

POLICIES AND PROCEDURES

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The Role of the Board of Directors and Executive Director

The Role of a Board Member

A Board of Directors functions as a body in its deliberations and policy-level decisions. But each member is elected as an individual. Each Board member must accept the Mission of the organization and make certain that the Mission is reflected in the decisions that they make. A Director has the following three fiduciary responsibilities to the Association as a whole, and not just to the Board of Directors. These are a duty of care, a duty of loyalty, and a duty of obedience.

Decisions made by the Board should also reflect the concern for and knowledge of an organization's total needs. Attending Board meetings is only part of Board members' responsibilities. An individual must become well-informed about the work of the Board and should be prepared to ask discerning questions. Before decisions are reached, all points of view must be fully explored. A Board member, regardless of personal point of view, is responsible to support the decisions of the Board in public. No Board member has any right or authority to act upon his/her own in the name of the organization unless delegated specific authority by the Board of Directors.

In carrying out its responsibilities, the Board of Directors functions in nine major areas:

1. Leadership...helping achieve the Mission and goals of the Product Development & Management Association;
2. Fulfilling obligations;
3. Policy-making;
4. Hiring and relating to the Executive Director;
5. Budget and financial management;
6. Linkage to the members of the organization;
7. Recommending and overseeing improvements in programs and activities; and
8. Ensuring that policies of the organization are carried out.

When carrying out these functions the Board makes decisions reserved exclusively to it and assumes the legal responsibility for its actions.

Setting Policy

The Board directs the organization through policy and allows the Executive Director and Director of Operations to carry out the policy. The Executive Director manages the day-to-day operations of the organization.

There are three steps in policy making:

1. The Board makes policy decisions.

Board policies determine what the organization will do. For example, approving the Budget is setting a policy.

2. The Board directs the Executive Director to implement policy.

The Executive Director implements policy and determines what individual volunteers, service providers and staff will do for the organization in carrying out policy. For example, spending within the approved budget is implementation of the policy.

3. The Board monitors implementation of the policy.

The Board must monitor implementation and the outcome of policy. For example, examining financial statements is monitoring policy.

The Board has the ultimate responsibility for setting policy. However, the Executive Director and Director of Operations and delegated individuals should be encouraged to provide input into policy direction.

The Differing Roles of the Board and Executive Director

Governing an organization must be a team effort between the Executive Director and Board. Each has responsibilities to help the team succeed.

Some examples of the differing roles are:

Board Responsibilities

- handle issues that affect the whole organization
- set policy for the organization
- set financial policies and monitor financial outcomes
- approve the budget
- set values of the organization

Executive Director Responsibilities

- handle specific issues that affect members and Chapters
- manage how policy is implemented
- carry out the day-to-day activities of the organization within the set financial policy
- make staffing and spending decisions based on the budget with appropriate committees
- ensure the organization is managed according to those values

The Board of Directors, the Executive Director, the Director of Operations, the vendor service providers, and worldwide network of volunteers, as a team, can achieve the goals and Mission of the organization. Working together, PDMA can be "thought leaders in new product development" and the leading non-profit organization dedicated to the improvement of product development and management practices.

References:

Bylaws of PDMA - Article VII Board of Directors, Article VIII Officers
Organizational Guides – Executive Director