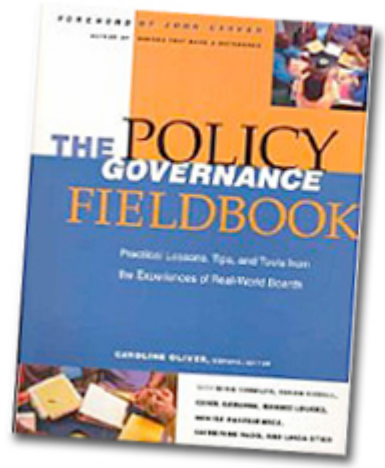
This presentation was from a workshop at the Vermont School Boards Association annual conference in November 2009.



The speaker, Susan Edsall, is a private consultant working with not-for-profit organizations on large scale systems change including organizational culture, strategic planning, conflict resolution, team learning and board development. She serves clients in New England and the west coast.
She co-authored a book on board governance titled Policy Governance Fieldbook, published by Jossey Bass and in June 2004 her memoir titled Into the Blue: A Father’s Flight and a Daughter’s Return was published by St. Martin’s Press.

She works out of her office in Ennis, Montana.

Moral Ownership

Definitions and Implications:

On whose behalf are we making decisions? What is the source of the board’s legitimacy?

1. In order for the decision making of the board to be ethical, due consideration must be given to the owners -- as a whole -- not as individuals. The board’s job is not to “represent” various constituencies.

2. This “whole” will have competing interests. The Board’s job is to know what these competing interests are.

3. Identifying the ownership is not a meaningless gesture. It establishes a new level of discourse about accountability and the proper role of “pretenders” or “stand-ins” -- staff, vocal groups, customers.

4. By connecting with the ownership the board is able to determine what business the organization is in -- ends.

5. Often the ownership doesn’t know it’s the ownership -- and some people who think they are the owners aren’t -- or are not all of them.

6. The board defines who the consumers are and what benefits the organization should produce for them -- ends. But it does not concern themselves with the consumers complaints, except, if they choose, as a way to monitor executive limitations.

7. Nothing in the concept of ownership denies the importance of other interests, those other interests are just considered differently.

Why is defining the ownership important? What difference does it make?

1. There are many, many voices clamoring for the board's attention. The board listens to these voices differently -- or not at all -- depending on whether they are owners, stakeholders, or consumers. Knowing clearly who the ownership is enables the board to listen to owners in order to make decisions on their behalf.

2. The board is established to gather the desires of multiple owners and to translate these competing wishes (short term vs. long term gain, emerging markets vs. historic, etc.) into strategic direction (ends). Individual owners do not direct the board. Owners jointly inform the board.

3. The board's legitimacy is not tied to any particular consumer group -- but to the owners, which may or may not include particular consumer groups. The board is not able to be accountable to its ownership if it doesn't define who that ownership is.

4. The board looks to the ownership in order to:
    - be accountable
    - create the future
    - clarify values
    - educate the owners
    - build relationships

How do we confuse the concept of "ownership" with other legitimate concepts like "stakeholder" and "consumer," "customer," or "beneficiary"?

Confusion between owners and stakeholders:

1. Stakeholder is a more inclusive term than owner.

2. Stakeholder concerns are a legitimate consideration in board deliberation, but should not be confused with owner concerns.

3. Obligations to stakeholders are weighted within the framework of accountability to the ownership.

Confusion between owners and customers

1. Owners decide what the organization focuses on (doing the right thing),. Consumers say whether the delivery of that was high quality (doing things right).

2. Owners don't have individual rights like consumers do. Owners jointly inform the board, consumers complain or make demands or give input individually to the staff of the organization.

How do owners impact organizational decision-making? How do other constituencies impact organizational decision making?

1. Owners jointly inform the board. The board makes decisions for the whole, not for individual constituencies within the ownership. Owners decide what the organization focuses on (ends).

2. The board should listen to anyone who can increase its wisdom, but the board works for the ownership.

3. Obligations to other stakeholders are weighted within the framework of accountability to the ownership.

4. The board translates competing wishes and values of the ownership into strategic direction (ends).