

What's a Healthy Relationship Between the Board and General Manager in Co-op Leadership

by Sonny Eboigbe, Board Director and Chair of the Board Candidate Development and Nominations Committee

As fuzzy as it may seem, there is a clear line of demarcation between the roles of the Board of Directors and the General Manager (GM) in leading the Co-op. The balance involves goals set by mutual agreement and the Board setting policy for the GM to implement but not micromanaging the GM.

Our Co-op has an experienced, high caliber management team that knows what they are doing and does not need daily guidance from the Board. Co-op management knows their stuff and the Board recognizes that competency – this creates a foundation for mutual trust and respect between the Board and the GM.

What is the role and responsibility of the Board?

Excellent Board members may not have the experience to manage a grocery store, a multi-million dollar business or a member-based organization. Even those with such expertise weren't elected for that purpose.

The principal role of the Board is to provide leadership by setting policies that reflect the values and needs of owners and by strategic planning. These policies and strategic plans are enacted by management. The Board also represents the combined interest of owners and is responsible for safeguarding their investment and ensuring the solvency and sustainability of the Co-op as a business enterprise.

As it should be, the GM shares responsibility with the Board in terms of long range strategic planning such as the Decisions 2000 plan that was initiated a few years back. The Board listens to and incorporates the GM's operational perspectives in determining long term planning for the Co-op.

What is the role and responsibility of the General Manager?

The GM is a professional, hired and supervised by the Board to be responsible for successfully managing the operations of the Co-op in accord with policies and goals developed by the Board.

The General Manager is an employee of the Board – the only Co-op employee hired and supervised by the Board. The GM manages the Co-op through a management group that he hires and supervises, who are specialists in their areas of responsibility. Although the GM is not a Board member, he attends Board meetings as an active but non-voting participant to report on the activities of the Co-op and provide advice to the Board.

The Board has assigned, among others, the following responsibilities to the GM:

- Manage the fiscal health of the Coop by keeping arduous fiscal records, making them available as requested by an auditor and reporting the outcome of audits to the Board and Co-op owners.
- Attend monthly Board meetings and provide monthly financial and other operational reports.
- Develop an annual budget for Board consideration and approval and update the budget as needed during the year.
- Keep the Board apprised of the goings on in the Co-op and bring to the Board matters requiring Board attention and action.
- Ensure that management of the operation of the Co-op is consistent with the policies and guidelines adopted by the Board.

Maintaining Healthy Balance between Board and General Manager

To be effective and to ensure that member-patrons receive maximum benefits from the Co-op, differences between the Board and GM must be successfully resolved. Because the Board was fully informed by the GM and approved his decisions, even during recent financial turbulence the Board and GM spoke with a united voice.

To prevent potential conflicts the Board ensures:

- That the Co-op is managed through specific objectives consistent with Board policies.
- That the Board and GM do not lose sight of the strategic goals of the Co-op.
- That our only employee (the GM) is adequately compensated.
- That the role of the GM and that of the Board are crystal clear.

Are you interested in participating in this relationship?

Every year the Board seeks good, honorable and forward thinking men and women to serve on the Board. This year two positions are up for election. In this Co-op movement that we have all subscribed to, serving on the Board is perhaps the highest assignment you can assume.

If you are fascinated by a desire to serve and help move the Co-op further along the path of prosperity, we ask that you check out the possibility by picking up a Candidate Information Booklet at the Customer Service Desk. The candidate booklet contains eligibility requirements and information about serving on the Board.

Join the Coop if you are not already an owner and if already an owner, explore serving on the Board. We need good ideas on how best to maintain our position in this very competitive marketplace within the framework of our cooperative philosophy.