

Complaints and Operational Concerns:

How directors can respond effectively

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As a director, you may notice or hear things about your co-op that may be cause for concern—or are at least worth asking about. How can you respond in a way that honors your sense of responsibility, your board’s clear delegation to the general manager (GM), and your GM’s professional judgment?

Here is an approach that opens a clear path through what can sometimes be a thorny dilemma. The foundation of this approach includes some key ingredients:

- clear board of directors’ guidelines for roles and responsibilities;
- an effective system for accountable empowerment of your GM; and
- an assurance that all directors are disciplined and have no substantial trouble abiding by the board’s agreements.

As an individual director, what can you do when you have or hear concerns?

- First, consider simply submitting a comment for the suggestion box. Let the small stuff stay small.
- For many issues, you can provide the information to your GM in whatever form preferred by your GM (email, phone call, in person). Remember, the GM has no obligation to respond to you as an individual director but will often be grateful for being informed. It can be helpful to include a statement such as, “I don’t expect any response but want to let you know that…” And then let it go.
- If you believe this may be a board-level concern, review both the board’s policies and the GM’s most recent relevant monitoring report(s) to see what the board has already said and heard about this topic. This approach reinforces the proactive nature of board and GM work.
- If those first steps don’t prove satisfactory, talk with your board president. An experienced and thoughtful president can help you think through the issue and put it into context.
- For more complicated issues, if you have a good relationship with the GM, you may be able to have a deeper conversation with her/him. Don’t exert authority; just express your opinion or ask questions to gain more knowledge. Take your concerns only to the GM: even though you may tell someone that you’re not speaking or acting with authority, employees may still see you as a member of the board and give your words undue power.

After following those suggestions, what if you believe this is a board-level issue?

• You can ask your board president for some time at an upcoming board meeting. If you’ve done some of the previous steps, you may be in a better position to convince the president that this topic is worth some agenda time. If your president does not agree that this topic should take up meeting time, you can either ask the entire board to override that decision, or you can take this as your cue that your concern may not be something the entire board of directors should take up.

If this does become a board meeting agenda item:

- Concisely explain your concerns and why you believe this should be a board-level conversation.
- Offer some reasonable options that the board could consider.
- Don’t expect the board to immediately make any particular decisions beyond whether or not to add this part to their already established work plan.
- Don’t miss the cue if the board decides not to devote more time to this topic. Stop pushing. You have raised your fellow directors’ awareness, and you can still address your concerns and questions when the relevant policy next gets monitored.

What if the whole board decides to take further action?

- The board can ask the GM to present an oral or written report about the issue. After receiving the report, the board can let the matter rest or decide to pursue the topic, using one of the following approaches.
- The board can schedule a “safe, strategic conversation” as described in “Cooperative Strategic Leadership” (CG #157). Safe, strategic conversations are nonjudgmental and do not result in decisions, just increased understanding. Allow time for directors to ask questions and for the GM to explain his/her understanding of the issue—its level of seriousness, what has already been done, and/or how the GM plans to address the concern. This sort of conversation can be satisfying for both directors and the GM, building alignment and understanding through the respectful exchange of perspectives and ideas. It is a great way to nurture and strengthen the board-GM relationship.
- The board can become more informed by gathering information from operations (your GM, human resources manager, or other knowledgeable employees) and from outside sources so you can better understand how other co-ops or businesses address this issue. Be sure to channel requests for information from staff through the GM.
- The board can formally monitor the policy either during its regular cycle or at some earlier time. Producing monitoring reports requires operational resources; monitoring is always a balance between the board’s “need to know” in order to perform their fiduciary function, and the cost of gaining that knowledge.
- The board can write new policy to address the concern. If done prematurely, writing policy tends to be less helpful and more frustrating because it does not build alignment and common understanding the same way that a safe strategic conversation can. Policy is a formal way to set an expectation and ensure accountability; used sparingly, it can be the right tool.

Inherent in each of these approaches is a balance of cost versus value, and these suggestions are presented loosely in order of lowest to highest cost. You, your board of directors, your general manager, and your co-op will probably benefit when you first try the lowest-cost options. Proceed to more intensive and costly options only as needed. Check out the CDS CC Library for other helpful resources related to this topic. □