



The Role of the Board Chair

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Phil Kenkel

Regents Professor and Bill Fitzwater Cooperative Chair

The board chair (also referred to as the chairman, chairwoman or chairperson of the board of directors) is a key leadership position. The board chair is a member of the board of directors who is elected by the board for a specified term. The bylaws of a cooperative will generally define the rights and duties of the chair.

The chair presides over board meetings, ensures that business is conducted in an orderly fashion and oversees discussion and attempts to lead the board to consensus. The chair works closely with the chief executive officer (CEO). The board chair also is often an officer of the cooperative and signs contracts and loan agreements. The chair appoints the chairperson of committees and is usually an ex-officio member of board committees. The chair also oversees the preparation of the board packet and manages the quantity, quality and timeliness of information presented to the board members.

The board chair should be a seasoned director with respected leadership and interpersonal skills. In executing his or her duties, the chair must also follow all rules and regulations imposed by state or federal law or by the cooperative's articles of incorporation or bylaws. Failing to comply with these regulations could result in actions of the board being challenged or invalidated.

The chair should be able to direct meetings and keep directors on task. The chair should be able to define and clarify comments and convey the meaning of other directors clearly for the minutes. The chair must be able to communicate effectively with employees, customers, suppliers and, most importantly, with the cooperative membership. A good board chair must be able to:

- guide fellow board members in achieving consensus and unity;
- motivate other board members to carry out their board responsibilities;
- act as a spokesperson for the cooperative to the members and community and
- oversee the orientation of new directors and assess the on-going development needs of directors to ensure they have the skills and knowledge to fulfill their responsibilities.

The Chair's Role in Meetings

The board chair may be called on to make or enforce procedure rulings that impact controversial decisions. It is advisable for the board to adopt rules of procedure for membership meetings, board meetings and board committee meetings. Operating under the strict formality of procedural rules may be inefficient for routine actions. However, it is important to have an established procedure in place in the event of a dispute. Boards frequently adopt well-known procedural rules like Robert's Rules of Order or other similar rules for meetings. The board chair should be familiar with the cooperatives rules and procedures for meet-

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ings and enforce them fairly. Procedural decisions by the chair are rare when the cooperative is performing well and when all constituencies are satisfied. Procedural decisions increase in importance when there is conflict within the cooperative.

Not all actions in the boardroom require formal motions and procedures. It is equally important for the board chair to understand efficient methods of determining consensus and moving along with decisions. The chair can call for a non-binding vote (straw poll) to determine if further discussion is needed. In other cases, the chair can expedite business by avoiding a formal vote. On routine or unimportant matters, the chair can assume consensus until someone objects. An example would be "there being no corrections, the minutes stand approved". If an objection is made, the chair ignores the assumed approval and institutes a formal vote. In some instances, a board chair can accomplish more by building consensus rather than instituting formal votes. The chair can summarize the "sense of the meeting" indicating that a general agreement was reached even though no formal vote was taken. This can be useful in preliminary discussions.

The Chair's Responsibility for Board Conduct

Every cooperative board should have policies and clear expectations for board member conduct. Despite these expectations, the conduct of board members can occasionally become an issue. Common problems include disrespect for other members, dominating board discussions, inadequate meeting preparation, failure to maintain confidentiality and failing to publicly support board decisions. The responsibility of addressing these issues falls to the board chair. While it is human nature to avoid uncomfortable situations, the board chair should address these issues as soon as they become evident. A good first step is to meet with the board member informally and attempt to uncover the real issues that the board member is concerned about. The chair should be direct in informing the board member that the conduct is interfering with the efficient operation of the board.

In rare instances, a board may be faced with removal of a difficult board member. This could be due to violation of board policy such as conflict of interest, unethical behavior or failure to attend meetings. In other cases, the issues involve consistent and flagrant behavioral problems such as disrespect for other members, disrupting the meeting or otherwise interfering with the operation of the board. The process of removing a board member is usually initiated by the board chair in accordance with the procedures specified in the cooperative's bylaws.

What Makes an Effective Chair?

To be an effective leader, the board Chair must be respected by the other board members, the CEO and the membership. The Chair must be perceived as fair and impartial. A good chair also should be open-minded and encourage board members to voice their views. This is critically important because the best decisions are those made after a free and open discussion. The effectiveness of a board of directors is severely limited if meetings are run in a way that discourages discussion, questions and conflicting opinions. The chair must balance the value of encouraging discussion and questions with the need to make important decisions in an appropriate time frame. On occasion, this means the chair must call an end to discussion and call for a vote before all directors feel they have had sufficient time to convince others of the validity of their viewpoints. Leading the board to a decision without discouraging directors from expressing their views is the hallmark of a good chair.

An effective chair also understands the board's composition and the perspectives of each director. The chair must be prudent in assigning directors to work together or when making committee appointments. The chair should consider the characteristics, experience and style of individual directors, as well as their expertise. The chair also should be responsible for ensuring each committee has the delegated authority from the board to manage its responsibilities efficiently and effectively.

Impartiality of the Chair

According to the standard rules of parliamentary procedure, the chair of a board meeting can make motions, speak on one side or the other on every motion and vote. People often are surprised to hear this because they know some of the rules about impartiality of a chair. One point of confusion is that the chair's voting rights and procedures for board meetings are different from that when the chair presides over membership meetings.

Although there is no universal prohibition against a chair making motions or voting during a board meeting, there are some advantages to refraining. A board chair, even with the best of intentions, may influence the outcome of a decision by expressing their personal views on the matter. The chair is often in closer contact with the CEO than others and may be perceived to have more information than others. The same respect that resulted in being selected for the chair in the first place may shift uncertain members of the board in the direction of the chair's position, if that position is expressed. When determining their own voting procedures, the chair should consider the custom within the particular board. If the board chair has never voted and the other directors believe the chair should not vote except to break a tie, then it is probably better to follow custom. The chair should discuss voting policy with the other board members at the beginning of his/her term so everyone will have the same understanding of the procedures.

Stricter rules for the impartiality of the chair come into play when the chair is presiding over a large assembly such as a membership meeting. Normally, when presiding over a large body, the chair should refrain from commenting on the merits of pending questions. On rare occasions, the chair may believe that a crucial factor relating to such a question has been overlooked and that their obligation as a member to call attention to the point outweighs the duty to preside at that

time. In order to enter into debate, the chair must relinquish the duties of presiding to another member such as the vice-chair. The chair should not return to preside until the pending main question has been disposed of, as the impartiality of the chair has been compromised with regard to that particular issue. This procedure should be used sparingly, since it may cause the members to lose confidence in the impartiality of the chair.

Accountability of the Chair

The board chair is appointed by the board of directors who must provide the authority to the chair for the fulfillment of the role. The board is also the source of authority to its only employee, the CEO, through whom authority flows throughout the organization to all staff. The board chair is the chief servant of the board and is the individual with the most accountability, not the most authority and power in the organization. Accountability is frequently misunderstood and is interpreted as liability. Accountability is more related to measuring and monitoring. A board chair demonstrates their accountability through activities such as:

- planning the evaluation of the board's effectiveness and implementing improvements;
- annually reviewing progress toward the cooperative's vision and strategic plan;
- ensuring that board operations comply with the cooperative's rules and policies and
- actively soliciting input from members and other stakeholders concerning the performance of the board and the cooperative as a whole.

Selecting the Board Chair

Procedures for selecting the board chair vary widely across cooperatives. Some cooperatives select a board chair annually. Other cooperatives elect a chair for a multi-year term. Some boards have the expectation that there will be rotation for the chair position, while others routinely elect the chair to consecutive terms. Cooperatives also differ in whether there is a formal or informal path to the chair position as opposed to selection from the board at large. In a minority of cooperatives, the chair is elected by the membership during the annual meeting.

Regardless of the process, the most important criteria for selection is that the individual has the skills and character traits to be an effective board chair. Factors such as seniority on the board, strength of opinion at board meetings or share of the cooperatives total stock or patronage does not imply that the individual will be an effective chair. A board member being considered for chair must also be able to effectively collaborate with the CEO. All successful cooperatives need some degree of continuity. While bringing new ideas, an incoming chair should be able to provide some context and institutional memory. Otherwise, unnecessary effort is expended on procedures and activities that are inappropriate for the board or that repeat discussions or matters previously resolved by the board.

The board chair is one of the most important leadership positions in a cooperative. The chair forms a unique bridge between the CEO and the board of directors. The board chair must implement the formal procedures and informal interpersonal skills that keep the board operating effectively. An effective board that works collaboratively with the CEO is one of a cooperative's most important assets.

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