

Roles and Responsibilities of Directors

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Canada Not-for-Profit Corporations Act

- Every director and officer exercising their powers and discharging their duties must
 - act honestly and in good faith with a view to the best interests of the corporation, and
 - exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances

Canada Not-for-Profit Corporations Act

Duties of directors and officers

148(1) Every director and officer of a corporation in exercising their powers and discharging their duties shall

- (a) Act honestly and in good faith with a view to the best interests of the corporation; and
- (b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duty to comply

(2) Every director and officer of a corporation shall comply with

- (a) this Act and the regulations; and
- (b) the articles, the by-laws and any unanimous member agreement.

Lawfulness of articles and purpose

(3) Every director of a corporation shall verify the lawfulness of the articles and the purpose of the corporation.

No exculpation

(4) Subject to 170(5), no provision in a contract, the articles, the by-laws or a resolution relieves a director or an officer from the duty to act in accordance with this Act or the regulations or relieves them from liability for a breach of this Act or the regulations.

General Statement of Duties

- Directors, acting collectively:
 - Supervise, control and direct the affairs of the organization
 - Determine its policies with respect to its activities
 - Actively pursue its purposes
 - Supervise the disbursement of its funds
- Every director has the fiduciary duty of sound financial administration of the real, financial, intellectual and reputational assets of the corporation

General Statement of Duties

- Board is ultimate policy making body and will:
 - Authorize programs and services necessary to meet the mandate and objectives of the organization and
 - Exercise the powers and perform its duties as provided for in statute, by-laws, regulations or resolution.
- Board is also responsible to establish, through its leadership, a climate of ethics and integrity

Summary

- The Board
 - A legal and moral trustee
 - Speaks with one voice
 - Develops policies that guide and encompass all aspects of the CSP
 - Monitors organizational performance through outcomes, not processes

Sole Role and Scope of the Board

- Board solely holds scope of responsibilities that include:
 - Strategic mission and goals of the Canadian Ski Patrol
 - Selection, compensation, evaluation and succession of the senior executive officer
 - Establishing a climate of ethics and integrity
 - Defining its decision-making processes and internal culture
 - Assessing competencies and performance of directors individually and collectively

Collaborative Role and Scope of the Board & Management

- Board & management collaborate on responsibilities that include:
 - Execution of strategy and the allocation of resources toward that execution
 - Financial goals
 - Professional development of national and other officers

Sole Role and Scope of Management

- Board empowers senior executive officer and executive team to, freely and without interference, to act within the scope of responsibilities to manage the overall and specific affairs of the Canadian Ski Patrol that include:
 - Execution of operational plans
 - Day to day operations including staff relations and performance
 - Nonstrategic decisions
 - Delegated executive authority

Fiduciary Duty

- Fiduciary holds ethical & legal position & relationship of trust
 - Highest standard of care in equity & statute & common law
- A director is a fiduciary and is obligated by legal duty to
 - Act in good faith to promote and protect the best interests of the organization in all matters
- Duty is owed to organization as a legal entity & not to
 - Any individual, group of members or persons who nominated the director

Fiduciary Duty

- Fiduciary duties of directors include but are not limited to:
 - Individually and collectively exercise their powers in the best interest of the organization
 - Not to act illegally, dishonestly or *ultra virus* (exceed their authority)
 - Act with discretion unfettered to any loyalty other than the loyalty to the best interests of the organization
 - Not to allow personal interest or bias to interfere with their duty
 - Not to profit from the position of fiduciary
 - Not to disclose or misuse confidential information

Duty of Care

- Duty of care includes:
 - Obligation to exercise reasonable care with respect to interests of others and to protect them from harm
 - Act honestly and in good faith and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances
 - Being active and engaged in the work of the board of directors
 - Be informed in board matters
 - Share information with other directors unless obligated to keep the information confidential (such as in human resource matters)
 - Exercise judgement that is independent of interests other than the best interests of the Canadian Ski Patrol

Duty of Loyalty

- Duty of loyalty includes:
 - Concept that the corporation is a responsible citizen
 - Directors may, but are not required to, consider the impact of corporate decisions on stakeholders
 - If the interests of stakeholders cannot be reconciled with the best interests of the corporation, the corporation's interests must prevail
 - Act such that the corporation's legal and contractual obligations are met

Duty of Loyalty

- Individual directors:
 - Must avoid and disclose conflicts of interest
 - Treat all matters and information brought to the board as confidential
 - Do not owe a duty to provide information to the individual or body that nominated them as a director
 - Have a duty of solidarity with decisions made by the board
 - Must not make any use of property or information belonging to the corporation for purposes other than the corporation's best interests

Duty of Leadership

- Best led charities and not-for-profits
 - Have boards that have strong organizational skill sets including financial, relationship and risk management skills
- Duty of leadership consists of meeting the challenges of:
 - Dealing with massive new and rapid amounts of information made possible by technology
 - Agile nature of services and competitive marketplaces that cross traditional boundaries
 - Anticipated and unanticipated need to shift resources in response to changes in strategy caused by changes in business environments

Duty of Leadership

- Leadership and management
 - Distinct with complementary functions and characteristics
 - Both are necessary in information dense, complex and rapidly changing environments
 - Leadership is not another layer of management
- Management
 - Focused on coping with complexity through applying procedures and processes to foster stability in a business environment
- Leadership
 - Focused on coping with rapid, unpredictable change
- Good balance between management & leadership
 - fosters organizational stability and adaptation to a constantly changing environment

Duty of Leadership

Management	Leadership
<ul style="list-style-type: none">• Planning and budgeting	<ul style="list-style-type: none">• Setting direction
<ul style="list-style-type: none">• Organizing and staffing	<ul style="list-style-type: none">• Aligning people with strategy
<ul style="list-style-type: none">• Control and problem resolution	<ul style="list-style-type: none">• Inspiring and motivating

Governance Model

- Principles
 - Ensuring the board is accountable to those on whose behalf it governs the organization in trust by having a clear strategic vision and direction
 - Ensuring a clear distinction between the governing and managing levels of decision making and clear allocation of authority and responsibility by having a rational separation of the roles of the board and management
- Clarity in respective roles & relationships
 - Between board and the senior executives & expectations and motivations of individual directors
 - Are as important to good governance and organizational effectiveness as the particular governance model

Governance Model

- Role of board is to establish long-term strategic direction & priorities by focusing on the questions of:
 - Why are we here?
 - What are we doing?
 - How will we do it?
 - Have the purpose, vision and mission been thought through, clearly articulated and embedded in the foundational documents?
 - Have the purpose, vision and mission been communicated throughout the organization and its various stakeholders?
 - Does the strategic plan align with the purpose?
 - Do the operational activities of the organization align with the strategic plan?
 - Is that alignment considered in board decisions?
 - Is strategic plan reviewed on a regular basis?



Governance Model

- Role of management is to:
 - Decide how to best to achieve the results that implement the long term strategic direction, priorities and policies.
 - Undertake actions to help ensure the organization has a clear idea of the purpose, vision and mission.
 - Regularly report to the board on the progress of implementing the strategic plan

The Board's Agenda

- The board's agenda:
 - *Strategic mission and goals of the Canadian Ski Patrol*
 - Selection, compensation, evaluation and succession of the senior executive officer
 - Establishing a climate of ethics and integrity
 - Defining its decision-making processes and internal culture
 - Assessing competencies and performance of directors individually and collectively

Strategic Information

- The strategic discussion begins with:
 - Strategic focus – long term, fundamental, value & purpose driven
 - Consensus on organizational values, mission and objectives
 - Positive working relationship with the senior executive officer
 - Respect for organizational norms
 - Constructive resolution of conflict
 - Development practices including orientation, training, team-building, sound director recruitment and good meeting management

Strategic Information

- The strategic discussion continues with:
 - Reviewing all foundational documents (by-law, regulations, strategic plan, policies, etc.)
 - Reviewing meeting materials
 - Reviewing all reports
 - Attending all board meetings
 - Asking questions of other directors
 - Requesting information through the senior executive officers
 - Consulting stakeholders
 - Being aware & seeking information about the business environment
 - Establishing working / task groups with defined terms of reference
 - Undertaking an annual learning plan

How Are Strategic Decisions Made

- Consider
 - Alignment of operational plans with strategic objectives
 - Use of resources – human, financial, physical, intellectual - & how they will be applied
 - Define 'what does success look like'
 - Define Key Performance Indicators – concept, operationalization, measurement & analysis

How Much Time Does it Take to Make a Decision?

- What is time frame for the strategic planning & review cycle
 - Strategic consensus to be confirmed at the board
 - For support to emerge among stakeholders
 - For an operational execution plan to be designed & approved
 - For implementation activities to begin
 - For results to appear
 - For KPI to be measured & analyzed
 - For confirmation consultations with stakeholders
 - For resources to be adjusted or re-focused
- The time frame for decision reflects the overall strategic life cycle & may be measured in months

The Board's Agenda

- Strategic agenda – internalized until it becomes natural, instinctive frame of reference that creates the foundation for strategy
 - Why the CSP exists
 - What it does
 - For whom it does things
 - How it aims to do those things
 - How it will measure its success

The Board's Agenda

- What is the core purpose or *Central Idea* of the Canadian Ski Patrol
 - Simple, tangible, graphic, compelling, clear
 - Readily translated into action
 - Frame of reference to gauge strategies, assess information & decisions
 - Why do we exist
 - Who do we serve
 - How should be nurtured
 - Why will it flourish
 - How will it be sustained
- Central idea + strategy + execution = plan

What Does Success Look Like?

- What is the Central Idea?
 - To have the best first aid manual available?
 - To raise funds to be financially stable?
 - To provide the best service to resorts?
 - To create and provide the best ski patrollers in Canada?

Norms and Behaviours – The Good

- Sense of personal responsibility and self management
- Sociability and interpersonal skills
- Emotional maturity
- Team player
- Servant leadership
- Personal habits
- Attitude
- Ability to work with other genders and cultures

Norms and Behaviours – The Good

- Take personal responsibility for their actions and decisions
- Have a strong sense of self-esteem and confidence while remaining humble
- Interact with others and make decisions with integrity and honesty
- Be in control of their emotions and personal habits
- Respect others
- Have attitudes that are helpful, productive and constructive
- Champion board decisions, whether originally in favour or not
- Consistently demonstrate discretion, confidentiality, unity and responsibility
- Will not fail to challenge management but in a way that is constructive and respectful
- Be trustworthy
- Trust – but verify

Norms and Behaviours – The Bad

- Make excuses (missing meetings or being late, not being prepared, going over the board/management line, behaving badly, losing their temper, etc.)
- Be preoccupied with themselves, pet peeves and interests, perspective
- Easily take offense
- Become defensive if their position, point of view, perspective is challenged
- Attempt to manipulate others in order to get their way
- Keep score to “win” rather than ensuring a “win” for the organization
- Blame others for own failures
- Deal poorly with conflict (anger, frustration, crying, threatening, accusing, blaming, etc.)

Norms and Behaviours – The Ugly

- Criticize anything that is not what they want
- Act differently outside the boardroom than inside (e.g. speak against board or management decisions and strategies in the community)
- Become easily stressed by the small things and be unable to see the bigger picture
- Experience difficulty listening to others, preferring to hear their own voice above all others

Norms and Behaviours – The Diagnosis

- Being accustomed to leading the team – not being an equal member of it
- Lack of appropriate governance education
- Serving on the board for the wrong reasons
- A weak chair
- Emotional immaturity

Norms and Behaviours – The Treatment

- Recruit for character and train for competence
- Ensure a governance structure that will facilitate behaviour and character aspects in the nominating process
- Make sure behaviour and character are incorporated in the annual evaluation process
- Make sure a portion of the board's training budget is spent on soft skills – not just on “hard” structural and process skills
- Educate prospective and existing directors on the behavioural expectations of directorship
- Determine an optimal competency and behavioural mix for the board