

The Realities of Board Relations

Board Room Magazine May/June 2016

During the Club Managers Association of America's World Conference in San Diego, Terra S. H. Waldron, Calvin Bolling, and MacDonald Niven, hosted 84 chief operating officers and nine Michigan State University students for a round table discussion on the realities of the COO-Director relationship. This seminar facilitated some excellent exchanges on important issues that many of us have experienced with our directors.

Board policy manual (BPM)

There's general agreement that a BPM is very beneficial, but the process of design, implementation, and sustainability can be challenging. Waldron explained that creating a Board Policy Manual for her club at Desert Highlands required over two years of significant effort, time, and funding.

Getting board "buy-in" became a key element to the implementation to the concept. Waldron engaged the president, who then championed the cause to the other directors. Months of discussion and negotiation happened before the final version was complete. The BPM has been in effect for over three years, and has served its purpose very well. Waldron's club, through the BPM, has defined roles, responsibilities, duties, and expectations. It's reviewed annually by the directors, which allows for continual validation. If (when) a director strays off course, all it takes is a reminder of the agreement, either from Waldron or a fellow director.

Edward (EJ) Ewing, Jr. Chief Operating Officer of Sailfish Point said that he initially hated the idea of the BPM, thinking that it was far too detailed and would limit his decision-making ability, but his president insisted on implementing the manual. Now, Ewing wouldn't manage without it. "I've come around completely; this is a great tool that really allows us to do our jobs."

Directors scorecard

One COO in our group uses a scorecard and rates each of the meetings, disseminating the results to each of the directors. Directors met the idea with general skepticism, as many people were concerned that there might be hard feelings after a bad rating.

However, The COO said, "he's been rating for several years and it's been very well received. Richard Chait, William Ryan, and Barbara Taylor suggest something similar in their book, *Governance as Leadership*.

In their version, the directors each rate the meeting's performance, and the CEO collects and collates the responses. In either case, it's helpful to take a page from Waldron's book: win support for the idea from one of the directors and allow that person to be the

champion. You may find that just having a *scorecard* will help the meetings to be more effective, efficient, and productive.

Change means reviews

Change of president, which means change of COO review generated a great deal of discussion because one COO who had been in position for 25 years relied on the executive committee for annual review.

This year, the new president decided that he would personally review and compensate the COO. Some negative feeling emanated from the president, and the COO wondered how he should react.

Be patient, do not challenge the president directly, get the pulse of the other directors. \ were among suggestions, but the most prevalent response, however, was simply to wait out the presidency and then return to the previous process for review and compensation.

The COO should work with the new president and find some common ground in order to establish a good relationship. This could also be a good time to begin the process of introducing the BPM. Of course, there was also the suggestion that a resume update was in order.

Directors gone wild

Directors setting a poor example for other members through non-participation or account delinquency, skirting some bylaws and policy issues, and using the club as a “personal piggy bank” surfaced as an interesting issue.

The overarching suggestion: refer the person(s) to the disciplinary committee. Several clubs actually post the names of those under disciplinary action! The executive committee could be an alternative. Regardless, the COO needed to refer director issues to other directors for resolution, and the COO should take no part in disciplining directors.

An active, but uneducated board

How do I slow down an uneducated board of governors when I am the youngest person in the room? This issue created a lot of debate, and the general thought was that the person needs to bring a professional into the picture to assist in outlining the roles and responsibilities of the group – in other words, try to establish a BPM.

This is accomplished by soliciting the help of directors with whom you have a good relationship and whom you feel will be receptive. The process is a long one, but when

executed properly, it allows the COO and directors to work together rather than moving along on separate paths.

All 94 participants are on a mailing list. If you have a question about governance or any other club-related issue, please send it to Mac Niven. He will make the question anonymous, send it to the group for comment, and reply to you with some ideas.

Relationships can be difficult, and it appears that for COO-director relationships, difficult is the norm. COOs have a wealth of expertise on these topics and are willing to share: use your network and get good suggestions.

Thank you goes out to Chelsea Donahue, Kaitlin Smith, and Laurel Castellano from MSU for their help with notes and meeting coordination. Calvin Bolling, CCM, CCE is the chief operating officer of Biltmore Forest Country Club, Terra S. H. Waldron is the chief operating officer of Desert Highland, and MacDonald Niven, CCM, CCE is the chief operating officer at La Rinconada Country Club in California and can be reached at (510)-439-8522 or via email: mac@niven.cc.