

“The Devil is in the Dynamics – How Great Boards Deliver Great Value for their Credit Unions” by Jeff Rendel, Certified Speaking Professional

Great boards have great dynamics among their fellow members. Contemporary research points to a parallel between successful board dynamics and overall value for a credit union. Further, at credit union conferences around the land, the vast majority of directors questioned indicated that great boards are a significant part of credit union success.

What makes a credit union board move from good to great? Dynamics, and meticulous attention to the details involved. The devil is in the dynamics. How does a credit union board refocus its execution regarding dynamics? Culture, capacity, and its chair.

Culture. Boards are valuable teams with established social relationships. Often times, the camaraderie between board members is greater than a board full of high quality directors, but void of partnership. The social nature of a board increases a board’s effectiveness as it looks to lead, as a team, in an ongoing manner rather than only at the monthly meeting. Many board experts have noted that boards functioning as a team are an increased predictor of positive credit union performance.

A culture built on sincerity, relevant expectations, and a mutual partnership with the CEO sets the basis for constructive dynamics. Creating an environment of unguarded and authentic communication heightens a director’s capability to ask management independent questions, examine traditions, and rightly harness the value of the board to the credit union. The board must welcome that it represents the owners of the credit union and is entrusted with ensuring the credit union’s ongoing success on behalf of all owners.

Capacity. As the skillsets required of board members increase, continuing to acquire and develop expertise is important. Current and future board members should acquire and continue to refine their levels of business acumen, matching the credit union’s vision and business model. Board members who adapt with their credit union can help fuel substantial conversations and assist the board in avoiding groupthink.

Capacity also goes past advancing business skills. Committing to engagement, regardless of tenure, helps to institute how well board members cooperate. At its last planning session, one credit union’s newest board member shyly “asked a silly question.” The full board encouraged a deeper discussion of the “silly question.” In the end, that commitment to full engagement led to a significant shift in the credit union’s plans for expansion, the result of a now very “prudent” question.

Chair. Board dynamics are continually intricate, just like the credit union. Thorough leadership of dynamics is central to growth and perpetuation of a great board. Board dynamics require stout leadership from an active chair who pays close attention to relationships, board education, and individual board member commitment.

The chair should help to guide effective relationships at the board level and in communicating the position of the board to the CEO. Most important, the chair should ensure that all parties – governance and executive – find consensus and commitment on and toward the credit union’s goals and strategies. When the board’s vision is aligned with management’s strategies and execution, both parties’ dynamics are at a highly functioning level.

Maintaining productive board dynamics is a practice, not a one-time assignment. Good dynamics help develop the effectiveness of every individual and the fine points of the board. How does your board measure up, and how might you enhance its culture, capacity, and leadership from its chair?

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