

Governing with Excellence, Using Awareness and Discipline

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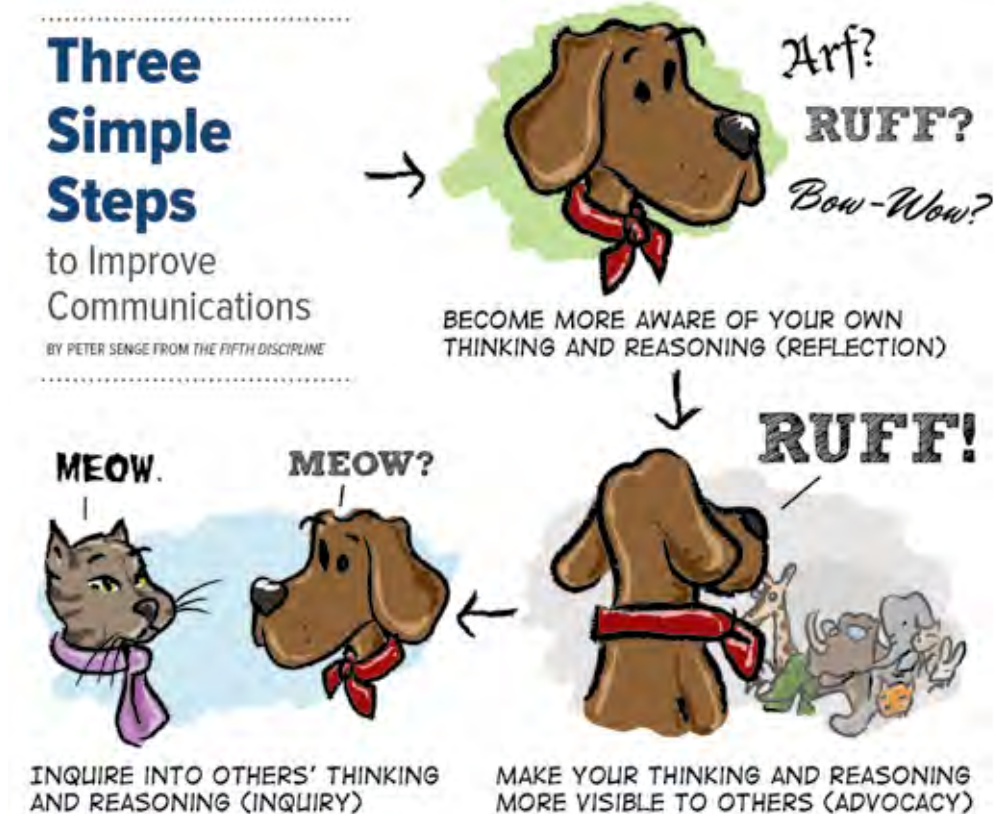
Why is it that some of our retail food cooperative boards really make a powerful difference in their communities, while others flounder? What can we learn from strong boards, and what can we learn from those that are struggling? This article focuses on two key and interrelated practices: self-awareness, and self-discipline. These operate at two levels: at the individual level and at the group level. At both the group and individual levels, self-awareness requires attention to and discussion of observable data. And at both the group and individual levels, self-discipline is needed to help us avoid drawing unsupported conclusions that lead to unwise decisions.

Picking the wrong fights

My mother-in-law, an emeritus professor of entomology, once shared with delight a quotation to the effect that university politics are so nasty because the stakes are so low. I think of that sometimes when I learn of divisive conflicts within retail food cooperative boards, and it seems just as apt. It isn't really that the stakes are low: we believe that by practicing cooperation in the retail food sector that we can make people's lives better, that we can effect a transformation to a compassionate, egalitarian society. But in universities, the stakes aren't really low, either: education we know to be a key to strong communities with high quality of life. And still the quote makes me laugh for the element of truth in it: again and again in our food co-op boards we pick the wrong fights, for the wrong reasons, with the wrong people.

Conflict in our cooperatives often seems to result, in large or small part, from a lack of agreement on things about which reasonable minds ought not to differ. For example, is our co-op large or small relative to others? What is our square footage compared with other co-ops? How many owners do we have? How do sales compare to others? Is the co-op profitable or not? Is it well managed or not? Are we ready for expansion or not? Is there a market for a larger store in our region? Is this trend in our data a sign that we may be in financial jeopardy or not?

Each of these questions can and should



be answered with reference to objective data. Knowing these basics is essential to organizational self-awareness, to a shared understanding of the nature and status of our cooperative. Without this shared understanding, our ability to make strong decisions is substantially challenged.

There is a profound conversation underway in our society about the value of evidence-based thinking. I want to say clearly and unequivocally that board members of retail food cooperatives need to look to external data to support their opinions and thus inform their discussions. There is no room for ungrounded, unsupported assertions once an issue has been framed and presented for decision. We can share our interests, our gut feelings, but when it comes to making decisions, we must rely on evidence—evidence from experts, from observation, and from authoritative sources.

I overheard a general manager of a successful co-op relating a story of how her board

came to commission its first market study. She said that Pete Davis, a former CDS Consulting Co-op member, came to her co-op to meet with her and the co-op's board, and they took an hour to tell him how special they were, and how unique their community was. She said Pete listened politely through the hour, and then said, "That's very nice, but now we're going to talk about data, not feelings." Whether I've got the story quite accurately or not, it's close enough to be instructive.

Often in our board meetings we end up speaking from the gut, and not from the head. At times, that's not a problem. We are trying to share ideas and values, we are trying to understand conditions, and we are trying to do it as a group, which is easier said than done. But when different people have different conceptions of what the cooperative's current condition is, or what its goals and purposes are, those conversations from the gut can quickly go awry.

Imagine with me a conversation I've

overheard more than once. Imagine a board member who's been on the board of his co-op for close to 30 years. He's seen it recapitalize twice, nearly close its doors three times, and to him it's unthinkable that the co-op could be financially healthy. Now imagine another board member who joined the board in the last five years. The balance sheet was strong when she came on, and since then the co-op has carried out a successful store reset and renovation, and sales and profits have been booming! When these two board members sit down to talk about the co-op's readiness for expansion, are their "gut" instincts likely to be the same? And if they don't have an opportunity to share the assumptions that underlie their gut instincts, how will they and seven more people with different assumptions reach agreement about taking the bold entrepreneurial risk to expand or relocate?

Without a shared understanding of their unique perspectives and the underlying data, maybe you can imagine the challenge they face. And yet with a shared understanding of the current condition and the history of their co-op, these board members stand ready to assess any decision that might arise.

Developing shared understanding

As board members, it is up to us to face the challenges of developing a shared understanding head on. In Peter Senge's book, *The Fifth Discipline*, he uses the example of the "Ladder of Inference" to describe the unconscious process by which we selectively process information from the world around us and use it to form conclusions that feel like fact, although they may, upon examination, prove to be wholly unsupported. He encourages three simple steps to improve our communications: "Becoming more aware of your own thinking and reasoning (reflection); Making your thinking and reasoning more visible to others (advocacy); Inquiring into others' thinking and reasoning (inquiry)."

If only we could stop making unsupported judgments that walk us up the Ladder of Inference! It may be that discipline is the key to excellence here. Having a clear set of rules and agreements that guide our group process is one kind of discipline, and we know that self-discipline is a necessary part of working effectively in a group.

Many boards that use Policy Governance® have a policy that entrusts their board presidents with responsibility for maintaining board discipline, using words something like this: "The president ensures the board acts consistently with board policies." Board process policies typically go on to impose multiple obligations of self-discipline on the board and its individual members to ensure that the board

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upholds its fiduciary obligations by attending to its duties of attention and loyalty. (For details on these legal duties, see David Swanson and Thane Joyal's article in the March–April 2011 issue of *Cooperative Grocer*.)

Every board member should help the board president uphold this responsibility by taking the time to read and become familiar with the board process policies. They can attend to the agenda that is presented for the meeting and coordinate with their board president to be sure that all important business is included by reviewing the draft agenda when it is circulated. Board discipline is an aggregate of individuals practicing self-restraint and of gently and kindly reminding each other of the rules and agreements of the group.

Have you ever felt cranky or annoyed when someone offers you information that forces you to re-evaluate a situation you thought you understood completely? "The reason people don't like numbers is because sometimes they give them answers they don't want to hear." This statement was made by a friend who studies the low rates of scientific literacy and numeracy in our dominant culture. Not for nothing do we quip, "Don't bother me with the facts, I've already made up my mind!"

The job of a board member is to decide. By participating actively in the board process, by insisting that the group ask good questions and rigorously analyze them, we can move our co-ops toward excellence. Being willing to tolerate the discomfort of being wrong (or at least of not being "right") is a central responsibility of a board member. Curiosity is then the board member's best ally because by maintaining an open, curious mind, we can best sift and evaluate information from multiple sources; we can hear the perspectives of others; and we can make well-justified and well-grounded decisions.

Protecting board culture

I want to raise another sensitive issue here because I fear that a barrier to cooperative excellence may be an unwillingness to be "unkind" to a board member who is not meeting the board's standards for conduct. It is not kind to allow a person to consistently disrupt

the civil conduct of board business. I want to firmly dispel any notion that protecting one person's feelings is more important than protecting the ability of a board to meet its fiduciary obligation.

I have seen boards unable to even approve minutes for periods of over six months because of filibustering by a disgruntled board member. I have seen gentle, kind individuals flame out on their internal board list or even on the shared CGN list in frustration after months of harassment by another board member who sought an ally in a quest to have the board see something a particular way. It is incumbent on all board members to take responsibility for the quality of their board's process. Dissent is a civil activity, undertaken with respect, and is useful for informed, intelligent decision-making. Disruptive or abusive behavior must not be tolerated: it is uncooperative, and it is wrong.

Even at a much lower level, we must protect our board culture. Individuals who consistently do not show up for board functions and meetings, or who are consistently unprepared for board meetings, or who bring negative rather than problem-solving energy to their work, create a drain on the energy of the board. The board, as the central decision-making authority in the co-op, must protect its culture as fiercely as it protects its co-op.

Our retail food co-ops will achieve excellence only when we are able to have consistent, informed and civil conversations in our board meetings about important issues. Board time is so very limited: there is no room for dispersion of board energy in unproductive conversations. Board presidents should put care and thought into planning each agenda. General managers should take seriously their role as the primary expert in providing information and data to their board, so that board decisions are substantiated and strong. Individual directors should prepare carefully for meetings and should take care to focus on the issues on the agenda at the appropriate times. And we should all make the effort to learn to know our selves and each other better, so that we can support each other to work with our emotional responses to the myriad things that come up during board meetings.

D. Elton Trueblood famously noted that in the spiritual, as in the whole of life, "Discipline is the price of freedom." With informed self-awareness and concerted self-discipline, it is possible and necessary to have healthy, curious, informed discourse and dissent about issues that matter. To do so, in fact, is the essence of participatory democracy, and therefore of cooperation.

See you at the co-op! ■