



LEADer

A publication focused on sharing ideas to improve on and support excellent cooperative governance for NCGA's Western Corridor co-ops

Come Together! Focus on Board/ GM Relations

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Becoming a Great Boss



—by Martha Whitman and Philip Buri

Think of the best boss you've ever had. What made that person so wonderful to work with? Was he or she visionary, inspiring, and encouraging? Or was your favorite boss compassionate, funny, and real? We know the traits of good bosses from our own experience. Good bosses give us latitude to do our jobs while supporting us so we do not labor alone.

Now think of the worst boss you've ever had. Words like *petty*, *vindictive*, and *controlling* might come to mind. As with a good boss, we know a bad boss from our experience—and we feel it viscerally. As board members, our core responsibility is to hire,

supervise, and hopefully never fire the general manager. We are the general manager's boss. How do you become a good boss rather than a bad one? It is a matter of attitude, mechanics, and behavior.

So what kind of boss is your board?

Picture Yourself in a Boat on a River

Let's be truthful—most of us have a complicated relationship with authority. We co-ops pride ourselves on being the alternative to big, impersonal, command-and-control corporations. But we have also learned that authority and structure are not necessarily or inherently bad.

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Meet the BEST in the West



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Welcome to Our Second Issue!

The *LEADer* is a new initiative designed to complement in-person board training sessions sponsored by the NCGA Western Corridor. The *LEADer* is designed to provide a forum for the continued sharing of ideas and resources, and to support a growing and increasingly effective network of co-op leadership.

In this issue, we focus on the important topic of building an effective and productive relationship between the co-op's general manager (or management group) and the board of directors. The discussions build on information and ideas shared at the corridor's fall 2008 training session (held in Sacramento in October). We hope you find these items of interest. Let us know of your thoughts, suggestions, and questions.

About This Publication

- The *LEADer* is published quarterly and is distributed to enrolled directors and leaders of Western Corridor co-ops.
- We welcome your reactions, suggestions, and contributions, as well as questions for us to answer in future issues. Send comments or questions to askthebest@ncga.coop.
- The next issue will be available in March 2009. The submission deadline for that issue is February 10.
- You can find information about the LEAD program and an online enrollment form at <http://www.cgin.coop/leader>.
- For more information about the NCGA, the Western Corridor, upcoming western regional board training events, or the *LEADer*, or for information about the BEST, contact:

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Board Effectiveness Support Team



What It Means to Have a New Boss Every Year

The GM View

—by Michele Adams

Inspired by our subtheme of Beatles songs . . .

Do You Want to Know a Secret?

General managers do not have one boss; they have a group of five to ten bosses overseeing their work. At our cooperative, we have ten board members, with at least three of them leaving the board each year and three new people coming on. This means three new bosses who have to learn the general manager's style and who have to figure out their place in the cooperative structure. In the "real world," most people work under one person several days a week. This supervisor gives the employee regular feedback on his or her work, both positive and negative. This is not the case

for co-op general managers, who have to learn new supervisors' styles constantly.

All Together Now

The board acts as a group in supervision. In the store, supervisors are trained in supervisory skills and practice them on their employees. But individual board members may not have been trained in supervising and may not have natural abilities in this area. In the co-op board world, the board discusses issues as a group and decides on appropriate action in whatever way board members have decided to work.

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New Boss Every Year *The GM View*

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Fixing a Hole Where the Rain Gets In

Supervision is never easy. It is great when your employee is doing a good job, but there are always times when constructive criticism is necessary. When supervising a general manager, board members might not agree on how well or how poorly the work is being done. Clear and measurable board expectations are key to the success of the general manager. The closest thing to a real boss is the board president. It is important for the GM/president relationship to be open and positive. Meeting once a month over lunch to discuss upcoming topics or events is a good way to touch base and keep current.

Help

In my world, the hardest part of the rotating supervisors is witnessing my new bosses going through the same issues and concerns that other boards have gone through before. Issues such as outreach spending, patronage dividends, and sustainability come around again and again, and the general manager is not in the position to shut down discussion when they do. So he or she has to listen to the same arguments every few years.

We All Live in a Yellow Submarine

Most general managers don't have someone looking over their shoulder on a daily basis. In some co-ops, the general manager might have no supervision at all. At our store, the level of supervision depends on the current board. I have been lucky to have very supportive boards that, with their overarching guidance through policies and ends, have given me a lot of room to run the stores, make mistakes, and do great things.

We Can Work It Out

Sometimes, one board member thinks the general manager is doing a great job, while another thinks the work is marginal. But individual opinions do not guide the process of board/GM communication. It is important for the board to speak as a group, as one entity.

Drive My Car

Make sure the board makes its expectations of the general manager clear. Be sure to give feedback, both positive and negative. To ensure success, be sure that evaluations are carried out with clear targets set in advance.

Across the Universe

It isn't always easy having many bosses. It might be more like a Magical Mystery Tour.



Try This! Let your general manager know that the board would like to hear his views on the board/GM relationship. Set a date and time during a board meeting. Give the GM a few short questions to think about and encourage him to add anything else that he'd like to discuss. Here are a few questions to get you started:

- *What do you think is going well between us?*
- *Do you feel that you know what's expected of you? Why or why not?*
- *How do you think our board meetings go? How could they be better?*
- *Would you like to have more (or less) contact with individual board members? Do you think you know us well enough?*
- *Could you list one or two specific things you'd like us to do differently?*

Please, Please Me

Tips for a Productive Board/GM Partnership

— by Marcia Shaw

Does your general manager look forward to board meetings? Does he or she find them interesting? Provocative? Helpful? Or does your general manager dread the monthly tussle, duck when a board member catches him or her in the store, and continually scan for “good” board members? Many of us have overheard managers saying they wish the board would stay out of operations, quit micromanaging, or just plain leave them alone to run the store. What does it take for the general manager and the board to have a productive and enjoyable

working relationship? How can a volunteer board be helpful to a management professional?

Like any other partnership, this relationship works best when both parties are clear about their expectations. We did an informal (and unscientific) survey of a few general managers and asked what would make the

relationship with their board more productive. Here’s what we heard:

The board needs to understand its role.

That means not getting into how the produce is stacked or sacked; the board should be focused on the bigger picture: Where is our co-op going to be in ten years? How will we be part of the local food economy? What’s the business environment in our market? What role should we play in feeding low-income families in our area? How do we support local farmers?

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Please, Please Me

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Board members can provide a perspective that the general manager needs and may not get from the internally focused management staff.

The board needs to own its processes and monitor its members.

If meetings aren't working or the chair needs help, it's up to the board, not the general manager, to fix the problem. Every board has to manage its members from election to retirement. If a board member likes to corner the GM to offer a little free "advice" on how to manage, board leaders should invite this member to coffee and a conversation on speaking in one voice. The board leadership also needs to help floundering board members gain the skills they need. If the member is not well suited to the board, leaders need to find him or her a more suitable role in the co-op.

All boards need training.

Newbies need orientation; business novices need financial training; most board members need help in dealing with conflict; and we all need coaching on working together effectively. Candidates for the board may be naive about how much time and expertise board work demands. First-time board members can be overwhelmed after the first meeting or two and wonder if they should stay. It takes new groups a while to jell into a cohesive working team. Don't assume that just because your board is made up of smart and dedicated volunteers you don't need training and support. Help is available from many resources—from the local community college to the Web. The NCGA Western Corridor does regular board training.

Finally, something the GMs didn't say: we all need support, encouragement, and validation. Congratulate your general

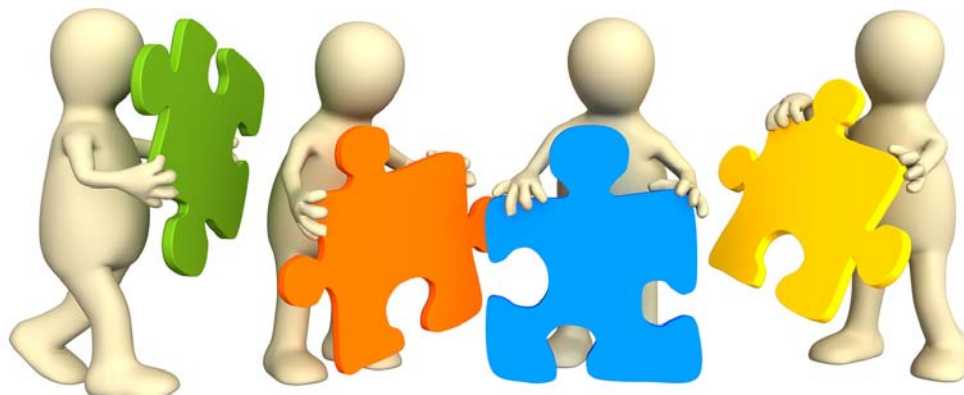
mangers when a project goes well or comes in under budget. Too often, the board talks only about what is *not* going well or how things could be better. You can always find something that needs improvement, but take time to point out processes that are working so smoothly that they don't call attention to themselves. Celebrate together when milestones are reached. Listen carefully when the manager is frustrated (without necessarily trying to fix the problem). Tolerate mistakes—and focus on moving forward.

Most importantly, *ask* your GM what his or her expectations are about the time you spend together, and listen carefully to the answers. Make it your business to know the GM's feelings about how the board is working and what might be done to make him or her more effective. As with other relationships, sometimes the board/GM relationship needs a tune-up.

Try This! *During an annual board retreat or planning session, spend half a day on the dynamics of your group—both what works and what could use improvement. Hire a local professional for an outside perspective and have him or her watch you work in a normal board meeting. If your board has an evaluation process for the general manager, have the board evaluate itself using a similar process. Periodically ask the general manager's opinion on how the board's functioning could improve. After all, the manager is at every meeting and sees the board dynamic up close and personal.*

Works for Us: Tell Me Why

—by Cindy Owings



“Do I contradict myself, very well, then I contradict myself, I am large, I contain multitudes.”

—Walt Whitman, *“Song of Myself”*

Accounts of board inner workings are filled with goodwill/ill will, agreement/disagreement, trust/distrust, confidence/uncertainty, competence/inability, and accountability/irresponsibility. Contradictory elements may be the spice of a memorable relationship, but without an all-encompassing atmosphere pointing to the positive side of contradiction, board teamwork will not flourish.

How do boards overcome the “largeness” of each individual? One answer is board governance. Setting in place operating policies to define how a board will function is essential. Policies help define board relationships—to the general manager, to the membership, to the staff, and between individual directors. Many co-op boards have chosen to embrace the Carver style of Policy

Governance, adopting a set of policies and ends that define a board’s operations.

The Community Food Co-op board of directors has chosen to follow its own model of governance by policy. The CFC governing model was crafted through work with an outside consultant, in tandem with the commitment of board members to create and adhere to policies that reflect the co-op’s mission, vision, and values.

Our brand of governing works for us. I queried our board and general manager: “Why do we have a highly functioning board?” The answers were many but fall into a handful of significant categories.

Proactive Recruitment

When a board position is vacated, our entire board takes on the task of ferreting out co-op members who may be interested

in the work of the board. The board’s Nominations and Process Committee vets each prospective candidate through a careful interview process. Candidates are informed of board procedures and the required time commitment, and they must attend one board meeting before the election. After election, each new board member goes through an orientation process to learn about board procedures and expectations.

Trust

Our board honors the principle that each individual holds dear the general welfare of the co-op. We listen well to each other, and that basic trust helps us sift through our opinions to arrive at solutions. Personal agendas are deemed unwelcome.

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Works for Us: Tell Me Why

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Having a board facilitator also helps keep the peace and contributes to equalizing individual participation during meetings.

Accountability

The CFC board has cultivated an atmosphere of collaboration and accountability. Each monthly meeting ends with a summary of accomplishments and unresolved items. Through our annual peer review, our board evaluates itself in the areas of financial oversight, community interaction, and internal processes.

No Term Limits

Longevity on our board is highly valued. Some board members stay for many years, serving on numerous committees and as officers. Of course, the longer a director stays on the board, the greater the institutional knowledge of the group.

Willingness to Seek Outside Help

Our board has not always been effective. In the late 1990s, we realized that we needed to be better informed. It was clear that the only way to bring about change was to invite an outside professional to help us define our future path. For two years, our board worked with a consultant to spell out policies in keeping with the co-op's mission. The outcome was dramatic.

Good Relationship with Our General Manager

Finally, our board is the boss of a general manager who is highly respected by co-op members and staff, the community, and national co-op networks. Our board has a friendly relationship with the general manager. We trust him to make the right decisions, and we are able to communicate effectively with each other—eight bosses to one employee. It helps that we are able to laugh together, play croquet together, and eat hot meals together.



Our board has discussed, and decided against, term limits. We understand the pros and cons. We recognize that bringing in new folks helps provide fresh ideas and newly engaged members and that sometimes long-term board members do need to leave the board. On the other hand, having no term limits has provided our board with great continuity and has helped us build a strong, effective relationship with our general manager.

Becoming a Great Boss

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A healthy relationship between the board and general manager requires a balance between delegating authority to the general manager—empowerment—and holding the general manager responsible for outcomes—accountability. If our bias is against authority, we lose the ability to empower our general managers to do great things. They can achieve only what we board members allow them to do.

The first step in board/GM relations is getting comfortable with delegating authority. We hire the general manager to run the store—to manage the staff, pick the products, and set prices that will satisfy our customers and owners. This situation sounds simple and obvious, but it is not. We are comfortable delegating authority as long as the general manager makes good decisions—or decisions we agree with. But delegating the authority to make decisions also involves delegating the authority to make mistakes. If we yank the general manager's authority at the first sign of trouble, we have not delegated authority. Instead, we have only let the general manager borrow it.

Authority means having the ability to make a mistake—and then to fix it. Think back to your favorite boss. What did he or she do when you blew it? Step in and do your job, or help you correct the mistake?

The second step is getting comfortable with accountability. Holding the general manager accountable does not mean holding an inquisition. There is a punitive connotation to the term *accountability*. But accountability is really about paying attention. We want general managers to tell us about their work and the good or bad results. Rather than being about punishment, accountability is a sign of respect. We have delegated our beloved co-op to the general manager's care, and we want to know exactly how things are going.

Our attitudes about authority shape our ability to be great bosses. The more comfortable we are with exercising—and delegating—authority, the more skilled we will be in governing the co-op.

All You Need Is Love

Another part of being a good boss is mastering the mechanics. At the ground level, this means having a written contract with your general manager and regular conversations about his or her work. The board's written policies—along with a clear contract, competitive compensation, and regular evaluations—will help you supervise your general manager fairly. The policies establish the responsibilities of the general manager and the board's expectations, and they help clarify how the board speaks with only one voice to the general manager.

To be responsible and comfortable in delegating

the operations of the co-op, the board should monitor its expectations and performance reviews consistently. This process helps hold the general manager accountable while giving the board ample opportunity to talk with the general manager and provide support. The manager's written monthly reports should show how he or she is meeting the expectations of the board. If the reports are dealt with directly and honestly, everyone wins. Through this process, the board fulfills its fiduciary responsibility and the general manager isn't left wondering what the board thinks of his or her work. The added benefit is that you have a smoother and more satisfying annual performance and salary review. Your manager can be confident that the board will not spring any surprises—a morale buster beyond measure.

There is a further element, though, that is unique to a board supervising a general manager. Notice how your vision of a good boss involved one person—a single supervisor. But how does a group of people manage one person? How does the general manager know what his or her boss wants, or is thinking, when the boss is a bunch of people?

The answer comes from board discussions and deliberation. A general manager can figure out what the board really wants and expects by listening during meetings. Although we use board meetings as a way to make decisions, they serve another, equally important

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Becoming a Great Boss

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purpose. They educate the general manager on how the board thinks. Imagine if you could listen to the thoughts of your boss before he or she gave you a project. Wouldn't it help to hear your supervisor think aloud about a problem?

One critical technique for boards is to cultivate open and rigorous discussion at board meetings. This is an essential component in educating the general manager.

With a Little Help from My Friends

Great boss status is solidified by behavior. While preparing for

the NCGA October training, we asked a few general managers what they wanted in a boss. Here is what we heard: Great bosses demonstrate respect and professionalism in their relationship with the general manager. They stand by their manager when things get messy. They are decisive, take responsibility for their decisions, and do not micromanage. Great bosses remember to express their appreciation for the general manager's ability to carry out a challenging job. A little goes a long way, and the more specific the appreciation, the better it feels.

Board members also deserve appreciation for their work, and co-ops need to support them by

providing access to leadership development. It's unfair and unrealistic to expect board members to be great bosses from the start.

Strong leadership is important for co-ops, and developing leadership means investing in solid leadership skills training. Boards should require the chair to have tenure on the board and to participate consistently in professional training.

A great boss is a key ingredient in the overall health of the cooperative—whether that boss is a board member, general manager, or department leader. And great bosses don't come about by accident.

What does your board do to support leadership development?

Do you have a line item for board development in your board budget?

If so, how do you arrive at that number? Do you decide to send a specific number of board members to a specific number of trainings and retreats and then arrive at the total expense for board development? Do you determine board expenses as a certain percentage of sales and then cut the pie in various sizes for different expenses? No matter what, it's important to be conscious of the budgeting process and whether it matches the board's intent for professional development.

Do you have a board policy stating expectations for professional development?

If so, how do you measure it? Some boards require that each member be active on at least one committee, attend an annual orientation regardless of tenure, and participate in all board retreats. Evaluations after each board meeting are also important, to compare the board's actual behavior to its stated agreements about process and procedure.

Finally, how does your co-op support the board's job effectiveness?

Do you have an administrative assistant to handle the board's housekeeping? What about a professional meeting facilitator? Such support helps the board stay focused on its leadership role in the co-op and helps stem burnout. Does your manager see to it that you are kept informed of industry trends? Does he or she provide every board member with trade publications such as Cooperative Grocer? Board development is critical to effective boards and requires constant attention and investment.

How Am I Doing? No Really!

Giving (and Receiving) Useful Feedback — by Paige Lettington



Ever had a boss who didn't ever tell you how you were doing? Well, no news is good news, but it's nice to have some feedback. Or how about the boss who patted you on the shoulder, said, "You're doing a great job," and then kept walking. A little more input would have been appreciated. And then there's the boss who criticized you in a group meeting. Certainly *not* conducive to a good, trusting relationship.

One of the board's most important jobs is supervising the general manager. And one of the most important characteristics of a good supervisor is the ability to give useful feedback. Giving and receiving clear and constructive feedback requires courage and skill. It is essential to building a good relationship with and motivating peak performance from your GM. Consider the following ideas.

Feedback Should Be Timely and Regular

Both positive and negative feedback should be offered

as soon as is practical. Don't wait until the annual GM evaluation to point out a problem that happened six months ago. The board should create opportunities to provide feedback throughout the year, perhaps in executive committee meetings or executive sessions, and certainly during board meetings.

Feedback Should Be Specific and Descriptive

Positive feedback will fall flat if it's not real and sincere. To make it real, you need to be specific, so the recipient knows you are truly aware of what he or she did well. Think about the difference between "I want to congratulate our GM—I heard the annual report was really good this year" and "Jane, we really want to compliment you on this year's annual report. It came out on schedule for the first time in five years, and the charts were especially helpful in explaining the financial situation. Please pass our compliments on to the staff."

Negative feedback is useful only when it offers opportunities to improve performance. You need to be specific about what the problem is and then offer behavior-oriented ideas for improvement. For example: "John, it's clear you spend significant time preparing your reports. They are thorough, but we are receiving them past the due date, which makes it hard for board members to come to the meetings adequately prepared. What can be done for the deadline to be met?"

Give More Positive Feedback

Studies have shown that the typical "stroke to poke" ratio in the workplace is one to five—that is, one piece of positive feedback to every five pieces of negative feedback. Even if you reverse that ratio, the one negative piece is more likely to be remembered than the positives. GMs like to hear that they are doing a good job (as do boards), so look for those

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How Am I Doing? Useful Feedback

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opportunities. That said, make sure feedback is specific. And never give negative feedback in public.

Speak with One Voice

A board faces unique challenges as a supervisor. Remember that the board, not each director, is the GM's supervisor. Make sure each director understands this fact. Make sure there's a process for discussing and providing feedback from the board as a whole.

Ask for the GM's Feedback

In many cases, the general manager knows more about board operations than some or all of the board members. But he or she might not feel comfortable giving you feedback unless you ask for it. You could create a formal process for this feedback, or just make sure the GM knows that feedback is welcome (or both).

Provide Feedback to Each Other

Directors have differing levels of experience, and even experienced directors can make mistakes. Provide feedback to each other on how to be more effective board members.

Accept Negative Feedback with an Open Mind and an Open Heart

When you receive feedback, assume that the giver has the best of intentions and accept it in the spirit of improving yourself. If need be, ask for clarification or specificity so that you can really make use of the feedback. Avoid the temptation to respond with your own negative feedback (whether deserved or not). It will come off as defensive. Accept what you've received and think about it. If you want to respond, make that a separate conversation.

The best feedback is given when elicited. Have you asked your GM what the board could do to support him or her more effectively? Have you asked other board members how you could increase your contribution to the board? Does your board have a built-in way for members to give each other feedback? Think about what you can do to make sure the communication cycle goes full circle. Send us any thoughts, reactions, suggestions, or tips on this topic.



Why Don't We Do It in the Road

A Parable in Board/ GM Cooperation

by Lucinda Berdon

both lanes. We missed hitting the rock by a fraction of an inch. Another car came up behind us and stopped just short of rear-ending us. Hearing rumbling and not knowing if more granite was going to fall, we quickly maneuvered the cars and got the heck out. A sense of panic set in.

Being the first ones on the scene and out of cell phone service set us up for a night of crisis management. Our first job was traffic control. Once out of the tunnel, we positioned our cars to alert oncoming traffic. But it was getting dark, and we had no way to alert drivers coming the other direction, from the other side of the long tunnel.

A car entered the tunnel from the other side. Unaware of the hazard in the road, the driver didn't slow down. The car slammed into the granite at about 45 miles per hour, creating an amplified crashing sound. By then, more cars had stopped on our side, and we had more help. Everyone in the crashed car escaped with zero or minor injuries.

Thankfully, a train passed on the other side of the river.

Seeing there was a problem, the engineer radioed for help. Keep in mind that we were in the middle of the canyon, and the closest towns were 30 miles away. It would be at least thirty minutes before any emergency vehicles would arrive.

A minute later, we again saw headlights entering the tunnel from the other side. A brave gentleman entered the tunnel and tried to flag down the oncoming car, but he was unsuccessful. The car slammed into the granite at about 55 miles per hour and ended up wedged between the fallen rock and the tunnel wall. The sound of the crash was deafening. Miraculously, there were no serious injuries.

A road department truck eventually arrived and was able to clear a narrow section of the tunnel for a few cars to get through. After that, we were able to stop cars coming from the other side. Emergency vehicles arrived, and the highway patrol officially closed the tunnel.

It was amazing how many people who drove up to the accident scene were in it for

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Who would have thought that driving home from the Sacramento board training session in October would end up being an opportunity for me and Kelly, one of the Quincy Natural Foods Co-op board members, to work together in a crisis situation?

Normally a three-hour drive into the mountains and up the Feather River Canyon, our journey took seven hours. What was a beautiful autumn evening drive turned into a frightening near-death experience. Our route was a wild and windy road that runs alongside steep canyon walls, gorgeous granite cliffs and rocks, and a rushing river. About 30 miles into the canyon, the road cuts through solid granite via a series of three tunnels.

We arrived at the tunnels at dusk. Partway through, I slammed on the brakes. Literally, seconds before, a car-sized chunk of granite had collapsed from the tunnel ceiling and blocked

Do It in the Road

A Parable in GM/ Board Cooperation

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themselves (the “me’s”). Many turned around to find another way home, without asking if they could help or if anything was needed. Others (the “we’s”) stopped; offered beverages, food, jackets, and support to the victims; and helped stop traffic. Interestingly, many of these helpers were members of our co-op.

What does this have to do with the board/GM relationship? Kelly and I learned a lot that evening at the tunnel. Working together for a common goal was the ultimate accomplishment. When we entered the tunnel, we had been discussing the petty things that board members can get hung up on: personal agendas and dysfunctional board/GM relationships. We also talked about much we appreciated how well our board and management worked together. Suddenly, we were in a situation that put our commitment to partnership to the test.

The board/GM relationship really is a partnership. And it is not that different than handling a crisis situation. It involves establishing and agreeing to:

- Common goals and objectives (*This is really dangerous. We need to alert oncoming cars and send someone to make a phone call.*)

- Respectful communication, even if you disagree about the details (*We need to figure out a way to prevent people from hitting those rocks. What can you do to help?*)
- Being committed, involved, and accountable in good times and bad (*We’re staying to help until the highway patrol gets here.*)
- Promoting and ensuring the co-op’s well-being (*Let’s make sure no one is hurt, and let’s comfort those who need help. Who has first-aid skills? How about water?*)
- Creating a “we” co-op culture rather than a “me” culture (*Let’s pull all our resources together and light up the tunnel.*)

A partnership based on these fundamentals makes our board/management relationship successful and contributes to the health of our co-op.

What could have been a disastrous event that evening turned into an opportunity for cooperation among people who had dedicated themselves to a cause. We walked away with a sense of accomplishment and a lot of respect for the others who had assisted the victims and helped at the scene. Kelly and I also took away a greater understanding of and appreciation for each other, and a stronger bond that will help carry our board/management partnership into the future.

Try This! Looking for a pool of talented people who are dedicated to the co-op? Need some extra help with a project or maybe a “think tank” for the future? Think about creating a resource group from your former officers or board members. These folks may not be willing to serve on the board again, but they might help with particular jobs. Initiate a meeting (maybe breakfast with the current board) and bring them up to date on what’s going on at the co-op. Ask if they would be willing to take on specific, time-limited jobs. Note contact information, interests, and time available. Follow up with a thank-you call. Depending on the size of the group, it might gather once or twice a year. A past president might be willing to do the organizing. Small groups might take on special projects that the board doesn’t have time for. For instance, a past-presidents group might take on the task of training new board members. Past board members also make great recruiters for new board members, since they really know what the job is like.

Trust Me!

— by Marcia Shaw

What does it mean to be trusting or trustworthy, and how does the co-op board get there? Trust is often said to be composed of three elements: honesty, benevolence, and competence. I can trust you if your word and your behavior align, if you've "got my back," and if you're competent at what you're doing. Humans have a biological drive to seek safety, and trusting members of your group is essential to working together well. If board members don't trust one another, time and energy are wasted with anxiety, detailed explanations, and double-checking.

Most of us arrive on the board assuming that others are there for the same reason we are: we love the co-op. Then we find out that we're all different. Jean cares passionately about the environment but doesn't think the store needs to make a profit. Allie has a long history with the cooperative movement but brings fast food to our meetings. Chris knows the retail business but thinks we're too generous with our staff benefits. How will we ever learn to trust one another, let alone make good decisions?



As our society has gotten more comfortable with all kinds of diversity, we seem to assume that just hanging out together will ultimately make us understand (and trust) one another. Instead, we must realize that trust is *earned* and doesn't necessarily arrive with the newly elected board members. Spending time getting to know each other starts the process. What can we do to enhance it?

In the quest to be efficient, boards often want to get to the decision. That's important. But you will enhance trust if you allow enough time for everyone to get comfortable with choices. Listen carefully. If you're in the majority, make it your job to make sure the minority is heard. Help a lone dissenter articulate his or her concerns. If you're in the minority, openly acknowledge the strong suit of the majority opinion before detailing your own. You'll get a

more thoughtful response, and those who feel heard also listen better. Some directors may need time to think about an issue. With careful planning, boards can postpone an important vote until after a break, until the next week, or even until the next meeting.

Every team has a least skillful member, and experienced board members will tell you that it takes at least a year to learn the job. Mistakes and misunderstandings happen; acknowledge yours openly and accept others'. Assume my intentions were good, even if I didn't do the job well. It is much easier to admit that we didn't pull off a job competently than to be charged with malevolence. When a board member doesn't meet commitments, ask what you can do to help.

What happens if trust among board members is broken? It is hard to rebuild trust once it's been violated. You might need a

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neutral outsider or a professional facilitator to help you understand what has happened and what the picture looks like from all angles. Don't hesitate to ask for help, as situations usually get worse if left to fester. Acknowledge the feelings that run high. Watch your vocal tone and facial expressions to make sure that what you communicate is what you intend. Pay attention to your word choices and avoid loaded language. Ask for an explicit agreement among board members about what behaviors enhance trust and what behaviors limit it.

Finally, remember that every conversation, discussion, and encounter presents an opportunity to build trust. Tell the truth, even when it's unpleasant or reflects poorly on you. Take your least favorite board members out for coffee and make a sincere attempt to bridge the gap. Tell them your dreams for the co-op and listen to theirs. For most of us, working together is more fun than working alone and helps create that sense of community that we all crave. Trust me, you can make it work!



Do board members sometimes arrive at meetings with personal or hidden agendas? Do some members run for the board with specific ideas about changing the co-op? Is this situation useful or problematic? How can we surface hidden agendas and help integrate personal wants and wishes?

Spend some board time talking about your wildest dreams for the co-op (for example, selling only local and organic food; lower prices; higher staff salaries). Acknowledge that each of us would like the co-op to fit our individual preferences and needs. Having my dreams validated (as dreams) and listening to the dreams of others may help me realize that the co-op has many members and that their needs, wants, and wishes are not all the same. If not confronted with specific differences, we often assume that everyone sees it the same (my) way. Surveys of customers, board members, and staff are useful in establishing that everyone does not want that same thing. A conversation about this situation can often serve as a powerful reminder.

Try This — If your co-op has access to a video camera, ask someone to film a board meeting. Usually, the awkwardness of being filmed fades after about five minutes. Watch the film with the sound off and see what you can learn about yourself or the group by watching facial expressions. Pay attention to listening skills. Do you paraphrase each other or ask questions? Do quieter people get invited into the discussion? Is there anyone who consistently gets cut off or ignored? Do the physical space and seating arrangement help or hinder the discussion? Sometimes, just watching the interaction by yourself can give you some insight into improving dynamics.



Board Effectiveness Support Team

Providing Leadership without Micromanaging

Dear West BEST:

How can a board take a leadership position on sustainability without getting into management responsibilities or micromanaging?

—Guy Nutter, Ashland Food Co-op board member

Dear Guy:

Your question touches on a balancing act that boards must perform every day. How does the board set the strategic direction for the co-op without getting in the way of operations? The answer lies in distinguishing between “where” and “how.”

The board has responsibility for defining where the co-op will go—literally, the direction of the co-op’s efforts. “Sustainability” is a direction. We want our co-op to reduce its waste, source more local products, and reconfigure its operations so that it improves, rather than degrades, the environment. These are governance issues for the board, whether defined as an ends policy under Policy Governance or as a component of a mission statement. The board chooses sustainability as a goal or outcome of the co-op’s operation.

Here’s where the balancing act comes in. The general manager and operating staff decide how to attain

sustainability. The practical steps—whether to buy produce from a local farmer, use biodiesel in co-op vehicles, or put solar panels on the roof—are decisions for the general manager. The board acts inappropriately if it dictates both where the co-op will go and how the co-op will get there.

The board hires a general manager and pays him or her the medium bucks to make sustainability happen. If the board intrudes on that responsibility, two things happen. First, well-meaning amateurs, rather than paid

professionals, try to run the store. Second, the general manager gets conflicting and impossible instructions from the board: “We hire you to run the store, but only if you run it the way we tell you.” It doesn’t work that way.

In the end, the board acts on trust. It begins by trusting a deliberative process that identifies the ends or goals of the co-op: “We believe sustainability is an important goal because, after a discussion, we agree it is essential for the co-op.” The board then trusts the general manager to make that goal a reality: “We have hired a general manager who knows much more than we do about how to run a store. Let’s stay out of her way and see how she makes it happen.”

What Do You Think? We’d love to get your ideas: articles, questions, thoughts, reactions, and comments. Have a great article from your co-op’s newsletter? Tried a new idea to improve your planning process, recruit new directors, or improve board/management relations? Send your ideas, and we’ll include them in future issues. Or send a question for the BEST to answer in a future issue to askthebest@ncga.coop. We’ll include your name or make your question anonymous, as you prefer.

Reality Check

You're Going to Lose That Girl

—by Martha Whitman

Have you ever received a letter of resignation from a general manager you were very happy with? There's nothing like it to put a pit in the stomach of board members. For those of you who haven't had this experience, don't assume you're immune. Many boards don't realize how complex and difficult the manager's job truly is. Without adequate support, it's not uncommon for GMs to throw up their hands and find a better place to work. Many general managers don't last more than five years, and very few make it past ten.

Resignations happen for various reasons. Sometimes a resignation has nothing to do with the board/GM relationship. However, is your board treating your general manager as the precious and scarce resource that he or she truly is? Frankly, the pool of qualified managers is small. To keep a good manager, it's important to add to his or her level of job satisfaction rather than detract from it.

Support can be simple. Don't wait for the manager to tell you how challenging the

job is. The board president can initiate quarterly lunches and make the occasional call to ask, "How's it going?" and "What might the board do to be more supportive?" It's not the board's role to solve the manager's problems, but it can make a world of difference to be able to talk about them.

Supporting the manager can also be challenging. Is your board prepared to take the heat when members or staff arrive at a board meeting upset about something the general manager has done? How do you show respect for their concerns while simultaneously backing up your manager? In such

situations, emotions often run high. The board can support the manager by being well versed in its policies and by clearly understanding the distinction between its role of governance and the manager's role of operations. From this platform, the board can hear concerns, explain how issues are handled, and determine the next steps, if any. Your cool head speaks volumes in terms of support for your general manager.



I quit!!

For more information— Check It Out!

Cooperative Grocer magazine has an extensive online archive of past articles and issues at www.cooperativegrocer.coop. Articles on the theme of board/GM relations include:

“Management Reporting to the Board of Directors” by Rick Stewart (June–July 1998)

<http://cooperativegrocer.coop/articles/index.php?id=25>

“The Board Role in the Accountability Stream” by Marilyn Scholl (May–June 2007)

<http://www.cooperativegrocer.coop/articles/index.php?id=737>

“General Manager Evaluation: Improving Board and Manager Performance”

by Karen Zimbelman and Carolee Colter (September–October 1993)

<http://www.cooperativegrocer.coop/articles/index.php?id=141>

“All Your Board Can Be” by Paige Lettington (January–February 1998)

<http://www.cooperativegrocer.coop/articles/index.php?id=233>

“Setting a Process for GM Compensation” by Mark Goehring and Carolee Colter

(January–February 2008) <http://www.cooperativegrocer.coop/articles/index.php?id=778>

The Canadian Cooperative Association publishes *Governance Matters*, a regular e-newsletter about co-op governance. The June 2007 issue on “Questions the Board Should Ask about CEO Evaluation” can be found at <http://www.coopscanada.coop/NewsLetter/Governance/June2007/>

Other articles of potential interest

“Giving Good Feedback” by Peter McLaughlin

<http://www.myarticlearchive.com/articles/6/258.htm>

“What’s a Healthy Relationship between the Board and General Manager in Co-op Leadership” by Sonny Eboigbe

http://www.sacfoodcoop.com/PDFs/bod_per_2008_05.pdf

Be sure all your directors know about and are encouraged to participate in CGIN’s specialized listserve for co-op directors: <http://www.cgin.coop/listserves/board>





LEADer

*A publication focused on sharing ideas to improve on
and support excellent cooperative governance for
NCGA's Western Corridor co-ops*

Save the Date

The Western Corridor's next board training session will be held on Saturday, April 18 in Portland. For program information, including a description of workshops, hotel and logistical details, and a link to online registration, contact Karen Zimbelman. (This information is also available online to NCGA-member "designated representatives" or general managers.)

Here's what past participants have to say about Western Corridor training sessions:

- *Very glad I invested the time to attend this training.*
- *Great training, valuable information.*
- *The most important thing I came away with was the realization that I have an entire network of knowledge to tap into. It's nice knowing that I can find like-minded people in lots of different cities and states.*
- *It was a great experience to meet other co-op folks, see how everyone else is doing things, and to know that, while we can always strive to do better, we're doing pretty well in the grand scheme of things.*
- *It was one of the best board trainings that I have been to.*
- *What I found most useful from the training was the time I spent talking with other co-op board members. My board had a question about the issue of board compensation. During the non-workshop time we talked with the other directors to get a clearer perception of the issue.*

Sign Up Now!

This issue is the last that will be provided as a trial to Western Corridor member co-ops. Starting in 2009, only co-ops enrolled in the LEAD program will receive the LEADer. More information, as well as an online enrollment form and back issues of the LEADer, is posted online at <http://www.cgin.coop/leader>.

