

Board Governance: Roles and Responsibilities For Invest in Neighborhoods (IIN)

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Introductions

- **Your name**
- **Nonprofit organization in which you're involved (why you're here)**
- **Your roles and responsibilities**
- **Any issues or questions that you hope we address today**

What is “board governance”?

- How do you define board governance?
- What are key characteristics?

Board governance: A few definitions

- A structure of processes and relationships to direct and control an organization or enterprise in order to further its mission.
- Systems, structures and policies that align leadership to take action for the well-being of an organization.
- The rules, norms and actions of a group with shared responsibility to manage an organization and promote its development.
- Emphasize two types of qualities:
 1. **Formal aspects:** structure, policies, and rules.
 2. **Informal aspects:** leadership, shared responsibilities, and norms.

Governance basics: Mission

- A mission describes the purpose for which your organization exists.
- A well-defined mission helps focus time and energy in the organization. Without this, your organization may drift off course.
- A clear and compelling mission can help attract and motivate board members, other volunteers, and donors.
- A mission can be a branding tool to share the essence of your organization and promote it.

Sample mission statements

- Kiva: Connect people through lending for the sake of alleviating poverty.
- March of Dimes: Improve the health of babies by preventing birth defects, premature birth, and infant mortality.
- Cincinnati Zoo & Botanical Garden: Create adventure, convey knowledge, conserve nature, and serve the community.

Considerations for your mission

How well-defined is your organization's mission? Does it help focus time and energy in the organization?

How clear and compelling is your mission? Does it help attract and motivate board members, other volunteers, and donors?

Do you use your mission as a branding tool to share the essence of your organization and promote it? If so, how?

Governance basics: Bylaws

- Focus of next workshop on Wednesday, October 23
 - Board Governance: Bylaws, Committees, & Structures
 - Elizabeth Bartley, ED Invest in Neighborhoods
- Bylaws are legally binding rules that determine how organizations are governed and how they will operate.
- They should accurately reflect how the organization works and remain relevant.
- Bylaws are not static, so the board should review them regularly and possibly amend them periodically. Some organizations appoint a task force to review the bylaws and make suggestions for revision to the whole board.

Board members: Basic roles and responsibilities (legal duties)

- **Duty of Care:** exercise ordinary and reasonable care in the performance of their duties, exhibiting honesty and good faith.
- **Duty of Obedience:** act consistently with the organization's mission and governing documents (e.g., bylaws, policies, and procedures).
- **Duty of Loyalty:** pursue the best interests of the organization rather than their own personal or financial interests or those of some other entity or individual.

Duty of Care

- Read and understand mission, bylaws, and other governing documents.
- Attend board and committee meetings.
- Be informed and prepared to participate in decision-making and oversight.
- Exercise same care as a prudent person would in the handling of their own affairs.

Duty of Obedience

- Act in ways that are consistent with the organization's mission and goals.
- Understand and comply with the organization's governing documents such as bylaws.
- Know and comply with state and federal laws governing non-profit organizations, including registration and reporting requirements.

Duty of Loyalty

- Act in the best interests of the organization. Put the organization's mission and goals above self-interest.
- Establish and follow written policies concerning conflict of interest situations.
- Avoid business relationships between board members and the organization. Do not use information obtained as a member for personal gain.

Think about your community council or nonprofit organization

How would you describe your board? (e.g., effective, struggling, collaborative, dysfunctional, all-business, lively, chaotic)

How would you characterize the engagement of board members in meetings and the work on a scale of 1 to 5 with 1 being “extremely disengaged” to 5 being “extremely engaged”? Why?

Performance of nonprofit boards

- **The ideal:** Boards are helpful in ensuring an organization's accountability, effectiveness, responsiveness, etc.
- **The evidence:** Some nonprofit boards are underperforming and even problematic.
- **Potential reasons:**
 - Many board members are uncertain of their roles and responsibilities.
 - Many board members feel disengaged from the organization.
 - Group dynamics of some boards are dysfunctional.

Problem: Uncertainty of roles & responsibilities

Potential solution: develop position descriptions for board members, even if they are informal.

Position descriptions for board members can have various functions such as:

1. Help develop and implement the organization's strategic plan.
2. Develop resources and use them effectively and efficiently.
3. Serve as a representative of the organization – i.e., advocate and build support in the community.

The substitute's dilemma ...

may or may not resonate with community councils?

- Some substitute teachers:
 - adhere to minimum standards (keep order)
 - do not try to teach (promote students' success)
- Likewise, some board members and volunteers:
 - adhere to minimum standards (maintain accountability)
 - do not try to promote the organization's success
- If you ask for little from board members, you get even less.
- In nonprofit organizations as a whole, there has been a pattern of narrowing board members' work ... which results in them becoming less engaged.
- We may want to broaden and deepen work of various board members ... and hopefully enhance their engagement.

More responsibilities for board members that would enhance their engagement

- Governance
 - Strategic and other planning
 - Policy development and implementation
 - Evaluation and assessment
- Financial management
 - Organization's overall fiscal health and sustainability
 - Budgeting and oversight
 - Fundraising
- Advocacy

Informal aspects of board governance: Leadership, shared responsibility, norms

Recruitment and orientation

- Recruit board members and other volunteers who are self-motivated.
- Try to learn their motivations (e.g., McClelland's theory of needs: affiliation, achievement, power).
- Communicate to each prospective board member what you value about them.
- Provide new board members and volunteers with:
 - position description with norms and expectations
 - materials (mission, bylaws, minutes, financials, etc.)
 - opportunities to ask questions

Informal aspects of board governance: Leadership, shared responsibility, norms

Governance

- Possibly a Governance Committee? It's not just about "nominations" anymore.
- Responsible for board development activities, such as orientation, annual retreat, ongoing training, and mentoring.
- Responsible for communicating with board members and conducting assessments about their experiences.

Informal aspects of board governance: Leadership, shared responsibility, norms

Fostering engaged discussions at meetings

- **Silent start:** All board members take two minutes to write a response to a question or prepare a question on a particular topic.
- **Breakout:** Small groups discuss the same idea to reduce groupthink.
- **Survey or questions in advance:** Start the meeting or discussion with results from surveys or questions.
- **Role play:** Assume the perspective of various stakeholders as you define different outcomes, concerns, etc.
- Other ideas?

Role of organizational leaders

Board president and others

- Create and reinforce positive expectations, and play a vital role in developing a productive culture.
- Demonstrate collaborative leadership, and rely on group work involving peers on the board.
- Create deliberate opportunities for board members to get to know each other.
- Encourage candor, listening, learning, and consensus building.
- Show and communicate appreciation.
- Other thoughts?

Signs of an engaged board or organization

- Mutual respect and appreciation are evident.
- Groupthink is short-lived; there is frequent reframing.
- There seems to be trust as well as norms of solidarity and cooperation (“social capital”).
- Board members tend to buy in and support decisions.
- When there is conflict, it usually ends productively.
- Imagination and creativity are part of discussions and work.
- Other signs?

Questions for Good Governance

(adapted from *The Strategic Board* by Mark Light)

1. Where are we going?
2. Who does what?
3. How will it happen?
4. Did it happen?

Question #1: Where are we going?

- Mission statement
 - Vision statement
 - Values statement
 - Strategies
 - Goals
- Collaborative leadership
 - Norms of solidarity and cooperation (“we’re all in this together”)

Question #2: Who does what?

- Bylaws
 - Meeting minutes
 - Board position descriptions
 - Other position descriptions
 - Board orientation
- Reliance on group work
 - Buy-in and support from board members

Question #3: How will it happen?

- Bylaws
 - Policies
 - Plans
 - Board development activities
- Positive expectations and a productive culture
 - Candor, listening, learning, and consensus building
 - Imagination and creativity

Question #4: Did it happen?

- Financial statements and audits
- Program evaluations
- Board self-assessment
- External reviews and feedback
- Demonstration of appreciation
- Possibly reinforcing and deepening of “social capital”