



# Induction Workshop for NGO Directors

## Board – Management Partnership

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### *Board governance*

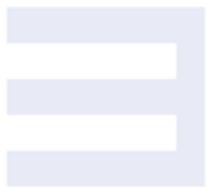
Presented by Christine Fang (GAME Consultant)

9 March 2019



# Why good board-management partnership is important?

為何管治與管理團隊的伙伴關係  
那麼重要？



## Key Roles of Governance ... 管治的基本責任 ....

1. Shape Mission & Steer Direction  
為機構使命及方向掌舵
2. Ensure Executive Leadership & Resources  
確保執行領導力及資源
3. Oversight, Ensure Performance & Sustainability  
監察機構風險及表現



# Board-Management Relationship 管治與管理的關係

*Can be like this ....*

可以是這樣



*... or like this*

...也可以是這樣



# NGO Governance Health Survey Results 2018



## Board Dynamics & Behaviour – Board Leadership

B54 Board-management has a trustful and open relationship. Top-tier management actively involves the Board in leading your organization

B55 Board gives the top-tier management enough authority and responsibility to lead the staff and manage your organization, and is alert to avoid micro-management

B53 Board and management have a shared understanding of their roles and responsibilities in governing and managing your organization respectively.

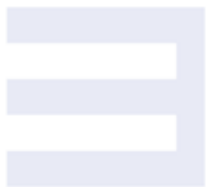
Adoption of Good Practice “often + always”	Perceived Relevance “agree +strongly agree”
88%	94%
84%	93%
83%	94%



# 5 Biggest Challenges in Working with Board – from 25 Senior Executives / CEOs (2017)



1. Understanding of the social service business and board members competency
2. Expectation difference
3. Clarity of role and responsibility, tendency towards micro-management
4. Trust and relationship building
5. Board composition and dynamics



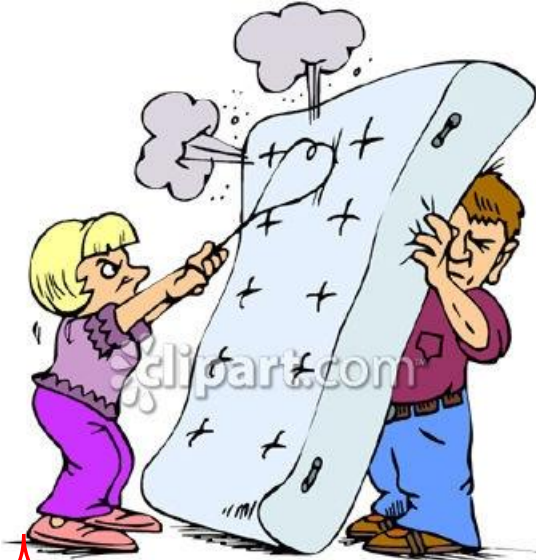
# Common Issues

*They think they know better than the Board, but management ability is actually not up to standard!*  
佢哋認為識嘢多過我哋，但係辦事能力唔夠班

*This is “their agency”, board members are “foreigners” intruding their territories!*  
覺得我哋係外行，外行人領導內行人



*They do not respect us as bosses, and intentionally hide their problems...*  
唔當我地係老闆，好多嘢都唔話比我哋知



# Board-Management Relationship

- Delicate paradoxical relationship between Board & Executive:  
微妙和富矛盾性的關係

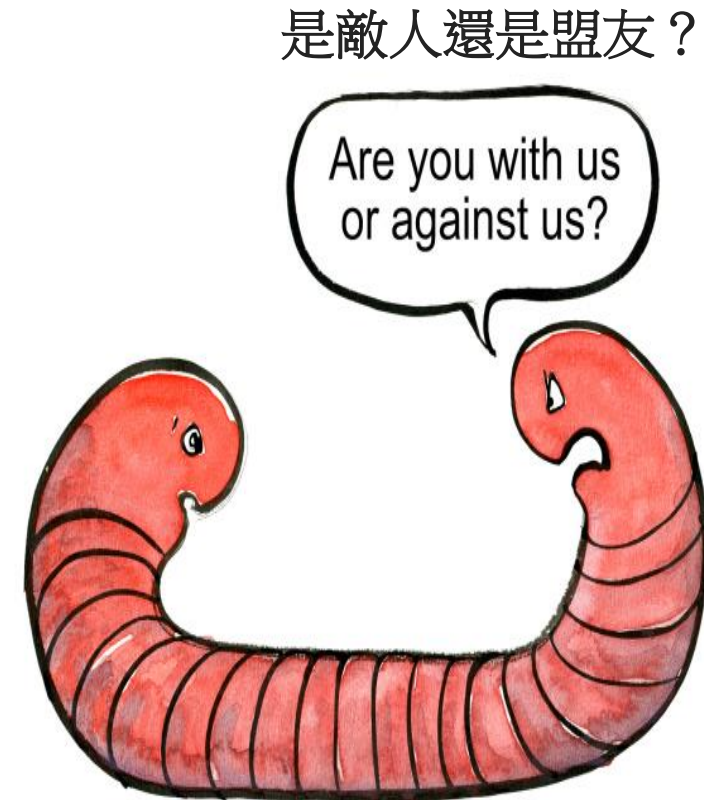
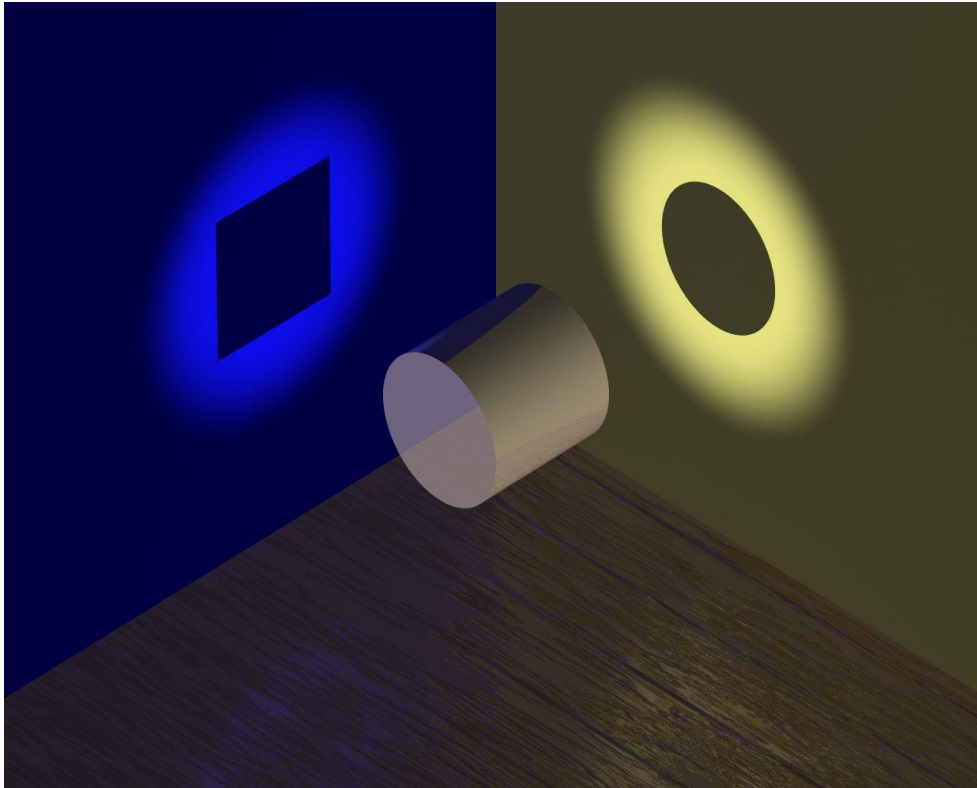
Board	Executive
<ul style="list-style-type: none"><li>• Hires, fires and supervises the Executive</li><li>• Holds final decision 承擔法律責任和最後決策權</li></ul> <p>➤ Strong Board not to dominate the Executive</p>	<ul style="list-style-type: none"><li>• Knows more, serve as educator of the Board</li><li>• Holds functional authority 擁有營運操控權</li></ul> <p>➤ Strong CEO not to capture Board</p>



Not to stifle initiative & dampen performance for both sides



# Seeing the matter on both sides 凡事兩邊看



By HikingArtist.com



# Board and Management Partnership



- A matter of **role recognition** 釐清角色
  - Separate vs collaborate
  - Stakeholder vs Principle/Agent
- **Complementary constructive partnership** 建設性的互補關係
  - Organization's mandate originates from Board
  - Board needs management's professional knowledge to materialize the organization mission
- 3 critical success factors:
  - **Mutual respect** 互相尊重 (*of each other's role*)
  - **Trust** 信任
  - **Communication** 溝通 (*concise, timing, and alternatives*)



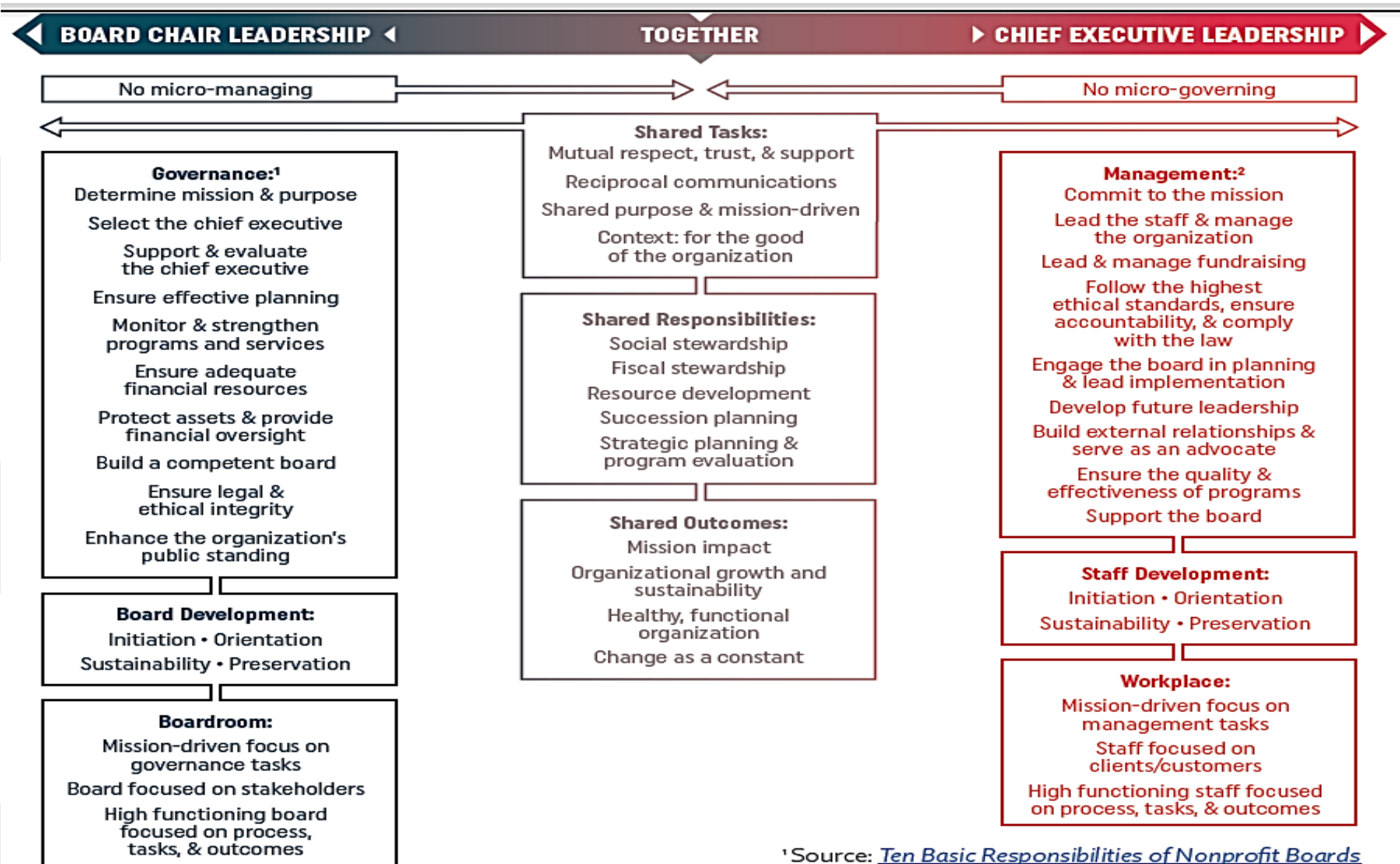
# 1. Differentiation of Roles

## 釐清角色

Function	Board	Management
Define Organizational Mission		
Strategic planning		
Conduct performance review & propose improvement measures		
Monitor results & service outcomes		
Solicit fundings & donations		
Spokesperson the organization		
Networking & building linkage		



# THE BOARD CHAIR & CHIEF EXECUTIVE PARTNERSHIP



<sup>1</sup> Source: *Ten Basic Responsibilities of Nonprofit Boards*

<sup>2</sup> Source: *The Nonprofit Chief Executive's Ten Basic Responsibilities*

## BOARD CHAIR LEADERSHIP

No micro-managing

### **Governance:<sup>1</sup>**

- Determine mission & purpose
- Select the chief executive
- Support & evaluate the chief executive
- Ensure effective planning
- Monitor & strengthen programs and services
- Ensure adequate financial resources
- Protect assets & provide financial oversight
- Build a competent board
- Ensure legal & ethical integrity
- Enhance the organization's public standing

### **Board Development:**

- Initiation • Orientation
- Sustainability • Preservation

### **Boardroom:**

- Mission-driven focus on governance tasks
- Board focused on stakeholders
- High functioning board focused on process, tasks, & outcomes

## ► CHIEF EXECUTIVE LEADERSHIP ►

No micro-governing

### **Management:**

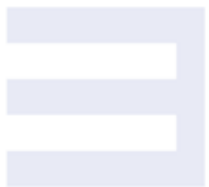
- Commit to the mission
- Lead the staff & manage the organization
- Lead & manage fundraising
- Follow the highest ethical standards, ensure accountability, & comply with the law
- Engage the board in planning & lead implementation
- Develop future leadership
- Build external relationships & serve as an advocate
- Ensure the quality & effectiveness of programs
- Support the board

### **Staff Development:**

- Initiation • Orientation
- Sustainability • Preservation

### **Workplace:**

- Mission-driven focus on management tasks
- Staff focused on clients/customers
- High functioning staff focused on process, tasks, & outcomes



## TOGETHER

共同推進的  
事工

**Shared Tasks:**  
Mutual respect, trust, & support  
Reciprocal communications  
Shared purpose & mission-driven  
Context: for the good  
of the organization

共同分擔的  
責任

**Shared Responsibilities:**  
Social stewardship  
Fiscal stewardship  
Resource development  
Succession planning  
Strategic planning &  
program evaluation

共同承擔的  
結果

**Shared Outcomes:**  
Mission impact  
Organizational growth and  
sustainability  
Healthy, functional  
organization  
Change as a constant



## 2. Role Clarity + Recognition

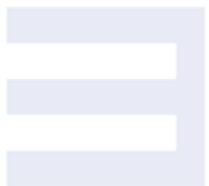
### Strategic Oversight vs Management

OVERSIGHT – the organization operates under the *direction of the Board*

- Board
  - **Do**: Set parameters, expected results, and reporting requirements
  - **Don't**: Micro-manage
- Management (via the CEO)
  - **Do**: Carry out the strategic plans and policies established by the Board
  - **Don't**: Act the above without the Board's knowledge and endorsement

Golden Rule of Governance :

**“ NOSE IN, HANDS OUT ”**  
**動口不動手**





# Four Factors that impinge on Role-taking of the Board and CEO

1. The Organization's life cycle and stage of needs 機構的成長階段和需要



2. The Organization and Board's capacity 機構和管治團隊的能力



3. The CEO's tenure CEO的年資



4. Personalities 性格





# Some practical tips for constructive partnership

\* Expectations and behaviour

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# BoardSource 2015 survey: Board- CEO Constructive Partnership Practices

- 誠懇開放的溝通
- 共同處理主要決策
- CEO積極鼓勵董事會參與帶領機構
- 董事會能開放地討論和挑戰CEO提出的建議
- CEO可以與董事會討論和分享自己的過錯而不擔心被責備
- 董事會成員互相提升能力

Figure 31. Constructive Partnership (Q9.1, 9.2 CEO; Q5.1, 5.2 Chair)

	CEO	Chair
Communication between the CEO and board is open and honest.	3.56	3.61
There is effective collaboration between the CEO and board on major decisions.	3.49	3.62
The CEO actively involves the board in leading the organization.	3.37	3.60
The board openly discusses and challenges recommendations made by the CEO.	3.33	3.48
I can share and discuss my mistakes with the board without fear they will hold them against me.	3.28	3.46
Board members help develop each other's strengths.	2.76	3.09

1 = Strongly disagree, 2 = Disagree, 3 = Agree, 4 = Strongly agree



# Expectations of the CEO

## BEST PRACTICE

### Main Responsibilities of a CEO

Shared role in 6 Governance Processes

- ☒ Provide strategic vision and high-level business judgement and wisdom to facilitate the board's decisions;  
**Direction**
- ☒ Oversee the day-to-day running of the business and executing the board's decisions/instructions;  
**Authority**
- ☒ Provide leadership to achieve the organisation's purposes and objectives;  
**Leadership**
- ☒ Develop rules and procedures within which the executive carries out its operations;  
**Control**
- ☒ Meet performance targets;  
**Accountability**
- ☒ Build necessary internal infrastructure to ensure the cost effectiveness of operations; and  
**Stewardship**
- ☒ Maintain good relationships with the organisation's stakeholders.  
**Accountability**



# Expectations of the Board Chair

## BEST PRACTICE

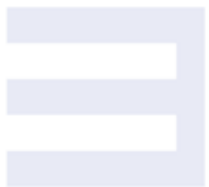
1. Agree on Key things to achieve together
2. Confirm mutual Expectations
3. Confirm how to interact  
protocols of board-staff communications
4. What support & advise does the CEO wants
5. How CEO will report & how CEO 's performance will be reviewed
6. How board meetings will be organized /serviced
7. Role of CEO in making board effective
8. Clarify what information is needed & not needed
9. Confirm who will be the principal external spokesperson





# Thorny Issues of Board's Supervisory Role over the CEO

1. **Select & Recruit the CEO** *find the right person*
  - HKCSS – NGO CEO Competency Model : (1) personal competency; (2) operation savvy; (3) development consciousness; (4) multi-stakeholder acumen
2. **Creative Division of Labour** *set parameters & expectations*
  - need dialogue & patience to define roles & boundaries, go beyond simple cliché of “board makes policies & CEO executes”
3. **Negotiate Performance Targets** *agree what to achieve*
  - Level 1 - Overall organizational performance & targets
  - Level 2 - CEO specific targets as in board development, external relations, strategic development roles, organization capacity building, etc







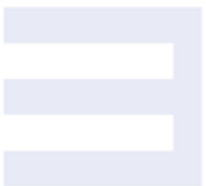
# The Board's Supervisory Role over the CEO

## 4. Regular Performance Appraisal *Tips to smoothen process*

- Design a formal process to be endorsed by the Board
- Consider a small group rather than just the Chair to do appraisal
- Performance to be evaluated against objectives & targets agreed, generic functional competencies checklist being too subjective
- Should have face-to-face review with CEO, who should be given time to respond & explain
- Evaluation should be forward-looking with follow-up & time-frame

## 5. CEO Growth & Development *assurance & forward looking*

- Recognize, appreciate & reinforce positive performances
- Identify performance shortfalls & explore adjustments to leadership styles, workload, technical skills, offer support through training, coaching, mentoring, etc
- Psychological & emotional growth – deepen self-awareness & mutuality in working with Board (deal with feelings of being challenged & threatened)



Beyond role clarity ... and don't  
blame it on personality







# Beyond role clarity ... and don't blame it on personality

## 3 CRITICAL ATTITUDE

1. Trust - reciprocity & genuine appreciation of the codependent relationship
  - Assume nothing & spring no surprises
2. Respect – seeing the value of each other;
  - Never make the partner looks dumb
3. Communication – both formal & informal are essential, be honest & frank about frustrations & feelings; be fair, reasonable and non-judgemental;
  - Tell nothing but the whole truth & bring a spirit of openness

## 3 KEY LEVERS\*

1. A shared understanding & passion of the MISSION + VISION
2. Accept the fundamental division of labour plus creatively & flexibly dividing up shared leadership roles
3. Be sensitive to each other's expectations & strength

*Wishing all Board-Management  
relationships be ....*



*...a Heart and Head match,  
a codependent & nurturing relationship*

**THANK YOU**