

Keweenaw Co-operative, Inc.  
Combined Board-General Manager Relationship (B-GM) Policies  
as of July 10, 2024

## **Board-General Manager Relationship (B-GM)**

***Policy Scope:** These policies define the delegation style, practices, and discipline that make up the Board's relationship to Co-op operations and the employment of a General Manager.*

**GLOBAL:** In accordance with fair and effective employment practices, we responsibly delegate all Co-op operations to a General Manager of our choice while at all times maintaining unity of control and clear distinctions between Board and Management roles.

B-GM 1. **Hiring the General Manager.** When hiring a new General Manager, we use a structured process supported by a Board committee.

- 1.1. **Process.** We formally adopt a comprehensive search and hiring process, with a projected timeline and sufficient resources to assure that the search is timely, competitive, and successful.
- 1.2. **Initial Compensation.** We formally adopt a salary range and structure based on industry standards and qualifications.
- 1.3. **Job description.** We formally adopt a job description and hiring/first year contract.
- 1.4. **Interviewing.** We formally adopt a consistent approach to Board interviews with all candidates.
- 1.5. **Selection.** We allow sufficient time to hear and understand the perspectives of all Directors, strive for consensus, and finalize our decision with a Board vote.
- 1.6. **Confidentiality.** We conduct all deliberations in closed session.

- B-GM 2. **Delegation to the General Manager.** We speak with “One Voice” to clearly delegate Co-op operations to a General Manager who serves as our only link to operational achievement and conduct.
- 2.1. **Authority.** We delegate authority to the General Manager solely through written Corporate, Ends, and Executive Limitations policies.
  - 2.2. **Operations.** We authorize the General Manager to establish all further policies, practices, and plans for operations, and we respect and accept their choices as long as they are based on reasonable interpretations of our policies.
  - 2.3. **Chain of Command.** Our Officers, Committees, and Individual Directors do not instruct or otherwise supervise the General Manager unless specifically authorized by the Board.
  - 2.4. **Clear Delegation.** Our Officers, Committees, and Individual Directors are not given responsibilities that interfere with, duplicate, or obscure the responsibilities given to the General Manager.
  - 2.5. **Supervision.** We do not instruct or evaluate any employees other than the General Manager and Board Administrative Assistant.
  - 2.6. **GM Right to Refuse.** Except for valid requests under Bylaw Article XIV, our Officers, Committees, and Individual Directors accept any refusal by the General Manager to satisfy information requests that are deemed too costly for operations.

- B-GM 3. **Monitoring of Operational Performance.** We systematically and rigorously monitor the General Manager's operational performance against previously stated Ends and Executive Limitations policies.
- 3.1. **Schedule.** We regularly monitor these policies according to an annual schedule established in our Board calendar, and we authorize policy monitoring at any other time we deem necessary.
  - 3.2. **Reports.** We use monitoring reports to determine if the General Manager is in compliance with these policies. Monitoring reports are acquired by one of three methods: internal report, external report, or direct inspection.
    - 3.2.1. Internal reports are produced by the General Manager according to a format consistent with Policy Governance®, and provide reasonable interpretation of our policies and sufficient evidence to demonstrate operational compliance.
    - 3.2.2. External reports are produced by a disinterested third party selected by the Board, and provide sufficient evidence for their independent assessment of operational compliance with our policies.
    - 3.2.3. Reports by direct inspection are produced by a Committee or Director authorized by the Board and provide sufficient evidence for us to assess operational compliance with our policies.
  - 3.3. **Compliance.** We consider the General Manager to be compliant if they present a reasonable interpretation of our policy and there is adequate evidence that operations have met that standard. We only hold the General Manager accountable for policies that were in effect during the time period being monitored.
    - 3.3.1. We always serve as the final arbiter of the “reasonable interpretation” standard, whereby we accept any interpretation that a reasonable person could have made given the same situation.
    - 3.3.2. We either approve a report as compliant, approve it as non-compliant with a reasonable plan for correction, or extend the monitoring process if Director concerns over evidence or interpretation merit a deeper look. Concerns over the policy itself are referred to the Policy Committee for further inquiry.

B-GM 4. **Annual Evaluation of the General Manager.** We employ, evaluate, and compensate our General Manager with a fair and structured process that aligns with the principles of Policy Governance® and our established policies.

- 4.1. **Criteria.** We view General Manager performance as identical to operational performance, such that reasonable progress toward Ends, staying within Executive Limitations, and upholding our Corporate policies will be viewed as successful GM performance.
- 4.2. **Cycle.** The sole basis for determining General Manager success is one annual cycle of General Manager Monitoring Reports, from August through July. We make our final decision no later than November.
- 4.3. **Committee.** We utilize a Board Committee to assess the degree of General Manager performance success. By the end of September, the Committee provides the Board with a comprehensive assessment of the General Manager's compliance with policies, recommendations for changes to the terms of employment including compensation, and if necessary, recommendations for probationary employment or termination.