

# **3rd Executive Leadership Development Program**

## **Working with Governance and Supporting Governance Health**

**Christine Fang (GAME Director)**

**24 September 2021**

# What's on .....

I. What are your biggest concerns working with the Board?

II. Issues of Board Governance

- Case sharing and discussion
- Tips on serving the Board

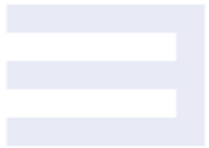
III. A Governance Health Framework

LUNCH BREAK

IV. Board- Management Relationships

- Sharing by an NGO Board Chair + CEO
- Building constructive partnerships

# 5 Biggest Challenges in Working with Board – from 3<sup>rd</sup> ELDP (2021)



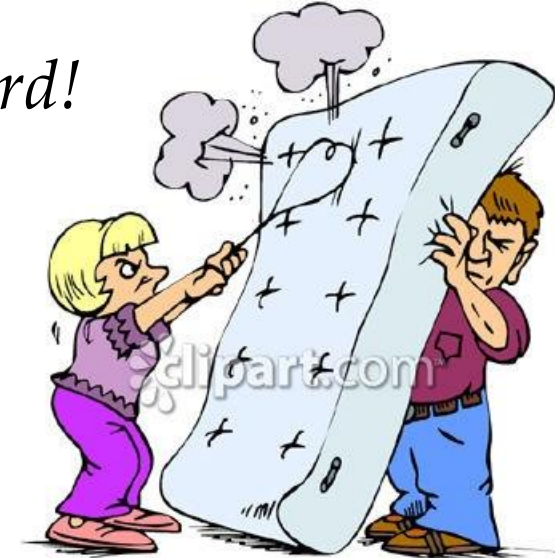
# 5 Biggest Challenges in Working with Board – from 25 Senior Executives / CEOs (2017)

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

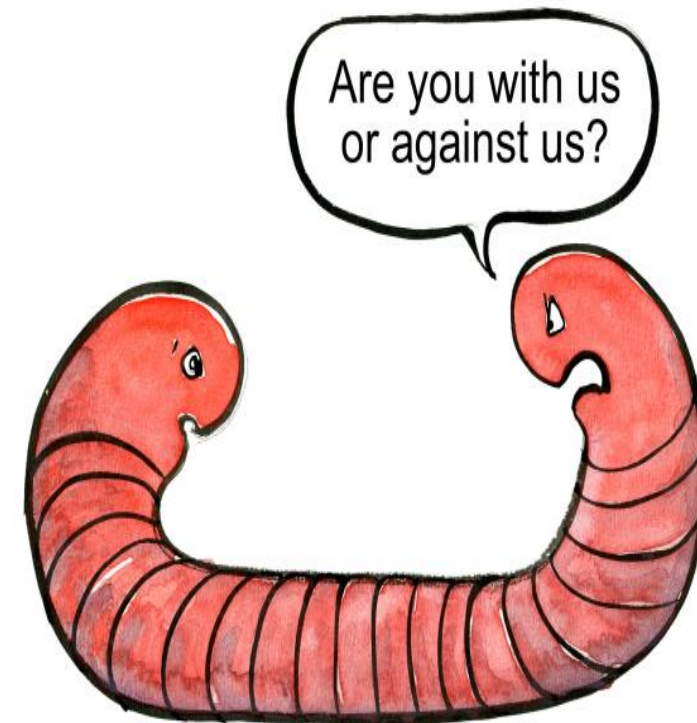
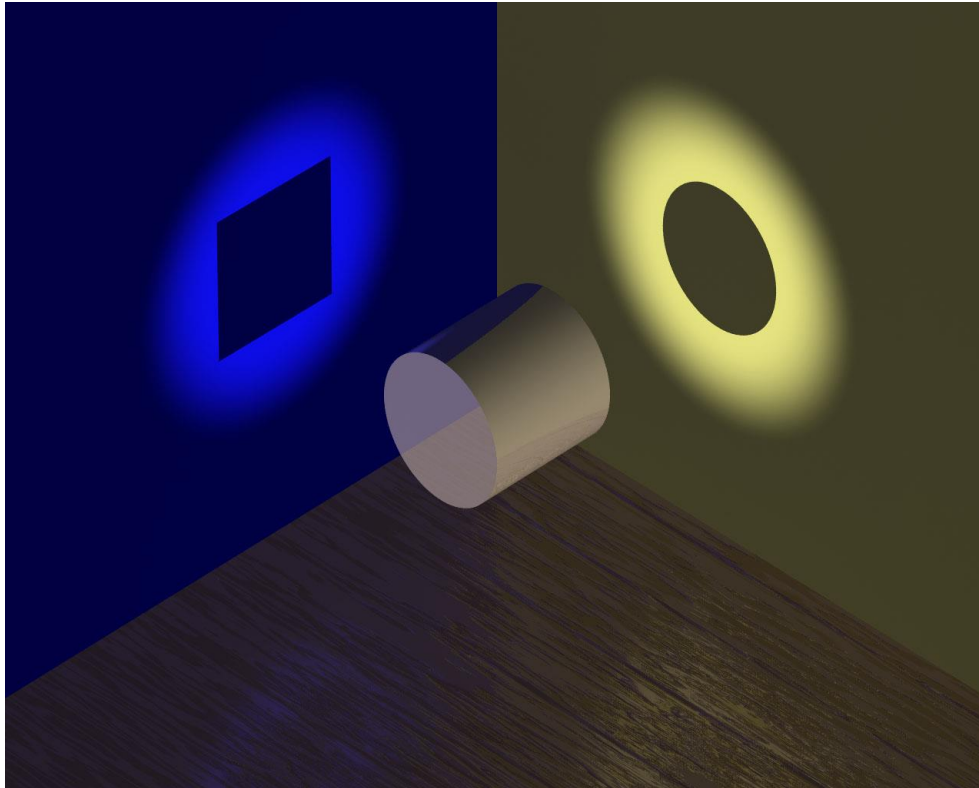
*They think they know better than the Board, but management ability is actually not up to standard!*

*This is “their agency”, board members are “**foreigners**” intruding their territories!*



*They do not respect us as bosses, and intentionally hide their problems...*

# Seeing the matter on both sides



By HikingArtist.com

# Key Roles of Governance ...

1. Shape Mission & Steer Direction
2. Ensure Executive Leadership & Resources
3. Oversight, Ensure Performance & Sustainability

*McKinsey & Co. “The Dynamic Nonprofit Board Framework”*

# COMMON GOVERNANCE ISSUES

Lack of Understanding of their Role, the Board's Role and the role of the CEO



Unengaged Members



Allowing the Unacceptable

“I’m just a Volunteer”





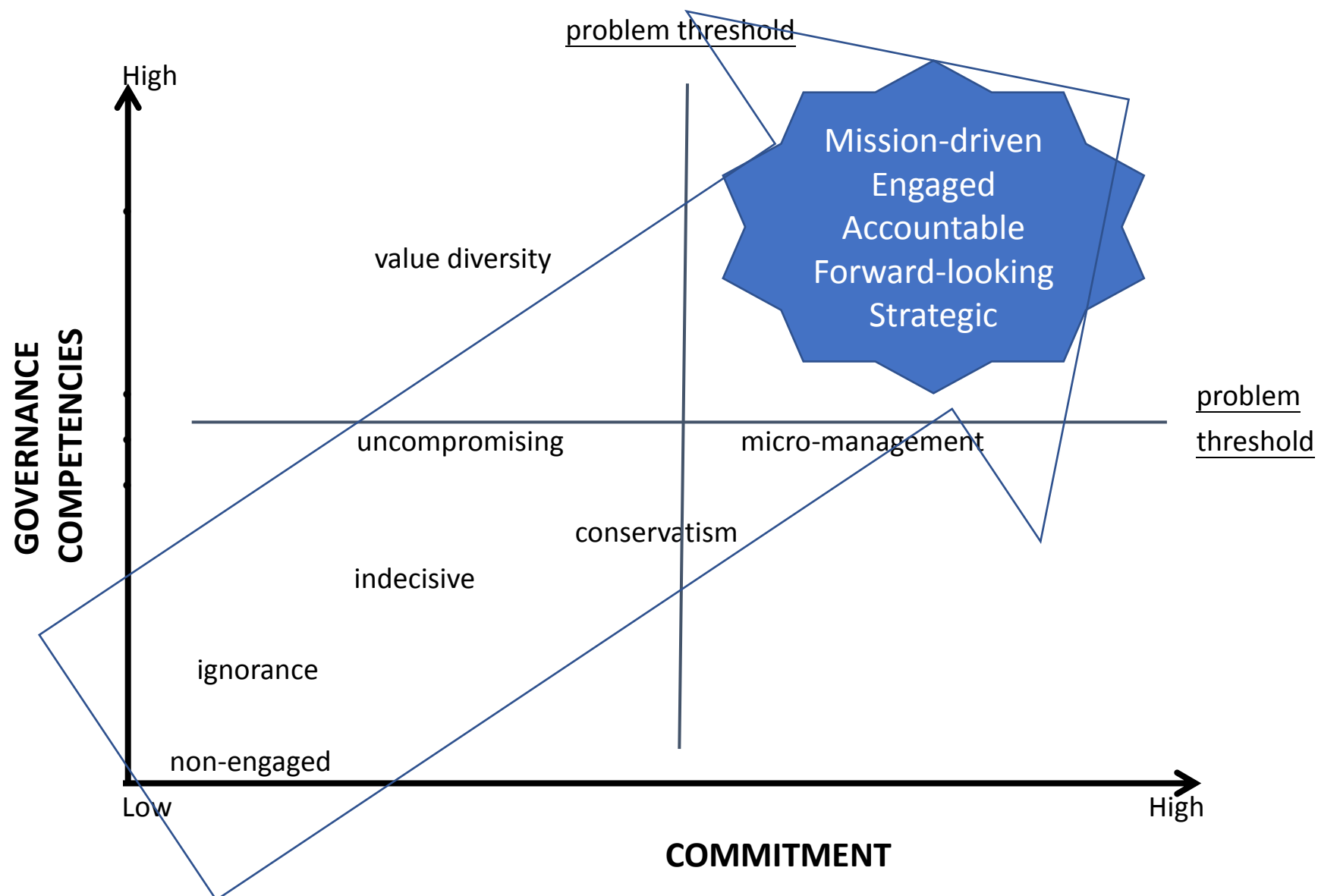
# Understand where they are from - Board Members' Cultures

- **Founders**
  - Passionate, visionary, idealistic, tend to micro-manage
- **Dignitaries**
  - Reputation-focused, social network, resourceful, ceremonial, calm, remote, busy
- **Businessmen**
  - Efficiency-conscious, action-oriented, cost-effectiveness, think out-of-box, busy, egocentric, commitment problem
- **Professionals/Experts**
  - External identity, rational, idealistic, non-interference, restricted scope of interest
- **Community people**
  - External identity, influencers or connectors, layman's perspective, straight-forward logic
- **Monitors'/Funder's agents**
  - Restricted in working relationship only, add corporate credibility
- **Users**
  - Key informants of needs, impact-conscious, restricted mentality, either passive or vocal
- **Executives/ Staff**
  - Pragmatic, key linkage, stabilizer or defensive, vested interest, manipulative

# Board Members


- A group of **community individuals** representing key stakeholders or members of the civil society to ensure the mission of the organization are delivered and public resources are properly managed.
- They should be working 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
  - Questions intelligently, debates constructively, challenges rigorously & decides dispassionately
  - Commit to the Mission, Vision & Values of the organization

# Analysis of Problems of Governance



# 個案討論

# Problems in Working with Governance

- 
- Problems of *ignorance*

➤ Education, empowerment

- 
- Problems of *mission identity*

➤ Orientation, engagement

- 
- Problems of *value diversity*

➤ Lobbying processes,  
chairman's preparations,  
set criteria, composition  
review

- 
- Problems of *non-engagement*

➤ Engagement mechanism,  
replacement

# Problems in Working with Governance


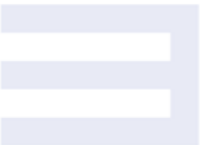

- Problems of *micro-management*
  - Agenda setting, empowerment, improve trust on the management
- Problems of *indecisiveness*
  - Chairman's preparations, executive-led, engagement mechanism
- Problems of *integrity*
  - Systems in place, discipline measures
- Problems of *conservatism*
  - Strategic review, performance benchmarking, expose Board to needs

# Serving the Board





## Learning : **Enabling Actions by CEO** (or Chair) as **Board organizer, facilitator and developer** :

- 
- 
- 
- Managing the group dynamics to allow and support members participation
  - Developing group identity, shared goals & ownership
  - Attention to the individual, understanding motivations, expectations, strength in contributions and board career planning
  - Group and individual leadership development



# An Expanded view of CEOship – CEO as a Board Capacity Builder

(\**Extraordinary Board Leadership, Doug Eadie, 2001*)

## 1. Being Lead Designer

- assist in mapping board composition, recruitment & succession planning
- Assist in developing effective board processes – annual committee schedule, options for board structure
- Assist in framing strategic decision & provide concise, essential, adequate information

## 2. Being Lead Psychologist

- Understand the motivators, remove barriers & show appreciation for Board engagement
- Build ownership & commitment

## 3. Being Lead Facilitator

- Facilitate constructive meeting, decision and oversight processes
- Assist in identifying and facilitating board development opportunities

## 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



# GOVERNANCE HEALTH FRAMEWORK



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)



# 3 Dimensions 3個維度

## 1. Contextual Dimension: Board Design & Processes

環境性維度：董事會設計及運作程序

## 2. Functional Dimension: Board Role Execution

功能性維度：董事會履行角色

## 3. Interactive Dimension: Board Dynamics & Behaviour

互動性維度：董事會的動力和行為



# Conceptual Framework

Contextual Dimension (環境性維度)

Functional Dimension (功能性維度)

BOARD DESIGN &  
PROCESSES  
董事會設計及運作程序

Board Composition 董事會組成

Steer Mission & Direction  
為機構使命及方向掌舵

BOARD ROLE  
EXECUTION  
董事會履行角色

Board  
Engagement  
董事會參與

Board  
Development  
董事會發展

Board Processes  
董事會運作程序

Monitor Organisational  
Risk & Performance  
監察機構的風險及表現

Ensure Executive  
Leadership & Resource  
確保執行領導力及資源

BOARD DYNAMICS &  
BEHAVIOUR  
董事會的動力和行為

Board Leadership  
董事會領導力

Board Structure 董事會架構

Interactive Dimension (互動性維度)



3 Dimensions 3個維度	9 Elements 9個元素
<b>Board Design &amp; Processes</b> 董事會設計及運作程序	<ol style="list-style-type: none"> <li>1. Board composition 董事會組成</li> <li>2. Board structure 董事會架構</li> <li>3. Board processes 董事會運作程序</li> </ol>
<b>Board Role Execution</b> 董事會履行角色	<ol style="list-style-type: none"> <li>1. Steer Mission &amp; Direction 為機構使命及方向掌舵</li> <li>2. Ensure Executive Leadership &amp; Resource 確保執行領導力及資源</li> <li>3. Monitor Organisational Risk &amp; Performance 監察機構的風險及表現</li> </ol>
<b>Board Dynamics &amp; Behaviour</b> 董事會的動力和行為	<ol style="list-style-type: none"> <li>1. Board Development 董事會發展</li> <li>2. Board Engagement 董事會參與</li> <li>3. Board Leadership 董事會領導力</li> </ol>

# Board-Management Relationship

*Can be like this ....*



*... or like this*

# Board-Management Relationship

- Delicate paradoxical relationship between Board & Executive:

Board	Executive
<ul style="list-style-type: none"> <li>• Hires, fires and supervises the Executive</li> <li>• Holds final decision</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</li> </ul> <p>➤ Strong CEO not to capture Board</p>



Not to stifle initiative & dampen performance for both sides



# Board and Management Relationship

- A matter of **role recognition**
  - Separate vs collaborate
  - Stakeholder vs Principle/Agent
- **Complementary** relationship – do you see the value of Governance ?
  - Organization's mandate originates from Board
  - Board needs management's professional knowledge to materialize the organization mission
- 3 critical success factors:
  - **Mutual respect** (*of each other's role*)
  - **Trust**
  - **Communication** (*concise, timing, and alternatives*)

# Some practical tips for constructive partnership

\* Role of Board Chair & CEO

---



# Role Clarity + Recognition

## Strategic Oversight vs Management

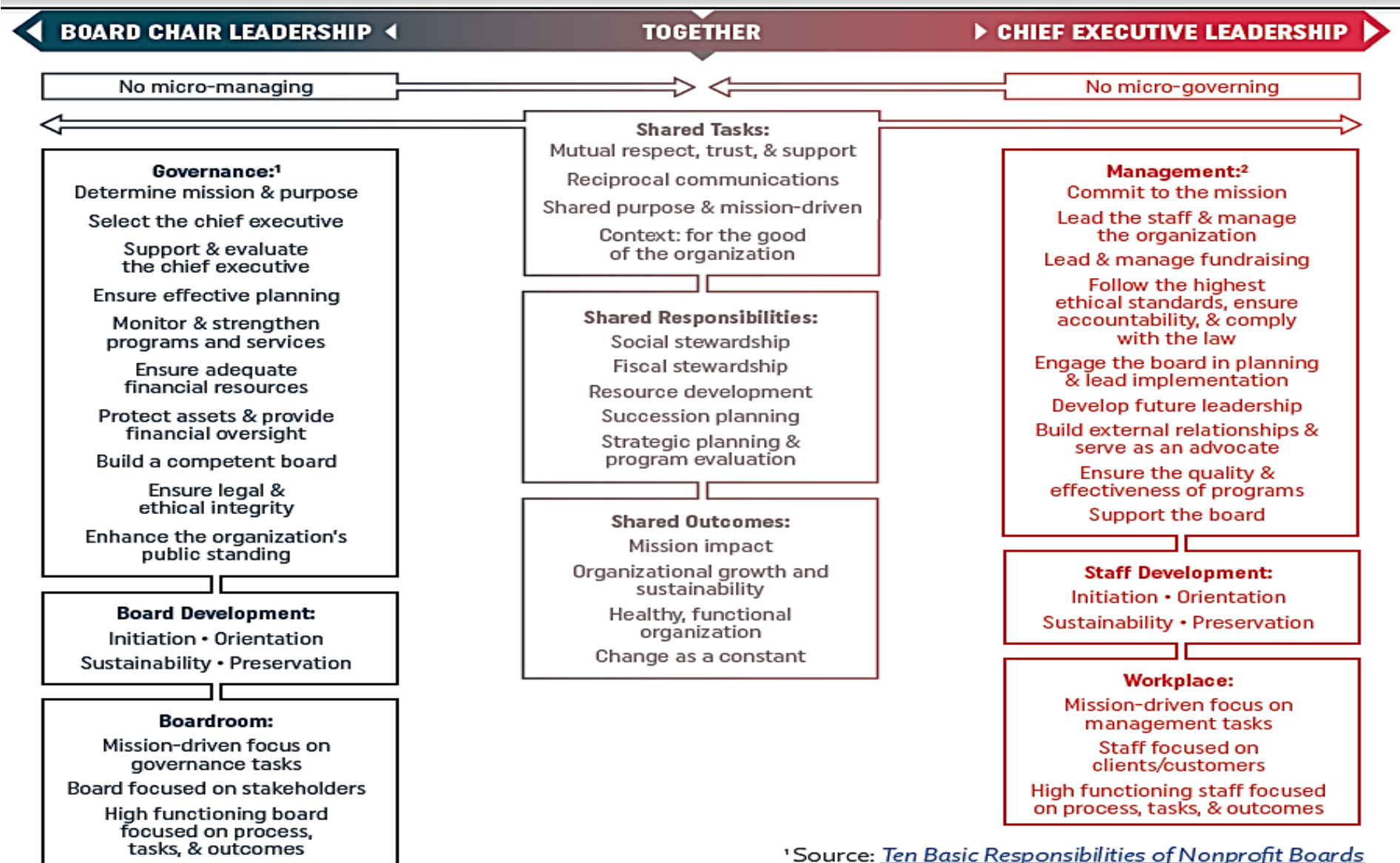
OVERSIGHT – the organization operates under the *direction of the Board*

- 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

# Differentiation of Roles

Function	Board	Management
Define Organizational Mission		
Strategic planning		
Approve annual plans /budget		
Draft management/financial policies		
Audit & approve financial statements		
Conduct performance review & propose improvement measures		
Monitor results & service outcomes		
Solicit fundings & donations		
Spokesperson of 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

No micro-governing

**Management:<sup>2</sup>**

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

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

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

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



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



# Understand your own biases



## ➤ The Board is **boss**

Total obedience, pleasing behaviours, management is affiliates

## ➤ The Board is **decorative**

Simple & naïve views towards Board members, ignore/no respect, serving ceremonial functions only



## ➤ The Board is **obstacle**

Avoid Board's deliberation, limited interaction, no mandate, hide management faults

## ➤ The Board is **to assist/finance**

Make the Board become another functional department



## ➤ The Board is **to bear responsibilities**

Put all blames on Board to escape from management responsibilities

## ➤ The Board is **mentor**

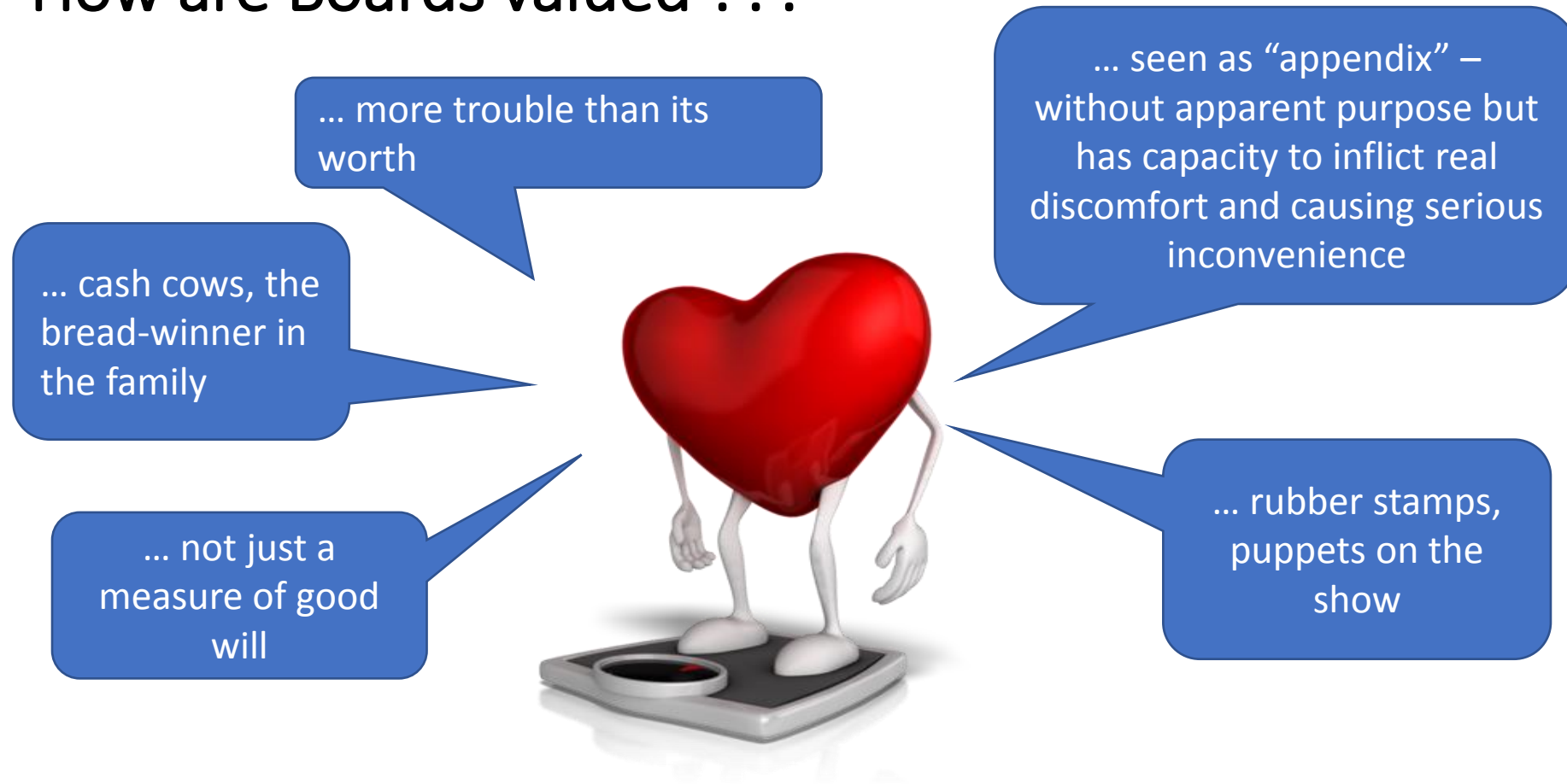
Draw in Board members' expertise to guide management behaviours



## ➤ The Board is **partner**

Share information, vision, thoughts and worries, as well as decisions and actions

# How are Boards valued ???



**The value of the Board needs to be understood, articulated & cultivated**

# Assigning a Value to the Board

- A thoughtful process of assessment and reflection to articulate what the organization requires of the Board




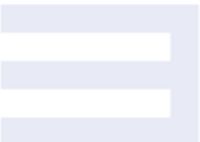

**real value** to

- the executives
- the clients
- the donors
- the members
- the public

**How the Board Matters and in What Ways ?**  
*(not an one-size-fits-all answer)*



## Learning : **Enabling Actions by CEO** (or Chair) as **Board organizer, facilitator and developer** :

- 
- 
- 
- Managing the group dynamics to allow and support members participation
  - Developing group identity, shared goals & ownership
  - Attention to the individual, understanding motivations, expectations, strength in contributions and board career planning
  - Group and individual leadership development

# Beyond role clarity ...

## 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 to be ....***



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