forums constituted
- 2. Training / teambuilding for new Board;**
 - Specific training for the new Board on roles and accountabilities of directors and the values and behaviours necessary for achieving objectives
 - Board dedicates time together understanding the team dynamics separate from the normal Board business
- 3. Visioning / Strategic planning;**
 - The new Board spends time identifying the vision, mission, values and strategy for three to five years
- 4. Governance process improvements; and**

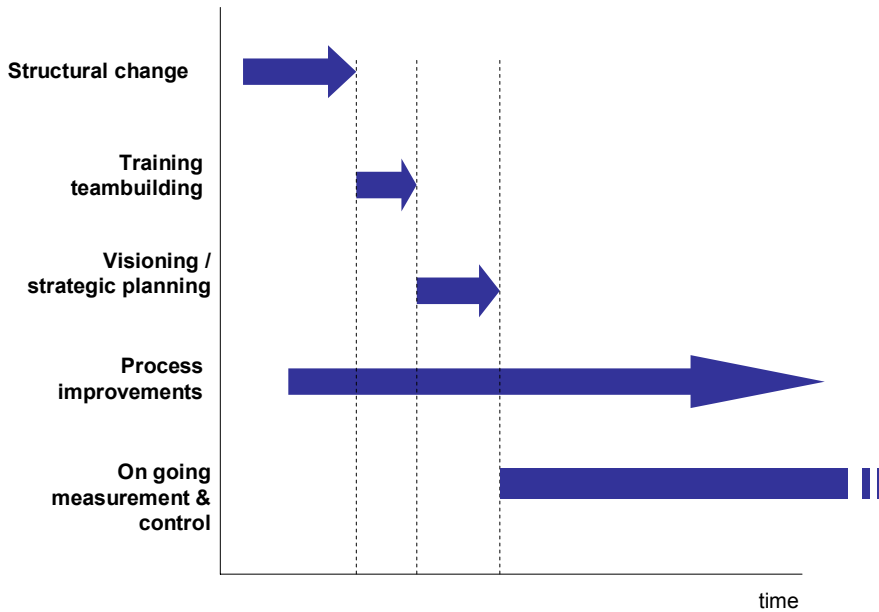
- some of these can be started immediately (formal performance reviews for ED) - simply by executing on the guidelines in the HNL Articles of Association and Board Policy Manual
- others need to wait until the mission and strategy are complete (Board self assessment etc.)

5. Ongoing measurement and feedback

- To sustain a robust governance framework, the governance committee becomes accountable for identifying governance objectives on a quarterly basis and for measuring and reporting progress towards achieving them.

At this stage, it is important that the major assumptions for governance change are agreed and that the sequence of events needed to achieve the objectives are formalized into a plan.

Implementation diagram



8.1 Accountability

This report assumes that the governance committee takes responsibility for facilitating much of the change suggested in this report. This committee will need to digest the report and understand the consequences before advising the Board on the best course of action. However, the **accountability** for change and for creating a more robust governance framework still rests (and always will) with the Board itself. Given the systemic weaknesses highlighted in section 5.2, creating a robust governance framework is of such high priority that it should form a large part of the Board agenda until fixed.

Appendix I Director Selection Criteria

The table below shows possible generic criteria for the selection of Board members.

Criteria	Indicators of Acceptable Performance
Conceptual thinker	<ul style="list-style-type: none"> • Ok with more than average ambiguity and lack of complete data • Sees implications of direction, strategy and sets of facts • Has a sense of the big picture
Group skills	<ul style="list-style-type: none"> • Participates in discussion without dominating • Can lead when needs to do so • Helps group live by its own rules
Willing to decide and be responsible	<ul style="list-style-type: none"> • Not overly concerned about what outside interests will think • Willing to make decisions when there is no “right” answer and not having all the facts • Doesn’t blame others for own decisions
Willing to voice opinion	<ul style="list-style-type: none"> • Has own view • Generally makes independent decisions • Feels the need to speak up when has a dissenting view
Connected to Ends	<ul style="list-style-type: none"> • Has actively done something connected to achieving Ends • Has willingly made financial contributions to similar organizations
Connected to ownership	<ul style="list-style-type: none"> • Has an awareness of the ownership interests of the organization • Can speak about more than one group’s interest or the whole community’s interest
Comfortable with delegating choice	<ul style="list-style-type: none"> • Asks questions - but not too many • Recognizes role in delegating choice • Willing to define <u>all</u> criteria up front rather than defining after actions are taken
Personal Commitment	<ul style="list-style-type: none"> • Regularly attends meetings • Participates beyond minimal expectations • Doesn’t always wait to be asked - regularly volunteers
Change and Risk Tolerance	<ul style="list-style-type: none"> • Ability to quickly get comfortable with changes in direction • Comfortable with entrepreneurial approaches and activities • Can identify and verbalize concerns with risk

From Lynn Walker - Boundary Management

Appendix II How Does a Board Determine the Competencies it Needs?

To begin, review the organization's mission, values, vision and strategic direction as well as a position description describing the responsibilities of a director. Then, discuss three questions:

- *What are the personal attributes every member should bring to board work?* Examples are: a demonstrated commitment to community service, support for the mission and values, personal integrity and an understanding of the difference between the role of management and governance.
- *What are professional and technical backgrounds and the skill sets board members need to understand the organization and execute its responsibilities?* Expertise in finance and business management are the most commonly needed backgrounds, but a board also may need members knowledgeable about community needs, information technology, quality management, ethics and values, political relations, marketing, law and real estate, among other areas. Also consider skill sets involving leadership, communications, consensus building and the ability to "think strategically outside the box." Some boards look for a few senior executives in large, regional corporations and changing industries to join local business and community leaders. No one person has all the competencies needed; a board is a team combining many strengths.
- *How does the makeup of the community compare to the board?* Would the board benefit from a richer diversity of cultures, gender and generations among its members? Look for members who bring a needed competency or skill and also add to board diversity.

Source GreatBoards.org