THE BOARD MINDSET™

The vital attribute of exceptional boards

WHEN BOARDS MEET TOO OFTEN

While there is no proven formula for how often boards of directors should meet, most often I have counselled boards to meet less frequently, rarely have I recommended a board meet more often. Too frequent board meetings occur more commonly with not-for-profit boards than with public and private sector boards. This is ironic, as the directors are typically volunteers and not financially compensated for their attendance at board meetings. If a large, multi-national organization such as an insurance company or a technology giant can operate effectively with four board meetings per year, so can your board.

Here are some of the benefits of meeting less often:

POTENTIALLY IMPROVED ATTENDANCE

When directors are not required to meet as frequently, attendance often improves. This is because the demands are less, and because the amount of content they will miss is greater when meetings are less frequent.

IMPROVED DECISION MAKING

When boards are meeting every month to six weeks, decisions are deferred far too often. Some directors like more time than others to weigh the benefits and risks of a decision. Board or committee chairs may agree to postpone decisions to the next meeting. This can be frustrating for management who are seeking approval before taking action. It can also be quite frustrating for fellow directors who do not relish the Groundhog Day experience of re-hashing the same items. At a minimum, it is an ineffective and inefficient way to operate a board.

IMPROVED BOARD MATERIALS

With less frequent meetings, board materials must provide the appropriate data to enable good governance, active discussion, and a timely decision. Well-prepared board materials ensure that the directors who want to carefully weigh options are able to do so.

BETTER GOVERNANCE

When boards meet too frequently, they often fall into operational mode, seeking tactical information from management, and offering their opinions on items that are not appropriately in their purview. This is more often an issue with not-for-profit boards, but happens with corporate boards as well. Quarterly meetings with well-prepared agendas and a governance lens make a greater, more positive impact.

If you determine your board is meeting too frequently, you may need to take a measured approach in reducing the meeting frequency. To reduce from ten to four meetings per year in one fell swoop may make some directors quite anxious. Start by reducing from ten to seven or from eight to six. Discuss among the executive committee first, if you have one, or among the committee chairs and board chair and vice-chair. Agree on the frequency and the appropriate adjustments to the agendas. Develop a communication plan for other directors and management, then move forward and enjoy the newfound free time and more effective and efficient meetings.