



**G A M E**  
良 管 善 治  
Governance and Management  
Excellence for Public Benefit

# NGO Context and its Governance

Presented by K M Chan (GAME director)

# The NGO Context

- The Third Sector of society
  - to further the advancement of our society
  - serving huge no. of under-privileged or needy people
  - through promoting civic engagement and a caring culture
- >23,300 NGOs/NPOs (*InvestHK, 2010*)
  - 8,800 approved charitable status (*IRD, 2016*)
- Public money involved:
  - Government subventions >\$55 billion
  - Public donations >\$11 billion

# 社聯機構會員 2013

機構數目:406間  
(計算至2013年3月31日)

## 機構規模的分佈

機構規模	機構數目	百分比
大型機構	142間	35%
中型機構	156間	38%
小型機構	108間	27%

- 大型機構在2012-13年度經常費用開支HK10,000,001或以上
- 中型機構在2012-13年度經常費用開支HK1,000,001 - 10,000,000
- 小型機構在2012-13年度經常費用開支HK1,000,000或以下

# 社聯機構會員 2013

## 機構獲穩定收入來源的分佈

機構獲穩定收入來源的分佈	機構數目	百分比
穩定資助多於50%	86間	21%
穩定資助50%或以下	118間	29%
沒有任何穩定資助	202間	50%

- 穩定收入來源指接受政府任何局、署或香港公益金的資助。

# Features in NGOs of HK

- Varied organizational size - <10 to >8,000 staff
- Mostly providing direct services
- Human service, nonprofit, and value-based nature
- Increasing multi-disciplinary approach
- Gap between public accountability *vs* funding constraints
- Changing social needs and external uncertainties bring frequent changes/adaptations in management patterns (*EPPs, salary reforms*)
- Bringing in commercial practices

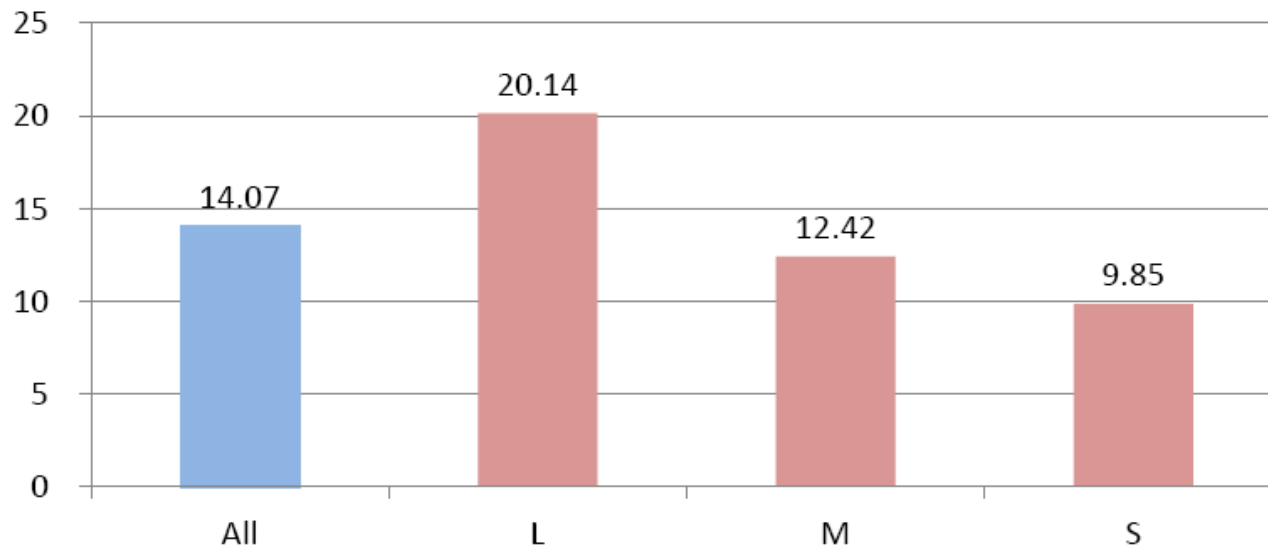
# Challenges to NGO Management

- A labour intensive industry
- Multiple stakeholders
- Resource constraints
- Easily affected by external environment
- Ethics and values more dominant
- **Managerialism** vs **Professionalism**
- **Effectiveness** vs **Efficiency**
- Sustainability by differentiation

# NGO Boards *(HKCSS, 2016)*

## Board Size

Average number of people currently serving the board



(N = 67)

# Sub-Committees of the Board

## Common Types of Sub-committee

- Service committee
- Committees of different corporate functions, such as:
  - Human resources committees
  - Fund related committees
  - Audit committees
  - Finance committees
  - Investment committees
  - Research committees
  - IT related committees

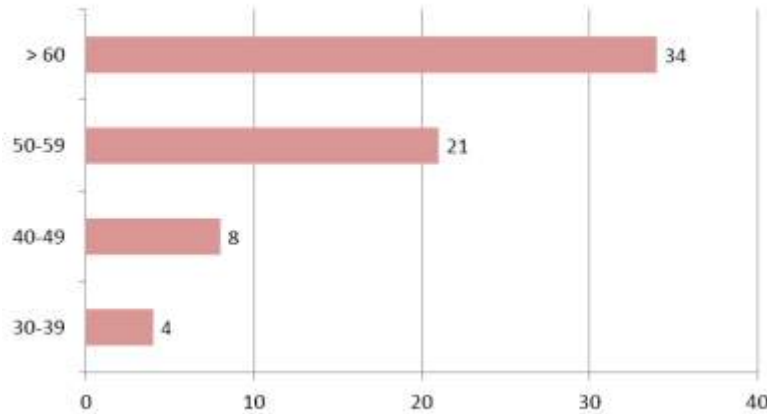
## Talent Demand by Types of Sub-committees

Types of Sub-committees	No of NGOs with the Sub-committee	Total No. of Members
Finance	58	402
Fund related	51	423
HR	49	328
Audit	24	141
IT	14	106
Investment	9	60
Research	8	58

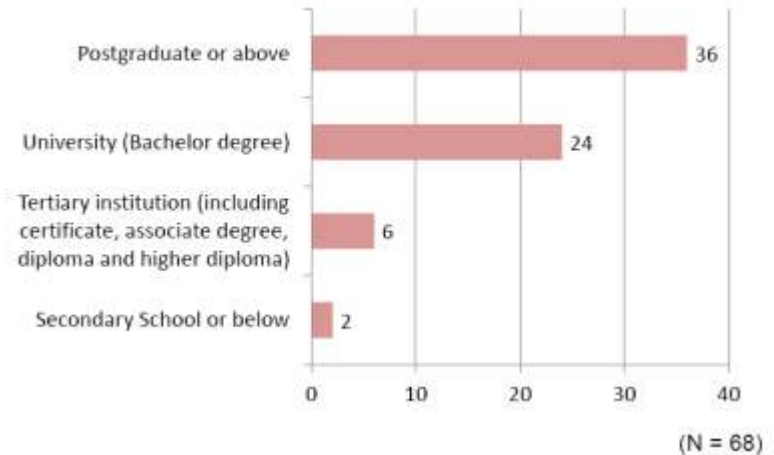


# Profile of Chairpersons

## Age



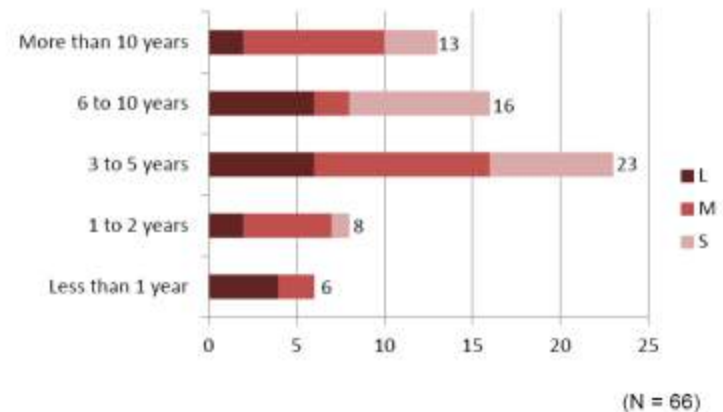
## Education Level



## Employment

Employment	No. of Responses
Retired	15
Business	11
Medical	10
Social Service	9
Religious	4
Accounting	4
Education	3
Finance and banking	2
Legal	2
Homemaker	2
Human Resources Management	1
Unemployed	1
Public Relations/ Marketing	1
Architect	1
Public Administration	1
Information Technology	1
<b>Total</b>	<b>68</b>

## Number of Years Serving the Organization as Chairperson



# Board Members' Recruitment

## Major Channels of Recruitment

	L	M	S	Total
Through personal network	19 90%	21 78%	16 80%	32%
Being nominated from subcommittees	15 71%	16 59%	7 35%	56%
Through collaborators	14 67%	14 52%	12 60%	59%
Being nominated by CEO	9 43%	6 22%	11 55%	38%
Being elected from membership	6 29%	9 33%	7 35%	32%
Through community partners	5 24%	5 19%	6 30%	24%
Representing mother organization	4 19%	2 7%	1 5%	10%
Being nominated from volunteers	3 14%	8 30%	8 40%	28%
Representing community or service users	2 10%	3 11%	2 10%	10%
Representing donors	1 5%	2 7%	3 15%	9%
Others	3 14%	0 0%	0 0%	4%

Notes:  
 "Others" includes  
 - Elected member  
 - From similar service organizations  
 - Through past board members

Personal network is the most common channel among NGOs of all sizes, but this may not be an effective channel for small NGOs as they have lower brand awareness (N = 68)

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## Desirable Personal Attributes of New Board Members

	L	M	S	Total
Commitment to the vision and mission of the organization	20 95%	25 93%	18 90%	93%
Professional knowledge	18 86%	18 67%	13 65%	72%
Knowledge of the organization and its services	11 52%	17 63%	11 55%	57%
Experience in or knowledge of the social service sector	8 38%	8 30%	4 20%	29%
Networks with stakeholder groups	2 10%	7 26%	5 25%	21%
Experience as board members of other NGOs	1 5%	1 4%	3 15%	7%
Social status	0 0%	2 7%	2 10%	6%
Others	2 10%	1 4%	1 5%	6%

Notes:  
 "Others" includes  
 - Diversity of skills organization needs;  
 - Religious belief;  
 - Elected through membership;  
 - Recruitment is based on the organisation's policy

Recruiting board members with prior experience may help build networks and need lesser facilitation to perform their role

This echoes with the result of landscape study regarding the demand of different professionals

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# Board Members' Engagement

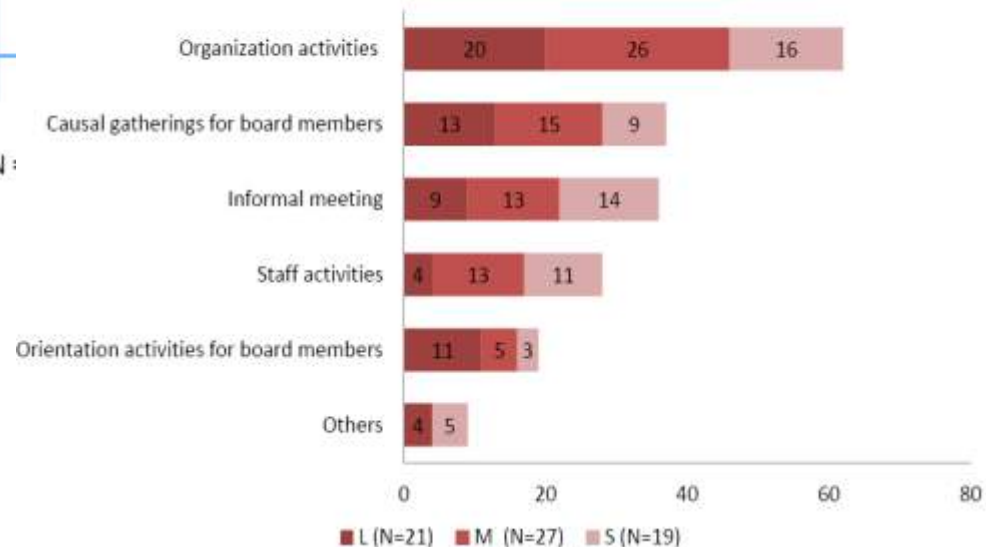
## Strategies for Engaging Board Members

	L		M		S		Total
Develop a clear sense of direction in the board towards achieving the vision and mission of the organization	20	95%	17	63%	15	75%	76%
Facilitate board members to understand and perform their role and responsibility	15	71%	16	59%	14	70%	66%
Establish transparent and fair decision making processes	17	81%	15	56%	8	40%	59%
Promote team culture in the board	15	71%	11	41%	9	45%	51%
Demonstrate good chairperson leadership	13	62%	11	41%	8	40%	
Give board member public recognition	6	29%	6	22%	6	30%	
Review the training needs of board members regularly and provide relevant trainings	3	14%	2	7%	1	5%	
Others	0	0%	1	4%	0	0%	

Notes:  
 "Others" includes  
 - Engage in the subcommittees for services enhancement and development

**A clear sense of direction is an important strategy to engage board members regardless of sizes.** (N :

## Major Types of Channel or Activities for Engaging Board Members (Cont'd)



1. 為何非牟利機構(NGO)需要董事會？
2. 董事會可為機構增加甚麼價值？

# 董事會如何被評價??

... 所帶來的麻煩遠超其價值

... 搖錢樹、經濟支柱

... 不是單憑良好意願

... 像「盲腸」- 沒有明顯功能，但或會造成身體不適，甚至帶來嚴重不便

... 橡皮圖章、扯線公仔



董事會的價值需要被了解、  
清楚表達及培養

# 給董事會賦予價值

- 一個細心評估及反思的過程以說明機構對董事會的要求



對

- 行政人員/高層主管
    - 服務對象
    - 捐款者
    - 會員
    - 公眾
- 的**真正價值**

董事會有何重要?在哪方面重要?  
(並無劃一答案)

# 1. 非牟利/慈善機構與公眾利益 (Non-profits/Charities and Public Interest)

共同概念：

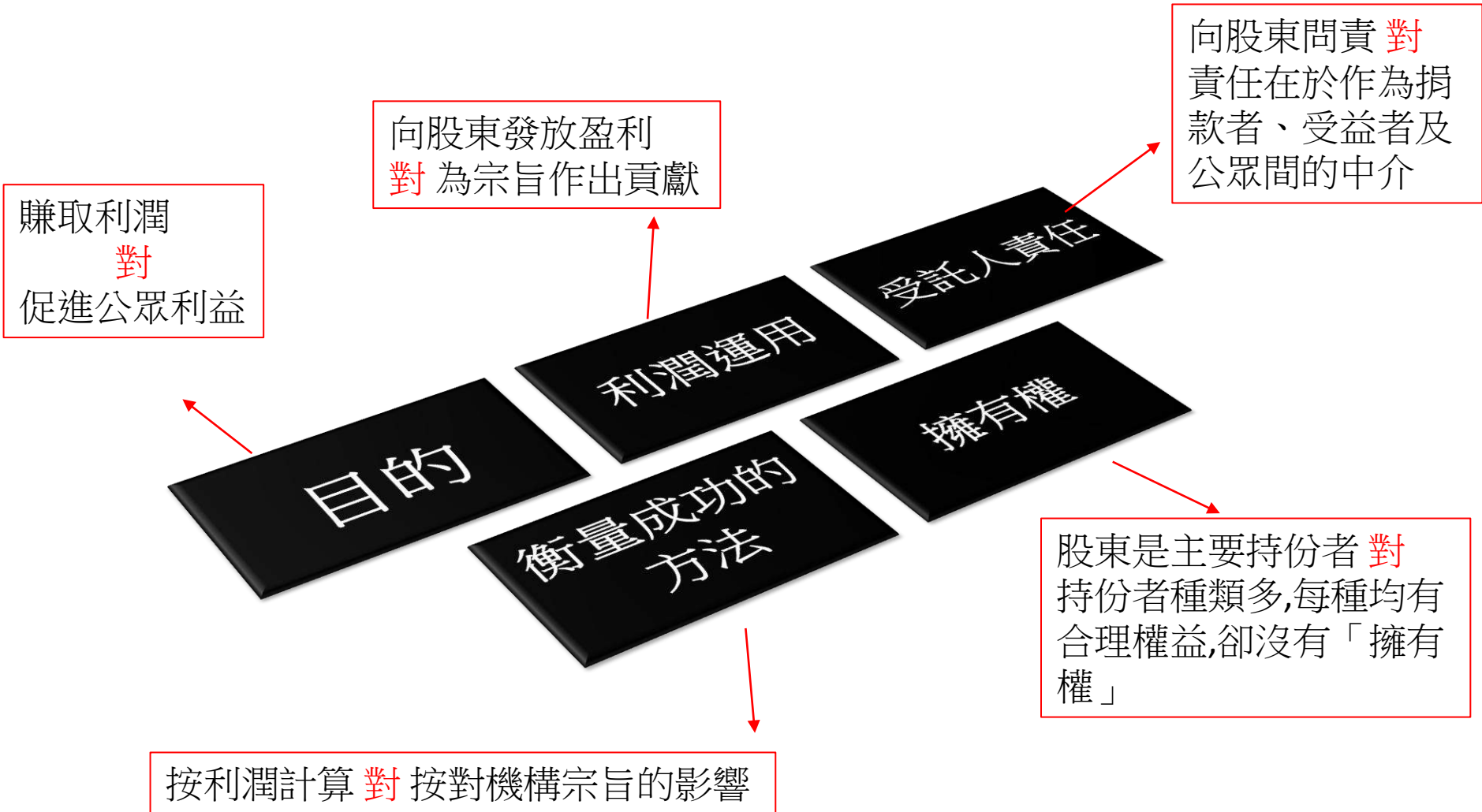
- 社會宗旨
- 非牟利
- 公益事業
- 公民社會

崇高理想、值得信賴、使命為本

- 收取公共資源(免稅或減租)
- 引發公眾信任及支持
- 獨立的議題(屬於民眾、由民眾推動)

透明度、向公眾問責性

# 企業與NGO管治 - 主要分別





# Business Administration **VS** Nonprofit Management Environment

	Business Administration	Nonprofit Management
<b>Values</b>	Private interest, competition	Social justice, equality
<b>Target group</b>	Consumers	Grassroots, vulnerable
<b>Accountability</b>	Single	Multiple
<b>Beneficiary</b>	Owner, shareholders	Public, service users
<b>Source of funds</b>	Directly from consumers	Indirectly from public & donors
<b>Products</b>	Commercial goods or services	Social welfare services
<b>Mandate</b>	Consumption power	Civil rights
<b>Approach</b>	Create dependency	Enhance independency
<b>Goal</b>	Maximize profits	Promote social well-being

## 2. 持份者與問責 (Stakeholders and Accountability)

是誰擁有你所屬的非牟利機構？

誰是你的持份者？

持份者的利益如何在管治層面展現？

「持份者是指在非牟利機構、其表現及持續性有實質、既定或預期利益的人士或機構。」  
(Anheier, 2014)

# 董事會的授權來自哪裡？



董事會代表誰的權益？

## NGO向持份者問責的特點 *(Anheier, 2014)*

- 向上: 捐款者、支持者及監管者
- 向下: 會員、受惠者及服務對象
- 對外: 伙伴、傳媒、業界及公眾
- 對內: 員工及義工、機構宗旨

眾多持份者及多重底線

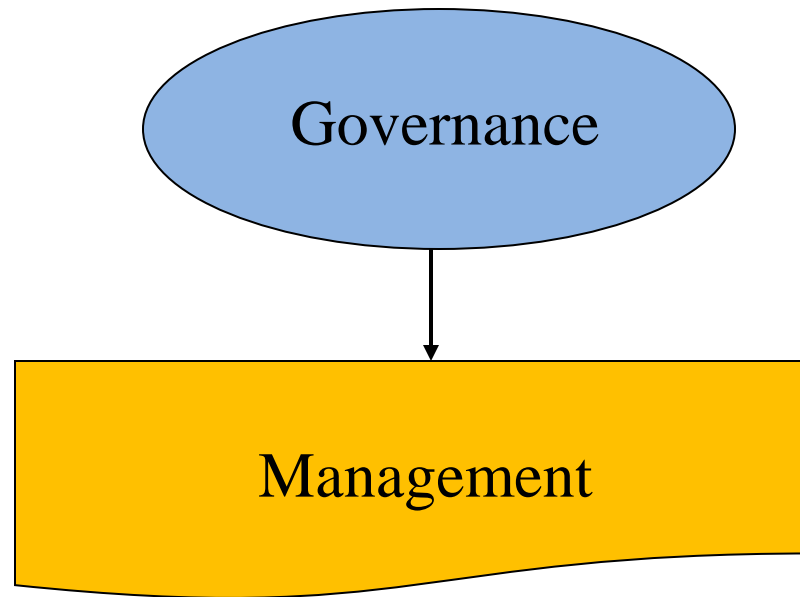


未答的問題：

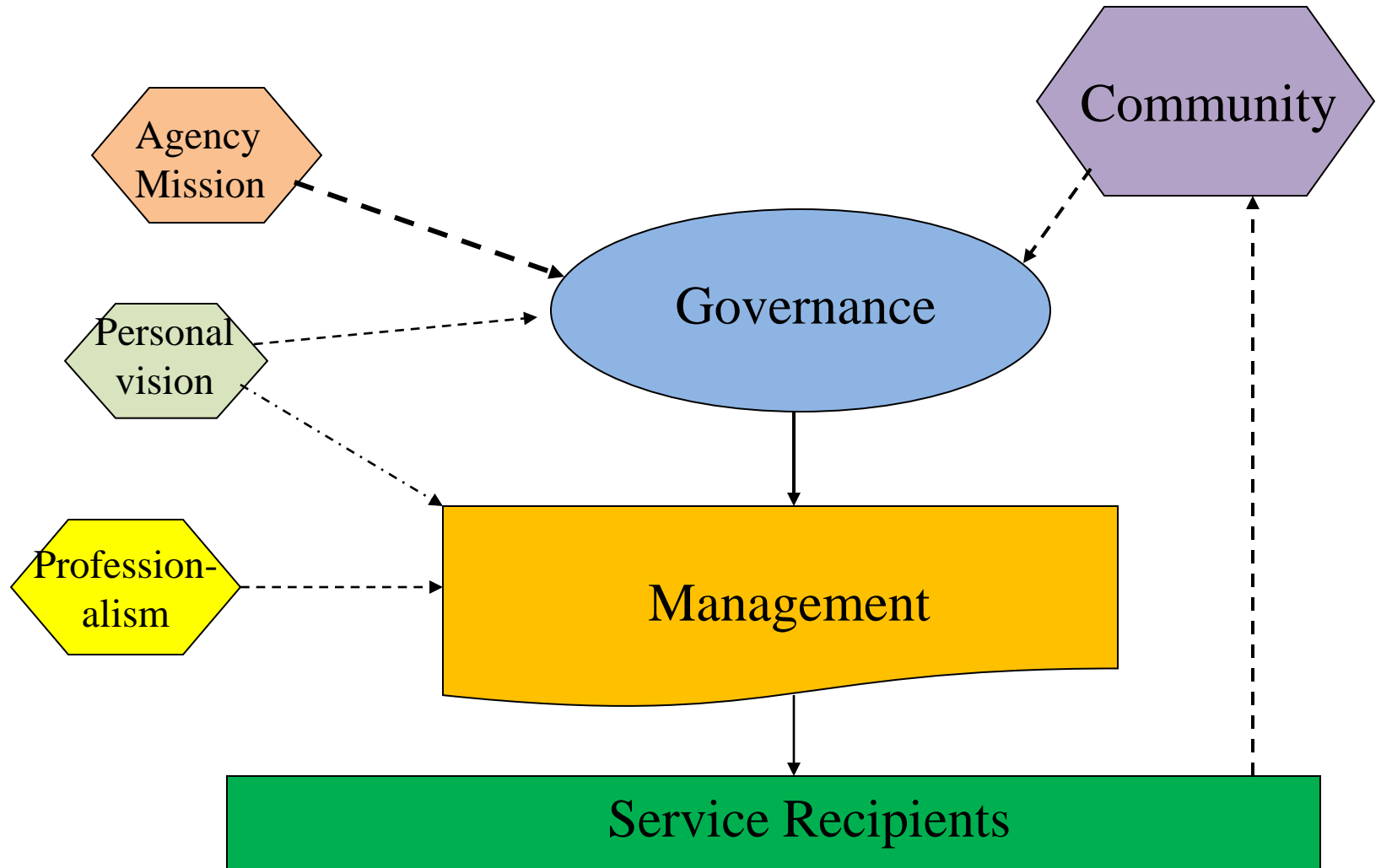
**機構管治是什麼？**

**What is Corporate Governance?**

# The Governance Structure



# The Corporate Governance Framework





“**Governance** is the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organization.” *Knowhow Nonprofit.org*

Good governance ensures :

- Compliance with law & regulation
- That an organization is well run & efficient
- That problems are identified early & dealt with appropriately
- The preservation of reputation & integrity
- That the objects of the organization are advanced & makes an impact

# 不可或缺的信託人

## 六項主要責任



CHARITY COMMISSION  
FOR ENGLAND AND WALES

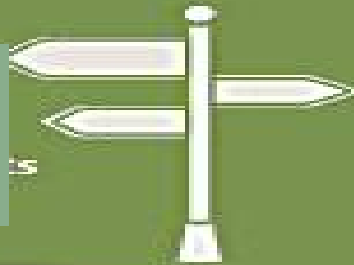


確保機構為公眾利益履行其目的

遵行機構的管治文獻並嚴守法律



以機構最大利益行事



確保機構問責



盡責地管理機構資源



行為須合理地謹慎及有技巧



# 不可或缺的信託人– 管治拼圖

*The Charities Commission, UK – Trustee guidelines CC3*



這是關於知曉:

- 機構按其目的可以及不可以做的事情
- 機構如何履行其目的並惠及公眾
- 機構實質帶來甚麼改變

這是指:

- 通曉機構管治文獻
- 得知有關遞交帳目、申報及機構註冊詳情變更的最新資訊
- 知道適用於機構的其他法律

這不是指:

- 成為專家 (但你須採取合理的行動去了解)

## 2. 不可或缺的信託人- 管治拼圖

*The Charities Commission, UK – Trustee guidelines CC3*



這是關於:

- 作出平衡而知情的決定
- 確認並處理利益衝突事件
- 確保信託人是在許可下獲益
- 為面對受質疑及挑戰做好準備
- 接受多數贊成的決定

- 這不是關於:

- 為機構的利益而保存機構
- 牟取個人利益

這是關於:

- 管理危機及保護資產(名聲)及人員
- 獲取機構所需資源
- 制訂及遵行適當的監控措施及程序
- 處理土地及樓宇
- 對員工及義工負責及向他們問責

# 不可或缺的信託人— 管治拼圖

*The Charities Commission, UK – Trustee guidelines CC3*



這是關於：

- 運用你的技術及經驗
- 決定何時需要他人建議
- 準備會議
- 獲取所需資訊(財務、管理)
- 為事情可能出錯而做好準備



這是關於：

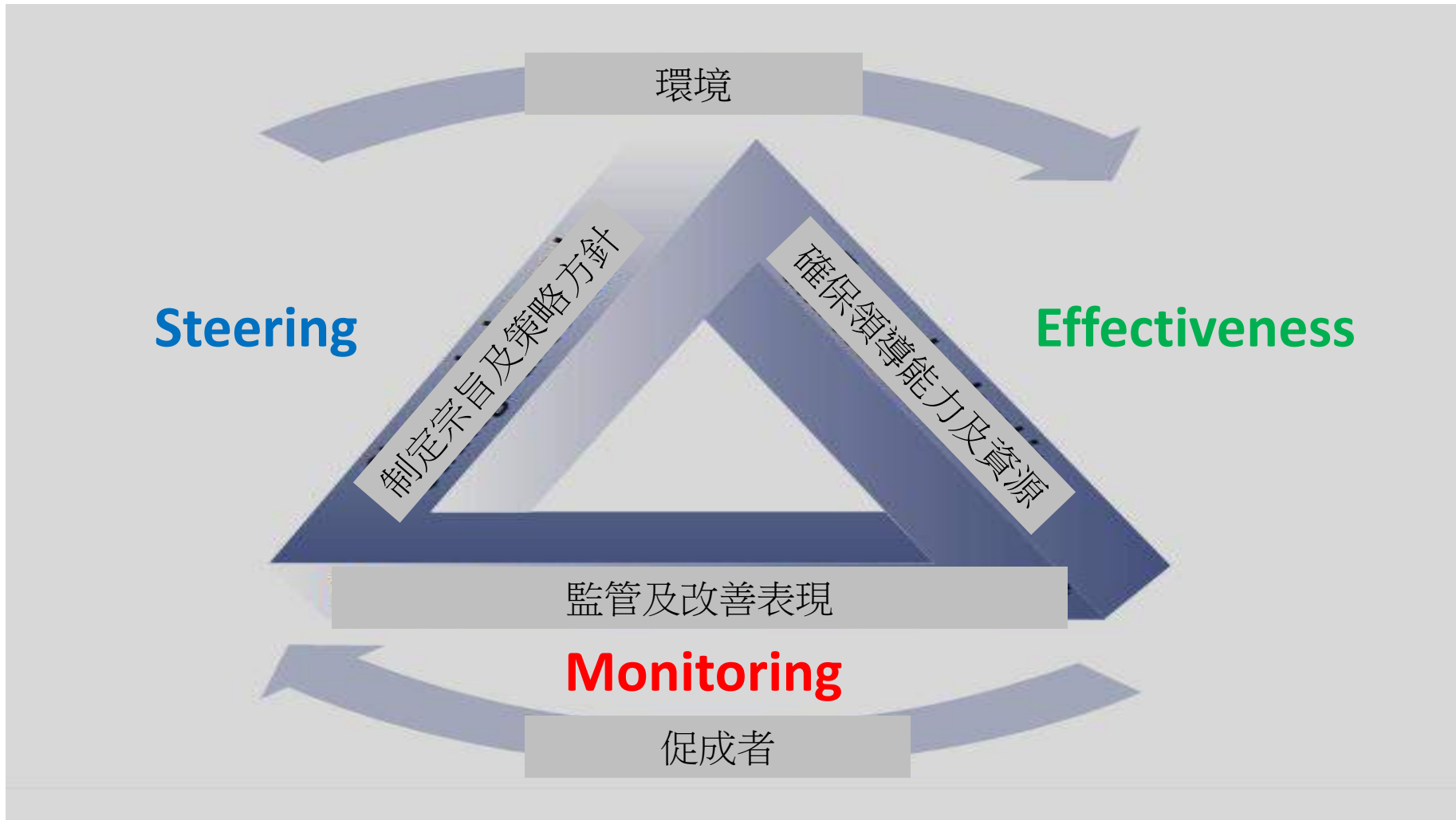
- 符合法律、會計及匯報要求
- 有能力展示出你的慈善機構合法且有效益
- 就機構權益向會員及其他相關人士問責
- 確保員工及義工向董事會問責
- 視問責為機遇，而非負擔

# Major Board Functions *(SWD)*

- **Steering**
  - Strategic oversight
  - Corporate renewal
- **Monitoring**
  - Accountability to stakeholders
  - Compliance and audit
- **Effectiveness**
  - How decisions could best be made – systems in place
  - Major policy setting/decision-making
  - Outcome and cost-effectiveness assessment
  - Crisis intervention
  - Facilitate resource development

# 非牟利機構的互動框架 - 3個主要角色及責任

McKinsey and Co.



# 非牟利機構的互動框架

*McKinsey and Co*

## 1. 制定宗旨及策略方針

主要責任:

- 制定宗旨及願景
- 積極參與策略決策及政策訂立
- 讓持份者參與





# 非牟利機構的互動框架

*McKinsey and Co*

## 2. 確保領導能力及資源

主要責任:

- 選擇、評估及培育機構主管
- 確保有足夠財務資源及監督
- 提供專業知識及門路
- 提升信譽



# 非牟利機構的互動框架

*McKinsey and Co*

## 3. 監管及改善表現

主要責任：

- 監管表現
- 維持機構健康
- 確保問責性
- 改善董事會表現
- 監督財政及充分風險管理



# 非牟利機構的互動框架

*McKinsey and Co.*

## 環境

機構的發展  
階段

機構主管及  
員工的技能

收入是否穩定  
及足夠

社會環境變遷

資助環境的  
改變

# 非牟利機構的互動框架

*McKinsey and Co*

促成因素

規模及  
架構

組成

領導

過程

# 非牟利機構的互動框架

McKinsey and Co.

機構的發展階段 - 機構主管及員工的技能 - 收入是否穩定及足夠  
社會環境變遷 - 資助環境的改變

## Steering:

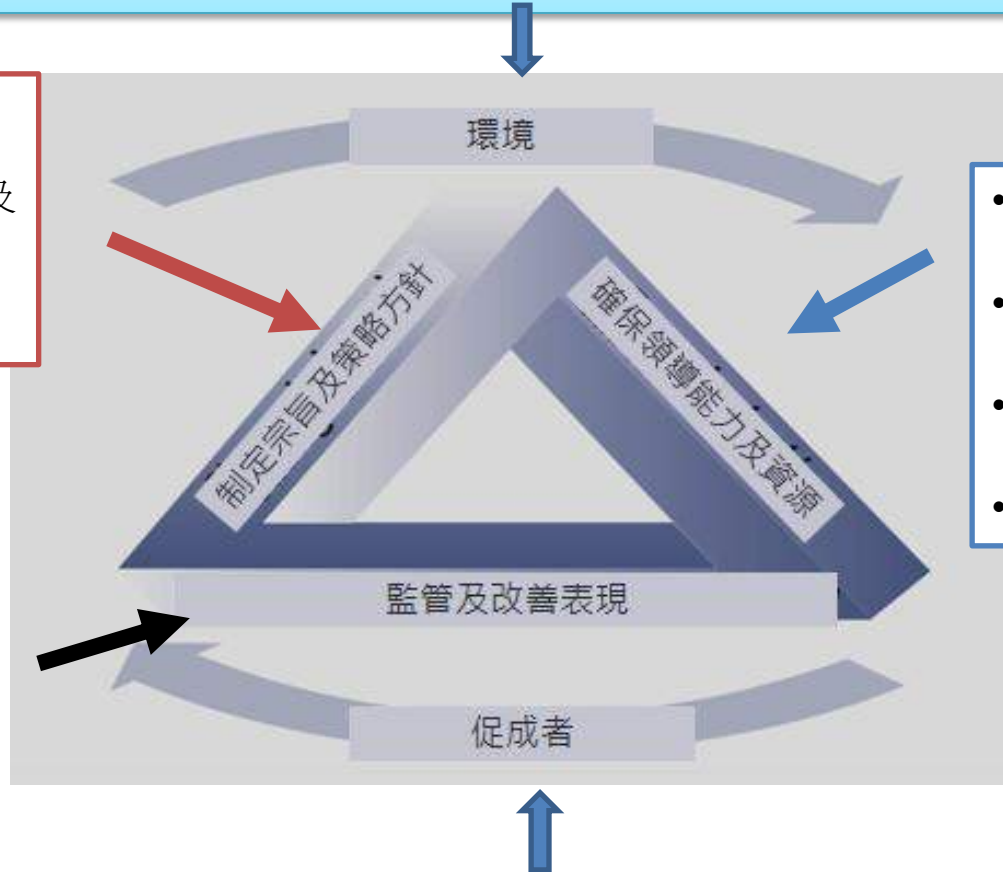
- 制定宗旨及願景
- 積極參與策略決策及政策訂立
- 讓持份者參與

## Monitoring:

- 監管表現
- 維持機構健康
- 確保問責性
- 改善董事會表現
- 監督財政及充分風險管理

## Effectiveness:

- 選擇、評估及培育機構主管
- 確保有足夠財務資源及監督
- 提供專業知識及門路
- 提升信譽



過程 - 領導 - 組成 - 規模及架構

# Role of the NGO Board in Corporate Governance

- Link **society/stakeholders** w' the **organization**
  - Board as a platform for balancing different interest
- Check and balance
  - The need for role independence
- Matter of **ownership**
- With more significant meaning for **public** than **private** organizations due to accountability concerns

# Board Members

- A group of **community individuals** operating collectively in the **interest of the organization**
- “**Ideal**” Board members:
  - ✓ A team player with independent thinking
  - ✓ Prepare to commit in time and effort
  - ✓ Inspire ethical behaviours in enhance the organization’s reputation
  - ✓ Take strategic but flexible approach to key issues
  - ✓ Commit to the mission, vision & values of the organization





**Thank you!**