Resolution Nos. **13-14**  □New  □Substitute  □Amendment

Date Submitted: **March 2013**

Submitted By: **MDA Governance Work Group and MDA Board of Trustees**

MDA Strategic Objective: While this is not an objective of the strategic plan it is mandated through House policy, 23H-03.

**Resolution 23H-03:**
Resolved, that the Michigan Dental Association examine its governance structure at least every 12 years.

Staff Implications: Within current job scope
Ethical Implications: None

**Estimate of Financial Implications**
Funding for governance study was previously approved by the Board. There are no costs directly attributable to the performance requirements and gaps. However, for the House’s information, the MDA board approved funding for the entire governance study process.

**Individual Dentist:**
Direct Costs $0  
Set-up Costs $0  
Ongoing Costs $0

**MDA:**
Direct Costs $0  
Set-up Costs $0  
Ongoing Costs $0

**MDA GOVERNANCE:**
**PERFORMANCE REQUIREMENTS AND GAP ANALYSIS**

**Background:**
Your Michigan Dental Association has recently begun a careful study of its governance structure to ensure that the MDA is making the most effective decisions in the most efficient way possible. Governance refers to the way in which decisions are made within the MDA and involves actions of the Board, the House of Delegates, and committees.

The MDA is conducting a governance review for two reasons: 1) it is a top level association and it must continually self-evaluate in order to remain a top association 2) the House of Delegates adopted policy that the MDA’s governance structure be reviewed every 12 years.

The MDA did not begin this project with any preconceived notions about what is -- or is not -- broken. Just as it is good practice for patients to receive periodic check-ups regarding their dental health, it is also a good practice for the MDA to assess its organizational health.
Dr. Michael Gallery conducted phone interviews with leadership and key staff to identify strengths and weaknesses in the current structure. As the consultant who assisted the MDA with its strategic planning, Dr. Gallery is well aware of MDA’s mission and goals. Based on the phone interviews, Dr. Gallery found the need to clarify the roles of the House, Board and committees. Several people were concerned about the size of the MDA Board.

**Governance Work Group:**

President Jeffery Johnston appointed a Governance Work Group (Attachment 1) that offers a balance among past and current leaders, as well as members of the Board, the HOD, and committees. The Work Group held its first meeting on July 25, 2012. The work group discussed the governance reorganization process (Attachment 2) and the projected timeline (Attachment 3) of the process, which is anticipated to be completed in April 2014.

**Performance Requirements:**

Just as dentists compare a patient’s oral health to a set of standards, the work group has compared the MDA’s governance structure to a set of standards referred to as “performance requirements.”

The purpose of specifying performance requirements is to help organization leaders understand the issues that must be addressed. Performance requirements help define the needs of the association and specify the essential elements that must be present.

The work group assessed the strengths and weakness of the structure given MDA’s strategic plan. After reviewing and discussing the findings from the assessment, the work group developed the performance requirements. These performance requirements (Attachment 4) were approved by the MDA Board at its September 21, 2012 meeting.

**Gap Analysis:**

The next step involved the members of the Governance Work Group comparing MDA’s current structure to the approved performance requirements.

A problem is defined as the critical difference between what is and what should be. By comparing the MDA’s governance structure (what is) with the approved performance requirements (what should be) the work group was able to identify several gaps (problems) with MDA’s current structure.

Performance requirements were assigned to individual work group members and each member was asked to analyze whether the current structure met the assigned requirement. The work group then met via conference call on October 12, 2012 to review the individual reports and come to consensus on the gaps.
The Gap Analysis, with minor editing, was approved by the Board at its December 7, 2012 meeting. A description of those gaps appears in the second column of the Gap Analysis (Attachment 5).

The work group met on January 14, 2013 to determine what should occur next. It decided at that meeting that before it can delineate specific solutions to close the gaps, it needs to know whether the HOD agrees with the performance requirements and gaps. Once the HOD makes those decisions, the work group can finalize recommended solutions for the MDA Board’s consideration.

Following the 2013 MDA HOD meeting, the next step for the Work Group will involve problem-solving. It will develop potential solutions to the identified gaps. When it looks at the structure, it will include in the process whether the structure allows and is designed to facilitate the mission and goals of the Association. Those solutions will be shared with leaders, committee members, and the House of Delegates as well as the general membership. By allowing for broad-based input, there is increased likelihood for developing the best solutions to the identified problems.

Speaker Peters has arranged for a presentation, question and answer period during the first HOD session on Thursday, just before the reference committee hearing. The presentation will be led by Drs. Joanne Dawley with Drs. Debra Peters, Michael Gallery and Mr. Drew Eason available for comment. The HOD is advised that nothing is set in stone; the MDA Board and workgroup are awaiting HOD directive on the performance requirements and gaps before moving forward. Between this background, the presentation and Q and A session, the HOD should have the tools to make an informed decision.

Resolutions

13. Resolved, that the MDA approves the Performance Requirements, dated April 20, 2013 to be used as a basis for revising the MDA governance structure.

14. Resolved, that the MDA approves the Gap Analysis, dated April 20, 2013.

VOTE REQUIRED: Majority of delegates present and voting

VOLUNTEER RESOURCE: Joanne Dawley, DDS, chair, Governance Work Group

STAFF RESOURCE: Mr. Drew Eason, CAE, executive director

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Governance Reorganization Process

1. Establish Performance Requirements
2. Approval of Performance Requirements
3. Identify Gaps Between Performance Requirements and Current Structure
4. Approval of Gaps
5. Revise Structure To Address Gaps
6. Approval of Structure
7. Revise Bylaws Consistent with New Structure
8. Approval of Bylaws
May 2012
Establish Work Group

June 23-24, 2012 Board Meeting
Board meets and Michael Gallery presents process and meets with chair and staff.

July 25, 2012
Michael Gallery face to face meeting with full Work Group to develop performance requirements for approval by the Board. Work Group must set its future meetings.

August 2012 Delegate Digest
House is provided with the Governance process

August 27, 2012
Work Group must have its report ready by August 27 for the September Board meeting. Report approved by Work Group via email.

September 21, 2012 Board Meeting
(Board approved performance requirements)

October 2012 Delegate Digest
House is provided with the performance requirements and encouraged to provide input.

October 12: Work Group met via conference call to review the gap analysis.

November 12, 2012
Work Group must have its report ready by November 12 for the December Board meeting. Report to be approved by Work Group via email.

December 7, 2012 Board Meeting
(Board approved gap analysis)

September 24: Work Group met via conference call to receive individual assignments.

MDA Governance Review
May 2012-December 2012
Current to: March 5, 2013

House is provided with the performance requirements and encouraged to provide input.

Delegate Digest
House is provided with the performance requirements and encouraged to provide input.

October 2012 Delegate Digest
House is provided with the performance requirements and encouraged to provide input.

October 12: Work Group met via conference call to review the gap analysis.

November 12, 2012
Work Group must have its report ready by November 12 for the December Board meeting. Report to be approved by Work Group via email.

September 24: Work Group met via conference call to receive individual assignments.
MDA Governance Review
January 2013-June 2013

January 2013
MDA Board voted to hold a special House meeting to review the design alternatives to address the gaps identified by the work group.
MDA Board voted to fund a special meeting and membership mailings.

February 22, 2013 Board Meeting
MDA Board voted to hold a special House meeting to review the design alternatives to address the gaps identified by the work group.

March 2013

March 1, 2013
Notification to delegates and alternates of the date/time/place for the September 20, 2013 Special House meeting.

January 14, 2013
Work Group met from 9am-3pm at MDA Building to begin to design alternatives to address the gaps (design requirements and problems).

January 28, 2013
Work Group must have its report ready by January 28 for the February Board meeting. Report to be approved by Work Group via email.

2013 HOD
April 17-20:
The HOD will approve the performance requirements and gaps (not solutions or Bylaws changes).

June 23, 2013 Board Meeting
Board to review and approve recommended solutions submitted by the Work Group.

May 17, 2013
Work Group meets to review feedback from the HOD and finalize recommended solutions to gaps approved by the House. The recommended solutions will be reviewed and approved at the Board’s June meeting.

Subject to Change
The recommended solutions are communicated to the delegates/alternate and membership for review prior to the September special House meeting.

2013 Special HOD (September 20):
The HOD will review and approve the proposed solutions for the MDA governance structure.
The final bylaws changes will be presented to the HOD in May 2014 for approval.

October-November 2013
Bylaws changes are developed and reviewed and approved by the work group.

January-March 2014
HOD and member communications yet to be determined.

March 19, 2014
45-day requirement for bylaws changes to be published to the membership (on the HOD Web page.)

April 4 2014
HOD mailing to include Bylaws changes.

2014 HOD Meeting
May 2-4, 2014
The HOD will review and approve bylaws changes based on the solutions approved by the HOD in September.

Subject to Change
The MDA Governance Task Force recommends that any governance structure accepted and implemented by the MDA meet, at a minimum, the following Performance Requirements.

1. The governance system facilitates a constant stream of communication among all elements of the governance system.
2. Decision makers decide on organizational outcomes and do not prescribe the process(s) to be used to achieve those outcomes.
3. Term limits achieve a balance between the need for new leadership and the need for continuity within leadership.
4. When appropriate, spending decisions are driven by the strategic plan.
5. The group that makes final decisions about the budget should also be the group that has the responsibility for maintaining the financial sustainability of the organization.
6. The governance structure ensures that decision makers are provided with the appropriate knowledge, information, and time to make informed and timely decisions.
7. Positions of leadership are filled by those most qualified.
8. The governance structure facilitates identification and correction of leadership performance issues.
9. Roles and responsibilities of each leadership position are clearly defined and the relationship among the various positions is also clearly defined.
10. All people holding positions of leadership are to be actively engaged.
11. The governance structure encourages member engagement and participation at a variety of levels.
12. Whenever possible, decisions are made consistent with the strategic plan.
13. Bylaws, policies, and procedures of the components are consistent with the MDA.
14. Board members meet the minimum requirements for board membership, as set by the MDA.
15. Decision makers speak with one voice, once a decision is made.
16. Committees are formed (or deleted) and structured based on the strategic plan and/or needs of the association.
17. The structure has mechanisms to secure member input.
1. The governance system facilitates a constant stream of communication among all elements of the governance system.

In this age of communication via the Internet, cell phones, texts, and tweets, the essential task of having a governance system that "facilitates a constant stream of communication among all elements of the governance system" may be obtainable. It requires systems in place that allow every volunteer to be constantly updated and briefed in context to everyday communications. In associations, volunteers entrust many of these policy issues to be adequately handled by association staff and the only time a problem arises is when a member or minority group of members disagrees with a decision. Constant communication must be mixed with a high level of trust not just the facts. With any crucial communication it is not just what is said but how it is said.

Attributes of ideal communication
1. Timely
2. Trust in the author of the communication
3. Easy access to the communication
4. Branding of the communication so it stands out from other unrelated communication
5. Acknowledgement of receipt of the communication
6. Mechanism for feedback for the communication
7. Adequate background to understand the communication
8. Agreed upon expectations of actions that can result from communications
9. Agreed upon expectations if the communication is informational in nature
10. Agreed upon expectations of confidentiality

The larger the group the more difficult it is to achieve all 10 attributes. Given the vagaries within the components as to when delegates are selected, sometimes communication can lag since some delegates/alternates are appointed just before Annual Session.

The group agrees that the MDA is doing a good job with points 1-4 and 7. It needs to address points 5-6 and 8-10.

2. Decision makers decide on organizational outcomes and do not prescribe the process(s) to be used to achieve those outcomes.

There are times that the House of Delegates is too prescriptive in its resolutions. Because of the size and dynamics of the Board and the fact that staff is present, issues are resolved on the spot by the Board. Agreed there is a gap.

3. Term limits achieve a balance between the need for new leadership and the need for continuity within leadership.

Delegates do not have set term limits. (Some components have bylaws regarding this, some do not).

Issues:
* less turnover of delegates, prevents new members from serving

Agreed there is a gap.

The issue is at both ends. MDA wants to be sure terms are not too short whereby continuity of thought is lost.
4. When appropriate, spending decisions are driven by the strategic plan.

- **No gap identified.**
- **Agreed there is no gap.**

5. The group that makes final decisions about the budget is also the group that has the responsibility for maintaining the financial sustainability of the organization.

- **The HOD has final budget approval when the Treasurer and Board of Trustees shoulder the responsibility for financial sustainability.**
- **Example- HOD could authorize revisions to a budget involving programs or assessments that could cause a budget deficit. There may not be good understanding of budget priorities (long-term) at the HOD level.**
- **Agreed there is a gap.**
- **The House has listened to the treasurer and the Board in the past when it comes to budgeting.**
- **The group that makes final decisions about the budget (HOD) is not the group that has the responsibility of maintaining the financial sustainability of the org. That duty rests with the Board.**

6. The governance structure ensures that decision makers are provided with the appropriate knowledge, information, and time to make informed and timely decisions.

- **The present governance structure does ensure that decision makers are provided with the appropriate knowledge, information, and time to make informed and timely decisions.**
- **There are specific number of days outlined in the bylaws for trustees, delegates, alternates and members to receive resolutions and information.**
- **They receive the background information they need to make decisions.**
- **There are various avenues such as caucuses, reference committees, contacting your trustee and MDA officers for additional information regarding resolutions and decisions made by the board.**
- **While the MDA provides the information, the individual has to read it; hence the gap.**

Factors include:
- **Size:** The larger the group the more an individual can hide and not do the work (reading, speaking up).
- **Frequency of Meetings:** The less participants recall at the next meeting.
- **Turnover:** When a significant portion of the group members are constantly changing it is hard to maintain continuity.
| 7. Positions of leadership are filled by those most qualified. | Delegate/alternate positions go unfilled annually or components are challenged to find members to step up and fill leadership roles. Members elected to leadership positions are chosen based on geography rather than on qualifications. Mentoring of members to fill leadership positions does not exist in an organized fashion such as a leadership institute. Therefore, there is no structure to help identify those “most qualified.” The Board is comprised of members chosen by components without regard for a particular qualification(s) of an individual that may “round out” the composition of the managing body. | • Reference Committees: Reference Committees are not always used to the greatest advantage. For instance, there have been times when HOD members don’t make comments in the reference committee and then make comments at the microphone the next day at the HOD that should have been made at the reference committee hearing. Members who don’t read the HOD Manual may not know what the reference committee is for.  
• The structure of the House allows for one delegate to attend the 1st HOD meeting (information part and reference committee) and the alternate to attend the second session to vote.  
• HOD sometimes identifies an issue with policy and amends the policy on the floor of the House without getting committee input first. | Yes ☑   No ■  
Agreed there is a gap.  
There is no organized fashion of mentoring. Need follow through from the component level up to the state level.  
There is a cultural issue - board positions are sometimes seen as a reward for past work at the component level.  
A different structure could yield a different outcome. |
8. The governance structure facilitates identification and correction of leadership performance issues.

There is a gap with regard to the key terms: “facilitate”, “identification” and “correction” (of leadership performance.)

The Committee Operating Manual perhaps comes the closest to achieving our desired performance requirement. In its section IV (“Committee Membership Structure”), it offers specifics and particulars as to the appointment, term, responsibility (responsibilities), resignation and removal of those serving in the capacities of (Committee) Voting Members, Chairperson(s), Consultants and Board Liaison(s).

Another favorable example that approached our requirement was found in the methodology for evaluation and selection of an Executive Director (Board Operating Manual, Attachment E.) However, while this facilitates identification of leadership qualities, this was not entirely germane to “identification and correction of leadership performance.”

Other manuals (MDA Bylaws and Articles of Incorporation, MDA Association Policy Manual, MDA Board of Trustees Operating Manual, MDA Board Policy Manual, MDA House of Delegates Manual, MDA Committee Operating Manual and the MDA Peer Review/Dental Care Manual) offer significant insight into the authorities vested in leadership roles, as well as the duties and responsibilities of those serving in various capacities. However, these were often broadly stated, and none spoke directly to identification of, and correction of, leadership performance issues.

Agreed there is a gap.

- There is no formal review process or evaluation component of any of the leaders.
- Better training of existing leaders on how to address inappropriate behavior or performance deficiencies.
- Need clear delineation of expectations and a means to evaluate those expectations.
- Having regional representation on the Board can lead to trustees voting based on their regions’ needs and not the MDA as a whole.

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9. Roles and responsibilities of each leadership position are clearly defined and the relationship among the various positions is also clearly defined.

MDA officer’s roles are clearly defined, but the relationships between components, trustees and, delegates are not. Delegates and trustees take positions that may be beneficial to their component but may not be in the best interest of the MDA.

Agreed there is a gap.

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<td>Resolution</td>
<td>Description</td>
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<td>15. Decision makers speak with one voice, once a decision is made.</td>
<td>HOD members are reminded prior to the close of the annual meeting that the actions taken are now the decisions for the MDA. While members may disagree with the decision, they have not pursued anything that would put our association in a predicament to explain the variance. While BOT members may realize that members of his/her component may not agree with a particular decision, discussion occurs at the meeting to assist in addressing any concerns so that one message may be delivered. When issues have come up, they have been quickly addressed by the E.D. or the president with the Board member.</td>
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<td>16. Committees are formed (or deleted) and structured based on the strategic plan and/or needs of the association.</td>
<td>While this used to be a gap, it no longer is. The MDA Board studied its committee structure at its June 2012 board meeting and is in the process now of making changes, providing specific charges to committees, etc. We believe a process is in place to annually review committees and their charges.</td>
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<td>17. The structure has mechanisms to secure member input.</td>
<td>Multiple sources and technologies are available for the membership to communicate their concerns with the association. However, many members use the House of Delegates floor as the time and place to express themselves.</td>
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