



# LEADer

*A publication designed to promote visionary and forward-thinking discussions between and among NCGA's Western Corridor co-op leadership*

## A Study Guide for Co-op Leaders Power for the Co-op and Its Leaders



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## Power for the Co-op and Its Leaders

Some people believe that co-ops should avoid reliance on leaders. We at the *LEADer* disagree!

We think that cultivating appropriate and effective leadership is an important factor in co-op success. That said, we recognize the difference between the assertion of power and good leadership.

Good leadership is one that fosters a climate of inclusion and respect. A good co-op leader knows how to develop systems and tools to help directors and others who interact with the board participate and feel heard, while also cultivating board effectiveness. A good leader knows how to introduce new ideas, when to start talking about big ideas, how to find needed information and resources, and how to help the board come to decisions in a timely fashion.

In our experience, co-ops that find themselves in a leadership void face constant struggles. They generally burn out good board members (and even managers) and make it increasingly difficult for the board to recruit new directors. Signs of a co-op leadership void include no agenda or meeting packet with materials for directors to review; unrealistic or unclear desired outcomes for board meetings; long meetings (more than three hours once a month is too much); ineffective director recruitment or orientation; and meetings that are filled with tension and that don't lead to clear, needed decisions or achieve desired results.

We want to empower co-op directors to be great leaders for their co-ops and their communities. This issue of the *LEADer* will help you and your board discuss what is working and what improvements you can make in fostering the kind of leadership that will help your co-op thrive and grow.

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## More about the LEADer

*A publication designed to promote visionary and forward-thinking discussions between and among NCGA's Western Corridor co-op leadership*

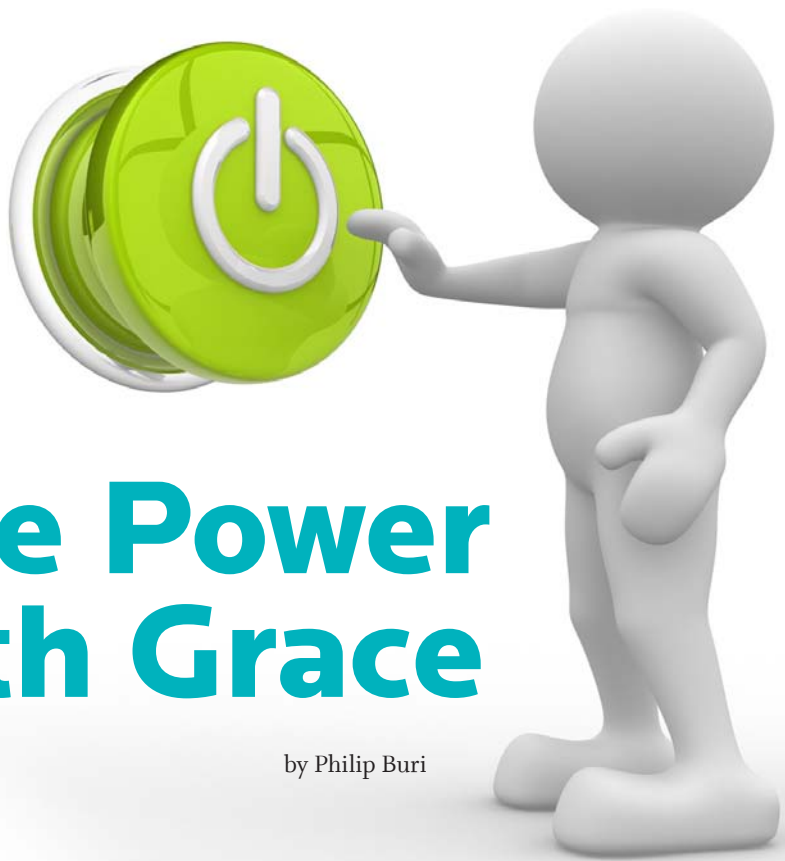
- The *LEADer* is published quarterly and is distributed to directors and leaders of Western Corridor co-ops.
- The *LEADer* is available to all interested co-op leaders at no charge, thanks to the generosity of NCGA's Western Corridor members. You can find information about the LEAD program and all back issues at <http://www.cgin.coop/leader>.
- We welcome your reactions, suggestions, and contributions, as well as questions for us to answer in future issues. Send comments or questions to [askthebest@ncga.coop](mailto:askthebest@ncga.coop).
- The next issue will be available in winter 2012. That issue will be focused on growth—specifically, an “anatomy of an expansion” from the board’s perspective. Share your experiences with expansion as a guest contributor.
- For more information about NCGA, the Western Corridor, upcoming western regional board training events, the *LEADer*, or the BEST, contact:

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## The LEADer Is Online and Available to ANYONE!

The *LEADer* is available to all interested co-op leaders. This issue and all back issues are available online at <http://www.cgin.coop/leader>. Western Corridor co-ops can have new issues sent directly by e-mail; contact Karen Zimbelman at [kz@ncga.coop](mailto:kz@ncga.coop).





# Exercise Power with Grace

by Philip Buri

“Power is the ultimate aphrodisiac,” wrote Henry Kissinger in the *New York Times* in 1973. Although many of us recoil from this quote, it expresses something that most people rarely admit—being in control can be exciting, fun, and even sexy. Serving on a co-op board puts you in a position of power. How do you reconcile that power with a deep commitment to cooperative values? The key is to accept and exercise the power fairly, appropriately, and with grace. To avoid being autocratic while still relishing the governing role and while providing your co-op with much-needed leadership, keep three things in mind:

First, remember that your power is delegated. You and your fellow directors exercise

authority because the members elected you—not because you are somehow entitled to it. Using power, much like driving a fast car, is exhilarating—until you lose control. Then it is dangerous. When you exercise the authority delegated to you by the members, you get to drive the fast car. But remember who put you there and how quickly you can lose control.

Second, your members elected you to make decisions not to avoid them. If the co-op’s future were clear, it would not need a board. But, as we all know, pointing the co-op in the right direction requires decisions—educated guesses made in the midst of imperfect knowledge. There will be times (infrequently we hope) when your board will have to exercise

power with no apparent right answer. Not acting violates your members’ trust. They elected you to take care of their co-op.

Third, power need not destroy humility and compassion. Our greatest leaders understand that authority can transform or dissatisfy—sometimes at the same time. As directors, our job is to act for the members while fully appreciating our role. Humility and compassion come from that appreciation. If we acknowledge and accept our limits, our members will too.

Most people like power—being in control. That need not be a guilty secret. Our members gave us authority, and we should reward them by exercising it with grace and humility.



# Key Leadership Tools for the Board Chair

by Martha Whitman

While the board chair holds no more power than any other director, it would be disingenuous to claim that he or she doesn't wield more influence. This situation is understandable. Ideally (or inevitably), the chair spends more time on board work than the others and consequently is more familiar with the functioning, direction, and activities of the board. However, any cooperative chair worth his or her salt is interested in building a healthy board, which is achieved when all directors believe that they too have power and influence. Three conditions must exist for all directors to claim their leadership: a wide dispersion of power, transparency, and an assumption of mutual accountability.

The board agenda and calendar allow for the creation of these three conditions. While the chair is usually charged with creating the monthly agenda, that doesn't (and shouldn't) mean

it's done in isolation. The basic agenda can derive from a board calendar approved annually by the full board. By voting on a calendar proposal each year, the board exercises democracy, transparency, and mutual accountability.

The calendar lists all regular and special board business items or activities for the coming year. This list makes it less likely that important items will fall through the cracks. It helps all directors know what's coming and better understand the flow of decisions and reports throughout the year. The calendar should include decisions such as renewing the general manager's contract, declaring a patronage dividend, and creating an annual member meeting agenda. The calendar should also list standing agenda items: member comments, management reports, meeting evaluations, and so on. So while the board chair pulls together the details of each month's agenda, he or she works from

an agreed-upon template and the whole board is involved in identifying key action points through the year.

Where agenda creation can get tricky is when someone wants a proposal or other item included but the chair doesn't agree that it's board business. Here's where the chair does have more authority—and that's a good thing. A healthy board needs someone making such calls and keeping the board focused, but the rest of the directors should never be without recourse. With a motion, the full board can decide to place any item onto the agenda, thereby exercising democracy, transparency, and accountability.

With the misuse of power in the wider world, it's easy to lose sight of the word's Latin root: *possum*—to be able. A board has to be able to act to bring value to the co-op. How the board agenda is created reflects one aspect of power playing out on a co-op board. As examined above, it can be done with shared authority, transparency, and accountability.



# The Board Chair

## Exercising Productive Power

by Paige Lettington

Power is defined as the ability to perform or act effectively. Directors want to be effective as a board and therefore must exercise power as a group. Having a strong and capable leader for the group—the board president or chair—increases the leadership ability of the group as a whole. The chair contributes to effective board leadership in three obvious ways:

**Managing meetings**—Managing board meetings (and sometimes member meetings) is the chair’s most visible role, and he or she will earn the respect of other board members, the general manager, and member-owners by effectively managing these meetings—by keeping things moving, ensuring that everyone is heard, and diffusing tense situations.

**Focusing the board’s role**—The chair helps the board focus on its role of leadership and visioning, makes sure important issues and tasks are brought to the board at the appropriate times, and ensures follow-up as needed between meetings.



## The Board Chair Exercising Productive Power

**Effective board recruitment and training**—Part of the board chair's role is to assess what the board needs to be powerful. The chair can increase the effectiveness of the board by recruiting directors from diverse backgrounds and perspectives who have the experience the board needs. The chair must also make sure that new board members get good orientation, especially regarding their roles and what is expected of them.

In addition, the chair can exercise other, more subtle skills to make the entire board more effective in its leadership and decision-making roles. Specifically the chair should:

- Respect every board member's contribution and look for ways to get the most out of each board member based on his or her strengths. For instance, one person may be more detail oriented and better at following up on tasks. Another may be very persuasive and good at interacting with member-owners. It is the chair's job to identify and develop such leadership skills.
- Understand different points of view and ensure that they are heard. The chair should find out where board members stand on controversial issues and talk to them individually to understand their concerns. This interaction will help the chair understand different facets of an issue. It will also help assure that everyone's opinion comes out at board meetings.
- Encourage participation in meetings. The chair might need to politely interrupt someone who always has a lot to say and ask for the opinion of someone who has not spoken. The chair can also facilitate the discussion by summarizing and paraphrasing points made by others.

Co-op boards may strive to be egalitarian, and the more each director is willing to stand up and use his or her talents to their fullest, the more effective and powerful the board will be. Still, the chair plays an invaluable leadership role for the board and for the co-op it represents.

*Directors want to be effective as a board and therefore must exercise power as a group.*





# Virtues of a Powerful Board

by Lucinda Berdon

When I think of what strong leadership looks like in my board of directors, I think about three things: how directors empower each other, how they empower me (the general manager), and how they empower the membership.

## **Empower:** “to give or delegate power or authority”

Empowerment is a social process. It happens in our relationships with each other. It’s a process that fosters power in people. It gives us the ability to act on matters that are important to us. In a co-op, both the general manager and the board have power. In addition, a powerful GM makes the board more powerful and a powerful board makes the GM more powerful. While we can’t *make* people empowered, we can provide the opportunities, resources, and support they need to become empowered. And empowering others is a great motivator in becoming empowered oneself.

Here’s an example of when I really felt empowered by my board: Our members were interested in greening our building and becoming less fossil fuel–dependent. The board empowered the membership by empowering me to seek out various options to meet this objective and then to make it happen. We’re in an older facility, and prioritizing large building projects is a challenge. We wanted a huge bank of solar panels, yet our roof needed repair, the siding needed replacing, a loading dock had been put on the back burner, and so on. I chose to install a small bank of panels once we had replaced the roof with the intention of installing more panels in phases as we could afford them. The board strongly supported this approach, and the membership was satisfied.



## Virtues of a Powerful Board

### **Disempower:** “to deprive of power, authority, or influence”

Here’s a scenario where I felt disempowered by my board: Years ago, a board member sided with an employee on the issue of stocking products from China. Then (as now), our job descriptions clearly stated that employees had to stock all products in our product line “regardless of personal philosophy, agenda, political views, or environmental concerns.” At the time, our purchasing policy and guidelines mentioned nothing about country of origin. A staff member wanted to boycott items from China, and although this was an operations issue, a board member couldn’t resist the temptation to get involved. The director brought the issue to a board meeting, asking us to back up the staff member’s boycott and to change our stocking policy. My view was that doing so would not serve our membership or our community. In addition, I had been hired to create and uphold co-op policies. I followed our policies and expected everyone else to follow them as well. The fact that this issue was being raised at a board meeting, in front of guests and coworkers, left me feeling deprived of my authority. A competent board would have heard the issue and strategically taken it to the policy committee level, obtained more information, educated itself, and discussed revising our purchasing policy through a thoughtful process that took management and membership views into consideration.

### **Smart Power**

I value a board that is confident, competent, consistent, and disciplined—one that has the courage to hold its ground, make a decision, and truly represent the needs of the membership. I also appreciate a board that acts as an adviser to me and is committed to my success. By seeking advice from my board, I’m empowering the directors, because I’m showing that I value their expertise, judgment, and experience. When the directors seek my advice, I feel a sense of empowerment because they are showing that they value and respect my experience, expertise, and judgment. They trust that I will do the job they have empowered me to do.



# Power Failure at the Co-op?

by Marcia Shaw



Do you flinch if your board is described as powerful? You shouldn't. You can be a powerful player on a powerful board without contravening your cooperative principles. At the same time, accepting the assumptions of thoughtful cooperation doesn't mean you must give up, ignore, or camouflage your power.

The board is elected to make decisions—especially hard ones! Board decisions have far-reaching implications and are often based upon inadequate or unknowable information. In the real world, a board won't know the outcome of its best judgments for a long time. That is the nature of the decisions a co-op board must make.

Grabbing hold of a momentous decision usually requires that a group jells into a cohesive unit. Directors must know each other, know the processes, and trust that their collective judgment is the best there is. But if your board has a high turnover or several inexperienced members, you might notice a reluctance to

move forward. You might sense the board floundering, slowing down, or trying to put a decision off. Such risk avoidance is one signal that a group has not yet claimed its power.

Avoiding decisions that the board clearly owns may create other kinds of problems. You might keep gathering more information and rehashing the same positions over and over, leading to boredom and frustration. Delay can also create a lack of confidence in your own judgment. Good board members join the board to accomplish things, and dissecting the mite's eyelash doesn't feel like important work to action-oriented people. Not deciding is a decision that has consequences too.

Controversial topics sometimes cause a board to slow down and move carefully. That's fine. But delay too long and you've lost the moment to make a crisp and decisive statement. Opposing

viewpoints travel through the community, and people take sides. Now you've got a bigger problem.

Power can be thought of as the force that gets things done. Using power constructively is what we want the board to do. You won't automatically have all the answers. However, you do have good information from diverse sources, processes that work, well-articulated policies, practiced leadership, the ability to work together, and a commitment to integrity—right?

Notice how much of your regular board work aims to put you in position to exercise your power. Sometimes only the board can focus the conversation or ask the right questions. Sometimes a decisive call settles the question and moves you forward. The time to get clear on when and how to exercise your power is before you need to use it.

## CLAIMING YOUR POWER

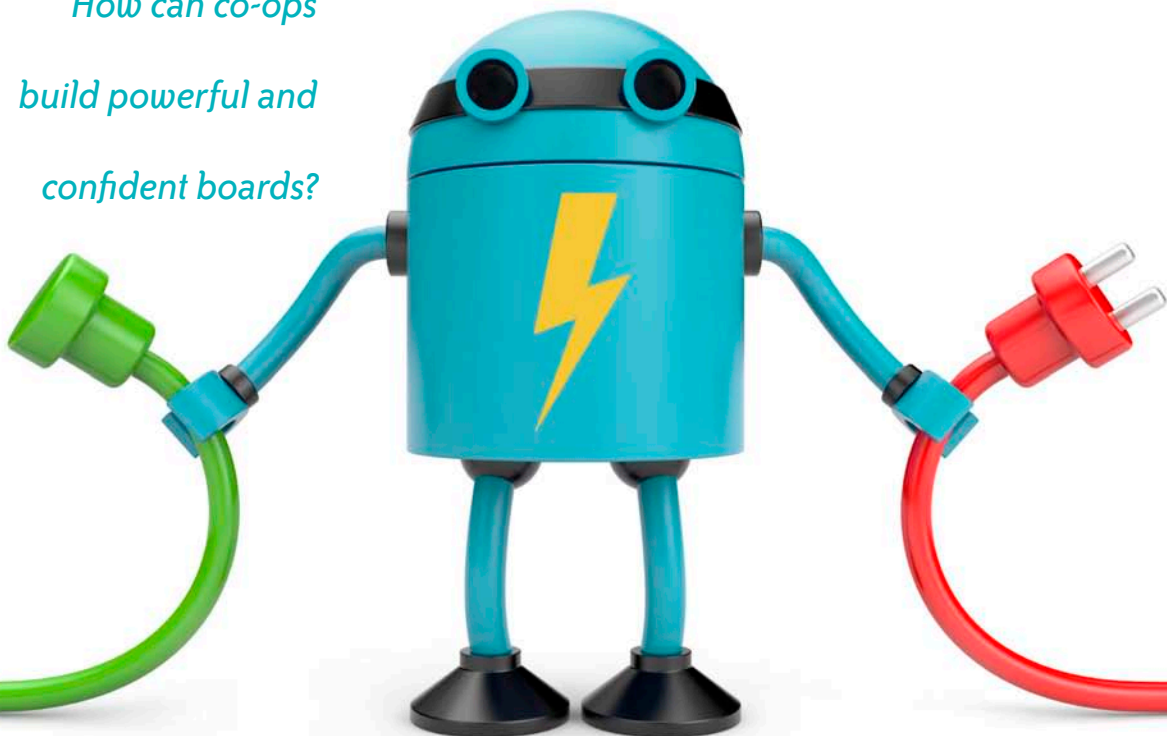
by Cindy Owings

*Does the notion  
of power resonate  
with you or  
scare the bejesus  
out of you?*

We offer the following questions for your board to consider and to guide a discussion of what power means, where power resides, and how your board embraces its power in a healthy, productive manner. Take the time to discuss one or several of these questions and to build agreements on how your board can effectively claim its power.

*How can co-ops  
build powerful and  
confident boards?*

1. Does your board hold effective, adult conversations? Do you keep conversations from devolving into pettiness, personal agendas, and name calling? Who on your board is responsible for leading discussions? How is this person empowered to navigate discussions of difficult issues?



### CLAIMING YOUR POWER

2. Does one board member's position or personal power silence others? Do you or other board members find it hard to voice a different viewpoint after one person weighs in on a topic? How can power be better balanced among board members?
3. Does your board have the confidence and courage to make educated guesses based on incomplete knowledge? Is your board risk averse? How can you strengthen the conversation and individual voices to build directors' confidence and courage?
4. Is your board able to hear what members are asking, examine the issues, and say no if necessary? In making a potentially unpopular decision, what strategies does your board use to claim the power it has been given by voting members?
5. How does your board avoid or succeed in exercising its power? What are you board's soft and hard skills? What steps or resources can help you reach effective leadership.
6. How can your board recognize its humility and celebrate its calluses with the understanding that true empowerment is also acceptance of informed compromise? How does your board reach consensus on sticky issues? How can your board practice its empowerment through information gathering and meaningful discussion?

