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Monitoring the Manager

An Episode of “The Accountability Zone”

BY MARK GOEHRING

*There is a fifth dimension beyond that which is commonly known to directors and managers. It is a dimension open to interpretation potentially as vast as space and as timeless as infinity. It is the middle ground between too much and too little, between knowing and doing, and it lies between the pit of a directors fears and the summit of her aspirations. This is the dimension of expectations. It is an area we call THE ACCOUNTABILITY ZONE.**

Picture this

An average member of your cooperative, now serving on the board of directors, is at home, pulls on a T-shirt that reads, I am accountable for everything that goes on in my co-op, and heads to the cozy chair in the study for one of the most important readings of the month: the monitoring reports from the general manager. The director adjusts the light and begins reading not for entertainment, not because she wants to manage (or micromanage) a cooperative, and not even to be well-informed about whats going on at the co-op, but rather to determine whether the boards expectations are being met.

Rod chimes in again: Youre traveling through another dimension, a dimension not only of sight and sound but of mind a journey into a wondrous land whose boundaries are the pre-established, written criteria of the board followed by the irrefutable interpretations of the general manager. With a co-op board meeting coming up in just a few days, this director has just entered The Accountability Zone.

What questions will the director be asking? Will there be interpretations by the general manager? Will they be reasonable? Will they be irrefutable? Will there be data? Will the director be placed in the position of wondering if it is the right data? Just what are the decisions being made tonight, alone, right here in the study, by this co-op director?

In order to truly appreciate these probing questions, its important that we first see things on the broadest level. For example, what exactly is going on here?

It seems that the director is preparing for a board meeting by reading the monitoring reports submitted in advance (excellent!) and in writing (way to go!) by the general manager (our hero!). We are also working under the assumption that the board has articulated in writing its expectations (smart!). In addition, noting the co-op T-shirt statement of accountability, we understand that the director is not just reading the reports for personal fulfillment, but to satisfy her job of being accountable for everything that goes on in the co-op a big job!

Pulling out of our dramatic context, we could summarize it this way:

#1 The board has expectations for the general manager and has written them down also (but not part of this episode) for itself, the board of directors, and for the cooperative as an organization.

#2 The board has assigned authority for accomplishing these expectations.

#3 The board checks to see if its expectations have been met. Directors are going to need some information in order to know this.

Just how good do these reports need to be?

This director is focusing on the last part of the sequence the checking part. By reviewing the general managers monitoring reports, the director hopes to answer the question: Have the boards expectations been met? We will watch the director answer other, smaller questions, but this is the finale. An answer of Yes hereand these typically come one expectation at a time means she is done checking.

Lucky for the director (and the general manager), this board has an annual calendar, spreading a variety of monitoring reports out over a year. Tonights work wont be dealing with all the boards expectations, just the ones that are scheduled to be checked now.

The first thing the director looks for is an acknowledgement that the document is, indeed, a monitoring report for a specific set of expectations. A simple and direct statement such as the following clarifies the purpose of the document:

*I hereby present my monitoring report regarding accomplishment of your expectation ___ according to the schedule set out. I certify that the information contained in the report is true.
Signed ___, general manager of ___, on this date__.*

In fact, this statement is so simple and powerful that when it is read, the lettering on the directors T-shirt (see above) glows: I am accountable for everything that goes on in my co-op.

The report follows a certain pattern that is familiar to the director. Earlier episodes focused on helpful concepts: for example, that expectations come in sizes; that its helpful to work from broad to specific when setting expectations and from specific to broad when reporting on them; that it is essentially human and quite natural for words to be interpreted; that an interpretation just needs to be deemed reasonable and not necessarily a directors favorite; and that it is part of the general managers job to figure out how to demonstrate accomplishment of the boards expectations.

The distinct pattern is the same in all reports and looks something like this:

- an exact restatement of the boards expectation;
- the general managers interpretation of the boards expectation;
- data to determine accomplishment as determined necessary in the general managers interpretation;
- a statement of compliance or accomplishment;
- if out of compliance, an explanation, plan, and timeline.

What questions will the director be asking?

The pattern of the report shapes the questions the director will be asking. Since the director has limited time available to fulfill her role of being accountable for everything going on in the organization, the reports focus solely on written, pre-established criteria as set forth by the board.

She knows which expectations this report is responding to and that the information in the report is true. By including the exact language of the boards expectation, the general manager is helping the director stay focused on what the board has said. (The director is, in the background, always asking, Is this the policy we want?not so much as it relates to the monitoring report in hand, for that is about stuff that already happened, but in light of the boards expectations for the future.)

The first question: *Is the interpretation reasonable?* (This is a Yes/No question.) In The Accountability Zone, once the board has assigned authority to fulfill an expectation to the general manager, then everything flows from the managers interpretation of those expectations. In the interpretation, the general manager clearly establishes what data will demonstrate accomplishment of the boards expectation. The director simply wants to know if the interpretation is reasonable. Can she answer Yes based on the written report?

Knowing this, the general manager has taken great care to craft the interpretation so that:

- The interpretation makes the board expectation measurable. How does the GM know if an expectation has been accomplished? What data will be used to demonstrate accomplishment of the specific board expectations being reported on?
- The interpretation uses third party support whenever possible. Why choose that interpretation, methodology and data? Is there support for this measurement approach?
- It is irrefutable. Will this interpretation stand the tough test of scrutiny by a diverse set of directors concerning what is reasonable? This is particularly meaningful to our director who, like the other directors, wants to determine reasonable accomplishment at home, alone, in the study with a written, compelling monitoring report.

The next question: *Is there adequate data to determine compliance/accomplishment?* (This is a Yes/No question.) This section of the report directly follows from the interpretation. The interpretation specifies that certain specific and measurable data will determine accomplishment, and here is where the director is presented with that data. Nothing more, nothing less. In The Accountability Zone, the lights flicker if director has to wonder whether it is the right data.

The last question: *Does the data demonstrate compliance/accomplishment of the boards expectations?* (This is a Yes/No question.) If the interpretation posits that certain specific data qualifies as accomplishment of the boards expectations, and if the data presented meets or exceeds those qualifications, then the case has been made for accomplishment. The general manager has presented a statement of compliance or accomplishment of the boards expectation.

If the data demonstrate that the expectation has not been met, which the general manager is aware of as the author of the report, the manager dutifully includes an explanation and a plan with a timeline that shows when the expectation will be met. Consistent with the whole process, the point of this plan is to forecast accomplishment of the boards expectation by a certain date in the future. And since board expectations are subject to intense scrutiny during this process, its also possible that the general manager might suggest the expectation be revised.

Just what decisions were made, alone, in the study, using a report? Our director concludes her review of the monitoring report by deciding whether she is in agreement with the general managers conclusions regarding a reasonable accomplishment of the boards expectations. (The shirt is glowing.) But she is not really alone in The Accountability Zone: all of the directors begin the next board meeting knowing how they answered these same questions, and they are prepared to act on the report. A group decision followed by documentation in the meeting minutes concludes the accountability loop on the expectations being monitored.

The room glows when, moments later, the directors whip out their nifty co-op caps that boldly state, Our board has time to define the future and begin work on another aspect of accountability.

The Accountability Zone in the co-op landscape

Directors live in the vast middle ground between too much and too little, between knowing and doing. A monitoring process that reports to pre-established expectations, that relies on any reasonable interpretation, and that insists on measurable data to determine accomplishment allows each director to enter The Accountability Zone and emerge with fulfillment of her responsibilities as a director.

Individual directors and managers are not alone in this work, for across the country hundreds of co-op directors enter and emerge from the Accountability Zone on a regular basis. To work with directors system-wide on effectiveness governance, the Cooperative Development Services Leadership Team (Marilyn Scholl, Peg Nolan, Linda Stier, Michael Healy, and I) ran a pilot program with 24 co-ops in the eastern corridor in 2005. This year, the program, now called Cooperative Board Leadership Development (CBLD), includes more than 40 co-ops in the central and eastern corridors.

As part of this program, newly elected directors are encouraged to attend Cooperative Board Leadership 101 (CBL 101) a board orientation class. In 2005, 41 directors from 20 co-ops attended one of these co-op group sessions. In January 2006 alone, 47 directors from 18 co-ops attended CBL 101, and several more sessions are scheduled for later in the year.

Accountability presented itself during the first year of the program as a theme worthy of focus and development. Two Cooperative Accountability Conferences will take place in the east so board leaders and general managers can begin working on the topic together. The first one took place in late January with 16 co-op board leaders and 10 general managers. The second one will be in April in the northeast.

Ends: notes

Its true that the word expectation shows up 40 times in this article. Hmmmm, maybe boards should have expectations and write them down (smile). In this case, the word is nearly always synonymous with the word policy. I do believe that reading policy 40 times would have been more painful than reading about expectations. The point is that having policies is the same as having expectations. You take it from there

See you in the Zone.

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