

D. Board Management Relationship Policies

D-Global Board-Management Connection

The Board's sole official connection to the operational organization, including its achievement and conduct, is through a chief executive officer titled General Manager.

D1-Unity of Control

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

D2-Accountability of the GM

The General Manager is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct nor evaluate any person that reports directly or indirectly to the GM.

D3-Delegation to the GM

The Board instructs the GM through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the GM to use any reasonable interpretation of these policies.

1. The Board will develop policies instructing the GM to achieve specified results, for specified recipients at a justifiable cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends.
2. The Board will develop policies which limit the latitude the GM may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations.
3. As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the Cooperative. Such decisions of the GM shall have full force and authority as if decided by the Board.
4. The Board may change an Ends or Executive Limitations policy. Such change is only binding from that point forward.

D4-Monitoring GM Performance

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

WSM Board Policies

1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring.
2. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the appropriate policy criteria.
3. The Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board assesses reasonableness based on evidence rather than with interpretations favored by individual directors or by the Board as a whole.
4. The Board will accept that the GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
5. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
6. The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received for the fiscal year, will be completed by November. The Board will make its decisions concerning the evaluation no later than December.

D5-General Manager Compensation

The Board will set GM compensation based on the fair market value for the skills and experience required to accomplish the Ends and to comply with the Executive Limitations.