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## The Determinants of a Healthy Board: A Tool for Extension Professionals

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## The Determinants of a Healthy Board: A Tool for Extension Professionals

### Abstract

Board governance is a critical factor that affects the development of people and businesses in rural America. In this article, we explain how the health of a board can be measured based on a set of performance indicators from the board governance literature. Extension professionals can use these determinants as a tool for evaluating a board's health before engaging in more specialized educational programming assistance.

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## Introduction

In the August issue, two of the authors addressed the issue of building trust among local board members (Barnes & Haynes, 2006). This article makes a very simple, yet important point: board governance is a critical factor that affects the development of people and businesses in rural communities. Hospitals, schools, chambers of commerce, agricultural cooperatives, water districts, and many more publicly and privately owned organizations in rural communities are governed by boards. In a perfect world, these boards would make daily decisions to allocate scarce resources to their highest valued use.

Unfortunately, the real world of board governance is quite different. Board members may not trust or respect each other. Board members may have personal agendas that create conflicts of interest. And sometimes, board members disagree about policies and do not have constructive ways to openly discuss solutions. If these attributes describe board member relations, accountability and the effective governance and management of public or private resources will be hindered (Holland, 2002). The bottom line is: some boards are healthier than others.

But how do we measure the health of a board? In what follows, we explain the determinants of a healthy board in terms of its organizational structure. By organizational structure, we mean the types of action that should be taken by board members to ensure fulfillment of their respective roles and responsibilities. Extension professionals, board members, or other community leaders can use these determinants as a tool for understanding the health of any board, one of the

necessary first steps to improve governance and therefore development of organizations, communities, and regions (Knack & Zach, 2005).

## Determinants

When board members follow these healthy governance attributes, a board is said to have a healthy organizational structure (Sonnenfeld, 2002). A healthy organizational structure means:

- Board members should make every effort to attend every meeting;
- Board members are adequately involved in the decision-making process;
- Board members possess unique skills or experience that add value to the organization;
- Board members do not have personal agendas that create conflicts of interest;
- The board has an appropriate, manageable number of members;
- The board understands how to replace people in key leadership positions;
- The board requires each member to sign an agreement that clearly identifies a board member's expected set of behaviors and actions; and
- The board also provides an orientation process to explain the terms of the membership agreement to new board members.

The first attribute is that all board members should attend all meetings. It is impossible for a board member to add value to a board's decision-making process if he or she is not present. Of course, there will be times when members cannot make meetings due to sickness or other legitimate reasons. But unexcused absences can be viewed by other members as a lack of devotion to board service, and this can lead to a retardation of trust and respect among board members.

However, attendance alone is not sufficient. Every board member should also be actively involved. The involved board member should ask questions, such as "What is the purpose of this policy?" Or "Does this policy address the problem?" In addition, an involved board member should be prepared for all meetings. This means each board member, at a minimum, should review the minutes in advance and be prepared to either accept them as they are or identify needed corrections.

A board member should also have a skill set or experience that adds value to the organization. An involved board member should have some skill set that is unique and needed by the board to improve the quality of board decisions. But the board member must also commit the time necessary to impart his or her wisdom and experience. Being a board member means being committed to adding value to the organization, and that only happens when a skilled member attends meetings and brings their skill to bear on the problems faced by the organization.

Board membership should also be viewed as an honor, not an opportunity. If a board member commits to service, it should be to improve the organization, community, or region, not to improve his or her social status. The idea is that board members should not have any conflicts of interest.

Another way of saying this is that a healthy board member does not have personal agendas that create conflicts of interest. Board members should have one agenda: improve the organization, community, or region in which they govern. A person seeking to get on a particular board to benefit a friend's financial status is a classic example of a personal agenda. While other examples abound, the effect of such governance creates the same outcome: board decision-making becomes skewed, stymied, and to the detriment of the organization, community, or region. Effective board members do not have personal agendas.

Other important healthy attributes include:

1. Board size should be optimal, ranging from nine up to 20 in most cases;
2. Healthy boards know how to replace key leadership positions with the right people;
3. They clearly identify what is expected of board member service and typically have board members sign an agreement of service that outlines expectations; and
4. An appropriate orientation process exists for new members.

## Conclusion

The Cooperative Extension Service has been a focal point for leadership development and volunteer training in rural America. Community boards that function effectively are critical if successful development is to take place. Extension can provide educational programs that lead to "healthy" and effective boards affecting schools, health care, economic efforts, and all aspects of community life (Barnes et al., 2004). We believe understanding the determinants of a board's health is a necessary first step.

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