

CHANGING BOARDS

the easy way

A review of governance can be a defining moment in the history of any association. Many volunteer leadership structures evolve as less than perfect, yet prove highly political and difficult to change. So, advises **Rick Goldstein**, president of U.S consulting agency Kensington Group and professor at the University of Maryland, when the opportunity comes to make improvements – grab it!

Two challenges face any governance review task force. The first is to determine what the structure should be and the second to get enough support to push changes through. So while you have a responsibility to conduct an objective analysis you must think about how it will look to the board. You will achieve better results if you preview your ideas with a wide group of stakeholders first. Remember, staff members have valuable perspectives too, even if they don't have a vote.

Your task force won't all agree on what governance is, so here are some guidelines:

Good governance means stewarding in the public interest, ensuring integrity, revenue generation and financial viability, board continuity and compliance with the bylaws.

It's important to get it right because it sets the tone for how the organisation is perceived. It also demonstrates how volunteer 'owners' provide direction and oversight to the CEO and staff and exercise an approval role over what is being done in the organisation.

Apart from governance, volunteer leadership roles can be played in providing services and programmes; recruiting members and sponsors, and providing input to staff and board leadership. The distinction is important, because on the one hand the staff is essentially taking direction from volunteers, but on the other the CEO and staff have discretion over operational matters without waiting for volunteer committees to 'approve' what they do.

Define objectives...

If you were starting the organisation from scratch, what governance structure would

you have? Here's what the leaders of one not-for-profit organisation listed:

- Ensure that the organisation has a strong governance capability
- Ensure that all volunteer roles are high impact and add value
- Support streamlined decision-making processes and efficiency
- Make a clear distinction between various staff and volunteer roles
- Encourage all directors to be active participants in board discussions and decisions
- Establish clear accountabilities and regularly evaluate to assess performances

With definitions and objectives agreed, the composition of the board should be considered. Do its members possess the knowledge to provide advice to the CEO and make smart, informed decisions? Sometimes board selection emphasises politics, popularity and longevity over skills, expertise, and experience. Board members should provide leadership in recruiting new members, fundraising, and other key issues, effectively representing various stakeholder groups and skill sets such as membership, financial, legal, marketing, human resources, and board operations.

Then there's size. Many boards are too big to function effectively and are often the first step towards a dysfunctional governance structure. Meetings become formal and difficult to manage with many directors saying nothing. This pushes the real work on to smaller groups such as the executive committee. The board then becomes a rubber stamp as subgroups offer recommendations it has neither time nor



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sufficient information to debate.

So two alternatives should be considered: a small board or a larger advisory board with an active executive committee.

The small board must be able to discuss important issues and arrive at decisions in a timely and effective manner. A board size of 10 to 20 people, small enough for members to sit around a conference table and talk to one another, is ideal. A board of this size is generally large enough to include individuals with a variety of skills but small enough to attract the most sought-after board members who may view participation in a large board as a waste of time.

Political considerations and the desire for broader representation may make it necessary to establish a large board. In this case, however, the board's role would be more of an advisory group, with many of the formal governance responsibilities delegated to the executive committee.

The Executive Committee

The executive committee should be small enough to have substantive discussions, meet more often, and respond quickly as a

result of direction from the CEO. A suitable standing committee structure should achieve the following:

- Complement the volunteer governance model and staff organisation structure without adding unnecessary bureaucracy
- Align with the strategic work of the organisation with concentration on things that matter
- Setting appropriate expectations about staff support versus self-sustaining work

issues arise. But its role should be limited to handling matters requiring decisions and emergency issues. It is inadvisable to allow the executive committee to set policy and make decisions that are the responsibility of the full board.

If an organisation has a large board of 20 directors or more, then the executive committee meeting schedule should allow sufficient time to review and make policy decisions, advise the CEO on important strategic issues and operate as the primary governance oversight mechanism.

The Standing Committee

The standing committee's primary role is (or should be) to get a particular job done, such as planning an event, networking, or recruiting members, donors, and sponsors.

There are costs to standing committees that need to be considered, primarily the demand for staff support. Since volunteers spend limited time on association activities, they expect staff to provide information, do research, and follow through on committee action items. This may or may not coincide with the work already expected from staff as a

result of direction from the CEO.

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Parting thoughts

Governance review initiatives almost always arouse strong feelings, and therefore do not happen often in the life of any organisation. On the plus side, finding the right governance model will strengthen leadership and create a winning culture.

So what I say is this: Go for it. Be smart in how you design and facilitate the process, and then push for the structure and policy changes that you believe will achieve the best results.

As the saying goes: If not you, who? If not now, when? ■

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